

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 3, 2016

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the material accuracy of representations and continuing compliance by the Town with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is not included in gross income of the owners thereof for purposes of Federal income taxation pursuant to section 103 of the Code, and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the Notes may be includable in the calculation of certain taxes under the Code, including the adjusted current earnings for purposes of computing the Federal alternative minimum tax imposed on certain corporations (as defined for Federal income tax purposes). In the opinion of Bond Counsel, based on existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B, "Form of Opinion of Bond Counsel and Tax Exemption" herein.)

**TOWN OF OXFORD
CONNECTICUT**



\$5,896,000

**General Obligation Bond Anticipation Notes
BANK QUALIFIED, BOOK-ENTRY-ONLY (the "Notes")**

Sale Date: Wednesday, October 12, 2016

Town officials will accept sealed bids and electronic bids for the Notes via PARITY® until 11:30 AM (EDT) on Wednesday, October 12, 2016 at the Office of the Finance Director, 486 Oxford Road, Oxford, Connecticut as described in the Notice of Sale dated October 3, 2015.

Dated: November 1, 2016

To Mature: July 19, 2017

Coupon (%)	Yield (%)	CUSIP
		691412

The Notes will be general obligations of the Town of Oxford, Connecticut and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due (See "Security and Remedies" herein).

The Notes are not subject to redemption prior to maturity.

The Certifying, Registrar, Paying and Transfer Agent for the Notes will be U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Hartford, CT 06103.

The Notes are offered for delivery when, as and if issued, subject to the approving opinions of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in definitive book-entry form will be made to DTC in New York, New York, or its agents, on or about November 1, 2016.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Preliminary Official Statement and the information contained herein are deemed final for the purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1) and are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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No dealer, broker, salesman, or other person has been authorized by the Town to give any information or to make any representations other than those contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Notes and may not be reproduced or used in whole or in part for any other purpose.

The information, estimates, and expressions of opinion in this Official Statement are subject to change without notice.

NOTICE OF SALE
\$5,896,000
TOWN OF OXFORD, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES

The Town of Oxford, Connecticut (the "Issuer"), will receive **SEALED PROPOSALS and ELECTRONIC BIDS via PARITY[®]** until:

11:30 A.M. (E.D.T.)
Wednesday, October 12, 2016

at the **Office of the Finance Director, 486 Oxford Road, Oxford, Connecticut 06478**, for the purchase of:

\$5,896,000 TOWN OF OXFORD
GENERAL OBLIGATION BOND ANTICIPATION NOTES

BANK QUALIFIED

The Notes will be dated **November 1, 2016**, will be payable to the registered owner on **July 19, 2017** and are not subject to redemption prior to maturity. They will bear interest (which interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Book-Entry/Denominations

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (DTC), registered in the name of its nominee, Cede & Co., and immobilized in their custody. The book-entry system will evidence ownership of the Notes in the minimum principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder or bidders, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent in same-day funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Submitting Proposals

Proposals for the purchase of said Notes must be in the form of proposal for purchase attached hereto. A proposal may be for all or any part of the Notes but any proposal for a part must be for a minimum of \$100,000, of principal amount per interest rate bid, or a whole multiple thereof, except that one such proposal for a part may include the odd \$196,000, of principal amount per interest rate bid, and the total of all principal amounts bid shall not exceed \$5,896,000. No bid for less than par and accrued interest, if any, will be considered.

Sealed proposals for the Notes must be enclosed in sealed envelopes marked "Proposal for Notes" and addressed to George R. Temple, First Selectman; Jeffrey J. Haney, Sr., Selectman; Katherine Johnson, Selectman; Michael F. Angelini, Sr., Town Treasurer; and James A. Hliva, Finance Director, c/o Office of the Finance Director, 486 Oxford Road, Oxford, Connecticut 06478.

Unless all bids are rejected the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of

the Notes specified. The Issuer reserves the right to award to any bidder all or any part of the Notes bid for in his proposal. If a bidder is awarded only a part of the Notes bid for in his proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four places.

Any bid received after the time specified, as determined in the sole discretion of the Issuer, will not be reviewed or honored by the Issuer.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Notes must be submitted through the facilities of *PARITY*[®] until 11:30 A.M. (E.D.T.) on Wednesday, October 12, 2016. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about *PARITY*[®], including any fee charged, may be obtained from *PARITY*[®], c/o i-Deal LLC, 1359 Broadway, 2nd Floor New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of *PARITY*[®] is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via *PARITY*[®], the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*[®], or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*[®], the use of *PARITY*[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each of *PARITY*[®] prospective electronic bidders shall be solely responsible to make necessary arrangements to access *PARITY*[®] for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor *PARITY*[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or *PARITY*[®] shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*[®]. The Issuer is using *PARITY*[®] as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of *PARITY*[®] to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All cost and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via *PARITY*[®] are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone *PARITY*[®] at (212) 849-5021. If any provision of this Notice shall conflict with information provided by *PARITY*[®], this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on *PARITY*[®] shall constitute the official time.

Award

The Notes will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (Hartford time) on October 12, 2016. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

Legal Opinion

The legality of the issue will be passed upon by Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, and the winning bidder or bidders will be furnished with their opinion without charge.

The Notes will be general obligations of the Issuer payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Issuer and under existing statutes the State of Connecticut is obligated to pay the Issuer the amount of tax revenue which the Issuer would have received except for the limitation upon its power to tax such dwelling houses.

The legal opinion will further state that, under existing statutes and court decisions interest on the Notes (i) is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item for purposes of computing the Federal alternative minimum tax; such interest is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax imposed on corporations under the Code.

Under existing statutes, the interest on the Notes is **excluded** from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax.

In rendering the legal opinion, Joseph Fasi LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Notes, and further, will assume continuing compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement.

Reoffering Price Certification

IT SHALL BE THE RESPONSIBILITY OF THE WINNING BIDDER OR BIDDERS TO CERTIFY TO THE ISSUER BEFORE THE DELIVERY OF THE NOTES AND IN A MANNER SATISFACTORY TO BOND COUNSEL THE PRICE OR PRICES AT WHICH A SUBSTANTIAL AMOUNT OF THE NOTES WERE INITIALLY OFFERED AND SOLD TO THE PUBLIC.

Documentation to Winning Bidders

The winning bidder or bidders will also be furnished with a Signature and No Litigation Certificate, a Receipt of payment satisfactory in form to said firm, a confirmed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the Issuer relating to the accuracy and completeness of information contained in the Official Statement, and an executed Continuing Disclosure Agreement.

Certifying/Paying Agent

The Notes will be certified by U.S. Bank National Association.

Bank Qualification

The Notes **SHALL** be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expenses allocable to the Notes.

Delivery and Payment

The Notes will be delivered to DTC or its Agent via "Fast" on or about November 1, 2016. The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Notes prior to delivery, and the Issuer will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of the winning bidder or bidders to obtain such numbers and to supply them to the Issuer in a timely manner. The Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be

imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

The purchase price must be paid in Federal Funds.

Deemed Final; Pricing Information

The Official Statement is in a form "deemed final" by the Issuer for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Issuer will provide each winning bidder a reasonable number of copies of the Official Statement prepared for this issue at the Issuer's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Issuer's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Notes.

Continuing Disclosure

The Issuer will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide timely notice of the occurrence of certain listed events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the notes.

More Information

More information regarding this issue and the Issuer, reference is made to the Official Statement. Bid forms and copies of the Official Statement dated October 12, 2016, may be obtained from Dennis Dix, Jr., Principal, DIXWORKS, LLC, 241 Avon Mountain Road, Avon, Connecticut 06001-3942, (860) 676-0609.

George R. Temple
First Selectman

Jeffrey J. Haney, Sr.
Selectman

Katherine Johnson
Selectman

Michael F. Angelini, Sr.
Town Treasurer

James A. Hliva
Finance Director

October 3, 2016

(See attached for form of Proposal for Purchase)

PROPOSAL FOR NOTES

October 12, 2016

George R. Temple, First Selectman
Jeffrey J. Haney, Sr., Selectman
Katherine Johnson, Selectman
Michael F. Angelini, Sr., Town Treasurer
James A. Hliva, Finance Director
Town of Oxford
c/o Office of the Finance Director
486 Oxford Road
Oxford, Connecticut 06478

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated October 3, 2016, which Notice is made a part of this proposal, we offer to purchase the indicated principal amount of \$5,896,000 of Town of Oxford, Connecticut General Obligation Bond Anticipation Notes and to pay therefor par and accrued interest, if any, to the date of delivery, and pay the premium specified below, if any (and we provide our computations of net interest cost carried to four decimals and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal) as follows:

Principal amount _____ %
Stated interest rate _____ Percent Net Interest Cost
Premium _____ (Four Decimals)

Principal amount _____ %
Stated interest rate _____ Percent Net Interest Cost
Premium _____ (Four Decimals)

Principal amount _____ %
Stated interest rate _____ Percent Net Interest Cost
Premium _____ (Four Decimals)

Principal amount _____ %
Stated interest rate _____ Percent Net Interest Cost
Premium _____ (Four Decimals)

The undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in Federal Funds on the date of the Notes or as soon thereafter (but no later than 30 days thereafter) as such Notes may be prepared and ready for delivery by the Issuer.

(Name of Bidder)

(Mailing Address)

(Telephone Number)

(Authorized Signature)

(Facsimile Number)

October 3, 2016

MEMORANDUM TO PROSPECTIVE BIDDERS

Re: TOWN OF OXFORD, CONNECTICUT

**\$5,896,000 General Obligation Bond Anticipation Notes
Bank Qualified, Book-Entry-Only
Dated: November 1, 2016 Due: July 19, 2017
Date of Sale: Wednesday, October 12, 2016
Time of Sale: 11:30 A.M. (EDT)**

As per the Notice of Sale, Town Officials will accept sealed bids and electronic bids via PARITY® at the office of the Finance Director, S.B. Church Memorial Hall, 486 Oxford Road, Oxford, Connecticut until 11:30 A.M. (EDT) on Wednesday, October 12, 2016.

Arrangements have been made to assist with delivery of your bid for the above-mentioned Notes. Should you wish to submit a signed but incomplete bid form in advance of the sale, please direct your proposal to the attention of:

**Dennis Dix, Jr., Principal
DIXWORKS LLC
Town of Oxford
c/o Finance Director
S.B. Church Memorial Hall
486 Oxford Road
Oxford, CT 06478
Fax: (203) 888-2136**

We ask that you submit your final figures by telephone **no later than 11:15 A.M. (EDT) on Wednesday, October 12, 2016.**

(203) 828-6513 x3018

Every effort will be made to deliver a bid received after 11:15 A.M., but it will be solely the bidder's responsibility if issuer officials do not receive such bid in a timely manner.

We trust we may be of service.

NOTE ISSUE SUMMARY

The information in this Note Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Issuer: Town of Oxford, Connecticut (the "Town")

Issue: \$5,896,000 General Obligation Bond Anticipation Notes, Book-Entry-Only (the "Notes")

Basis of Award: Lowest Net Interest Cost ("NIC") as of the dated date.

Dated and Delivery Date: November 1, 2016

Interest Due: July 19, 2017

Principal Due: July 19, 2017

Purpose and Authority: The Notes are being issued for the purchase of land and school projects as authorized by the voters of the Town. (See "Authorization and Purpose of the Notes" herein).

Redemption: The Notes are not subject to redemption prior to maturity.

Security: The Notes will be general obligations of the Town of Oxford, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.

Credit Rating: The Town has NOT made an application to Moody's Investors Service, Inc. ("Moody's") for a rating on the Notes. The Town's outstanding bonds are rated an underlying "Aa2" by Moody's. (See "Ratings" herein).

Note Insurance: The Town does not expect to purchase a credit enhancement facility.

Tax Exemption: Refer to Appendix B "Opinion of Bond Counsel and Tax Exemption" herein.

Continuing Disclosure: In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of listed events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town in substantially the form attached as Appendix C to this Official Statement.

Bank Qualification: The Notes shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registrar, Transfer Agent, Certifying Agent and Paying Agent: U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, CT 06103

Legal Opinion: Joseph Fasi LLC, of Hartford, Connecticut will serve as Bond Counsel. Contact: Joseph P. Fasi, Esq. Phone: (860) 296-0510. Fax: (860) 296-0541. Email: jfasi@fasilaw.com.

Delivery and Payment: It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about November 1, 2016. Delivery of the Notes will be made against payment in Federal funds.

Issuer Official: Questions concerning this Official Statement should be directed to: Mr. James A. Hliva, Finance Director, Town of Oxford, 486 Oxford Road, Oxford, CT 06478. Telephone: (203) 828-6513. Fax: (203) 888-2136. Email: financedirector@oxford-ct.gov.

Municipal Advisor: DIXWORKS LLC, 241 Avon Mountain Road, Avon, CT 06001-3942. Contact: Dennis Dix, Jr., Principal. Phone: (860) 676-0609. Fax: (860) 676-1649. Email: dixworks@comcast.net.

The Preliminary Official Statement will be available ONLY on <https://www.newissuehome.i-deal.com>. No hard copies will be provided.

I. NOTE INFORMATION

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Oxford, Connecticut (the "Town") in connection with the original sale of \$5,896,000 of General Obligation Bond Anticipation Notes (the "Notes") of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. The information in this Official Statement has been prepared by the Town's Municipal Advisor, DIXWORKS LLC, Avon, Connecticut (the "Municipal Advisor"), from information supplied by Town officials and other sources as indicated. The Municipal Advisor does not assume responsibility for the sufficiency, accuracy, or completeness of the statements made herein and makes no representation that it has independently verified the same. DIXWORKS LLC is an independent municipal bond advisory firm and is not engaged in the business of providing investment advice, or of underwriting, trading, or distributing municipal or other public securities. The Town and the Municipal Advisor have entered into a municipal advisory agreement to conform to Municipal Securities Rulemaking Board (MSRB) Rule G-23.

Set forth in Appendix A – "Basic Financial Statements" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in Appendix B "Opinion of Bond Counsel and Tax Exemption" herein) and they make no representation that they have independently verified the same.

Redemption

The Notes are not subject to redemption prior to maturity.

Description of the Notes

The Notes will be dated November 1, 2016 and will be due and payable as to both principal and interest on July 19, 2017. The Notes are not subject to redemption prior to maturity. The Notes will be issued as fully registered Notes in denominations of \$1,000 or any integral multiple thereof. A book-entry-only system will be employed evidencing ownership of the Notes with transfers of ownership on the records of the Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to the rules and procedures established by DTC and its participants. See "Book-Entry-Only Transfer System" herein. Interest shall be calculated on the basis of a 30-day month and a 360-day year at such rate or rates per annum, and yield and price as are specified by the Underwriter and set forth on the cover page of the Official Statement (see "Underwriting" herein). The Certifying Agent, Paying Agent, Registrar and Transfer Agent will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, CT 06103. The legal opinion on the Notes will be rendered by Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut in substantially the form set forth in Appendix B to this Official Statement.

Security and Remedies

The Notes will be general obligations of the Town of Oxford, Connecticut and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due.

Unless paid from other sources, the Notes are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts. On the last completed Grand List of the Town there were no acres of such classified forest land. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses, or the Town may place a lien on the property for the amount of tax relief granted plus interest.

Payment of the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Notes.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted by Congress or the Connecticut General Assembly extending the time for payment or imposing other restraints on enforcement insofar as the same may be constitutionally applied, and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district or any other political subdivision of the State having the power to levy taxes and to issue Notes or other obligations.

Qualification for Financial Institutions

The Notes **shall** be designated qualified tax-exempt obligations by the Issuer under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended for purposes of the deduction by financial institutions for certain interest expense incurred to carry the Notes.

Availability of Continuing Disclosure

The Town of Oxford prepares, in accordance with State law, annual independently audited financial statements and files such annual report with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, various municipal credit rating agencies ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, timely notices of listed events with respect to the Notes pursuant to a Continuing Disclosure Agreements, to be executed in substantially the form of Appendix C to this Official Statement.

The Town has entered into prior Continuing Disclosure Agreements for the benefit of holders of its debt obligations to provide annual financial information and material event notices pursuant to SEC Rule 15c2-12(b)(5). To date, the Town has not failed to meet any of its undertakings under such agreements.

The Underwriter's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for Notes.

Book-Entry-Only Transfer System

The information contained in the following paragraphs of this subsection "Book-Entry-Only Transfer System" has been provided by The Depository Trust Company, New York, New York ("DTC"). The Town makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Notes (the “Notes”). The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity and interest rate of the Notes in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption

premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

NEITHER THE TOWN, THE PAYING AGENT, NOR THE UNDERWRITER SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST ON THE NOTES; (3) ANY NOTICE PERMITTED OR REQUIRED TO BE GIVEN BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT, TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT, OR BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS NOTE HOLDER.

Authorization and Purpose

New High School Construction: A \$41,600,000 appropriation and bond authorization was approved at a referendum vote at an adjourned Town Meeting held on June 22, 2004 for the construction phase of the New High School.

High School Soccer/Practice Fields: A \$800,000 appropriation and bond authorization was approved at a referendum vote at an adjourned Town Meeting held on August 30, 2007 for the construction of two soccer/practice fields at the Oxford High School.

High School Baseball/Softball Fields: A \$415,000 appropriation and bond authorization was approved at a referendum vote at an adjourned Town Meeting held on August 30, 2007 for the construction and installation of a baseball field and a softball field, including drainage and electrical work and acquisition and installation of backstops and infield fencing.

High School Outdoor Facilities Improvement: A \$150,000 appropriation and bond authorization was approved at a referendum vote at an adjourned Town Meeting held on August 30, 2007 for miscellaneous improvements to outdoor facilities at the Oxford High School, consisting of construction of an additional sidewalk and north parking lot and installation of a water line.

Land Acquisition: A \$1,200,000 appropriation and \$800,000 bond authorization was approved at a Town Meeting held on May 10, 2010 for the acquisition for open space preservation, recreation, conservation and other related public purposes of approximately 66 acres of land and all appurtenances thereto located at 53 Quaker Farms Road.

High School Athletic Complex: A \$3,100,000 appropriation and bond authorization was approved at referendum on August 16, 2012 for the construction of an athletic complex at Oxford High School, including an artificial turf multipurpose field, synthetic running track, bleachers, lighting and other improvements.

Quaker Farms School Roof Replacement: A \$800,000 appropriation and bond authorization was approved at a Town Meeting held on February 17, 2015 for the planning, acquisition and construction of the replacement of the Quaker Farms School roof.

Proceeds of the Notes

The proceeds of the Notes will be used to finance the following projects ¹:

Project	Authorized	Date Authorized	BANs Outstanding	Pay Downs	New Money	BANs This Issue	Legal Limit ¹
High School Construction ²	\$41,600,000	6/22/04	\$1,703,000	--	--	\$1,703,000	11/1/17
High School Soccer/Practice Fields	800,000	8/30/07	447,000	--	--	447,000	11/1/17
High School Baseball/Softball Fields	415,000	8/30/07	217,000	--	--	217,000	8/30/17
High School Outdoor Facilities	150,000	8/30/07	99,000	--	--	99,000	11/1/17
Land Acquisition	800,000	5/10/10	140,000	--	--	140,000	7/28/20
High School Athletic Complex	3,100,000	8/16/12	2,790,000	--	--	2,790,000	3/7/23
Quaker Farms School Roof Replacement	800,000	2/17/15	500,000	--	--	500,000	7/23/25
	<u>\$48,875,000</u>		<u>\$5,896,000</u>	<u>--</u>	<u>--</u>	<u>\$5,896,000</u>	

¹ Earliest occurring legal limit

² \$911,456.25 in excess of legal limit to be paid from State of Connecticut progress payment grants

State School Construction Grants

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996 (the "Current Program").

Under the prior program affecting projects approved prior to July 1, 1996, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the municipality for the principal and interest costs for eligible school construction projects over the life of outstanding school bonds and subsequent bond issues necessary to completely fund the approved school project. As of June 30, 2015, the Town expects no future school building grants under the old program.

Under the Current Program, the State of Connecticut is making proportional progress payments for eligible construction costs during project construction. The State grants are paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality issues its bonds only for its share of project costs.

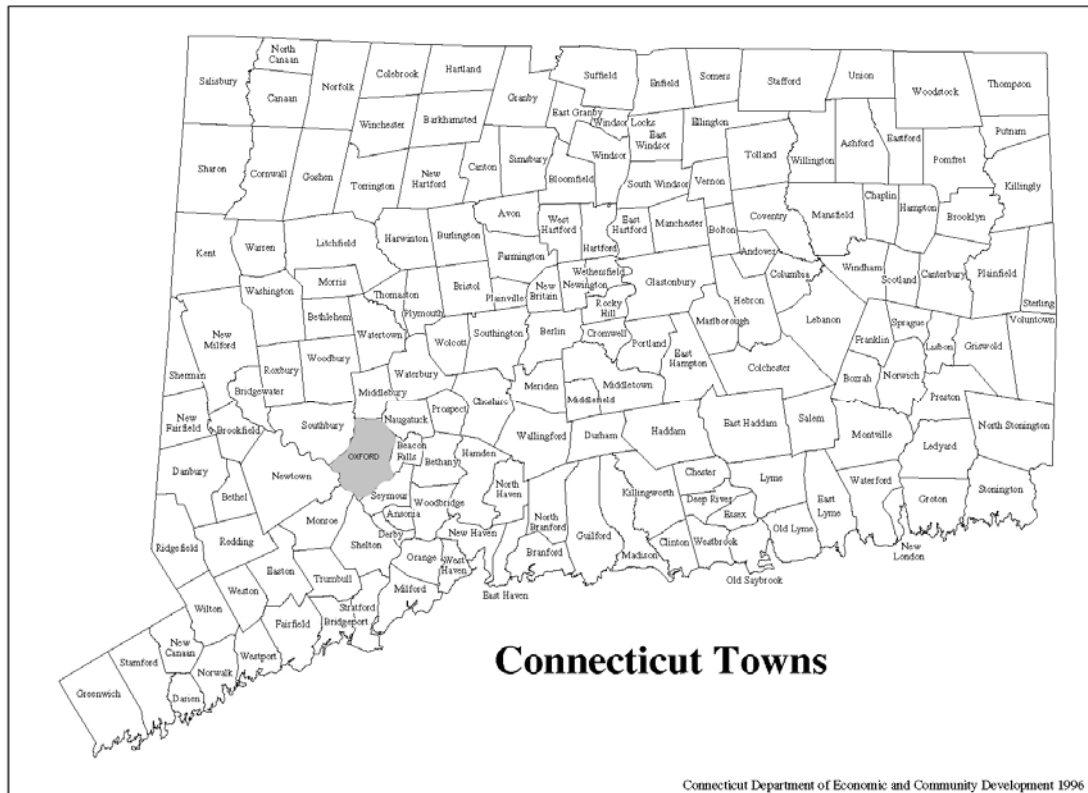
The following projects will be reimbursed at the estimated reimbursement rate shown below:

Project	Authorization	Estimated Non-reimbursable Costs	Estimated Reimbursable Costs	Reimbursement Rate (%)	Estimated Grants
New HS Construction	\$41,600,000	\$1,100,000	\$40,500,000	49.29	\$18,905,357
HS Equipment	1,360,000	394,287	965,713	49.29	476,000
HS Practice Soccer Fields	800,000	313,185	486,815	24.65	115,000
HS Baseball/Softball Fields	415,000	162,465	252,535	24.65	--
Quaker Farms Roof	800,000	--	800,000	37.50	--
Total	<u>\$44,975,000</u>	<u>\$1,969,937</u>	<u>\$43,005,063</u>		<u>\$19,496,357</u>

Rating

The Town has NOT made an application to Moody's Investors Service, Inc. ("Moody's") for a rating on the Notes. The Town's outstanding bonds are rated "Aa2" by Moody's. Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's outstanding bonds and notes, including the Notes.

II. THE ISSUER



Description of the Municipality

The Town of Oxford has an area of 33.4 square miles in New Haven County, and is nearly centrally located between New Haven, Danbury, Bridgeport and Waterbury. Oxford is bordered on the north by Middlebury, on the east by Naugatuck and Beacon Falls, on the south by Seymour, and on the west by Southbury and the Housatonic River. Oxford has access to the New Jersey, New York and Boston markets via I-84 at exits 15 & 16 and Route 8 south to I95. Oxford was founded in 1741, carved from the then-adjointing communities of Derby, Woodbury and Waterbury and incorporated as a Town in 1798.

Oxford is now the fastest growing town in Connecticut with population growth of 29% since 2000. In-town employment has grown 50% in the last 6 years and is forecast to increase further with major new facilities being completed at the Waterbury-Oxford Airport, CPV power plant, and Oxford town center.

Industrial/commercial Grand List has expanded 97% since fiscal year 2006-2007 due to infrastructure extensions, new commercial and industrial subdivisions, and construction of 23 new industrial buildings in the Town's new industrial parks.

A healthy pipeline of future development is represented by 20 additional building approvals and new subdivision opportunities that are being considered by investors and developers.

Economic development efforts in Oxford have moved steadily forward despite the national financial crisis of 2008 and the related decline in the overall economy. Vacancy rates for existing flex space buildings remain low and several buildings have changed hands after only short periods of market exposure.

Interest in Oxford remains strong due to reasonable land and floor space costs, a consistently low tax rate, and the Town's reputation for providing predictable and efficient regulatory processes that respect developers and investors and ensure timely project completion.

Oxford's industrial zone and parcels in adjoining Southbury and Middlebury surrounding the Waterbury-Oxford Airport have been formed into a State sponsored "Enterprise Zone" to further exploit economic development opportunities going forward.

The Connecticut Siting Council, which has jurisdiction over the placement of utilities, recently approved a 785-megawatt natural-gas-fired power plant near the Oxford Airport to be owned and operated by Competitive Power Ventures (CPV). An agreement between the Town and CPV provides for an initial \$5,000,000 to the Town as a payment in Lieu of Taxes (PILOT) and then approximately \$2.3 million in PILOT payments per year for the next 18 years. CPV and the Town are negotiating agreement revisions based on increased plant capacity and PILOT payments. Construction is now underway and is anticipated to be completed in late 2018.

The Town continues to pursue commercial development in the commercial zones south on parcels adjoining Route 67.

Oxford has approved 1,305 age restricted housing units in five unique developments. Three of these developments have completed construction and sale of 551 units as of August, 2016 which will contribute over \$3.7 million in annual tax revenue at the current year's 24.71 mill rate. There are currently 21 units under construction.

One of the remaining age restricted approvals has been converted to two bedroom town house configurations with 20% of the units offered as deed restricted units in compliance with State affordable housing mandates.

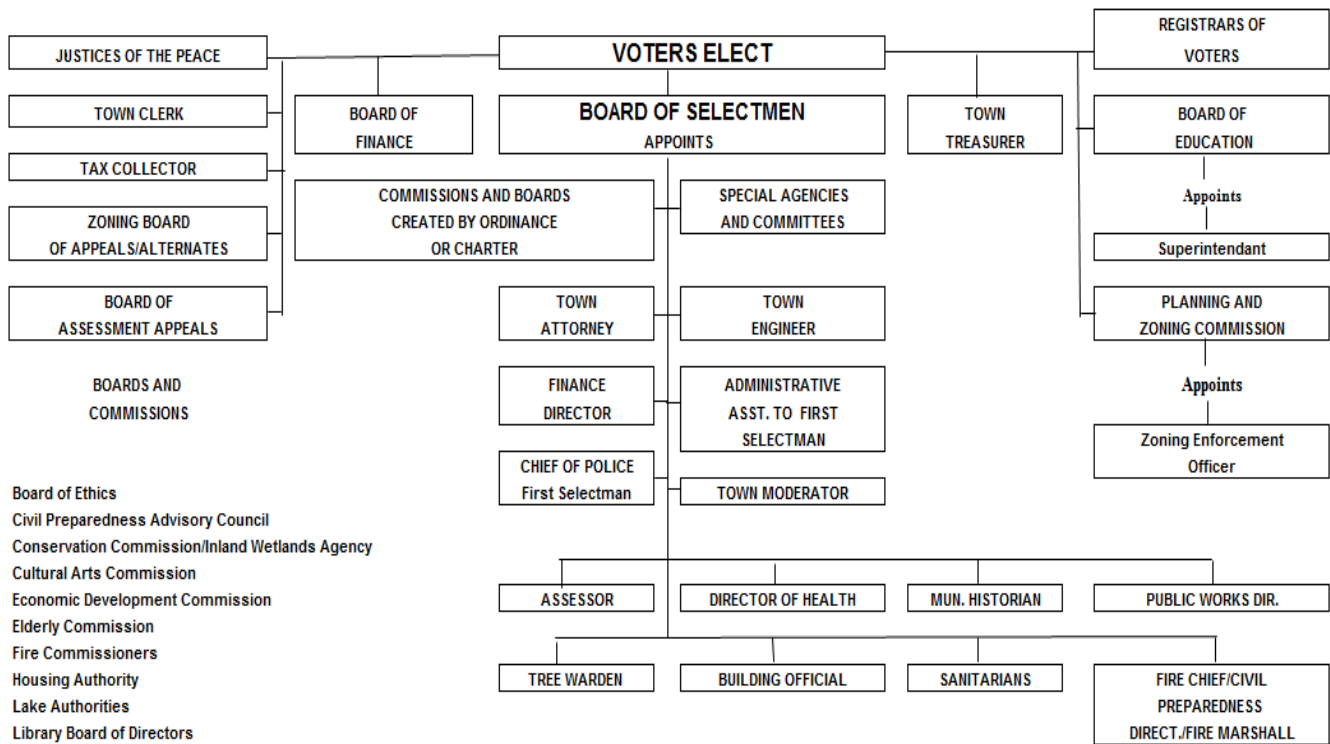
Form of Government

The Town of Oxford has a Selectmen, Board of Finance, Town Meeting, form of government. The Board of Selectmen consisting of three members, chaired by the First Selectman, is elected biennially. The Town's Charter became effective in 1991, and was most recently amended in November, 2015.

The Board of Selectmen is directly responsible for planning, organizing and directing municipal activities, except for schools and commissions separately elected or appointed. The six-member Board of Finance is responsible for finalizing the Town budget and setting the mill rate.

The Town's full-time staff includes a Town Clerk, Assistant Town Clerk, Tax Collector, Assessor, Public Works Director, Finance Director, Zoning Enforcement Officer, Building Official, and Selectmen's Administrative Assistant.

Organization Chart



- Board of Ethics
- Civil Preparedness Advisory Council
- Conservation Commission/Inland Wetlands Agency
- Cultural Arts Commission
- Economic Development Commission
- Elderly Commission
- Fire Commissioners
- Housing Authority
- Lake Authorities
- Library Board of Directors
- Parks and Recreation Commission
- Planning and Zoning Commission Alternates
- Police Commission
- Water Pollution Control Authority
- Website Committee

Prepared by: DIXWORKS LLC
June 18, 2015

Source:
Town of Oxford Charter, rev. 2011
Connecticut State Manual and Register as of July 9, 2014

The First Selectman acts Ex Officio on all Boards and Commissions.

Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Current Term</u>	<u>Length of Service</u>
First Selectman	George R. Temple	Elected	2 years	3.5 years
Selectman	Jeffrey J. Haney, Sr.	Elected	2 years	3.5 years
Selectman	Katherine Johnson	Elected	2 years	.5 years
Town Treasurer	Michael F. Angelini, Sr.	Elected	2 years	12.5 years
Town Clerk	Margaret A. West	Elected	4 years	13.5 years
Tax Collector	Sharon Scinto	Elected	4 years	4.0 years
Assessor	Eva Lintzner	Appointed	Indefinite	9.0 years
Finance Director	James A. Hliva	Appointed	Indefinite	10.5 years
Chairman, Board of Finance	John Kiley	Elected	4 years	2.5 years
Superintendent of Schools	Ana Ortiz	Appointed	3 years	2.0 years
Town Attorney	Kevin Condon	Appointed	Term of SM	4.5 years

Source: Connecticut State Manual and Register, 2015, Connecticut Secretary of State

Municipal Services

Police. The Town contracts with the Connecticut State Police for seven full-time Resident State Troopers while employing nine full-time officers and one part-time officer.

Fire/Ambulance. The Town is served by three volunteer fire companies strategically located within the Town. Training of the fire and ambulance personnel is ongoing and conducted to and beyond state requirements. Further, volunteer personnel conduct visits and programs for schools and civic organizations for the purpose of fire prevention and proper response to emergencies. The Fire Marshall and his deputies are responsible for enforcement of state and local fire codes. In the interest of public safety, all buildings and facilities of public service are inspected annually. All fires are investigated and all new public facility construction is reviewed for compliance with state and local requirements.

The Oxford Ambulance Corps serves the Town. Training of Ambulance and Fire Department personnel in rescue techniques, E.M.T., first aid, and firefighting techniques is conducted on an ongoing basis.

Public Works. The Public Works Department is responsible for maintenance, cleaning, repair and construction of public streets and storm drainage systems. Snow removal and sanding of public streets and parking areas, tree removal, trimming and plantings within street rights of way are also the responsibility of this department. Public Works maintains 112 miles of public roads.

Water Pollution Control. The Water Pollution Control Authority ("WPCA") oversees state mandates for water pollution control. A full-time WPCA employee oversees the pump stations and sewer lines which discharge into the Naugatuck and Seymour Sewer Treatment Networks.

Building Official. The Building Department is responsible for issuing building and driveway permits and for making inspections as required by the Connecticut Basic Building Code. The Department is staffed by a full-time clerk, one full-time inspector and one part-time inspector.

Health Department. The Town is served by the Pomperaug Health District which provides a Director of Health and Sanitarians which are responsible for performance of functions as outlined by Connecticut General Statutes, the Public Health Code, Connecticut Department of Health Services, and applicable Town Ordinances.

The responsibility of the Sanitarians includes complaints, soil investigations, septic installations, well approvals, water pollution, housing conditions, insect and rodent infestations, influenza inoculations, and other health related matters. The Sanitarians also review applications, plans, layouts, and issues permits, licenses, and compliance certificates to approved applicants.

Library. The Oxford Public Library is staffed by four full-time employees and is supported by additional part-time staff. The Library provides books and media for recreational use as well as non-fiction collection for research and informational purposes.

Community Carpool. The Community Carpool Commission maintains a vehicle for residents of the municipality to utilize for transportation to doctors' offices, hospitals and other necessary destinations when residents are unable to secure transportation. Almost a full time service, the Commission is run by a volunteer organization.

Parks & Recreation. This department provides a variety of programs designed to meet physical, social, cultural and educational recreational needs.

Programs for children include baseball, softball, T-ball, soccer, and basketball leagues. Programs for adults include softball, volleyball, and basketball programs. Jackson's Cove is staffed with lifeguards and maintained during the summer season. Other recreational offerings include trips to various sporting events, a swim program and an annual Easter egg hunt. Three parks and three school grounds are maintained for the Town's outdoor recreational programs.

Cultural Arts. This committee provides a series of activities including the Summer Evening Concerts, a Christmas Program, a biannual Arts Showcase, a Dance Program, and School Arts Showcase.

Senior Citizens Center. The Oxford Senior Center opened in January 2008 for daily activities. Free transportation is provided to local shopping places and to Town Hall. Regular senior activities include cards, bingo, exercise, and luncheons. Health care and health education is offered along with health screening services. Other activities including trips, tax information, and other assistance available to seniors is disseminated by a Senior Director.

Solid Waste. In June, 2011, the Town executed a successor contract, referred to as a Municipal Services Agreement (MSA) with the Materials Innovation and Recycling Authority (MIRA), formerly Connecticut Resources Recovery Authority ("CRRA"), for continued solid waste disposal services after the expiration of the predecessor contract on November 15, 2012. MIRA has made available to municipalities multiple tiered MSA options that vary according to length of agreement and commitment of waste to the System. The Town signed a Tier 1 Short-term MSA with a term of November 16, 2012 through June 30, 2017. The Tier 1 MSA obligates the Town to deliver to the System all of the municipal solid waste (MSW) under the legal control of the municipality and requires local flow control. As a Tier 1 MSA, there is no minimum or maximum tonnage requirement. The Authority is required to impose service payments at a uniform rate per ton for all municipalities. The Town in accordance with the MSA is granted Most Favored Nation status and can choose to be billed on a per ton basis under the above referenced MSA or any subsequent MSA signed by MIRA with another municipality with substantially the same terms and conditions, including the term of the contract. The system began commercial operation on May 15, 1988.

The Authority is required to accept and dispose of solid waste in accordance with the MSA and with acceptable business standards. Each municipality retains the responsibility for the collection, disposal and treatment of solid waste which does not meet the requirements or which the Authority refuses or is unable to accept under the MSA.

The Authority is required to calculate and impose Service Payments for all solid waste accepted at the System, such that the aggregate of all such Service Payments received by the Authority is sufficient to pay for the net cost of operation of the facility as defined in the MSA. The Town has the authority to opt out of the MSA should the Long Term Disposal Fee exceed the parameters as set out in the MSA. The Authority is required to submit bills to the participating municipalities on or before the fifteenth day following the end of a billing period. Municipalities are required to pay Service Payments within 20 days of the date of invoice.

Not later than the last day of February prior to each Contract Year (as defined in the MSA) the Authority estimates: (i) the service Payments to be paid by each Municipality for such Contract Year and, (ii) the Annual Budget for the System and submits such information to the participating municipalities. Each municipality is then required to make all provisions necessary so that it will be able to pay Service Payments on a timely basis. As a Tier 1 Town, The Town is entitled to a Service Discount which is deducted from the Long Term Service Disposal Fee charged on a per ton basis. The Town is also billed for any Transfer Station Fuel surcharge charged by CRRA. The Service Payments remain in effect for the Contract Year with differences between the aggregate of all such Service Payments and the net cost of operation for each Contract Year being settled in the following Contract Year. A municipality is obligated to make Service Payments only if the Authority accepts solid waste delivered by the municipality.

All municipalities, including the Town, pledge their full faith and credit for the payment of all Service Payments and any delayed-payment charges and costs and expenses of the Authority and its representatives in collecting overdue Service Payments. Each municipality agrees that its obligation to make any such Service Payments and other such payments, in the amounts and at the times specified in the MSA, whether to the Authority or the trustee, is absolute and unconditional, is not subject to any setoff, counterclaim, recoupment, defense (other than payment itself) or other right which the municipality may have against the Authority, the trustee or any other person for any reason whatsoever, is not affected by any defect in title, compliance with the plans and specifications, condition, design, fitness for use of, or damage to or loss or destruction of, the System or any part thereof and, so long as the Authority accepts solid waste

delivered by the municipality pursuant to the MSA, is not affected by any interruption or cessation in the possession, use or operation of the System or any part thereof by the Authority or the operator of the System for any reason whatsoever.

To the extent that a municipality does not make provisions or appropriations to provide for and authorize the payment by such municipality to the Authority of the payments required to be made by it under the MSA, the remaining municipalities, including the Town, must levy and collect such general or special taxes or cost sharing or other assessments as may be necessary to make such payments in full when due thereunder.

In the event of any dispute as to any portion in any bill, the disputing municipality will nevertheless pay the full amount of the disputed charges when due and will, within 30 days from the date of the disputed bill, give written notice of the dispute to the Authority. The dispute will then be resolved under the dispute resolution provisions of the MSA.

Recyclables, which include cans, bottles, plastics and newspapers, are collected weekly at the curbside. The Town under the MSA must deliver or cause to be delivered all Acceptable Recyclables to the designated Recycling facility chosen by the Authority.

Employee Relations and Collective Bargaining

The following table illustrates the full-time equivalent Town employment rolls for the last five fiscal years:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government	96	92	92	92	92
Board of Education	284	281	281	270	271
Total	380	373	373	362	363

Source: First Selectman's Office and Superintendent's Office, Town of Oxford

The following table shows the present breakdown of general government employees by department:

<u>Department</u>	<u>Full-Time</u>	<u>Regular Part-Time</u>
Administration	18	6
Public Safety	10	1
Public Works.....	14	--
Education and Culture (Library).....	4	3
Planning and Development	4	1
Parks and Recreation.....	1	30
Total	51	41

Source: First Selectman's Office, Town of Oxford

Municipal Employee Bargaining Units ¹

<u>General Government</u>	<u>Positions Covered</u>	<u>Current Contract Expiration Date</u>
Public Works – Teamsters Local #667	13	June 30, 2018
Supervisors – Local 818 of Council #4 AFSCME	5	June 30, 2017
Municipal – Local 424 Unit 67 UPSEU	13	June 30, 2017
Police – AFSCME #16	9	June 30, 2017
Sub-Total General Government Organized.....	40	
Sub-Total General Government Non-union ¹	56	
Sub-Total General Government	96	
<u>Board of Education</u>		
Teachers – Oxford Education Association	168	August 31, 2018
Administrators – Oxford Administrators Association	7	June 30, 2019
Custodians – AFSCME 1301-30	16	June 30, 2018
Paraprofessionals – AFSCME 1303-245	43	June 30, 2018
Secretaries, Bookkeepers, Clerks, Typists – AFSCME 1303-413	15	June 30, 2019 ¹
Sub-Total Board of Education Organized	249	
Sub-Total Board of Education Non-union	35	
Sub-Total Board of Education.....	284	
Total Board of Education and General Government.....	380	

¹ Includes part-time employees but not election workers or parks & recreation summer help

Source: First Selectman's Office and Superintendent's Office, Town of Oxford

General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review

the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational Services

The Oxford public school system is administered by a biennially elected nine-member Board of Education which guarantees minority party representation. Members are elected for terms of four years every other election. The Superintendent of Schools has administrative authority over Oxford's four schools. School buildings consist of the Oxford High School (grades 9-12, built in 2007), the Great Oak Middle School (grades 6-8, built in 1969 and renovated in 1978), the Oxford Center School (grades 3-5, built in 1949 and renovated in 1956), and Quaker Farms elementary school (grades PreK-2, built in 1990).

School Facilities

<u>School</u>	<u>Grades</u>	<u>Class-rooms</u>	<u>Enrollment 10/1/15</u>	<u>Town Maximum Capacity</u>
High School	9-12	25	603	750
Great Oak Middle School	6-8	27	491	672
Oxford Center School	3-5	32	472	504
Quaker Farms Elementary School	PreK-2	20	392	480
		104	1,959	2,406

Source: Superintendent's Office, Town of Oxford Board of Education

School Enrollment

As of October 1

<u>School Year</u>	<u>PreK-2</u>	<u>3-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Total Enrollment</u>
Historical					
2005-2006	548	495	516	616	2,175
2006-2007	570	493	513	620	2,196
2007-2008	564	500	547	622	2,233
2008-2009	573	533	490	622	2,218
2009-2010	562	537	509	567	2,175
2010-2011	543	525	500	629	2,197
2011-2012	504	518	532	584	2,138
2012-2013	470	507	529	589	2,095
2013-2014	428	503	514	600	2,045
2014-2015	396	480	517	575	1,968
2015-2016	392	472	491	603	1,959
Projected					
2016-2017	391	429	491	608	1,919
2017-2018	384	397	480	577	1,838
2018-2019	350	387	478	576	1,791
2019-2020	347	384	424	572	1,727
2020-2021	357	375	392	552	1,676

Source: Superintendent's Office, Town of Oxford Board of Education

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

Population and Density

Year	Actual Population ¹	% Increase	Density ²
1960	3,300	--	99
1970	4,510	36.7	135
1980	6,634	47.1	199
1990	8,685	30.9	260
2000	9,821	13.1	294
2013 ³	12,683	29.1	380

¹ 1960-2000 - U.S. Department of Commerce, Bureau of Census

² Per square mile: 33.4 square miles

³ 2013 - U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Age Distribution of the Population

Age	Town of Oxford		State of Connecticut	
	Number	Percent	Number	Percent
Under 5	683	5.4	197,395	5.5
5 - 19	2,650	20.9	712,697	19.8
20 - 34	1,471	11.6	657,966	18.4
35 - 44	1,927	15.2	469,746	13.1
45 - 54	2,321	18.3	568,510	15.9
55 - 64	1,919	15.1	456,963	12.8
65 and over	1,712	13.5	520,284	14.5
Total	12,683	100.0	3,583,561	100.0
Median Age (Years)	43.4		40.2	

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Income Distribution

Income Range	Town of Oxford		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000	21	0.6	29,895	3.3
10,000 - 14,999	62	1.7	19,176	2.1
15,000 - 24,999	27	0.7	47,319	5.2
25,000 - 34,999	72	1.9	56,997	6.3
35,000 - 49,999	215	5.8	86,025	9.5
50,000 - 74,999	493	13.2	143,989	15.9
75,000 - 99,999	704	18.9	131,874	14.6
100,000 - 149,999	1030	27.6	187,718	20.9
150,000 - 199,999	540	14.5	90,602	10.0
200,000 or more	564	15.1	109,982	12.2
Total	3,728	100.0	903,577	100.0
Median Family Income	\$109,235		\$87,245	

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Income Levels

	<u>Town of Oxford</u>	<u>State of Connecticut</u>
Per Capita Income, 2013	\$ 42,719	\$37,892
Per Capita Income, 2000	\$ 28,250	\$28,764
Per Capita Income, 1989	\$ 18,961	\$20,189
Median Family Income, 2013	\$109,235	\$87,245
Median Family Income, 2000	\$ 80,422	\$65,521
Median Family Income, 1989	\$ 56,966	\$49,199
Percent Below Poverty, 2013	4.0%	10.2%

Source: U.S. Department of Commerce, Bureau of Census

Educational Attainment

Years of School Completed Age 25 & Over

<u>Grade Levels</u>	<u>Town of Oxford</u>		<u>State of Connecticut</u>	
	Number	Percent	Number	Percent
Less than 9th grade	200	2.3	109,969	4.5
9th to 12th grade	331	3.8	156,401	6.4
High school graduate	2,428	27.9	674,478	27.6
Some college, no degree	1,784	20.5	432,546	17.7
Associate's degree	513	5.9	178,395	7.3
Bachelor's degree	2,158	24.8	498,527	20.4
Graduate or professional degree	1,288	14.8	393,446	16.1
Total	8,703	100.0	2443,761	100.0
Total high school graduate or higher (%)	93.9%		89.2%	
Total bachelor's degree or higher (%)	39.7%		36.5%	

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Major Employers

As of September, 2016

<u>Name</u>	<u>Business</u>	<u>Estimated Number of Employees</u>
Town of Oxford	Municipality/Board of Education	373
Key Air	Aircraft Charter	155
RBC Bearings, Inc.	Bearings Manufacturer	155
Alliance Energy	Energy and Tech Service	150
PTA Corporation	Manufacturer – Injection Molding	70
Xenon Architectural Lighting CED	High tech industrial lighting Mechanical/developmental engineering/parts development	60 50
Kovac Construction	General contractor	45
Macton Corporation	Manufacturing – Turntables	45
Morse Watchman, Inc.	Security Systems	45
Visiting Nurses of Connecticut	Visiting Nurses	45
Polder, Inc.	Bed, Bath, & Beyond Distributor	40
Guerrera Construction	Construction	40
Adam Equipment	Medical/indust. scale manufacturer	38

Source: Finance Director's Office, Town of Oxford

Employment by Industry
Employed Persons 16 Years and Over

Sector	Town of Oxford		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fisheries, mining	37	0.6	6,945	0.4
Construction	436	6.5	99,444	5.7
Manufacturing	1021	15.2	193,945	11.0
Wholesale trade	228	3.4	43,550	2.5
Retail trade	629	9.4	191,841	10.9
Transportation, Warehousing, Utilities	191	2.8	65,630	3.7
Information	206	3.1	41,588	2.4
Finance, Insurance, Real Estate	530	7.9	160,976	9.1
Professional, Scientific, Management, Admin ..	883	13.1	194,959	11.1
Education, Health, Social Services	1572	23.3	464,177	26.4
Arts, Entertainment, Recreation, Leisure Serv. .	351	5.2	148,097	8.4
Other Services	273	4.1	81,443	4.6
Public administration	361	5.4	66,817	3.8
Total Labor Force, Employed	6,718	100.0	1,759,412	100.0

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Employment Data

Period	Town of Oxford		Percentage Unemployed		
	Employed	Unemployed	Town of Oxford	Bridgeport Labor Market	State of Connecticut
August, 2016 ¹	6,983	326	4.5	5.4	5.6
May, 2016 ¹	6,832	321	4.5	5.2	5.4
February, 2016 ¹	6,656	374	5.3	5.8	6.0
November, 2015 ¹	6,861	272	3.8	4.7	4.8
Annual Averages					
2015	6,782	334	4.7	5.5	5.6
2014	6,695	383	5.4	6.4	6.6
2013	6,894	438	6.0	7.2	7.8
2012	6,886	461	6.3	7.8	8.4
2011	7,022	510	6.8	8.2	8.8
2010	7,135	553	7.2	8.5	9.1
2009	7,117	503	6.6	7.8	8.2
2008	7,162	346	4.6	5.3	5.7
2007	7,080	256	3.5	4.1	4.6
2006	6,647	231	3.4	3.9	4.3

¹ Not seasonally adjusted

Source: Department of Labor, State of Connecticut.

Age Distribution of Housing

Year Built	Town of Oxford		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier	307	6.6	336,587	22.6
1940 to 1969	1263	27.2	538,727	36.2
1970 to 1979	807	17.4	200,576	13.5
1980 to 1989	665	14.3	192,185	12.9
1990 to 1999	607	13.1	111,295	7.5
2000 and later.....	990	21.3	107,625	7.2
Total housing units, 2010	4,639	100.0	1,486,995	100.0
Percent Owner Occupied, 2010	91.7%		67.8%	

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Housing Inventory

Type	Town of Oxford		State of Connecticut	
	Units	Percent	Units	Percent
1-unit detached	4,319	93.0	882,026	59.4
1-unit attached	157	3.4	80,070	5.4
2 to 4 units	150	3.3	252,085	16.9
5 to 9 units	--	--	80,615	5.4
10 or more units	13	0.3	179,348	12.1
Mobile home, trailer, other	--	--	12,851	0.8
Total Inventory	4,639	100.0	1,486,995	100.0

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Owner-Occupied Housing Values

Specified Owner-Occupied Units	Town of Oxford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000	45	1.1	20800	2.3
\$ 50,000 to \$ 99,999	16	0.4	24638	2.7
\$100,000 to \$149,999	59	1.5	66934	7.3
\$150,000 to \$199,999	218	5.5	135714	14.8
\$200,000 to \$299,999	772	19.4	264832	28.8
\$300,000 to \$499,999	2216	55.7	250076	27.2
\$500,000 to \$999,999	582	14.6	114622	12.5
\$1,000,000 or more	71	1.8	41872	4.6
Total	3,979	100.0	919,488	100.0
Median Sales Price.....	\$363,700		\$278,900	

Source: U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009 - 2013

Building Permits

Fiscal Year Ending 6/30	Residential		Commercial/Industrial		Total	
	No.	Value	No.	Value	No.	Value
2016 ¹	264	\$ 6,332,525	47	\$11,573,750	311	\$17,906,275
2015	210	6,936,450	38	3,252,450	248	10,188,900
2014	299	14,313,795	24	497,900	323	14,811,695
2013	263	8,130,111	33	1,999,207	296	10,129,318
2012	251	4,535,896	24	3,349,111	275	7,885,007
2011	271	8,908,780	17	2,647,852	288	11,556,632
2010	233	7,093,761	23	1,350,537	256	8,444,298
2009	266	12,516,500	22	1,372,800	288	13,889,300
2008	337	18,710,836	47	3,944,396	384	22,655,232
2007	281	13,812,470	11	5,291,300	292	19,103,770
2006	195	32,701,540	5	1,478,000	200	34,179,540

¹ As of June 6, 2016

Source: Building Department, Town of Oxford

IV. TAX BASE DATA

Property Tax Assessment

The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total assessed values for all taxable and tax exempt real estate, taxable personal property, and motor vehicles located within the Town as of October 1. Grand List information is used by municipalities to set the mill rate which in turn becomes the basis for the Towns' annual tax levy. Assessments for real and personal property are computed at seventy percent (70%) of the market value at the time of last revaluation, and at 70% of the annual approval of Motor Vehicles by the Office of Policy and Management. Section 12-62 et. seq. of the Connecticut General Statutes govern real property assessments and establish the revaluation cycle for Connecticut municipalities of a revaluation every five years and, generally, a physical inspection every ten years. For the list of October 1, 2015, Oxford's Net Taxable Grand List amounted to \$1,445,263,910. The Town of Oxford completed a general property revaluation effective October 1, 2015 for the fiscal year 2016 - 2017. The next revaluation is required to be completed on the list of October 1, 2020 for the fiscal year 2021 - 2022. Section 12-62 imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. However, the statute permits the phase-in of a real property assessment increase resulting from a revaluation over a period of up to five years. Any property owner may seek to appeal its assessment by filing a written appeal to a Town's Board of Assessment Appeals. The Board of Assessment Appeals elects to hear such appeals and determines whether adjustments to the Assessor's list relating to assessments under appeal are warranted. Under Connecticut law, taxpayers who are dissatisfied with a decision by a Town's Board of Assessment Appeals may appeal the decision to the Connecticut Superior Court.

When a new structure or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed as of the revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to municipalities by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. Section 12-71b of The Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date are subject to property tax as follows: 1) vehicles registered subsequent to November 1 but prior to the following August 1, are subject to a prorated tax based on the period of time from the date of registration until the following October 1; 2) vehicles purchased in August and September are not taxed until the next October 1 Grand List. With respect to replacement vehicles (as compared to additional vehicles) Section 12-71b provides for similar prorating of taxes on the new vehicle and a credit with respect to taxes due on the replaced vehicle during the assessment year.

Public Act No. 16-3 (the "Act") allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (1) 37.00 mills for the 2015 assessment year and (2) 32.00 mills for the 2016 assessment year and thereafter. The Act also diverts a portion of state collected sales tax revenue to provide funding to municipalities to fully reimburse the revenue loss attributed to the motor vehicle property tax cap.

All commercial personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has not approved the use of this property tax abatement provision.

Section 12-170v of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest. The Town has not approved the use of this property tax abatement provision.

Property Tax Levy

Property taxes are levied on all taxable assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real and personal property taxes are generally payable in two installments on July 1 and January 1, except that real and personal property taxes under \$100 are payable in one installment on July 1. Motor vehicle tax bills are payable in July. Personal property taxes of \$100.00 or less are payable in July. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least four times a year with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle, real estate, and personal property tax accounts are transferred to a suspense account when collection appears unlikely at which time they cease to be carried as receivables. Tax accounts are transferred to suspense accounts no later than fifteen years after the due date in accordance with state statutes.

Comparative Assessed Valuations

Grand List as of 10/1	Real Property (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	% Change
2015 ¹	84.5	7.5	8.0	\$1,463,102,350	\$17,838,440	\$1,445,263,910	0.79
2014	85.1	6.8	8.1	1,458,179,117	15,600,960	1,442,578,157	1.14
2013	85.3	6.9	7.8	1,442,702,265	16,435,710	1,426,266,555	1.27
2012	85.7	6.7	7.6	1,425,341,100	16,988,430	1,408,352,670	0.38
2011	85.7	6.7	7.6	1,415,840,194	12,876,160	1,402,964,034	0.44
2010 ¹	85.8	6.9	7.3	1,408,276,150	11,469,760	1,396,806,390	(4.88)
2009	86.7	6.6	6.7	1,479,669,507	11,132,400	1,468,537,107	4.47
2008	89.8	3.4	6.8	1,416,190,835	10,482,110	1,405,708,725	2.88
2007	89.9	2.9	7.2	1,374,867,757	8,474,202	1,366,393,555	2.43
2006	90.1	2.7	7.2	1,341,396,168	7,247,617	1,334,148,551	4.40

¹ Revaluation

Source: Assessors' Office, Town of Oxford, as of 10/1 (before Supplemental Motor Vehicles)

Tax Exempt Property

The following categories of exempt properties are not included in the Grand List.

Public	Assessed Value 10/1/15 ¹
Town of Oxford.....	\$ 47,109,500
State of Connecticut	42,370,900
Sub-Total Public	<u>89,480,400</u>
Private	
Churches.....	6,237,200
Agricultural and Horticultural	244,200
Volunteer Fire Companies.....	178,200
Veteran's Organizations	219,200
Cemeteries	533,100
Non-profit Camps.....	530,200
Scientific, Educational, Historical, Charitable	8,193,700
Sub-Total Private	<u>16,135,800</u>
Total Exempt	<u>\$105,616,200</u>
Percent Compared to Net Taxable Grand List	7.31%

¹ Net Taxable Grand List 10/1/15: \$1,445,263,910

Source: Assessor's Office, Town of Oxford

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate ¹	Adjusted Tax Levy	Percent Collected in Year Due	Uncollected (Pro Forma)	
						Percent Uncollected in Year Due	Percent Uncollected as of 8/31/16
2015 ^{1,2}	2017	\$1,445,263,910	24.71	\$34,646,622		-- In Process --	
2014 ¹	2016	1,442,578,157	24.96	35,641,351	98.4	1.6	1.4
2013 ¹	2015	1,426,266,555	24.87	35,758,406	98.5	1.5	0.7
2012	2014	1,408,352,670	24.75	35,064,485	98.4	1.6	0.7
2011	2013	1,402,964,034	24.10	33,320,400	98.1	1.9	0.6
2010 ²	2012	1,396,806,390	23.21	32,456,789	98.1	1.9	0.5
2009	2011	1,468,537,107	21.05	30,990,184	98.0	2.0	0.5
2008	2010	1,405,708,725	20.44	27,192,114	97.9	2.1	0.5
2007	2009	1,366,393,555	20.33	27,988,747	97.9	2.1	0.2
2006	2008	1,334,148,551	19.37	25,971,396	97.3	2.7	0.2
2005 ²	2007	1,277,640,070	19.37	24,756,757	97.3	2.7	0.1

¹ Subject to accrual and final audit.

² Revaluation

Source: Annual Financial Reports, Town of Oxford, fiscal years 2007 – 15
Tax Collector and Assessor, Town of Oxford, fiscal years ending June 30, 2016 and June 30, 2017

Property Taxes Receivable

Fiscal Year Ending 6/30	Total	Current Year
2016 ¹	\$2,004,341	\$569,992
2015	2,105,418	521,125
2014	2,117,823	553,676
2013	4,147,864	631,965
2012	4,307,864	609,485
2011	4,428,497	617,196
2010	4,566,723	571,109

¹ Preliminary. Subject to audit.

Source: Annual Financial Reports, 2010 - 2015, Town of Oxford
Tax Collector's Office, Town of Oxford, June 30, 2016

Property Tax Revenues

Fiscal Year	General Fund Revenues	Property Tax Revenues	Property Tax as a Percentage of General Fund Revenues
2016 ¹	\$44,024,215	\$34,907,351	79.29
2015	46,460,320	35,798,527	77.05
2014	46,017,760	35,883,902	77.98
2013	44,190,396	33,941,529	76.81
2012	42,718,153	32,541,059	76.18
2011	40,815,489	30,850,616	75.59
2010	39,261,493	29,026,537	73.93
2009	38,980,310	27,949,703	71.70
2008 ²	44,148,160	26,190,671	59.32
2007	33,099,294	24,760,650	74.81
2006	32,101,396	23,117,372	72.01

¹ Estimated. Unaudited.

² Includes one-time pass-through payment by State Teachers' Retirement System for pensions liability of \$6,738,064, an increase of \$5,837,591

Source: Annual audited financial reports; budget for fiscal year 2006 – 2015
Finance Director's Office, Town of Oxford, fiscal year 2016

Ten Largest Taxpayers

<u>Name</u>	<u>Nature of Business</u>	<u>Assessed Value</u>	<u>Percent of Net Taxable Grand List ¹</u>
Eversource	Utility	\$39,640,220	2.74
Algonquin Gas Transmission LLC	Utility	22,440,640	1.55
Ziff Brothers Investments LLC	Aircraft	5,264,040	0.36
Firstlight Hydro Generation Co.	Power company	5,104,200	0.35
HF Industrial Park Limited Partnership	Commercial real estate	4,969,400	0.34
Roller Bearing Co. of America, Inc.	Manufacturer	4,394,740	0.30
Glendale at Oxford LLC	Retirement home	4,286,900	0.30
Timberlake Development Partners	Residential real estate	3,820,840	0.26
Yankee Gas Services Co.	Utility	3,657,840	0.25
Pulte Homes of New England LLC	Residential real estate	3,508,020	0.24
	Total	<u>\$97,086,840</u>	<u>6.72</u>

¹Based on Net Taxable Grand List 10/1/15: \$1,445,263,910

Source: Assessor's Office, Town of Oxford

V. FINANCIAL ADMINISTRATION

Financial Reporting

The financial statements of the Town are prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Fiscal Year

The Town's fiscal year begins July 1 and ends June 30.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Budget Procedure

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

- 1) No later than January 15 of each year, the head of each office or agency of the Town, supported wholly or in part from Town funds or for which a specific appropriation is made, except the Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made in the ensuing year.
- 2) The Board of Selectmen prepares a proposed budget including both estimated revenues and expenditures for presentation to the Board of Finance not less than sixty days prior to the annual budget meeting.
- 3) The Board of Education prepares a proposed budget consisting of estimates of revenues and estimates for expenditures, as outlined above and shall submit same to the Board of Finance not less than sixty days prior to the annual budget meeting.
- 4) The Treasurer submits to the Board of Finance, not less than seventy-five days prior to the annual budget meeting, an itemized estimate of the proposed revenue for the ensuing fiscal year. This shall include, but not limited to, the current funds available, anticipated revenue from interest bearing accounts, projected borrowing requiring bonding and anticipated state and federal grant monies.
- 5) The Board of Finance, after reviewing the budgets as presented by the Board of Selectmen and the Board of Education, shall prepare a budget for presentation at a public hearing as set forth in the charter. The Board of Finance shall hold one or more public hearings not later than fourteen days before the annual budget meeting. At the public hearings, the Board of Finance shall present estimates of revenue and expenditures as outlined above as well as Capital Projects to be undertaken during the ensuing fiscal year with plans for financing them. After such hearings, the Board of Finance shall revise the estimates as it deems desirable, and prepare a recommended Town Budget.

The budget for fiscal year 2016 -2017 was passed at a Town Meeting May 4, 2016 and at referendum on May 12, 2016.

Public Act No. 15-244 (the “Act”) reduces a municipalities revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipality’s revenue sharing grant the Act is sometimes popularly referred to as imposing a “spending cap”. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality’s percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. However, for municipalities that taxed motor vehicles at more than 32.00 mills for the 2013 assessment year (for taxes levied in FY 15), the reduction may not exceed the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32.00 mills. (See “Assessments” herein).

The Act requires that each municipality will be required to annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) or debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for FY 17 disbursements, or 29.63 mills, for FY 18 disbursements and thereafter. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal; revenue sharing grant will not be reduced.

Emergency Appropriations

For the purpose of meeting a public emergency threatening the lives, health or property of citizens, property of the Town, or the proper functions or operation of the Town, emergency appropriations may be made by a vote of not less than two-thirds of the entire membership of the Board of Selectmen, provided that the Board of Selectmen is acting pursuant to a declaration of a state of emergency as specified in Section 4-5 of the Charter. Emergency appropriations shall be restricted to those emergencies arising from natural disasters and other unforeseen events, and any delay in making such appropriation would further jeopardize the lives, health or property of citizens or property of the Town. The total amount of any such appropriation shall not exceed two hundred fifty thousand dollars (\$250,000) in any one fiscal year. Written notification of such appropriations shall be given to the Board of Finance within forty eight (48) hours and a copy shall be filed in the office of the Town Clerk as required by Section 2-5 of the Charter. In the absence of sufficient general fund resources to meet such emergency appropriations, additional means of financing shall be provided in such manner, consistent with the provisions of the General Statutes and the Charter, as may be determined by the Board of Selectmen with the advice of the Board of Finance.

Audit

The Town of Oxford, pursuant to the provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397), is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the Board of Finance, is required to conduct the audit under the standards adopted by the Secretary of the Office of Policy and Management by regulation and approved by the Auditor of Public Accounts. For the fiscal year ending June 30, 2015, the books and records of the Town were audited by Sandra E. Welwood LLC CPAs. For the fiscal year ending June 30, 2016, the books and records of the Town are being audited by Sandra E. Welwood LLC CPAs.

Investment Policies

The operating and working capital funds of the Town are invested at the direction of the Treasurer in the following short-term investments: 1) various certificates of deposit with Connecticut banks (prior to acquiring a CD, the Treasurer requires the prospective bank depositories to provide written evidence that the bank meets the collateral, risk based capital, and other requirements of the of Qualified Public Depositories as defined in Section 36-382 of the Connecticut General Statutes); 2) State of Connecticut Short-Term Investment Fund (“STIF”) established pursuant to Section 3-27d of the Connecticut General Statutes (municipal funds deposited in STIF may be used by the State to acquire the investments set forth in Section 3-27d of the Connecticut General Statutes); 3) US Treasury securities; 4) repurchase agreements generally for no longer than three days.

Eligible investments for Connecticut municipalities are defined in Sections 7-400 and 7-402 of the Connecticut General Statutes. The Town expects to continue to invest in the foregoing instruments and those of a similar character.

Employee Pension System

Connecticut Municipal Employees Retirement System

All full-time employees of the Town, other than certified teachers are participants in the State of Connecticut Municipal Employees Retirement System (MERS), a cost sharing multiple-employer public employee retirement system with approximately 128 participating employees. The system is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Financial reports are provided by the State of Connecticut Retirement & Benefit Services Division.

Plan benefits are set by statute of the State of Connecticut and include death and disability in addition to retirement benefits. Annual cost of living increases between 3% and 5% are paid to disabled members and non-disabled retired members who have reached age 65. Effective January 1, 2002, all other retired members received a 2.5% annual adjustment until age 65, at which point they will receive the same COLA as those currently age 65. For those retiring after December 31, 2001, annual cost of living increases will be between 2.5% and 6.0%. Benefits vest after 5 years of continuous service. Non-social security members contribute 5% of gross wages while those with social security pay 2.25% on gross wages and 5% on any earnings over the social security maximum. Members who retire between the ages of 55 and 62 with 5 years of service or after 25 years of service irrespective of age or social security status, are entitled to 2% times the years and months of service times the final average wage. After age 62, employees on social security are reduced by approximately 25%. There is no age reduction if the employee served 25 years even if they are younger than age 55.

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. For additional information, see Note 11, Employee Retirement System, Connecticut Municipal Employees Retirement System in Notes to Financial Statements in Appendix A herein.

Connecticut Teachers' Retirement 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).

The Town is not obligated to make contributions to the plan.

For additional information, see Note 11, Employee Retirement System, Connecticut Teachers' Retirement System in Notes to Financial Statements in Appendix A herein.

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, 2012. 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.

As of June 30, 2014, the date of the last actuarial valuation, membership in the plan consisted of 265 active members and 22 retirees and dependents for a total of 287 members. The Town's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance within the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if it were paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2014 was estimated to be \$1,290,000. The Town's contributions represent payments made for premiums for insured individuals.

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

For additional information, see Appendix A – Notes to Financial Statements, Note 14, Other Post-Employment Benefits.

General Fund Balance Sheet
Five Year Summary of Actual Assets, Liabilities, and Fund Equity

	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012	Actual 6/30/2011
ASSETS					
Cash and equivalents.....	\$ 7,500,437	\$ 5,125,916	\$ 8,816,773	\$ 5,233,624	\$ 5,575,604
Investments.....	1,003,180	4,021,679	--	--	--
Property taxes receivable (net).....	1,471,593	1,471,278	1,159,327	1,371,047	3,928,497
Assessments receivable (net).....	--	--	--	25,840	691,490
Other receivables	1,356,812	291,759	--	--	--
Intergovernmental receivables.....	154,272	95,076	252,434	831,449	572,760
Accounts.....	--	--	1,403,646	887,702	397,096
Due from pension trust fund	69,573	5,802	--	--	--
Prepaid expenses.....	111,084	105,258	960	634,110	93
Due from other funds.....	489,193	494,567	859,203	544,481	264,483
Total Assets	<u>\$12,156,144</u>	<u>\$11,611,335</u>	<u>\$12,492,343</u>	<u>\$ 9,528,253</u>	<u>\$11,430,023</u>
LIABILITIES AND FUND BALANCES					
Accounts payable/accrued liabilities.....	\$ 3,764,787	\$ 2,954,779	\$ 3,930,995	\$ 2,417,050	\$ 2,570,285
Due to other funds	796,035	968,875	1,360,983	1,101,338	796,657
Due to agency funds	106,728	103,890	--	--	--
Deferred revenues.....	8,490	8,490	1,072,653	1,282,202	4,595,381
Total Liabilities	<u>4,676,040</u>	<u>4,036,034</u>	<u>6,364,631</u>	<u>4,800,590</u>	<u>7,962,323</u>
Deferred Inflows of Resources					
Unavailable revenues - taxes	1,382,928	1,219,837	--	--	--
Fund Balances					
Nonspendable.....	111,084	105,258	--	--	--
Assigned.....	753,000	706,342	500,000	--	--
Unassigned	5,233,092	5,543,864	5,627,712	4,727,663	3,467,700
Total Fund Balances	<u>6,097,176</u>	<u>6,355,464</u>	<u>6,127,712</u>	<u>4,727,663</u>	<u>3,467,700</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$12,156,144</u>	<u>\$11,611,335</u>	<u>\$12,492,343</u>	<u>\$ 9,528,253</u>	<u>\$11,430,023</u>

Effective with the June 30, 2011 audited financials, fund balances are reported in accordance with Government Accounting Standards Board (GASB) Statement 54.

Source: Annual audited financial statements

General Fund Revenues and Expenditures

Four Year Summary of Audited Revenues and Expenditures, Estimated/Unaudited Prior Year,
and Current Year Adopted Budget

	Budget 2016-2017 ¹	Estimated Unaudited 6/30/16	Actual 6/30/15	Actual 6/30/14	Actual 6/30/13	Actual 6/30/12
REVENUES:						
Property Taxes	\$35,369,422	\$36,375,351	\$35,798,527	\$35,883,902	\$33,941,529	\$32,541,059
Assessments	--	0	--	2,000	8,845	6,302
Intergovernmental revenues	5,748,011	5,803,263	8,642,457	8,850,880	8,797,397	8,938,426
Investment and interest income	35,000	35,000	84,129	15,690	28,722	40,700
Licenses and permits	545,000	545,000	554,347	689,414	505,787	454,730
Charges for goods and services	240,000	225,000	227,618	197,978	196,965	86,276
Other revenues ²	3,753,978	8,920,301	1,153,242	377,896	711,151	650,660
Total Revenues	<u>45,691,411</u>	<u>51,903,915</u>	<u>46,460,320</u>	<u>46,017,760</u>	<u>44,190,396</u>	<u>42,718,153</u>
EXPENDITURES:						
General government	2,176,721	2,129,186	2,094,598	2,120,893	1,934,822	1,869,466
Conservation of health	1,016,847	969,155	1,111,298	1,118,815	1,032,409	1,035,086
Public safety	2,540,678	2,111,263	1,979,989	1,782,598	1,761,421	1,674,799
Public activities	532,102	503,727	466,541	467,959	440,600	417,396
Public works	2,386,251	2,210,350	1,984,555	1,860,082	1,720,716	1,807,483
Solid waste	301,168	298,938	251,153	240,004	242,528	262,244
Education	28,829,048	28,113,735	30,525,846	30,419,090	28,790,894	27,912,746
Library	267,844	259,581	259,117	247,867	241,318	236,828
Other	2,643,300	2,449,510	2,316,591	2,219,096	2,332,200	2,516,815
Grants	--	--	100,310	32,640	--	--
Capital outlay	1,955,677	2,704,043	1,513,668	1,292,122	282,576	319,941
Debt service	3,041,775	3,761,770	2,988,942	2,966,279	2,891,863	3,072,257
Total Expenditures	<u>\$45,691,411</u>	<u>45,511,258</u>	<u>45,592,608</u>	<u>44,767,445</u>	<u>41,671,347</u>	<u>41,125,061</u>
Excess (Deficiency) of Revenues over Expenditures	--	<u>6,392,657</u>	<u>867,712</u>	<u>1,250,315</u>	<u>2,519,049</u>	<u>1,593,092</u>
Other Financing Sources (Uses):						
Payment to refunded bond escrow agent ...	--	--	--	--	--	--
Refunding bonds	--	--	--	--	--	--
Operating Transfers In	--	--	--	--	--	40,000
Operating Transfers Out	--	(753,000)	(1,126,000)	(1,022,563)	(1,119,000)	(373,129)
Loss on assets	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	<u>(753,000)</u>	<u>(1,126,000)</u>	<u>(1,022,563)</u>	<u>(1,119,000)</u>	<u>(333,129)</u>
Net Change in Fund Balances	--	5,639,657	(258,288)	227,752	1,400,049	1,259,963
Fund Balance Beginning of Year	--	6,097,176	6,355,464	6,127,712	4,727,663	3,467,700
Fund Balance End of Year	--	<u>\$11,736,833</u>	<u>\$6,097,176</u>	<u>\$6,355,464</u>	<u>\$ 6,127,712</u>	<u>\$4,727,663</u>

¹.. Budgetary basis

² Includes \$1,221,677 fund balance transfer for FY 2017

FIVE YEAR CAPITAL IMPROVEMENT PLAN
Fiscal Years 2016-2017 through 2021-2022

		TOTAL	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FUNDING SOURCE
BUILDINGS								
BOARD OF EDUCATION	QUAKER FARMS SCHOOL	1,187,300	433,200	286,000	316,800	151,300	-	3,7
BOARD OF EDUCATION	CENTER SCHOOL	-	-	-	-	-	-	3,5,6,7
BOARD OF EDUCATION	GREAT OAK SCHOOL	1,913,000	462,000	1,217,500	218,500	7,500	7,500	3,7
BOARD OF EDUCATION	HIGH SCHOOL	30,000	15,000	15,000	-	-	-	3,7
	SCHOOL BUILDING COMMITTEE ARCHITECT FEES	1,000,000	1,000,000					
VEHICLES								
TOWN HALL	FORD EXPLORER	38,140	38,140					7
TOWN HALL	FORD EXPLORER	38,140	38,140					7
FIRE MARSHAL	FORD EXPEDITION	49,000	49,000					7
POLICE	CRUISERS	210,000	42,000	42,000	42,000	42,000	42,000	3,7
PUBLIC WORKS	1/7 YD TRUCK PLOW & SANDER	214,000	214,000					7
PUBLIC WORKS	BACKHOE	120,000	120,000					7
PUBLIC WORKS	ASPHALT REPAIR TRAILER	15,746	15,746					7
PUBLIC WORKS	4X4 TRUCK PLOW AND SANDER	108,000	108,000					7
PUBLIC WORKS	LOADER	220,000	220,000					7
FIRE DEPARTMENT	CHIEFS VEHICLES	115,000		55,000		60,000		3,7
FIRE DEPARTMENT	PUMPER	680,000	680,000					7
FIRE DEPARTMENT	TANKER 33	350,000	350,000					7
FIRE DEPARTMENT	BRUSH TRUCK	133,000		133,000				3,7
FIRE DEPARTMENT	PUMPER	741,000			741,000			3,7
SENIOR CENTER	BUS	65,000	65,000					7
ROADS								
PUBLIC WORKS	PAVING AND DRAINAGE	4,388,570	877,714	877,714	877,714	877,714	877,714	1
OTHER								
POLICE	TASERS	27,725	27,725					3
POLICE	BODY CAMERAS	67,019	67,019					3
FIRE DEPARTMENT	UPGRADE SCOTT AIR PACKS	350,000	350,000					3
TOTAL		12,060,640	5,172,684	2,626,214	2,196,014	1,138,514	927,214	
FUNDING SOURCES								
1	CAPITAL & NONRECURRING	4,388,570	877,714	877,714	877,714	877,714	877,714	
2	LOCAL CAPITAL IMPROVEMENT							
3	GENERAL BUDGET	3,377,100		1,748,500	1,318,300	260,800	49,500	
5	SCHOOL CONSTRUCTION GRANTS	-		-				
6	BONDING	1,000,000	1,000,000					
7	OTHER	3,294,970	3,294,970					
TOTAL		12,060,640	5,172,684	2,626,214	2,196,014	1,138,514	927,214	

VI. DEBT SUMMARY

Principal Amount of Indebtedness ¹ As of November 1, 2016 (Pro Forma)

Long-Term Debt - Bonds

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding (Pro Forma)</u>	<u>Date of Fiscal Year Maturity</u>
7/1/09	General Purpose	2.25-4.00	\$ 1,600,000	\$ 450,000	2020
7/27/11	General Purpose	2.00-4.00	370,000	225,000	2020
7/27/11	School	2.00-4.00	10,930,000	6,880,000	2027
5/17/12	General Purpose	2.00-4.00	1,197,500	902,000	2029
5/17/12	School	2.00-4.00	10,637,500	9,758,000	2029
	Total		\$24,735,000	\$18,215,000	

Short-Term Debt

<u>Project</u>	<u>Authorized</u>	<u>Date Authorized</u>	<u>BANs Outstanding</u>	<u>BANs This Issue</u>	<u>Legal Limit</u>
High School Construction ²	\$41,600,000	6/22/04	\$1,703,000	\$1,703,000	11/1/17
High School Soccer/Practice Fields	800,000	8/30/07	447,000	447,000	11/1/17
High School Baseball/Softball Fields	415,000	8/30/07	217,000	217,000	8/30/17
High School Outdoor Facilities	150,000	8/30/07	99,000	99,000	11/1/17
Land Acquisition	800,000	5/10/10	140,000	140,000	7/28/20
High School Athletic Complex	3,100,000	8/16/12	2,790,000	2,790,000	3/7/23
Quaker Farms School Roof Replacement	800,000	2/17/15	500,000	500,000	7/23/25
	\$47,665,000		\$5,896,000	\$5,896,000	

¹ See "Statement of Debt Limitation"

² \$911,456.25 exceeding the legal limitation to be paid by State school progress payments

Other Long-Term Commitments

Lease

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Balance Outstanding</u>	<u>Date of Fiscal Year Maturity</u>
6/29/15	Two snow plows; fire truck	1.65	\$1,128,000	\$687,889	6/29/20

General Fund Bonded Debt Maturity Schedule

As of November 1, 2016

(Pro Forma)

Fiscal Year	Principal	Interest	Total	Cumulative Percent Principal Retired
2017 ¹	--	--	--	--
2018	\$ 1,710,000	\$ 662,187	\$ 2,372,187	9.39
2019	1,775,000	594,500	2,369,500	19.13
2020	1,760,000	525,363	2,285,363	28.79
2021	1,595,000	461,425	2,056,425	37.55
2022	1,565,000	403,975	1,968,975	46.14
2023	1,575,000	347,059	1,922,059	54.79
2024	1,500,000	288,747	1,788,747	63.02
2025	1,490,000	229,763	1,719,763	71.21
2026	1,480,000	171,075	1,651,075	79.33
2027	1,545,000	111,188	1,656,188	87.81
2028	1,395,000	52,650	1,447,650	95.47
2029	825,000	12,373	837,373	100.00
Total	\$18,215,000	\$3,860,305	\$22,075,305	

¹ Excludes \$1,710,000 of principal and \$720,468.75 of interest due and paid in FY 2017

Overlapping/Underlying Debt

The Town of Oxford has no overlapping or underlying debt.

Debt Statement

As of November 1, 2016

(Pro Forma)

LONG-TERM DEBT

Bonds

General Public Improvement	\$ 1,577,000
Schools	16,638,000
TOTAL LONG-TERM DEBT	18,215,000
SHORT-TERM DEBT	5,896,000
TOTAL DIRECT DEBT	24,111,000
Less: Grants/Assessments Receivable	None
TOTAL NET DIRECT AND OVERALL NET DEBT.....	\$24,111,000

Current Debt Ratios

As of November 1, 2016

(Pro Forma)

Population ¹	12,683
Net Taxable Grand List (10/1/15) ²	\$1,445,263,910
Estimated Full Value (70%)	\$2,064,662,729
Equalized Net Taxable Grand List (2013) ³	\$2,078,413,013
Money Income per Capita (2010) ⁴	\$42,719

¹ US Department of Commerce, Bureau of Census, American Community Survey, 2009 – 2013

² Revalued 10/1/10

³ Office of Policy and Management, State of Connecticut

⁴ US Department of Commerce, Bureau of Census, American Community Survey, 2009 – 2013

	Total Direct Debt \$24,111,000	Total Net Direct and Overall Net Debt \$24,111,000
Per Capita	\$1,901.10	\$1,901.10
Ratio to Net Taxable Grand List.....	1.67%	1.67%
Ratio to Estimated Full Value.....	1.17%	1.17%
Ratio to Equalized Net Taxable Grand List.....	1.16%	1.16%
Debt per Capita to Money Income per Capita	4.45%	4.45%

Bond Authorization Procedure

Departments, boards, commissions and committees may recommend to the Board of Selectmen appropriation and borrowing requirements for specific projects. The issuance of bonds or notes totaling not more than 10% of the current tax levy for any single purpose in any one fiscal year may, upon review and recommendation by the Board of Selectmen and the Board of Finance following the Board of Selectmen/Board of Finance joint review and Board of Finance public hearing, be approved by majority vote at a duly warned Town Meeting. The issuance of bonds and notes for any amount over 10% of the current year tax levy may, upon review and recommendation by the Board of Selectmen and the Board of Finance following the Board of Selectmen/Board of Finance joint review and consideration by Town Meeting, be approved by majority vote at a referendum, subject to a 15% voter turnout requirement. Pursuant to State Statutes, issuance of refunding bonds may be authorized by approval of the Board of Selectmen, the legislative body as defined in Section 7-370c of the General Statutes.

Emergency Appropriations

To meet a public emergency affecting life, health, property, or the public peace, a public emergency ordinance, stating the facts constituting such public emergency, becomes effective upon enactment. No public hearing or notice of public hearing is required for any public emergency ordinance. A public emergency ordinance must be advertised in one or more newspapers having a circulation in the Town within ten days of adoption. Every such public emergency ordinance, including any amendments thereto, is automatically repealed at the termination of the sixty-first day following adoption.

Maturities

General obligation bonds (serial and term) are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than fifty percent or aggregate annual principal and interest payments must be substantially equal. The term of the issue may not exceed twenty years, except in the case of sewer bonds and certain school bonds which may mature in up to thirty years.

Temporary Financing

When general obligation notes have been authorized, bond anticipation Notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third and each subsequent year in an amount equal to a minimum of 1/20th (1/30th for water and sewer and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and federal grants for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes may be issued in one year maturities for up to fifteen years in anticipation of water or sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds and notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Pension Obligation Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation.

"Annual receipts from taxation," (the "base") are defined as total tax collections (including interest and penalties) and state payments for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires, and pipes; for the construction of underground conduits for cables, wires, and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also permit the exclusion of debt authorized but unissued in the case where there are no borrowings outstanding against an authorization.

Statement of Statutory Debt Limitation

As of November 1, 2016
(Pro Forma)

Total Tax Collections (Including interest and lien fees) received by Town

for fiscal year ended June 30, 2015 ¹	\$35,852,841
Reimbursement for Revenue Loss On Tax Relief for the Elderly (CGS 12-129D)	36,913
BASE	<u>\$35,889,754</u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Obligation</u>
DEBT LIMITATION:					
2.25 times base.....	\$80,751,947	--	--	--	--
4.50 times base.....	--	\$161,503,893	--	--	--
3.75 times base.....	--	--	\$134,586,578	--	--
3.25 times base.....	--	--	--	\$116,641,701	--
3.00 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:					
Bonds Payable.....	1,577,000	16,638,000	--	--	--
BANs Payable.....	140,000	5,756,000	--	--	--
Authorized but Unissued	<u>3,500,000</u>	<u>300,960</u>	--	--	--
Total Net Indebtedness for Debt Limitation Calculation	<u>5,217,000</u>	<u>22,694,960</u>	--	--	--
DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS					
	<u>\$75,534,947</u>	<u>\$138,808,933</u>	<u>\$134,586,578</u>	<u>\$116,641,701</u>	<u>\$107,669,262</u>

¹ Total tax collections, interest, and lien fees have not yet been audited for FY 2016, but the Town believes that FY 2016 collections will exceed those for FY 2015.

Note: Although total net indebtedness for the purpose of calculating the Debt Limit amounts to \$27,911,960, total indebtedness for all classes cannot exceed seven times the base or \$251,228,278.

THE TOWN OF OXFORD, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Authorized Unissued Debt

As of November 1, 2016

(Pro forma)

Project	Authorized	Bonded	BANs Outstanding	Paydowns/ Grants	Debt Authorized but Unissued ¹			
					General Purpose	School	Sewer	New Money Available
HS Construction	\$41,600,000	\$21,480,000	\$1,703,000	\$18,416,000	--	\$1,703,960	--	\$ 960
HS Soccer/Practice Fields	800,000	--	447,000	353,000	--	447,000	--	--
HS Baseball/Soft-ball Fields	415,000	--	217,000	198,000	--	217,000	--	--
HS Outdoor Facilities Improvements	150,000	--	99,000	51,000	--	99,000	--	--
HS Athletic Complex	3,100,000	--	2,790,000	310,000	--	2,790,000	--	--
Quaker Farm School Roof	800,000	--	500,000	--	--	800,000	--	300,000 ²
Land Acquisition	800,000	--	140,000	660,000	--	140,000	--	--
Library	3,500,000	--	--	--	\$3,500,000	--	--	--
	<u>\$51,165,000</u>	<u>\$21,480,000</u>	<u>\$5,896,000</u>	<u>\$19,988,000</u>	<u>\$3,500,000</u>	<u>\$6,196,960</u>	<u>--</u>	<u>\$300,960</u>

¹ Includes outstanding BANs

² Expected to be paid from grants

Principal Amount of Outstanding Debt

Last Five Fiscal Years

As of June 30

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

Ratios of General Fund Long-Term Debt ¹ to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value ¹	General Fund Long-Term Debt	Ratio of Gen. Fund Long-Term Debt to Assessed Value (%)	Ratio of Gen. Fund Long-Term Debt to Estimated Full Value (%)	Gen. Fund Long Term Debt per Capita ²	Ratio of Long-Term Debt per Capita Income (%) ³
2016	\$1,442,578,157	\$2,060,825,939	\$19,900,000	1.38	0.97	\$1,569.03	3.67
2015	1,426,266,555	2,037,523,650	21,605,000	1.51	1.06	1,706.29	3.99
2014	1,408,352,670	2,011,932,386	23,255,000	1.65	1.16	1,836.60	4.30
2013	1,402,964,034	2,004,234,334	24,855,000	1.77	1.24	1,962.96	4.60
2012*	1,396,806,390	1,995,437,700	26,520,000	1.90	1.33	2,094.46	4.90
2011	1,468,537,107	2,097,910,153	28,485,000	1.94	1.36	2,249.64	5.27
2010	1,405,708,725	2,008,155,321	29,931,000	2.13	1.49	2,363.84	5.53
2009	1,366,393,555	1,951,990,793	31,284,000	2.29	1.60	2,466.61	5.77
2008	1,334,148,551	1,905,926,501	15,742,000	1.18	0.83	1,241.19	2.91
2007*	1,277,640,070	1,825,200,100	7,175,000	0.56	0.39	565.72	1.32
2006	816,890,993	1,166,987,133	6,428,000	0.79	0.55	506.85	1.19

¹ Assessment Ratio: 70%.

² Population: US Department of Commerce, Bureau of Census, American Community Survey, 2009-2013: 12,683

³ Money Income per Capita 2013: \$42,719

* Revaluation

**Ratios of Annual Long-Term General Fund Debt
Service Expenditures to General Fund Expenditures**

<u>Fiscal Year Ended 6/30</u>	<u>Long-Term General Fund Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Long-Term General Fund Debt Service To Total General Fund Expenditures (%)</u>
2016 ¹	\$2,988,942	\$45,592,608	6.56
2015	3,383,690	42,909,589	7.89
2014	3,353,279	42,321,173	7.92
2013	2,891,863	41,671,347	6.94
2012	3,072,257	41,125,061	7.47
2011	3,177,220	40,704,206	7.81
2010	3,149,725	39,275,768	8.02
2009	2,895,234	38,788,486	7.46
2008	2,738,033	43,884,149	6.24
2007	1,677,464	32,469,067	5.17
2006	1,670,073	31,332,839	5.33
2005	1,723,424	27,217,986	6.33

¹ Preliminary. Subject to audit. Budgetary basis.

Source: Audited financial statements, Town of Oxford, June 30, 2005 – 2015
Finance Director's Office, Town of Oxford, June 30, 2016

VII. LEGAL AND OTHER INFORMATION

Litigation

The Town of Oxford, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. It is the Town Attorney's opinion that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the Town which would have a material adverse effect on the Town's financial position.

The Town's prior tax collector served in that capacity commencing in November 1992 and was dismissed from Town service in January 2010. In November 2011 she was arrested and charged with embezzlement from the Town of \$225,000 and also 4 counts of forgery.

Documents Furnished at Delivery

The Underwriter will be furnished the following documents when the Notes are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town signed by the Selectmen, Town Treasurer, and the Finance Director which will be dated the date of delivery and attached to a confirmed copy of the Official Statement and which will certify, to the best of said officials' knowledge and belief, that the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Notes.
4. The approving opinion of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut in substantially the form attached to the Official Statement as Appendix B.
5. An executed Continuing Disclosure Agreement for Notes substantially in the form attached as Appendix C.
6. The Town of Oxford, Connecticut has prepared an Official Statement for the Note issue which is dated October _____, 2016. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(5), but it is subject to revision or amendment. The Town will make available at the Town's expense a reasonable number of copies of the Official Statement to the Underwriter.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Information herein has been derived by the Town from various officials, departments and other sources and is believed by the Town to be reliable, but such information, other than that obtained from official records of the Town, has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town of Oxford by the following officials:

TOWN OF OXFORD, CONNECTICUT

BY: /s/ George R. Temple
GEORGE R. TEMPLE
First Selectman

BY: /s/ Jeffrey J. Haney, Sr.
JEFFREY J. HANEY, SR
Selectman

BY: /s/ Katherine Johnson
KATHERINE JOHNSON
Selectman

BY: /s/ Michael F. Angelini, Sr.
MICHAEL F. ANGELINI, SR.
Town Treasurer

BY: /s/ James A. Hliva
JAMES A. HLIVA
Finance Director

October _____, 2016

APPENDIX A

BASIC FINANCIAL STATEMENTS
TOWN OF OXFORD, CONNECTICUT

As of and for the Fiscal Year Ended June 30, 2015

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Appendix A -- BASIC FINANCIAL STATEMENTS are taken from the Comprehensive Annual Financial Report of the Town of Oxford, Connecticut for the Fiscal Year ended June 30, 2015 and does not include all combining and individual fund and account group financial statements and schedules and supplementary data. A copy of the complete report is available upon request from the office of the Finance Director, Town of Oxford Town Hall, 126 Church Street, Oxford, CT 06260 or at the Town's website <http://www.oxford-ct.gov>.

Sandra E. Welwood, LLC

sewonlake@aol.com
Website: www.sewelwoodcpa.com
(203) 730-0509 / Fax: (203) 730-0509

Certified Public Accountants
46 Main Street
Danbury, CT 06810

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:

	<u>Governmental Activities</u>
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</u> <u>Year Ended:</u>	<u>Bond</u> <u>Principal</u>	<u>Bond</u> <u>Interest</u>	<u>Notes</u> <u>Principal</u>	<u>Notes</u> <u>Interest</u>
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

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		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	1,382,928	-	-	-	1,382,928
<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>\$ 69,579,519</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**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
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	<u>42,203,247</u>	<u>42,203,247</u>	<u>44,147,241</u>	<u>1,943,994</u>
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	<u>42,175,589</u>	<u>43,043,888</u>	<u>43,671,529</u>	<u>(627,641)</u>
Other Financing Sources (Uses):				
Transfers out	(734,000)	(734,000)	(734,000)	-
Total other financing sources (uses)	<u>(734,000)</u>	<u>(734,000)</u>	<u>(734,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (706,342)</u>	<u>\$ (1,574,641)</u>	<u>(258,288)</u>	<u>\$ 1,316,353</u>
Fund balance, beginning of year			<u>6,355,464</u>	
Fund balance, end of year			<u>\$ 6,097,176</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

	<u>Pension Trust Fund</u>
Investment income:	
Interest and dividends	\$ 21,594
Realized gains	-
Net appreciation in fair value of investments	<u>3,650</u>
	<u>25,244</u>
Deductions:	
Benefits paid	63,771
Fees and expenses	<u>14,480</u>
	<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.

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

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

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

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>Total</u>
	<u>General Fund</u>	<u>Educational Grants Fund</u>	<u>BOE Central Activities Fund</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:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
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.

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

Note 10 – Operating Deficiencies and Fund Deficits

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

	<u>1% Decrease</u> <u>(7.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(8.00%)</u>	<u>1% Increase</u> <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</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>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</u> <u>June 30,</u>	
2016	\$ 233,265
2017	233,265
2018	233,265
2019	233,263

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

Note 12 – Contingent Liabilities

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

In addition, the Town has contingent liabilities with respect to pending litigation, claims, and disputes, which existed at June 30, 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</u> <u>Ending June 30,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Contributions</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
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</u> <u>Valuation</u> <u>Date</u> <u>July 1</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a÷b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL</u> <u>(a-b/c)</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**

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

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**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
General government:				
Selectmen	\$ 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**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
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

<u>Assets</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</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**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
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>\$ 731,789</u>	<u>\$ 4,834</u>	<u>\$ 736,623</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	<u>Educational Grants Fund</u>	<u>Hot Lunch Program</u>	<u>Capital and Nonrecurring Expenditures Fund</u>	<u>Parks and Recreation Commission Fund</u>	<u>Special Activities Fund</u>	<u>Dog License Fund</u>	<u>Board of Education Central Activities Fund</u>	<u>Land Acquisition Fund</u>	<u>Small Cities</u>	<u>Total</u>
Assets										
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	<u>\$ 573,315</u>	<u>\$ 95,590</u>	<u>\$ 143,099</u>	<u>\$ 6,529</u>	<u>\$ 434,379</u>	<u>\$ 17,953</u>	<u>\$ 360,342</u>	<u>\$ 300,123</u>	<u>\$ -</u>	<u>\$ 1,931,330</u>
Liabilities and Fund Balances										
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	<u>483,472</u>	<u>89,941</u>	<u>462,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,128</u>	<u>-</u>	<u>-</u>	<u>1,199,541</u>
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	<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>
Total liabilities and fund balances	<u>\$ 573,315</u>	<u>\$ 95,590</u>	<u>\$ 143,099</u>	<u>\$ 6,529</u>	<u>\$ 434,379</u>	<u>\$ 17,953</u>	<u>\$ 360,342</u>	<u>\$ 300,123</u>	<u>\$ -</u>	<u>\$ 1,931,330</u>

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 Program	\$ 566,996	\$ 108,382	\$ -	\$ -	\$ 6,322	\$ -	\$ -	\$ -	\$ 14,512	\$ 696,212
Charges for goods and services	-	-	-	-	662,734	11,123	124,719	64,077	-	862,653
Investment income	-	431,970	-	-	-	-	168,544	-	-	600,514
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

	<u>Library Construction</u>	<u>Total</u>
<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	-	-
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>
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>\$ 4,834</u>	<u>\$ 4,834</u>

See accompanying Independent Auditors' Report.

TOWN OF OXFORD, CONNECTICUT

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

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

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	Lawful Corrections		Suspense Transfers	Adjusted Taxes Receivable	Collections			Taxes Receivable
	July 1, 2014	Additions	Deductions			Taxes	Interest and Liens	Total	June 30, 2015
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><u>\$ 35,889,754</u></u>

	<u>General</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
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><u>\$ 77,540,821</u></u>	<u><u>\$ 135,759,707</u></u>	<u><u>\$ 134,586,578</u></u>	<u><u>\$ 116,641,701</u></u>	<u><u>\$ 107,669,262</u></u>

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

See accompanying Independent Auditors' Report.

APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION

JOSEPH FASI LLC

56 ARBOR STREET, SUITE 418
HARTFORD, CONNECTICUT 06106

A T T O R N E Y S A T L A W

TELEPHONE (860)296-0510
FACSIMILE (860)296-0541

FORM OF OPINION OF BOND COUNSEL

Town of Oxford
Oxford, Connecticut

Ladies and Gentlemen:

We have represented the Town of Oxford, Connecticut as bond counsel with respect to the issuance and sale of \$5,896,000 Town of Oxford, Connecticut General Obligation Bond Anticipation Notes, bearing a Dated Date and an Original Issue Date of November 1, 2016, maturing July 19, 2017 (the "notes").

We have examined a record of the proceedings authorizing the notes, a Tax Regulatory Agreement of the Town dated November 1, 2016 (the "Tax Regulatory Agreement"), and other proofs submitted to us.

The notes are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company, to effect a book-entry system for the ownership and transfer of the notes, and are certified by U.S. Bank National Association, Hartford, Connecticut (the "Certifying Agent").

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the notes (except to the extent, if any, stated in such Official Statement) and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the notes under authority of the constitution and statutes of the State of Connecticut and that when certified by the Certifying Agent the notes are a valid and binding general obligation of the Town of Oxford payable both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the notes in order that interest on the notes not be included in gross income under Section 103 of the Code. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the notes shall not be included in the gross income of the owners thereof for Federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the notes is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is

not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the notes is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax imposed on corporations. We express no opinion regarding other Federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the notes.

In rendering the foregoing opinions regarding the Federal income tax treatment of interest on the notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) continuing compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by ownership or disposition of the notes.

The rights of owners of the notes and the enforceability of the notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully yours,

JOSEPH FASI LLC

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met subsequent to delivery of the Notes in order that interest on the Notes not be included in gross income under Section 103 of the Code. The Tax Regulatory Agreement, which will be executed and delivered by the Issuer concurrently with the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Issuer also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Notes shall not be included in gross income of owners thereof for purposes of Federal income taxation under the Code. Failure to comply with the continuing requirements of the Code may cause the interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes irrespective of the date on which non compliance occurs. In rendering its opinion, Bond Counsel relies on the continuing compliance by the Town with the Tax Regulatory Agreement.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Issuer with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Notes is not included in the gross income of the owners thereof for purposes of Federal income taxation and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the Notes is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax on corporations.

Ownership of the Notes may also result in certain collateral Federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Notes. Prospective purchasers of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of ownership and disposition of the Notes.

In the opinion of Bond Counsel, based on existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. Prospective purchasers of the Notes are advised to consult their own tax advisors regarding the state and local tax consequences of ownership and disposition of the Notes.

FUTURE EVENTS

The Federal and State tax treatment of municipal bonds is determined by Federal, State and local legislation, administrative pronouncements and court decisions. For example, recent Federal legislative proposals have been introduced into Congress which, if enacted, would eliminate or curtail the exclusion from gross income of interest paid on municipal bonds or have other collateral tax consequences that will adversely affect their tax treatment, including limiting the exclusion from gross income on tax exempt bonds for higher income taxpayers. Current ongoing Federal budget discussions include such proposals. The enactment of such proposals may adversely affect the tax treatment of: the interest paid on the Notes, their sale or disposition, market price, marketability, or otherwise prevent Beneficial Owners from receiving the full current tax benefit of ownership. There can be no assurance that changes of law by Federal or State governments will not occur or that they will not be made retroactive. Bond Counsel does not opine as to post issuance acts, including changes of law. Prospective purchases and Beneficial Owners should consult their own tax advisors regarding pending or proposed law changes.

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF OXFORD, CONNECTICUT

In Connection With The Issuance And Sale Of

\$5,896,000 Town Of Oxford, Connecticut

General Obligation Bond Anticipation Notes, Dated November 1, 2016

WHEREAS, the Town of Oxford, Connecticut (the "Issuer") has heretofore authorized the issuance of \$5,896,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes (the "Notes") bearing a Dated Date of November 1, 2016, maturing on July 19, 2017; and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the notes to provide notices of listed events as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the "Rule"), and the Issuer desires to assist the underwriter of the notes in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Public Act 95-270 enacted by the Connecticut General Assembly to make representations and agreements for the benefit of the beneficial owners of the Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Notes, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Listed Events" shall mean any of the events listed in Section 2 of this Continuing Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. For purposes of this agreement, continuing disclosure information will be filed where approved from time to time by the MSRB, and which as of the date hereof means:

<http://emma.msrb.org>

Section 2. Event Notices. The Issuer agrees to provide or cause to be provided in a timely manner not in excess of 10 business days after the occurrence of the event to the MSRB, notice of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;

- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities; if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 3. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB.

Section 6. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any

notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to any agent's negligence or misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of any agent and payment of the Notes.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of the beneficial owners of the Notes and shall be enforceable by them. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

[Signature Page Follows]

CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF OXFORD, CONNECTICUT

In Connection With The Issuance And Sale Of

\$5,896,000 Town Of Oxford, Connecticut

General Obligation Bond Anticipation Notes, Dated November 1, 2016

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF OXFORD, CONNECTICUT

By _____
George R. Temple
First Selectman

By _____
Jeffrey J. Haney, Sr.
Selectman

By _____
Katherine Johnson
Selectman

By _____
Michael F. Angelini, Sr.
Town Treasurer

By _____
James A. Hliva
Finance Director