

Research Update:

Oxford, CT General Obligation Bond Anticipation Notes Assigned 'SP-1+' Short-Term Rating

February 17, 2026

Overview

- S&P Global Ratings assigned its 'SP-1+' short-term rating to Oxford, Conn.'s \$15.1 million general obligation (GO) bond anticipation notes (BANs).
- At the same time, we affirmed our 'AA' long-term rating on the town's outstanding GO bonds and our 'SP-1+' short-term rating on its outstanding BANs.
- The outlook on the long-term rating is stable.

Rationale

Security

Oxford's full-faith-and-credit pledge secures the notes and existing debt. The short-term rating reflects our criteria for evaluating and rating BANs. In our view, Oxford maintains very strong capacity to make principal and interest payments when the BANs come due. It has a low market-risk profile because it has strong legal authority to issue long-term debt to take out the BANs, frequently issues debt, and regularly provides disclosure to market participants.

Proceeds from the notes will renew maturing notes issued for various capital projects, including flood damage, and add new money for a fire rescue truck. Management intends to retire the notes through a combination of bonding, paydowns, and Federal Emergency Management Agency (FEMA) reimbursements.

Credit highlights

Oxford's credit profile is supported by its consistently balanced financial performance driven by cautious budgeting assumptions; its manageable debt and liabilities; and its appreciating tax base that contributes a majority of the town's general fund revenues. Offsetting these strengths are Oxford's below-average reserve position and less formalized management practices compared to those of higher-rated peers.

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Following a 2024 deficit driven by fund balance appropriation for tax stabilization, management anticipates a slight operating surplus in fiscal 2025 (year-end June 30) due to positive budgetary variance. The fiscal 2026 budget totals \$59.4 million (4% increase) on a budgetary basis and is balanced without general fund reserves; management reports the year is tracking to budget. No significant budgetary changes are anticipated in fiscal 2027. Given its demonstrated willingness to raise local-source revenues to match expenditure growth and its limited risk of fixed-cost escalation, we expect Oxford's operations to remain roughly balanced over the operating horizon, enabling the town to maintain unassigned reserves above its policy target of at least 10% of operating expenditures.

Management expects to fund \$7.2 million in damages to public town facilities and infrastructure from an hours-long rainfall event on Aug. 19, 2024 primarily using FEMA reimbursements. FEMA will reimburse the town for 75% of eligible repairs. Damage to private property did not have a material effect on assessed values. (For more details on the rainfall event, see our [report](#), Nov. 4, 2024 on RatingsDirect.)

The 'AA' rating reflects our view of the following credit factors:

- Affluent and stable local economy, with household incomes that are higher than those of county and national peers, and a sizeable tax base with recent grand list (assessed value) growth due to a revaluation. We expect modest ongoing development will strengthen the town's revenue profile without placing a strain on town services.
- Standard budgeting practices with realistic assumptions and at least quarterly review of budget-to-actual reports, which we believe supports operating balance. We weakened our long-term planning assessment because Oxford's capital plan includes limited outyear detail and does not identify funding sources. Other components of the management environment include an investment policy that adheres to state statutes, a reserve policy that sets a stabilization reserve target of 10% of budgeted operating expenditures, and steps to mitigate cyber risk, but no debt management policy or long-term financial planning.
- Generally balanced operations supported by significant revenue-raising flexibility, but a reserve position that trails that of higher-rated peers and currently limits upward rating potential.
- Debt and liabilities that are highly manageable, in our view, relative to its governmental funds revenue, with limited cost escalation risk, including \$48 million in direct debt post-issuance, a \$15 million net pension liability through participation in the state-administered Municipal Employees Retirement System, and a \$3 million net other postemployment benefits liability. Oxford has no additional debt plans.
- Connecticut municipalities have a generally stable operating framework with significant statutory flexibility to raise local-source revenue for operations. For more information on our institutional framework assessment for Connecticut municipalities, see "[Institutional Framework Assessment: Connecticut Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We view the town's environmental, social, and governance factors as neutral in our rating analysis. Because of Oxford's inland location, storms causing substantial flooding, such as the 2024 rain event, represent the town's most significant physical risk.

Outlook

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The stable outlook reflects our view that Oxford is likely to maintain balanced operations over the outlook horizon.

Downside scenario

We could lower the rating if the town's reserves decreased, due to either budgetary imbalance or an unplanned drawdown, without a plan to replenish them.

Upside scenario

We could raise the rating if the town increased and sustained reserves at levels comparable to those of higher-rated peers. Enhancement of long-term financial planning practices would also be a consideration for a higher rating.

Oxford, Connecticut--Credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	1.98
Economy	1.0
Financial performance	2
Reserves and liquidity	2
Management	2.65
Debt and liabilities	2.25

Oxford, Connecticut--Key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	91	--	91	92
County PCPI % of U.S.	97	--	97	98
Market value (\$000s)	3,291,369	2,492,797	2,423,009	2,330,242
Market value per capita (\$)	255,462	193,480	189,698	167,752
Top 10 taxpayers % of taxable value	9.8	11.8	11.0	--
County unemployment rate (%)	3.5	3.2	3.2	4.2
Local median household EBI % of U.S.	147	147	153	148
Local per capita EBI % of U.S.	136	136	128	132
Local population	12,884	12,884	12,773	13,891
Financial performance				
Operating fund revenues (\$000s)	--	60,276	60,242	56,193
Operating fund expenditures (\$000s)	--	60,003	59,281	57,766
Net transfers and other adjustments (\$000s)	--	(750)	(293)	(18)
Operating result (\$000s)	--	(477)	668	(1,591)
Operating result % of revenues	--	(0.8)	1.1	(2.8)
Operating result three-year average %	--	(0.8)	0.7	(0.2)
Reserves and liquidity				
Available reserves % of operating revenues	--	14.9	15.7	16.0
Available reserves (\$000s)	--	8,951	9,475	9,012

Oxford, Connecticut--Key credit metrics

	Most recent	2024	2023	2022
Debt and liabilities				
Debt service cost % of revenues	--	7.8	7.3	38.0
Net direct debt per capita (\$)	3,687	3,035	3,345	3,254
Net direct debt (\$000s)	47,504	39,109	42,728	45,197
Direct debt 10-year amortization (%)	67	68	66	63
Pension and OPEB cost % of revenues	--	3.0	3.0	2.0
NPLs per capita (\$)	--	1,195	1,205	1,066
Combined NPLs (\$000s)	--	15,396	15,396	14,814

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings

US\$15.08 mil GO BANs dtd 03/11/2026 due 03/10/2027

Short Term Rating SP-1+

Ratings Affirmed

Local Government

Oxford, CT Unlimited Tax General Obligation AA/Stable

Oxford, CT Unlimited Tax General Obligation Bond Anticipation Notes SP-1+

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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