

FINANCIAL REPORT

**CITY OF OXFORD**

Oxford, Mississippi

September 30, 2014

# CITY OF OXFORD, MISSISSIPPI

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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Aldermen  
City of Oxford, Mississippi  
Oxford, Mississippi 38655

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2014, which collectively comprise the City's basic financial statements as listed in the table of contents as required by accounting principles generally accepted in the United States of America.

### 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 did not audit the financial statements of the City of Oxford Electric Department, which represent approximately 42 percent and 72 percent, respectively of the assets and revenues of the Proprietary Fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Oxford Electric Department, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 opinion.



## **Basis for Qualified Opinion**

Management has not adopted a methodology to accumulate the amount of liability related to customer meter deposits in the Water and Sewer fund of the City. Accounting principles generally accepted in the United States of America require presentation of all liabilities associated with each fund in the statement of net position. The liability for customer meter deposits would increase the liabilities and decrease the net position in the Water and Sewer Fund and Business Type Activities of the City. Additionally, the liability related to meter deposits of the Electric Fund is not properly presented. The liability related to meter deposits in the Electric Fund includes the amount of deposits for the Electric Fund and the amount for the Water and Sewer Fund. The correction of this issue in the Electric Fund would decrease the liabilities and increase the net position in the Electric Fund.

Management did not have a system in place to properly present an accurate amount for the asset related to inventory in the Water and Sewer Fund of the City for the fiscal year September 30, 2013. Also, the City did not conduct a physical inventory related to the Water and Sewer Fund inventory for the fiscal year September 30, 2013. The beginning inventory issue for the Water and Sewer Fund would increase or decrease the expenses and the change in net position of the Water and Sewer Fund for the fiscal year September 30, 2014.

The amount by which the departures would affect the assets, liabilities, net position, revenues and expenses of the City's financial statements has not been determined.

## **Qualified Opinion**

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Oxford, Mississippi, as of September 30, 2014, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 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*

The City of Oxford - Electric Department's financial year ends on June 30, as required by regulatory bodies, and, therefore, all statements and information relating to the Electric Department in this report are for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford, Mississippi's financial statements as a whole. The combining and individual non-major fund financial statements and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards 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 April 27, 2015 on our consideration of the City of Oxford, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the 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 City of Oxford, Mississippi's internal control over financial reporting and compliance.

*Franks, Franks, Jarrell + Wilemon, P.A.*

FRANKS, FRANKS, JARRELL & WILEMON, P.A.  
April 27, 2015

# **CITY OF OXFORD, MISSISSIPPI**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Required Supplemental Information for the Year ended September 30, 2014**

This section of the City of Oxford's Financial Report presents our discussion and analysis of the City's financial performance during the fiscal year ending September 30, 2014. Please read it in conjunction with the City of Oxford financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$138,995,318. Of this amount, \$22,980,685 may be used to meet the City of Oxford ongoing obligations to citizens and creditors. This compares to the previous year when assets exceeded liabilities by \$132,592,101, of which \$22,430,220 was available to meet the City's ongoing obligations.
- As of the close of the current fiscal year, the City of Oxford's governmental funds reported combined ending fund balances of \$47,279,824, an increase of \$485,194 in comparison to the prior year. Approximately 14% of the combined fund balances, \$6,705,079 is considered unassigned and is available for spending at the City of Oxford's discretion.
- The City's total net position increased by \$8,343,737. This increase is considered reasonable considering the budgeted revenues and expenditures and the amount of grant funds received for the fiscal year.
- The City of Oxford's total debt is \$50,288,917. New debt in the amount of \$2,100,000 was issued in the current fiscal year. Debt in the amount of \$3,931,846 was repaid during the current fiscal year.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

*This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City of Oxford.*

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City of Oxford's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City of Oxford's operations in more detail than the government-wide statements.

The Governmental Funds statements tell how general government services such as public safety were financed in the short term as well as what remains for future spending. The City has four Governmental Fund types: the General, Special Revenue, Capital Projects and Debt Service.

Proprietary fund statements offer short- and long-term financial information about the activities the government operates in a similar manner as businesses, and include the Electric and Water & Sewer funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. In addition to these required elements, we



# CITY OF OXFORD, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

included combining statements that provide details about non-major governmental funds, each of which are added together and presented in single columns in the financial statements. Figure A-1 summarizes the major features of the City of Oxford's financial statements, including the portion of the City of Oxford they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

#### Major Features of the City of Oxford's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City Government (except fiduciary funds) and the City's component units.	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks and recreation	Activities the City operates similar to private businesses: Electric Department and Water & Sewer.
Required financial statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Net Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

# **CITY OF OXFORD, MISSISSIPPI**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Government-wide Statements**

The government-wide statements report information about the City of Oxford as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The government-wide financial statements include not only the City itself (known as the primary government), but also one discretely presented component unit (Oxford Tourism Council). Financial information for the component unit is reported separately from the financial information presented for the primary government. The financial statements for the component unit are available from the City Clerk upon request.

The two government-wide statements report the City of Oxford's net position and how they have changed. Net position—the difference between the City of Oxford's assets and liabilities—is one way to measure the City of Oxford's financial health, or position.

- Over time, increases or decreases in the city of Oxford's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City of Oxford, the reader should consider additional non-financial factors such as changes in the City of Oxford's property tax base.
- *Governmental activities* –Most of the City of Oxford's basic services are included here, such as the police, fire, public works, and parks and recreation departments, tourism promotion, transit operation and general administration. Property taxes, sales and use taxes, and state and federal grants finance most of these activities.
- *Business-type activities* – The City of Oxford charges fees to customers to help it cover the costs of certain services it provides. The City of Oxford's water and sewer systems and electric department services are included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City of Oxford's most significant funds—not the City as a whole. The "fund" level is where the basic unit of financial organization and operation within the City of Oxford exists. Funds are accounting tools that are used to keep track of specific sources of funding and spending for particular purposes. They are the basic budgetary and accounting entities.

- Some funds are required by State law and by bond covenants.
- The Board of Alderman establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.



## CITY OF OXFORD, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Oxford has two types of funds:

- **Governmental funds**—most of the City of Oxford's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City of Oxford's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The measurement focus of governmental funds is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income determination. These funds are maintained on a modified accrual basis of accounting (explained further in the notes to the financial statements under "Summary of Significant Accounting Policies"). The basic financial statements for governmental funds are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance. The City of Oxford utilizes four types of governmental funds: the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.
- **Proprietary funds**—Services for which the City of Oxford charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The City has only one type of proprietary funds—enterprise funds. The City of Oxford's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are all required statements.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Oxford's assets exceeded liabilities by \$138,995,318 at the close of the most recent fiscal year.

A large portion, 54 %, of the City's net position reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; however, these assets are not available for future spending. Although the City'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.

# CITY OF OXFORD, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-1

### City of Oxford's Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 50,014,213	\$ 51,289,023	\$ 27,143,848	\$ 24,692,335	\$ 77,158,061	\$ 75,981,358
Capital Assets	65,533,138	60,832,806	59,455,408	60,223,884	124,988,546	121,056,690
Total Assets	115,547,351	112,121,829	86,599,256	84,916,219	202,146,607	197,038,048
Deferred Outflows	0	162,657	53,358	473,826	53,358	636,483
Total Deferred Outflows	0	162,657	53,358	473,826	53,358	636,483
Current and Other Liabilities	3,170,280	3,880,115	9,414,589	8,699,201	12,584,869	12,579,316
Long-Term Liabilities	23,889,149	24,084,437	26,399,768	28,036,326	50,288,917	52,120,763
Total Liabilities	27,059,429	27,964,552	35,814,357	36,735,527	62,873,786	64,700,079
Deferred Inflows	245,640	234,709	85,221	147,642	330,861	382,351
Total Deferred Inflows	245,640	234,709	85,221	147,642	330,861	382,351
Net Position:						
Net Investment in						
Capital Assets	41,643,989	36,748,369	33,055,640	32,187,558	74,699,629	68,935,927
Restricted	40,208,201	40,110,666	1,106,803	1,115,288	41,315,004	41,225,954
Unrestricted	6,390,092	7,226,190	16,590,593	15,204,030	22,980,685	22,430,220
Total Net Position	<u>\$ 88,242,282</u>	<u>\$84,085,225</u>	<u>\$ 50,753,036</u>	<u>\$ 48,506,876</u>	<u>\$ 138,995,318</u>	<u>\$ 132,592,101</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The \$6,390,092 of unrestricted net position provides excess funds to meet the government's ongoing obligations to citizens and creditors.

Unrestricted net position of our business-type activities was \$16,590,593 at the end of the current fiscal year. These resources cannot be used to add to the net position surplus in governmental activities. The City of Oxford generally can only use this net position to finance the continuing operations of the business type activities.

**Changes in net position.** Approximately 12 percent of the City of Oxford's revenue comes from property taxes and approximately 11 percent from sales tax, with 27 percent of all revenue coming from some type of tax. (See Table A-2.) Another 58 percent comes from fees charged for services, and the balance is from operating and capital grants and contributions, intergovernmental revenue and investment earnings.



# CITY OF OXFORD, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table A-2

### Changes in The City of Oxford's Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 7,629,313	\$ 5,894,830	\$ 32,347,682	\$ 30,933,342	\$ 39,976,995	\$ 36,828,172
Operating Grants & Contributions	2,520,255	2,548,413	0	0	2,520,255	2,548,413
Capital Grants & Contributions	1,669,811	3,533,428	336,183	23,009	2,005,994	3,556,437
General Revenues:						
Property Taxes	8,163,563	7,563,516	0	0	8,163,563	7,563,516
Sales Tax	7,457,265	7,069,861	0	0	7,457,265	7,069,861
Other Taxes	3,174,107	2,911,212	0	0	3,174,107	2,911,212
Intergovernmental Revenues	2,574,822	1,875,119	0	0	2,574,822	1,875,119
Investment Income	1,736,086	2,253,638	30,211	44,322	1,766,297	2,297,960
Other	728,246	429,160	150,583	274,305	878,829	703,465
<b>Total Revenues</b>	<b>35,653,468</b>	<b>34,079,177</b>	<b>32,864,659</b>	<b>31,274,978</b>	<b>68,518,127</b>	<b>65,354,155</b>
<b>Expenses</b>						
General Government	5,372,132	4,719,242	0	0	5,372,132	4,719,242
Public Safety	8,935,589	8,285,782	0	0	8,935,589	8,285,782
Public Works	7,402,613	7,167,426	0	0	7,402,613	7,167,426
Tourism	791,967	1,475,629	0	0	791,967	1,475,629
Culture & Recreation	5,075,195	3,635,436	0	0	5,075,195	3,635,436
Historic Preservation	0	5,000	0	0	0	5,000
Transit Operation	2,139,280	1,753,393	0	0	2,139,280	1,753,393
Other Functions	84,921	72,920	0	0	84,921	72,920
Debt Service	687,339	755,427	0	0	687,339	755,427
Water & Sewer	0	0	7,867,217	8,122,090	7,867,217	8,122,090
Electric	0	0	20,831,014	20,611,161	20,831,014	20,611,161
Capital Projects	263,415	21,668	0	0	263,415	21,668
Miscellaneous	0	0	0	0	0	0
<b>Total Expenses</b>	<b>30,752,451</b>	<b>27,891,923</b>	<b>28,698,231</b>	<b>28,733,251</b>	<b>59,450,682</b>	<b>56,625,174</b>
Excess of Revenue Over Expenses	4,901,017	6,187,254	4,166,428	2,541,727	9,067,445	8,728,981
Transfers	402,916	245,845	(1,126,624)	(218,599)	(723,708)	27,246
<b>Increase (Decrease) in Net Position</b>	<b>5,303,933</b>	<b>6,433,099</b>	<b>3,039,804</b>	<b>2,323,128</b>	<b>8,343,737</b>	<b>8,756,227</b>
<b>Net Position--Beginning, as previously stated</b>	<b>84,085,225</b>	<b>86,128,474</b>	<b>48,506,876</b>	<b>54,056,789</b>	<b>132,592,101</b>	<b>140,185,263</b>
<b>Prior Period Adjustment</b>	<b>(1,146,876)</b>	<b>(8,476,348)</b>	<b>(793,644)</b>	<b>(7,873,041)</b>	<b>(1,940,520)</b>	<b>(16,349,389)</b>
<b>Net Position--Beginning, as restated</b>	<b>82,938,349</b>	<b>77,652,126</b>	<b>47,713,232</b>	<b>46,183,748</b>	<b>130,651,581</b>	<b>123,835,874</b>
<b>Net Position--Ending</b>	<b>\$ 88,242,282</b>	<b>\$ 84,085,225</b>	<b>\$ 50,753,036</b>	<b>\$ 48,506,876</b>	<b>\$ 138,995,318</b>	<b>\$ 132,592,101</b>

# **CITY OF OXFORD, MISSISSIPPI**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Governmental Activities**

Governmental activities increased the City's net position by \$5,303,933, thereby accounting for 63.57 percent of the total increase in the net position of the City. Key elements of this increase are as follows:

The largest funding sources for the City's governmental activities, as a percent of total revenues, are property taxes (23%), charges for services (21%), and sales tax (21%).

The largest expense categories for the City's governmental activities are public safety (29%) and public works (24%).

### **Business-type Activities**

Business-type activities increased the City's net position by \$3,039,804 accounting for 36.43 percent of the increase in the City's net position.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$9,140,831 for water and \$23,206,851 for electric.

### **Financial Analysis of the Government's Funds**

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

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

**General Fund**—The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,705,079. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, assigned and unassigned, to total fund expenditures. Total fund balance represents 29% of total fund expenditures. The fund balance of the City's general fund increased by \$328,657 during the current fiscal year.

**Debt Service Fund**—The debt service fund has a total fund deficit of \$178,144, all of which is committed for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$33,371.

**Special Revenue Fund**—The special revenue fund is used to account for the programs and projects primarily funded by grants from the federal and state governments. At the end of the current fiscal year, the fund balance was \$3,471,262, which will be used for future expenditures.

**Capital Projects Fund**—The capital projects fund accounts for the construction and reconstruction of general public improvements, excluding projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$1,798,275.



# CITY OF OXFORD, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds**—The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$50,753,036. Changes in net position, which totaled \$3,039,804, were as follows: the electric fund increased by \$1,278,314 and the water & sewer fund increased by \$1,761,490.

### Budgetary Highlights

The City's annual budget, which is prepared on an operating basis, includes estimated revenues and annual appropriations for the proprietary funds as well as the governmental funds.

The City's 2013 -14 general fund operating budget increased by approximately \$1,933,978 during the current fiscal year. This increase was primarily related to increases in expenditures that are directly related to capital grant projects. There was no change in the City's tax millage from 2013 to 2014.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets**—In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounted to \$124,988,546, net of accumulated depreciation of \$70,924,316. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

Table A-3  
City of Oxford's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,365,620	\$ 6,365,620	\$ 1,108,463	\$ 1,108,463	\$ 7,474,083	\$ 7,474,083
Plant, Buildings & Improvements	26,523,333	22,645,449	87,304,230	86,146,849	113,827,563	108,792,298
Machinery & Equipment	16,175,274	14,469,424	6,007,525	5,422,907	22,182,799	19,892,331
Infrastructure	44,089,089	44,089,089	0	0	44,089,089	44,089,089
Construction-in-progress	6,005,156	4,114,142	2,334,172	1,221,408	8,339,328	5,335,550
Accumulated Depreciation	(33,625,334)	(30,850,918)	(37,298,982)	(33,675,743)	(70,924,316)	(64,526,661)
Total	<u>\$ 65,533,138</u>	<u>\$ 60,832,806</u>	<u>\$ 59,455,408</u>	<u>\$ 60,223,884</u>	<u>\$ 124,988,546</u>	<u>\$ 121,056,690</u>

# CITY OF OXFORD, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt**—At year-end, the city had \$50,288,917 in bonds and notes outstanding. More detailed information about the city of Oxford's long-term liabilities is presented in the notes to the financial statements.

Table A-4  
**City of Oxford's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General Obligation Bonds	\$ 20,235,000	\$ 22,200,000	\$ 19,365,000	\$ 20,620,000	\$ 39,600,000	\$ 42,820,000
Special Assessment Bonds	1,600,000	0	0	0	1,600,000	0
General Obligation Notes	805,000	405,000	0	0	805,000	405,000
Promissory Notes	1,249,149	1,479,437	7,034,768	7,416,326	8,283,917	8,895,763
<b>Total</b>	<b>\$ 23,889,149</b>	<b>\$ 24,084,437</b>	<b>\$ 26,399,768</b>	<b>\$ 28,036,326</b>	<b>\$ 50,288,917</b>	<b>\$ 52,120,763</b>

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

The City considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2015 budget. The total budgeted appropriations for the City general fund operations are \$25,877,692. This budget reflects an increase of approximately \$563,180. This increase is due primarily to an increase in capital outlay related to various economic development projects and grant programs.

### CONTACTING THE CITY OF OXFORD FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City of Oxford finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Oxford's Finance Department, 107 Courthouse Square, Oxford, MS 38655.



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
**September 30, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Oxford Tourism Council
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 11,089,090	\$ 16,508,367	\$ 27,597,457	\$ 136,728
Investments	34,988,672	3,490,002	38,478,674	-
Accounts Receivable, net	-	4,749,191	4,749,191	-
Court Fines Receivable, net	336,121	-	336,121	23,085
Ad Valorem Taxes Receivable, net	140,366	-	140,366	-
Other Receivables	-	-	-	-
Due From Other Funds	4,200	-	4,200	-
Due From Other Governments	3,455,764	85,356	3,541,120	-
Prepaid Expenses	-	69,978	69,978	-
Inventories	-	1,106,262	1,106,262	-
Restricted Assets:				
Cash and Cash Equivalents - Restricted	-	773,555	773,555	-
Investments - Restricted	-	342,588	342,588	-
Investment in CSA	-	18,549	18,549	-
Capital Assets:				
Land	6,365,620	1,108,463	7,474,083	-
Plant, Buildings and Improvements	26,523,333	87,304,230	113,827,563	6,906
Machinery and Equipment	16,175,274	6,007,525	22,182,799	60,728
Infrastructure	44,089,089	-	44,089,089	-
Construction in Progress	6,005,156	2,334,172	8,339,328	-
Accumulated Depreciation	(33,625,334)	(37,298,982)	(70,924,316)	(49,753)
<b>TOTAL ASSETS</b>	<b>\$ 115,547,351</b>	<b>\$ 86,599,256</b>	<b>\$ 202,146,607</b>	<b>\$ 177,694</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>				
Deferred Charge on Refunding of Bonds, Net of Accumulated Amortization of \$99,602		53,358	53,358	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ 53,358</b>	<b>\$ 53,358</b>	<b>\$ -</b>

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
**September 30, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Oxford Tourism Council
<b><u>LIABILITIES:</u></b>				
Checks Issued in Excess of Cash Deposits	\$ 1,015,558	\$ -	\$ 1,015,558	\$ -
Accounts Payable and Accrued Expenses	1,238,092	5,909,245	7,147,337	2,592
Accrued Interest Payable	-	242,872	242,872	-
Due to Other Funds	4,200	-	4,200	-
Due to Other Governments	52	-	52	-
Long-Term Liabilities, due within one year				
Revenue Bonds & Notes Payable	2,311,826	1,692,184	4,004,010	-
Long-Term Liabilities, due in more than one year				
Revenue Bonds & Notes Payable	21,577,323	24,707,584	46,284,907	-
Customer Deposits	-	3,021,138	3,021,138	-
Accrued Compensated Absences	912,378	241,334	1,153,712	-
TOTAL LIABILITIES	27,059,429	35,814,357	62,873,786	2,592
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Deferred Charge on Refunding of Bonds, net Accumulated Amortization of \$124,566	245,640	85,221	330,861	-
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 245,640	\$ 85,221	\$ 330,861	\$ -
<b><u>NET POSITION:</u></b>				
Net Investment in Capital Assets	41,643,989	33,055,640	74,699,629	15,762
Restricted for:				
Debt Service	(178,144)	1,106,803	928,659	-
Capital Projects	3,121,724	-	3,121,724	-
Special Revenue	37,264,621	-	37,264,621	37,756
Unrestricted	6,390,092	16,590,593	22,980,685	121,584
TOTAL NET POSITION	\$ 88,242,282	\$ 50,753,036	\$ 138,995,318	\$ 175,102

See accompanying notes to financial statements.



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2014**

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES					Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT
	Expenses	Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	PRIMARY GOVERNMENT			
						Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 5,372,132	\$ 881,168	\$ -	\$ -	\$ 881,168	\$ (4,490,964)	\$ -	\$ (4,490,964)	\$ -
Public Safety	8,935,589	863,679	723,637	-	1,587,316	(7,348,273)	-	(7,348,273)	-
Public Works	7,402,613	3,266,036	-	0	3,266,036	(4,136,577)	-	(4,136,577)	-
Culture and Recreation	5,075,195	2,136,318	113,525	1,396,405	3,646,248	(1,428,947)	-	(1,428,947)	-
Tourism Promotion	791,967	-	-	937	937	(791,030)	-	(791,030)	-
Transit Operation	2,139,280	482,112	-	-	2,122,755	(16,525)	-	(16,525)	-
Other Functions	84,921	-	42,450	-	42,450	(42,471)	-	(42,471)	-
Capital Projects	263,415	-	-	272,469	272,469	9,054	-	9,054	-
Debt Service	687,339	-	-	-	-	(687,339)	-	(687,339)	-
TOTAL GOVERNMENTAL ACTIVITIES	30,752,451	7,629,313	2,520,255	1,669,811	11,819,379	(18,933,072)	-	(18,933,072)	-
Business-Type Activities:									
Water and Sewer	7,867,217	9,140,831	-	336,183	9,477,014	-	1,609,797	1,609,797	-
Electric	20,831,014	23,206,851	-	-	23,206,851	-	2,375,837	2,375,837	-
TOTAL BUSINESS-TYPE ACTIVITIES	28,698,231	32,347,682	-	336,183	32,683,865	-	3,985,634	3,985,634	-
TOTAL PRIMARY GOVERNMENT	\$ 59,450,682	\$ 39,976,995	\$ 2,520,255	\$ 2,005,994	\$ 44,503,244	\$ (18,933,072)	\$ 3,985,634	\$ (14,947,438)	\$ -
COMPONENT UNITS									
Oxford Tourism Council	\$ 803,380	\$ 759,270	\$ -	\$ -	\$ 759,270	\$ -	\$ -	\$ -	\$ (44,110)
GENERAL REVENUES:									
Taxes:									
Property Taxes, Levied for General Purposes						\$ 6,021,082	\$ -	\$ 6,021,082	\$ -
Property Taxes, Levied for Debt Service						2,142,481	-	2,142,481	-
Sales Taxes						7,457,265	-	7,457,265	-
Special Taxes						2,566,330	-	2,566,330	-
County Pro Rata Taxes						-	-	-	-
Franchise Taxes						607,777	-	607,777	-
In Lieu Taxes						1,226,579	-	1,226,579	-
Gasoline Taxes & Other Taxes						207,559	-	207,559	-
Homestead Reimbursement						159,263	-	159,263	-
Fire Protection Allocation						103,087	-	103,087	-
Intergovernmental Revenues						746,613	-	746,613	-
Grants and Contributions not Restricted to Specific Programs						131,721	-	131,721	-
Investment Earnings						1,736,086	30,211	1,766,297	190
Gain (Loss) on Asset Disposal						123,727	(3,900)	119,827	-
Miscellaneous						604,519	154,483	759,002	-
Transfers						402,916	(1,126,624)	(723,708)	-
TOTAL GENERAL REVENUES AND TRANSFERS						24,237,005	(945,830)	23,291,175	(490,136)
CHANGE IN NET POSITION						5,303,933	3,039,804	8,343,737	(489,946)
NET POSITION--BEGINNING, as previously stated						84,085,225	48,506,876	132,592,101	(534,056)
PRIOR PERIOD ADJUSTMENT						(1,146,876)	(793,644)	(1,940,520)	709,158
NET POSITION--BEGINNING, as restated						82,938,349	47,713,232	130,651,581	-
NET POSITION--ENDING						\$ 88,242,282	\$ 50,753,036	\$ 138,995,318	709,158
									175,102

See accompanying notes to financial statements.

**CITY OF OXFORD, MISSISSIPPI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2014**

	Major Funds				
	General Fund	\$5.5 M Bond Issue 2012	Oxford Reserve & Trust Fund	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS:</u></b>					
Cash on Deposit	\$ 4,649,292	\$ 1,168,111	\$ -	\$ 5,271,687	\$ 11,089,090
Investments	1,021,439	-	33,770,860	196,373	34,988,672
Other Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	4,200	4,200
Due From Other Governments	2,050,707	268,439	-	1,136,618	3,455,764
<b>TOTAL ASSETS</b>	<b>\$ 7,721,438</b>	<b>\$ 1,436,550</b>	<b>\$ 33,770,860</b>	<b>\$ 6,608,878</b>	<b>\$ 49,537,726</b>
<b><u>LIABILITIES AND FUND BALANCES (DEFICIT):</u></b>					
<b><u>LIABILITIES:</u></b>					
Checks Issued in Excess of Cash Deposits	\$ -	\$ -	\$ -	\$ 1,015,558	\$ 1,015,558
Accounts Payable and Accrued Expenses	615,440	120,725	-	501,927	1,238,092
Due to Other Funds	4,200	-	-	-	4,200
Due to Other Governments	52	-	-	-	52
Accrued Compensated Absences	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>619,692</b>	<b>120,725</b>	<b>-</b>	<b>1,517,485</b>	<b>2,257,902</b>
<b><u>FUND BALANCES (DEFICIT):</u></b>					
Nonspendable	52,171	-	-	-	52,171
Committed					
Public Safety	11,093	-	-	-	11,093
Debt Service	-	-	-	(178,144)	(178,144)
Capital Projects	7,624	-	-	-	7,624
Restricted					
Capital Projects	-	1,315,825	-	1,798,275	3,114,100
Transit Operations	-	-	-	(135,248)	(135,248)
Tourism	-	-	-	2,745,562	2,745,562
Cultural and Recreational	-	-	-	(76,404)	(76,404)
Permanent Fund Principal	-	-	33,770,860	308,888	34,079,748
Public Safety	-	-	-	509,289	509,289
Economic Development	-	-	-	119,175	119,175
Grant Projects	22,499	-	-	-	22,499
Assigned					
Cemetery	268,792	-	-	-	268,792
London Bus	34,488	-	-	-	34,488
Unassigned	6,705,079	-	-	-	6,705,079
<b>TOTAL FUND BALANCES</b>	<b>7,101,746</b>	<b>1,315,825</b>	<b>33,770,860</b>	<b>5,091,393</b>	<b>47,279,824</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,721,438</b>	<b>\$ 1,436,550</b>	<b>\$ 33,770,860</b>	<b>\$ 6,608,878</b>	<b>\$ 49,537,726</b>

See accompanying notes to financial statements.



**CITY OF OXFORD, MISSISSIPPI**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2014**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 47,279,824
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	65,533,138
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	(23,889,149)
Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end.	140,366
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(912,378)
Bond issuance costs are reported as expenditures on the Governmental Funds financial statements in the year incurred. However, in the Statement of Activities, the cost of issuing bonds is amortized over the life of the related bonds. This is the amount of unamortized issuance cost remaining.	-
This is the amount of unamortized premium remaining.	(245,640)
Accrual of court fine revenues to qualify as financial resources.	<u>336,121</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 88,242,282</u>

See accompanying notes to financial statements.

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2014**

	Major Funds				
	General Fund	\$5.5 M Bond Issue 2012	Oxford Reserve & Trust Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
General Property Taxes	\$ 6,000,209	\$ -	\$ -	\$ 2,142,481	\$ 8,142,690
Sales and Use Taxes	7,457,265	-	-	-	7,457,265
Special Taxes	-	-	-	2,566,330	2,566,330
Licenses and Permits	696,769	-	-	-	696,769
Franchise Fees	607,777	-	-	-	607,777
In Lieu - Utility Department	965,000	-	-	-	965,000
Penalties and Interest	184,399	-	-	-	184,399
Intergovernmental Revenues	1,563,568	272,469	-	306,264	2,142,301
Grant Income	489,277	-	-	1,366,630	1,855,907
Local Matching Funds	-	-	-	537,136	537,136
Charges for Services	4,372,248	-	-	482,112	4,854,360
Fines and Forfeitures	701,114	-	-	113,248	814,362
Interest Income	11,645	-	1,723,772	669	1,736,086
Sale of Land and Surplus Equipment	141,775	-	-	-	141,775
Cemetery	82,505	-	-	-	82,505
Rental	-	-	-	1,030,106	1,030,106
Donations/Contributions	64,544	-	-	-	64,544
Miscellaneous Revenues	504,063	-	-	17,951	522,014
<b>TOTAL REVENUES</b>	<u>23,842,158</u>	<u>272,469</u>	<u>1,723,772</u>	<u>8,562,927</u>	<u>34,401,326</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	5,210,476	-	-	-	5,210,476
Public Safety	8,356,933	-	-	385,806	8,742,739
Public Works	7,103,682	38,718	-	14,746	7,157,146
Culture and Recreation	3,373,237	-	-	1,168,717	4,541,954
Tourism Promotion	-	-	-	778,318	778,318
Transit Operation	-	-	-	2,127,740	2,127,740
Other Functions	-	-	-	84,921	84,921
Capital Projects	-	3,801,688	-	778,093	4,579,781
Debt Service	369,956	-	-	2,633,866	3,003,822
<b>TOTAL EXPENDITURES</b>	<u>24,414,284</u>	<u>3,840,406</u>	<u>-</u>	<u>7,972,207</u>	<u>36,226,897</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(572,126)</u>	<u>(3,567,937)</u>	<u>1,723,772</u>	<u>590,720</u>	<u>(1,825,571)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from Component Unit	-	-	-	34,520	34,520
Transfers to Other Funds	-	(44,889)	-	(1,589,337)	(1,634,226)
Transfers from Other Funds	900,783	-	-	877,563	1,778,346
Proceeds from Issuance of Debt and Capital Leases	-	-	-	2,132,125	2,132,125
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>900,783</u>	<u>(44,889)</u>	<u>-</u>	<u>1,454,871</u>	<u>2,310,765</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>328,657</u>	<u>(3,612,826)</u>	<u>1,723,772</u>	<u>2,045,591</u>	<u>485,194</u>
<b>FUND BALANCES - Beginning, as previously stated</b>	6,075,100	4,928,651	32,047,088	3,005,623	46,056,462
<b>PRIOR PERIOD ADJUSTMENT</b>	697,989	-	-	40,179	738,168
<b>FUND BALANCES - Beginning, as restated</b>	6,773,089	4,928,651	32,047,088	3,045,802	46,794,630
<b>FUND BALANCES - Ending</b>	<u>\$ 7,101,746</u>	<u>\$ 1,315,825</u>	<u>\$ 33,770,860</u>	<u>\$ 5,091,393</u>	<u>\$ 47,279,824</u>

See accompanying notes to financial statements.



**CITY OF OXFORD, MISSISSIPPI**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2014**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 485,194
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report capital outlay as expenditures. However, in the Government Wide Statement of Activities and Changes in Net Position the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	5,938,148
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(2,644,204)
Proceeds from the disposition of capital assets is reported as income in the Governmental Funds. The gain or loss on the sale of the capital assets and not the gross proceeds are reported as income in the Government-Wide Statement of Activities and Changes in Net Position.	(18,048)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	1,424,276
Because some property taxes will not be collected for several months after the Government's fiscal year ends, they are not considered "available" revenues in the governmental funds.	20,873
Increase in accrual of compensated absences.	(135,981)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.	49,317
Bond issuance costs are reported as expenditures on the Governmental Funds financial statements in the year incurred. However, in the Statement of Activities, the cost of issuing bonds is amortized over the life of the related bonds, This is the amount of the current amortization of issuance costs. This is the amount of the current amortization of premium.	21,195
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.	
This amount represents bond proceeds and premiums.	(2,132,125)
This amount represents long-term debt repayments and issuance costs.	<u>2,295,288</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,303,933</u>

See accompanying notes to financial statements.

**CITY OF OXFORD, MISSISSIPPI**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL -**  
**BUDGETARY BASIS**  
**For the Year Ended September 30, 2014**

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
<b>REVENUES:</b>				
General Property Taxes	\$ 5,349,448	\$ 6,056,448	\$ 6,000,209	\$ (56,239)
Sales and Use Taxes	7,155,422	7,280,422	7,336,371	55,949
Licenses and Permits	462,000	651,500	696,769	45,269
Franchise Fees	610,000	580,000	670,215	90,215
In Lieu - Utility Department	-	-	906,666	906,666
Penalties and Interest	195,000	195,000	184,399	(10,601)
Intergovernmental Revenues	1,789,926	1,609,000	1,557,243	(51,757)
Grant Income	310,000	440,927	613,768	172,841
Charges for Services	3,987,644	3,902,644	4,357,962	455,318
Fines and Forfeits	405,000	562,800	701,114	138,314
Interest Income	25,000	11,000	11,645	645
Sale of Land and Surplus Equipment	-	-	141,775	141,775
Cemetery	-	80,000	82,505	2,505
Miscellaneous Revenues	295,000	649,390	568,607	(80,783)
<b>TOTAL REVENUES</b>	<b>20,584,440</b>	<b>22,019,131</b>	<b>23,829,248</b>	<b>1,810,117</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	5,308,652	5,890,181	5,210,476	679,705
Public Safety	8,610,017	8,789,471	8,356,933	432,538
Public Works	6,763,365	6,824,707	7,103,682	(278,975)
Culture and Recreation	2,698,500	3,540,380	3,373,237	167,143
Debt Service	-	269,773	369,956	(100,183)
<b>TOTAL EXPENDITURES</b>	<b>23,380,534</b>	<b>25,314,512</b>	<b>24,414,284</b>	<b>900,228</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,796,094)</b>	<b>(3,295,381)</b>	<b>(585,036)</b>	<b>2,710,345</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (to) from Other Funds	2,030,542	2,030,542	900,783	(1,129,759)
Proceeds from Issuance of Debt	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,030,542</b>	<b>2,030,542</b>	<b>900,783</b>	<b>(1,129,759)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES</b>	<b>\$ (765,552)</b>	<b>\$ (1,264,839)</b>	<b>\$ 315,747</b>	<b>\$ 1,580,586</b>

See accompanying notes to financial statements.



CITY OF OXFORD, MISSISSIPPI  
\$5.5M BOND ISSUE - 2012 FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL -  
BUDGETARY BASIS  
For the Year Ended September 30, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
<b>REVENUES:</b>				
Intergovernmental Revenues	\$ 300,000	\$ 300,000	\$ 272,469	\$ (27,531)
<b>TOTAL REVENUES</b>	<u>300,000</u>	<u>300,000</u>	<u>272,469</u>	<u>(27,531)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Works	260,000	260,000	38,718	221,282
Capital Projects	<u>3,960,000</u>	<u>3,960,000</u>	<u>3,801,688</u>	<u>158,312</u>
<b>TOTAL EXPENDITURES</b>	<u>4,220,000</u>	<u>4,220,000</u>	<u>3,840,406</u>	<u>379,594</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,920,000)</u>	<u>(3,920,000)</u>	<u>(3,567,937)</u>	<u>352,063</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers (to) from Other Funds	-	-	(44,889)	(44,889)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(44,889)</u>	<u>(44,889)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES</b>	<u>\$ (3,920,000)</u>	<u>\$ (3,920,000)</u>	<u>\$ (3,612,826)</u>	<u>\$ 307,174</u>

See accompanying notes to financial statements.

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2014**

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND		
	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
<b><u>ASSETS:</u></b>			
<b><u>Current Assets:</u></b>			
Cash and Cash Equivalents	\$ 9,026,702	\$ 7,481,665	\$ 16,508,367
Investments	892	3,489,110	3,490,002
Receivables, net	3,030,872	1,718,319	4,749,191
Due from Other Funds	-	-	-
Due from Other Governments	-	85,356	85,356
Inventories	659,667	446,595	1,106,262
Prepaid Expenses	69,978	-	69,978
Total Current Assets	12,788,111	13,221,045	26,009,156
<b><u>Noncurrent Assets:</u></b>			
<b><u>Restricted Assets</u></b>			
Cash and Cash Equivalents - Restricted	5,000	768,555	773,555
Investments - Restricted	342,588	-	342,588
Investment in CSA	18,549	-	18,549
<b><u>Capital Assets:</u></b>			
Land	908,953	199,510	1,108,463
Plants, Buildings & Improvements	28,931,266	58,372,964	87,304,230
Machinery & Equipment	2,660,099	3,347,426	6,007,525
Accumulated Depreciation	(9,779,253)	(27,519,729)	(37,298,982)
Construction Work In Progress	667,433	1,666,739	2,334,172
Total Noncurrent Assets	23,754,635	36,835,465	60,590,100
<b>TOTAL ASSETS</b>	<b>\$ 36,542,746</b>	<b>\$ 50,056,510</b>	<b>\$ 86,599,256</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred Charge on Refunding of Bonds, Net of Accumulated Amortization of \$99,602	53,358	-	53,358
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 53,358</b>	<b>\$ -</b>	<b>\$ 53,358</b>



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND TYPES**  
**September 30, 2014**

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS		
	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable and			
Accrued Expenses	\$ 5,550,413	\$ 312,761	\$ 5,863,174
Compensated Absences	89,484	151,850	241,334
Accrued Interest Payable	9,340	233,532	242,872
Due to Other Funds	-	-	-
Current Portion of Long-Term Debt	385,000	1,307,184	1,692,184
Customer Deposits	3,021,138	-	3,021,138
Total Current Liabilities	9,055,375	2,005,327	11,060,702
<b><u>Long-Term Liabilities:</u></b>			
Other Liabilities	46,071	-	46,071
Bonds, Notes, & Loans Payable, net of current portion	1,625,000	23,082,584	24,707,584
Total Long-Term Liabilities	1,671,071	23,082,584	24,753,655
Total Liabilities	10,726,446	25,087,911	35,814,357
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Charge on Refunding Bonds, net	-	85,221	85,221
TOTAL DEFERRED INFLOWS OF RESOURCES	-	85,221	85,221
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	21,378,498	11,677,142	33,055,640
Reserved for Debt Service	338,248	768,555	1,106,803
Unrestricted	4,152,912	12,437,681	16,590,593
TOTAL NET POSITION	\$ 25,869,658	\$ 24,883,378	\$ 50,753,036

See accompanying notes to financial statements.

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION-**  
**PROPRIETARY FUNDS**  
**For The Year Ended September 30, 2014**

	BUSINESS-TYPE ACTIVITIES- PROPRIETARY FUND		
	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
<b><u>OPERATING REVENUE:</u></b>			
Charges For Services	\$ 22,921,751	\$ 9,140,831	\$ 32,062,582
Other	285,100	-	285,100
Total Operating Revenue	23,206,851	9,140,831	32,347,682
<b><u>OPERATING EXPENSES:</u></b>			
Operations	19,427,810	4,089,069	23,516,879
Maintenance	391,870	244,425	636,295
Depreciation and Amortization Expense	878,058	2,709,672	3,587,730
Taxes	-	-	-
Total Operating Expenses	20,697,738	7,043,166	27,740,904
Net Operating Income (Loss)	2,509,113	2,097,665	4,606,778
<b><u>NON-OPERATING INCOME (EXPENSES):</u></b>			
Interest Income	2,657	27,554	30,211
Gain (Loss) on Disposal of Fixed Asset	-	(3,900)	(3,900)
Grant Income/ Capital Contributions	-	336,183	336,183
Amortization of Debt Expense	(12,081)	-	(12,081)
Miscellaneous Income (Expense)	(72,680)	227,163	154,483
Interest Expense	(121,195)	(824,051)	(945,246)
Total Non-Operating Income (Loss)	(203,299)	(237,051)	(440,350)
Income before Operating Transfers	2,305,814	1,860,614	4,166,428
<b><u>OPERATING TRANSFERS IN (OUT):</u></b>	(1,027,500)	(99,124)	(1,126,624)
Change in Net Position	1,278,314	1,761,490	3,039,804
Total Net Position - Beginning, as previously stated	24,740,376	23,766,500	48,506,876
Prior Period Adjustment	(149,032)	(644,612)	(793,644)
Total Net Position - Beginning, as restated	24,591,344	23,121,888	47,713,232
Total Net Position - Ending	\$ 25,869,658	\$ 24,883,378	\$ 50,753,036

See accompanying notes to financial statements.



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2014**

	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
<b><u>Cash Flows from Operating Activities:</u></b>			
Receipts from Customers	\$ 23,293,493	\$ 9,054,270	\$ 32,347,763
Payments to Suppliers	(18,967,944)	(960,128)	(19,928,072)
Payments to Employees	(629,948)	(2,427,829)	(3,057,777)
Payments for Other Services and Charges	(1,027,500)	(1,393,221)	(2,420,721)
Other Receipts (Payments)	-	-	-
Net Cash Provided By (Used In) Operating Activities	2,668,101	4,273,092	6,941,193
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Advances From Home Insulation Program	(23,207)	-	(23,207)
Transfers In (Out)	-	(99,124)	(99,124)
Net Cash Provided By (Used In) Noncapital Financing Activities	(23,207)	(99,124)	(122,331)
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Proceeds From Capital Debt	-	-	-
Purchases of Capital Assets	(1,061,217)	(1,918,716)	(2,979,933)
Proceeds From Sale of Capital Assets	-	-	-
Principal Paid on Capital Debt	(370,000)	(1,266,558)	(1,636,558)
Interest Paid on Capital Debt	(122,582)	(824,051)	(946,633)
Other Receipts (Payments)	-	227,163	227,163
Net Cash Provided By (Used In) Capital and Related Financing Activities	(1,553,799)	(3,782,162)	(5,335,961)
<b><u>Cash Flows from Investing Activities:</u></b>			
Purchase of Investments	(685,213)	-	(685,213)
Proceeds From Sale of Investments	683,466	-	683,466
Cash Received from Grants	-	336,183	336,183
Interest and Dividends	2,657	27,554	30,211
Other Receipts (Payments)	(77,625)	-	(77,625)
Net Cash Provided By (Used In) Investing Activities	(76,715)	363,737	287,022
Net Increase (Decrease) In Cash and Cash Equivalents	1,014,380	755,543	1,769,923
Cash and Cash Equivalents--Beginning	8,017,322	10,983,787	19,001,109
Cash and Cash Equivalents--Ending	\$ 9,031,702	\$ 11,739,330	\$ 20,771,032
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:</u></b>			
Operating Income (Loss)	\$ 2,509,113	\$ 2,097,665	\$ 4,606,778
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Depreciation and Amortization Expense	878,058	2,709,672	3,587,730
Amounts Paid to City - Tax Equivalents	(1,027,500)	-	(1,027,500)
(Increase) Decrease in Accounts Receivable	(28,261)	(86,561)	(114,822)
(Increase) Decrease in Prepaid Items	76,487	-	76,487
(Increase) Decrease in Deferred Charges	-	-	-
(Increase) Decrease in Inventory	(171,364)	(431,595)	(602,959)
(Increase) Decrease in Compensated Absences	-	6,373	6,373
Increase (Decrease) in Accounts Payable	354,960	13,835	368,795
Increase (Decrease) in Accrued Interest Payable	(38,295)	(36,297)	(74,592)
Increase (Decrease) in Customer Deposits	114,903	-	114,903
Total Adjustments	158,988	2,175,427	2,334,415
Net Cash Provided By (Used In) Operating Activities	\$ 2,668,101	\$ 4,273,092	\$ 6,941,193

See accompanying notes to financial statements.

**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES**

The City of Oxford, Mississippi operates under a Mayor - Alderman form of government and provides the following services: public safety (police & fire), public works (street and waste collection), culture and recreation, building and ground improvements, tourism promotion, transit operation, utilities (electric and water & sewer), community services, urban redevelopment and housing, public improvements and general administrative services.

The City has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The accounting policies of the City of Oxford conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION**

**Government-Wide and Fund Financial Statements**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information on all non-fiduciary activities of the primary government and its component units. The statement distinguishes between those activities of the City that are governmental, which are normally supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)**

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. Non-major funds, where applicable, are aggregated and presented in a single column. Fiduciary funds are reported by type.

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 proprietary 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 the 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.

Government 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 in the current period or soon enough thereafter to pay liabilities of the current period. For this purposes, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Significant revenues considered to be susceptible to accrual in addition to general property taxes include sales tax and various categorical grants. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Types

Governmental Funds

*General Fund* – The General Fund is used to account for all financial resources of the primary government except those required to be accounted for in another fund. The majority of current operations are financed by this fund. Transfers to other funds and agencies are made from this fund. Monies from other funds may be received unless prohibited by the purpose and object of such funds. This is a major fund.

*Debt Service Fund* – The Debt Service Fund was established to receive and account for resources restricted for the payment of interest and principal on general improvement and school bonds, and notes and capital leases. This is a non-major governmental fund.



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)**

*Special Revenue Fund* – The Special Revenue Fund is used to account for the proceeds of specific federal and state grants that are legally restricted to expenditures for specified purposes. These are non-major governmental funds except for the Oxford Reserve and Trust Fund.

*Capital Projects Funds* – Capital Projects Funds are used to account for financial resources such as proceeds from the sale of bonds, bond anticipation notes, capital notes, transfers from governmental funds, and federal and state grants, all provided for the specific purpose of constructing, reconstructing or acquiring permanent or semi-permanent capital improvements. Capital improvements intended for Enterprise Fund use are not included in the Capital Projects Funds. These are non-major governmental funds except for the \$5.5 M Bond Issue-2012 Fund.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds are as follows: sale of water for the Water Fund and sale of electricity for the Electric Fund. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

*The Electric Fund* – This fund is used to account for the City's electric distribution system. This fund is responsible for electric power delivery to the residents of the City of Oxford.

*Combined Water and Sewer Fund* – This fund is used to account for the City's water treatment and distribution system. This fund is responsible for water delivery to the residents of the City of Oxford.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Organizations for which the City is not financially accountable are also included when doing so is necessary in order to prevent the City's financial statements from being misleading.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)**

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government; other component units are discretely presented.

Blended Component Units

Oxford Park Commission – Created by a 1950 ordinance of the City. The Commission is composed of five commissioner appointed by the City's mayor and board of aldermen. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because its primary purpose is to provide recreation activities on behalf of the City.

Discretely Presented Component Units

The Oxford Tourism Council – Established by the Legislature of the State of Mississippi in August 1998 for the promotion of tourism within the City. The Council is composed of five board members appointed by the City's mayor and board of aldermen with one of the five board members being a current alderman of the City.

Governmental accounting standards require reasonable separation between the Primary Government (including its blended components units) and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

Payments Between The City And Component Units

Resource flows (except those that affect the statement of net position/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions—that is, as revenues and expenses. Resource flows between the primary government and blended component units are classified as interfund transactions in the financial statements.

Budgets and Budgetary Accounting

The Mayor and Board of Aldermen generally follow the following proposed budget calendar of the State Department of Audit in establishing the budgetary data reflected in the financial statements:

- (1) The Mayor and Board of Aldermen formulate the budget policy at the May board meeting.
- (2) Department budget requests are prepared by the appropriate people and submitted by the July board meeting.
- (3) A proposed budget is presented at the August meeting and a notice of public budget hearings and availability of the budget for inspection is published.

**CITY OF OXFORD, MS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)**

- (4) Between August 15th-30th a public hearing is held and the budget is adopted. The anticipated tax levy is reviewed to determine whether public notice is required on any levy.
- (5) Between September 1st-15th the budget must be adopted and the tax levy set.
- (6) Between September 1st-30th, in accordance with the City's population, the budget must be published in a municipal newspaper.
- (7) And, between September 15th-30th the budget as adopted should be written up, filed with the municipal clerk and public notice given of the availability of the budget for inspection.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

- (8) Further, budgets are used as management control devices in the General Debt Service and Proprietary Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except the Proprietary Fund recognizes all expenditures for debt as expense and no depreciation expense is recognized.

Budgetary data for the Capital Projects Fund has not been presented in the accompanying combined financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts after appropriate revisions during the year.

Expenditures may not legally exceed budgeted appropriations at the activity level except for capital outlays, election expenses and emergency expenditures.

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

Encumbrances

State law does not require that funds be available when goods or services are ordered, only when paid for. Due to this circumstance, the City does not employ an encumbrance system.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid debt instruments purchased with an original maturity of three months or less when acquired are considered to be cash equivalents.



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)**

Receivables

Receivables at September 30, 2014, consisted primarily of property and other taxes, accounts (billings for user charged services including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues, and accrued interest on investments.

The accrual amount of court fine receivables on the Statement of Net Position – Government-Wide has been reduced by \$623,314 to reflect the provision for uncollectible fines as determined by management's estimate.

Business Information

The City of Oxford, Mississippi provides electric, water and sewer services to customers located within the city limits of Oxford, Mississippi as well as a limited number of customers outside the city limits. Credit is extended to all of these customers for services.

Inventories

Inventories for proprietary fund types are valued at cost. The City does not maintain inventory records for any other fund types.

Prepaid Items

Prepaid items, such as prepaid insurance, are not reported for governmental fund types. This is permitted by generally accepted accounting principles.

Compensated Absences

The City's policy allows employees to accumulate unused vacation leave up to 30 days. Upon termination, any accumulated vacation will be paid to the employee. Sick leave will be paid only upon illness while an employee of the City.

Cash and Investments

The City deposits funds in the financial institutions selected by the Board of Alderman in accordance with state statutes.

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entities are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the FDIC.



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)**

Investments - State statutes, city bond ordinances and city resolutions authorize the City's investments. The City is authorized, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county, municipality or school district of this state, when such county, municipal or school district bonds have been properly approved; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of funds.

For reporting purposes, certificates of deposit are classified as investments. Investments are valued at cost or amortized cost except for investments in the Oxford Reserve and Trust Fund that are reported at market value.

Fund Balance Classification

The City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions. In accordance with GASB Statement No. 54, the governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has an obligation to maintain unemployment comp funds intact in lieu of periodic contributions to the state unemployment insurance program. The City has classified all funds associated with the unemployment comp fund as nonspendable. The City has \$52,171 of nonspendable fund balance as of September 30, 2014.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified the Forestry Grant and Volunteer Grant funds in the General Fund as restricted. The City has classified all special revenue grant funds as restricted to the appropriate expenditure category. The City has classified the \$5.5 M Bond Issue-2012 Fund as restricted for capital projects. The City also considers the balance in the Oxford Municipal Reserve & Trust Fund as restricted due to a state senate bill.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has classified the Crime Prevention/OPD Mounted Unit fund and the Fire Truck/Bull Dozer fund in the General Fund, as being committed because they were set aside for specific purposes by the Board of Aldermen. The City considers the balance in the debt service fund as committed based on Board authorization.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board of Aldermen delegating this responsibility to the City's management through the budgetary process. This classification also includes the



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)**

remaining positive fund balance for all governmental funds except for the General Fund. The City has classified the Cemetery Fund and London Bus Fund balances as assigned. The City has \$303,280 of assigned fund balance as of September 30, 2014.

- Unassigned: This classification includes the residual fund balance for the General Fund and all other amounts not included in other spendable classifications.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include those assumed in computing the provision for uncollectible court fines. It is as least reasonably possible that the significant estimate used will change within the next year.

**NOTE 2 - PROPERTY TAXES**

Property taxes, except motor vehicles, attach as an enforceable lien on property as of January 1st. The City bills and collects its own property taxes, except motor vehicle taxes, and also collects taxes for the Separate School District. Motor vehicle taxes are collected by the County Tax Collector and remitted to the City. Taxes are levied on October 1st and are due and payable at that time. All unpaid taxes levied October 1st become delinquent February 1st of the following year. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within thirty days after year end.

The millage was allocated as follows:

	2014		2013	
	City	School District	City	School District
General Fund	16.29	0.00	18.31	0.00
Park & Recreation	2.00	0.00	2.00	0.00
Library	1.02	0.00	1.02	0.00
City Debt Service				
2012 GO Bonds	1.47	0.00	0.56	0.00
2010 GO Bonds	1.33	0.00	1.37	0.00
2004 GO Bonds	1.06	0.00	1.08	0.00
2005 GO Bonds	0.64	0.00	0.67	0.00
2007 GO Bonds	2.31	0.00	1.07	0.00
2009 GO Bonds	1.13	0.00	1.17	0.00
School Bond & Interest	0.00	11.43	0.00	11.19
School Votec Center	0.00	0.65	0.00	0.70
School Maintenance Fund	<u>0.00</u>	<u>45.36</u>	<u>0.00</u>	<u>42.59</u>
Total	<u>27.25</u>	<u>57.44</u>	<u>27.25</u>	<u>54.48</u>

**CITY OF OXFORD, MS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 3 - DEFINED BENEFIT PENSION PLAN**

Plan Description - The City of Oxford and City of Oxford Electric Department contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy - PERS members are required to contribute 9% of their annual covered salary and the City of Oxford, Mississippi and the City of Oxford Electric Department are required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Oxford, Mississippi's contributions to PERS for the years ending September 30, 2014, 2013 and 2012 were \$1,980,252, \$1,740,500, and \$1,493,378 respectively, equal to the required contributions for each year. The City of Oxford Electric Department's contributions to PERS for the years ending September 30, 2014, 2013 and 2012 were \$237,489, \$208,965, and \$182,693, respectively equal to the required contributions for each year.

**NOTE 4 - CONTINGENT LIABILITIES**

Litigation

From time to time, the City is a defendant in various litigations arising out of normal business activities. Although the City carries commercial insurance to protect itself against damage claims, it is possible that the ultimate resolution of cases may exceed the City's insured limits. Management, with the advice of legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the financial statements.

Federally Assisted Programs – Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 - FIXED ASSETS**

The following is a summary of governmental activities capital asset activity as of September 30, 2014:

Primary Government:

	Balance 10/1/2013	Additions	Transfers/ Disposals	Balance 9/30/2014
Capital Assets, not being depreciated:				
Land	\$ 6,365,620	\$ 0	\$ 0	\$ 6,365,620
Construction in Progress	4,114,142	5,067,608	(3,176,594)	6,005,156
Total Capital Assets, not being depreciated	10,479,762	5,067,608	(3,176,594)	12,370,776
Capital Assets being depreciated				
Plant, Buildings & Improvements	22,645,449	1,200,000	2,677,884	26,523,333
Infrastructure	44,089,089	0	0	44,089,089
Machinery & Equipment	14,469,424	870,540	835,310	16,175,274
Total Capital Assets being depreciated	81,203,962	2,070,540	3,513,194	86,787,969
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(4,943,747)	(560,060)	(31,167)	(5,534,974)
Infrastructure	(17,484,095)	(943,755)	0	(18,427,850)
Machinery & Equipment	(8,423,076)	(1,140,389)	(99,045)	(9,662,510)
Total Accumulated Depreciation	(30,850,918)	(2,644,204)	(130,212)	(33,625,334)
Total Capital Assets, depreciated, net	50,353,044	(573,664)	3,382,982	53,162,362
Governmental Activities Capital Assets	\$ 60,832,806	\$ 4,493,944	\$ 206,388	\$ 65,533,138

The City has adopted a capitalization threshold of \$1,000 for general fixed assets and a threshold of \$5,000 for infrastructure assets. The City has retroactively applied these thresholds to all general fixed assets in service. The City also retroactively capitalized infrastructure assets in service. The beginning accumulated depreciation balances have been adjusted to reflect the City's new capitalization policy.

**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 - FIXED ASSETS (continued)**

A summary of business-type capital asset activity at September 30, 2014 follows:

	Balance 10/1/2013	Additions	Transfers/ Disposals	Balance 9/30/2014
Capital Assets, not being depreciated:				
Land	\$ 1,108,463	\$ 0	\$ 0	\$ 1,108,463
Construction in Progress	<u>1,221,408</u>	<u>1,965,877</u>	<u>(853,113)</u>	<u>2,334,172</u>
Total Capital Assets, not being depreciated	2,329,871	1,965,877	(853,113)	3,442,635
Capital Assets being depreciated				
Plant, Buildings & Improvements	86,146,849	846,149	311,232	87,304,230
Machinery & Equipment	<u>5,422,907</u>	<u>187,018</u>	<u>397,600</u>	<u>6,007,525</u>
Total Capital Assets being depreciated	91,569,756	1,033,167	708,832	93,311,755
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(30,064,595)	(3,339,843)	56,510	(33,347,928)
Machinery & Equipment	<u>(3,611,148)</u>	<u>(339,906)</u>	<u>0</u>	<u>(3,951,054)</u>
Total Accumulated Depreciation	(33,675,743)	(3,679,749)	56,510	(37,298,982)
Total Capital Assets, depreciated, net	<u>57,894,013</u>	<u>(2,646,582)</u>	<u>765,342</u>	<u>56,012,773</u>
Business Type Activities Capital Assets	\$ 60,223,884	\$ (680,705)	\$ (87,771)	\$ 59,455,408

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on the fixed assets using the following useful lives:

Plant, Building, and Improvements	5 – 40 Years
Machinery and Equipment	5 – 15 Years
Furniture and Fixtures	5 – 20 Years
Vehicles	5 – 10 Years

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

Governmental Activities:	
General Government	\$ 225,537
Public Safety	451,107
Public Works	1,274,661
Culture & Recreation	538,152
Tourism Promotion	16,101
Transit Operations	<u>138,646</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 2,644,204</u>



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 - FIXED ASSETS (continued)**

Business-type Activities:

Electric Department	\$ 962,330
Water and Sewer	<u>2,717,419</u>

Total Depreciation Expense – Business-type Activities	\$ <u>3,679,749</u>
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**NOTE 6 - LONG-TERM DEBT**

General obligation bonds issued for governmental activity purposes are liquidated by the debt service fund, whereas, general obligation bonds issued for component unit purposes are liquidated by the component unit. Revenue bonds and promissory notes issued for business-type activities or by component units are repaid from those activities or component units.

The annual requirements to amortize all general obligation bonds, special assessment bonds, revenue bonds and notes outstanding as of September 30, 2014 are as follows:

Fiscal Year Ending <u>September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 2,311,826	\$ 676,602	\$ 1,692,184	\$ 916,075	\$ 5,596,687
2016	2,206,061	618,597	1,748,106	812,414	5,385,178
2017	2,280,377	558,597	1,809,332	757,250	5,405,556
2018	2,249,774	499,042	1,870,871	698,431	5,318,118
2019	2,314,924	437,434	1,947,731	636,621	5,336,710
2020-2024	8,500,326	1,309,134	8,678,449	2,337,574	20,825,483
2025-2029	4,025,861	232,943	7,383,095	842,916	12,484,815
2030-2031	<u>0</u>	<u>0</u>	<u>1,270,000</u>	<u>72,002</u>	<u>1,342,002</u>
Total	\$ <u>23,889,149</u>	\$ <u>4,332,349</u>	\$ <u>26,399,768</u>	\$ <u>7,073,283</u>	\$ <u>61,694,549</u>

**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 6 - LONG-TERM DEBT (continued)**

A summary of general long-term debt is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>10/01/13</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>09/30/14</u>	<u>Current</u> <u>Maturity</u>
General Obligation Bonds & Notes:					
General Obligation Bond Series 2004, \$3,000,000 with interest at 3.0% to 3.8% maturing in 2019	\$ 1,075,000	\$ 0	\$ 265,000	\$ 810,000	\$ 150,000
General Obligation Bond Series 2005, \$1,500,000 with interest at 3.375% to 4.8% maturing in 2015	350,000	0	170,000	180,000	180,000
General Obligation Bond Series 2007, \$9,000,000 with interest at 4.0% to 5.0% maturing in 2027	7,085,000	0	370,000	6,715,000	390,000
General Obligation Refunding Bond Series 2010, \$7,085,000 with interest at 2.0% to 3.0% maturing in 2021	5,475,000	0	625,000	4,850,000	635,000
General Obligation Bond Series 2009, \$3,800,000 with interest at 3.0% to 3.75% maturing in 2024	3,020,000	0	220,000	2,800,000	225,000
General Obligation Bond Series 2012, \$5,500,000 with interest at 1.625% to 2.25% maturing in 2027	5,195,000	0	315,000	4,880,000	320,000
General Obligation Note Series 2012, \$500,000 with interest at 1.43% maturing in 2017	405,000	0	100,000	305,000	100,000
General Obligation Note Series 2014, \$500,000 with interest at 1.66% maturing in 2019	0	500,000	0	500,000	96,727
Total General Obligation Bonds & Notes	\$ 22,605,000	\$ 500,000	\$ 2,065,000	\$ 21,040,000	\$ 2,096,727



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 6 - LONG-TERM  
DEBT (continued)**

	Balance 10/01/13	Issued	Retired	Balance 09/30/14	Current Maturity
Special Assessment Bonds:					
Special Assessment Bond Series 2014, \$1,600,000 with interest at 2.250% to 2.625% maturing in 2029	\$ 0	\$ 1,600,000	\$ 0	\$ 1,600,000	\$ 85,000
Total Special Assessment Bonds	\$ 0	\$ 1,600,000	\$ 0	\$ 1,600,000	\$ 85,000
Other Notes Payable:					
State of Mississippi - CAP Loan \$533,477 with interest at 2.0% maturing 2019	\$ 333,076	\$ 0	\$ 52,384	\$ 280,692	\$ 53,789
State of Mississippi - CAP Loan \$1,000,000 with interest at 2.0% maturing 2028	778,551	0	43,425	735,126	46,470
State of Mississippi - CAP Loan \$310,000 with interest at 2.0% maturing 2021	262,310	0	28,979	233,331	29,840
Note Payable – Regions Bank, \$211,000 with interest at 0% maturing 2014	105,500	0	105,500	0	0
Total Other Notes Payable	1,479,437	0	230,288	1,249,149	130,099
Total Governmental Activities	\$ 24,084,437	\$ 2,100,000	\$ 2,295,288	\$ 23,889,149	\$ 2,311,826
<u>Business-Type Activities</u>	<u>Balance 10/01/13</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 09/30/14</u>	<u>Current Maturity</u>
Revenue Bonds:					
Water & Sewer Revenue Bonds Series 2003- \$1,900,000 original issue with interest at 4.0% to 5.0%, maturing 2023- Refunded by 2012 Issue	\$ 90,000	\$ 0	\$ 90,000	\$ 0	\$ 0

**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 6 - LONG-TERM  
DEBT (continued)**

	Balance <u>10/01/13</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>09/30/14</u>	Current <u>Maturity</u>
Water & Sewer Revenue Bonds Series 2004- \$1,800,000 original issue with interest at 3.25% to 4.5%, maturing 2024- Refunded by 2012 Issue	\$ 165,000	\$ 0	\$ 80,000	\$ 85,000	\$ 85,000
Water & Sewer Revenue Bonds Series 2006- \$3,400,000 original issue with interest at 4.0% to 5.625%, maturing 2026	2,560,000	0	145,000	2,415,000	150,000
Water & Sewer Revenue Bonds Series 2007- \$2,800,000 original issue with interest at 4.5% to 6.0%, maturing 2027	2,215,000	0	115,000	2,100,000	120,000
Water & Sewer Revenue Bonds Series 2008- \$3,450,000 original issue with interest at 3.625% to 4.5%, maturing 2028	2,875,000	0	140,000	2,735,000	140,000
Water & Sewer Revenue Bonds Series 2011- \$8,500,000 original issue with interest at 3.0% to 4.3%, maturing 2031	7,975,000	0	285,000	7,690,000	295,000
Water & Sewer Refunding Bonds Series 2012- \$2,360,000 original issue with interest at 1.0% to 2.625%, maturing 2025	2,360,000	0	30,000	2,330,000	125,000
Electric System Revenue Bonds Series 2011- \$3,335,000 original issue with interest at 2.25% to 3.125%, maturing 2019	<u>2,380,000</u>	<u>0</u>	<u>370,000</u>	<u>2,010,000</u>	<u>385,000</u>
Total Revenue Bonds	\$ <u>20,620,000</u>	\$ <u>0</u>	\$ <u>1,255,000</u>	\$ <u>19,365,000</u>	\$ <u>1,300,000</u>
Other Notes Payable:					
State of Mississippi – DEQ RLF \$8,813,809 with interest at 2.75% maturing 2029	\$ <u>7,416,326</u>	\$ <u>0</u>	\$ <u>381,558</u>	\$ <u>7,034,768</u>	\$ <u>392,184</u>
Total Other Notes Payable	<u>7,416,326</u>	<u>0</u>	<u>381,558</u>	<u>7,034,768</u>	<u>392,184</u>
Total Business-Type Activities	\$ <u><u>28,036,326</u></u>	\$ <u><u>0</u></u>	\$ <u><u>1,636,558</u></u>	\$ <u><u>26,399,768</u></u>	\$ <u><u>1,692,184</u></u>



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 6 - LONG-TERM DEBT (continued)**

Defeased Debt

Certain outstanding revenue bonds of the City have been defeased by placing the proceeds of refunding bonds in irrevocable escrow accounts held and managed by bank trustees, and invested in U.S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the City's financial statements. The defeased bonds outstanding at September 30, 2014 considered extinguished are as follows:

Water & Sewer Series 2004	\$ 1,200,000
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**NOTE 7 - RISK MANAGEMENT**

The City of Oxford is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs of the City except for certain employment practices liabilities, certain environmental liabilities, worker's compensation liabilities funded through a public entity risk pool, and catastrophic natural disasters that may exceed insurance coverage for which the City retains the risk of loss.

Risk of loss related to workers compensation for injuries to City employees is covered through the Mississippi Municipal Workers' Compensation Group, a public entity risk pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi workers compensation and employer's liability coverage. The City pays premiums to the pool for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of loss is remote for claims exceeding the pool's retention liability. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The City Attorney estimates that the amount of actual or potential claims against the City as of September 30, 2014, will not materially affect the financial condition of the City. Therefore, no provisions have been made for estimated claims. There have been no material claims paid by the City during the current or prior year.

**CITY OF OXFORD, MS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 8 - COMMITMENTS**

The electric systems has a power contract with the Tennessee Valley Authority (TVA) whereby the electric system purchases all its electric power from TVA and is subject to certain restrictions and conditions as provided for in the power contract. Such restrictions include, but are not limited to, prohibitions against furnishing, advancing, lending, pledging or otherwise diverting electric system funds, revenues or property to other operations of the city and the purchase or payment of, or providing security for indebtedness on other obligations applicable to such other operations.

**NOTE 9 - THE CITY OF OXFORD MUNICIPAL RESERVE AND TRUST FUND**

This fund was established by Senate Bill Number 3128 for a period of twenty years. All proceeds received by the City from the sale of the Oxford-Lafayette Medical Center shall be deposited into this fund. The fund is to be administered, managed, invested and governed by a board of trustees. The board is to consist of nine members: the mayor; the mayor pro tem; an alderman; and six non aldermen with terms of one year, two years, three years, four years, five years, and six years. The alderman will serve for two years. The trustees shall establish a comprehensive investment plan for the purpose of this act. The comprehensive investment plan shall specify the policies to be utilized by the board of trustees in its administration of the fund. The board of trustees shall invest the fund in any of the investments authorized for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9, Mississippi Code of 1972, and those investments shall be subject to the limitations prescribed in Section 37-155-9, except the fund shall be restricted from investment in the covered call and put options allowed in Section 37-155-9(v) (xi) or in the pooled or commingled real estate funds or real estate securities as outlined in Section 37-155-9(v) (xiii).

The fund shall be divided into two components, the corpus component and the earnings component. The corpus component shall consist of the initial deposit of \$30,000,000 and subsequent deposits from the annual income earned. Except, as otherwise provided in the trust agreement, the corpus shall be inviolate and maintained and used to generate income and shall not be invaded or used by the Board of Trustees or the Governing Authorities.

The earnings component shall be considered an amount equal to three percent (3%) of the amount of the full fund balance whether or not the corpus component has generated any income in that fiscal year. All remaining portions of the accrued income earned shall remain in the fund as part of the corpus component. Funds comprising the earnings component shall be transferred from the fund to the general fund of the City at the direction of the Clerk and shall be available for appropriation and spending by the Governing Authorities.



**CITY OF OXFORD, MS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 9 - THE CITY OF OXFORD MUNICIPAL RESERVE AND TRUST FUND (continued)**

The corpus component can be used upon a three-fourths majority vote of the board of aldermen and with approval by the mayor, the governing authorities are authorized to withdraw monies from the corpus component and have the monies disbursed to the City for appropriation and spending, in the event of the following:

- (a) A state of emergency or local emergency has been declared under federal, state, or local law; or
- (b) Overall budgeted collections of the city are more than five percent (5%) below that fiscal year's budgeted estimates for at least three (3) consecutive calendar months. In this instance, corpus monies may be withdrawn by the City to meet up to ninety-eight percent (98%) of projected budget shortfalls.

In the event of withdrawal of any portion of the corpus component by the City, annual disbursements by the trustees of the earnings components shall cease and all income shall be retained by the trustees and repaid to the corpus until such time as the corpus component equals its full pre withdrawal amount, at which time, disbursement of earning components may continue.

In addition, upon a unanimous vote of the board of aldermen and with approval by the mayor, the governing authorities are authorized to withdraw monies from the corpus component and have them disbursed to the City for appropriation and spending. The withdrawal by the governing authorities shall be limited in the following manner:

- (a) No such vote or withdrawal may occur without the governing authorities first conducting a full public, open municipal hearing on consideration of the matter for which such appropriation and spending would be made;
- (b) Withdrawal pursuant to this subsection may occur only one time during each four-year term of the then board of aldermen and mayor;
- (c) Withdrawal shall not exceed ten percent (10%) of the corpus component of the fund, as determined by the trustees; and
- (d) The withdrawal must be repaid to the fund before a withdrawal under this subsection could be authorized within a subsequent four-year term.

**Custodial Credit Risk:**

The investments are held by the Glenmede Trust Company. The Company has presented a certificate of Liability Insurance for Errors and Omissions of \$50,000,000 and a Fidelity Bond of \$30,000,000. The balance of the City of Oxford Municipal Reserve and Trust Fund at September 30, 2014, was \$33,770,860.

**CITY OF OXFORD, MS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 9 - THE CITY OF OXFORD MUNICIPAL RESERVE AND TRUST FUND (continued)**

Concentration of Credit Risk:

The following investments represent five percent or more of the total:

	<u>Amount</u>	<u>Percent</u>
Glenmede Intermediate Government Credit-Bond Funds	\$ <u>17,004,853</u>	<u>50.35</u>
Glenmede Strategic Growth-Stock Funds	\$ <u>1,824,165</u>	<u>5.40</u>

The investments are reported at fair value. The Oxford Municipal Reserve and Trust Fund does not participate in an external investment pool. Investments consisted of the following at September 30, 2014:

Investments:	<u>Cost</u>	<u>Market value (Level 1)</u>
Bond funds	\$ 19,515,520	\$ 18,953,389
Stock funds	11,896,527	12,862,395
Accrued income	0	170,843
Short-term investments	1,784,233	1,784,233
Total investments	<u>\$ 33,196,280</u>	<u>\$ 33,770,860</u>

Level 1: Common stocks, bond funds, stock funds, and short-term investments are valued at the closing price reported in the active market on which the individual securities or funds are traded.

**NOTE 10 - CONSTRUCTION AND OTHER COMMITMENTS**

The City of Oxford and its component units have entered in the following commitments:

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2014</u>	<u>Remaining Commitment at September 30, 2014</u>
General City	Pathways Phase II	\$ 2,700,000	\$ 1,343,101	\$ 1,356,899
General City	Central Fire Station/Emergency Operations Center	3,500,000	2,403,345	1,096,655
General City	Oxford Commons Blvd Extension	855,654	492,409	363,245
General City	Tennis Complex	1,800,000	1,733,643	66,357



**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 10 - CONSTRUCTION AND OTHER COMMITMENTS (continued)**

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2014</u>	<u>Remaining Commitment at September 30, 2014</u>
Water and Sewer	Oxford Commons Blvd Extension	\$ 855,654	\$ 250,722	\$ 604,932
Water and Sewer	South Water Plant	1,800,000	509,465	1,290,535
Water and Sewer	South Lamar Sewer Rehab	200,000	183,596	16,404
Water and Sewer	Bio-Solids Land Ap	650,000	564,729	85,271
		<u>\$ 12,361,308</u>	<u>\$ 7,481,010</u>	<u>\$ 4,880,298</u>

**NOTE 11 - DEFICIT FUND BALANCES**

The following funds have a deficit fund balance at September 30, 2014:

<u>FUND NAME</u>	<u>AMOUNT</u>
EDI-Burns Belfry Church	\$ 85,569
ARRA MDOT Funds	6,115
O.U.T.-Oxford Transit Grant	137,933
Multi-Modal Grant Funds (MDOT)	5,246
2004 Series GO Bonds	31,050
2007 GO Bonds	47,929
2010 REFI. 2000 GO Bonds	94,206
2012 GO Bonds	<u>22,193</u>
TOTAL	\$ <u>430,241</u>

**NOTE 12 - PRIOR PERIOD ADJUSTMENTS**

The beginning balances of certain accounts have been restated to correct previous errors. Subsequent to issuing the financial statements for the year ended September 30, 2013, management discovered errors in accrued compensated absences, accrued interest payable, due from other governments, and accounts receivable.

Due from other governments was understated by \$151,921 in capital projects funds. The beginning due from other governments and fund balance in capital projects funds has been restated by \$151,921 to correct this error. Cash was understated by \$8,304 in capital projects funds. The beginning cash and fund balance in capital projects funds has been restated by \$8,304 to correct this error.

**CITY OF OXFORD, MS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 12 - PRIOR PERIOD ADJUSTMENTS (continued)**

Due from other governments was overstated by \$120,046 in special revenue funds. The beginning due from other governments and fund balance in special revenue funds has been restated by \$120,046 to correct this error.

Due from other governments was overstated by \$13,699 in business-type activities. The beginning due from other governments and net position in business-type activities has been restated by \$13,699 to correct this error.

Due from other governments was overstated by \$81,229 in the general fund. The beginning due from other governments and fund balance in the general fund has been restated by \$81,229 to correct this error.

The prior year financial statements included the compensated absences liability on the governmental fund financial statements. The result of this error was a \$779,218 overstatement of the compensated absences liability in the governmental fund financial statements. The beginning liability and fund balance has been restated in the governmental fund financial statements to correct this error. This did not affect the Statement of Net Position.

The prior year financial statements did not have an accrual for accrued interest payable. The result of this error was a \$269,829 understatement of accrued interest payable in the business-type activities. The beginning liability and net position has been restated in the business-type activities to correct these errors.

The prior year financial statements had an error in the calculation of property taxes receivable related to reports generated from the City's software. The result of this error was a \$153,552 overstatement of property taxes receivable. The beginning asset and net position has been restated in the governmental activities to correct these errors.

The prior year financial statements had an error in the calculation of court fines receivable related to reports generated from the City's software. The result of this error was a \$792,597 overstatement of court fines receivable. The beginning asset and net position has been restated in the governmental activities to correct these errors.

The prior year financial statements had an error in accumulated depreciation in the electric fund. The result of this error was a \$149,032 understatement of accumulated depreciation. The beginning asset and net position has been restated in the business-type activities to correct this error.

During the year ended September 30, 2014, the City implemented GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* for EPB. This statement establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation resulted in a direct decrease of \$162,657 to net position in governmental activities to eliminate bond issue costs. Implementation resulted in a direct decrease of \$361,084 to net position in business-type activities to eliminate bond issue costs.



**CITY OF OXFORD, MS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES**

Individual fund interfund receivable and payable balances at September 30, 2014, were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 0	\$ 4,200
Special Revenue Funds	<u>4,200</u>	<u>0</u>
	<u>\$ 4,200</u>	<u>\$ 4,200</u>

**NOTE 14 - FUND BALANCE RECONCILIATION – GENERAL FUND BUDGET BASIS**

Mississippi state law requires, for budget purposes, that the general fund record revenues on the cash basis. Generally accepted accounting principles (GAAP) would require that the revenues be accounted for on the modified accrual basis; therefore, the required budgetary basis would not be considered to be GAAP. Any accruals of revenues included on the "Combined Statement of Revenues, Expenditures and Changes - All Governmental Fund Types" are eliminated for budget purposes. In the current fiscal year, accrued revenues were \$12,910 more than cash revenues.

**NOTE 15 - EXPENDITURES OVER APPROPRIATIONS FOR INDIVIDUAL FUNDS**

Any expenditures over appropriations at the legal level or budgetary control for the respective funds are disclosed in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the respective fund. Expenditures over appropriations at the legal level of budgetary control are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund:			
Buildings and Grounds			
Supplies	\$ 128,200	\$ 138,502	\$ 10,302
Police Department			
Supplies	394,056	419,163	25,107
Fire Department			
Supplies	119,200	120,451	1,251
Highway and Street Maintenance			
Supplies	1,127,125	1,130,199	3,074
City Garage Department			
Supplies	423,800	425,205	1,405
Parks and Recreation			
Supplies	212,250	222,051	9,801
Swimming Pools – Parks			
Supplies	32,500	32,740	240
RSVP – Park/Recreation			
Other Services and Charges	24,410	24,520	110

**CITY OF OXFORD, MS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 16 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 27, 2015, the date on which the financial statements were available to be issued. On November 4, 2014, the City issued a combined water and sewer system revenue refunding bond in the amount of \$3,855,000 and also issued a general obligation note in the amount of \$900,000 for the purpose of raising money in order to improve streets or public parking facilities and to purchase machinery and equipment for the Sanitation Department.



**CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
September 30, 2014**

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<b><u>ASSETS:</u></b>				
Cash	\$ 17,234	\$ 3,329,382	\$ 1,925,071	\$ 5,271,687
Investments	-	196,373	-	196,373
Due From Other Funds	-	4,200	-	4,200
Due From Other Government Units	-	1,136,618	-	1,136,618
<b>TOTAL ASSETS</b>	<b>\$ 17,234</b>	<b>\$ 4,666,573</b>	<b>\$ 1,925,071</b>	<b>\$ 6,608,878</b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>				
<b><u>LIABILITIES:</u></b>				
Checks Issued in Excess of Deposits	\$ 195,378	\$ 820,180	\$ -	\$ 1,015,558
Accounts Payable	-	375,131	126,796	501,927
<b>TOTAL LIABILITIES</b>	<b>195,378</b>	<b>1,195,311</b>	<b>126,796</b>	<b>1,517,485</b>
<b><u>FUND BALANCES (DEFICIT):</u></b>				
Committed	(178,144)	-	-	(178,144)
Restricted				
Capital Projects	-	-	1,798,275	1,798,275
Transit Operations	-	(135,248)	-	(135,248)
Tourism	-	2,745,562	-	2,745,562
Cultural and Recreational	-	(76,404)	-	(76,404)
Permanent Fund Principal	-	308,888	-	308,888
Public Safety	-	509,289	-	509,289
Economic Development	-	119,175	-	119,175
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>(178,144)</b>	<b>3,471,262</b>	<b>1,798,275</b>	<b>5,091,393</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,234</b>	<b>\$ 4,666,573</b>	<b>\$ 1,925,071</b>	<b>\$ 6,608,878</b>

See accompanying notes to financial statements.

**CITY OF OXFORD, MISSISSIPPI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2014**

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<b>REVENUES:</b>				
General Property Taxes	\$ 2,142,481	\$ -	\$ -	\$ 2,142,481
Special Taxes	-	2,566,330	-	2,566,330
Intergovernmental Revenues	46,405	259,859	-	306,264
Federal & State Grants	-	1,366,630	-	1,366,630
Local Matching Funds	-	537,136	-	537,136
Charges for Services	-	482,112	-	482,112
Fines & Forfeitures	-	113,248	-	113,248
Interest	266	403	-	669
Rental	-	1,030,106	-	1,030,106
Miscellaneous	-	17,951	-	17,951
<b>TOTAL REVENUES</b>	<u>2,189,152</u>	<u>6,373,775</u>	<u>-</u>	<u>8,562,927</u>
<b>EXPENDITURES:</b>				
Current:				
Tourism Promotion	-	778,318	-	778,318
Public Safety	-	385,806	-	385,806
Public Works	-	14,746	-	14,746
RSVP County Transit	-	49,193	-	49,193
Farmers Market	-	35,728	-	35,728
Culture and Recreation	-	1,168,717	-	1,168,717
Transit Operation	-	2,127,740	-	2,127,740
Capital Projects	-	204,784	573,309	778,093
Debt Service	2,633,866	-	-	2,633,866
<b>TOTAL EXPENDITURES</b>	<u>2,633,866</u>	<u>4,765,032</u>	<u>573,309</u>	<u>7,972,207</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(444,714)</u>	<u>1,608,743</u>	<u>(573,309)</u>	<u>590,720</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds of Debt Issuance	-	-	2,132,125	2,132,125
Transfers from Component Unit	-	34,520	-	34,520
Transfers to Other Funds	(5,810)	(1,329,787)	(253,740)	(1,589,337)
Transfers from Other Funds	417,153	445,023	15,387	877,563
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>411,343</u>	<u>(850,244)</u>	<u>1,893,772</u>	<u>1,454,871</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(33,371)</u>	<u>758,499</u>	<u>1,320,463</u>	<u>2,045,591</u>
<b>FUND BALANCES - Beginning as previously stated</b>	<u>(144,773)</u>	<u>2,832,809</u>	<u>317,587</u>	<u>3,005,623</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>(120,046)</u>	<u>160,225</u>	<u>40,179</u>
<b>FUND BALANCES - Beginning as restated</b>	<u>(144,773)</u>	<u>2,712,763</u>	<u>477,812</u>	<u>3,045,802</u>
<b>FUND BALANCES - Ending</b>	<u>\$ (178,144)</u>	<u>\$ 3,471,262</u>	<u>\$ 1,798,275</u>	<u>\$ 5,091,393</u>

See accompanying notes to financial statements.



**CITY OF OXFORD, MISSISSIPPI**  
**BALANCE SHEET - GENERAL FUND**  
**September 30, 2014**

		<u>TOTALS</u>
		2014
<hr/>		
<b>ASSETS:</b>		
Cash	\$	4,649,292
Investments		1,021,439
Due From Other Governments		2,050,707
Due From Other Funds		-
Other Receivables		<u>-</u>
TOTAL ASSETS	\$	<u><u>7,721,438</u></u>
<b>LIABILITIES:</b>		
Accounts Payable and Accrued Expenses	\$	615,440
Due to Other Funds		4,200
Due to Other Governments		<u>52</u>
TOTAL LIABILITIES		<u>619,692</u>
<b>FUND BALANCE:</b>		
Nonspendable		52,171
Committed		
Public Safety		11,093
Capital Projects		7,624
Restricted		22,499
Assigned		
Cemetary		268,792
London Bus		34,488
Unassigned		<u>6,705,079</u>
TOTAL FUND BALANCE		<u>7,101,746</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>7,721,438</u></u>

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	<u>TOTALS</u>
	2014
<b>REVENUES:</b>	
Ad Valorem Taxes:	
Real & Personal	\$ 6,000,209
Penalties and Interest	184,399
Licenses and Permits	696,769
State of Mississippi:	
Sales Tax	7,457,265
Municipal Aid	131,721
Fire Protection	103,087
Utility Tax	64,909
ABC Licenses	142,650
Homestead Reimbursement	112,858
In Lieu of Taxes	261,579
Lafayette County:	
Pro Rata Tax	-
In Lieu - Other:	
Utility Department	965,000
State and Federal Grants	489,277
Intergovernmental Revenues	746,764
Recreation Fees	1,091,212
Fines and Forfeitures	701,114
FNC Parking Lease	15,000
Interest Income	11,645
Charges for Services	3,266,036
Franchise Fees	607,777
Donations/Contributions	64,544
Sale of Land & Surplus Equipment	141,775
Cemetary	82,505
Miscellaneous Income	504,063
<b>TOTAL REVENUES</b>	<b>\$ 23,842,158</b>
<b>EXPENDITURES:</b>	
General Government:	
Legislative:	
Personal Services	\$ 112,166
Supplies	-
Other Services and Charges	5,671
Capital Outlay	-
Total	117,837



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	<u>TOTALS</u>
	2014
Judicial:	
Personnel Services	\$ 238,514
Supplies	11,115
Other Services and Charges	890
Capital Outlay	<u>1,963</u>
Total	<u>252,482</u>
Executive:	
Personnel Services	89,696
Supplies	-
Other Services and Charges	2,812
Capital Outlay	<u>-</u>
Total	<u>92,508</u>
Department of Planning:	
Personnel Services	198,972
Supplies	9,066
Other Services and Charges	238,123
Capital Outlay	<u>1,133</u>
Total	<u>447,294</u>
Elections:	
Personnel Services	-
Supplies	-
Other Services and Charges	<u>-</u>
Total	<u>-</u>
Finance:	
Personnel Services	278,952
Supplies	9,424
Other Services and Charges	36,585
Capital Outlay	<u>3,005</u>
Total	<u>327,966</u>

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	<u>TOTALS</u>
	<u>2014</u>
Human Resources:	
Personnel Services	\$ 202,912
Supplies	19,673
Other Services and Charges	88,252
Capital Outlay	<u>2,532</u>
Total	<u>313,369</u>
Law:	
Personnel Services	42,447
Supplies	-
Other Services and Charges	<u>179,366</u>
Total	<u>221,813</u>
Building and Grounds:	
Personnel Services	490,558
Supplies	138,502
Other Services and Charges	24,769
Capital Outlay	<u>44,273</u>
Total	<u>698,102</u>
Building and Code Enforcement:	
Personnel Services	197,909
Supplies	8,546
Other Services and Charges	4,034
Capital Outlay	<u>-</u>
Total	<u>210,489</u>
General Government:	
Personnel Services	1,803,246
Supplies	13,216
Other Services and Charges	632,117
Capital Outlay	<u>1,686</u>
Total	<u>2,450,265</u>
Community Promotions:	
Other Services and Charges	<u>78,351</u>
Total	<u>78,351</u>
Total General Government	<u>5,210,476</u>



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	<u>TOTALS</u>
	2014
Public Safety:	
Police Department:	
Personnel Services	\$ 3,670,796
Supplies	419,163
Other Services and Charges	179,391
Capital Outlay	<u>321,177</u>
Total	<u>4,590,527</u>
Parking Division:	
Personnel Services	56,604
Supplies	9,147
Other Services and Charges	4,351
Capital Outlay	<u>11,051</u>
Total	<u>81,153</u>
Emergency Management:	
Personnel Services	61,210
Supplies	16,688
Other Services and Charges	41,798
Capital Outlay	<u>-</u>
Total	<u>119,696</u>
Fire Department:	
Personnel Services	3,339,157
Supplies	120,451
Other Services and Charges	93,012
Capital Outlay	<u>12,937</u>
Total	<u>3,565,557</u>
Total Public Safety	<u>8,356,933</u>
Public Works:	
Highway and Street Maintenance:	
Personnel Services	364,484
Supplies	1,130,199
Other Services and Charges	752,804
Capital Outlay	<u>686,229</u>
Total	<u>2,933,716</u>

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	TOTALS
	2014
Sanitation Administration:	
Personnel Services	\$ 150,238
Supplies	10,796
Other Services and Charges	19,219
Capital Outlay	-
Total	<u>180,253</u>
Street Cleaning:	
Personnel Services	84,266
Supplies	1,608
Other Services and Charges	-
Capital Outlay	-
Total	<u>85,874</u>
Waste Collection:	
Personnel Services	387,001
Supplies	149,242
Other Services and Charges	73,081
Capital Outlay	260,058
Total	<u>869,382</u>
Waste Disposal:	
Personnel Services	79,802
Supplies	27,380
Other Services and Charges	496,047
Capital Outlay	300
Total	<u>603,529</u>
City Garage Department:	
Personnel Services	401,107
Supplies	425,205
Other Services and Charges	14,829
Capital Outlay	21,123
Total	<u>862,264</u>
Airport:	
Other Services and Charges	30,000
Total	<u>30,000</u>



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	<u>TOTALS</u>
	2014
Rubbish Collection:	
Personnel Services	\$ 438,229
Supplies	109,070
Other Services and Charges	511
Capital Outlay	<u>2,134</u>
Total	<u>549,944</u>
Weed & Grass Control:	
Personnel Services	250,553
Supplies	3,952
Other Services and Charges	-
Capital Outlay	<u>1,070</u>
Total	<u>255,575</u>
Cemetery Maintenance:	
Personnel Services	129,893
Supplies	2,568
Other Services and Charges	3,924
Capital Outlay	<u>5,694</u>
Total	<u>142,079</u>
Family Crisis Services:	
Other Services and Charges	<u>12,000</u>
Total	<u>12,000</u>
Recycling Grant	
Personnel Services	266,291
Supplies	90,600
Other Services and Charges	49,856
Capital Outlay	<u>5,618</u>
Total	<u>412,365</u>
Human Society:	
Other Services and Charges	<u>135,851</u>
Total	<u>135,851</u>

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	TOTALS
	2014
London Bus:	
Personnel Services	\$ 346
Supplies	5,222
Other Services and Charges	25,282
Total	30,850
Total Public Works	7,103,682
Culture & Recreation:	
Parks and Recreation:	
Personnel Services	858,950
Supplies	222,051
Other Services and Charges	588,393
Capital Outlay	16,807
Total	1,686,201
Swimming Pools - Parks:	
Personnel Services	40,773
Supplies	32,740
Other Services and Charges	14,705
Capital Outlay	-
Total	88,218
Library:	
Personnel Services	-
Supplies	-
Other Services and Charges	281,412
Capital Outlay	-
Total	281,412
RSVP - Park/Recreation:	
Personnel Services	115,057
Supplies	9,731
Other Services and Charges	24,520
Capital Outlay	429
Total	149,737



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ended September 30, 2014**

	<u>TOTALS</u>
	<u>2014</u>
FNC Park:	
Personnel Services	\$ 472,933
Supplies	274,853
Other Services and Charges	338,230
Capital Outlay	<u>16,979</u>
Total	<u>1,102,995</u>
Historic Homes:	
Personnel Services	-
Supplies	19,538
Other Services and Charges	45,136
Capital Outlay	<u>-</u>
Total	<u>64,674</u>
Total Culture and Recreation	<u>3,373,237</u>
Debt Service:	
Principal Retirement	330,289
Interest and Fiscal Charges	<u>39,667</u>
Total Debt Service	<u>369,956</u>
<b>TOTAL EXPENDITURES</b>	<u>24,414,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(572,126)</u>
<b>OTHER FINANCING SOURCES (USES):</b>	
Proceeds from Capital Leases	-
Proceeds from Issuance of Debt	-
Transfers (to) from Other Funds	<u>900,783</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>900,783</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>328,657</u>
<b>FUND BALANCE:</b>	
October 1, as previously stated	6,075,100
Prior Period Adjustment	<u>697,989</u>
October 1, as restated	<u>6,773,089</u>
<b>SEPTEMBER 30,</b>	<u><u>\$ 7,101,746</u></u>

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>			
Ad Valorem Taxes:			
Real & Personal	\$ 6,056,448	\$ 6,000,209	\$ (56,239)
Penalties and Interest	195,000	184,399	(10,601)
Licenses and Permits	651,500	696,769	45,269
State of Mississippi:			
Sales Tax	7,280,422	7,336,371	55,949
Municipal Aid	28,000	131,721	103,721
Fire Protection	103,000	103,087	87
Utility Tax	58,000	64,909	6,909
ABC Licenses	125,000	142,650	17,650
Homestead Reimbursement	103,000	112,858	9,858
In Lieu of Taxes	336,000	261,579	(74,421)
Lafayette County:			
Pro Rate Tax	-	-	-
In Lieu - Other:			
Utility Department	-	906,666	906,666
State, Federal and Local Grants	440,927	613,768	172,841
Intergovernmental Revenues	856,000	740,439	(115,561)
Recreation Fees	625,000	1,091,212	466,212
Fines and Forfeitures	562,800	701,114	138,314
FNC Parking Lease	15,000	15,000	-
Interest Income	11,000	11,645	645
Charges for Services	3,262,644	3,251,750	(10,894)
Franchise Fees	580,000	670,215	90,215
Donations/Contributions	-	64,544	64,544
Sale of Land and Surplus Equipment	-	141,775	141,775
Cemetery	80,000	82,505	2,505
Miscellaneous Income	649,390	504,063	(145,327)
<b>TOTAL REVENUES</b>	<b>\$ 22,019,131</b>	<b>\$ 23,829,248</b>	<b>\$ 1,810,117</b>
<b>EXPENDITURES:</b>			
General Government:			
Legislative:			
Personnel Services	\$ 120,932	\$ 112,166	\$ 8,766
Supplies	-	-	-
Other Services and Charges	8,425	5,671	2,754
Capital Outlay	-	-	-
Total	129,357	117,837	11,520
Judicial:			
Personnel Services	239,043	238,514	529
Supplies	11,350	11,115	235
Other Services and Charges	950	890	60
Capital Outlay	2,000	1,963	37
Total	253,343	252,482	861



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Executive:			
Personnel Services	\$ 89,835	\$ 89,696	\$ 139
Supplies	-	-	-
Other Services and Charges	4,750	2,812	1,938
Capital Outlay	1,500	-	1,500
Total	96,085	92,508	3,577
Department of Planning:			
Personnel Services	199,010	198,972	38
Supplies	9,100	9,066	34
Other Services and Charges	630,603	238,123	392,480
Capital Outlay	25,000	1,133	23,867
Total	863,713	447,294	416,419
Elections:			
Personnel Services	-	-	-
Supplies	5,000	-	5,000
Other Services and Charges	-	-	-
Total	5,000	-	5,000
Finance:			
Personnel Services	287,914	278,952	8,962
Supplies	10,200	9,424	776
Other Services and Charges	38,300	36,585	1,715
Capital Outlay	5,000	3,005	1,995
Total	341,414	327,966	13,448
Human Resources:			
Personnel Services	210,034	202,912	7,122
Supplies	25,800	19,673	6,127
Other Services and Charges	100,900	88,252	12,648
Capital Outlay	2,164	2,532	(368)
Total	338,898	313,369	25,529
Law:			
Personnel Services	42,457	42,447	10
Supplies	500	-	500
Other Services and Charges	200,255	179,366	20,889
Total	243,212	221,813	21,399

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Building and Grounds:			
Personnel Services	\$ 491,178	\$ 490,558	\$ 620
Supplies	128,200	138,502	(10,302)
Other Services and Charges	54,787	24,769	30,018
Capital Outlay	60,500	44,273	16,227
Total	734,665	698,102	36,563
Building and Code Enforcement:			
Personnel Services	198,012	197,909	103
Supplies	12,200	8,546	3,654
Other Services and Charges	8,700	4,034	4,666
Capital Outlay	-	-	-
Total	218,912	210,489	8,423
General Government:			
Personnel Services	1,932,012	1,803,246	128,766
Supplies	13,800	13,216	584
Other Services and Charges	638,770	632,117	6,653
Capital Outlay	2,000	1,686	314
Total	2,586,582	2,450,265	136,317
Community Promotions:			
Other Services and Charges	79,000	78,351	649
Total	79,000	78,351	649
Total General Government	5,890,181	5,210,476	679,705
Public Safety:			
Police Department:			
Personnel Services	3,837,707	3,670,796	166,911
Supplies	394,056	419,163	(25,107)
Other Services and Charges	292,738	179,391	113,347
Capital Outlay	359,709	321,177	38,532
Total	4,884,210	4,590,527	293,683
Parking Division:			
Personnel Services	71,985	56,604	15,381
Supplies	12,236	9,147	3,089
Other Services and Charges	6,666	4,351	2,315
Capital Outlay	11,400	11,051	349
Total	102,287	81,153	21,134
Emergency Management:			
Personnel Services	61,275	61,210	65
Supplies	21,800	16,688	5,112
Other Services and Charges	52,793	41,798	10,995
Capital Outlay	1,000	-	1,000
Total	136,868	119,696	17,172



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Fire Department:			
Personnel Services	\$ 3,402,646	\$ 3,339,157	\$ 63,489
Supplies	119,200	120,451	(1,251)
Other Services and Charges	110,260	93,012	17,248
Capital Outlay	34,000	12,937	21,063
Total	3,666,106	3,565,557	100,549
Other Protection Department:			
Other Services and Charges	-	-	-
Total	-	-	-
Total Public Safety	8,789,471	8,356,933	432,538
Public Works:			
Highway and Street Maintenance:			
Personnel Services	388,721	364,484	24,237
Supplies	1,127,125	1,130,199	(3,074)
Other Services and Charges	904,600	752,804	151,796
Capital Outlay	58,875	686,229	(627,354)
Total	2,479,321	2,933,716	(454,395)
Sanitation Administration:			
Personnel Services	154,251	150,238	4,013
Supplies	18,500	10,796	7,704
Other Services and Charges	19,405	19,219	186
Capital Outlay	1,000	-	1,000
Total	193,156	180,253	12,903
Street Cleaning:			
Personnel Services	85,180	84,266	914
Supplies	1,880	1,608	272
Other Services and Charges	800	-	800
Capital Outlay	-	-	-
Total	87,860	85,874	1,986
Waste Collection:			
Personnel Services	395,480	387,001	8,479
Supplies	149,780	149,242	538
Other Services and Charges	73,100	73,081	19
Capital Outlay	267,768	260,058	7,710
Total	886,128	869,382	16,746

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Waste Disposal:			
Personnel Services	\$ 92,527	\$ 79,802	\$ 12,725
Supplies	40,200	27,380	12,820
Other Services and Charges	499,800	496,047	3,753
Capital Outlay	1,000	300	700
Total	633,527	603,529	29,998
City Garage Department:			
Personnel Services	435,542	401,107	34,435
Supplies	423,800	425,205	(1,405)
Other Services and Charges	16,550	14,829	1,721
Capital Outlay	22,950	21,123	1,827
Total	898,842	862,264	36,578
Airport:			
Other Services and Charges	30,000	30,000	-
Total	30,000	30,000	-
Rubbish Collection:			
Personnel Services	441,301	438,229	3,072
Supplies	109,160	109,070	90
Other Services and Charges	2,800	511	2,289
Capital Outlay	500	2,134	(1,634)
Total	553,761	549,944	3,817
Weed & Grass Control:			
Personnel Services	280,311	250,553	29,758
Supplies	6,150	3,952	2,198
Other Services and Charges	-	-	-
Capital Outlay	2,000	1,070	930
Total	288,461	255,575	32,886
Cemetery Maintenance:			
Personnel Services	132,039	129,893	2,146
Supplies	4,475	2,568	1,907
Other Services and Charges	24,025	3,924	20,101
Capital Outlay	7,000	5,694	1,306
Total	167,539	142,079	25,460
Family Crisis Services:			
Other Services and Charges	12,000	12,000	-
Total	12,000	12,000	-

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Recycling Grant:			
Personnel Services	\$ 268,311	\$ 266,291	\$ 2,020
Supplies	92,400	90,600	1,800
Other Services and Charges	54,500	49,856	4,644
Capital Outlay	9,000	5,618	3,382
Total	424,211	412,365	11,846
Humane Society:			
Other Services and Charges	135,851	135,851	-
Total	135,851	135,851	-
London Bus:			
Personnel Services	27,100	25,282	1,818
Supplies	6,450	5,222	1,228
Other Services and Charges	500	346	154
Total	34,050	30,850	3,200
Total Public Works	6,824,707	7,103,682	(278,975)
Culture & Recreation:			
Parks and Recreation:			
Personnel Services	878,400	858,950	19,450
Supplies	212,250	222,051	(9,801)
Other Services and Charges	692,302	588,393	103,909
Capital Outlay	20,175	16,807	3,368
Total	1,803,127	1,686,201	116,926
Swimming Pools - Parks:			
Personnel Services	40,915	40,773	142
Supplies	32,500	32,740	(240)
Other Services and Charges	18,500	14,705	3,795
Capital Outlay	-	-	-
Total	91,915	88,218	3,697
Library:			
Personnel Services	-	-	-
Supplies	-	-	-
Other Services and Charges	290,343	281,412	8,931
Capital Outlay	-	-	-
Total	290,343	281,412	8,931



**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
RSVP - Park/Recreation:			
Personnel Services	\$ 128,351	\$ 115,057	\$ 13,294
Supplies	12,921	9,731	3,190
Other Services and Charges	24,410	24,520	(110)
Capital Outlay	12,429	429	12,000
Total	178,111	149,737	28,374
FNC Park:			
Personnel Services	472,984	472,933	51
Supplies	282,250	274,853	7,397
Other Services and Charges	338,500	338,230	270
Capital Outlay	15,500	16,979	(1,479)
Total	1,109,234	1,102,995	6,239
Historic Homes:			
Personnel Services	-	-	-
Supplies	19,950	19,538	412
Other Services and Charges	47,700	45,136	2,564
Capital Outlay	-	-	-
Total	67,650	64,674	2,976
Total Culture and Recreation	3,540,380	3,373,237	167,143
Debt Service:			
Principal Retirement	269,773	330,289	(60,516)
Interest and Fiscal Charges	-	39,667	(39,667)
Total	269,773	369,956	(100,183)
<b>TOTAL EXPENDITURES</b>	<b>25,314,512</b>	<b>24,414,284</b>	<b>900,228</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,295,381)	(585,036)	2,710,345

**CITY OF OXFORD, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND - BUDGETARY BASIS**  
**Year Ended September 30, 2014**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from Capital Leases	\$ -	\$ -	\$ -
Proceeds from Issuance of Debt	-	-	-
Transfers (to) from Other Funds	2,030,542	900,783	(1,129,759)
Lease Payments	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,030,542</u>	<u>900,783</u>	<u>(1,129,759)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,264,839)</u>	<u>315,747</u>	<u>1,580,586</u>
<b>FUND BALANCE:</b>			
October 1, as previously stated	6,075,100	6,075,100	-
Prior Period Adjustment	<u>697,989</u>	<u>697,989</u>	<u>697,989</u>
October 1, as restated	<u>6,773,089</u>	<u>6,773,089</u>	<u>697,989</u>
(Non-GAAP Budgetary Basis) September 30,	\$ <u>5,508,250</u>	7,088,836	\$ <u>2,278,575</u>
Adjustments to GAAP Basis:			
Accrued Revenue		<u>12,910</u>	
<b>FUND BALANCE (GAAP) September 30,</b>		<u>\$ 7,101,746</u>	

**CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
September 30, 2014**

	2% FOOD & BEVERAGE TAX	HOTEL/ MOTEL TAX	OXFORD TRANSIT FUND	MDJ UNIT FUND	CONFERENCE CENTER	VARIOUS GRANT FUNDS	VARIOUS NON-GRANT FUNDS	TOTALS 2014
<b>ASSETS:</b>								
Cash	\$ 2,311,874	\$ -	\$ 200	\$ 448,798	\$ 195,968	\$ 21,783	\$ 350,759	\$ 3,329,382
Investments	196,373	-	-	-	-	-	-	196,373
Due From Other Governments	428,959	48,430	632,585	8,400	-	18,244	-	1,136,618
Due From Other Funds	-	-	-	4,200	-	-	-	4,200
<b>TOTAL ASSETS</b>	<u>2,937,206</u>	<u>48,430</u>	<u>632,785</u>	<u>461,398</u>	<u>195,968</u>	<u>40,027</u>	<u>350,759</u>	<u>4,666,573</u>
<b>LIABILITIES:</b>								
Checks Issued in Excess of Deposits	-	-	711,121	-	-	109,059	-	820,180
Accounts Payable	240,074	-	59,597	2,554	71,547	1,359	-	375,131
<b>TOTAL LIABILITIES</b>	<u>240,074</u>	<u>-</u>	<u>770,718</u>	<u>2,554</u>	<u>71,547</u>	<u>110,418</u>	<u>-</u>	<u>1,195,311</u>
<b>FUND BALANCE (DEFICIT):</b>								
Restricted	2,697,132	48,430	(137,933)	458,844	124,421	(70,391)	350,759	3,471,262
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>2,937,206</u>	<u>48,430</u>	<u>632,785</u>	<u>461,398</u>	<u>195,968</u>	<u>40,027</u>	<u>350,759</u>	<u>4,666,573</u>



**CITY OF OXFORD, MISSISSIPPI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**SPECIAL REVENUE FUNDS**  
**For the Year Ended September 30, 2014**

	2% FOOD & BEVERAGE TAX	HOTEL/ MOTEL TAX	OXFORD TRANSIT FUND	MDJ UNIT FUND	CONFERENCE CENTER	VARIOUS GRANT FUNDS	VARIOUS NON-GRANT FUNDS	TOTALS 2014
<b>REVENUES:</b>								
Special Taxes	\$ 2,332,185	\$ 234,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,566,330
Intergovernmental Revenues	-	-	-	200,000	-	59,859	-	259,859
Federal & State Grants	937	-	1,061,741	47,809	-	256,143	-	1,366,630
Local Matching Funds	-	-	537,136	-	-	-	-	537,136
Charges for Services	91,010	-	391,102	-	-	-	-	482,112
Fines & Forfeitures	-	-	-	113,248	-	-	-	113,248
Interest Income	-	-	-	263	140	-	-	403
Rental	-	-	-	0	1,030,106	-	-	1,030,106
Miscellaneous Revenues	-	-	-	-	-	17,951	-	17,951
<b>TOTAL REVENUES</b>	<b>2,424,132</b>	<b>234,145</b>	<b>1,989,979</b>	<b>361,320</b>	<b>1,030,246</b>	<b>333,953</b>	<b>-</b>	<b>6,373,775</b>
<b>EXPENDITURES:</b>								
Tourism Promotion:								
Personnel Services	17,643	-	-	-	-	-	-	17,643
Supplies	19,880	-	-	-	-	-	-	19,880
Other Services and Charges	740,795	-	-	-	-	-	-	740,795
Public Safety:								
Personnel Services	-	-	-	301,322	-	17,641	-	318,963
Supplies	-	-	-	31,959	-	6,732	-	38,691
Other Services and Charges	-	-	-	17,694	-	10,458	-	28,152
Capital Outlay	-	-	-	-	-	1,819	-	1,819
Public Works:								
Supplies	-	-	-	-	-	14,746	-	14,746
Other Services and Charges	-	-	-	-	-	0	-	-
Capital Outlay	-	-	-	-	-	70,629	-	70,629
RSVP County Transit:								
Personnel Services	-	-	-	-	-	47,492	-	47,492
Other Services and Charges	-	-	-	-	-	1,701	-	1,701
Farmers Market:								
Personnel Services	-	-	-	-	-	22,095	-	22,095
Supplies	-	-	-	-	-	10,887	-	10,887
Other Services and Charges	-	-	-	-	-	2,746	-	2,746
Capital Outlay	-	-	-	-	-	-	-	-
Culture and Recreation:								
Personnel Services	-	-	-	-	325,142	-	-	325,142
Supplies	-	-	-	-	151,835	-	-	151,835
Other Services and Charges	-	-	-	-	691,740	-	-	691,740
Capital Outlay	-	-	-	-	2,778	-	-	2,778
Transit Operation:								
Personnel Services	-	-	1,132,772	-	-	-	-	1,132,772
Supplies	-	-	727,656	-	-	-	-	727,656
Other Services and Charges	-	-	267,312	-	-	-	-	267,312
Capital Outlay	2,451	-	127,107	-	-	-	-	129,558
<b>TOTAL EXPENDITURES</b>	<b>780,769</b>	<b>-</b>	<b>2,254,847</b>	<b>350,975</b>	<b>1,171,495</b>	<b>206,946</b>	<b>-</b>	<b>4,765,032</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,643,363	234,145	(264,868)	10,345	(141,249)	127,007	-	1,608,743
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers from (to) Component Unit	-	(231,150)	-	-	265,670	-	-	34,520
Transfers from (to) Other Funds	(970,213)	-	345,023	100,000	-	(6,574)	(353,000)	(884,764)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(970,213)</b>	<b>(231,150)</b>	<b>345,023</b>	<b>100,000</b>	<b>265,670</b>	<b>(6,574)</b>	<b>(353,000)</b>	<b>(850,244)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	673,150	2,995	80,155	110,345	124,421	120,433	(353,000)	758,499
<b>FUND BALANCE(Deficit) - October 1, as previously stated</b>	<b>2,023,982</b>	<b>45,435</b>	<b>(218,088)</b>	<b>348,499</b>	<b>-</b>	<b>(70,778)</b>	<b>703,759</b>	<b>2,832,809</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(120,046)</b>	<b>-</b>	<b>(120,046)</b>
<b>FUND BALANCE(Deficit) - October 1, as restated</b>	<b>2,023,982</b>	<b>45,435</b>	<b>(218,088)</b>	<b>348,499</b>	<b>-</b>	<b>(190,824)</b>	<b>703,759</b>	<b>2,712,763</b>
<b>FUND BALANCE(Deficit) - September 30, \$</b>	<b>\$ 2,697,132</b>	<b>\$ 48,430</b>	<b>\$ (137,933)</b>	<b>\$ 458,844</b>	<b>\$ 124,421</b>	<b>\$ (70,391)</b>	<b>\$ 350,759</b>	<b>\$ 3,471,262</b>

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUND TYPES  
September 30, 2014

	BUSINESS-TYPE ACTIVITIES- PROPRIETARY FUND		
	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
<b><u>ASSETS:</u></b>			
<u>Current Assets:</u>			
Cash and Cash Equivalents	\$ 9,026,702	\$ 7,481,665	\$ 16,508,367
Investments	892	3,489,110	3,490,002
Accounts Receivable, Net of Provision for Bad Debts	3,030,872	1,718,319	4,749,191
Due from Other Funds	-	-	-
Due from Other Governments	-	85,356	85,356
Inventories	659,667	446,595	1,106,262
Prepaid Expenses	69,978	-	69,978
Total Current Assets	12,788,111	13,221,045	26,009,156
<u>Noncurrent Assets:</u>			
Restricted Assets			
Cash and Cash Equivalents - Restricted	5,000	768,555	773,555
Investments - Restricted	342,588	-	342,588
Investment in CSA	18,549	-	18,549
Land	908,953	199,510	1,108,463
Plant, Buildings & Improvements	28,931,266	58,372,964	87,304,230
Machinery & Equipment	2,660,099	3,347,426	6,007,525
Accumulated Depreciation	(9,779,253)	(27,519,729)	(37,298,982)
Construction Work In Progress	667,433	1,666,739	2,334,172
Net Noncurrent Assets	23,754,635	36,835,465	60,590,100
TOTAL ASSETS	\$ 36,542,746	\$ 50,056,510	\$ 86,599,256
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Charge on Refunding of Bonds, Net of Accumulated Amortization of \$99,602	53,358	-	53,358
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 53,358	\$ -	\$ 53,358

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUND TYPES  
September 30, 2014

	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
<b><u>LIABILITIES:</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable and			
Accrued Expenses	\$ 5,550,413	\$ 312,761	\$ 5,863,174
Compensated Absences	89,484	151,850	241,334
Accrued Interest Payable	9,340	233,532	242,872
Due to Other Funds	-	-	-
Current Portion of Long-Term Debt	385,000	1,307,184	1,692,184
Customer Deposits	3,021,138	-	3,021,138
Total Current Liabilities	<u>9,055,375</u>	<u>2,005,327</u>	<u>11,060,702</u>
<b><u>Noncurrent Liabilities:</u></b>			
Other Liabilities	46,071	-	46,071
Bonds, Notes, and Loans Payable, net of current portion	<u>1,625,000</u>	<u>23,082,584</u>	<u>24,707,584</u>
Total Noncurrent Liabilities	<u>1,671,071</u>	<u>23,082,584</u>	<u>24,753,655</u>
TOTAL LIABILITIES	<u>10,726,446</u>	<u>25,087,911</u>	<u>35,814,357</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Charge on Refunding Bonds, net	-	85,221	85,221
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>85,221</u>	<u>85,221</u>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	21,378,498	11,677,142	33,055,640
Reserved for Debt Service	338,248	768,555	1,106,803
Unrestricted	<u>4,152,912</u>	<u>12,437,681</u>	<u>16,590,593</u>
TOTAL NET POSITION	<u>\$ 25,869,658</u>	<u>\$ 24,883,378</u>	<u>\$ 50,753,036</u>



**CITY OF OXFORD, MISSISSIPPI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For The Year Ended September 30, 2014**

	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
<b><u>OPERATING REVENUE:</u></b>			
Charges For Services	\$ 22,921,751	\$ 9,140,831	\$ 32,062,582
Other	285,100	-	285,100
Total Operating Revenue	23,206,851	9,140,831	32,347,682
<b><u>OPERATING EXPENSES:</u></b>			
Operations	19,427,810	4,089,069	23,516,879
Maintenance	391,870	244,425	636,295
Depreciation and Amortization Expense	878,058	2,709,672	3,587,730
Taxes	-	-	-
Total Operating Expenses	20,697,738	7,043,166	27,740,904
Net Operating Income (Loss)	2,509,113	2,097,665	4,606,778
<b><u>NON-OPERATING INCOME (EXPENSES):</u></b>			
Interest Income	2,657	27,554	30,211
Gain (Loss) on Disposal of Fixed Asset	-	(3,900)	(3,900)
Grant Income/ Capital Contributions	-	336,183	336,183
Amortization of Debt Expense	(12,081)	-	(12,081)
Miscellaneous Income (Expense)	(72,680)	227,163	154,483
Interest Expense	(121,195)	(824,051)	(945,246)
Total Non-Operating Income (Loss)	(203,299)	(237,051)	(440,350)
Income Before Operating Transfers	2,305,814	1,860,614	4,166,428
<b><u>OPERATING TRANSFERS IN (OUT):</u></b>			
Operating Transfers In (Out)	(1,027,500)	(99,124)	(1,126,624)
Change in Net Position	1,278,314	1,761,490	3,039,804
Total Net Position - Beginning, as previously stated	\$ 24,740,376	\$ 23,766,500	\$ 48,506,876
Prior Period Adjustment	(149,032)	(644,612)	(793,644)
Total Net Position - Beginning, as restated	24,591,344	23,121,888	47,713,232
Total Net Position - Ending	\$ 25,869,658	\$ 24,883,378	\$ 50,753,036

**CITY OF OXFORD, MISSISSIPPI**  
**COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**Year Ended September 30, 2014**

	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
<b><u>Cash Flows from Operating Activities:</u></b>			
Receipts from Customers	\$ 23,293,493	\$ 9,054,270	\$ 32,347,763
Payments to Suppliers	(18,967,944)	(960,128)	(19,928,072)
Payments to Employees	(629,948)	(2,427,829)	(3,057,777)
Payments for Other Services and Charges	(1,027,500)	(1,393,221)	(2,420,721)
Other Receipts (Payments)	-	-	-
Net Cash Provided (Used) In Operating Activities	<u>2,668,101</u>	<u>4,273,092</u>	<u>6,941,193</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Advances From Home Insulation Program	(23,207)	-	(23,207)
Transfers In	-	(99,124)	(99,124)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(23,207)</u>	<u>(99,124)</u>	<u>(122,331)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Proceeds From Capital Debt	-	-	-
Purchases of Capital Assets	(1,061,217)	(1,918,716)	(2,979,933)
Proceeds From Sale of Capital Assets	-	-	-
Principal Paid on Capital Debt	(370,000)	(1,266,558)	(1,636,558)
Interest Paid on Capital Debt	(122,582)	(824,051)	(946,633)
Other Receipts (Payments)	-	227,163	227,163
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(1,553,799)</u>	<u>(3,782,162)</u>	<u>(5,335,961)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Purchase of Investments	(685,213)	-	(685,213)
Proceeds From Sale of Investments	683,466	-	683,466
Cash Received From Grants	-	336,183	336,183
Interest and Dividends	2,657	27,554	30,211
Other Receipts (Payments)	<u>(77,625)</u>	<u>-</u>	<u>(77,625)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(76,715)</u>	<u>363,737</u>	<u>287,022</u>
Net Increase (Decrease) In Cash and Cash Equivalents	1,014,380	755,543	1,769,923
Cash and Cash Equivalents--Beginning	<u>8,017,322</u>	<u>10,983,787</u>	<u>19,001,109</u>
Cash and Cash Equivalents--Ending	<u>\$ 9,031,702</u>	<u>\$ 11,739,330</u>	<u>\$ 20,771,032</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:</u></b>			
Operating Income (Loss)	\$ 2,509,113	\$ 2,097,665	\$ 4,606,778
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:</b>			
Depreciation and Amortization Expense	878,058	2,709,672	3,587,730
Amounts Paid to City - Tax Equivalents	(1,027,500)	-	(1,027,500)
(Increase) Decrease in Accounts Receivable	(28,261)	(86,561)	(114,822)
(Increase) Decrease in Prepaid Items	76,487	-	76,487
(Increase) Decrease in Deferred Charges	-	-	-
(Increase) Decrease in Inventory	(171,364)	(431,595)	(602,959)
(Increase) Decrease in Compensated Absences	-	6,373	6,373
Increase (Decrease) in Accounts Payable	354,960	13,835	368,795
Increase (Decrease) in Accrued Liabilities	(38,295)	(36,297)	(74,592)
Increase (Decrease) in Customer Deposits	<u>114,903</u>	<u>-</u>	<u>114,903</u>
Total Adjustments	<u>158,988</u>	<u>2,175,427</u>	<u>2,334,415</u>
Net Cash Provided (Used) In Operating Activities	<u>\$ 2,668,101</u>	<u>\$ 4,273,092</u>	<u>\$ 6,941,193</u>

**CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
September 30, 2014**

	PATHWAYS GRANT FUND	\$3.8 M GO BOND ISSUE 2009	JACKSON AVENUE PROPERTY	AVENUE/N 16TH ST DRAINAGE PROJECT	SAFE ROUTES TO SCHOOL GRANT	POWERHOUSE COMMUNITY ARTS CENTER	BMH COMMUNITY HEALTH FUNDS	OXFORD COMMONS FRONTAGE RD	TOTALS 2014
<b>ASSETS:</b>									
Cash	\$ 52,389	\$ 281,745	\$ 110,801	\$ -	\$ -	\$ -	\$ -	\$ 1,480,136	\$ 1,925,071
Investments	-	-	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-	-	-
Other Receivable	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>52,389</b>	<b>281,745</b>	<b>110,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,480,136</b>	<b>1,925,071</b>
<b>LIABILITIES:</b>									
Checks Issued in Excess of Deposits	-	-	-	-	-	-	-	-	-
Accounts Payable	-	-	-	-	-	-	-	126,796	126,796
Due to Other Funds	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,796</b>	<b>126,796</b>
<b>FUND BALANCE:</b>									
Restricted	52,389	281,745	110,801	-	-	-	-	1,353,340	1,798,275
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>52,389</b>	<b>281,745</b>	<b>110,801</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,480,136</b>	<b>\$ 1,925,071</b>



**CITY OF OXFORD, MISSISSIPPI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECTS FUNDS**  
**For the Year Ended September 30, 2014**

	PATHWAYS GRANT FUND	\$3.8 M GO BOND ISSUE 2009	JACKSON AVENUE PROPERTY	AVENUE 16TH ST DRAINAGE PROJECT	SAFE ROUTES TO SCHOOL GRANT	POWERHOUSE COMMUNITY ARTS CENTER	BMH COMMUNITY HEALTH FUNDS	OXFORD COMMONS FRONTAGE RD	TOTALS 2014
<b>REVENUES:</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-	-	-	-	-	-
<b>EXPENDITURES:</b>									
Capital Projects:									
Supplies	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	58,631	58,631
Capital Outlay	22,269	-	-	-	-	-	-	492,409	514,678
<b>TOTAL EXPENDITURES</b>	22,269	-	-	-	-	-	-	551,040	573,309
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,269)	-	-	-	-	-	-	(551,040)	(573,309)
<b>OTHER FINANCING SOURCES (USES):</b>									
Proceeds of Debt Issuance	-	-	-	-	-	-	-	2,132,125	2,132,125
Transfers from (to) Other Funds	14,759	-	-	(18,454)	(7,541)	628	-	(227,745)	(238,353)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	14,759	-	-	(18,454)	(7,541)	628	-	1,904,380	1,893,772
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	(7,510)	-	-	(18,454)	(7,541)	628	-	1,353,340	1,320,463
<b>FUND BALANCE - October 1, as previously stated</b>	59,899	281,745	110,801	(133,467)	7,541	(628)	(8,304)	-	317,587
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-	151,921	-	-	8,304	-	160,225
<b>FUND BALANCE - October 1, as restated</b>	59,899	281,745	110,801	18,454	7,541	(628)	-	-	477,812
<b>FUND BALANCE - September 30,</b>	<b>\$ 52,389</b>	<b>\$ 281,745</b>	<b>\$ 110,801</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,353,340</b>	<b>\$ 1,798,275</b>

**CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
September 30, 2014**

	GO BOND ISSUE 2002	\$3 M GO BOND ISSUE 2004	\$1.5 M GO BOND ISSUE 2005	\$9 M GO BOND ISSUE 2007	\$3.8 M GO BOND ISSUE 2009	\$7.085 M GO BOND ISSUE 2010	\$5.5 M GO BOND ISSUE 2012	TOTALS 2014
<b>ASSETS:</b>								
Cash	\$ -	\$ -	\$ 6,701	\$ -	\$ 10,533	\$ -	\$ -	\$ 17,234
Due From Other Funds	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>-</u>	<u>-</u>	<u>6,701</u>	<u>-</u>	<u>10,533</u>	<u>-</u>	<u>-</u>	<u>17,234</u>
<b>LIABILITIES:</b>								
Checks Issued in Excess of Deposits	-	31,050	-	47,929	-	94,206	22,193	195,378
Accounts Payable	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>31,050</u>	<u>-</u>	<u>47,929</u>	<u>-</u>	<u>94,206</u>	<u>22,193</u>	<u>195,378</u>
<b>FUND BALANCE:</b>								
Committed	-	(31,050)	6,701	(47,929)	10,533	(94,206)	(22,193)	(178,144)
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,701</u>	<u>\$ -</u>	<u>\$ 10,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,234</u>

**CITY OF OXFORD, MISSISSIPPI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUNDS**  
**For the Year Ended September 30, 2014**

	GO BOND ISSUE 2002	\$3 M GO BOND ISSUE 2004	\$1.5 M GO BOND ISSUE 2005	\$9 M GO BOND ISSUE 2007	\$3.8 M GO BOND ISSUE 2009	\$7,085 M GO BOND ISSUE 2010	\$5.5 M GO BOND ISSUE 2012	TOTALS 2014
<b>REVENUES:</b>								
General Property Taxes	\$ -	\$ 286,269	\$ 172,856	\$ 622,759	\$ 305,134	\$ 359,685	\$ 395,778	\$ 2,142,481
Intergovernmental Revenues	-	6,195	3,740	13,501	6,604	7,774	8,591	46,405
Interest Income	-	46	90	130	-	-	-	266
<b>TOTAL REVENUES</b>	-	292,510	176,686	636,390	311,738	367,459	404,369	2,189,152
<b>EXPENDITURES:</b>								
Fees	-	2,632	389	1,075	2,621	1,940	2,015	10,672
Payments - Principal	-	265,000	170,000	370,000	220,000	625,000	315,000	1,965,000
Payments - Interest	-	34,313	8,944	285,925	100,150	127,725	101,137	658,194
<b>TOTAL EXPENDITURES</b>	-	301,945	179,333	657,000	322,771	754,665	418,152	2,633,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(9,435)	(2,647)	(20,610)	(11,033)	(387,206)	(13,783)	(444,714)
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers from (to) Other Funds	(5,810)	5,810	-	-	-	411,343	-	411,343
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	(5,810)	(3,625)	(2,647)	(20,610)	(11,033)	24,137	(13,783)	(33,371)
<b>FUND BALANCE - October 1,</b>	5,810	(27,425)	9,348	(27,319)	21,566	(118,343)	(8,410)	(144,773)
<b>FUND BALANCE - September 30,</b>	\$ -	\$ (31,050)	\$ 6,701	\$ (47,929)	\$ 10,533	\$ (94,206)	\$ (22,193)	\$ (178,144)



CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
September 30, 2014

NAME	POSITION	COMPANY	BOND AMOUNT	BOND EXPIRATION
George G. Patterson	Mayor	FCCI Insurance Group	100,000	7/6/2015
J.P. Hughes	Alderman-Ward 1	FCCI Insurance Group	100,000	7/1/2015
Robyn Tannehill	Alderman-Ward 2	FCCI Insurance Group	100,000	7/1/2015
Janice Ann Antonow	Alderman-Ward 3	FCCI Insurance Group	100,000	7/1/2015
Ulysses L. Howell	Alderman-Ward 4	FCCI Insurance Group	100,000	7/2/2015
Preston Edward Taylor	Alderman-Ward 5	FCCI Insurance Group	100,000	7/2/2015
Jason Bailey	Alderman-Ward 6	FCCI Insurance Group	100,000	7/1/2015
John Morgan	Alderman-At Large	FCCI Insurance Group	100,000	7/6/2015
Lisa D. Carwyle	City Clerk	FCCI Insurance Group	100,000	5/1/2015
Ashley Atkinson	Deputy Clerk	Brierfield Insurance Company	50,000	8/20/2015
Lesia Chandler	Deputy City Clerk	Brierfield Insurance Company	50,000	8/20/2015
Joey East	Police Chief	FCCI Insurance Group	50,000	7/1/2015

**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**For the Year Ended September 30, 2014**

	INTEREST RATE	BALANCE 9-30-13	DEBT ISSUED	DEBT RETIRED	BALANCE 9-30-14	CURRENT MATURITIES
<b><u>LONG-TERM DEBT:</u></b>						
<b><u>Governmental Activities</u></b>						
General Obligation Bonds:						
General Obligation-Series 2004	3-3.8 %	\$ 1,075,000	\$ -	\$ 265,000	\$ 810,000	\$ 150,000
General Obligation-Series 2005	3.375-4.8 %	350,000	-	170,000	180,000	180,000
General Obligation-Series 2007	4-5 %	7,085,000	-	370,000	6,715,000	390,000
General Obligation-Series 2010 (Refunding)	2-3 %	5,475,000	-	625,000	4,850,000	635,000
General Obligation-Series 2009	3-3.75 %	3,020,000	-	220,000	2,800,000	225,000
General Obligation-Series 2012	1.625-2.25 %	5,195,000	-	315,000	4,880,000	320,000
G.O. Note Series 2012-BancorpSouth	1.43%	405,000	-	100,000	305,000	100,000
G.O. Note Series 2014-Regions	1.66%	-	500,000	-	500,000	96,727
Total General Obligation Bonds and Notes:		<u>22,605,000</u>	<u>500,000</u>	<u>2,065,000</u>	<u>21,040,000</u>	<u>2,096,727</u>
Special Assessment Bonds:						
Special Assessment Bond-Series 2014	2.225-2.625%	-	1,600,000	-	1,600,000	85,000
Total Special Assessment Bonds:		<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>85,000</u>
Notes Payable:						
CAP Loan - State of Mississippi	2%	333,076	-	52,384	280,692	53,789
CAP Loan - State of Mississippi	2%	778,551	-	43,425	735,126	46,470
CAP Loan - State of Mississippi	2%	262,310	-	28,979	233,331	29,840
Note Payable-Regions Bank	0%	105,500	-	105,500	-	-
Total Notes Payable:		<u>1,479,437</u>	<u>-</u>	<u>230,288</u>	<u>1,249,149</u>	<u>130,099</u>
Total Governmental Activities		<u>24,084,437</u>	<u>2,100,000</u>	<u>2,295,288</u>	<u>23,889,149</u>	<u>2,311,826</u>
<b><u>Business-Type Activities</u></b>						
Revenue Bonds:						
2003 Combination Water & Sewer	4-5%	90,000	-	90,000	-	-
2004 Water & Sewer Revenue Bond	3.25-4.5%	165,000	-	80,000	85,000	85,000
2006 Water & Sewer Revenue Bond	4-5.625%	2,560,000	-	145,000	2,415,000	150,000
2007 Water & Sewer Revenue Bond	4.5-6%	2,215,000	-	115,000	2,100,000	120,000
2008 Water & Sewer Revenue Bond	3.625-4.5%	2,875,000	-	140,000	2,735,000	140,000
2011 Water & Sewer Revenue Bond	3-4.3%	7,975,000	-	285,000	7,690,000	295,000
2012 Water & Sewer Revenue Bond	1-2.625%	2,360,000	-	30,000	2,330,000	125,000
Electric Department						
2011 Electric System Revenue	2.25-3.125%	2,380,000	-	370,000	2,010,000	385,000
Total Revenue Bonds:		<u>20,620,000</u>	<u>-</u>	<u>1,255,000</u>	<u>19,365,000</u>	<u>1,300,000</u>
Notes Payable:						
State Revolving Fund-Water & Sewer	2.75%	7,416,326	-	381,558	7,034,768	392,184
Total Notes Payable:		<u>7,416,326</u>	<u>-</u>	<u>381,558</u>	<u>7,034,768</u>	<u>392,184</u>
Total Business-Type Activities		<u>28,036,326</u>	<u>-</u>	<u>1,636,558</u>	<u>26,399,768</u>	<u>1,692,184</u>
Total Long-Term Debt		<u>\$ 52,120,763</u>	<u>\$ 2,100,000</u>	<u>\$ 3,931,846</u>	<u>\$ 50,288,917</u>	<u>\$ 4,004,010</u>

**CITY OF OXFORD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2014**

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Grantor Agency Id Number</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b>PRIMARY GOVERNMENT:</b>			
<b>U. S. Department of Justice</b>			
Passed through Mississippi Department of Public Safety ARRA-Edward Byrne Memorial Justice Assistance Grant Program		16.738	\$ 47,809
<b>Total U.S. Department of Justice</b>			<u>\$ 47,809</u>
<b>U. S. Department of Transportation</b>			
Passed through Mississippi Department of Transportation Alcohol Impaired Driving Countermeasures Incentive Grants I	14SA-225-1	20.601	\$ 119,000
State and Community Highway Safety		20.600	6,268
* ARRA-Highway Planning and Construction	105198-701000	20.205	6,008
* ARRA-Highway Planning and Construction	105198-702000	20.205	4,030
* ARRA-Highway Planning and Construction	102221-202000	20.205	56,583
* ARRA-Highway Planning and Construction	106296-201000	20.205	206,068
* ARRA-Highway Planning and Construction	102168-302000	20.205	82,527
* Formula Grants for Rural Areas		20.509	1,106,318
<b>Total U.S. Department of Transportation</b>			<u>\$ 1,586,802</u>
<b>U.S. Department of Agriculture</b>			
Cooperative Forestry Assistance		10.664	\$ 22,490
Farmer's Market and Local Food Promotion Program		10.168	42,450
<b>Total U.S. Department of Agriculture</b>			<u>\$ 64,940</u>
<b>U. S. Department of Homeland Security</b>			
Passed through Mississippi Emergency Management Agency Emergency Operations Center		97.052	\$ 268,439
Homeland Security Grant Program		97.067	12,000
<b>Total U. S. Department of Homeland Security</b>			<u>\$ 280,439</u>
<b>U.S. Department of Health and Human Services</b>			
Medical Reserve Corps Small Grant Program		93.008	\$ 21,263
<b>Total U.S. Department of Health and Human Services</b>			<u>\$ 21,263</u>
<b>Corporation for National and Community Service</b>			
Volunteer Generation Fund		94.021	\$ 56,942
<b>Total Corporation for National and Community Service</b>			<u>\$ 56,942</u>
<b>TOTAL FEDERAL EXPENDITURES</b>			<u>\$ 2,058,195</u>

**SIGNIFICANT ACCOUNTING POLICIES:**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Oxford, Mississippi and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

\* - Major Program



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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Mayor and Board of Aldermen  
City of Oxford, Mississippi  
Oxford, Mississippi 38655

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Oxford, Mississippi's basic financial statements and have issued our report thereon dated April 27, 2015.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Oxford, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oxford, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Oxford, Mississippi's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 1, 2, 4, 5, 8 and 10 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as 1, 2, 3, 4, 5, 7, 8, 9 and 10 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Oxford, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 1, 2, 3, 4, 6, 7, 9, 10 and 11 to be instances of noncompliance. We noted certain other matters that we reported to management of the City of Oxford, Mississippi in a separate letter dated April 27, 2015.

### **City of Oxford, Mississippi's Response to Findings**

The City of Oxford, Mississippi's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Oxford, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Franks, Franks, Jarrell & Wilemon, P.A.*

FRANKS, FRANKS, JARRELL & WILEMON, P.A.

April 27, 2015



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To The Honorable Mayor and Board of Aldermen  
City of Oxford, Mississippi  
Oxford, Mississippi 38655

**Report on Compliance for Each Major Federal Program**

We have audited the City of Oxford, Mississippi's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of City of Oxford, Mississippi's major federal programs for the year ended September 30, 2014. The City of Oxford, Mississippi's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Oxford, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Oxford, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Oxford, Mississippi's compliance.

***Unmodified Opinion on Each of the Major Federal Programs***

In our opinion, the City of Oxford, Mississippi, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2014 September 30, 2014.



## Report on Internal Control Over Compliance

Management of the City of Oxford, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Oxford, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Oxford, Mississippi's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Franks, Franks, Jarrell & Wilemon, P.A.*

FRANKS, FRANKS, JARRELL & WILEMON, P.A.  
April 27, 2015

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Honorable Mayor and Board of Aldermen  
City of Oxford, Mississippi  
Oxford, Mississippi 38655

We have audited the financial statements of the City of Oxford, Mississippi, as of and for the year ended September 30, 2014 and have issued our report dated April 27, 2015. We have 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*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are included in the Schedule of Findings and Questioned Costs as findings 1, 2, 3, 4, 6, 7, 9, 10 and 11.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information of the City's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Franks, Franks, Jarrell & Wilemon, P.A.*

FRANKS, FRANKS, JARRELL & WILEMON, P.A.  
April 27, 2015



**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2014**

**SECTION 1 – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Qualified  
Internal control over financial reporting:  
    Material weakness identified? X Yes        No  
    Significant deficiency identified  
        not considered to be a material weakness? X Yes        None reported  
Noncompliance material to financial statements  
    noted? X Yes        No

**Federal Awards**

Internal Control over major programs:  
    Material weakness identified?        Yes X No  
    Significant deficiency identified  
        not considered to be a material weakness?        Yes X None reported

Type of auditors' report issued on compliance  
    for major programs: Unmodified

Any audit findings disclosed that are required  
    to be reported in accordance with  
    Circular A-133, Section .510(a)?        Yes X No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.205</u>	<u>U.S. Dept. of Transportation – Highway Planning and Construction</u>
<u>20.509</u>	<u>U.S. Dept. of Transportation- Formula Grants for Rural Areas</u>

Dollar threshold used to distinguish  
    between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?        Yes X No



**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2014**

**SECTION 2 – FINANCIAL STATEMENT FINDINGS:**

**FINDING NO. 1**

**Criteria:** The City is to maintain adequate subsidiary records substantiating the existence, completeness, and valuation of fixed assets.

**Cause of Condition:** The City did not conduct an annual inventory observation of fixed assets pursuant to guidelines set forth by the Mississippi Office of the State Auditor. The City does not have an accurate listing of fixed assets. The City has not ensured that all fixed assets are properly tagged.

**Recommendation:** The City should conduct a year-end inventory of its fixed assets and ensure that all assets owned by the City are properly tagged and accounted for in accordance with state requirements.

**Response:** The City will establish an inventory policy that will require a complete annual inventory of all fixed assets. All assets will be properly tagged and numbered, and relevant information will be gathered on all assets and included on the master fixed asset listing. The City is currently working with all departments to conduct an annual inventory and accurately tag and account for all fixed assets.

**FINDING NO. 2**

**Criteria:** The City is to maintain adequate internal controls to ensure accurate processing of transactions for the fair presentation of its financial records.

**Cause of Condition:** The City's depreciation schedule has several assets without a description of the assets. The City disposed of several assets by approval in the minutes, however, the assets could not be removed from the depreciation schedule due to lack of adequate descriptions.

**Recommendation:** The City should develop a process to ensure fixed asset depreciation schedules are maintained with adequate descriptions and relevant information. The City should ensure that all assets declared surplus are identified on the depreciation schedule and properly removed.

**Response:** The City will establish a fixed asset policy to address the issues raised with fixed assets. The City will continue working on the depreciation schedule to ensure it is maintained and updated each year.

**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2014**

**FINDING NO. 3**

**Criteria:** The City is to maintain adequate internal controls to ensure accurate processing of transactions for the fair presentation of its financial records. Mississippi Code Section 21-35-11, Miss. Code Ann. (1972) requires the City Clerk to open and keep the books and records of the accounting system. The City Clerk is responsible for the accounting records and at all times should assure that they are secure from loss, damage or alteration.

**Cause of Condition:** The City did not maintain adequate internal controls over its general ledger accounting functions. The City did not ensure that revenues or expenses were properly recorded in the correct function of the government or the correct account classification for budget purposes. Some funds did not included income accounts for various income sources and transfers between funds. Some funds did not included disbursement accounts for various account classifications and transfers between funds. Adjustments were necessary to reclassify various income, expense and transfer accounts to the proper income source, expense classification or transfer account to be in accordance with the chart of accounts specified by the Office of State Auditor. Further, the general ledger of the City does not balance at year end by an immaterial difference. This difference has been outstanding for a number of years.

**Recommendation:** The City should implement adequate internal controls over all accounting functions sufficient to provide timely information to provide for management control and oversight. The City should ensure that the general ledger includes proper accounts for posting of revenue and expense items in accordance with the Office of the State Auditor prescribed chart of accounts. The City should correct the general ledger to ensure the general ledger balances each year prior to closing the year end.

**Response:** The City did establish several new revenue and expense accounts during the fiscal year and will continue to develop the chart of accounts in the future. The City will has made significant changes in the methods used for the posting of revenues and expenditures to the correct revenue accounts and functional expense categories and will continue to improve the posting of all revenue sources and expenditures to accurate functional categories in the future. The City will set up correct account classifications within a budget format for all required funds.



**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2014**

**FINDING NO. 4**

**Criteria:** The City is to maintain adequate internal controls to ensure accurate processing of transactions for the fair presentation of its financial records.

**Cause of Condition:** The City did not ensure full accountability for ticket books during the fiscal year. We noted one ticket that could not be located and was not in the court clerk's system from our sampled population of tickets. We noted one ticket that was entered in the court docket but no copy of the ticket could be produced in the files of the City. We also noted that ticket books are not returned to the Court Clerk once all tickets in the books have been issued by the officers.

**Recommendation:** The City should implement adequate internal controls over all court collection functions. The City should ensure full accountability for all ticket books from issuance to officer to return to Court Clerk.

**Response:** The City will implement a system to ensure accountability for all ticket books of the City.

**FINDING NO. 5**

**Criteria:** The City is to maintain adequate internal controls to ensure accurate processing of transactions for the fair presentation of its financial records.

**Cause of Condition:** The City did not ensure all liabilities of the City were properly recorded on the general ledger of the City in the appropriate funds. The City accounts for all meter deposits of the City on the general ledger of the Electric Department. The meter deposits for the Water and Sewer fund cannot be identified and segregated from the deposits of the Electric Fund. Therefore, the general ledger and financial statements of the Water and Sewer Fund do not accurately report the liabilities associated with this fund.

**Recommendation:** The City should implement adequate internal controls to ensure proper presentation of liabilities of each fund of the City. The meter deposit listing should be segregated between amounts held for deposit by Electric Fund and Water and Sewer Fund.

**Response:** The City will take steps to develop a system to adequately segregate the meter deposits between the two funds and ensure the liability is recorded in the proper fund of the City.



**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2014**

**FINDING NO. 6**

- Criteria:** The City is to maintain adequate internal controls to ensure accurate processing of transactions for the fair presentation of its financial records. The City is to comply with state purchasing laws for all applicable purchases over certain dollar thresholds.
- Cause of Condition:** The City did not obtain comparative quotes for seven purchases during the year, as required by state statutes.
- Recommendation:** The City should implement adequate internal controls over all state purchase laws to ensure that the City strictly adheres to the purchase laws in all departments of the City.
- Response:** The City will take steps necessary to ensure that controls over purchasing are revised to ensure future compliance.

**FINDING NO. 7**

- Criteria:** The City is to ensure compliance with various covenants and requirements as stipulated in the bond agreements related to the City's outstanding bond issues and debt obligations.
- Cause of Condition:** The internal control is not sufficient to monitor compliance with covenants stipulated in the bond agreements. A Debt Service Reserve Fund is required in relation to the 2012 Water and Sewer Bonds. A Debt Service Reserve Fund, a Deprecation Fund and a Contingent Fund are required in relation to the 2011 Water and Sewer Bonds. These required funds have not been established. The City also has two Debt Service Reserve Funds, two Depreciation Funds and two Contingent Funds for Bonds that have been refunded and are no longer obligations of the City.
- Recommendation:** The City should closely monitor the covenants included in the bond agreement and abide by them closely. The City should establish all required reserve funds for current bond obligations and should close out existing reserve funds for bonds that are no longer obligations of the City.
- Response:** The City will review the covenants stipulated in the all bond agreements and will take steps necessary to ensure future compliance with the covenants.

**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2014**

**FINDING NO. 8**

- Criteria:** The City is to maintain adequate internal controls to ensure accurate processing of transactions for the fair presentation of its financial records.
- Cause of Condition:** The City entered into an agreement for certain events at the park, whereby the contracted company collects admission fees that are retained by the City. The City had no formal agreement with the contracting company describing the duties, responsibilities or sharing of revenue collected for the majority of the year. The City had entrusted the responsibility for collecting City revenues with a company with no formal agreement for a portion of the year.
- Recommendation:** The City should ensure that a formal agreement is entered into with all contracting companies prior to events being scheduled. The City should consult with legal counsel and the Office of the State Auditor to determine if admission fees can be contracted out to a company independent of the City.
- Response:** The City did enter into a formal agreement with the contracting company effective August 27, 2014 detailing the responsibilities of each party involved.

**FINDING NO. 9**

- Criteria:** The City is required, by state statutes, to prepare a budget for all required governmental funds of the City and to monitor and modify the budget as necessary to ensure all expenses are within the budgeted amounts. The City is further required to publish notice of any departmental budget amendments in excess of 10% of the originally adopted departmental budgeted amount.
- Cause of Condition:** The City had budget overages in some expense categories for the year ended September 30, 2014. The City did not modify the budgeted amounts for various revenue sources when it was evident that the budgeted revenues would not be collected. The City failed to publish notice of amendments of greater than 10% of departmental expenditures during the fiscal year.
- Recommendation:** The City should ensure that all expenses are within the final amended budget amounts. The City Clerk should generate monthly budget to actual revenue and expense reports that should be used to ensure budgets are amended before expenses are disbursed in excess of budgeted amounts. The City should ensure that notice is published anytime that the City amends a departmental budget in excess of 10% of the originally budgeted amounts.
- Response:** The City will take steps necessary to provide the Board with accurate revenue and expense budget to actual comparisons on a monthly basis for all required accounts. The City will take steps necessary to ensure that budgets are amended prior to budget overages occurring. The City will ensure that the proper notice is published for all amendments of departmental budgets in excess of 10%.



**CITY OF OXFORD, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2014**

**FINDING NO. 10**

**Criteria:** The City is to maintain adequate internal controls to ensure accurate processing of transactions for the fair presentation of its financial records. Mississippi Code Section 21-35-11, Miss. Code Ann. (1972) requires the City Clerk to open and keep the books and records of the accounting system. The City Clerk is responsible for the accounting records and at all times should assure that they are secure from loss, damage or alteration.

**Cause of Condition:** The City did not maintain adequate internal controls over its general ledger accounting functions. The City did not ensure that all revenues or expenses were properly recorded in the general ledger of the City. The City failed to record activity for one fund/bank account for three months of the fiscal year. Additionally, the expenses for this time period were not approved in the claims docket of the City.

**Recommendation:** The City should implement adequate internal controls over all accounting functions sufficient to provide timely information to provide for management control and oversight. The City should ensure that the general ledger includes all bank accounts and all revenues and expenses are recorded in accordance with the Office of the State Auditor prescribed chart of accounts. The City should ensure that all claims included on a claims docket and approved prior to payment.

**Response:** The City will ensure all bank account activity is reflected on the general ledger of the City. This bank account was transferred to the City by the Oxford Tourism Council during the year and is now reflected on the general ledger and claims docket of the City.

**FINDING NO. 11**

**Criteria:** The City is required, by state statutes, to obtain a bond for all deputy police officers and all officers or employees handling or having custody of public funds.

**Cause of Condition:** The City did not obtain bonds for deputy police officers or all employees handling or having custody of public funds.

**Recommendation:** The City should make a list of all city employees who are required by state statutes to be bonded and obtain bonds for each of them.

**Response:** The City will make a list of all city employees who are required by state statutes to be bonded and will obtain bonds for each of these employees.



**CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2014**

**SECTION 3 – FEDERAL AWARD FINDINGS:**

**NONE**

Findings 1, 2, 3, 4, 6, 7, 9, 10 and 11 are noncompliance findings.  
Findings 1, 2, 4, 5, 8 and 10 are material weaknesses.  
Findings 1, 2, 3, 4, 5, 7, 8, 9 and 10 are significant deficiencies.