FINANCIAL REPORT

CITY OF OXFORD

Oxford, Mississippi

September 30, 2016

Franks, Franks, Jarrell & Wilemon, P.A.
Certified Public Accountants

CITY OF OXFORD, MISSISSIPPI
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

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.

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 respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2016, and the respective changes in financial position, and , where applicable, cash flows and the respective budgetary comparison for the General Fund, 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, the schedule of the City's proportionate share of the net pension liability on page 52, and the schedule of the City's contributions on page 53 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, 2015 and ending June 30, 2016.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford, Mississippi's basic financial statements. The combining and individual fund financial statements, schedules 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 expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Suit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, schedules, other supplemental information 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 fund financial statements, schedules, other supplemental information 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 March 20, 2017 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.
Tupelo, Mississippi
March 20, 2017

CITY OF OXFORD, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information for the Year ended September 30, 2016

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, 2016. 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 $120,089,356. Of this amount, $0 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 $115,108,489, of which $0 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 $51,925,875, an increase of $4,168,273 in comparison to the prior year. Approximately 21% of the combined fund balances, $10,787,432 is considered unassigned and is available for spending at the City of Oxford's discretion.

- The City's total net position increased by $5,495,063. 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 $44,245,349. New debt in the amount of $7,390,000 was issued in the current fiscal year. Debt in the amount of $10,358,563 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

In addition to these required elements, we 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

		Fund Statements	
	Government-wide 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

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 blended component unit (Oxford Tourism Council). Financial information for the component unit is reported with the financial information from 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.

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 $120,089,356 at the close of the most recent fiscal year.

A large portion, 73 %, 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.

Table A-1

City of Oxford's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	$ 54,038,878	$ 49,932,661	$ 28,152,724	$ 28,102,542	$ 82,191,602	$ 78,035,203
Capital Assets	67,801,014	67,013,252	64,028,892	61,233,228	131,829,906	128,246,480
Total Assets	121,839,892	116,945,913	92,181,616	89,335,770	214,021,508	206,281,683
Deferred Outflows	7,263,761	5,052,716	1,819,030	1,100,903	9,082,791	6,153,619
Total Deferred Outflows	7,263,761	5,052,716	1,819,030	1,100,903	9,082,791	6,153,619
Current and Other Liabilities	4,143,975	4,067,134	11,617,571	11,242,150	15,761,546	15,309,284
Long-Term Liabilities	55,432,598	49,763,498	30,901,497	30,852,990	86,334,095	80,616,488
Total Liabilities	59,576,573	53,830,632	42,519,068	42,095,140	102,095,641	95,925,772
Deferred Inflows	442,116	593,140	477,186	807,901	919,302	1,401,041
Total Deferred Inflows	442,116	593,140	477,186	807,901	919,302	1,401,041
Net Position:						
Net Investment in						
Capital Assets	46,535,143	44,536,924	41,049,414	36,495,644	87,584,557	81,032,568
Restricted	40,588,317	38,685,093	2,018,175	2,005,146	42,606,492	40,690,239
Unrestricted	(18,038,496)	(15,647,160)	7,936,803	9,032,842	(10,101,693)	(6,614,318)
Total Net Position	$ 69,084,964	$67,574,857	$ 51,004,392	$ 47,533,632	$ 120,089,356	$ 115,108,489

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position of our business-type activities was $7,936,803 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 11 percent of the City of Oxford's revenue comes from property taxes and approximately 12 percent from sales tax, with 30 percent of all revenue coming from some type of tax. (See Table A-2.) Another 56 percent comes from fees charged for services, and the balance is from operating and capital grants and contributions, intergovernmental revenue, investment earnings and miscellaneous revenues.

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	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services	$ 10,044,924	$ 8,284,178	$ 33,641,227	$ 32,746,225	$ 43,686,151	$ 41,030,403
Operating Grants & Contributions	2,094,142	1,820,040	0	0	2,094,142	1,820,040
Capital Grants & Contributions	999,614	672,591	479,120	1,498,389	1,478,734	2,170,980
General Revenues:						
Property Taxes	8,794,506	8,154,450	0	0	8,794,506	8,154,450
Sales Tax	9,146,938	8,142,926	0	0	9,146,938	8,142,926
Other Taxes	5,609,130	4,966,759	0	0	5,609,130	4,966,759
Intergovernmental Revenues	3,610,465	3,697,694	0	0	3,610,465	3,697,694
Investment Income	2,128,628	(211,406)	44,431	28,148	2,173,059	(183,258)
Other	1,011,325	546,325	286,146	400,217	1,297,471	946,542
Total Revenues	**43,439,672**	**36,073,557**	**34,450,924**	**34,672,979**	**77,890,596**	**70,746,536**
Expenses						
General Government	6,704,211	6,012,874	0	0	6,704,211	6,012,874
Public Safety	13,581,555	11,231,125	0	0	13,581,555	11,231,125
Public Works	8,968,684	8,317,891	0	0	8,968,684	8,317,891
Tourism Promotion	1,550,483	1,375,293	0	0	1,550,483	1,375,293
Culture & Recreation	6,245,649	4,971,831	0	0	6,245,649	4,971,831
Transit Operation	2,251,231	2,203,892	0	0	2,251,231	2,203,892
Other Functions	218,143	86,797	0	0	218,143	86,797
Debt Service	961,857	670,177	0	0	961,857	670,177
Water & Sewer	0	0	9,339,086	9,286,214	9,339,086	9,286,214
Electric	0	0	20,604,638	20,681,988	20,604,638	20,681,988
Capital Projects	251,973	520,316	0	0	251,973	520,316
Miscellaneous	0	0	0	0	0	0
Total Expenses	**40,733,786**	**35,390,196**	**29,943,724**	**29,968,202**	**70,677,510**	**65,358,398**
Excess of Revenue Over Expenses	2,705,886	683,361	4,507,200	4,704,777	7,213,086	5,388,138
Transfers	(1,195,779)	(239,067)	(522,244)	(1,263,334)	(1,718,023)	(1,502,401)
Increase (Decrease) in Net Position	**1,510,107**	**444,294**	**3,984,956**	**3,441,443**	**5,495,063**	**3,885,737**
Net Position--Beginning, as previously stated	**67,574,857**	**88,417,384**	**47,533,632**	**50,753,036**	**115,108,489**	**139,170,420**
Prior Period Adjustment	**0**	**(21,286,821)**	**(514,196)**	**(6,660,847)**	**(514,196)**	**(27,947,668)**
Net Position--Beginning, as restated	**67,574,857**	**67,130,563**	**47,019,436**	**44,092,189**	**114,594,293**	**111,222,752**
Net Position--Ending	**$ 69,084,964**	**$ 67,574,857**	**$ 51,004,392**	**$ 47,533,632**	**$ 120,089,356**	**$ 115,108,489**

Governmental Activities

Governmental activities increased the City's net position by $1,510,107, thereby accounting for 27.48 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 charges for services (23%), property taxes (20%), and sales tax (21%).

The largest expense categories for the City's governmental activities are public safety (33%) and public works (22%).

Business-type Activities

Business-type activities increased the City's net position by $3,984,956, thereby accounting for 72.52 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 $11,021,208 for water and $22,620,019 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 $10,680,595. 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 37% of total fund expenditures. The fund balance of the City's general fund increased by $2,224,738 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of $162,977, all of which is committed for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was $154,450.

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 $4,888,046, 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 $1,537,378.

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 $51,004,392. Changes in net position, which totaled $3,984,956, were as follows: the electric fund increased by $1,032,809 and the water & sewer fund increased by $2,952,147.

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 2015 -16 general fund operating budget increased by approximately $1,370,369 during the current fiscal year. This increase was primarily related to increases in expenditures that are directly related to capital grant projects. The City's tax millage increased from 28.22 mills to 29.22 mills from 2015 to 2016.

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, 2016, amounted to $131,829,906, net of accumulated depreciation of $83,508,492. 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	
	2016	2015	2016	2015	2016	2015
Land	$ 6,750,620	$ 6,365,620	$ 1,108,463	$ 1,108,463	$ 7,859,083	$ 7,474,083
Plant, Buildings & Improvements	34,051,717	27,172,170	93,086,630	89,511,885	127,138,347	116,684,055
Machinery & Equipment	17,900,232	16,948,577	6,090,587	5,980,625	23,990,819	22,929,202
Infrastructure	47,183,494	44,098,534	0	0	47,183,494	44,098,534
Construction-in-progress	905,982	8,550,011	8,260,673	5,204,211	9,166,655	13,754,222
Accumulated Depreciation	(38,991,031)	(36,121,660)	(44,517,461)	(40,571,956)	(83,508,492)	(76,693,616)
Total	$ 67,801,014	$ 67,013,252	$ 64,028,892	$ 61,233,228	$ 131,829,906	$ 128,246,480

Long-term Debt—At year-end, the city had $44,245,349 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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	$ 16,915,000	$ 18,335,000	$ 16,740,000	$ 18,095,000	$ 33,655,000	$ 36,430,000
Special Assessment Bonds	1,430,000	1,515,000	0	0	1,430,000	1,515,000
General Obligation Notes	1,934,937	1,508,273	0	0	1,934,937	1,508,273
Promissory Notes	985,934	1,118,055	6,239,478	6,642,584	7,225,412	7,760,639
Total	**$ 21,265,871**	**$ 22,476,328**	**$ 22,979,478**	**$ 24,737,584**	**$ 44,245,349**	**$ 47,213,912**

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 2017 budget. The total budgeted appropriations for the City general fund operations are $31,398,681. This budget reflects an increase of approximately $2,048,275. Notable increases included capital outlay in Highway and Street Maintenance and personnel services in the police and fire departments.

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, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 13,922,931	$ 16,555,955	$ 30,478,886
Investments	35,225,435	3,163,703	38,389,138
Accounts Receivable, net	-	5,077,362	5,077,362
Court Fines Receivable, net	483,216	-	483,216
Ad Valorem Taxes Receivable, net	166,189	-	166,189
Other Receivables	66,013	-	66,013
Due From Other Funds	18,950	-	18,950
Due From Other Governments	4,152,682	42,614	4,195,296
Prepaid Expenses	3,462	1,939	5,401
Inventories	-	1,239,745	1,239,745
Restriced Assets:			
Cash and Cash Equivalents - Restricted	-	5,000	5,000
Investments - Restricted	-	2,019,446	2,019,446
Unamortized Debt Expense	-	29,196	29,196
Investment in CSA	-	17,764	17,764
Capital Assets:			
Land	6,750,620	1,108,463	7,859,083
Plant, Buildings and Improvements	34,051,717	93,086,630	127,138,347
Machinery and Equipment	17,900,232	6,090,587	23,990,819
Infrastructure	47,183,494	-	47,183,494
Construction in Progress	905,982	8,260,673	9,166,655
Accumulated Depreciation	(38,991,031)	(44,517,461)	(83,508,492)
TOTAL ASSETS	$ 121,839,892	$ 92,181,616	$ 214,021,508
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows - Pensions	7,263,761	1,819,030	9,082,791
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 7,263,761	$ 1,819,030	$ 9,082,791

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES:			
Checks Issued in Excess of Cash Deposits	$ 739,447	$ -	$ 739,447
Accounts Payable and Accrued Expenses	664,815	6,110,624	6,775,439
Accrued Interest Payable	-	220,791	220,791
Due to Other Funds	59,336	-	59,336
Due to Other Governments	-	-	-
Long-Term Liabilities, due within one year			
Revenue Bonds & Notes Payable	2,680,377	1,819,332	4,499,709
Long-Term Liabilities, due in more than one year			
Revenue Bonds & Notes Payable	18,585,494	21,160,146	39,745,640
Customer Deposits	-	3,494,382	3,494,382
Net Pension Liability	35,738,412	9,453,672	45,192,084
Accrued Compensated Absences	1,108,692	260,121	1,368,813
TOTAL LIABILITIES	$ 59,576,573	$ 42,519,068	$ 102,095,641
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows - Pensions	186,549	118,089	304,638
Deferred Charge on Refunding of Bonds, net Accumulated Amortization of $233,163	255,567	359,097	614,664
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 442,116	$ 477,186	$ 919,302
NET POSITION:			
Net Investment in Capital Assets	46,535,143	41,049,414	87,584,557
Restricted for:			
Unemployment Benefits	-	5,000	5,000
Debt Service	174,857	2,013,175	2,188,032
Capital Projects	1,537,378	-	1,537,378
Special Revenue	38,876,082	-	38,876,082
Unrestricted	(18,038,496)	7,936,803	(10,101,693)
TOTAL NET POSITION	$ 69,084,964	$ 51,004,392	$ 120,089,356

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

FUNCTIONS/ PROGRAMS	Expenses	PROGRAM REVENUES: Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Net (Expense) Revenue and Changes in Net Position: PRIMARY GOVERNMENT: Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT								
Government Activities:								
General Government	$ 6,704,211	$ 1,573,484	$ -	$ -	$ 1,573,484	$ (5,130,727)	$ -	$ (5,130,727)
Public Safety	13,581,555	1,375,509	490,144	15,000	1,880,653	(11,700,902)	-	(11,700,902)
Public Works	8,968,684	4,788,682	85,659	227,150	5,101,491	(3,867,193)	-	(3,867,193)
Culture and Recreation	6,245,649	1,917,274	100,439	757,464	2,775,177	(3,470,472)	-	(3,470,472)
Tourism Promotion	1,550,483	148,457	123,082	-	271,539	(1,278,944)	-	(1,278,944)
Transit Operation	2,251,231	241,518	1,294,818	-	1,536,336	(714,895)	-	(714,895)
Other Functions	218,143	-	-	-	-	(218,143)	-	(218,143)
Capital Projects	251,973	-	-	-	-	(251,973)	-	(251,973)
Debt Service	961,857	-	-	-	-	(961,857)	-	(961,857)
TOTAL GOVERNMENTAL ACTIVITIES	40,733,786	10,044,924	2,094,142	999,614	13,138,680	(27,595,106)	-	(27,595,106)
Business-Type Activities:								
Water and Sewer	9,339,086	11,021,208	-	479,120	11,500,328	-	2,161,242	2,161,242
Electric	20,604,638	22,620,019	-	-	22,620,019	-	2,015,381	2,015,381
TOTAL BUSINESS-TYPE ACTIVITIES	29,943,724	33,641,227	-	479,120	34,120,347	-	4,176,623	4,176,623
TOTAL PRIMARY GOVERNMENT	$ 70,677,510	$ 43,686,151	$ 2,094,142	$ 1,478,734	$ 47,259,027	$ (27,595,106)	$ 4,176,623	$ (23,418,483)
GENERAL REVENUES:								
Taxes:								
Property Taxes, Levied for General Purposes						$ 6,660,679	$ -	$ 6,660,679
Property Taxes, Levied for Debt Service						2,133,827	-	2,133,827
Sales Taxes						9,146,938	-	9,146,938
Special Taxes						4,188,748	-	4,188,748
County Pro Rata Taxes						834,423	-	834,423
Franchise Taxes						585,959	-	585,959
In Lieu Taxes						1,257,046	-	1,257,046
Gasoline Taxes & Other Taxes						198,905	-	198,905
Homestead Reimbursement						133,787	-	133,787
Fire Protection Allocation						121,318	-	121,318
Intergovernmental Revenues						1,889,976	-	1,889,976
Grants and Contributions not Restricted to Specific Programs						9,433	-	9,433
Investment Earnings						2,128,628	44,431	2,173,059
Gain (Loss) on Asset Disposal						(25,948)	-	(25,948)
Rental Revenue						-	219,513	219,513
Miscellaneous						1,037,273	66,633	1,103,906
Transfers						(1,195,779)	(522,244)	(1,718,023)
TOTAL GENERAL REVENUES AND TRANSFERS						29,105,213	(191,667)	28,913,546
CHANGE IN NET POSITION						1,510,107	3,984,956	5,495,063
NET POSITION--BEGINNING, as previously stated						67,574,857	47,533,632	115,108,489
PRIOR PERIOD ADJUSTMENT						-	(514,196)	(514,196)
NET POSITION--BEGINNING, as restated						67,574,857	47,019,436	114,594,293
NET POSITION--ENDING						$ 69,084,964	$ 51,004,392	$ 120,089,356

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016

	Major Funds			
	General Fund	Oxford Reserve & Trust Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash on Deposit	$ 7,911,334	$ -	$ 6,011,597	$ 13,922,931
Investments	1,033,343	33,988,036	204,056	35,225,435
Prepaid Expenses	-	-	3,462	3,462
Other Receivables	20,927	-	45,086	66,013
Due From Other Funds	14,750	-	4,200	18,950
Due From Other Governments	2,901,865	-	1,250,817	4,152,682
TOTAL ASSETS	$ 11,882,219	$ 33,988,036	$ 7,519,218	$ 53,389,473
LIABILITIES:				
Checks Issued in Excess of Cash Deposits	$ -	$ -	$ 739,447	$ 739,447
Accounts Payable and Accrued Expenses	473,445	-	191,370	664,815
Due to Other Funds	59,336	-	-	59,336
Due to Other Governments	-	-	-	-
TOTAL LIABILITIES	532,781	-	930,817	1,463,598
FUND BALANCES:				
Nonspendable	52,171	-	3,462	55,633
Committed				
Public Safety	4,060	-	-	4,060
Cultural and Recreation	44,732	-	853,696	898,428
Debt Service	-	-	174,857	174,857
Tourism	-	-	15,074	15,074
Restricted				
Capital Projects	-	-	1,537,378	1,537,378
Forestry	30,682	-	-	30,682
IDF Interlock Device Funds	9,128	-	-	9,128
Transit Operations	-	-	20,307	20,307
Tourism	-	-	3,061,020	3,061,020
Cultural and Recreation	-	-	52,589	52,589
Permanent Fund Principal	-	33,988,036	253,501	34,241,537
Public Safety	-	-	509,680	509,680
Economic Development	-	-	-	-
Assigned				
Cemetery	484,025	-	-	484,025
London Bus	2,861	-	-	2,861
Historic Homes Fund	41,184	-	-	41,184
Unassigned	10,680,595	-	106,837	10,787,432
TOTAL FUND BALANCES	11,349,438	33,988,036	6,588,401	51,925,875
TOTAL LIABILITIES AND FUND BALANCES	$ 11,882,219	$ 33,988,036	$ 7,519,218	$ 53,389,473

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2016

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	51,925,875
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.		67,801,014
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.		(21,265,871)
Deferred revenues for deliquent property taxes deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end.		166,189
Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.		(1,108,692)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds		
Net pension liability		(35,738,412)
Deferred outflows and inflows of resources, related to pensions are applicable to future periods and, therefore are not reported in the funds:		
Deferred outflows of resources related to pensions		7,263,761
Deferred inflows of resources related to pensions		(186,549)
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 amoritzed overthe life of the related bonds. This is the amount of unamortized premium remaining.		(255,567)
Accrual of court fine revenues to qualify as financial resources.		483,216
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	69,084,964

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, 2016

	Major Funds			
	General Fund	Oxford Reserve & Trust Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:				
General Property Taxes	$ 6,649,352	$ -	$ 2,133,827	$ 8,783,179
Sales and Use Taxes	9,146,938	-	-	9,146,938
Special Taxes	-	-	4,188,748	4,188,748
Licenses and Permits	1,376,136	-	-	1,376,136
Franchise Fees	585,959	-	-	585,959
In Lieu - Utility Department	965,001	-	-	965,001
Penalties and Interest	197,348	-	-	197,348
Intergovernmental Revenues	2,492,788	-	331,030	2,823,818
Grant Income	866,765	-	1,340,259	2,207,024
Local Matching Funds	-	-	656,069	656,069
Charges for Services	5,500,552	-	389,975	5,890,527
Fines and Forfeitures	1,081,193	-	145,224	1,226,417
Interest Income	13,792	-	8,800	22,592
Net Investment Income	-	867,152	-	867,152
Sale of Land and Surplus Equipment	52,231	-	-	52,231
Cemetery	119,638	-	-	119,638
Facility Rental Income	11,250	-	1,194,154	1,205,404
Sponsorships	-	-	103,250	103,250
Donations/Contributions	51,018	-	-	51,018
Miscellaneous Revenues	897,636	-	19,999	917,635
TOTAL REVENUES	30,007,597	867,152	10,511,335	41,386,084
EXPENDITURES:				
Current:				
General Government	6,002,592	-	-	6,002,592
Public Safety	10,525,956	-	407,409	10,933,365
Public Works	7,489,542	-	-	7,489,542
Culture and Recreation	4,594,968	-	1,166,361	5,761,329
Tourism Promotion	-	-	1,646,474	1,646,474
Transit Operation	-	-	2,275,491	2,275,491
Other Functions	-	-	81,731	81,731
Capital Projects	-	-	931,341	931,341
Debt Service	549,512	-	8,979,539	9,529,051
TOTAL EXPENDITURES	29,162,570	-	15,488,346	44,650,916
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	845,027	867,152	(4,977,011)	(3,264,832)
OTHER FINANCING SOURCES (USES):				
Transfers from (to) Oxford Tourism Council	-	-	(798,021)	(798,021)
Transfers from Other Funds	579,711	-	(977,469)	(397,758)
Unrealized Gain (Loss) from Investments	-	1,238,884	-	1,238,884
Proceeds from Issuance of Debt	800,000	-	6,590,000	7,390,000
TOTAL OTHER FINANCING SOURCES (USES)	1,379,711	1,238,884	4,814,510	7,433,105
NET CHANGE IN FUND BALANCES	2,224,738	2,106,036	(162,501)	4,168,273
FUND BALANCES - Beginning,	9,124,700	31,882,000	6,750,902	47,757,602
FUND BALANCES - Ending	$ 11,349,438	$ 33,988,036	$ 6,588,401	$ 51,925,875

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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	4,168,273
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 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.		3,274,109
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.		(3,140,628)
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.		(78,179)
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.		732,464
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.		11,327
Decrease in accrual of compensated absences.		(243,298)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.		149,092
Pension expense reported in the statement of activities relating to implementation of GASB 68 is not reported in the governmental funds. These activities include:		
Direct pension contributions		2,150,237
Pension expense		(6,690,484)
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 premium.		26,440
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.		(7,390,000)
This amount represents long-term debt repayments and issuance costs.		8,600,457
This amount represents premium on issuance of bonds		(59,703)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,510,107

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, 2016

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
REVENUES:				
General Property Taxes	$ 7,503,932	$ 7,533,932	$ 7,476,574	$ (57,358)
Sales and Use Taxes	8,199,492	8,971,000	8,976,422	5,422
Licenses and Permits	599,500	1,365,000	1,376,136	11,136
Franchise Fees	610,000	610,000	592,108	(17,892)
In Lieu - Utility Department	965,000	965,000	965,000	-
Penalties and Interest	195,000	195,000	197,348	2,348
Intergovernmental Revenues	1,562,000	1,628,000	1,496,547	(131,453)
Grant Income	653,714	684,408	896,976	212,568
Charges for Services	3,920,000	4,056,000	4,811,150	755,150
Fines and Forfeits	730,000	969,000	1,081,193	112,193
Parking Meter Revenues	600,000	600,000	684,679	84,679
Interest Income	19,000	19,000	13,792	(5,208)
Sale of Land and Surplus Equipment	-	-	52,231	52,231
Cemetery	50,000	50,000	119,638	69,638
Miscellaneous Revenues	424,927	508,927	948,654	439,727
TOTAL REVENUES	26,032,565	28,155,267	29,688,448	1,533,181
EXPENDITURES:				
Current:				
General Government	6,042,152	6,492,178	6,002,592	489,586
Public Safety	10,548,336	10,740,886	10,525,956	214,930
Public Works	8,400,395	8,496,688	7,489,542	1,007,146
Culture and Recreation	3,563,400	4,179,400	4,594,968	(415,568)
Debt Service	541,474	556,974	549,512	7,462
TOTAL EXPENDITURES	29,095,757	30,466,126	29,162,570	1,303,556
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,063,192)	(2,310,859)	525,878	2,836,737
OTHER FINANCING SOURCES (USES):				
Transfers (to) from Other Funds	518,249	1,082,605	579,711	(502,894)
Proceeds from Issuance of Debt	-	800,000	800,000	-
TOTAL OTHER FINANCING SOURCES (USES)	518,249	1,882,605	1,379,711	(502,894)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	$ (2,544,943)	$ (428,254)	$ 1,905,589	$ 2,333,843

See accompanying notes to financial statements.

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CITY OF OXFORD, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2016

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND		
	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 7,564,558	$ 8,991,397	$ 16,555,955
Investments	10,274	3,153,429	3,163,703
Receivables, net	3,025,434	2,051,928	5,077,362
Due from Other Funds	-	-	-
Due from Other Governments	-	42,614	42,614
Inventories	763,103	476,642	1,239,745
Prepaid Expenses	1,939	-	1,939
Total Current Assets	11,365,308	14,716,010	26,081,318
Noncurrent Assets:			
Restricted Assets			
Cash and Cash Equivalents - Restricted	5,000	-	5,000
Investments - Restricted	344,307	1,675,139	2,019,446
Unamortized Debt Expense	29,196	-	29,196
Investment in CSA	17,764	-	17,764
Capital Assets:			
Land	908,953	199,510	1,108,463
Plants, Buildings & Improvements	30,915,697	62,170,933	93,086,630
Machinery & Equipment	2,798,937	3,291,650	6,090,587
Accumulated Depreciation	(11,493,662)	(33,023,799)	(44,517,461)
Construction Work In Progress	3,621,577	4,639,096	8,260,673
Total Noncurrent Assets	27,147,769	38,952,529	66,100,298
TOTAL ASSETS	38,513,077	53,668,539	92,181,616
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pensions	674,852	1,144,178	1,819,030
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 674,852	$ 1,144,178	$ 1,819,030

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2016

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS		
	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	$ 5,978,348	$ 104,718	$ 6,083,066
Accrued Interest Payable	6,271	214,520	220,791
Due to Other Funds	-	-	-
Current Portion of Long-Term Debt	400,000	1,419,332	1,819,332
Customer Deposits	3,494,382	-	3,494,382
Total Current Liabilities	9,879,001	1,738,570	11,617,571
Long-Term Liabilities:			
Other Liabilities	27,558	-	27,558
Compensated Absences	96,666	163,455	260,121
Net Pension Liability	3,841,475	5,612,197	9,453,672
Bonds, Notes, & Loans Payable, net of current portion	835,000	20,325,146	21,160,146
Total Long-Term Liabilities	4,800,699	26,100,798	30,901,497
Total Liabilities	14,679,700	27,839,368	42,519,068
DEFERRED INFLOWS OF RESOURCES			
Deferred Charge on Refunding Bonds, net	-	359,097	359,097
Deferred Inflows - Pensions	103,176	14,913	118,089
TOTAL DEFERRED INFLOWS OF RESOURCES	103,176	374,010	477,186
NET POSITION			
Net Investmet in Capital Assets	25,516,502	15,532,912	41,049,414
Reserved for Unemployment Benefits	5,000	-	5,000
Reserved for Debt Service	338,036	1,675,139	2,013,175
Unrestricted	(1,454,485)	9,391,288	7,936,803
TOTAL NET POSITION	$ 24,405,053	$ 26,599,339	$ 51,004,392

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, 2016

	BUSINESS-TYPE ACTIVITIES-PROPRIETARY FUND		
	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
OPERATING REVENUE:			
Charges For Services	$ 22,335,203	$ 11,021,208	$ 33,356,411
Other	284,816	-	284,816
Total Operating Revenue	22,620,019	11,021,208	33,641,227
OPERATING EXPENSES:			
Operations	19,239,099	5,682,811	24,921,910
Maintenance	324,049	125,052	449,101
Depreciation and Amortization Expense	959,955	2,816,223	3,776,178
Taxes	-	-	-
Total Operating Expenses	20,523,103	8,624,086	29,147,189
Net Operating Income (Loss)	2,096,916	2,397,122	4,494,038
NON-OPERATING INCOME (EXPENSES):			
Interest Income	2,296	42,135	44,431
Gain (Loss) on Disposal of Fixed Asset	-	-	-
Grant Income/ Capital Contributions	-	479,120	479,120
Debt Issue Expense	-	-	-
Amortization of Debt Expense	(12,081)	(29,411)	(41,492)
Rent Revenue	-	219,513	219,513
Miscellaneous Income (Expense)	(19,868)	86,501	66,633
Interest Expense	(69,454)	(685,589)	(755,043)
Total Non-Operating Income (Loss)	(99,107)	112,269	13,162
Income before Operating Transfers	1,997,809	2,509,391	4,507,200
OPERATING TRANSFERS IN (OUT):	(965,000)	442,756	(522,244)
Change in Net Position	1,032,809	2,952,147	3,984,956
Total Net Position - Beginning, as previously stated	23,886,440	23,647,192	47,533,632
Prior Period Adjustment	(514,196)	-	(514,196)
Total Net Position - Beginning, as restated	23,372,244	23,647,192	47,019,436
Total Net Position - Ending	$ 24,405,053	$ 26,599,339	$ 51,004,392

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2016

	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
Cash Flows from Operating Activities:			
Receipts from Customers	$ 23,094,530	$ 11,107,375	$ 34,201,905
Payments to Suppliers	(18,488,232)	(1,228,519)	(19,716,751)
Payments to Employees	(675,697)	(2,350,480)	(3,026,177)
Payments for Other Services and Charges	(965,000)	(1,811,110)	(2,776,110)
Other Receipts (Payments)	-	-	-
Net Cash Provided By (Used In) Operating Activities	2,965,601	5,717,266	8,682,867
Cash Flows from Noncapital Financing Activities:			
Transfers In (Out)	-	442,756	442,756
Net Cash Provided By (Used In) Noncapital Financing Activities	-	442,756	442,756
Cash Flows from Capital and Related Financing Activities:			
Proceeds From Capital Debt	-	-	-
Purchases of Capital Assets	(4,403,303)	(2,762,632)	(7,165,935)
Proceeds From Sale of Capital Assets	79,896	-	79,896
Principal Paid on Capital Debt	(390,000)	(1,368,106)	(1,758,106)
Interest Paid on Capital Debt	(71,079)	(768,907)	(839,986)
Other Receipts (Payments)	-	86,501	86,501
Net Cash Provided By (Used In) Capital and Related Financing Activities	(4,784,486)	(4,813,144)	(9,597,630)
Cash Flows from Investing Activities:			
Purchase of Investments	(354,580)	(38,163)	(392,743)
Proceeds From Sale of Investments	354,082	-	354,082
Cash Received from Grants	-	479,120	479,120
Interest and Dividends	2,296	42,135	44,431
Other Receipts (Payments)	(19,868)	219,513	199,645
Net Cash Provided By (Used In) Investing Activities	(18,070)	702,605	684,535
Net Increase (Decrease) In Cash and Cash Equivalents	(1,836,955)	2,049,483	212,528
Cash and Cash Equivalents--Beginning	9,406,513	6,941,914	16,348,427
Cash and Cash Equivalents--Ending	$ 7,569,558	$ 8,991,397	$ 16,560,955
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Operating Income (Loss)	$ 2,096,916	$ 2,397,122	$ 4,494,038
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Depreciation and Amortization Expense	959,955	2,816,223	3,776,178
Amounts Paid to City - Tax Equivalents	(965,000)	-	(965,000)
Pension Expense - Actuarially Determined	(731,558)	967,875	236,317
(Increase) Decrease in Accounts Receivable	193,282	86,167	279,449
(Increase) Decrease in Prepaid Items	43,295	-	43,295
(Increase) Decrease in Deferred Charges	761,634	(317,284)	444,350
(Increase) Decrease in Inventory	(90,814)	(43,003)	(133,817)
(Increase) Decrease in Compensated Absences	-	8,655	8,655
Increase (Decrease) in Accounts Payable	422,007	(198,489)	223,518
Increase (Decrease) in Accrued Interest Payable	(5,345)	-	(5,345)
Increase (Decrease) in Customer Deposits	281,229	-	281,229
Total Adjustments	868,685	3,320,144	4,188,829
Net Cash Provided By (Used In) Operating Activities	$ 2,965,601	$ 5,717,266	$ 8,682,867

See accompanying notes to financial statements.

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.

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.

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.

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.

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.

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.

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. Although it is legally separate from the City, the Council is reported as if it were part of the primary government because its primary purpose is to provide tourism activities on behalf of the City.

Payments Between The City And Component Units

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Receivables

Receivables at September 30, 2016, 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 $548,511 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 with no maximum. Upon termination, any accumulated vacation leave of up to 30 days 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.

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 $55,633 of nonspendable fund balance as of September 30, 2016.
- 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 IDF Interlock Device 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 also classified the 2 % Food and Beverage Tax, Hotel/Motel Tax, and MDJ Unit Fund as restricted. The City has classified the $5.5 M Bond Issue-2012 Fund and all other capital projects funds 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 Tennis Sponsorships 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. The City also considers the Conference Center and Oxford Tourism Council funds as committed to tourism.

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

- 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 remaining positive fund balance for all governmental funds except for the General Fund. The City has classified the Cemetery Fund, London Bus Fund and Historic Homes Fund balances as assigned. The City has $528,070 of assigned fund balance as of September 30, 2016.
- 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Oxford's participation in the Public Employees' Retirement System of Mississippi (PERS), and additions to/deductions from the City of Oxford's fiduciary net position have been determined on the same basis as they are reported by the Public Employees' Retirement System of Mississippi (PERS). For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employees' Retirement System of Mississippi (PERS).

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.

NOTE 2 - PROPERTY TAXES (continued)

The millage was allocated as follows:

	2016		2015	
	City	School District	City	School District
General Fund	19.53	0.00	17.30	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	1.40	0.00	1.56	0.00
2010 GO Bonds	1.25	0.00	1.61	0.00
2004 GO Bonds	0.60	0.00	0.76	0.00
2005 GO Bonds	0.00	0.00	0.62	0.00
2007 GO Bonds	2.20	0.00	2.47	0.00
2009 GO Bonds	1.22	0.00	0.88	0.00
School Bond & Interest	0.00	10.91	0.00	10.95
School Votec Center	0.00	0.60	0.00	0.62
School Maintenance Fund	0.00	47.16	0.00	47.10
Total	29.22	58.67	28.22	58.67

NOTE 3 - 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.

NOTE 4 - FIXED ASSETS

The following is a summary of governmental activities capital asset activity as of September 30, 2016:

Primary Government:

	Balance 10/1/2015	Additions	Transfers/ Disposals	Balance 9/30/2016
Capital Assets, not being depreciated:				
Land	$ 6,365,620	$ 385,000	$ 0	$ 6,750,620
Construction in Progress	8,550,011	1,824,835	(9,468,864)	905,982
Total Capital Assets, not being depreciated	14,915,631	2,209,835	(9,468,864)	7,656,602
Capital Assets being depreciated				
Plant, Buildings & Improvements	27,172,170	499,589	6,379,958	34,051,717
Infrastructure	44,098,534	0	3,084,960	47,183,494
Machinery & Equipment	16,948,577	1,297,149	(345,494)	17,900,232
Total Capital Assets being depreciated	88,219,281	1,796,738	9,119,424	99,135,443
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(6,204,706)	(785,631)	0	(6,990,337)
Infrastructure	(19,371,762)	(1,027,249)	0	(20,399,011)
Machinery & Equipment	(10,545,192)	(1,327,748)	271,257	(11,601,683)
Total Accumulated Depreciation	(36,121,660)	(3,140,628)	271,257	(38,991,031)
Total Capital Assets, depreciated, net	52,097,621	(1,343,890)	9,390,681	60,144,412
Governmental Activities Capital Assets	$ 67,013,352	$ 865,945	$ (78,183)	$ 67,801,014

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.

NOTE 4 - FIXED ASSETS (continued)

A summary of business-type capital asset activity at September 30, 2016 follows:

	Balance 10/1/2015	Additions	Transfers/ Disposals	Balance 9/30/2016
Capital Assets, not being depreciated:				
Land	$ 1,108,463	$ 0	$ 0	$ 1,108,463
Construction in Progress	5,204,211	5,656,774	(2,600,312)	8,620,673
Total Capital Assets, not being depreciated	6,312,674	5,656,774	(2,600,312)	9,369,136
Capital Assets being depreciated				
Plant, Buildings & Improvements	89,511,885	1,166,841	2,407,904	93,086,630
Machinery & Equipment	5,980,625	425,411	(315,449)	6,090,587
Total Capital Assets being depreciated	95,492,510	1,592,252	2,092,455	99,177,217
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(36,314,237)	(4,060,304)	252,088	(40,122,453)
Machinery & Equipment	(4,257,717)	(318,447)	181,156	(4,395,008)
Total Accumulated Depreciation	(40,571,954)	(4,378,751)	433,244	(44,517,461)
Total Capital Assets, depreciated, net	54,920,556	(2,786,499)	2,525,699	54,659,756
Business Type Activities Capital Assets	$ 61,233,230	$ 2,870,275	$ (74,613)	$ 64,028,892

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	$ 256,300
Public Safety	538,912
Public Works	1,433,297
Culture & Recreation	763,477
Tourism Promotion	16,741
Transit Operations	131,901
Total Depreciation Expense – Governmental Activities	$ 3,140,628

NOTE 4 - FIXED ASSETS (continued)

Business-type Activities:	
Electric Department	$ 959,955
Water and Sewer	2,816,223
Total Depreciation Expense – Business-type Activities	$ 3,776,178

NOTE 5 - 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, 2016 are as follows:

Fiscal Year Ending	Governmental Activities		Business-type Activities		
September 30,	Principal	Interest	Principal	Interest	Total
2017	$ 2,680,377	$ 454,583	$ 1,819,332	$ 726,727	$ 5,681,019
2018	2,659,774	418,864	1,875,871	672,669	5,627,178
2019	2,725,096	361,351	1,957,731	608,509	5,652,687
2020	2,499,329	303,721	1,629,922	552,206	4,935,178
2021	2,331,032	247,309	1,702,452	498,991	4,779,784
2022-2026	6,849,770	611,849	9,112,770	1,643,018	18,217,407
2027-2031	1,570,493	40,076	4,881,400	396,557	6,888,526
Total	$ 21,265,871	$ 2,437,753	$ 22,979,478	$ 5,098,677	$ 51,781,779

NOTE 5 - LONG-TERM DEBT (continued)

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

Governmental Activities	Balance 10/01/15	Issued	Retired	Balance 09/30/16	Current Maturity
General Obligation Bonds & Notes:					
General Obligation Bond Series 2004, $3,000,000 with interest at 3.0% to 3.8% maturing in 2019 (refunded in 2016)	$ 660,000	$ 0	$ 660,000	$ 0	$ 0
General Obligation Bond Series 2007, $9,000,000 with interest at 4.0% to 5.0% maturing in 2027 (refunded in 2016)	6,325,000	0	5,900,000	425,000	425,000
General Obligation Refunding Bond Series 2010, $7,085,000 with interest at 2.0% to 3.0% maturing in 2021	4,215,000	0	660,000	3,555,000	675,000
General Obligation Bond Series 2009, $3,800,000 with interest at 3.0% to 3.75% maturing in 2024	2,575,000	0	240,000	2,335,000	250,000
General Obligation Bond Series 2012, $5,500,000 with interest at 1.625% to 2.25% maturing in 2027	4,560,000	0	330,000	4,230,000	340,000
General Obligation Note Series 2012, $500,000 with interest at 1.43% maturing in 2017	205,000	0	100,000	105,000	105,000
General Obligation Note Series 2014, $500,000 with interest at 1.66% maturing in 2019	403,273	0	98,336	304,937	99,973
General Obligation Note Series 2014, $900,000 with interest at 1.45% maturing in 2019	900,000	0	175,000	725,000	175,000
General Obligation Note Series 2016, $800,000 with interest at 2.19% maturing in 2021	0	800,000	0	800,000	150,000

NOTE 5 - LONG-TERM DEBT (continued)

	Balance 10/01/15	Issued	Retired	Balance 09/30/16	Current Maturity
General Obligation Refunding Bond Series 2015, $6,590,000 with interest at 2.0% to 2.5% maturing in 2027	$ 0	$ 6,590,000	$ 220,000	$ 6,370,000	$ 235,000
Total General Obligation Bonds & Notes	$ 19,843,273	$ 7,390,000	$ 8,383,336	$ 18,849,937	$ 2,454,973
Special Assessment Bonds:					
Special Assessment Bond Series 2014, $1,600,000 with interest at 2.250% to 2.625% maturing in 2029	$ 1,515,000	$ 0	$ 85,000	$ 1,430,000	$ 90,000
Total Special Assessment Bonds	$ 1,515,000	$ 0	$ 85,000	$ 1,430,000	$ 90,000
Other Notes Payable:					
State of Mississippi - CAP Loan $533,477 with interest at 2.0% maturing 2019	$ 226,963	$ 0	$ 54,762	$ 172,201	$ 55,982
State of Mississippi - CAP Loan $1,000,000 with interest at 2.0% maturing 2028	687,549	0	47,024	640,525	48,365
State of Mississippi - CAP Loan $310,000 with interest at 2.0% maturing 2021	203,543	0	30,335	173,208	31,057
Total Other Notes Payable	$ 1,118,055	0	$ 132,121	$ 985,934	$ 135,404
Total Governmental Activities	$ 22,476,328	$ 7,390,000	$ 8,600,457	$ 21,265,871	$ 2,680,377

NOTE 5 - LONG-TERM DEBT (continued)

Business-Type Activities	Balance 10/01/15	Issued	Retired	Balance 09/30/16	Current Maturity
Revenue Bonds:					
Water & Sewer Refunding Bonds Series 2014- $3,855,000 original issue with interest at 1.05% to 5.0%, maturing 2027	$ 3,855,000	$ 0	$ 10,000	$ 3,845,000	$ 175,000
Water & Sewer Revenue Bonds Series 2006- $3,400,000 original issue with interest at 4.0% to 5.625%, maturing 2026- Refunded by 2014 Issue	160,000	0	160,000	0	0
Water & Sewer Revenue Bonds Series 2007- $2,800,000 original issue with interest at 4.5% to 6.0%, maturing 2027- Refunded by 2014 Issue	260,000	0	125,000	135,000	135,000
Water & Sewer Revenue Bonds Series 2008- $3,450,000 original issue with interest at 3.625% to 4.5%, maturing 2028	2,595,000	0	145,000	2,450,000	155,000
Water & Sewer Revenue Bonds Series 2011- $8,500,000 original issue with interest at 3.0% to 4.3%, maturing 2031	7,395,000	0	310,000	7,085,000	330,000
Water & Sewer Refunding Bonds Series 2012- $2,360,000 original issue with interest at 1.0% to 2.625%, maturing 2025	2,205,000	0	215,000	1,990,000	210,000
Electric System Revenue Bonds Series 2011- $3,335,000 original issue with interest at 2.25% to 3.125%, maturing 2019	1,625,000	0	390,000	1,235,000	400,000
Total Revenue Bonds	$ 18,095,000	$ 0	$ 1,355,000	$ 16,740,000	$ 1,405,000

NOTE 5 - LONG-TERM DEBT (continued)

	Balance 10/01/15	Issued	Retired	Balance 09/30/16	Current Maturity
Other Notes Payable:					
State of Mississippi – DEQ RLF $8,813,809 with interest at 2.75% maturing 2029	$ 6,642,584	$ 0	$ 403,106	$ 6,239,478	$ 414,332
Total Other Notes Payable	6,642,584	0	403,106	6,239,478	414,332
Total Business-Type Activities	$ 24,737,584	$ 0	$ 1,758,106	$ 22,979,478	$ 1,819,332

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, 2016 considered extinguished are as follows:

2004 General Obligation Bond	$ 660,000
2007 General Obligation Bond	$ 5,495,000

Advance Refunding

On December 9, 2015, the City issued a $6,590,000 Mississippi General Obligation Refunding Bond, Series 2015, with interest rates from 1.05% to 5.00%. The bond bears an interest rate from 2.0% to 2.5% with annual maturities from March 2016 through March 2027.

The net proceeds of $6,590,000 (after issuance costs of $205,959) were used to advance refund $6,155,000 of the outstanding General Obligation Bonds, Series 2004 and 2007, with interest rates from 3.5% to 4.125%.

The net proceeds were used to partially redeem the Series 2004 and 2007 General Obligation Bonds in the current fiscal year. As a result, the related redeemed liability associated with these bonds has been removed from the City's liabilities in the statement of net position.

The advanced refunding reduced total debt payments over the next twelve years by $353,897. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $319,678.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description- Employees of the City of Oxford are provided a defined benefit pension plan through the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing agent multiple-employer pension plan. The Public Employees' Retirement System of Mississippi (PERS) was created with the purpose to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate in the System, and elected members of the State Legislature and the President of the Senate. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Benefits Provided- For the cost-sharing plan participating members who are vested and retire at or after age 60 or those retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.50% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service.

A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. Retirees and beneficiaries who have been receiving benefit payments for at least one full fiscal year are eligible to receive an annual Cost-of-Living Adjustment (COLA). Designed to help offset the effects of inflation, the COLA is equal to 3% of your annual base benefit for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3 % compounded for each fiscal year thereafter.

Employee membership data related to the Plan, as of June 30, 2016 was as follows:

Retirees and Survivors	99,483
Terminated Vested Employees	19,400
Inactive Nonvested Members	123,235
Active Members	154,104
Total	396,222

Employee membership data related to the Plan, as of June 30, 2015 was as follows

Retirees and Survivors	96,338
Terminated Vested Employees	19,005
Inactive Nonvested Members	118,021
Active Members	157,215
Total	390,579

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Contributions- The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. PERS members are required to contribute 9.00% of their annual covered salary and the City of Oxford is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contributions are deducted from the employees' wages or salary and remitted by the City to PERS on a monthly basis. By law, employer contributions are required to be paid. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

For the year ended September 30, 2016, the City of Oxford's total payroll for all employees was $17,400,531. Total covered payroll was $17,235,669. Covered payroll refers to all compensation paid by the City (including Oxford Tourism Council and Oxford-Electric Department) to active employees covered by the Plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions- At September 30, 2016, the City of Oxford (including the Oxford Tourism Council) reported a liability of $41,350,609 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2016, the City of Oxford-Electric Department reported a liability of $3,841,475 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Oxford's proportion of the net pension liability was based on a projection of the City of Oxford's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the City of Oxford (including Oxford Tourism Council)'s proportion was 0.231494%. At June 30, 2015, The City of Oxford-Electric's proportion was 0.025%.

For the year ended September 30, 2016, the City of Oxford (including Oxford Tourism Council) recognized pension expense of $7,623,358. At September 30, 2016, the City of Oxford (including Oxford Tourism Council) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Results - Pensions	$ 1,153,379	$ 0
City Pension Contributions Subsequent to the Measurement Date	641,698	0
Changes of Assumptions	1,949,356	109,882
Net Difference Between Projected and Actual Investment Earnings on Investments	2,801,303	0
Changes in Proportion and Differences Between ER Contributions and Proportionate Share of ER Contributions	1,862,203	91,580
Total	$ 8,407,939	$ 201,462

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

For the year ended June 30, 2016, the City of Oxford-Electric Department recognized pension expense of $365,450. At June 30, 2016, the City of Oxford-Electric Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Results - Pensions	$ 89,248	$ 0
City Pension Contributions Subsequent to the Measurement Date	254,675	0
Changes in Assumptions	330,930	
Net Difference Between Projected and Actual Earnings on Pension Plan Assets	0	103,176
Total	$ 674,852	$ 103,176

The $254,675 of deferred outflows of resources resulting from the City of Oxford-Electric Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension.

The $641,698 of deferred outflows of resources resulting from the City of Oxford (including Oxford Tourism Council)'s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2017	$ 2,725,553
2018	2,228,539
2019	1,793,796
2020	816,891
Total	$ 7,564,779

Actuarial Assumptions-The City of Oxford-Electric pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	3.75-19.00%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions-The City of Oxford pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75-19.00%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2025, set forward two years for males for the City of Oxford-Electric Department.

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2016, with male rates set forward one year for the City of Oxford.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2012. The experience report is dated June 12, 2013.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 and 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	34.00%	5.20%
International Equity	19.00%	5.00%
Emerging Markets Equity	8.00%	5.45%
Fixed Income	20.00%	0.25%
Real Assets	10.00%	4.00%
Private Equity	8.00%	6.15%
Cash	1.00%	(0.50)%
Total	100.00%	

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate-The discount rate used to measure the total pension liability was 7.75% for the City of Oxford-Electric Department and 7.75% for the City of Oxford (including Oxford Tourism Council). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Oxford's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate-The following presents the City of Oxford-Electric Department's proportionate share of the net pension liability using the discount rate of 7.75%, as well as what the City of Oxford-Electric Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	6.75%	$5,063,415
Current discount rate	7.75%	$3,841,475
1% increase	8.75%	$2,827,492

The following presents the City of Oxford (including Oxford Tourism Council)'s proportionate share of the net pension liability using the discount rate of 7.75%, as well as what the City of Oxford (including Oxford Tourism Council)'s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	6.75%	$53,020,751
Current discount rate	7.75%	$41,350,609
1% increase	8.75%	$31,668,173

Plan Fiduciary Net Position-Detailed information about the Plan's fiduciary net position is available in the separately issued Public Employees' Retirement System of Mississippi (PERS) financial report.

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.

NOTE 7 - RISK MANAGEMENT (continued)

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, 2016, 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.

NOTE 8 - TRANSFERS IN AND OUT

Transfers between the primary government and blended component units do not balance on the Statement of Activities because the Electric Department and Oxford Tourism Council report differently from the City. The following is a reconciliation of the difference:

Transfers from Electric Department reported as In lieu of taxes revenue in The City General Fund	$ (965,001)
Transfers from Special Revenue funds reported as Revenues by Oxford Tourism Council	(798,021)
Transfers to City General Fund reported as Expenses by Electric Department	44,999
Difference	$ (1,718,023)

NOTE 9 - 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 10 - 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.

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.

NOTE 10 - THE CITY OF OXFORD MUNICIPAL RESERVE AND TRUST FUND (continued)

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, 2016, was $33,988,036.

Concentration of Credit Risk:

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

	Amount	Percent
Glenmede Intermediate Government Credit-Bond Funds	$ 17,722,472	52.14

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, 2016:

Investments:	Cost	Market value (Level 1)
Bond funds	$ 20,215,243	$ 19,890,571
Stock funds	12,004,438	12,476,317
Accrued income	0	144,757
Short-term investments	1,476,391	1,476,391
Total investments	$ 33,696,072	$ 33,988,036

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 11 - CONSTRUCTION AND OTHER COMMITMENTS

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

To Be Paid By	Description	Amount Authorized	Expended through September 30, 2016	Remaining Commitment at September 30, 2016
General City	Woodlawn Park	$ 228,059	$ 210,930	$ 17,129
Water and Sewer	Treatment Plant Lagoon Rehab	748,566	241,258	507,308
Water and Sewer	Price Street Relocations	1,556,991	1,274,667	282,324
		$ 2,533,616	$ 1,726,855	$ 806,761

NOTE 12 - DEFICIT FUND BALANCES

The following funds have a deficit fund balance at September 30, 2016:

FUND NAME	AMOUNT
2009 G.O. Bonds	$ 11,813
2004 G.O. Bonds	67
EDI Grant-Burns Belfry Church	85,569
O.U.T. – Oxford Transit Grant	72,165
TOTAL	$ 169,614

NOTE 13 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made by City of Oxford-Electric Department in the current year to reverse a large work order that was closed into accumulated depreciation in the fiscal year ended June 30, 2010. The work order had a significant amount of removal costs due to overhead lines being put underground that was charged against accumulated depreciation. The amount of this adjustment was a $514,196 decrease in net position.

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at September 30, 2016, were:

	Interfund Receivables	Interfund Payables
General Fund	$ 0	$ 4,200
Special Revenue Funds	4,200	0
	$ 4,200	$ 4,200

NOTE 15 - 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 $319,149 more than cash revenues.

NOTE 16 - EXPENDITURES OVER APPROPRIATIONS FOR INDIVIDUAL FUNDS

Any expenditures over appropriations at the legal level of budgetary control for the respective funds are disclosed in the Combined Statement or 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:

	Budget	Actual	Overage
General Fund:			
Waste Disposal			
Other Services and Charges	$ 551,450	$ 552,691	$ 1,241
Culture & Recreation			
Other Services and Charges	150,199	694,665	544,466

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2017, the date on which the financial statements were available to be issued.

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Fiscal Years
For the Year Ended September 30, 2016

	2016	2015
A. Oxford's proportion of net pension liability (%)	0.256494%	0.241479%
B. Oxford's proportionate share of net pension liability	$45,192,084	$36,526,996
C. Oxford's covered employee payroll	$17,235,669	$15,416,030
D. Oxford's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	262.20%	236.94%
E. Plan fiduciary net position as a percentage of total pension liability	57.47%	61.70%

The notes to the required supplementary information are an integral part of this schedule.

The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/2015, and until a full 10-year trend is compiled, the City has only presented information for the years in which information was available.

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF THE CITY'S CONTRIBUTIONS
For the Last 10 Fiscal Years
For the Year Ended September 30, 2016

	2016	2015	2014
A. Statutorily required contributions	$2,714,614	$2,428,025	$2,250,203
B. Contributions in relation to statutorily required contributions	$2,714,614	$2,428,025	$2,250,203
C. Contribution deficiency (excess)	$0	$0	$0
D. Oxford's covered employee payroll	$17,235,669	$15,416,030	$14,287,003
E. Contributions as a percentage of covered employee payroll	15.75%	15.75%	15.75%

The notes to the required supplementary information are an integral part of this schedule.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/2015, and until a full 10-year trend is compiled, the City has only presented information for the years in which information was available.

CITY OF OXFORD, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2016

Pension Schedules

(1) Changes in benefit provisions

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

(2) Changes of assumptions

In 2015 and later, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015. In 2015, the expecation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.
In 2016, the assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

(3) The comparative information presented on the Schedule of the Department's Contributions does not include information for years prior to 2014 because GASB 68 was implemented in the 2015 fiscal year. Information for the 2014 year was included because it was necessary to record the prior period adjustment in the implementation of GASB 68.

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2016

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
ASSETS:				
Cash	$ 169,472	$ 4,279,655	$ 1,562,470	$ 6,011,597
Investments	-	204,056	-	204,056
Prepaid Expenses	-	3,462	-	3,462
Receivables	8,908	36,178	-	45,086
Due From Other Funds	-	4,200	-	4,200
Due From Other Government Units	-	1,250,817	-	1,250,817
TOTAL ASSETS	$ 178,380	$ 5,778,368	$ 1,562,470	$ 7,519,218
LIABILITIES AND FUND BALANCES:				
LIABITILIES:				
Checks Issued in Excess of Deposits	$ 15,403	$ 724,044	$ -	$ 739,447
Accounts Payable	-	166,278	25,092	191,370
TOTAL LIABILITIES	15,403	890,322	25,092	930,817
FUND BALANCES (DEFICIT):				
Committed	174,857	868,770	-	1,043,627
Restricted				
Capital Projects	-	-	1,537,378	1,537,378
Transit Operations	-	20,307	-	20,307
Tourism	-	3,061,020	-	3,061,020
Cultural and Recreational	-	52,589	-	52,589
Permanent Fund Principal	-	253,501	-	253,501
Public Safety	-	509,680	-	509,680
Economic Development	-	-	-	-
Nonspendable	-	3,462	-	3,462
Unassigned	(11,880)	118,717	-	106,837
TOTAL FUND BALANCES (DEFICIT)	162,977	4,888,046	1,537,378	6,588,401
TOTAL LIABILITIES AND FUND BALANCES	$ 178,380	$ 5,778,368	$ 1,562,470	$ 7,519,218

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, 2016

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
REVENUES:				
General Property Taxes	$ 2,133,827	$ -	$ -	$ 2,133,827
Special Taxes	-	4,188,748	-	4,188,748
Intergovernmental Revenues	-	331,030	-	331,030
Federal & State Grants	-	1,340,259	-	1,340,259
Local Matching Funds	-	656,069	-	656,069
Charges for Services	-	389,975	-	389,975
Fines & Forfeitures	-	145,224	-	145,224
Interest	162	8,638	-	8,800
Facility Rental Income	-	1,194,154	-	1,194,154
Sponsorships	-	103,250	-	103,250
Miscellaneous	-	19,999	-	19,999
TOTAL REVENUES	2,133,989	8,377,346	-	10,511,335
EXPENDITURES:				
Current:				
Tourism Promotion	-	1,646,474	-	1,646,474
Public Safety	-	407,409	-	407,409
RSVP County Transit	-	53,725	-	53,725
Farmers Market	-	28,006	-	28,006
Culture and Recreation	-	1,166,361	-	1,166,361
Transit Operation	-	2,275,491	-	2,275,491
Capital Projects	-	233,443	697,898	931,341
Debt Service	8,979,539	-	-	8,979,539
TOTAL EXPENDITURES	8,979,539	5,810,909	697,898	15,488,346
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,845,550)	2,566,437	(697,898)	(4,977,011)
OTHER FINANCING SOURCES (USES):				
Proceeds from Issuance of Debt	6,590,000	-	-	6,590,000
Transfers from (to) Oxford Tourism Council	-	(798,021)	-	(798,021)
Transfers from Other Funds	410,000	(2,222,369)	834,900	(977,469)
TOTAL OTHER FINANCING SOURCES (USES)	7,000,000	(3,020,390)	834,900	4,814,510
NET CHANGE IN FUND BALANCES	154,450	(453,953)	137,002	(162,501)
FUND BALANCES - Beginning	8,527	5,341,999	1,400,376	6,750,902
FUND BALANCES - Ending	$ 162,977	$ 4,888,046	$ 1,537,378	$ 6,588,401

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
BALANCE SHEET - GENERAL FUND
September 30, 2016

		TOTALS 2016
ASSETS:		
Cash	$	7,911,334
Investments		1,033,343
Due From Other Governments		2,901,865
Due From Other Funds		14,750
Other Receivables		20,927
TOTAL ASSETS	$	11,882,219
LIABILITIES:		
Accounts Payable and Accrued Expenses	$	473,445
Due to Other Funds		59,336
Due to Other Governments		-
TOTAL LIABILITIES		532,781
FUND BALANCE:		
Nonspendable		52,171
Committed		
Public Safety		4,060
Culture & Recreation		44,732
Restricted		
Forestry		30,682
IDF Interlock Device Funds		9,128
Assigned		
Cemetary		484,025
London Bus		2,861
Historic Homes Fund		41,184
Unassigned		10,680,595
TOTAL FUND BALANCE		11,349,438
TOTAL LIABILITIES AND FUND BALANCE	$	11,882,219

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS
	2016
REVENUES:	
Ad Valorem Taxes:	
Real & Personal	$ 6,649,352
Penalties and Interest	197,348
Licenses and Permits	1,376,136
State of Mississippi:	
Sales Tax	9,146,938
Municipal Aid	9,433
Fire Protection	121,318
Utility Tax	18,789
ABC Licenses	180,116
Homestead Reimbursement	133,787
In Lieu of Taxes	292,045
Lafayette County:	
Pro Rata Tax	834,423
In Lieu - Other:	
Utility Department	965,001
State and Federal Grants	866,765
Intergovernmental Revenues	902,877
Recreation Fees	1,405,964
Fines and Forfeitures	1,081,193
FNC Parking Lease	11,250
Interest Income	13,792
Charges for Services	4,094,588
Franchise Fees	585,959
Donations/Contributions	51,018
Sale of Land & SurplusEquipment	52,231
Cemetary	119,638
Miscellaneous Income	897,636
TOTAL REVENUES	$ 30,007,597
EXPENDITURES:	
General Government:	
Legislative:	
Personal Services	$ 110,928
Supplies	-
Other Services and Charges	2,983
Capital Outlay	-
Total	113,911

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS
	2016
Judicial:	
Personnel Services	$ 290,790
Supplies	11,661
Other Services and Charges	16,501
Capital Outlay	-
Total	318,952
Executive:	
Personnel Services	89,696
Supplies	-
Other Services and Charges	3,283
Capital Outlay	881
Total	93,860
Department of Planning:	
Personnel Services	328,010
Supplies	12,706
Other Services and Charges	64,912
Capital Outlay	2,760
Total	408,388
Elections:	
Personnel Services	-
Supplies	2,630
Other Services and Charges	-
Total	2,630
Finance:	
Personnel Services	288,139
Supplies	10,165
Other Services and Charges	27,878
Capital Outlay	15,051
Total	341,233

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS 2016
Human Resources:	
Personnel Services	$ 270,404
Supplies	17,278
Other Services and Charges	66,366
Capital Outlay	1,000
Total	355,048
Law:	
Personnel Services	46,853
Supplies	-
Other Services and Charges	202,068
Total	248,921
Building and Grounds:	
Personnel Services	610,353
Supplies	285,269
Other Services and Charges	36,219
Capital Outlay	24,442
Total	956,283
Building and Code Enforcement:	
Personnel Services	283,879
Supplies	7,227
Other Services and Charges	6,128
Capital Outlay	22,439
Total	319,673
General Government:	
Personnel Services	1,946,023
Supplies	14,288
Other Services and Charges	669,253
Capital Outlay	131,331
Total	2,760,895
Community Promotions:	
Other Services and Charges	82,798
Total	82,798
Total General Government	6,002,592

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS 2016
Public Safety:	
Police Department:	
Personnel Services	$ 4,807,749
Supplies	416,378
Other Services and Charges	231,140
Capital Outlay	363,667
Total	5,818,934
Parking Division:	
Personnel Services	151,661
Supplies	15,990
Other Services and Charges	57,585
Capital Outlay	2,152
Total	227,388
Emergency Management:	
Personnel Services	66,528
Supplies	8,516
Other Services and Charges	29,435
Capital Outlay	23,623
Total	128,102
Fire Department:	
Personnel Services	3,941,155
Supplies	125,278
Other Services and Charges	93,820
Capital Outlay	191,279
Total	4,351,532
Total Public Safety	10,525,956
Public Works:	
Highway and Street Maintenance:	
Personnel Services	499,758
Supplies	960,185
Other Services and Charges	800,050
Capital Outlay	681,178
Total	2,941,171

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS 2016
Sanitation Administration:	
Personnel Services	$ 195,984
Supplies	10,560
Other Services and Charges	27,486
Capital Outlay	38,117
Total	272,147
Street Cleaning:	
Personnel Services	91,388
Supplies	2,458
Other Services and Charges	-
Capital Outlay	-
Total	93,846
Waste Collection:	
Personnel Services	443,177
Supplies	108,129
Other Services and Charges	110,437
Capital Outlay	-
Total	661,743
Waste Disposal:	
Personnel Services	126,569
Supplies	72,061
Other Services and Charges	552,691
Capital Outlay	-
Total	751,321
City Garage Department:	
Personnel Services	404,743
Supplies	395,817
Other Services and Charges	20,269
Capital Outlay	4,070
Total	824,899
Airport:	
Other Services and Charges	30,000
Total	30,000

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS 2016
Rubbish Collection:	
Personnel Services	$ 475,732
Supplies	65,020
Other Services and Charges	462
Capital Outlay	-
Total	541,214
Weed & Grass Control:	
Personnel Services	283,986
Supplies	4,378
Other Services and Charges	20,947
Capital Outlay	18,940
Total	328,251
Cemetary Maintenance:	
Personnel Services	176,998
Supplies	4,146
Other Services and Charges	3,751
Capital Outlay	2,928
Total	187,823
Family Crisis Services:	
Other Services and Charges	12,000
Total	12,000
Recycling Grant	
Personnel Services	453,774
Supplies	84,430
Other Services and Charges	51,321
Capital Outlay	73,080
Total	662,605
Human Society:	
Other Services and Charges	135,000
Total	135,000

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS 2016
London Bus:	
Personnel Services	$ 24,102
Supplies	10,043
Other Services and Charges	13,377
Total	47,522
Total Public Works	7,489,542
Culture & Recreation:	
Parks and Recreation:	
Personnel Services	1,012,710
Supplies	205,350
Other Services and Charges	694,665
Capital Outlay	317,980
Total	2,230,705
Swimming Pools - Parks:	
Personnel Services	35,781
Supplies	27,552
Other Services and Charges	18,227
Capital Outlay	-
Total	81,560
Library:	
Personnel Services	-
Supplies	-
Other Services and Charges	307,173
Capital Outlay	-
Total	307,173
RSVP - Park/Recreation:	
Personnel Services	142,801
Supplies	6,537
Other Services and Charges	29,763
Capital Outlay	1,393
Total	180,494

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2016

	TOTALS 2016
FNC Park:	
Personnel Services	$ 596,821
Supplies	322,194
Other Services and Charges	312,791
Capital Outlay	432,102
Total	1,663,908
Historic Homes:	
Personnel Services	-
Supplies	61,903
Other Services and Charges	56,340
Capital Outlay	12,885
Total	131,128
Total Culture and Recreation	4,594,968
Debt Service:	
Principal Retirement	506,191
Interest and Fiscal Charges	43,321
Total Debt Service	549,512
TOTAL EXPENDITURES	29,162,570
Excess (Deficiency) of Revenues Over (Under) Expenditures	845,027
OTHER FINANCING SOURCES (USES):	
Proceeds from Capital Leases	-
Proceeds from Issuance of Debt	800,000
Transfers (to) from Other Funds	579,711
TOTAL OTHER FINANCING SOURCES (USES)	1,379,711
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,224,738
FUND BALANCE:	
October 1, Beginning	9,124,700
SEPTEMBER 30, Ending	$ 11,349,438

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Ad Valorem Taxes:			
Real & Personal	$ 6,703,932	$ 6,642,151	$ (61,781)
Penalties and Interest	195,000	197,348	2,348
Licenses and Permits	1,365,000	1,376,136	11,136
State of Mississippi:			
Sales Tax	8,971,000	8,976,422	5,422
Municipal Aid	28,000	9,433	(18,567)
Fire Protection	120,000	121,318	1,318
Utility Tax	-	18,789	18,789
ABC Licenses	175,000	176,050	1,050
Homestead Reimbursement	113,000	133,787	20,787
In Lieu of Taxes	336,000	292,045	(43,955)
Lafayette County:			
Pro Rate Tax	830,000	834,423	4,423
In Lieu - Other:			
Utility Department	965,000	965,000	-
State, Federal and Local Grants	684,408	896,976	212,568
Intergovernmental Revenues	856,000	745,125	(110,875)
Recreation Fees	705,000	1,405,964	700,964
Fines and Forfeitures	969,000	1,081,193	112,193
Parking Meter Revenues	600,000	684,679	84,679
FNC Parking Lease	15,000	11,250	(3,750)
Interest Income	19,000	13,792	(5,208)
Charges for Services	3,336,000	3,393,936	57,936
Franchise Fees	610,000	592,108	(17,892)
Donations/Contributions	-	51,018	51,018
Sale of Land and Surplus Equipment	-	52,231	52,231
Cemetary	50,000	119,638	69,638
Miscellaneous Income	508,927	897,636	388,709
TOTAL REVENUES	$ 28,155,267	$ 29,688,448	$ 1,533,181
EXPENDITURES:			
General Government:			
Legislative:			
Personnel Services	$ 120,932	$ 110,928	$ 10,004
Supplies	-	-	-
Other Services and Charges	8,425	2,983	5,442
Capital Outlay	-	-	-
Total	129,357	113,911	15,446
Judicial:			
Personnel Services	307,174	290,790	16,384
Supplies	12,650	11,661	989
Other Services and Charges	16,600	16,501	99
Capital Outlay	1,000	-	1,000
Total	337,424	318,952	18,472

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Executive:			
Personnel Services	$ 89,835	$ 89,696	$ 139
Supplies	-	-	-
Other Services and Charges	4,750	3,283	1,467
Capital Outlay	1,500	881	619
Total	96,085	93,860	2,225
Department of Planning:			
Personnel Services	329,058	328,010	1,048
Supplies	14,093	12,706	1,387
Other Services and Charges	74,632	64,912	9,720
Capital Outlay	5,000	2,760	2,240
Total	422,783	408,388	14,395
Elections:			
Personnel Services	-	-	-
Supplies	10,000	2,630	7,370
Other Services and Charges	-	-	-
Total	10,000	2,630	7,370
Finance:			
Personnel Services	304,782	288,139	16,643
Supplies	10,500	10,165	335
Other Services and Charges	36,430	27,878	8,552
Capital Outlay	19,000	15,051	3,949
Total	370,712	341,233	29,479
Human Resources:			
Personnel Services	272,083	270,404	1,679
Supplies	19,100	17,278	1,822
Other Services and Charges	68,370	66,366	2,004
Capital Outlay	1,000	1,000	-
Total	360,553	355,048	5,505
Law:			
Personnel Services	47,654	46,853	801
Supplies	500	-	500
Other Services and Charges	202,500	202,068	432
Total	250,654	248,921	1,733

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Building and Grounds:			
Personnel Services	$ 610,501	$ 610,353	$ 148
Supplies	285,800	285,269	531
Other Services and Charges	40,100	36,219	3,881
Capital Outlay	26,600	24,442	2,158
Total	963,001	956,283	6,718
Building and Code Enforcement:			
Personnel Services	285,539	283,879	1,660
Supplies	12,800	7,227	5,573
Other Services and Charges	8,100	6,128	1,972
Capital Outlay	22,500	22,439	61
Total	328,939	319,673	9,266
General Government:			
Personnel Services	2,053,020	1,946,023	106,997
Supplies	15,300	14,288	1,012
Other Services and Charges	762,350	669,253	93,097
Capital Outlay	245,000	131,331	113,669
Total	3,075,670	2,760,895	314,775
Community Promotions:			
Other Services and Charges	147,000	82,798	64,202
Total	147,000	82,798	64,202
Total General Government	6,492,178	6,002,592	489,586
Public Safety:			
Police Department:			
Personnel Services	4,807,833	4,807,749	84
Supplies	440,493	416,378	24,115
Other Services and Charges	319,797	231,140	88,657
Capital Outlay	397,599	363,667	33,932
Total	5,965,722	5,818,934	146,788
Parking Division:			
Personnel Services	176,626	151,661	24,965
Supplies	16,000	15,990	10
Other Services and Charges	58,500	57,585	915
Capital Outlay	4,000	2,152	1,848
Total	255,126	227,388	27,738
Emergency Management:			
Personnel Services	69,470	66,528	2,942
Supplies	25,500	8,516	16,984
Other Services and Charges	48,100	29,435	18,665
Capital Outlay	19,300	23,623	(4,323)
Total	162,370	128,102	34,268

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Fire Department:			
Personnel Services	$ 3,941,718	$ 3,941,155	$ 563
Supplies	127,300	125,278	2,022
Other Services and Charges	95,150	93,820	1,330
Capital Outlay	193,500	191,279	2,221
Total	4,357,668	4,351,532	6,136
Other Protection Department:			
Other Services and Charges	-	-	-
Total	-	-	-
Total Public Safety	10,740,886	10,525,956	214,930
Public Works:			
Highway and Street Maintenance:			
Personnel Services	518,728	499,758	18,970
Supplies	965,000	960,185	4,815
Other Services and Charges	805,700	800,050	5,650
Capital Outlay	1,310,649	681,178	629,471
Total	3,600,077	2,941,171	658,906
Sanitation Administration:			
Personnel Services	216,928	195,984	20,944
Supplies	12,000	10,560	1,440
Other Services and Charges	28,000	27,486	514
Capital Outlay	28,000	38,117	(10,117)
Total	284,928	272,147	12,781
Street Cleaning:			
Personnel Services	94,110	91,388	2,722
Supplies	2,800	2,458	342
Other Services and Charges	800	-	800
Capital Outlay	-	-	-
Total	97,710	93,846	3,864
Waste Collection:			
Personnel Services	443,269	443,177	92
Supplies	125,500	108,129	17,371
Other Services and Charges	116,000	110,437	5,563
Capital Outlay	-	-	-
Total	684,769	661,743	23,026

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Waste Disposal:			
Personnel Services	$ 127,325	$ 126,569	$ 756
Supplies	83,000	72,061	10,939
Other Services and Charges	551,450	552,691	(1,241)
Capital Outlay	-	-	-
Total	761,775	751,321	10,454
City Garage Department:			
Personnel Services	481,487	404,743	76,744
Supplies	397,000	395,817	1,183
Other Services and Charges	35,500	20,269	15,231
Capital Outlay	10,000	4,070	5,930
Total	923,987	824,899	99,088
Airport:			
Other Services and Charges	30,000	30,000	-
Total	30,000	30,000	-
Rubbish Collection:			
Personnel Services	480,419	475,732	4,687
Supplies	78,000	65,020	12,980
Other Services and Charges	15,000	462	14,538
Capital Outlay	-	-	-
Total	573,419	541,214	32,205
Weed & Grass Control:			
Personnel Services	299,702	283,986	15,716
Supplies	6,500	4,378	2,122
Other Services and Charges	22,000	20,947	1,053
Capital Outlay	10,000	18,940	(8,940)
Total	338,202	328,251	9,951
Cemetary Maintenance:			
Personnel Services	177,387	176,998	389
Supplies	5,000	4,146	854
Other Services and Charges	8,500	3,751	4,749
Capital Outlay	2,000	2,928	(928)
Total	192,887	187,823	5,064
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, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Recycling Grant:			
Personnel Services	$ 454,091	$ 453,774	$ 317
Supplies	86,000	84,430	1,570
Other Services and Charges	52,300	51,321	979
Capital Outlay	219,000	73,080	145,920
Total	811,391	662,605	148,786
Humane Society:			
Other Services and Charges	135,000	135,000	-
Total	135,000	135,000	-
London Bus:			
Personnel Services	15,043	13,377	1,666
Supplies	10,200	10,043	157
Other Services and Charges	25,300	24,102	1,198
Total	50,543	47,522	3,021
Total Public Works	8,496,688	7,489,542	1,007,146
Culture & Recreation:			
Parks and Recreation:			
Personnel Services	1,014,230	1,012,710	1,520
Supplies	213,951	205,350	8,601
Other Services and Charges	150,199	694,665	(544,466)
Capital Outlay	397,350	317,980	79,370
Total	1,775,730	2,230,705	(454,975)
Swimming Pools - Parks:			
Personnel Services	39,415	35,781	3,634
Supplies	27,700	27,552	148
Other Services and Charges	24,500	18,227	6,273
Capital Outlay	-	-	-
Total	91,615	81,560	10,055
Library:			
Personnel Services	-	-	-
Supplies	-	-	-
Other Services and Charges	314,311	307,173	7,138
Capital Outlay	-	-	-
Total	314,311	307,173	7,138

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
RSVP - Park/Recreation:			
Personnel Services	$ 147,795	$ 142,801	$ 4,994
Supplies	8,000	6,537	1,463
Other Services and Charges	30,200	29,763	437
Capital Outlay	1,400	1,393	7
Total	187,395	180,494	6,901
FNC Park:			
Personnel Services	597,649	596,821	828
Supplies	323,200	322,194	1,006
Other Services and Charges	313,500	312,791	709
Capital Outlay	433,000	432,102	898
Total	1,667,349	1,663,908	3,441
Historic Homes:			
Personnel Services	-	-	-
Supplies	62,490	61,903	587
Other Services and Charges	67,510	56,340	11,170
Capital Outlay	13,000	12,885	115
Total	143,000	131,128	11,872
Total Culture and Recreation	4,179,400	4,594,968	(415,568)
Debt Service:			
Principal Retirement	513,653	506,191	7,462
Interest and Fiscal Charges	43,321	43,321	-
Total	556,974	549,512	7,462
TOTAL EXPENDITURES	30,466,126	29,162,570	1,303,556
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,310,859)	525,878	2,836,737

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2016

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES):			
Proceeds from Capital Leases	$ -	$ -	$ -
Proceeds from Issuance of Debt	800,000	800,000	-
Transfers (to) from Other Funds	1,082,605	579,711	(502,894)
Lease Payments	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,882,605	1,379,711	(502,894)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(428,254)	1,905,589	2,333,843
FUND BALANCE:			
October 1, Beginning	9,124,700	9,124,700	-
(Non-GAAP Budgetary Basis) September 30,	$ 8,696,446	11,030,289	$ 2,333,843
Adjustments to GAAP Basis:			
Accrued Revenue		319,149	
FUND BALANCE (GAAP) September 30,		$ 11,349,438	

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
September 30, 2016

	2% FOOD & BEVERAGE TAX	HOTEL/ MOTEL TAX	$30M TRUST PROCEEDS	OXFORD TRANSIT FUND	MDJ UNIT FUND	CONFERENCE CENTER	OXFORD TOURISM COUNCIL	VARIOUS GRANT FUNDS	VARIOUS NON-GRANT FUNDS	TOTALS 2016
ASSETS:										
Cash	$ 2,264,188	$ 35,728	$ 253,501	$ -	$ 451,841	$ 843,067	$ 307,161	$ 77,040	$ 47,129	$ 4,279,655
Investments	204,056	-	-	-	-	-	-	-	-	204,056
Accrued Interest	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	3,462	-	-	3,462
Receivables	-	-	-	-	-	-	36,178	-	-	36,178
Due From Other Governments	565,277	97,838	-	583,902	-	-	-	3,800	-	1,250,817
Due From Other Funds	-	-	-	-	4,200	-	-	-	-	4,200
TOTAL ASSETS	3,033,521	133,566	253,501	583,902	456,041	843,067	346,801	80,840	47,129	5,778,368
LIABILITIES:										
Checks Isssued in Excess of Deposits	-	-	-	638,475	-	-	-	85,569	-	724,044
Accounts Payable	70,339	35,728	-	17,592	370	7,017	34,168	1,064	-	166,278
TOTAL LIABILITIES	70,339	35,728	-	656,067	370	7,017	34,168	86,633	-	890,322
FUND BALANCE (DEFICIT):										
Committed	-	-	-	-	-	836,050	32,720	-	-	868,770
Restricted	2,963,182	97,838	253,501	-	455,671	-	-	79,776	47,129	3,897,097
Nonspendable	-	-	-	-	-	-	3,462	-	-	3,462
Unassigned	-	-	-	(72,165)	-	-	276,451	(85,569)	-	118,717
TOTAL FUND BALANCE (DEFICIT)	2,963,182	97,838	253,501	(72,165)	455,671	836,050	312,633	(5,793)	47,129	4,888,046
TOTAL LIABILITIES AND FUND BALANCE	$ 3,033,521	$ 133,566	$ 253,501	$ 583,902	$ 456,041	$ 843,067	$ 346,801	$ 80,840	$ 47,129	$ 5,778,368

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2016

	2% FOOD & BEVERAGE TAX	HOTEL/ MOTEL TAX	$30M TRUST PROCEEDS	OXFORD TRANSIT FUND	MDJ UNIT FUND	CONFERENCE CENTER	OXFORD TOURISM COUNCIL	VARIOUS GRANT FUNDS	VARIOUS NON-GRANT FUNDS	TOTALS 2016
REVENUES:										
Special Taxes	$ 2,939,738	$ 450,989	$ -	$ -	$ -	$ -	$ 798,021	$ -	$ -	$ 4,188,748
Intergovernmental Revenues	-	-	-	-	200,000	-	70,000	61,030	-	331,030
Federal & State Grants	-	-	-	1,294,818	5,351	-	19,832	15,000	5,258	1,340,259
Local Matching Funds	-	-	-	656,069	-	-	-	-	-	656,069
Charges for Services	154,324	-	-	87,194	-	-	148,457	-	-	389,975
Fines & Forfeitures	-	-	-	-	145,224	-	-	-	-	145,224
Interest Income	7,683	-	-	-	320	487	148	-	-	8,638
Facility Rental Income	-	-	-	-	-	1,194,154	-	-	-	1,194,154
Sponsorships	-	-	-	-	-	-	103,250	-	-	103,250
Miscellaneous Revenues	-	-	-	-	-	-	1,000	18,999	-	19,999
TOTAL REVENUES	3,101,745	450,989	-	2,038,081	350,895	1,194,641	1,140,708	95,029	5,258	8,377,346
EXPENDITURES:										
Tourism Promotion:										
Personnel Services	12,267	-	-	-	-	-	228,092	-	-	240,359
Supplies	-	-	-	-	-	-	18,725	-	-	18,725
Other Services and Charges	627,869	-	-	-	-	-	759,521	-	-	1,387,390
Capital Outlay							17,122	-		17,122
Public Safety:										
Personnel Services	-	-	-	-	337,100	-	-	-	-	337,100
Supplies	-	-	-	-	29,200	-	-	3,175	-	32,375
Other Services and Charges	-	-	-	-	35,325	-	-	2,609	-	37,934
Capital Outlay	-	-	-	-	7,439	-	-	7,656	-	15,095
RSVP County Transit:										
Supplies	-	-	-	-	-	-	-	408	-	408
Personnel Services	-	-	-	-	-	-	-	50,582	-	50,582
Other Services and Charges	-	-	-	-	-	-	-	2,735	-	2,735
Farmers Market:										
Personnel Services	-	-	-	-	-	-	-	21,450	-	21,450
Supplies	-	-	-	-	-	-	-	4,544	-	4,544
Other Services and Charges	-	-	-	-	-	-	-	2,012	-	2,012
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Culture and Recreation:										
Personnel Services						397,332	-	-		397,332
Supplies	-	-	-	-	-	364,746	-	-	-	364,746
Other Services and Charges	-	-	-	-	-	404,283	-	-	-	404,283
Capital Outlay	-	-	-	-	-	7,429	-	-	-	7,429
Transit Operation:										
Personnel Services	-	-	-	1,313,035	-	-	-	-	-	1,313,035
Supplies	-	-	-	488,116	-	-	-	-	-	488,116
Other Services and Charges	-	-	-	474,340	-	-	-	-	-	474,340
Capital Outlay	126,657	-	-	67,140	-	-	-	-	-	193,797
TOTAL EXPENDITURES	766,793	-	-	2,342,631	409,064	1,173,790	1,023,460	95,171	-	5,810,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,334,952	450,989	-	(304,550)	(58,169)	20,851	117,248	(142)	5,258	2,566,437
OTHER FINANCING SOURCES (USES):										
Transfers from (to) Oxford Tourism Council	(385,246)	(412,775)	-	-	-	-	-	-	-	(798,021)
Transfers from (to) Other Funds	(1,630,940)	-	(1,382,010)	447,091	100,000	220,000	-	23,490	-	(2,222,369)
TOTAL OTHER FINANCING SOURCES (USES)	(2,016,186)	(412,775)	(1,382,010)	447,091	100,000	220,000	-	23,490	-	(3,020,390)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	318,766	38,214	(1,382,010)	142,541	41,831	240,851	117,248	23,348	5,258	(453,953)
FUND BALANCE(Deficit) - October 1,	2,644,416	59,624	1,635,511	(214,706)	413,840	595,199	195,385	(29,141)	41,871	5,341,999
FUND BALANCE(Deficit) - September 30,	$ 2,963,182	$ 97,838	$ 253,501	$ (72,165)	$ 455,671	$ 836,050	$ 312,633	$ (5,793)	$ 47,129	$ 4,888,046

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2016

	BUSINESS-TYPE ACTIVITIES-PROPRIETARY FUND		
	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 7,564,558	$ 8,991,397	$ 16,555,955
Investments	10,274	3,153,429	3,163,703
Accounts Receivable, Net of Provision for Bad Debts	3,025,434	2,051,928	5,077,362
Due from Other Funds	-	-	-
Due from Other Governments	-	42,614	42,614
Inventories	763,103	476,642	1,239,745
Prepaid Expenses	1,939	-	1,939
Total Current Assets	11,365,308	14,716,010	26,081,318
Noncurrent Assets:			
Restricted Assets			
Cash and Cash Equivalents - Restricted	5,000	-	5,000
Investments - Restricted	344,307	1,675,139	2,019,446
Unamortized Debt Expense	29,196	-	29,196
Investment in CSA	17,764	-	17,764
Land	908,953	199,510	1,108,463
Plant, Buildings & Improvements	30,915,697	62,170,933	93,086,630
Machinery & Equipment	2,798,937	3,291,650	6,090,587
Accumulated Depreciation	(11,493,662)	(33,023,799)	(44,517,461)
Construction Work In Progress	3,621,577	4,639,096	8,260,673
Net Noncurrent Assets	27,147,769	38,952,529	66,100,298
TOTAL ASSETS	38,513,077	53,668,539	92,181,616
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows - Pensions	674,852	1,144,178	1,819,030
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 674,852	$ 1,144,178	$ 1,819,030

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2016

	ELECTRIC FUND	WATER & SEWER FUND	TOTAL
LIABILITIES:			
Current Liabilities:			
Accounts Payable and Accrued Expenses	$ 5,978,348	$ 104,718	$ 6,083,066
Accrued Interest Payable	6,271	214,520	220,791
Due to Other Funds	-	-	-
Current Portion of Long-Term Debt	400,000	1,419,332	1,819,332
Customer Deposits	3,494,382	-	3,494,382
Total Current Liabilities	9,879,001	1,738,570	11,617,571
Noncurrent Liabilities:			
Other Liabilities	27,558	-	27,558
Compensated Absences	96,666	163,455	260,121
Net Pension Liability	3,841,475	5,612,197	9,453,672
Bonds, Notes, and Loans Payable, net of current portion	835,000	20,325,146	21,160,146
Total Noncurrent Liabilities	4,800,699	26,100,798	30,901,497
TOTAL LIABILITIES	14,679,700	27,839,368	42,519,068
DEFERRED INFLOWS OF RESOURCES:			
Deferred Charge on Refunding Bonds, net	-	359,097	359,097
Deferred Inflows - Pensions	103,176	14,913	118,089
TOTAL DEFERRED INFLOWS OF RESOURCES	103,176	374,010	477,186
NET POSITION:			
Net Investmet in Capital Assets	25,516,502	15,532,912	41,049,414
Reserved for Unemployment Benefits	5,000	-	5,000
Reserved for Debt Service	338,036	1,675,139	2,013,175
Unrestricted	(1,454,485)	9,391,288	7,936,803
TOTAL NET POSITION	$ 24,405,053	$ 26,599,339	$ 51,004,392

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2016

	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
OPERATING REVENUE:			
Charges For Services	$ 22,335,203	$ 11,021,208	$ 33,356,411
Other	284,816	-	284,816
Total Operating Revenue	22,620,019	11,021,208	33,641,227
OPERATING EXPENSES:			
Operations	19,239,099	5,682,811	24,921,910
Maintenance	324,049	125,052	449,101
Depreciation and Amortization Expense	959,955	2,816,223	3,776,178
Taxes	-	-	-
Total Operating Expenses	20,523,103	8,624,086	29,147,189
Net Operating Income (Loss)	2,096,916	2,397,122	4,494,038
NON-OPERATING INCOME (EXPENSES):			
Interest Income	2,296	42,135	44,431
Gain (Loss) on Disposal of Fixed Asset	-	-	-
Grant Income/ Capital Contributions	-	479,120	479,120
Debt Issuance Expense	-	-	-
Amortization of Debt Expense	(12,081)	(29,411)	(41,492)
Rent Revenue	-	219,513	219,513
Miscellaneous Income (Expense)	(19,868)	86,501	66,633
Interest Expense	(69,454)	(685,589)	(755,043)
Total Non-Operating Income (Loss)	(99,107)	112,269	13,162
Income Before Operating Transfers	1,997,809	2,509,391	4,507,200
OPERATING TRANSFERS IN (OUT):			
Operating Transfers In (Out)	(965,000)	442,756	(522,244)
Change in Net Position	1,032,809	2,952,147	3,984,956
Total Net Position - Beginning, as previously stated	23,886,440	23,647,192	47,533,632
Prior Period Adjustment	(514,196)	-	(514,196)
Total Net Position - Beginning, as restated	23,372,244	23,647,192	47,019,436
Total Net Position - Ending	$ 24,405,053	$ 26,599,339	$ 51,004,392

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2016

	ELECTRIC FUND	WATER & SEWER FUND	TOTALS
Cash Flows from Operating Activities:			
Receipts from Customers	$ 23,094,530	$ 11,107,375	$ 34,201,905
Payments to Suppliers	(18,488,232)	(1,228,519)	(19,716,751)
Payments to Employees	(675,697)	(2,350,480)	(3,026,177)
Payments for Other Services and Charges	(965,000)	(1,811,110)	(2,776,110)
Other Receipts (Payments)	-	-	-
Net Cash Provided By (Used) In Operating Activities	2,965,601	5,717,266	8,682,867
Cash Flows from Noncapital Financing Activities:			
Advances From Home Insulation Program	-	-	-
Transfers In	-	442,756	442,756
Net Cash Provided By (Used In) Noncapital Financing Activities	-	442,756	442,756
Cash Flows from Capital and Related Financing Activities:			
Proceeds From Capital Debt	-	-	-
Purchases of Capital Assets	(4,403,303)	(2,762,632)	(7,165,935)
Proceeds From Sale of Capital Assets	79,896	-	79,896
Principal Paid on Capital Debt	(390,000)	(1,368,106)	(1,758,106)
Interest Paid on Capital Debt	(71,079)	(768,907)	(839,986)
Other Receipts (Payments)	-	86,501	86,501
Net Cash Provided By (Used In) Capital and Related Financing Activities	(4,784,486)	(4,813,144)	(9,597,630)
Cash Flows from Investing Activities:			
Purchase of Investments	(354,580)	(38,163)	(392,743)
Proceeds From Sale of Investments	354,082	-	354,082
Cash Received From Grants	-	479,120	479,120
Interest and Dividends	2,296	42,135	44,431
Other Receipts (Payments)	(19,868)	219,513	199,645
Net Cash Provided By (Used In) Investing Activities	(18,070)	702,605	684,535
Net Increase (Decrease) In Cash and Cash Equivalents	(1,836,955)	2,049,483	212,528
Cash and Cash Equivalents--Beginning	9,406,513	6,941,914	16,348,427
Cash and Cash Equivalents--Ending	$ 7,569,558	$ 8,991,397	$ 16,560,955
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:			
Operating Income (Loss)	$ 2,096,916	$ 2,397,122	$ 4,494,038
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used) In Operating Activities:			
Depreciation and Amortization Expense	959,955	2,816,223	3,776,178
Amounts Paid to City - Tax Equivalents	(965,000)	-	(965,000)
Pension Expense - Actuarially Determined	(731,558)	967,875	236,317
(Increase) Decrease in Accounts Receivable	193,282	86,167	279,449
(Increase) Decrease in Prepaid Items	43,295	-	43,295
(Increase) Decrease in Deferred Charges	761,634	(317,284)	444,350
(Increase) Decrease in Inventory	(90,814)	(43,003)	(133,817)
(Increase) Decrease in Compensated Absences	-	8,655	8,655
Increase (Decrease) in Accounts Payable	422,007	(198,489)	223,518
Increase (Decrease) in Accrued Liabilities	(5,345)	-	(5,345)
Increase (Decrease) in Customer Deposits	281,229	-	281,229
Total Adjustments	868,685	3,320,144	4,188,829
Net Cash Provided By (Used) In Operating Activities	$ 2,965,601	$ 5,717,266	$ 8,682,867

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2016

	PATHWAYS GRANT FUND	$3.8 M GO BOND ISSUE 2009	JACKSON AVENUE PROPERTY	OXFORD LOOP EXTENSION PROJECT	SISK AVENUE EXTENSION PROJECT	OXFORD COMMONS FRONTAGE RD	$5.5M BOND ISSUE 2012	TOTALS 2016
ASSETS:								
Cash	$ -	$ -	$ 17,225	$ 598,440	$ 582,465	$ 247,638	$ 116,702	$ 1,562,470
Investments	-	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-	-
Other Receivable	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	-	17,225	598,440	582,465	247,638	116,702	1,562,470
LIABILITIES:								
Accounts Payable	-	-	-	25,092	-	-	-	25,092
Due to Other Funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	25,092	-	-	-	25,092
FUND BALANCE:								
Restricted	-	-	17,225	573,348	582,465	247,638	116,702	1,537,378
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	-	-	17,225	573,348	582,465	247,638	116,702	1,537,378
TOTAL LIABILITIES AND FUND BALANCE	$ -	$ -	$ 17,225	$ 598,440	$ 582,465	$ 247,638	$ 116,702	$ 1,562,470

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2016

	PATHWAYS GRANT FUND	$3.8 M GO BOND ISSUE 2009	JACKSON AVENUE PROPERTY	OXFORD LOOP EXTENSION PROJECT	SISK AVENUE EXTENSION PROJECT	OXFORD COMMONS FRONTAGE RD	$5.5 M BOND ISSUE 2012	TOTALS 2016
REVENUES:								
Grant Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-
EXPENDITURES:								
Capital Projects:								
Supplies	-	-	-	-	-	-	2,530	2,530
Other Services and Charges	-	-	-	16,000	-	-	-	16,000
Capital Outlay	-	-	-	112,151	21,187	139,525	406,505	679,368
TOTAL EXPENDITURES	-	-	-	128,151	21,187	139,525	409,035	697,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(128,151)	(21,187)	(139,525)	(409,035)	(697,898)
OTHER FINANCING SOURCES (USES):								
Proceeds of Debt Issuance	-	-	-	-	-	-	-	-
Transfers from (to) Other Funds	26,031	(281,745)	-	540,873	543,589	-	6,152	834,900
TOTAL OTHER FINANCING SOURCES (USES)	26,031	(281,745)	-	540,873	543,589	-	6,152	834,900
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	26,031	(281,745)	-	412,722	522,402	(139,525)	(402,883)	137,002
FUND BALANCE - October 1,	(26,031)	281,745	17,225	160,626	60,063	387,163	519,585	1,400,376
FUND BALANCE - September 30,	$ -	$ -	$ 17,225	$ 573,348	$ 582,465	$ 247,638	$ 116,702	$ 1,537,378

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
September 30, 2016

	$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	$1.6M SA BOND ISSUE 2014	$6.6M GO BOND ISSUE 2015	TOTALS 2016
ASSETS:									
Cash	$ -	$ -	$ -	$ -	$ 50,092	$ 7,032	$ 67	$ 112,281	$ 169,472
Ad Valorem Taxes Receivable, net	2,433	-	-	1,090	1,116	3,248	-	1,021	8,908
TOTAL ASSETS	2,433	-	-	1,090	51,208	10,280	67	113,302	178,380
LIABILITIES:									
Checks Issued in Excess of Deposits	2,500	-	-	12,903	-	-	-	-	15,403
Accounts Payable	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	2,500	-	-	12,903	-	-	-	-	15,403
FUND BALANCE (DEFICIT):									
Committed	-	-	-	-	51,208	10,280	67	113,302	174,857
Unassigned	(67)	-	-	(11,813)	-	-	-	-	(11,880)
TOTAL FUND BALANCE (DEFICIT)	(67)	-	-	(11,813)	51,208	10,280	67	113,302	162,977
TOTAL LIABILITIES AND FUND BALANCE	$ 2,433	$ -	$ -	$ 1,090	$ 51,208	$ 10,280	$ 67	$ 113,302	$ 178,380

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS
For the Year Ended September 30, 2016

	$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	$1.6M SA BOND ISSUE 2014	$6.6M GO BOND ISSUE 2015	TOTALS 2016
REVENUES:									
General Property Taxes	$ 6,256	$ -	$ 344,005	$ 367,127	$ 376,798	$ 421,703	$ 121,864	$ 496,074	$ 2,133,827
Intergovernmental Revenues	-	-	-	-	-	-	-	-	-
Interest Income	-	-	153	9	-	-	-	-	162
TOTAL REVENUES	6,256	-	344,158	367,136	376,798	421,703	121,864	496,074	2,133,989
EXPENDITURES:									
Fees	1,750	493	1,267	2,371	1,940	-	645	205,959	214,425
Payments - Principal	-	-	405,000	240,000	660,000	330,000	85,000	6,375,000	8,095,000
Payments - Interest	-	-	31,375	85,131	102,525	90,819	35,408	324,856	670,114
TOTAL EXPENDITURES	1,750	493	437,642	327,502	764,465	420,819	121,053	6,905,815	8,979,539
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,506	(493)	(93,484)	39,634	(387,667)	884	811	(6,409,741)	(6,845,550)
OTHER FINANCING SOURCES (USES):									
Proceeds from Issuance of Debt	-	-	-	-	-	-	-	6,590,000	6,590,000
Transfers from (to) Other Funds	(17,459)	(3,311)	87,727	-	410,000	-	-	(66,957)	410,000
TOTAL OTHER FINANCING SOURSES (USES)	(17,459)	(3,311)	87,727	-	410,000	-	-	6,523,043	7,000,000
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	(12,953)	(3,804)	(5,757)	39,634	22,333	884	811	113,302	154,450
FUND BALANCE - October 1,	12,886	3,804	5,757	(51,447)	28,875	9,396	(744)	-	8,527
FUND BALANCE - September 30,	$ (67)	$ -	$ -	$ (11,813)	$ 51,208	$ 10,280	$ 67	$ 113,302	$ 162,977

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2016

NAME	POSITION	COMPANY	BOND AMOUNT	BOND EXPIRATION
George G. Patterson	Mayor	FCCI Insurance Group	100,000	7/6/2017
Rick Addy	Alderman Ward I	Travelers	100,000	7/1/2017
Robyn Tannehill	Alderman Ward II	FCCI Insurance Group	100,000	7/1/2017
Janice Antonow	Alderman Ward III	FCCI Insurance Group	100,000	7/1/2017
Ulysses L. Howell	Alderman Ward IV	FCCI Insurance Group	100,000	7/2/2017
Preston Edward Taylor	Alderman Ward V	FCCI Insurance Group	100,000	7/2/2017
Jason Bailey	Alderman Ward VI	FCCI Insurance Group	100,000	7/1/2017
John Morgan	Alderman At Large	FCCI Insurance Group	100,000	7/6/2017
Ashley Atkinson	City Clerk	FCCI Insurance Group	50,000	8/20/2017
Kaitlin Wilkinson	Admin. Asst. Parking	FCCI Insurance Group	50,000	5/1/2017
Lesia Chandler	Deputy Clerk	FCCI Insurance Group	50,000	8/20/2017
Joey East	Police Chief	FCCI Insurance Group	50,000	7/1/2017
Matt Davis	Dir. Parking Enforcement	FCCI Insurance Group	50,000	4/1/2017
Vicki Robison	Admin. Asst.-Envir. Svcs.	Travelers	50,000	5/12/2017
Daphanie Vaughn	Deputy Clerk	Travelers	50,000	5/12/2017
Donna Buchanan	Admin. Asst.-Court	Travelers	25,000	1/6/2017
Jessica Fort Tolleson	Deputy Clerk	Travelers	50,000	1/6/2017
Steven Clay Brownlee	Asst. Park Dir.-FNC Pk.	Travelers	50,000	1/25/2017
Brad Freeman	Park Dir.-FNC Park	Travelers	50,000	1/25/2017
Kimberly Hill	Office Mgr.	Travelers	50,000	1/21/2017
Alex Jay Fauver	Narcotics Officer	Travelers	50,000	4/9/2017
Rodney G. Waller	Narcotics Officer	Travelers	50,000	1/9/2017
Gage Wayne Vance	Narcotics Officer	Travelers	50,000	1/9/2017
Blanket Bond	Police Officers	Travelers	25,000	7/1/2017

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2016

	INTEREST RATE	BALANCE 9-30-15	DEBT ISSUED	DEBT RETIRED	BALANCE 9-30-16	CURRENT MATURITIES
LONG-TERM DEBT:						
Governmental Activities						
General Obligation Bonds:						
General Obligation-Series 2004	3-3.8%	$ 660,000	$ -	$ 660,000	$ -	$ -
General Obligation-Series 2005	3.375-4.8%	-	-	-	-	-
General Obligation-Series 2007	4-5%	6,325,000	-	5,900,000	425,000	425,000
General Obligation-Series 2010 (Refunding)	2-3%	4,215,000	-	660,000	3,555,000	675,000
General Obligation-Series 2009	3-3.75%	2,575,000	-	240,000	2,335,000	250,000
General Obligation-Series 2012	1.625-2.25%	4,560,000	-	330,000	4,230,000	340,000
G.O. Note Series 2012-BancorpSouth	1.43%	205,000	-	100,000	105,000	105,000
G.O. Note Series 2014-Regions	1.66%	403,273	-	98,336	304,937	99,973
G.O. Note Series 2014-Hancock	1.45%	900,000		175,000	725,000	175,000
G.O. Note Series 2015-Peoples	2-2.25 %	-	6,590,000	220,000	6,370,000	-
G.O. Note Series 2016-Trustmark	2.19%	-	800,000	-	800,000	235,000
Total General Obligation Bonds and Notes		19,843,273	7,390,000	8,383,336	18,849,937	2,304,973
Special Assessment Bonds:						
Special Assessment Bond-Series 2014	2.225-2.625%	1,515,000	-	85,000	1,430,000	90,000
Total Special Assessment Bonds		1,515,000	-	85,000	1,430,000	90,000
Notes Payable:						
CAP Loan - State of Mississippi	2%	226,963	-	54,762	172,201	55,982
CAP Loan - State of Mississippi	2%	687,549	-	47,024	640,525	48,365
CAP Loan - State of Mississippi	2%	203,543	-	30,335	173,208	31,057
Total Notes Payable		1,118,055	-	132,121	985,934	135,404
Total Governmental Activities		22,476,328	7,390,000	8,600,457	21,265,871	2,530,377
Business-Type Activities						
Revenue Bonds:						
2004 Water & Sewer Revenue Bond	3.25-4.5%	-	-	-	-	-
2006 Water & Sewer Revenue Bond	4-5.625%	160,000	-	160,000	-	-
2007 Water & Sewer Revenue Bond	4.5-6%	260,000	-	125,000	135,000	135,000
2008 Water & Sewer Revenue Bond	3.625-4.5%	2,595,000	-	145,000	2,450,000	155,000
2011 Water & Sewer Revenue Bond	3-4.3%	7,395,000	-	310,000	7,085,000	330,000
2012 Water & Sewer Revenue Bond	1-2.625%	2,205,000	-	215,000	1,990,000	210,000
2014 Water & Sewer Revenue Bond (Refunding)	1.05-5%	3,855,000	-	10,000	3,845,000	175,000
Electric Department						
2011 Electric System Revenue	2.25-3.125%	1,625,000	-	390,000	1,235,000	400,000
Total Revenue Bonds		18,095,000	-	1,355,000	16,740,000	1,405,000
Notes Payable:						
State Revolving Fund-Water & Sewer	2.75%	6,642,584	-	403,106	6,239,478	414,332
Total Notes Payable		6,642,584	-	403,106	6,239,478	414,332
Total Business-Type Activities		24,737,584	-	1,758,106	22,979,478	1,819,332
Total Long-Term Debt		$ 47,213,912	$ 7,390,000	$ 10,358,563	$ 44,245,349	$ 4,349,709

CITY OF OXFORD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2016

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency Id Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U. S. Department of Agriculture			
Passed through Mississippi Department of Transportation			
Cooperative Forestry Assistance		10.664	$ 35,708
Total U.S. Department of Justice			$ 35,708
U. S. Department of Justice			
Passed through Mississippi Department of Public Safety			
Edward Byrne Memorial Justice Assistance Grant Program	12NM2252	16.738	$ 5,351
Edward Byrne Memorial Justice Assistance Grant Program	15HS2251	16.738	23,823
State and Community Highway Safety	16-OP-22-51	20.600	6,980
Total U.S. Department of Justice			$ 36,154
U. S. Department of Transportation			
Passed through Mississippi Department of Transportation			
Alcohol Open Container Requirements	154AL-2016-ST-22-51	20.607	$ 87,133
Highway Planning and Construction	102168-302000	20.205	434,575
* Formula Grants for Rural Areas	MS 18-X039	20.509	1,195,748
Total U.S. Department of Transportation			$ 1,717,456
U. S. Department of Homeland Security			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	FEMA-1972-DR-MS	97.036	$ 2,035
Passed through Mississippi Emergency Management Agency			
Homeland Security Grant Program	15HS286	97.067	10,000
Total U. S. Department of Homeland Security			$ 12,035
U.S. Department of Health and Human Services			
Medical Reserve Corps Small Grant Program	MRC 16-1954	93.008	$ 15,000
Total Corporation for National and Community Service			$ 15,000
Corporation for National and Community Service			
Retired and Senior Volunteer Program	15SRSMS001	94.002	$ 25,696
Total Corporation for National and Community Service			$ 25,696
TOTAL FEDERAL EXPENDITURES			$ 1,842,049

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 Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).'Therefore, some amounts 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 Honorable 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, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi as of and for the year ended September 30, 2016, 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 March 20, 2017.

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 2, 3, 4 and 5 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 6 and 7 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 and which are* described in the accompanying schedule of findings and questioned costs as 1, 2, 4, 6 and 7. We noted certain other matters that we reported to management of the City of Oxford, Mississippi in a separate letter dated March 20, 2017.

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.
Tupelo, Mississippi
March 20, 2017

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Board of Aldermen
Oxford, Mississippi

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 Compliance Supplement* that could have a direct and material effect on each of the City of Oxford, Mississippi's major federal programs for the year ended September 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 City of Oxford, Mississippi's compliance

Opinion on Each Major Federal Program

In our opinion, the City of Oxford, Mississippi, complied, 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 for the year ended September 30, 2016.

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 the Uniform Guidance, 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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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Tupelo, Mississippi
January 30, 2017

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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, 2016 and have issued our report dated March 20, 2017. 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, 4, 6 and 7.

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.
Tupelo, Mississippi
March 20, 2017

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2016

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 2 CFR 200.516(a)?	____ Yes X No

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
20.509	U.S. Dept. of Transportation- Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	____ Yes X No

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2016

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 deprecation schedule to ensure it is maintained and updated each year.

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.

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.

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. 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 competitive quotes for two 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. 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 does not have a computerized inventory system for tracking or valuing inventory for the Water and Sewer fund. Inventory counts were performed on all items on hand at year end. We noted several inventory items in which inventory pricing or valuation was not adequately documented.

Recommendation: The City should continue to develop an inventory system for the Water and Sewer fund. Inventory count procedures have improved but the City should continue to stress the importance of an accurate inventory count. The City should develop a system to adequately price and value all inventory items.

Response: The City has made significant improvements in accounting for the inventory of the Water and Sewer fund. The City will continue to improve and develop a system to adequately track and value all inventory of the water and sewer fund.

FINDING NO. 6

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.

Cause of Condition: The City had budget overages in some expense categories for the year ended September 30, 2016.

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.

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.

FINDING NO. 7

Criteria: The City is to participate in the centralized pledging program (State Collateral Pool) to satisfy pledging requirements for deposits at financial institutions where the City maintains public funds.

Cause of Condition: The City did not ensure that all bank accounts were covered under the State Treasurer pool for the year ended September 30, 2016. Therefore, the City was not adequately covered by pledged securities under the State Collateral Pool.

Recommendation: The City should implement adequate controls to ensure that all relevant reports regarding the State Collateral Pool are maintained and should reconcile the reports with the financial records of the City.

Response: The City will ensure that it has all current State Collateral Pool reports from the State Treasurer so as to ensure that all City deposits are properly collateralized. The City will file the annual report with the State Treasurer and ensure all accounts are included in the future.

Findings 1, 2, 4, 6 and 7 are noncompliance findings.
Findings 2, 3, 4 and 5 are material weaknesses.
Findings 6 and 7 are significant deficienies.

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2016

SECTION 3 – FEDERAL AWARD FINDINGS:

NONE