

**CITY OF OXFORD, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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CITY OF OXFORD, MISSISSIPPI  
LIST OF PRINCIPAL OFFICERS  
September 30, 2012

<u>TITLE</u>	<u>NAME</u>
Mayor	George "Pat" Patterson
Mayor Pro Tempore	Ulysses Howell
Aldersperson	Ney Williams
Aldersperson	Ernest Oliver
Aldersperson	Dr. Janice Antonow
Aldersperson	Preston E. Taylor
Aldersperson	Jason Bailey
Aldersperson	John Morgan
City Clerk and Tax Collector	Lisa D. Carwyle

Dwight L. Young, Sr., C.P.A.  
1918 - 1977

Roger A. Garrett, C.P.A.  
1922 - 2008

Dwight L. Young, Jr., C.P.A.  
Patricia A. Bynum, C.P.A.



606 S. 16TH STREET / P.O. DRAWER 280 / OXFORD, MS 38655-0280 / PHONE (662) 234-1251 / FAX (662) 236-3804

INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen  
City of Oxford, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2012, which collectively comprise the City of Oxford, Mississippi's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oxford's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated June 26, 2013, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's Discussion and Analysis and Budgetary Comparison on pages 9 through 16 and on pages 69 through 75 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford's financial statements. The combining and individual non-major fund financial statements, schedules of investments, surety bonds, long-term debt, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133) are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedules of investments, surety bonds, long-term debt, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

*The Dwight L. Young Group*

June 26, 2013



CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2012

As management of the City of Oxford, Mississippi ("City"), we offer readers of the City of Oxford, Mississippi's financial statements this narrative overview and analysis of the financial activities of the City of Oxford, Mississippi, for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

**THE FINANCIAL STATEMENTS**

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination's have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The Fund Financial Statements include statements for each of the two categories of activities: governmental and business-type (enterprise). The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

**REPORTING THE CITY AS A WHOLE**

**The Statement of Net Assets and the Statement of Activities**

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
- Continued -

These two statements report the City's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health or financial position. Over time, increases and decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure.

In the Statement of Net Assets and the Statement of Activities, we separate the City's Activities as follows:

**Governmental Activities** - Most of the City's basic services are reported in this category, including General Government, Public Safety, Public Works, Tourism, and Culture and Recreation. Property taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

**Business Type Activities** - The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water and Sewer and Electric activities are reported in this category.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City reports assets of \$212,941,035, of which \$132,695,809 are capital assets. The assets exceed the City's liabilities of \$72,755,772, \$57,870,996 of which are long term, at the close of the most recent fiscal year by \$140,185,263. Of this amount, \$24,218,044 are unrestricted net assets. The City's net assets are comprised of \$86,128,474 from Governmental Activities and \$54,056,789 from Business-Type Activities.

By far the largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles, City infrastructure, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
- Continued -

Although the City's investment in its capital assets is reported net of related debt, please note 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.

An additional portion of the City's net assets (less than 34 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF OXFORD, MISSISSIPPI  
NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and						
Other Assets	\$55,261,855	\$46,182,304	\$24,983,371	\$24,601,091	\$ 80,245,226	\$ 70,783,395
Capital Assets (Net)	<u>64,965,996</u>	<u>62,329,018</u>	<u>67,729,813</u>	<u>65,037,433</u>	<u>132,695,809</u>	<u>127,366,451</u>
Total Assets	<u>120,227,851</u>	<u>108,511,322</u>	<u>92,713,184</u>	<u>89,638,524</u>	<u>212,941,035</u>	<u>198,149,846</u>
Current and						
Other Liabilities	8,288,849	8,023,290	6,595,927	5,948,298	14,884,776	13,971,588
Long-Term						
Liabilities	<u>25,810,528</u>	<u>21,937,305</u>	<u>32,060,468</u>	<u>33,786,775</u>	<u>57,870,996</u>	<u>55,724,080</u>
Total Liabilities	<u>34,099,377</u>	<u>29,960,595</u>	<u>38,656,395</u>	<u>39,735,073</u>	<u>72,755,772</u>	<u>69,695,668</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	33,655,468	40,391,713	35,669,345	31,250,658	69,324,813	71,642,371
Restricted	42,809,901	36,297,557	3,832,505	1,330,126	46,642,406	37,627,683
Unrestricted	<u>9,663,105</u>	<u>1,861,457</u>	<u>14,554,939</u>	<u>17,322,667</u>	<u>24,218,044</u>	<u>19,184,124</u>
Total Net Assets	<u>\$86,128,474</u>	<u>\$78,550,727</u>	<u>\$54,056,789</u>	<u>\$49,903,451</u>	<u>\$140,185,263</u>	<u>\$128,454,178</u>

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
- Continued -

**GOVERNMENTAL ACTIVITIES**

Here we show the City of Oxford, Mississippi's changes in net assets. In the chart below, General Government includes the following departments: Legislative (Board of Alderpersons) Judicial, Executive, Financial, Building, and other General Administration. Public Safety encompasses the Police, Fire, Engineering, and Inspection departments. Public Works is made up of the Street and Sanitation departments. Culture and Recreation contain the City's parks as well as Senior Citizens Center activities.

CITY OF OXFORD, MISSISSIPPI						
CHANGES IN NET ASSETS						
	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
REVENUE:	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Program Revenues:						
Charges for						
Services	\$ 6,532,008	\$ 6,025,266	\$31,293,921	\$31,383,835	\$37,825,929	\$37,409,101
Operating Grants						
And Contributions	1,615,625	1,860,097	-	47,501	1,615,625	1,907,598
Capital Grants and						
Contributions	2,947,219	2,014,190	-	-	2,947,219	2,014,190
General Revenues:						
Property Taxes	7,082,817	7,024,826	-	-	7,082,817	7,024,826
Other Taxes	2,862,948	2,418,940	-	-	2,862,948	2,418,940
Intergovernmental	7,969,279	7,749,046	-	-	7,969,279	7,749,046
Investments	546,776	-	-	-	546,776	-
Unrestricted Interest						
Earned	249,659	81,371	88,208	165,669	337,867	247,040
Transfers	129,363	1,015,620	(129,363)	(1,015,620)	-	-
Escrow Refund	-	79,180	-	-	-	79,180
Community Health						
Foundation	3,008,187	-	-	-	3,008,187	-
Gain on Sale of						
Hospital	-	30,000,000	-	-	-	30,000,000
<b>TOTAL REVENUE</b>	<b><u>\$32,943,881</u></b>	<b><u>\$58,268,536</u></b>	<b><u>\$31,252,766</u></b>	<b><u>\$30,581,385</u></b>	<b><u>\$64,196,647</u></b>	<b><u>\$88,849,921</u></b>

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
- Continued -

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
EXPENSES:						
General Government	\$ 4,190,204	\$ 3,953,824	\$ -	\$ -	\$ 4,190,204	\$ 3,953,824
Public Safety	8,167,856	7,495,550	-	-	8,167,856	7,495,550
Public Works	4,942,428	4,668,059	-	-	4,942,428	4,668,059
Tourism	1,052,647	960,344	-	-	1,052,647	960,344
Culture and Rec.	3,734,956	2,801,316	-	-	3,734,956	2,801,316
Miscellaneous	2,570,476	3,593,533	-	-	2,570,476	3,593,533
Interest on Long-						
Term Debt	707,567	1,049,324	-	-	707,567	1,049,324
Economic Development	-	727,884	-	-	-	727,884
Water and Sewer						
Service	-	-	6,964,880	6,787,763	6,964,880	6,787,763
Electric Service	-	-	20,134,548	20,751,337	20,134,548	20,751,337
TOTAL EXPENSES	<u>25,366,134</u>	<u>25,249,834</u>	<u>27,099,428</u>	<u>27,539,100</u>	<u>52,465,562</u>	<u>52,788,934</u>
Change in Net Assets	7,577,747	33,018,702	4,153,338	3,042,285	11,731,085	36,060,987
Net Assets-						
Beginning	<u>78,550,727</u>	<u>45,532,025</u>	<u>49,903,451</u>	<u>46,861,166</u>	<u>128,454,178</u>	<u>92,393,191</u>
Net Assets-Ending	<u>\$86,128,474</u>	<u>\$78,550,727</u>	<u>\$54,056,789</u>	<u>\$49,903,451</u>	<u>\$140,185,263</u>	<u>\$128,454,178</u>

BUSINESS-TYPE ACTIVITIES

The Business-Type Activities of the City are those that the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer and electric departments are reported here.

Business-Type Activities

	<u>Operating Revenues</u>
Fiscal Year ended September 30, 2012	\$ 31,293,921
Fiscal Year ended September 30, 2011	31,383,835
Decrease between Fiscal Years	\$ <u>(89,914)</u>
	<u>Operating Expenses</u>
Fiscal Year ended September 30, 2012	\$ 27,099,428
Fiscal Year ended September 30, 2011	27,539,100
Decrease between Fiscal Years	\$ <u>(439,672)</u>

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
- Continued -

**DEBT ADMINISTRATION**

Debt, considered a liability of governmental activities, increased in fiscal year 2012 by \$2,146,916.

The Governmental Activity debt summary for fiscal year is presented below.

	2012
Debt Payable beginning of fiscal year	\$ 55,724,080
Add: New Debt Issues	6,021,000
	61,745,080
Less: Debt Retired	3,874,084
Debt Payable at end	\$ <u>57,870,996</u>

**CAPITAL ASSETS**

The capital assets of the City are those assets, which are used in the performance of the City functions including infrastructure assets. At September 30, 2011, net capital assets of the governmental activities totaled \$62,329,018 and the net capital assets of the business-type activities totaled \$65,037,433. At September 30, 2012, net capital assets of the governmental activities totaled \$64,965,996 and the net capital assets of the business-type activities totaled \$67,729,813. Depreciation on capital assets is recognized in the Government-Wide financial statements.

The City has elected to treat infrastructure assets the same way as other capital assets. That is, infrastructure assets have been capitalized at their historical costs and subsequently depreciated over their estimated useful life.

**FUND FINANCIAL STATEMENTS**

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

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
- Continued -

A. Governmental Funds - Governmental funds are used to account for most of the City's basic services, reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are found later in this report.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Special Assessment Funds and the Fiduciary Funds, all of which are considered to be significant funds. See the separate statements on these funds.

B. Proprietary Funds - Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses proprietary funds to account for its Water and Sewer and Electric departments. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer and Electric departments, which are considered to be major funds of the City. The basic proprietary fund financial statements can be found later in this report.

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
- Continued -

C. Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's other programs. The basis of accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found later in this report.

3. NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found later in this report.

4. REQUIRED SUPPLEMENTAL INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplemental information includes a presentation of performance results against the adopted budget. The City adopts an annual budget in accordance with Mississippi State Law. Both the original and final budgets are presented and compared to the budgetary basic financial statements. Cash basis is required under Mississippi State Law, therefore adjustments from the cash basis to the GAAP basis of reporting are also presented.

5. OTHER INFORMATION

Combining statements for each fund and comparisons to the prior year for each classification of funds (e.g., special revenue, proprietary, etc.) are not required, but are presented as other information to enhance the level of detail.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Oxford, Mississippi's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk's office, 107 Courthouse Square, Oxford, Mississippi 38655.



GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF NET ASSETS  
September 30, 2012

	GOVERNMENTAL	BUSINESS-TYPE		OXFORD
ASSETS	ACTIVITIES	ACTIVITIES	TOTAL	TOURISM
Cash and Cash Equivalents	\$15,837,227	\$17,464,881	\$33,302,108	\$ 251,784
Receivables:				
Customer	-	3,215,804	3,215,804	-
Due from Other Government	849,276	13,699	862,975	-
Other	6,491	83,911	90,402	-
Taxes	6,937,682	-	6,937,682	46,942
Internal Balances	589,147	(589,147)	-	-
Inventories	-	523,890	523,890	-
Debt Service Funds	-	3,832,505	3,832,505	-
Prepaid Expenses	372,214	437,828	810,042	987
Investment Trust	<u>30,669,818</u>	<u>-</u>	<u>30,669,818</u>	<u>-</u>
Total Non-Capital Assets	<u>55,261,855</u>	<u>24,983,371</u>	<u>80,245,226</u>	<u>299,713</u>
Capital Assets (Net of Depreciation):				
Land	3,781,688	1,108,463	4,890,151	-
Improvements Other than Buildings	4,749,022	-	4,749,022	-
Infrastructure	37,775,075	-	37,775,075	-
Buildings & Utility Systems	12,503,724	63,784,623	76,288,347	-
Equipment & Furniture	6,156,487	1,394,430	7,550,917	105,820
Construction in Progress	<u>-</u>	<u>1,442,297</u>	<u>1,442,297</u>	<u>-</u>
Total Capital Assets	<u>64,965,996</u>	<u>67,729,813</u>	<u>132,695,809</u>	<u>105,820</u>
Total Assets	<u>120,227,851</u>	<u>92,713,184</u>	<u>212,941,035</u>	<u>405,533</u>
LIABILITIES				
Accounts Payable & Accrued Expenses	1,321,279	3,631,549	4,952,828	36,487
Customer Deposits	-	2,721,033	2,721,033	-
Deferred Revenue	6,937,682	243,345	7,181,027	10,500
Deferred Credit	29,888	-	29,888	-
Long-term Debt Due Within One Year:				
Bonds	1,900,000	1,160,000	3,060,000	-
Notes	236,021	474,142	710,163	-
Due in More than One Year:				
Bonds	22,200,000	20,510,000	42,710,000	-
Notes	<u>1,474,507</u>	<u>9,916,326</u>	<u>11,390,833</u>	<u>-</u>
Total Liabilities	<u>\$34,099,377</u>	<u>\$38,656,395</u>	<u>\$72,755,772</u>	<u>\$ 46,987</u>

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF NET ASSETS  
- Continued -

<u>NET ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>OXFORD TOURISM COUNCIL</u>
Invested in Capital Assets-				
Net of Related Debt	\$33,655,468	\$35,669,345	\$69,324,813	\$ -
Restricted for:				
Permanent Fund Principle	30,669,818	-	30,669,818	-
Unemployment	52,171	-	52,171	-
Tourism	1,663,773	-	1,663,773	-
Debt Service	-	3,832,505	3,832,505	-
Cemetery	180,685	-	180,685	-
Capital Projects	6,296,953	-	6,296,953	-
Fire Protection	13,333	-	13,333	-
Other	3,933,168	-	3,933,168	50,831
Unrestricted	<u>9,663,105</u>	<u>14,554,939</u>	<u>24,218,044</u>	<u>307,715</u>
 Total Net Assets	 <u>\$86,128,474</u>	 <u>\$54,056,789</u>	 <u>\$140,185,263</u>	 <u>\$ 358,546</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF ACTIVITIES  
Year Ended September 30, 2012

FUNCTIONS/PROGRAMS		PROGRAM REVENUE				NET (EXPENSE) REVENUES AND			OXFORD TOURISM COUNCIL
		CHARGES FOR	OPERATING	CAPITAL		CHANGES IN NET ASSETS			
<u>PRIMARY GOVERNMENT</u>	<u>EXPENSES</u>	<u>SERVICES</u>	<u>GRANTS &amp; CONTRIBUTIONS</u>	<u>GRANTS &amp; CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>		<u>COUNCIL</u>
<u>GOVERNMENTAL ACTIVITIES</u>									
General Government	\$ 4,190,204	\$ 1,108,435	\$ 46,521	\$ -	\$ (3,035,248)	\$ -	\$ (3,035,248)	\$ -	
Public Safety	8,167,856	626,161	199,625	24,145	(7,317,925)	-	(7,317,925)	-	
Public Works	4,942,428	3,386,648	919,969	2,090,890	1,455,079	-	1,455,079	-	
Tourism	1,052,647	-	-	-	(1,052,647)	-	(1,052,647)	(1,294,154)	
Culture & Recreation	3,734,956	1,038,193	449,510	832,184	(1,415,069)	-	(1,415,069)	-	
Miscellaneous	2,570,476	372,571	-	-	(2,197,905)	-	(2,197,905)	1,426,922	
Interest on Long-term Debt	707,567	-	-	-	(707,567)	-	(707,567)	-	
TOTAL GOVERNMENTAL ACTIVITIES	<u>25,366,134</u>	<u>6,532,008</u>	<u>1,615,625</u>	<u>2,947,219</u>	<u>(14,271,282)</u>	<u>-</u>	<u>(14,271,282)</u>	<u>132,768</u>	
<u>BUSINESS-TYPE ACTIVITIES</u>									
Water & Sewer Service	6,964,880	8,769,625	-	-	-	1,804,745	1,804,745	-	
Electric Service	<u>20,134,548</u>	<u>22,524,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,389,748</u>	<u>2,389,748</u>	<u>-</u>	
TOTAL BUSINESS-TYPE ACTIVITIES	<u>27,099,428</u>	<u>31,293,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,194,493</u>	<u>4,194,493</u>	<u>-</u>	
TOTAL PRIMARY GOVERNMENT	<u>\$52,465,562</u>	<u>\$37,825,929</u>	<u>\$1,615,625</u>	<u>\$2,947,219</u>	<u>\$ (14,271,282)</u>	<u>\$ 4,194,493</u>	<u>\$ (10,076,789)</u>	<u>\$ -</u>	

## CITY OF OXFORD, MISSISSIPPI

## STATEMENT OF ACTIVITIES

- Continued -

FUNCTIONS/PROGRAMS <u>PRIMARY GOVERNMENT</u>	NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS			OXFORD
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	TOURISM
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>		<u>COUNCIL</u>
<u>GENERAL REVENUES</u>				
Property Taxes	\$ 7,082,817	\$ -	\$ 7,082,817	\$ -
Other Taxes	2,862,948	-	2,862,948	-
Intergovernmental	7,969,279	-	7,969,279	-
Unrestricted Interest Earned	249,659	88,208	337,867	-
Transfers	129,363	(129,363)	-	-
Investment	546,776	-	546,776	-
Community Health Foundation	<u>3,008,187</u>	<u>-</u>	<u>3,008,187</u>	<u>-</u>
 TOTAL GENERAL REVENUES	 <u>21,849,029</u>	 <u>(41,155)</u>	 <u>21,807,874</u>	 <u>-</u>
 Change in Net Assets	 7,577,747	 4,153,338	 11,731,085	 132,768
Net Assets - Beginning	<u>78,550,727</u>	<u>49,903,451</u>	<u>128,454,178</u>	<u>225,778</u>
Net Assets - Ending	<u>\$86,128,474</u>	<u>\$54,056,789</u>	<u>\$140,185,263</u>	<u>\$ 358,546</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

FUND FINANCIAL STATEMENTS

## CITY OF OXFORD, MISSISSIPPI

## BALANCE SHEET

## GOVERNMENTAL FUNDS

September 30, 2012

## MAJOR FUNDS

	GENERAL FUND	OXFORD RESERVE & TRUST FUND	5.5M G.O. BOND ISSUE 2012	OTHER GOVERNMENTAL FUNDS	TOTAL 2012
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,558,024	\$ -	\$ 5,413,182	\$ 6,866,021	\$ 15,837,227
Investments	-	30,669,818	-	-	30,669,818
Due from Employees	-	-	-	6,491	6,491
Due from Other Governments	-	-	-	849,276	849,276
Due from Other Funds	613,807	-	-	-	613,807
Taxes Receivable	<u>5,430,471</u>	<u>-</u>	<u>-</u>	<u>1,507,211</u>	<u>6,937,682</u>
TOTAL ASSETS	\$ <u>9,602,302</u>	\$ <u>30,669,818</u>	\$ <u>5,413,182</u>	\$ <u>9,228,999</u>	\$ <u>54,914,301</u>

## LIABILITIES AND FUND BALANCES

## Liabilities:

Bank Overdraft	\$ -	\$ -	\$ -	\$ 940,535	\$ 940,535
Accounts Payable	160,509	-	-	53,958	214,467
Due to Lienholders	-	-	-	45,430	45,430
Due to Other Funds	-	-	-	24,660	24,660
Deferred Revenue	<u>5,430,471</u>	<u>-</u>	<u>-</u>	<u>1,507,211</u>	<u>6,937,682</u>
TOTAL LIABILITIES	<u>5,590,980</u>	<u>-</u>	<u>-</u>	<u>2,571,794</u>	<u>8,162,774</u>

## Fund Balances:

## Nonspendable:

Permanent Fund Principle	-	30,669,818	-	-	30,669,818
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## Restricted for:

Unemployment	-	-	-	52,171	52,171
Cemetery	-	-	-	180,685	180,685
Fire Protection	-	-	-	13,333	13,333
Tourism	-	-	-	1,663,773	1,663,773
Other	-	-	-	3,933,168	3,933,168
Capital Projects	-	-	5,413,182	883,771	6,296,953
Unassigned (Deficit)	<u>4,011,322</u>	<u>-</u>	<u>-</u>	<u>(69,696)</u>	<u>3,941,626</u>
TOTAL FUND BALANCES	<u>4,011,322</u>	<u>30,669,818</u>	<u>5,413,182</u>	<u>6,657,205</u>	<u>46,751,527</u>
TOTAL LIABILITIES & FUND BALANCES	\$ <u>9,602,302</u>	\$ <u>30,669,818</u>	\$ <u>5,413,182</u>	\$ <u>9,228,999</u>	\$ <u>54,914,301</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
September 30, 2012

Total Fund Balance-Governmental Funds		\$ 46,751,527
Amounts reported for Net Assets in the Statement of Net Assets are different because:		
Capital Assets are used in Governmental Activities are not financial resources and therefore are not reported in the funds:		
Capital Assets net of accumulated depreciation as of 10-1-11	62,329,018	
Plus capital outlay expenditures made during year	5,188,004	
Less capital assets deleted during the year Net of depreciation	(42,789)	
Less depreciation expense recorded during year	<u>(2,508,237)</u>	64,965,996
Premium on Bond Issue		(29,888)
Loan Costs		372,214
Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds, as follows:		
Long-term debt as of 10-1-11	21,937,305	
Issuances during year	6,021,000	
Less payments during year	<u>(2,147,777)</u>	
	25,810,528	
Add interest accrued for year	<u>120,847</u>	(25,931,375)
Total Net Assets-Governmental-Wide Statement		\$ <u>86,128,474</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.



CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
September 30, 2012

	<u>MAJOR FUNDS</u>				
	GENERAL	OXFORD RESERVE & TRUST FUND	5.5M G.O. BOND ISSUE 2012	OTHER GOVERNMENTAL FUNDS	TOTAL 2012
<u>REVENUES</u>	<u>FUND</u>	<u>FUND</u>	<u>2012</u>	<u>FUND</u>	<u>2012</u>
Ad Valorem Taxes	\$ 5,491,896	\$ -	\$ -	\$ 1,590,921	\$ 7,082,817
Other Taxes	675,671	-	-	2,187,277	2,862,948
Licenses and Permits	1,108,435	-	-	-	1,108,435
Intergovernmental	7,719,279	-	-	250,000	7,969,279
Charges for Services	3,237,983	-	-	-	3,237,983
Fines and Forfeits	523,413	-	-	102,748	626,161
Miscellaneous	212,150	-	-	160,421	372,571
FNC Sponsorships & Concessions	587,525	-	-	-	587,525
Community Health Foundation	-	-	-	3,008,187	3,008,187
Dividend	-	142,315	-	-	142,315
Interest	26,132	187,510	-	34,015	247,657
Net Increase (Decrease) in Fair Value of Investments	-	404,461	-	-	404,461
Local Contributions	-	-	-	346,482	346,482
Federal and State Awards	-	-	-	3,269,393	3,269,393
Sale of Cemetery Lots	-	-	-	47,335	47,335
Park Commission	-	-	-	450,670	450,670
Bus Fares	-	-	-	101,330	101,330
Donations	-	-	-	276,969	276,969
REVENUES	<u>19,582,484</u>	<u>734,286</u>	<u>-</u>	<u>11,825,748</u>	<u>32,142,518</u>

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
- Continued -

	<u>MAJOR FUNDS</u>				
	GENERAL	OXFORD	5.5M G.O.	OTHER	TOTAL
<u>EXPENDITURES</u>	<u>FUND</u>	<u>RESERVE &amp;</u>	<u>BOND ISSUE</u>	<u>GOVERNMENTAL</u>	
		<u>TRUST FUND</u>	<u>2012</u>	<u>FUNDS</u>	<u>2012</u>
Legislative	\$ 116,241	\$ -	\$ -	\$ -	\$ 116,241
Judicial	214,272	-	-	-	214,272
Executive	91,567	-	-	-	91,567
Elections	7,732	-	-	-	7,732
Financial Administration	244,085	66,775	-	-	310,860
Human Resources	210,281	-	-	-	210,281
Law	230,408	-	-	-	230,408
Department of Planning	222,778	-	-	-	222,778
Building Code Enforcement	191,003	-	-	-	191,003
Buildings and Grounds	541,459	-	-	-	541,459
General Government	1,967,405	-	-	-	1,967,405
Community Promotions	59,031	-	-	-	59,031
Police Department	4,062,335	-	-	428,679	4,491,014
Fire Department	3,252,188	-	-	-	3,252,188
Emergency Mgmt.	110,352	-	-	-	110,352
Highways and Streets	2,236,609	-	-	-	2,236,609
Sanitation Administration	149,264	-	-	-	149,264
Tourism Promotion	-	-	-	1,052,647	1,052,647
Capital Outlay	-	-	-	2,676,310	2,676,310
Street Cleaning	93,384	-	-	-	93,384
Waste Collection	774,775	-	-	-	774,775
Waste Disposal	571,363	-	-	-	571,363
Rubbish Collection	550,591	-	-	-	550,591
Weed and Grass Control	205,904	-	-	-	205,904

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
- Continued -

	<u>MAJOR FUNDS</u>				
	GENERAL	OXFORD	5.5M G.O.	OTHER	TOTAL
	FUND	RESERVE & TRUST FUND	BOND ISSUE 2012	GOVERNMENTAL FUNDS	2012
<u>EXPENDITURES</u> - Continued					
Cemetery Maintenance	\$ 115,219	\$ -	\$ -	\$ -	\$ 115,219
Family Crisis	7,200	-	-	-	7,200
Parks and Recreation	999,302	-	-	415,487	1,414,789
Swimming Pool	81,499	-	-	-	81,499
RSVP	140,883	-	-	171,055	311,938
FNC Park	1,101,513	-	-	-	1,101,513
Library	267,615	-	-	-	267,615
City Garage	800,348	-	-	-	800,348
Miscellaneous	-	-	-	1,638,571	1,638,571
Airport	15,000	-	-	-	15,000
Humane Society	128,177	-	-	-	128,177
Recycling	416,230	-	-	-	416,230
Debt Service					
Principal Retirement	242,190	-	-	1,983,446	2,225,636
Bond Issue Cost	-	-	100,774	-	100,774
Interest & Fiscal Charges	<u>41,102</u>	<u>-</u>	<u>-</u>	<u>731,867</u>	<u>772,969</u>
TOTAL EXPENDITURES	<u>20,459,305</u>	<u>66,775</u>	<u>100,774</u>	<u>9,098,062</u>	<u>29,724,916</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(876,821)</u>	 <u>667,511</u>	 <u>(100,774)</u>	 <u>2,727,686</u>	 <u>2,417,602</u>

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
- Continued -

	<u>MAJOR FUNDS</u>				
	GENERAL	OXFORD RESERVE &	5.5M G.O. BOND ISSUE	OTHER GOVERNMENTAL	TOTAL
<u>OTHER FINANCING SOURCES (USES)</u>	<u>FUND</u>	<u>TRUST FUND</u>	<u>2012</u>	<u>FUNDS</u>	<u>2012</u>
Operating Transfers In	\$ 1,448,668	\$ -	\$ -	\$ 988,338	\$ 2,437,006
Issuance of Bonds	-	-	5,500,000	-	5,500,000
Premium of Bond Issue	-	-	13,956	-	13,956
Note Proceeds	-	-	-	521,000	521,000
Operating Transfers Out	<u>(589,762)</u>	<u>-</u>	<u>-</u>	<u>(1,717,881)</u>	<u>(2,307,643)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>858,906</u>	 <u>-</u>	 <u>5,513,956</u>	 <u>(208,543)</u>	 <u>6,164,319</u>
 NET CHANGES IN FUND BALANCES	 (17,915)	667,511	5,413,182	2,519,143	8,581,921
 <u>FUND BALANCES</u>					
Beginning of Year	<u>4,029,237</u>	<u>30,002,307</u>	<u>-</u>	<u>4,138,062</u>	<u>38,169,606</u>
End of Year	<u>\$ 4,011,322</u>	<u>\$ 30,669,818</u>	<u>\$ 5,413,182</u>	<u>\$ 6,657,205</u>	<u>\$ 46,751,527</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
 For the Year Ended September 30, 2012

Net Change in Fund Balances-Governmental Funds	\$ 8,581,921
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Capital outlays are reported as expenditures in Governmental Funds but are not reported as expenses in the Statement of Activities. Instead, costs associated with Capital Assets are capitalized in the Statement of Net Assets.	5,188,004
Depreciation is not an expenditure in Governmental Funds but is an expense of allocating the cost of Capital Assets over their estimated useful lives in the Statement of Activities.	(2,508,237)
Amortization of loan costs is not an expenditure in the Governmental funds, but is an expense of allocating the cost over the life of the debt issue.	(30,213)
Loss on Disposal of Equipment	(42,789)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	2,147,777
Issuance of debt principal is income in the Governmental Funds; however, the issuance increases the long-term liabilities in the Statement of Net Assets.	(6,021,000)
Loan cost payments is an expenditure in the Governmental Funds, but is amortized over the life of the debt issue in the Statement of Activities.	100,774
Premiums received from the sale of the bonds is income in the Governmental Funds, but is amortized over the life of the debt issue in the Statement of Activities.	(13,956)

CITY OF OXFORD, MISSISSIPPI  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
- Continued -

Amortization of the bond premium is not income in the Governmental Funds, but is income by allocating the premiums over the life of the debt issue. \$ 1,992

Under the Modified Accrual Basis of Accounting in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the Change in Net Assets differs from the Change in Fund Balances by a combination of the following items:

Accrued Interest on Bonds Decreased	<u>173,474</u>
Change in Net Assets-Government-Wide	\$ <u><u>7,577,747</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2012

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 10,366,594	\$ 7,098,287	\$ 17,464,881
Debt Service Sinking Funds	973,192	2,859,313	3,832,505
Receivables:			
Consumer	-	3,215,804	3,215,804
Other	83,911	-	83,911
Due from State	13,699	-	13,699
Utility Plant	59,012,030	31,468,157	90,480,187
Accumulated Depreciation	(14,467,058)	(8,283,316)	(22,750,374)
Inventory	15,000	508,890	523,890
Due from Other Funds	1,689,900	-	1,689,900
Prepayments	-	65,481	65,481
Deferred Debits	276,590	95,757	372,347
 TOTAL ASSETS	 <u>57,963,858</u>	 <u>37,028,373</u>	 <u>94,992,231</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Vouchers Payable	82,507	4,138,189	4,220,697
Due to Other Funds	-	1,689,900	1,689,900
Bonds Payable	18,930,000	2,740,000	21,670,000
Notes Payable	7,890,468	2,500,000	10,390,468
Customer Deposits	-	2,721,033	2,721,033
Other	-	184,893	184,893
Deferred Credits	-	58,452	58,452
 TOTAL LIABILITIES	 <u>26,902,975</u>	 <u>14,032,467</u>	 <u>40,935,443</u>
 <u>NET ASSETS</u>			
Invested in Fixed Assets, Net of Related Debt	17,724,504	17,944,841	35,669,345
Reserved for Debt Service	973,193	2,859,313	3,832,506
Fund Equity-Unrestricted	<u>12,363,186</u>	<u>2,191,752</u>	<u>14,554,937</u>
 TOTAL NET ASSETS	 \$ <u>31,060,883</u>	 \$ <u>22,995,906</u>	 \$ <u>54,056,788</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 Year Ended September 30, 2012

	WATER AND SEWER	ELECTRIC FUND	TOTAL ENTERPRISE FUNDS
<u>REVENUES</u>			
Charges for Services	\$ 8,519,990	\$22,524,236	\$31,044,226
Other	249,635	60	249,695
TOTAL REVENUES	<u>8,769,625</u>	<u>22,524,296</u>	<u>31,293,921</u>
<u>EXPENDITURES</u>			
Purchased Power	-	17,333,564	17,333,564
Admin, General & Sales	716,425	744,486	1,460,911
Computer Technology	185,312	-	185,312
Financial & Customer Acct. Exp.	591,262	390,605	981,867
Transmission & Distribution	746,760	634,081	1,380,841
Treatment & Purification	978,233	-	978,233
Source of Supply	785,633	-	785,633
Sanitation Sewer Line	452,198	-	452,198
Depreciation & Amortization	1,488,215	808,381	2,296,596
TOTAL EXPENDITURES	<u>5,944,038</u>	<u>19,911,117</u>	<u>25,855,155</u>
NET INCOME FROM OPERATIONS	2,825,587	2,613,179	5,438,766
<u>DEBT EXPENSE</u>			
Interest on Long-term Debt	<u>1,014,694</u>	<u>223,431</u>	<u>1,238,125</u>
NET INCOME BEFORE NONOPERATING REVENUES (EXPENDITURES)	<u>1,810,893</u>	<u>2,389,748</u>	<u>4,200,641</u>
<u>NONOPERATING REVENUES (EXPENDITURES)</u>			
Investment Income	81,817	6,391	88,208
Loss on Disposal of Assets	(6,148)	-	(6,148)
TOTAL NONOPERATING	<u>75,669</u>	<u>6,391</u>	<u>82,060</u>
NET INCOME BEFORE TRANSFERS	1,886,562	2,396,139	4,282,701
TRANSFERS IN	889,146	-	889,146
TRANSFERS OUT	<u>(377,889)</u>	<u>(640,620)</u>	<u>(1,018,509)</u>
CHANGE IN NET ASSETS	2,397,819	1,755,519	4,153,338
<u>NET ASSETS</u>			
Beginning of Year	28,663,064	21,240,387	49,903,451
End of Year	\$ <u>31,060,883</u>	\$ <u>22,995,906</u>	\$ <u>54,056,789</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.



CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended September 30, 2012

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING ACTIVITIES</u>			
Received from Customers	\$ 8,759,054	\$ 22,777,088	\$ 31,536,142
Purchased Power	-	(16,777,194)	(16,777,194)
Salaries	(1,708,456)	(731,151)	(2,439,607)
Payroll Taxes	(125,435)	(98,705)	(224,140)
Retirement	(221,205)	(270,526)	(491,731)
Health & Life Insurance	(149,590)	(131,607)	(281,197)
Fuel, Oil & Lubricants	(53,290)	(68,168)	(121,458)
Utilities	(660,559)	(20,593)	(681,152)
Other	(1,448,566)	(302,416)	(1,750,982)
NET CASH PROVIDED	<u>4,391,953</u>	<u>4,376,728</u>	<u>8,768,681</u>
<u>NON-CAPITAL FINANCING</u>			
Transfer in from Other Funds	889,146	-	889,146
Transfer to Other Funds	(377,889)	(640,620)	(1,018,509)
NET CASH USED	<u>511,257</u>	<u>(640,620)</u>	<u>(129,363)</u>
<u>CAPITAL AND RELATING FINANCING</u>			
Interest Paid on Principal	(1,014,694)	(223,431)	(1,238,125)
Principal Paid on Notes	(601,307)	-	(601,307)
Principal Paid on Bonds	(770,000)	(355,000)	(1,125,000)
Purchase of Capital Assets	(3,995,247)	(1,086,301)	(5,081,548)
(Increase)/Decrease in Debt			
Service Sinking Funds	-	(2,495,106)	(2,495,106)
(Increase) Decrease in			
Prepayments and Other Assets	-	1,401,329	1,401,329
Conservation Advances from TVA	-	(7,270)	(7,270)
NET CASH PROVIDED (USED)	<u>(6,381,248)</u>	<u>(2,765,779)</u>	<u>(9,147,027)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Earned	81,817	6,391	88,208
NET CASH PROVIDED	<u>81,817</u>	<u>6,391</u>	<u>88,208</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,396,221)	976,720	(419,501)
<u>CASH AND CASH EQUIVALENTS</u>			
Beginning of Year	11,762,815	6,121,567	17,884,382
End of Year	\$ <u>10,366,594</u>	\$ <u>7,098,287</u>	\$ <u>17,464,881</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
- Continued -

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>RECONCILIATION OF OPERATING</u>			
<u>INCOME TO NET CASH PROVIDED</u>			
<u>(USED) BY OPERATING ACTIVITIES</u>			
Operating Profit	\$ <u>2,825,587</u>	\$ <u>2,613,179</u>	\$ <u>5,438,766</u>
Adjustments to Reconcile			
Operating Income to Net			
Cash Provided (Used) by			
Operating Activities:			
Depreciation and			
Amortization	1,488,215	906,886	2,395,101
(Increase) Decrease in			
Accounts Receivable	-	182,662	182,662
(Increase) Decrease in			
Inventory	-	40,294	40,294
Increase (Decrease) in			
Due from Other Funds/			
Due to Other Funds	(10,571)	10,571	-
(Increase) Decrease in			
Deferred Charges	25,108	46,415	71,523
Increase (Decrease) in			
Accounts Payable	63,614	486,077	549,691
Increase (Decrease) in			
Consumer Deposits	-	70,130	70,130
Increase (Decrease) in Other			
Accrued Liabilities	-	19,428	19,428
Increase (Decrease) in			
Deferred Credits	<u>-</u>	<u>1,086</u>	<u>1,086</u>
TOTAL ADJUSTMENTS	<u>1,566,366</u>	<u>1,763,549</u>	<u>3,329,915</u>
NET CASH PROVIDED BY			
OPERATING ACTIVITIES	\$ <u><u>4,391,953</u></u>	\$ <u><u>4,376,728</u></u>	\$ <u><u>8,768,681</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City operates under a Mayor-Alderperson form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

**A. Financial Reporting Entity**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles general accepted in the United States. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. The City has four component units. Three blended component units are the Oxford Park Commission Activity Fund, RSVP, and the City of Oxford Municipal Reserve and Trust Fund which are included in the City's financial statements. The Oxford Tourism Council is a component unit and is presented in this audit report.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

GASB Statement No. 34 established requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. The basic tenets of the Standards are as follows:

**Management's Discussion and Analysis** - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports.

**Government-Wide Financial Statements** - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenue and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

**Statement of Net Assets** - The Statement of Net Assets is designed to display the financial position of the primary government (government and business-type activities) and the government's directly presented component units. Governments will report all capital assets, including infrastructure, in the government-wide Schedule of Net Assets and will report depreciation expense-the cost of "using up" capital assets-in the Schedule of Activities. The net assets of a government will be broken down into three categories-(1) invested in capital, net of related debt; (2) restricted; and (3) unrestricted.

**Statement of Activities** - The government-wide statement of activities reports expenditures and revenues in a format that focuses on the cost of each of the government's functions. The expenditure of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**Budgetary Comparison Schedules** - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

**B. Government-wide and fund financial statements**

The basic financial statements include both government-wide (based on the City as a whole) and fund types (the total of all funds of a particular type). The focus is on either the City as a whole, or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The City generally first uses restricted assets for expenditures incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction. The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales, and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenditures (including depreciation) by related program revenues, operating and

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. These funds are normally budgeted in this manner.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile funds based on financial statements with the governmental column of the government-wide presentation. The City's fiduciary funds are presented in the fund financial statements, by type (private purpose or agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The focus is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts, recording cash, and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities, or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

statements in this report, into six generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City. This fund is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Trust Funds).

Permanent Funds - These funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The fiduciary fund category includes trust funds, investment trust funds, private-purpose trust funds, and agency funds. The funds should be used to report resources held in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished from agency funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that resources are held.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

The emphasis for the fund financial statements is on major funds within the governmental and propriety fund types. The general fund is always to be reported as a major fund. Other major funds are determined annually based on the following criteria:

- 1) Total assets, liabilities, revenues, or expenditures (expenses) of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and,
- 2) Total assets, liabilities, revenues or expenditures (expenses) of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

PROPRIETARY FUNDS

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. They apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. 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 on-going operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**C. Capital Assets and Long-Term Liabilities**

Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds, and as assets in the government-wide financial statements, to the extent the City's capitalization threshold is met. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively to 1980. Depreciation is recorded on general fixed assets and depreciated over their estimated useful lives on a straight-line basis on both the funds basis and the government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Of the \$17,124,670 in retroactive infrastructure capitalized at September 30, 2003, the entire amount was estimated using current replacement cost for a similar asset and deflating this cost through the use of price indices to the acquisition year. The City does not capitalize historical treasures or works of art. The City maintains many items and buildings of historical significance. The City does not require that the proceeds from the sale of historical treasures or works of art be used to acquire other items for the collection.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements; however, debt principal payments of governmental funds are recognized as expenditures when paid. The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net of current assets) is considered a measure

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenditures) in net total assets.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expenditure against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

Buildings	33 1/3-60 years
Other Furniture and equipment	3-10 years
Mobile equipment	3-10 years
Improvements other than buildings	8 years
Utility systems	10-50 years
Streets and other infrastructure	30 years

**D. Basis of Accounting**

Basis of Accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales tax are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenues at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue, charges for services and federal programs on which the revenue is recognized when the expenditure has been incurred. Fines and permits are not susceptible to accrual because generally they are not recognized until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on general long-term debt which is recognized when due.

All enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenditures are recognized when they are incurred.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**E. Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. The budget, as submitted, is reviewed by the Mayor and Board of Aldermen and necessary revisions are made to the budget. Then the budget is approved prior to September 15.
4. The budget is formally revised during July of each year or anytime a deficit is indicated.
5. Budgetary comparisons are employed by management as a management control device during the year. The budget and actual comparisons are formally presented to the Mayor and Board of Aldermen throughout the year.
6. The budgets adopted are on a modified cash (Non GAAP) basis. Revenues are recognized when receipted (cash basis) from October 1 through September 30. Expenditures are recognized when legally budgeted and disbursed throughout the fiscal year or within 30 days thereafter. However, expenditures for uncompleted improvements in progress of construction may be charged to the budget at any time.

All annual appropriations lapse at fiscal year end.

**F. Encumbrance System**

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders and contracts.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**G. Cash and Investments**

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

Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below.

Cash

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments, that are easily convertible to cash (which includes all certificates of deposit).

Investments

The City is allowed, by statute, to invest 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 or municipal bonds have been properly approved; or interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds.

Investments are stated at fair value.

For the purpose of the statement of cash flows, the City considers all cash accounts (including certificates of deposit) to be cash.

**H. Advances To/From Other Funds**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payments are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "Advances to other funds" or "Advances from other funds."

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**I. Prepaid Expenses**

Payments made for services that will benefit periods beyond September 30, 2012, are recorded as prepaid expenses in the Enterprise Fund.

**J. Inventory**

Inventories of the Enterprise Fund are valued at average cost.

**K. Receivables**

Receivables are reported net of allowances for uncollectible accounts, where applicable.

**L. Compensated Absences**

Employees of the City accumulate annual and sick leave as designated in the personnel policies adopted by the City. The City is responsible for up to thirty days of accumulated annual leave for each employee. The City does not provide for the payment of accumulated sick leave. Vested or accumulated annual leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that incurred the debt. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated annual leave of the Enterprise Fund is recorded as an expense and liability of those funds as the benefits accrue to employees. Unused personal leave in excess of thirty days and unused sick leave may be counted as creditable service for the purpose of the retirement system.

**M. Equity Classifications**

Government-Wide Financial Statements

Equity is classified as net assets and displayed in three components:

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

1. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.

2. Restricted net assets-Consists of net assets with constraints placed on the use either by:

(a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or

(b) law through constitutional provisions or enabling legislation.

3. Unrestricted net assets-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

#### Fund Financial Statements

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the City:

Nonspendable fund balance includes amounts that cannot be spent.

Permanent Fund Principle-An account that represents the fund balance of an investment trust which has been restricted by the City. A portion of the trust's income is to be transferred to the general fund yearly. The corpus of the trust can be expended under certain circumstances; however, the corpus is to be repaid.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

Reserved-Restricted for a particular future use:

Reserved for debt service-An account that represents the fund balance for the debt service resources which are legally restricted for the payment of General Long-Term Debt principal and interest amounts maturing in future years.

Reserved for unemployment benefits-An account that represents the fund balance of the unemployment compensation revolving fund which is legally restricted for the payment of unemployment benefits.

Reserved for cemetery maintenance-An account that represents the fund balance of the cemetery maintenance fund which is legally restricted for the payment of cemetery maintenance.

Reserved for tourism-An account that represents the fund balance of the 2% tourism tax fund which is legally restricted for the payment of tourism promotion for the City.

Reserved for capital projects-An account that represents the fund balance that is legally restricted for the payment of capital projects.

Reserved for fire protection-An account that represents a fund balance that is restricted for fire protection.

Reserved for other-Numerous funds that are restricted for special uses.

**N. Concentration of Credit Risk**

All accounts receivable of the City are deemed collectible. However, financial instruments which potentially subject the Enterprise Fund to concentrations of credit risk consist of billed accounts receivable and unbilled costs. Billed accounts receivable and unbilled amounts due on services result primarily from customer services provided for water sales, sewer charges and garbage collection. Customer services are disconnected and their consumer deposit surrendered once two months of non-payment occurs to limit the Enterprise Fund's credit risk to a minimal level. Historically, neither the City nor the Enterprise Fund has incurred any significant credit related losses.



CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 2 - CASH, OTHER DEPOSITS, AND INVESTMENTS**

Cash and Other Deposits

The collateral for public entities' deposits in financial institutions is 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 entity's funds 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 Federal Depository Insurance Corporation.

The financial statements of the City shows cash and cash equivalents with financial institutions of \$37,134,613, and the balances shown by the banks were \$36,824,438.

Custodial Credit Risk-Deposits

Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the municipality will not be able to recover deposits or collateral securities that are in the possession of an outside party. The municipality does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the municipality. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the municipality. As of September 30, 2012, \$-0- of the municipality's bank balance of \$36,824,438 was exposed to custodial credit risk.

The \$30,669,818 investment in Oxford Municipal Reserve and Trust Fund is administered by the Glenmede Trust Company, which has \$50,000,000 of Errors and Omissions Coverage and a Fidelity Bond of \$30,000,000. The amount that would be allocated to the \$30,669,818 is unknown.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

Investments

As of September 30, 2012, the City had the following investments.

<u>Investment Type</u>	<u>Maturity In Years</u>	<u>Fair Value</u>	<u>Maturity Value</u>
Certificates of Deposit	one	\$ 4,638,046	\$ 4,638,046
Investment Trust		30,669,818	30,669,818

Interest Rate Risk-The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972), limits the maturity period of any investment to no more than one year.

Credit Risk-State law limits investments to those authorized by Section 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The City does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk-Investments-Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 3 - GENERAL AND PROPRIETARY FUND CAPITAL ASSETS**

Following is a summary of changes in capital assets for governmental activities:

	BALANCE 10-1-11	ADDITIONS	DELETIONS	RECLASSI- FICATIONS	BALANCE 9-30-12
<u>Non-depreciable Assets</u>					
Land	\$ 3,111,688	\$ 670,000	\$ -	\$ -	\$ 3,781,688
Construction in Progress	-	-	-	-	-
Total	<u>3,111,688</u>	<u>670,000</u>	<u>-</u>	<u>-</u>	<u>3,781,688</u>
<u>Depreciable Assets</u>					
Improvements Other Than Buildings	6,312,432	-	-	-	6,312,432
Buildings	15,251,510	-	-	-	15,251,510
Equipment and Furniture	12,325,809	1,552,644	403,782	-	13,474,671
Infrastructure	<u>41,086,113</u>	<u>2,965,360</u>	<u>-</u>	<u>-</u>	<u>44,051,473</u>
Total	<u>74,975,864</u>	<u>4,518,004</u>	<u>403,782</u>	<u>-</u>	<u>79,090,086</u>
Total Capital Assets	<u>78,087,552</u>	<u>5,188,004</u>	<u>403,782</u>	<u>-</u>	<u>82,871,774</u>
<u>Accumulated Depreciation</u>					
Improvements Other Than Buildings	1,400,173	163,237	-	-	1,563,410
Buildings	2,439,526	308,260	-	-	2,747,786
Equipment and Furniture	6,336,284	1,342,893	360,993	-	7,318,184
Infrastructure	<u>5,582,551</u>	<u>693,847</u>	<u>-</u>	<u>-</u>	<u>6,276,398</u>
Total	<u>15,758,534</u>	<u>2,508,237</u>	<u>360,993</u>	<u>-</u>	<u>17,905,778</u>
<u>Governmental Activities</u>					
Capital Assets-					
Net	\$ <u>62,329,018</u>	\$ <u>2,679,767</u>	\$ <u>42,789</u>	\$ <u>-</u>	\$ <u>64,965,996</u>

Depreciation expense of \$2,508,237 was charged to the governmental activities expense accounts as follows:

General Government	\$ 47,645
Public Safety	488,016
Public Works	1,265,995
Miscellaneous	5,419
Culture, Recreation and Tourism	<u>701,162</u>
Total	\$ <u>2,508,237</u>

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

Following is a summary of changes in capital assets for business-type activities:

	BALANCE 10-1-11	ADDITIONS	DELETIONS	RECLASSIFICATIONS	BALANCE 9-30-12
<u>Non-depreciable Assets</u>					
Land	\$ 1,108,463	\$ -	\$ -	\$ -	\$ 1,108,463
Construction in Progress	<u>2,062,980</u>	<u>889,086</u>	<u>-</u>	<u>(1,509,769)</u>	<u>1,442,297</u>
Total	<u>3,171,443</u>	<u>889,086</u>	<u>-</u>	<u>(1,509,769)</u>	<u>2,550,760</u>
<u>Depreciable Assets</u>					
Electric Plant	26,698,134	374,587	94,357	-	26,978,364
Sewer System & Water System	51,203,357	3,280,562	-	1,509,769	55,993,688
Equipment and Furniture	<u>4,665,969</u>	<u>528,385</u>	<u>236,979</u>	<u>-</u>	<u>4,957,375</u>
Total	<u>82,567,460</u>	<u>4,183,534</u>	<u>331,336</u>	<u>1,509,769</u>	<u>87,929,427</u>
Total Capital Assets	<u>85,738,903</u>	<u>5,072,620</u>	<u>331,336</u>	<u>-</u>	<u>90,480,187</u>
<u>Accumulated Depreciation</u>					
Electric Plant	5,748,154	416,753	94,357	-	6,070,550
Sewer System & Water System	11,812,696	1,304,183	-	-	13,116,879
Equipment and Furniture	<u>3,140,620</u>	<u>653,156</u>	<u>230,831</u>	<u>-</u>	<u>3,562,945</u>
Total	<u>20,701,470</u>	<u>2,374,092</u>	<u>325,188</u>	<u>-</u>	<u>22,750,374</u>
<u>Business Activities</u>					
Capital Assets- Net	\$ <u>65,037,433</u>	\$ <u>2,698,528</u>	\$ <u>6,148</u>	\$ <u>-</u>	\$ <u>67,729,813</u>

\*Denotes assets formerly classified as plant that should have been equipment.

Depreciation expense of \$2,374,092 was charged to business activities.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 4 - GENERAL PROPERTY TAXES**

General property taxes, other than motor vehicles, attach as an enforceable lien on property as of January 1, for the previous calendar year and are due by February 1, based on the levy set by the Board of Aldermen the previous September or October. Taxes on motor vehicles attach as an enforceable lien at various dates throughout the year based on when the property was acquired by the owner and are due in the month of the acquisition and annually thereafter based on the annual levy in effect at that time. The City billed and collected its own property taxes, except for taxes on motor vehicles, and also collected taxes for the Separate School District. Taxes on motor vehicles and mobile homes were billed and collected by the County and remitted to the City monthly.

Collections for the School Maintenance Fund and the Minimum Education Program Funds are remitted by the City to the Separate School District.

**NOTE 5 - LONG-TERM DEBT**

BOND INDEBTEDNESS

The following is a summary of bond transactions of the City for the year ended September 30, 2012:

	<u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds Payable at			
October 1, 2011	\$20,295,000	\$22,795,000	\$ 43,090,000
Bonds Issued	5,500,000	-	5,500,000
Bonds Retired	<u>1,695,000</u>	<u>1,125,000</u>	<u>2,820,000</u>
Bonds Payable at			
September 30, 2012	<u>\$24,100,000</u>	<u>\$21,670,000</u>	<u>\$ 45,770,000</u>

General obligation bonds include General City Bonds.

The General Obligation Bonds, Series 2004, 2005, and 2012 were issued for the purpose of street improvement.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

The 2007 General Obligation Bonds were issued for establishing sanitary, storm, drainage or sewage systems, and repairing, improving and extending the same, constructing infrastructure and for the purchase and construction of recreational facilities.

The combined Water and Sewer revenue bonds were issued in fiscal 1996, 2003, 2004, 2006, 2008, 2011, and 2012 for the purpose of installing new systems in certain parts of the City.

The Electric System Revenue Bonds, Series 2012, were issued for the purpose redeeming the Series 1999 bonds. These bonds do not constitute indebtedness of the City of Oxford within the meaning of any constitutional, statutory or charter limitation of indebtedness. The taxing power of the City is not pledged to the payment thereof, either as to principal or interest.

The General Obligation Bonds, Series 2002 were issued for the purpose of purchasing police department equipment.

On November 2, 2011, the City issued \$7,085,000 in general obligation bonds with an average interest rate of 2.23% to advance refund \$6,540,000 of outstanding general obligation bonds with an average interest rate of 4.55%. The net proceeds of \$6,891,522 after payment of \$213,436 of issuance costs were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment requirements of the general obligation bonds.

As a result, the Series 2000 and Series 2001 General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from long-term debt.

The City advance refunded the Series 2000 and Series 2001 General Obligation Bonds to reduce its total debt service payments over the remaining 11 years of the debt by approximately \$356,589.

The debt service requirements of the City of Oxford for the total bonded debt are as follows:

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

FISCAL YEAR ENDED	MATURITIES		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 4,579,985	\$ 3,060,000	\$ 1,519,985
2014	4,612,243	3,190,000	1,422,243
2015	4,493,913	3,170,000	1,323,913
2016	4,335,418	3,110,000	1,225,418
2017	4,354,647	3,230,000	1,124,647
2018-2022	19,560,431	15,515,000	4,045,431
2023-2027	13,805,881	12,185,000	1,620,881
2028-2032	2,526,880	2,310,000	216,880
	<u>\$ 58,269,398</u>	<u>\$ 45,770,000</u>	<u>\$ 12,499,398</u>

NOTES AND GRANTS PAYABLE

A summary of long-term notes payable transactions of the City for the year ended September 30, 2012, is as follows:

	TOTALS
Balance at October 1, 2011	\$ 12,634,080
New Notes Issued	521,000
Notes Retired	1,054,084
Balance at September 30, 2012	<u>\$ 12,100,996</u>

Certain Urban Renewal Notes, having balances of approximately \$1,145,000 at September 30, 2012, were issued in 1995 for the purpose of renovating a low-rent housing project. The Oxford Housing Authority is managing the property and retires the notes from rental proceeds; consequently, these notes are not reflected as liabilities in the accompanying financial statement nor in the maturities reflected herein.

The debt service requirements of the City of Oxford for Notes Payable, exclusive of the Urban Renewal Notes and the real estate loan proceeds, are approximately as follows:

FISCAL YEAR ENDED	MATURITIES		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 1,032,168	\$ 710,163	\$ 322,005
2014	3,420,020	3,115,545	304,475
2015	734,561	522,439	212,122
2016	734,562	535,990	198,572
2017	734,560	549,897	184,663
2018-2022	3,473,272	2,765,825	707,447
2023-2027	3,204,810	2,867,547	337,263
2028-2032	1,059,057	1,033,590	25,467
	<u>\$ 14,393,010</u>	<u>\$ 12,100,996</u>	<u>\$ 2,292,014</u>

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 6 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND**

Deferred debits of the Electric Fund include \$ 15,518 receivable from customers of a home insulation program sponsored by TVA. This program is an agreement for installation of TVA approved insulation, to be paid for by the Electric Fund and repaid by the customer by monthly additions to their electric bill. TVA makes advances to the Electric Fund as disbursements are made under the program. Repayments are made to TVA as amounts are collected from customers.

**NOTE 7 - CONTINGENT LIABILITIES**

The City receives financial assistance from certain federal, state and local governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect the overall financial position of the City at September 30, 2012.

**NOTE 8 - COMMITMENTS**

The electric system 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.



CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

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

Funding Policy. PERS members are required to contribute 9.00% of their annual covered salary and the City of Oxford is required to contribute at an actuarially determined rate. The current rate is 13.0% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Oxford's contributions to PERS for the years ending 2012, 2011, and 2009 were \$1,493,378, \$1,329,198 and \$1,311,583, respectively, equal to the required contributions for each year.

**NOTE 10 - OXFORD-LAFAYETTE MEDICAL CENTER**

The medical center was purchased by Baptist Memorial Hospital-North Mississippi, Inc. for \$30,000,000 on August 22, 2011.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 11 - FLEXIBLE BENEFIT (CAFETERIA) PLAN**

Effective May 1, 1993, the City adopted such a Plan, under Section 125 of the Internal Revenue Code, for the benefit of all full-time employees. The Plan permits participants to pay the costs of the following benefits on the salary reduction basis:

Major Medical	Disability
Cancer	Dental
Intensive Care	Term Life
Medical Supplement	Sickness Income
Accident	

During fiscal 2012, no costs accrued to the employer under the Plan.

**NOTE 12 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 13 - ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 14 - INTERFUND TRANSACTIONS**

TRANSFERS IN/OUT	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Major Funds:		
General Fund	\$ 1,448,668	\$ 589,762
Electric Fund	-	640,620
Water Department	889,146	377,889
Non-Major Fund	988,338	1,717,881
TOTALS	\$ <u>3,326,152</u>	\$ <u>3,326,152</u>
	<u>DUE FROM</u>	<u>DUE TO</u>
	<u>OTHER FUNDS</u>	<u>OTHER FUNDS</u>
Major Funds:		
Electric Department	\$ -	\$ 2,279,047
Water and Sewer Department	1,689,900	-
General Fund	613,807	-
Non-Major Fund	-	24,660
TOTALS	\$ <u>2,303,707</u>	\$ <u>2,303,707</u>

The Electric Department owes the Water and Sewer Department for collected revenue which should be paid within two months and the General Fund for sanitation charges which should also be paid within two months.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 15 - 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 nonaldermen with terms of one year, two years, three years, four years, five years, and six years. The alderman will serve for two years. The trustees shall establish a comprehensive investment plan for the purpose of this act. The comprehensive investment plan shall specify the policies to be utilized by the board of trustees in its administration of the fund. The board of trustees shall invest the fund in any of the investments authorized for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9, Mississippi Code of 1972, and those investments shall be subject to the limitations prescribed in Section 37-155-9, except the fund shall be restricted from investment in the covered call and put options allowed in Section 37-155-9(v)(xi) or in the pooled or commingled real estate funds or real estate securities as outlined in Section 37-155-9(v)(xiii).

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

The earnings component shall be considered an amount equal to three percent (3%) of the amount of the full fund balance whether or not the corpus component has generated any income in that fiscal year. All remaining portions of the accrued income earned shall remain in the fund as part of the corpus component.

Funds comprising the earnings component shall be transferred from the fund to the general fund of the City at the direction of the Clerk and shall be available for appropriation and spending by the Governing Authorities.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

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

(a) A state of emergency or local emergency has been declared under federal, state, or local law; or

(b) Overall budgeted collections of the city are more than five percent (5%) below that fiscal year's budgeted estimates for at least three (3) consecutive calendar months. In this instance, corpus monies may be withdrawn by the city to meet up to ninety-eight percent (98%) of projected budget shortfalls.

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

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

(a) No such vote or withdrawal may occur without the governing authorities first conducting a full public, open municipal hearing on consideration of the matter for which such appropriation and spending would be made;

(b) Withdrawal pursuant to this subsection may occur only one time during each four-year term of the then board of aldermen and mayor;

(c) Withdrawal shall not exceed ten percent (10%) of the corpus component of the fund, as determined by the trustees; and

(d) The withdrawal must be repaid to the fund before a withdrawal under this subsection could be authorized within a subsequent four-year term.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
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The investments are reported at fair value. The fair value is based on quoted market prices as of September 30, 2012. None of the investments are reported at amortized cost. The Oxford Municipal Reserve and Trust Fund does not participate in an external investment pool.

The fund is composed of the following investment groups:

	<u>COST</u>	<u>MARKET VALUE</u>
Money Market	\$ 851,217	\$ 851,217
Fixed Income:		
US Government Obligations	966,204	995,523
US Government Agencies	914,670	902,776
Corporate Bonds-Industrial	2,526,955	2,572,415
Corporate Bonds-Finance	4,489,344	4,595,114
Bond Mutual Funds	3,831,995	3,956,037
Mortgages Backed Securities	6,315,372	6,481,442
Totals	<u>19,044,540</u>	<u>19,503,307</u>
Equities:		
Dasec Industries	655,725	634,582
Communication Services	21,326	23,671
Consumer Discretionary	600,776	597,925
Consumer Staples	368,697	381,320
Energy	417,965	415,256
Financials	809,939	803,081
Health Care	558,370	594,211
Reits	70,987	73,601
Technology	949,597	956,120
Utilities	46,354	47,712
Other Assets	497,756	491,329
US Mutual Funds	3,933,693	4,026,896
International Mutual Funds	1,288,070	1,269,590
Totals	<u>10,219,255</u>	<u>10,315,294</u>
TOTALS	\$ <u>30,115,012</u>	\$ <u>30,669,818</u>

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
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The trust can invest in the following:

(i) Bonds, notes, certificates and other valid general obligations of the State of Mississippi, or of any county, or of any city, or of any supervisors district of any county of the State of Mississippi, or of any school district bonds of the State of Mississippi; notes or certificates of indebtedness issued by the Veterans' Home Purchase Board of Mississippi, provided such notes or certificates of indebtedness are secured by the pledge of collateral equal to two hundred percent (200%) of the amount of the loan, which collateral is also guaranteed at least for fifty (50%) of the face value by the United States government, and provided that not more than five percent (5%) of the total investment holdings of the system shall be in the Veterans' Home Purchase Board notes or certificates at any time; real estate mortgage loans one hundred percent (100%) insured by the Federal Housing Administration on single family homes located in the State of Mississippi, where monthly collections and all servicing matters are handled by Federal Housing Administration approved mortgages authorized to make such loans in the State of Mississippi;

(ii) State of Mississippi highway bonds;

(iii) Funds may be deposited in federally insured institutions domiciled in the State of Mississippi or a custodial bank which appears on the State of Mississippi Treasury Department's approved depository list and/or safekeeper list;

(iv) Corporate bonds of investment grade as rated by Standard & Poor's or by Moody's Investment Service, with bonds rated BAA/BBB not to exceed five percent (5%) of the book value of the total fixed income investments; or corporate short-term obligations of corporations or of wholly owned subsidiaries of corporations, whose short-term obligations are rate A-3 or better by Standard and Poor's or rated P-3 or better by Moody's Investment Service;

(v) Bonds of the Tennessee Valley Authority;

(vi) Bonds, notes, certificates and other valid obligations of the United States, and other valid obligations of any federal instrumentality that issues securities under authority of an act of Congress and are exempt from registration with the Securities and Exchange Commission;

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

(vii) Bonds, notes, debentures and other securities issued by any federal instrumentality and fully guaranteed by the United States. Direct obligations issued by the United States of America shall be deemed to include securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the provisions of 15 USCS Section 80(a)-1 et seq., provided that the portfolio of such investment company or investment trust is limited to direct obligations issued by the United States of America; United States government agencies, United States government instrumentalities or United States government sponsored enterprises, and to repurchase agreements fully collateralized by direct obligations of the United States of America, United States government agencies, United States government instrumentalities or United States government sponsored enterprises, and the investment company or investment trust takes delivery of such collateral for the repurchase agreement, either directly or through an authorized custodian. The State Treasurer and the Executive Director of the Department of Finance and Administration shall review and approve the investment companies and investment trusts in which funds may be invested;

(viii) Interest-bearing bonds or notes which are general obligations of any other state in the United States or of any city or county therein, provided such city or county had a population as shown by the federal census next preceding such investment of not less than twenty-five thousand (25,000) inhabitants and provided that such state, city or county has not defaulted for a period longer than thirty (30) days in the payment of principal or interest on any of its general obligation indebtedness during a period of ten (10) calendar years immediately preceding such investment;

(ix) Shares of stock, common and/or preferred, of corporations created by or existing under the laws of the United States or any state, district or territory thereof; provided:



CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
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- (A) The maximum investments in stocks shall not exceed fifty percent (50%) of the book value of the total investment fund of the system;
- (B) The stock of such corporation shall:
  - 1. Be listed on a national stock exchange; or
  - 2. Be traded in the over-the-counter market, provided price quotations for such over-the-counter stocks are quoted by the National Association of Securities Dealers Automated Quotation System (NASDAQ);
- (C) The outstanding shares of such corporation shall have a total market value of not less than Fifty Million Dollars (\$50,000,000.00);
- (D) The amount of investment in any one (1) corporation shall not exceed three percent (3%) of the book value of the assets of the system; and
- (E) The shares of any one (1) corporation owned by the system shall not exceed five percent (5%) of that corporation's outstanding stock;
- (x) Bonds rated Single A or better, stocks and convertible securities of established non-United States companies, which companies are listed on only primary national stock exchanges of foreign nations; and in foreign government securities rated Single A or better by a recognized rating agency; provided that the total book value of investments under this paragraph shall at no time exceed twenty percent (20%) of the total book value of all investments of the system. The board may take requisite action to effectuate or hedge such transactions through foreign banks, including the purchase and sale, transfer, exchange or otherwise disposal of, and generally deal in foreign exchange through the use of foreign currency, interbank forward contracts, future contracts, options contracts, swaps and other related derivative instruments, notwithstanding any other provisions of this article to the contrary;

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
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Credit Risk:

The investments in US Government Obligations of \$995,523.00, US Government Agencies of \$902,776.00 and Mortgage Backed Securities of \$6,481,442.00 are not considered to have credit risk. The corporate bonds-industrial of \$2,572,415.00, corporate bonds-finance of \$4,595,114.00, and bond mutual funds of \$3,956,037.00 are rated A or better. The investments are within the formal investment policy that has been adopted.

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 \$50,000,000.00 and a Fidelity Bond of \$30,000,000.00. The balance of the City of Oxford Municipal Reserve and Trust Fund at September 30, 2012, was \$30,669,818.00.

Concentration of Credit Risk:

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

	<u>AMOUNT</u>	<u>PERCENT</u>
Glenmede Fund Inc.-Core		
Fixed Income	\$ <u>1,665,742</u>	<u>5.43</u>

Interest Rate Risk:

The following investments derive interest income:

	<u>MARKET</u>	<u>ESTIMATE</u>	<u>CURRENT</u>
	<u>VALUE</u>	<u>ANNUAL</u>	<u>YIELD</u>
		<u>INCOME</u>	
US Government Obligation	\$ 995,523	\$ 27,438	2.76
US Government Agencies	902,776	41,500	4.60
Corporate Bonds-Industrial	2,572,415	127,669	4.96
Corporate Bonds-Finance	4,595,114	193,100	4.20
Bond Mutual Funds	3,956,037	144,335	3.65
Mortgage Backed Securities	<u>6,481,442</u>	<u>208,018</u>	<u>3.21</u>
TOTALS	\$ <u>19,503,307</u>	\$ <u>742,060</u>	<u>3.80</u>

The City does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
- Continued -

**NOTE 16 - NEGATIVE FUND BALANCES**

The following funds have a negative fund balance:

<u>FUND NAME</u>	<u>AMOUNT OF NEGATIVE FUND BALANCE</u>
2007 G.O. Bond Issue	\$ 21,864
2010 G.O. Bond Issue	72,323
Court Dept. Credit Card Surcharge	1,905
Firetruck/Bulldozer	67,469
O.U.T. Transit Grant	88,170
University of MS HUD Grant	77,860
Sisk Ave. Project	<u>26,006</u>
TOTAL	\$ <u>355,597</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
<u>TAXES:</u>				
Ad Valorem Tax	\$ 4,673,174	\$ 4,673,174	\$ 4,716,598	\$ 43,424
Park Comm Tax Levy	537,774	537,774	507,743	(30,031)
Library Tax Levy	274,265	274,265	267,555	(6,710)
Over 65 Reimbursement	95,000	95,000	101,526	6,526
In Lieu of Taxes	312,000	312,000	328,462	16,462
Penalties and Interest	212,000	212,000	189,252	(22,748)
Utility Tax	<u>85,000</u>	<u>85,000</u>	<u>56,431</u>	<u>(28,569)</u>
TOTAL TAXES	<u>6,189,213</u>	<u>6,189,213</u>	<u>6,167,567</u>	<u>(21,646)</u>
 <u>LICENSES AND PERMITS:</u>				
Privilege License	50,000	50,000	51,758	1,758
Franchise Charges	530,000	530,000	605,363	75,363
Building and Zoning	195,000	195,000	444,614	249,614
Taxi Permits	1,500	1,500	2,650	1,150
Dog Licenses	<u>2,500</u>	<u>2,500</u>	<u>4,050</u>	<u>1,550</u>
TOTAL LICENSES AND PERMITS	<u>779,000</u>	<u>779,000</u>	<u>1,108,435</u>	<u>329,435</u>
 <u>INTERGOVERNMENTAL:</u>				
Municipal Aid	20,000	20,000	26,814	6,814
Reimb-Transfer Station	60,000	60,000	63,694	3,694
Police Training	5,000	5,000	9,000	4,000
Sales Tax-Rental Car Settlement	17,500	17,500	13,824	(3,676)
Sales Tax-Revenue	6,479,753	6,479,753	6,614,996	135,243
ABC Licenses	130,000	130,000	117,725	(12,275)
Fire Protection	98,000	98,000	98,577	577
Hospital	4,000	4,000	3,927	(73)
County Ad Valorem Tax	330,000	330,000	322,222	(7,778)
Univ of Miss Fire Protection	515,000	515,000	388,500	(126,500)
Oxford Housing Authority	60,000	60,000	60,000	-
School Resource Officer Reimb	<u>215,000</u>	<u>215,000</u>	<u>-</u>	<u>(215,000)</u>
TOTAL INTERGOVERNMENTAL	<u>7,934,253</u>	<u>7,934,253</u>	<u>7,719,279</u>	<u>(214,974)</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
- Continued -

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
<u>GOVERNMENTAL SERVICES:</u>				
FNC Parking Lease	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Sanitation Charges	3,126,395	3,126,395	2,950,110	(176,285)
Waste Disposal	20,000	20,000	12,884	(7,116)
Income from Police Dept Fees	7,000	7,000	10,375	3,375
Income from Swim Pool	22,000	22,000	23,100	1,100
Income from Pool Concessions	1,000	1,000	-	(1,000)
Income from Recycling	201,035	201,035	161,514	(39,521)
School Collections	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
TOTAL GOVERNMENTAL SERVICES	<u>3,457,430</u>	<u>3,457,430</u>	<u>3,237,983</u>	<u>(219,447)</u>
<u>FINES AND FORFEITS:</u>				
Court Fines and Forfeits	425,000	425,000	496,964	71,964
State Fines T&A	<u>32,800</u>	<u>32,800</u>	<u>26,449</u>	<u>(6,351)</u>
TOTAL FINES AND FORFEITS	<u>457,800</u>	<u>457,800</u>	<u>523,413</u>	<u>65,613</u>
<u>MISCELLANEOUS:</u>				
Miscellaneous	130,000	130,000	212,150	82,150
FNC Sponsorships	405,000	405,000	388,902	(16,098)
FNC OPC Concessions	215,000	215,000	198,623	(16,377)
Interest Earned	<u>35,000</u>	<u>35,000</u>	<u>26,132</u>	<u>(8,868)</u>
TOTAL MISCELLANEOUS	<u>785,000</u>	<u>785,000</u>	<u>825,807</u>	<u>40,807</u>
<u>INTERFUND TRANSFERS:</u>				
Transfer-Cemetery T/A	20,000	20,000	20,000	-
Transfer-Water/Sewer-General	375,000	375,000	375,000	-
Transfer-Reimb Electric	40,000	40,000	25,620	(14,380)
Transfers T/A 2%	289,338	289,338	294,833	5,495
Tax Equivalent-E/D	765,000	765,000	715,000	(50,000)
Transfer-RSVP	<u>30,000</u>	<u>30,000</u>	<u>18,215</u>	<u>(11,785)</u>
TOTAL INTERFUND TRANS	<u>1,519,338</u>	<u>1,519,338</u>	<u>1,448,668</u>	<u>(70,670)</u>
TOTAL REVENUE	<u>21,122,034</u>	<u>21,122,034</u>	<u>21,031,152</u>	<u>(90,882)</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
- Continued -

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET-
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
EXPENDITURES				
Legislative	\$ 126,068	\$ 126,068	\$ 116,241	\$ 9,827
Judicial	214,342	214,342	214,272	70
Executive	91,982	91,982	91,567	415
Elections	7,731	7,731	7,732	(1)
Financial Administration	255,555	255,555	244,085	11,470
Human Resources	221,149	221,149	210,281	10,868
Law	211,287	211,287	230,408	(19,121)
Dept. of Planning	428,400	428,400	222,778	205,622
Building and Code Enforcement	199,475	199,475	191,003	8,472
Buildings and Grounds	536,279	536,279	541,459	(5,180)
General Government	2,120,395	2,120,395	1,967,405	152,990
Community Promotions	65,000	65,000	59,031	5,969
Police Department	4,205,199	4,205,199	4,062,335	142,864
Fire Department	3,318,713	3,318,713	3,252,188	66,525
Emergency Mgmt	278,297	278,297	110,352	167,945
Highway and Street	2,345,367	2,345,367	2,236,609	108,758
Sanitation Administration	141,750	141,750	149,264	(7,514)
Street Cleaning	91,676	91,676	93,384	(1,708)
Waste Collection	904,009	904,009	774,775	129,234
Waste Disposal	561,197	561,197	571,363	(10,166)
Rubbish Collection	572,842	572,842	550,591	22,251
Weed and Grass Control	243,940	243,940	205,904	38,036
Cemetery Maintenance	120,791	120,791	115,219	5,572
Family Crisis Services	7,200	7,200	7,200	-
FNC Park	1,100,130	1,100,130	1,101,513	(1,383)
Parks and Recreation	1,004,233	1,004,233	999,302	4,931
Swimming Pool	85,754	85,754	81,499	4,255
RSVP	148,905	148,905	140,883	8,022
Library	274,265	274,265	267,615	6,650
City Garage	818,266	818,266	800,348	17,918
Airport	15,000	15,000	15,000	-
Humane Society	131,977	131,977	128,177	3,800
Recycling	427,959	427,959	416,230	11,729
Principal Retirement	242,190	242,190	242,190	-
Interest and Fiscal Charges	41,102	41,102	41,102	-
Operating Transfers Out	<u>589,762</u>	<u>589,762</u>	<u>589,762</u>	<u>-</u>
TOTAL EXPENDITURES	<u>22,148,187</u>	<u>22,148,187</u>	<u>21,049,067</u>	<u>1,099,120</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
- Continued -

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,026,153)	\$ (1,026,153)	\$ (17,915)	\$ 1,008,238
FUND BALANCE - BEGINNING	<u>4,029,237</u>	<u>4,029,237</u>	<u>4,029,237</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>3,003,084</u>	\$ <u>3,003,084</u>	\$ <u>4,011,322</u>	\$ <u>1,008,238</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT



CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
OXFORD RESERVE AND TRUST FUND  
Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Dividend Income	\$ -	\$ -	\$ 142,315	\$ 142,315
Interest Income	-	-	187,510	187,510
Net Increase (Decrease) in Fair Value of Investments	-	-	404,461	404,461
TOTAL REVENUE	-	-	734,286	734,286
EXPENDITURES				
Investment Advisory Fees	-	-	65,977	(65,977)
ADR Fees	-	-	798	(798)
TOTAL EXPENDITURES	-	-	66,775	(66,775)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	667,511	667,511
FUND BALANCE - BEGINNING	30,002,307	30,002,307	30,002,307	-
FUND BALANCE - ENDING	\$ 30,002,307	\$ 30,002,307	\$ 30,669,818	\$ 667,511

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
5.5M G.O. BOND ISSUE  
Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
REVENUE				
Ad Valorem Tax	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Issuance of Bonds	-	-	5,500,000	5,500,000
Premium of Bond Issue	-	-	13,956	13,956
Return of Escrow	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>5,513,956</u>	<u>5,513,956</u>
EXPENDITURES				
Principal Retirement	-	-	-	-
Bond Issue Cost	-	-	-	-
Interest & Fixed Charges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	5,513,956	5,513,956
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,513,956</u>	\$ <u>5,513,956</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
Year ended September 30, 2012

BUDGETARY COMPARISON SCHEDULE

- 1) Basis of Presentation. The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis and variances between the final budget and the actual data.
- 2) The budget is adopted by the Board of Alderman. Amendments can be made on the approval of the Board. A budgetary comparison is presented for the major governmental funds consistent with accounting principles generally accepted in the United States of America.
- 3) Section 21-35-15, Mississippi Code (Ann. 1972) explains that expenditures shall be kept within the budget "except for capital outlay."

## SUPPLEMENTARY INFORMATION

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)  
September 30, 2012

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 702,165	\$ 271,756	\$ 5,846,792	\$ 45,308	\$ 6,866,021
Due from Employees	-	6,491	-	-	6,491
Due from Other Governments	207,287	-	641,989	-	849,276
Taxes Receivable	-	-	-	1,507,211	1,507,211
TOTAL ASSETS	\$ <u>909,452</u>	\$ <u>278,247</u>	\$ <u>6,488,781</u>	\$ <u>1,552,519</u>	\$ <u>9,228,999</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Bank Overdraft	\$ 50,835	\$ -	\$ 774,696	\$ 115,004	\$ 940,535
Due to Other Funds	-	14,750	9,910	-	24,660
Accounts Payable	-	18,597	35,361	-	53,958
Deferred Revenue	-	-	-	1,507,211	1,507,211
Due to Lienholder	-	45,430	-	-	45,430
TOTAL LIABILITIES	<u>50,835</u>	<u>78,777</u>	<u>819,967</u>	<u>1,622,215</u>	<u>2,571,794</u>
Fund Balances:					
Reserved For:					
Unemployment	-	-	52,171	-	52,171
Cemetery	-	180,685	-	-	180,685
Fire Protection	-	13,333	-	-	13,333
Tourism	-	-	1,663,773	-	1,663,773
Other	-	5,452	3,927,716	-	3,933,168
Debt Service	-	-	-	(69,696)	(69,696)
Capital Projects	<u>858,617</u>	<u>-</u>	<u>25,154</u>	<u>-</u>	<u>883,771</u>
TOTAL FUND BALANCES	<u>858,617</u>	<u>199,470</u>	<u>5,668,814</u>	<u>(69,696)</u>	<u>6,657,205</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>909,452</u>	\$ <u>278,247</u>	\$ <u>6,488,781</u>	\$ <u>1,552,519</u>	\$ <u>9,228,999</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)  
 Year Ended September 30, 2012

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>REVENUES</u>					
Ad Valorem	\$ -	\$ -	\$ -	\$ 1,590,921	\$ 1,590,921
Tourism Tax	-	-	2,187,277	-	2,187,277
Interest Income	-	1,321	31,860	834	34,015
Federal & State Awards	1,889,281	-	1,380,112	-	3,269,393
Sale of Cemetery Lots	-	47,335	-	-	47,335
Local Matching Funds	-	-	346,482	-	346,482
Donations	-	-	276,969	-	276,969
Fines and Seizures	-	-	102,748	-	102,748
Community Health Foundation	-	-	3,008,187	-	3,008,187
Intergovernmental	-	-	250,000	-	250,000
Miscellaneous	-	-	160,421	-	160,421
Park Commission	-	-	450,670	-	450,670
Bus Fares	-	-	101,330	-	101,330
	<u>1,889,281</u>	<u>48,656</u>	<u>8,296,056</u>	<u>1,591,755</u>	<u>11,825,748</u>
TOTAL REVENUES	<u>1,889,281</u>	<u>48,656</u>	<u>8,296,056</u>	<u>1,591,755</u>	<u>11,825,748</u>
<u>EXPENDITURES</u>					
Capital Projects	1,816,318	-	859,992	-	2,676,310
Drug and Traffic Enforcement	-	-	428,679	-	428,679
Miscellaneous	-	2,162	1,636,409	-	1,638,571
Bond Maturities	-	-	297,500	1,397,500	1,695,000
Note Maturities	-	-	288,446	-	288,446
Interest Paid and Agent Fees	-	-	78,266	653,601	731,867
Tourism Promotion	-	-	1,052,647	-	1,052,647
Oxford Park Commission	-	-	415,487	-	415,487
RSVP	-	-	171,055	-	171,055
	<u>1,816,318</u>	<u>2,162</u>	<u>5,228,481</u>	<u>2,051,101</u>	<u>9,098,062</u>
TOTAL EXPENDITURES	<u>1,816,318</u>	<u>2,162</u>	<u>5,228,481</u>	<u>2,051,101</u>	<u>9,098,062</u>
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	<u>72,963</u>	<u>46,494</u>	<u>3,067,575</u>	<u>(459,346)</u>	<u>2,727,686</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)  
 -Continued-

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In	\$ -	\$ -	\$ 620,163	\$ 368,175	\$ 988,338
Operating Transfers Out	(471,570)	(20,000)	(1,226,311)	-	(1,717,881)
Loan Proceeds	<u>-</u>	<u>-</u>	<u>521,000</u>	<u>-</u>	<u>521,000</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(471,570)</u>	 <u>(20,000)</u>	 <u>(85,148)</u>	 <u>368,175</u>	 <u>(208,543)</u>
 NET CHANGE IN FUND BALANCE	 <u>(398,607)</u>	 <u>26,494</u>	 <u>2,982,427</u>	 <u>(91,171)</u>	 <u>2,519,143</u>
 <u>FUND BALANCE</u>					
Beginning of Year	<u>1,257,224</u>	<u>172,976</u>	<u>2,686,387</u>	<u>21,475</u>	<u>4,138,062</u>
End of Year	\$ <u><u>858,617</u></u>	\$ <u><u>199,470</u></u>	\$ <u><u>5,668,814</u></u>	\$ <u><u>(69,696)</u></u>	\$ <u><u>6,657,205</u></u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
September 30, 2012

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	3.8M G.O. BOND 2011	BUSINESS INCUBATOR PHASE II/III	SISK AVENUE PROJECT	TOTALS
<u>ASSETS</u>							
Cash and Cash							
Equivalents	\$ -	\$ 110,801	\$ 125,832	\$ 465,532	\$ -	\$ -	\$ 702,165
Due from Other							
Government	-	-	191,836	-	-	15,451	207,287
TOTAL ASSETS	\$ -	\$ 110,801	\$ 317,668	\$ 465,532	\$ -	\$ 15,451	\$ 909,452
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Bank Overdraft	\$ 9,378	\$ -	\$ -	\$ -	\$ -	\$ 41,457	\$ 50,835
TOTAL							
LIABILITIES	9,378	-	-	-	-	41,457	50,835
Fund Balances:							
Reserved for							
Capital Projects	(9,378)	110,801	317,668	465,532	-	(26,006)	858,617
TOTAL LIABILITIES							
AND FUND							
BALANCES	\$ -	\$ 110,801	\$ 317,668	\$ 465,532	\$ -	\$ 15,451	\$ 909,452



CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 Year Ended September 30, 2012

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	3.8M G.O. BOND 2011	BUSINESS INCUBATOR PHASE II/III	SISK AVENUE PROJECT	TOTALS
<u>REVENUES</u>							
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal & State Awards	<u>267,442</u>	<u>-</u>	<u>1,300,693</u>	<u>-</u>	<u>-</u>	<u>321,146</u>	<u>1,889,281</u>
TOTAL REVENUES	<u>267,442</u>	<u>-</u>	<u>1,300,693</u>	<u>-</u>	<u>-</u>	<u>321,146</u>	<u>1,889,281</u>
<u>EXPENDITURES</u>							
Capital Projects	431,358	-	1,037,808	-	-	347,152	1,816,318
Miscellaneous	-	-	-	-	-	-	-
Principal Retirement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>431,358</u>	<u>-</u>	<u>1,037,808</u>	<u>-</u>	<u>-</u>	<u>347,152</u>	<u>1,816,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(163,916)</u>	<u>-</u>	<u>262,885</u>	<u>-</u>	<u>-</u>	<u>(26,006)</u>	<u>72,963</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers In	-	-	-	-	-	-	-
Transfer Out	<u>(123,903)</u>	<u>-</u>	<u>-</u>	<u>(346,544)</u>	<u>(1,123)</u>	<u>-</u>	<u>(471,570)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(123,903)</u>	<u>-</u>	<u>-</u>	<u>(346,544)</u>	<u>(1,123)</u>	<u>-</u>	<u>(471,570)</u>
NET CHANGE IN FUND BALANCES	(287,819)	-	262,885	(346,544)	(1,123)	(26,006)	(398,607)
<u>FUND BALANCE</u>							
Beginning of Year	<u>278,441</u>	<u>110,801</u>	<u>54,783</u>	<u>812,076</u>	<u>1,123</u>	<u>-</u>	<u>1,257,224</u>
End of Year	\$ <u>(9,378)</u>	\$ <u>110,801</u>	\$ <u>317,668</u>	\$ <u>465,532</u>	\$ <u>-</u>	\$ <u>(26,006)</u>	\$ <u>858,617</u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
FIDUCIARY FUNDS  
September 30, 2012

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ 180,685	\$ 91,071	\$ 271,756
Due from Employees	<u>-</u>	<u>6,491</u>	<u>6,491</u>
TOTAL ASSETS	\$ <u>180,685</u>	\$ <u>97,562</u>	\$ <u>278,247</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ 18,597	\$ 18,597
Due to Lienholders	-	45,430	45,430
Due to Other Funds	<u>-</u>	<u>14,750</u>	<u>14,750</u>
TOTAL LIABILITIES	<u>-</u>	<u>78,777</u>	<u>78,777</u>
Fund Balance:			
Cemetery Maintenance	180,685	-	180,685
Fire Protection	-	13,333	13,333
Youth Court	<u>-</u>	<u>5,452</u>	<u>5,452</u>
TOTAL FUND BALANCE	<u>180,685</u>	<u>18,785</u>	<u>199,470</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>180,685</u>	\$ <u>97,562</u>	\$ <u>278,247</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FIDUCIARY FUNDS  
 Year Ended September 30, 2012

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTAL
<u>REVENUES</u>			
Interest	\$ -	\$ 1,321	\$ 1,321
Sale of Cemetery Lots	<u>47,335</u>	<u>-</u>	<u>47,335</u>
TOTAL REVENUES	<u>47,335</u>	<u>1,321</u>	<u>48,656</u>
<u>EXPENDITURES</u>			
Miscellaneous Expenses	<u>841</u>	<u>1,321</u>	<u>2,162</u>
TOTAL EXPENDITURES	<u>841</u>	<u>1,321</u>	<u>2,162</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>46,494</u>	<u>-</u>	<u>46,494</u>
TOTAL OTHER FINANCING SOURCES OPERATING TRANSFERS OUT	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	26,494	-	26,494
FUND BALANCE			
Beginning of Year	<u>154,191</u>	<u>18,785</u>	<u>172,976</u>
End of Year	\$ <u>180,685</u>	\$ <u>18,785</u>	\$ <u>199,470</u>

CITY OF OXFORD, MISSISSIPPI  
BALANCE SHEET  
EXPENDABLE TRUST FUND  
September 30, 2012

	CEMETERY TRUST FUND
<u>ASSETS</u>	
Cash	\$ <u>180,685</u>
TOTAL ASSETS	\$ <u>180,685</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Fund Balance:	
Reserved for Cemetery Maintenance	\$ <u>180,685</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>180,685</u>

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
EXPENDABLE TRUST FUND  
Year Ended September 30, 2012

	CEMETERY TRUST FUND
<u>REVENUES</u>	
Sales of Cemetery Lots	\$ <u>47,335</u>
TOTAL REVENUES	<u>47,335</u>
 <u>EXPENDITURES</u>	 <u>841</u>
TOTAL EXPENDITURES	<u>841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>46,494</u>
 <u>OTHER FINANCING SOURCES (USES)</u>	
Operating Transfers Out	<u>(20,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	26,494
 <u>FUND BALANCE</u>	
Beginning of Year	<u>154,191</u>
End of Year	\$ <u><u>180,685</u></u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2012

	<u>FSA</u> <u>CLEARING</u>	<u>PAYROLL</u> <u>CLEARING</u>	<u>YOUTH</u> <u>COURT</u>	<u>FIRE</u> <u>PROTECTION</u>	<u>TAX COLLECTOR</u> <u>CLEARING</u>	<u>TOTAL</u>
<u>ASSETS</u>						
Cash	\$ 8,259	\$ 18,597	\$ 5,452	\$ 13,333	\$ 45,430	\$ 91,071
Due from Employees	<u>6,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,491</u>
TOTAL ASSETS	\$ <u>14,750</u>	\$ <u>18,597</u>	\$ <u>5,452</u>	\$ <u>13,333</u>	\$ <u>45,430</u>	\$ <u>97,562</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts Payable	\$ -	\$ 18,597	\$ -	\$ -	\$ -	\$ 18,597
Due to Lienholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,430</u>	<u>45,430</u>
Due to Other Funds	<u>14,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,750</u>
TOTAL LIABILITIES	<u>14,750</u>	<u>18,597</u>	<u>-</u>	<u>-</u>	<u>45,430</u>	<u>78,777</u>
Fund Balance:						
Reserved for:						
Fire Protection	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,333</u>	<u>-</u>	<u>13,333</u>
Others	<u>-</u>	<u>-</u>	<u>5,452</u>	<u>-</u>	<u>-</u>	<u>5,452</u>
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>5,452</u>	<u>13,333</u>	<u>-</u>	<u>18,785</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>14,750</u>	\$ <u>18,597</u>	\$ <u>5,452</u>	\$ <u>13,333</u>	\$ <u>45,430</u>	\$ <u>97,562</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 AGENCY FUNDS  
 September 30, 2012

	FFA <u>CLEARING</u>	PAYROLL <u>CLEARING</u>	YOUTH <u>COURT</u>	FIRE <u>PROTECTION</u>	TAX COLLECTOR <u>CLEARING</u>	<u>TOTAL</u>
<u>REVENUES</u>						
Interest	\$ <u>4</u>	\$ <u>1,224</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>93</u>	\$ <u>1,321</u>
TOTAL REVENUES	<u>4</u>	<u>1,224</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>1,321</u>
<u>EXPENDITURES</u>	<u>4</u>	<u>1,224</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>1,321</u>
TOTAL EXPENDITURES	<u>4</u>	<u>1,224</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>1,321</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>						
Beginning of Year	<u>-</u>	<u>-</u>	<u>5,452</u>	<u>13,333</u>	<u>-</u>	<u>18,785</u>
End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,452</u>	\$ <u>13,333</u>	\$ <u>-</u>	\$ <u>18,785</u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
September 30, 2012

	2% TAX FUND	NON-GRANT FUNDS	GRANT FUNDS	UNEMPLOYMENT COMPENSATION FUND	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,663,773	\$ 3,921,424	\$ 209,424	\$ 52,171	\$ 5,846,792
Due from Other Governments	-	14,750	627,239	-	641,989
 TOTAL ASSETS	 \$ <u>1,663,773</u>	 \$ <u>3,936,174</u>	 \$ <u>836,663</u>	 \$ <u>52,171</u>	 \$ <u>6,488,781</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Bank Overdraft	\$ -	\$ 69,374	\$ 705,322	\$ -	\$ 774,696
Accounts Payable	-	22,160	13,201	-	35,361
Due to Other Funds	-	-	9,910	-	9,910
TOTAL LIABILITIES	-	91,534	728,433	-	819,967
 Fund Balance:					
Reserved for:					
Capital Projects	-	-	25,154	-	25,154
Tourism	1,663,773	-	-	-	1,663,773
Unemployment	-	-	-	52,171	52,171
Other	-	3,844,640	83,076	-	3,927,716
TOTAL FUND BALANCES	<u>1,663,773</u>	<u>3,844,640</u>	<u>108,230</u>	<u>52,171</u>	<u>5,668,814</u>
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u>1,663,773</u>	 \$ <u>3,936,174</u>	 \$ <u>836,663</u>	 \$ <u>52,171</u>	 \$ <u>6,488,781</u>



CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 Year Ended September 30, 2012

	2% TAX	NON-GRANT	GRANT	UNEMPLOYMENT COMPENSATION	
	<u>FUND</u>	<u>FUNDS</u>	<u>FUNDS</u>	<u>FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>					
Tourism Tax	\$ 1,971,379	\$ 215,898	\$ -	\$ -	\$ 2,187,277
Federal & State Awards	-	172,541	1,207,571	-	1,380,112
Local Matching Funds	-	-	346,482	-	346,482
Donations	-	44,869	232,100	-	276,969
Interest on Investments	3,267	27,235	1,358	-	31,860
Fines and Seizures	-	96,094	6,654	-	102,748
Bus Fares	-	31,035	70,295	-	101,330
Intergovernmental	250,000	-	-	-	250,000
Park Commission Revenue	-	450,670	-	-	450,670
Miscellaneous	1,327	112,589	46,505	-	160,421
Community Health Foundation	-	<u>3,008,187</u>	<u>-</u>	<u>-</u>	<u>3,008,187</u>
TOTAL REVENUES	<u>2,225,973</u>	<u>4,159,118</u>	<u>1,910,965</u>	<u>-</u>	<u>8,296,056</u>
<u>EXPENDITURES</u>					
Capital Outlay	30,291	355,150	474,551	-	859,992
Tourism Promotion	767,283	285,364	-	-	1,052,647
Oxford Park Commission	-	415,487	-	-	415,487
RSVP	-	171,055	-	-	171,055
Drug and Traffic Enforcement	-	36,986	391,693	-	428,679
Bond Maturities	297,500	-	-	-	297,500
Note Payments	-	210,587	77,859	-	288,446
Interest Paid and Agent Fees	77,853	413	-	-	78,266
Other	<u>200,000</u>	<u>43,527</u>	<u>1,392,882</u>	<u>-</u>	<u>1,636,409</u>
TOTAL EXPENDITURES	<u>1,372,927</u>	<u>1,518,569</u>	<u>2,336,985</u>	<u>-</u>	<u>5,228,481</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>853,046</u>	<u>2,640,549</u>	<u>(426,020)</u>	<u>-</u>	<u>3,067,575</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 -Continued-

	2% TAX <u>FUND</u>	NON-GRANT <u>FUNDS</u>	GRANT <u>FUNDS</u>	UNEMPLOYMENT COMPENSATION <u>FUND</u>	<u>TOTAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Loan Proceeds	\$ -	\$ 521,000	\$ -	\$ -	\$ 521,000
Operating Transfers In	-	297,078	323,085	-	620,163
Operating Transfers Out	<u>(663,008)</u>	<u>(8,303)</u>	<u>(555,000)</u>	<u>-</u>	<u>(1,226,311)</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>(663,008)</u>	<u>809,775</u>	<u>(231,915)</u>	<u>-</u>	<u>(85,148)</u>
 NET CHANGE IN FUND BALANCE	 190,038	 3,450,324	 (657,935)	 -	 2,982,427
 <u>FUND BALANCE</u>					
Beginning of Year	<u>1,473,735</u>	<u>394,316</u>	<u>766,165</u>	<u>52,171</u>	<u>2,686,387</u>
End of Year	\$ <u>1,663,773</u>	\$ <u>3,844,640</u>	\$ <u>108,230</u>	\$ <u>52,171</u>	\$ <u>5,668,814</u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
September 30, 2012

	2012	2010	2009	2007	2005	2004	2002	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>TOTAL</u>
<u>ASSETS</u>								
Cash	\$ -	\$ -	\$ 29,102	\$ -	\$ 10,404	\$ -	\$ 5,802	\$ 45,308
Taxes Receivable	<u>142,574</u>	<u>348,797</u>	<u>297,878</u>	<u>272,418</u>	<u>170,580</u>	<u>274,964</u>	<u>-</u>	<u>1,507,211</u>
 TOTAL ASSETS	 \$ <u>142,574</u>	 \$ <u>348,797</u>	 \$ <u>326,980</u>	 \$ <u>272,418</u>	 \$ <u>180,984</u>	 \$ <u>274,964</u>	 \$ <u>5,802</u>	 \$ <u>1,552,519</u>
 <u>LIABILITIES AND FUND BALANCE</u>								
<u>LIABILITIES:</u>								
Bank Overdraft	\$ -	\$ 72,324	\$ -	\$ 21,864	\$ -	\$ 20,816	\$ -	\$ 115,004
Deferred Revenue	<u>142,574</u>	<u>348,797</u>	<u>297,878</u>	<u>272,418</u>	<u>170,580</u>	<u>274,964</u>	<u>-</u>	<u>1,507,211</u>
 TOTAL LIABILITIES	 <u>142,574</u>	 <u>421,121</u>	 <u>297,878</u>	 <u>294,282</u>	 <u>170,580</u>	 <u>295,780</u>	 <u>-</u>	 <u>1,622,215</u>
 <u>FUND BALANCE:</u>								
Reserved for Debt Service	<u>-</u>	<u>(72,324)</u>	<u>29,102</u>	<u>(21,864)</u>	<u>10,404</u>	<u>(20,816)</u>	<u>5,802</u>	<u>(69,696)</u>
 TOTAL FUND BALANCE	 <u>-</u>	 <u>(72,324)</u>	 <u>29,102</u>	 <u>(21,864)</u>	 <u>10,404</u>	 <u>(20,816)</u>	 <u>5,802</u>	 <u>(69,696)</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u>142,574</u>	 \$ <u>348,797</u>	 \$ <u>326,980</u>	 \$ <u>272,418</u>	 \$ <u>180,984</u>	 \$ <u>274,964</u>	 \$ <u>5,802</u>	 \$ <u>1,552,519</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 DEBT SERVICE FUNDS  
 Year Ended September 30, 2012

	2012	2010	2009	2007	2005	2004	2002	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>TOTAL</u>
<u>REVENUES</u>								
Ad Valorem and Other Taxes	\$ -	\$ 405,275	\$ 288,513	\$ 278,044	\$ 175,747	\$ 283,275	\$ 160,067	\$ 1,590,921
Investment Income	-	280	205	194	109	29	17	834
Local Match	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	<u>405,555</u>	<u>288,718</u>	<u>278,238</u>	<u>175,856</u>	<u>283,304</u>	<u>160,084</u>	<u>1,591,755</u>
 <u>EXPENDITURES</u>								
Bond Principal Maturities	-	297,500	200,000	340,000	160,000	240,000	160,000	1,397,500
Interest Paid and Agent Fees	-	<u>115,809</u>	<u>117,167</u>	<u>315,575</u>	<u>20,679</u>	<u>80,791</u>	<u>3,580</u>	<u>653,601</u>
TOTAL EXPENDITURES	-	<u>413,309</u>	<u>317,167</u>	<u>655,575</u>	<u>180,679</u>	<u>320,791</u>	<u>163,580</u>	<u>2,051,101</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	<u>(7,754)</u>	<u>(28,449)</u>	<u>(377,337)</u>	<u>(4,823)</u>	<u>(37,487)</u>	<u>(3,496)</u>	<u>(459,346)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>								
Operating Transfers In	-	-	-	<u>368,175</u>	-	-	-	<u>368,175</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	-	-	-	<u>368,175</u>	-	-	-	<u>368,175</u>
 NET CHANGE IN FUND BALANCE	-	<u>(7,754)</u>	<u>(28,449)</u>	<u>(9,162)</u>	<u>(4,823)</u>	<u>(37,487)</u>	<u>(3,496)</u>	<u>(91,171)</u>
 <u>FUND BALANCE</u>								
Beginning of Year	-	<u>(64,570)</u>	<u>57,551</u>	<u>(12,702)</u>	<u>15,227</u>	<u>16,671</u>	<u>9,298</u>	<u>21,475</u>
End of Year	\$ -	\$ <u>(72,324)</u>	\$ <u>29,102</u>	\$ <u>(21,864)</u>	\$ <u>10,404</u>	\$ <u>(20,816)</u>	\$ <u>5,802</u>	\$ <u>(69,696)</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF INVESTMENTS  
September 30, 2012

	<u>COST AND MARKET VALUE</u>
<u>INVESTMENTS</u>	
Certificates of Deposit:	
First National Bank	\$ 2,364,165
Mechanics Bank	34,638
Southbank	201,425
Bank of Holly Springs	<u>2,037,818</u>
	4,638,046
 <u>OTHER INVESTMENTS</u>	
Investment Trust	<u>30,669,818</u>
 TOTAL INVESTMENTS	 \$ <u>35,307,864</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF SURETY BONDS  
September 30, 2012

<u>POLICY NO.</u>	<u>INS. CO.</u>	<u>COVERAGE</u>	<u>DESCRIPTION</u>
2232050	FCCI	\$ 100,000	Continuation Bond, City Clerk
0231907	FCCI	50,000	Public Employees Includes Chief of Police
2231446- 3009367	Brierfield	100,000	Each Alderperson and Mayor

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
September 30, 2012

<u>DEFINITION AND PURPOSE</u>	<u>INTEREST RATE</u>	<u>BALANCE OCTOBER 1, 2011</u>	<u>ADDITIONS</u>	<u>REDEMPTIONS</u>	<u>BALANCE SEPTEMBER 30, 2012</u>
<u>REVENUE BONDS</u>					
2003 Combination Water & Sewer	3.8-4.25%	\$ 1,395,000	\$ -	\$ 85,000	\$ 1,310,000
2004 Water & Sewer Revenue Bond	3.75-4.5%	1,430,000	-	75,000	1,355,000
2006 Water & Sewer Revenue Bond	4-5%	2,825,000	-	130,000	2,695,000
2008 Water & Sewer Revenue Bond		2,430,000	-	105,000	2,325,000
2010 Water & Sewer Revenue Bond	3.625-4%	3,120,000	-	120,000	3,000,000
2011 Water & Sewer Revenue Bond	3-4.125%	8,500,000	-	255,000	8,245,000
2011 Electric System Revenue	2-3.25%	3,095,000	-	355,000	2,740,000
<u>GENERAL OBLIGATION BONDS</u>					
2002 General Obligation - Police Dept. Equipment	3.875-5.5%	160,000	-	160,000	-
2004 General Obligation	3-3.8%	1,565,000	-	240,000	1,325,000
2005 General Obligation	3.375-3.79%	675,000	-	160,000	515,000
2007 General Obligation	4-5%	7,785,000	-	340,000	7,445,000
2010 General Obligation - Refunding	2-3%	6,680,000	-	595,000	6,085,000
2009 General Obligation	3-3.75%	3,430,000	-	200,000	3,230,000
2012 General Obligation		-	5,500,000	-	5,500,000
		<u>43,090,000</u>	<u>5,500,000</u>	<u>2,820,000</u>	<u>45,770,000</u>
<u>NOTES PAYABLE</u>					
TVA Loan A-9001		2,500,000	-	-	2,500,000
General Obligation Note	3.6%	345,587	-	345,587	-
State Revolving Fund - Water & Sewer	4.0%	343,067	-	240,145	102,922
MS Development 569		434,579	-	45,847	388,732
State Revolving Fund - Water & Sewer		8,148,708	-	361,162	7,787,546
MS Development 515		862,139	-	42,548	819,591
MS Development 672		-	310,000	18,795	291,205
General Obligation Note		-	211,000	-	211,000
		<u>12,634,080</u>	<u>521,000</u>	<u>1,054,084</u>	<u>12,100,996</u>
TOTAL		\$ <u>55,724,080</u>	\$ <u>6,021,000</u>	\$ <u>3,874,084</u>	\$ <u>57,870,996</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
- Continued -

YEAR	2011 ELECTRIC SYSTEM REVENUE		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 428,412	\$ 360,000	\$ 68,412
2014	430,200	370,000	60,200
2015	436,706	385,000	51,706
2016	432,500	390,000	42,500
2017	432,125	400,000	32,125
2018-2021	<u>862,125</u>	<u>835,000</u>	<u>27,125</u>
	\$ <u>3,022,068</u>	\$ <u>2,740,000</u>	\$ <u>282,068</u>

YEAR	2003 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 135,871	\$ 85,000	\$ 50,871
2014	137,265	90,000	47,265
2015	138,660	95,000	43,660
2016	139,918	100,000	39,918
2017	136,030	100,000	36,030
2018-2022	689,190	575,000	114,190
2023-2027	<u>275,700</u>	<u>265,000</u>	<u>10,700</u>
	\$ <u>1,652,634</u>	\$ <u>1,310,000</u>	\$ <u>342,634</u>

YEAR	2004 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 129,421	\$ 75,000	\$ 54,421
2014	131,415	80,000	51,415
2015	133,115	85,000	48,115
2016	134,615	90,000	44,615
2017	135,975	95,000	40,975
2018-2022	684,055	540,000	144,055
2023-2027	<u>416,375</u>	<u>390,000</u>	<u>26,375</u>
	\$ <u>1,764,971</u>	\$ <u>1,355,000</u>	\$ <u>409,971</u>

YEAR	2006 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 246,725	\$ 135,000	\$ 111,725
2014	249,975	145,000	104,975
2015	247,725	150,000	97,725
2016	250,600	160,000	90,600
2017	249,200	165,000	84,200
2018-2022	1,289,000	975,000	314,000
2023-2027	<u>1,063,800</u>	<u>965,000</u>	<u>98,800</u>
	\$ <u>3,597,025</u>	\$ <u>2,695,000</u>	\$ <u>902,025</u>

YEAR	2008 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 224,255	\$ 110,000	\$ 114,255
2014	222,655	115,000	107,655
2015	222,480	120,000	102,480
2016	221,930	125,000	96,930
2017	226,148	135,000	91,148
2018-2022	1,113,495	760,000	353,495
2023-2027	<u>1,108,031</u>	<u>960,000</u>	<u>148,031</u>
	\$ <u>3,338,994</u>	\$ <u>2,325,000</u>	\$ <u>1,013,994</u>



CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
- Continued -

YEAR	2010 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 240,050	\$ 125,000	\$ 115,050
2014	249,750	140,000	109,750
2015	244,150	140,000	104,150
2016	243,450	145,000	98,450
2017	247,464	155,000	92,464
2018-2022	1,263,611	895,000	368,611
2023-2027	1,310,600	1,140,000	170,600
2028-2032	<u>265,380</u>	<u>260,000</u>	<u>5,380</u>
	<u>\$ 4,064,455</u>	<u>\$ 3,000,000</u>	<u>\$ 1,064,455</u>

YEAR	TVA LOAN A-9001		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 77,500	\$ -	\$ 77,500
2014	<u>2,577,500</u>	<u>2,500,000</u>	<u>77,500</u>
	<u>\$ 2,655,000</u>	<u>\$ 2,500,000</u>	<u>\$ 155,000</u>

YEAR	2005 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 179,597	\$ 165,000	\$ 14,597
2014	178,944	170,000	8,944
2015	<u>183,038</u>	<u>180,000</u>	<u>3,038</u>
	<u>\$ 541,579</u>	<u>\$ 515,000</u>	<u>\$ 26,579</u>

YEAR	2004 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 292,685	\$ 250,000	\$ 42,685
2014	299,313	265,000	34,313
2015	177,315	150,000	27,315
2016	176,900	155,000	21,900
2017	176,110	160,000	16,110
2018-2022	<u>358,205</u>	<u>345,000</u>	<u>13,205</u>
	<u>\$ 1,480,528</u>	<u>\$ 1,325,000</u>	<u>\$ 155,528</u>

YEAR	2007 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 660,525	\$ 360,000	\$ 300,525
2014	655,925	370,000	285,925
2015	660,725	390,000	270,725
2016	657,800	405,000	252,800
2017	657,050	425,000	232,050
2018-2022	3,312,125	2,440,000	872,125
2023-2027	<u>3,377,213</u>	<u>3,055,000</u>	<u>322,213</u>
	<u>\$ 9,981,363</u>	<u>\$ 7,445,000</u>	<u>\$ 2,536,363</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
- Continued -

YEAR	2009 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 317,500	\$ 210,000	\$ 107,500
2014	320,150	220,000	100,150
2015	317,725	225,000	92,725
2016	325,131	240,000	85,131
2017	327,932	250,000	77,932
2018-2022	1,687,162	1,420,000	267,162
2023-2027	<u>701,875</u>	<u>665,000</u>	<u>36,875</u>
	\$ <u>3,997,475</u>	\$ <u>3,230,000</u>	\$ <u>767,475</u>

YEAR	STATE REVOLVING FUND NOTE-WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ <u>103,953</u>	\$ <u>102,922</u>	\$ <u>1,031</u>
	\$ <u>103,953</u>	\$ <u>102,922</u>	\$ <u>1,031</u>

YEAR	MS DEVELOPMENT 515 NOTE		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 63,435	\$ 46,160	\$ 17,275
2014	60,706	45,701	15,005
2015	60,706	46,624	14,082
2016	60,706	47,565	13,141
2017	60,706	48,525	12,181
2018-2022	303,530	257,718	45,812
2023-2027	301,200	284,798	16,402
2028-2032	<u>42,793</u>	<u>42,500</u>	<u>293</u>
	\$ <u>953,782</u>	\$ <u>819,591</u>	\$ <u>134,191</u>

YEAR	2012 GENERAL OBLIGATION NOTE		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 107,959	\$ 104,689	\$ 3,270
2014	<u>107,959</u>	<u>106,311</u>	<u>1,648</u>
	\$ <u>215,918</u>	\$ <u>211,000</u>	\$ <u>4,918</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
- Continued -

YEAR	MS DEVELOPMENT 569 NOTE		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 64,370	\$ 56,505	\$ 7,865
2014	58,904	52,730	6,174
2015	58,904	53,795	5,109
2016	58,904	54,881	4,023
2017	58,904	55,988	2,916
2018-2022	<u>117,809</u>	<u>114,833</u>	<u>2,976</u>
	<u>\$ 417,795</u>	<u>\$ 388,732</u>	<u>\$ 29,063</u>

YEAR	STATE REVELOLVING FUND NOTE-WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 580,722	\$ 371,220	\$ 209,502
2014	580,722	381,558	199,164
2015	580,722	392,184	188,538
2016	580,722	403,106	177,616
2017	580,721	414,332	166,389
2018-2022	<u>2,903,607</u>	<u>2,251,307</u>	<u>652,300</u>
2023-2027	<u>2,903,610</u>	<u>2,582,749</u>	<u>320,861</u>
2028-2032	<u>1,016,264</u>	<u>991,090</u>	<u>25,174</u>
	<u>\$ 9,727,090</u>	<u>\$ 7,787,546</u>	<u>\$ 1,939,544</u>

YEAR	2010 GENERAL OBLIGATION REFUNDING		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 749,925	\$ 610,000	\$ 139,925
2014	752,725	625,000	127,725
2015	750,225	635,000	115,225
2016	762,525	660,000	102,525
2017	764,325	675,000	89,325
2018-2022	<u>3,080,950</u>	<u>2,880,000</u>	<u>200,950</u>
	<u>\$ 6,860,675</u>	<u>\$ 6,085,000</u>	<u>\$ 775,675</u>

YEAR	2011 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 563,925	\$ 270,000	\$ 293,925
2014	567,788	285,000	282,788
2015	566,031	295,000	271,031
2016	569,231	310,000	259,231
2017	576,832	330,000	246,832
2018-2022	<u>3,066,856</u>	<u>2,025,000</u>	<u>1,041,856</u>
2023-2027	<u>3,352,187</u>	<u>2,680,000</u>	<u>672,187</u>
2028-2032	<u>2,261,500</u>	<u>2,050,000</u>	<u>211,500</u>
	<u>\$11,524,350</u>	<u>\$ 8,245,000</u>	<u>\$ 3,279,350</u>

YEAR	2012 GENERAL OBLIGATION BONDS		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 411,094	\$ 305,000	\$ 106,094
2014	416,138	315,000	101,138
2015	416,018	320,000	96,018
2016	420,818	330,000	90,818
2017	425,456	340,000	85,456
2018-2022	<u>2,153,657</u>	<u>1,825,000</u>	<u>328,657</u>
2023-2027	<u>2,200,100</u>	<u>2,065,000</u>	<u>135,100</u>
	<u>\$ 6,443,281</u>	<u>\$ 5,500,000</u>	<u>\$ 943,281</u>

YEAR	MS DEVELOPMENT 672 NOTE		
	TOTAL	PRINCIPAL	INTEREST
2013	\$ 34,229	\$ 28,667	\$ 5,562
2014	34,229	29,245	4,984
2015	34,229	29,836	4,393
2016	34,229	30,438	3,791
2017	34,229	31,052	3,177
2018-2022	<u>148,326</u>	<u>141,967</u>	<u>6,359</u>
	<u>\$ 319,471</u>	<u>\$ 291,205</u>	<u>\$ 28,266</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
September 30, 2012

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed through the Governor's Office of Federal-State Programs:			
Enforcing Underage Drinking Laws Program	16.727	06NM2251	\$ 383,313
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through the Mississippi Emergency Management Agency:			
Hazard Mitigation Grant	97.039	4DPG	28,790
Medical Reserve Corp. Grant	93.008		<u>32,221</u>
			<u>61,011</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Urban & Community Forestry Assistance Grant	10.664		<u>19,842</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through the Mississippi Dept. of Transportation:			
Pathway Grant	20.205		1,372,423
ARRA-Capital Investment Grant	20.500		54,399
Capital Investment Grant	20.500		<u>534,087</u>
			<u>1,960,909</u>
<u>U.S. NATIONAL PARK SERVICE</u>			
Preserve America Grant	15.904		<u>1,000</u>
<u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u>			
Community Development Block Grant	14.228		77,859
Community Development Block Grant	14.225		<u>161,184</u>
			<u>239,043</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Volunteer Generation Fund	94.021		<u>52,557</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>2,717,675</u>

The accompanying notes are an integral part of this statement.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended September 30, 2012

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Oxford, Mississippi under programs of the federal government for the year ended September 30, 2012. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Oxford, Mississippi, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Oxford, Mississippi.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

INTERNAL CONTROL AND COMPLIANCE REPORTS



606 S. 16TH STREET / P.O. DRAWER 280 / OXFORD, MS 38655-0280 / PHONE (662) 234-1251 / FAX (662) 236-3804

INDEPENDENT AUDITOR'S 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

Honorable Mayor and Board of Aldermen  
City of Oxford  
Oxford, Mississippi

We have audited the financial statements of the City of Oxford as of and for the year ended September 30, 2012, and have issued our report thereon dated June 26, 2013. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the City of Oxford is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Oxford's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oxford's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Oxford's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oxford's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Mayor and Board of Aldermen, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*The Dwight K. Young Group*

June 26, 2013



Dwight L. Young, Sr., C.P.A.  
1918 - 1977

Roger A. Garrett, C.P.A.  
1922 - 2008

Dwight L. Young, Jr., C.P.A.  
Patricia A. Bynum, C.P.A.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and Board of Aldermen  
City of Oxford  
Oxford, Mississippi

COMPLIANCE

We have audited the City of Oxford, Mississippi's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Oxford's major federal programs for the year ended September 30, 2012. The City of Oxford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Oxford's management. Our responsibility is to express an opinion on the City of Oxford's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Oxford'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. Our audit does not provide a legal determination of the City of Oxford's compliance with those requirements.

In our opinion, the City of Oxford complied, in all material respects, with the 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, 2012.

#### INTERNAL CONTROL OVER COMPLIANCE

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

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the mayor, board of aldermen, management, entities with accreditation overview; and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*The Dwight L. Young Group*

June 26, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen  
City of Oxford  
Oxford, Mississippi

We have audited the basic financial statements of the City of Oxford, Mississippi, as of and for the year ended September 30, 2012, and have issued our report dated June 26, 2013. 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.

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 basic financial statements disclosed no material instances on noncompliance with state laws and regulations.

This report is intended solely for the information and use of management, others within the organization, the Board of Aldermen, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*The Dwight L. Young Group*

June 26, 2013

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2012

Section 1: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required To be reported in accordance with Section 510(a) of OMB Circular A-133?	No

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	U.S. Department of Transportation
20.500	U.S. Department of Transportation
16.727	U.S. Department of Justice

Dollar threshold used to distinguish between the type A and the type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section 2: Findings Relating to the Financial Statements

No findings were noted.

Section 3: Findings and Questioned Costs for Federal Awards

No findings were noted.