

FINANCIAL REPORT

CITY OF OXFORD

Oxford, Mississippi

September 30, 2018

CITY OF OXFORD, MISSISSIPPI

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Oxford Electric Department, which represent approximately 43 percent and 69 percent, respectively of the assets and revenues of the Proprietary Fund. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Oxford Electric Department, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

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

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

Qualified Opinion

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2018, and the respective changes in financial position, and , where applicable, cash flows and the respective budgetary comparison for the General Fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the schedule of the City's proportionate share of the net pension liability and the schedule of the City's contributions on pages 53 - 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The City of Oxford - Electric Department's financial year ends on June 30, as required by regulatory bodies, and, therefore, all statements and information relating to the Electric Department in this report are for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

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

The combining and individual fund financial statements, schedules, other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, schedules, other supplemental information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March May 21, 2019 on our consideration of the City of Oxford, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Oxford, Mississippi's internal control over financial reporting and compliance.

Franks, Franks, Wilemon & Hagood P.A.

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.
Tupelo, Mississippi
May 21, 2019

CITY OF OXFORD, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information for the Year ended September 30, 2018

This section of the City of Oxford's Financial Report presents our discussion and analysis of the City's financial performance during the fiscal year ending September 30, 2018. Please read it in conjunction with the City of Oxford financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$130,211,349. Of this amount, \$0 may be used to meet the City of Oxford ongoing obligations to citizens and creditors. This compares to the previous year when assets exceeded liabilities by \$126,342,162, of which \$0 was available to meet the City's ongoing obligations.
- As of the close of the current fiscal year, the City of Oxford's governmental funds reported combined ending fund balances of \$75,065,610, an increase of \$12,317,209 in comparison to the prior year. Approximately 18% of the combined fund balances, \$13,587,908, is considered unassigned and is available for spending at the City of Oxford's discretion.
- The City's total net position increased by \$4,439,188. This increase is considered reasonable considering the budgeted revenues and expenditures and the amount of grant funds received for the fiscal year.
- The City of Oxford's total debt is \$64,660,158. New debt in the amount of \$22,400,000 was issued in the current fiscal year. Debt in the amount of \$4,826,310 was repaid during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

CITY OF OXFORD, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

In addition to these required elements, we included combining statements that provide details about non-major governmental funds, each of which are added together and presented in single columns in the financial statements.

Figure A-1 summarizes the major features of the City of Oxford's financial statements, including the portion of the City of Oxford they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of the City of Oxford's Government-wide and Fund Financial Statements

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

CITY OF OXFORD, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

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

Fund Financial Statements

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

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

CITY OF OXFORD, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Oxford has two types of funds:

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Oxford's assets exceeded liabilities by \$130,211,349 at the close of the most recent fiscal year.

A large portion, 64 %, of the City's net position reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; however, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF OXFORD, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-1

City of Oxford's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Current and Other Assets	\$ 79,540,288	\$ 65,774,939	\$ 29,694,554	\$ 30,072,458	\$109,234,842	\$ 95,847,397
Capital Assets	79,946,468	67,504,726	70,282,962	65,575,128	150,229,430	133,079,854
Total Assets	159,486,756	133,279,665	99,977,516	95,647,586	259,464,272	228,927,251
Deferred Outflows	1,274,041	2,705,378	850,717	1,874,576	2,124,758	4,579,954
Total Deferred Outflows	1,274,041	2,705,378	850,717	1,874,576	2,124,758	4,579,954
Current and Other Liabilities	7,383,046	5,246,459	13,666,536	11,778,485	21,049,582	17,024,944
Long-Term Liabilities	74,296,835	54,102,096	33,940,696	34,961,718	108,237,531	89,063,814
Total Liabilities	81,679,881	59,348,555	47,607,232	46,740,203	129,287,113	106,088,758
Deferred Inflows	1,483,152	1,129,280	607,416	517,006	2,090,568	1,646,286
Total Deferred Inflows	1,483,152	1,129,280	607,416	517,006	2,090,568	1,646,286
Net Position:						
Net Investment in						
Capital Assets	35,770,584	40,438,401	47,746,163	44,984,984	83,516,747	85,423,385
Restricted	60,899,324	50,551,838	2,028,231	2,025,751	62,927,555	52,577,589
Unrestricted	(19,072,144)	(15,483,031)	2,839,191	3,254,218	(16,232,953)	(12,228,813)
Total Net Position	\$ 77,597,764	\$75,507,208	\$ 52,613,585	\$ 50,264,953	\$ 130,211,349	\$ 125,772,161

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

Unrestricted net position of our business-type activities was \$2,839,191 at the end of the current fiscal year. These resources cannot be used to add to the net position surplus in governmental activities. The City of Oxford generally can only use this net position to finance the continuing operations of the business type activities.

Changes in net position. Approximately 13 percent of the City of Oxford's revenue comes from property taxes and approximately 12 percent from sales tax, with 34 percent of all revenue coming from some type of tax. (See Table A-2.) Another 54 percent comes from fees charged for services, and the balance is from operating and capital grants and contributions, intergovernmental revenue, investment earnings and miscellaneous revenues.

CITY OF OXFORD, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Table A-2

Changes in The City of Oxford's Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 6,427,978	\$ 11,003,850	\$ 39,255,508	\$ 35,684,494	\$ 45,683,486	\$ 46,688,344
Operating Grants & Contributions	2,973,174	2,581,442	64,260	0	3,037,434	2,581,442
Capital Grants & Contributions	1,123,790	43,609	0	0	1,123,790	43,609
General Revenues:						
Property Taxes	11,109,526	9,702,635	0	0	11,109,526	9,702,635
Sales Tax	9,659,297	9,721,820	0	0	9,659,297	9,721,820
Other Taxes	7,457,545	6,098,314	0	0	7,457,545	6,098,314
Intergovernmental Revenues	3,522,734	3,756,287	0	0	3,522,734	3,756,287
Investment Income	1,386,976	2,237,698	49,242	25,597	1,436,218	2,263,295
Other	566,038	588,724	417,641	262,323	983,679	851,047
Total Revenues	44,227,058	45,734,379	39,786,651	35,972,414	84,013,709	81,706,793
Expenses						
General Government	6,494,534	5,342,751	0	0	6,494,534	5,342,751
Public Safety	15,632,569	13,855,310	0	0	15,632,569	13,855,310
Public Works	6,035,132	9,277,464	0	0	6,035,132	9,277,464
Tourism Promotion	2,130,408	1,053,941	0	0	2,130,408	1,053,941
Culture & Recreation	7,128,499	7,011,880	0	0	7,128,499	7,011,880
Transit Operation	3,563,867	2,792,674	0	0	3,563,867	2,792,674
Other Functions	338,988	215,927	0	0	338,988	215,927
Debt Service	618,879	611,702	0	0	618,879	611,702
Water & Sewer	0	0	9,292,512	11,068,080	9,292,512	11,068,080
Environmental Services	0	0	4,142,183	0	4,142,183	0
Electric	0	0	22,476,074	22,436,809	22,476,074	22,436,809
Capital Projects	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Total Expenses	41,942,876	40,161,649	35,910,769	33,504,889	77,853,645	73,666,538
Excess of Revenue Over Expenses	2,284,182	5,572,730	3,875,882	2,467,525	6,160,064	8,040,255
Transfers	(193,626)	(449,917)	(1,527,250)	(1,337,532)	(1,720,876)	(1,787,449)
Increase (Decrease) in Net Position	2,090,556	5,122,813	2,348,632	1,129,993	4,439,188	6,252,806
Net Position--Beginning, as previously stated	74,207,777	69,084,964	52,134,385	51,004,392	126,342,162	120,089,356
Prior Period Adjustment	1,299,431	0	(1,869,432)	0	(570,001)	0
Net Position--Beginning, as restated	75,507,208	69,084,964	50,264,953	51,004,392	125,772,161	120,089,356
Net Position--Ending	\$ 77,597,764	\$ 74,207,777	\$ 52,613,585	\$ 52,134,385	\$ 130,211,349	\$ 126,342,162

CITY OF OXFORD, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net position by \$2,090,556, thereby accounting for 47.09 percent of the total increase in the net position of the City. Key elements of this increase are as follows:

The largest funding sources for the City's governmental activities, as a percent of total revenues, are property taxes (25%), sales tax (22%), and charges for services (15%).

The largest expense categories for the City's governmental activities are public safety (37%) and culture and recreation (17%).

Business-type Activities

Business-type activities increased the City's net position by \$2,348,632, thereby accounting for 52.91 percent of the increase in the City's net position.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of \$10,914,521 for water, \$4,182,078 for environmental services and \$24,158,909 for electric.

Financial Analysis of the Government's Funds

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

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

General Fund—The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$13,302,289. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, assigned and unassigned, to total fund expenditures. Total fund balance represents 48% of total fund expenditures. The fund balance of the City's general fund increased by \$1,863,242 during the current fiscal year.

Debt Service Fund—The debt service fund has a total fund balance of \$455,129, all of which is committed for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$368,448.

Special Revenue Fund—The special revenue fund is used to account for the programs and projects primarily funded by grants from the federal and state governments. At the end of the current fiscal year, the fund balance was \$41,666,512, which will be used for future expenditures.

Capital Projects Fund—The capital projects fund accounts for the construction and reconstruction of general public improvements, excluding projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$18,777,683.

CITY OF OXFORD, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds—The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$52,613,585. Changes in net position, which totaled \$2,348,632, were as follows: the electric fund increased by \$750,757, the environmental services fund decreased by \$71,007 and the water & sewer fund increased by \$1,668,882.

Budgetary Highlights

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

The City's 2017 -18 general fund operating budget increased by approximately \$344,217 during the current fiscal year. This increase was primarily related to increases in expenditures that are related to capital projects and personnel expenses. The City's tax millage did not change at 30.22 mills from 2017 to 2018.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets—In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounted to \$148,176,905, net of accumulated depreciation of \$96,638,877. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

Table A-3
City of Oxford's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Land	\$ 6,755,620	\$ 6,750,620	\$ 1,108,463	\$ 1,108,463	\$ 7,864,083	\$ 7,859,083
Plant, Buildings & Improvements	35,458,452	35,374,223	101,652,307	100,542,223	137,110,759	135,916,446
Machinery & Equipment	18,488,405	16,843,177	14,179,560	9,015,700	32,667,965	25,858,877
Infrastructure	47,784,180	47,507,837	0	0	47,784,180	47,507,837
Construction-in-progress	15,235,294	1,439,610	4,153,501	4,146,432	19,388,795	5,586,042
Accumulated Depreciation	(43,775,483)	(40,410,741)	(52,863,394)	(49,237,690)	(96,638,877)	(89,648,431)
Total	<u>\$ 79,946,468</u>	<u>\$ 67,504,726</u>	<u>\$ 68,230,437</u>	<u>\$ 65,575,128</u>	<u>\$ 148,176,905</u>	<u>\$ 133,079,854</u>

CITY OF OXFORD, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt—At year-end, the city had \$64,660,158 in bonds and notes outstanding. More detailed information about the city of Oxford's long-term liabilities is presented in the notes to the financial statements.

Table A-4
City of Oxford's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Obligation Bonds	\$ 41,430,000	\$ 22,490,000	\$15,085,000	\$15,335,000	\$ 56,515,000	\$ 37,825,000
Special Assessment Bonds	1,245,000	1,340,000	0	0	1,245,000	1,340,000
General Obligation Notes	967,518	1,509,154	0	0	967,518	1,509,154
Promissory Notes	533,366	587,169	5,399,274	5,825,145	5,932,640	6,412,314
Total	\$ 44,175,884	\$ 25,926,323	\$20,484,274	\$21,160,145	\$ 64,660,158	\$ 47,086,468

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2019 budget. The total budgeted appropriations for the City general fund operations are \$30,953,056. This budget reflects a decrease of approximately \$372,500. Notable decreases included capital outlay in multiple departments.

CONTACTING THE CITY OF OXFORD FINANCIAL MANAGEMENT

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

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 37,619,891	\$ 18,865,692	\$ 56,485,583
Investments	37,103,267	3,180,189	40,283,456
Accounts Receivable, net	-	6,214,449	6,214,449
Court Fines Receivable, net	604,207	-	604,207
Ad Valorem Taxes Receivable, net	200,280	-	200,280
Other Receivables	220,043	-	220,043
Due From Other Funds	59,336	-	59,336
Due From Other Governments	3,730,356	-	3,730,356
Prepaid Expenses	2,908	2,292	5,200
Inventories	-	1,431,932	1,431,932
Restricted Assets:			
Cash and Cash Equivalents - Restricted	-	5,000	5,000
Investments - Restricted	-	2,025,533	2,025,533
Unamortized Debt Expense	-	5,033	5,033
Investment in CSA	-	16,959	16,959
Capital Assets:			
Land	6,755,620	1,108,463	7,864,083
Plant, Buildings and Improvements	35,458,452	101,652,307	137,110,759
Machinery and Equipment	18,488,405	14,179,560	32,667,965
Infrastructure	47,784,180	-	47,784,180
Construction in Progress	15,235,294	4,153,501	19,388,795
Accumulated Depreciation	(43,775,483)	(52,863,394)	(96,638,877)
TOTAL ASSETS	\$ 159,486,756	\$ 99,977,516	\$ 259,464,272
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows - Pensions	1,274,041	850,717	2,124,758
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 1,274,041	\$ 850,717	\$ 2,124,758

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES:</u>			
Checks Issued in Excess of Cash Deposits	\$ 100,811	\$ -	\$ 100,811
Accounts Payable and Accrued Expenses	3,510,044	7,294,765	10,804,809
Accrued Interest Payable	-	218,909	218,909
Due to Other Funds	59,336	-	59,336
Due to Other Governments	-	-	-
Long-Term Liabilities, due within one year			
Revenue Bonds & Notes Payable	3,712,855	2,197,731	5,910,586
Long-Term Liabilities, due in more than one year			
Revenue Bonds & Notes Payable	40,463,029	18,286,543	58,749,572
Customer Deposits	-	3,985,583	3,985,583
Net Pension Liability	32,525,239	15,334,011	47,859,250
Accrued Compensated Absences	1,308,567	289,690	1,598,257
TOTAL LIABILITIES	\$ 81,679,881	\$ 47,607,232	\$ 129,287,113
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows - Pensions	827,831	365,962	1,193,793
Deferred Charge on Refunding of Bonds, net			
Accumulated Amortization of \$353,348	655,321	241,454	896,775
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 1,483,152	\$ 607,416	\$ 2,090,568
<u>NET POSITION:</u>			
Net Investment in Capital Assets	35,770,584	47,746,163	83,516,747
Restricted for:			
Unemployment Benefits	-	5,000	5,000
Debt Service	455,129	2,023,231	2,478,360
Capital Projects	18,777,683	-	18,777,683
Special Revenue	41,666,512	-	41,666,512
Unrestricted (Deficit)	(19,072,144)	2,839,191	(16,232,953)
TOTAL NET POSITION	\$ 77,597,764	\$ 52,613,585	\$ 130,211,349

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

FUNCTIONS/ PROGRAMS	Expenses	PROGRAM REVENUES				Net (Expense) Revenue and Changes in Net Position		
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	PRIMARY GOVERNMENT		
						Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT								
Government Activities:								
General Government	\$ 6,494,534	\$ 1,073,925	\$ -	\$ -	\$ 1,073,925	\$ (5,420,609)	\$ -	\$ (5,420,609)
Public Safety	15,632,569	1,396,959	692,600	-	2,089,559	(13,543,010)	-	(13,543,010)
Public Works	6,035,132	1,597,710	-	100,000	1,697,710	(4,337,422)	-	(4,337,422)
Culture and Recreation	7,128,499	2,051,704	166,101	1,023,790	3,241,595	(3,886,904)	-	(3,886,904)
Tourism Promotion	2,130,408	-	249,395	-	249,395	(1,881,013)	-	(1,881,013)
Transit Operation	3,563,867	307,680	1,865,078	-	2,172,758	(1,391,109)	-	(1,391,109)
Other Functions	338,988	-	-	-	-	(338,988)	-	(338,988)
Capital Projects	-	-	-	-	-	-	-	-
Debt Service	618,879	-	-	-	-	(618,879)	-	(618,879)
TOTAL GOVERNMENTAL ACTIVITIES	41,942,876	6,427,978	2,973,174	1,123,790	10,524,942	(31,417,934)	-	(31,417,934)
Business-Type Activities:								
Water and Sewer	9,292,512	10,914,521	-	-	10,914,521	-	1,622,009	1,622,009
Environmental Services	4,142,183	4,182,078	64,260	-	4,246,338	-	104,155	104,155
Electric	22,476,074	24,158,909	-	-	24,158,909	-	1,682,835	1,682,835
TOTAL BUSINESS-TYPE ACTIVITIES	35,910,769	39,255,508	64,260	-	39,319,768	-	3,408,999	3,408,999
TOTAL PRIMARY GOVERNMENT	\$ 77,853,645	\$ 45,683,486	\$ 3,037,434	\$ 1,123,790	\$ 49,844,710	\$ (31,417,934)	\$ 3,408,999	\$ (28,008,935)
GENERAL REVENUES:								
Taxes:								
Property Taxes, Levied for General Purposes						\$ 8,451,855	\$ -	\$ 8,451,855
Property Taxes, Levied for Debt Service						2,657,671	-	2,657,671
Sales Taxes						9,659,297	-	9,659,297
Special Taxes						4,392,991	-	4,392,991
County Pro Rata Taxes						1,014,719	-	1,014,719
Franchise Taxes						841,887	-	841,887
In Lieu Taxes						1,207,948	-	1,207,948
Gasoline Taxes & Other Taxes						212,472	-	212,472
Homestead Reimbursement						135,156	-	135,156
Fire Protection Allocation						107,978	-	107,978
Intergovernmental Revenues						3,067,128	-	3,067,128
Grants and Contributions not Restricted to Specific Programs						9,433	-	9,433
Investment Earnings						1,386,976	49,242	1,436,218
Gain (Loss) on Asset Disposal						-	-	-
Rental Revenue						-	252,343	252,343
Miscellaneous						556,605	165,298	721,903
Transfers						(193,626)	(1,527,250)	(1,720,876)
TOTAL GENERAL REVENUES AND TRANSFERS						33,508,490	(1,060,367)	32,448,123
CHANGE IN NET POSITION						2,090,556	2,348,632	4,439,188
NET POSITION--BEGINNING, as previously stated						74,207,777	52,134,385	126,342,162
PRIOR PERIOD ADJUSTMENT						1,299,431	(1,869,432)	(570,001)
NET POSITION--BEGINNING, as restated						75,507,208	50,264,953	125,772,161
NET POSITION--ENDING						\$ 77,597,764	\$ 52,613,585	\$ 130,211,349

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	Major Funds					
	General Fund	Oxford Reserve & Trust Fund	Activity Center Project Fund	Downtown Parking Garage Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash on Deposit	\$ 11,890,660	\$ -	\$ 4,407,404	\$ 10,348,067	\$ 10,973,760	\$ 37,619,891
Investments	1,038,529	35,860,682	-	-	204,056	37,103,267
Prepaid Expenses	-	-	-	-	2,908	2,908
Other Receivables	20,309	-	-	-	199,734	220,043
Due From Other Funds	55,136	-	-	-	4,200	59,336
Due From Other Governments	2,343,799	-	-	-	1,386,557	3,730,356
TOTAL ASSETS	\$ 15,348,433	\$ 35,860,682	\$ 4,407,404	\$ 10,348,067	\$ 12,771,215	\$ 78,735,801
LIABILITIES:						
Checks Issued in Excess of Cash Deposits	\$ -	\$ -	\$ -	\$ -	\$ 100,811	\$ 100,811
Accounts Payable and Accrued Expenses	1,122,811	-	1,029,771	643,359	714,103	3,510,044
Due to Other Funds	59,336	-	-	-	-	59,336
Due to Other Governments	-	-	-	-	-	-
TOTAL LIABILITIES	1,182,147	-	1,029,771	643,359	814,914	3,670,191
FUND BALANCES:						
Nonspendable	52,171	-	-	-	2,908	55,079
Committed						
Public Safety	4,419	-	-	-	-	4,419
Cultural and Recreation	44,309	-	-	-	886,790	931,099
Debt Service	-	-	-	-	455,196	455,196
Tourism	-	-	-	-	55,573	55,573
Restricted						
Capital Projects	-	-	3,377,633	9,704,708	5,695,342	18,777,683
Forestry	47,058	-	-	-	-	47,058
UMI Uninsured Motorist Funds	1,272	-	-	-	-	1,272
IDF Interlock Device Funds	3,432	-	-	-	-	3,432
Health Hometown Funds	23,790	-	-	-	-	23,790
Transit Operations	-	-	-	-	284,571	284,571
Tourism	-	-	-	-	2,732,005	2,732,005
Cultural and Recreation	-	-	-	-	6,078	6,078
Permanent Fund Principal	-	35,860,682	-	-	809,689	36,670,371
Public Safety	-	-	-	-	742,530	742,530
Economic Development	-	-	-	-	-	-
Assigned						
Cemetery	622,711	-	-	-	-	622,711
Historic Homes Fund	64,835	-	-	-	-	64,835
Unassigned	13,302,289	-	-	-	285,619	13,587,908
TOTAL FUND BALANCES	14,166,286	35,860,682	3,377,633	9,704,708	11,956,301	75,065,610
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,348,433	\$ 35,860,682	\$ 4,407,404	\$ 10,348,067	\$ 12,771,215	\$ 78,735,801

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2018

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 75,065,610
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	79,946,468
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Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.	(44,175,884)
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Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of the Consolidated Government's year end.	200,280
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Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet.	(1,308,567)
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Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds

Net pension liability	(32,525,239)
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Deferred outflows and inflows of resources, related to pensions are applicable to future periods and, therefore are not reported in the funds:

Deferred outflows of resources related to pensions	1,274,041
Deferred inflows of resources related to pensions	(827,831)

Bond issuance costs are reported as expenditures on the Governmental Funds financial statements in the year incurred. However, in the Statement of Activities, the cost of issuing bonds is amortized over the life of the related bonds. This is the amount of unamortized premium remaining.	(655,321)
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Accrual of court fine revenues to qualify as financial resources.	<u>604,207</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>77,597,764</u></u>
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See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	Major Funds					Total Governmental Funds
	General Fund	Oxford Reserve & Trust Fund	Activity Center Project Fund	Downtown Parking Garage Fund	Other Governmental Funds	
REVENUES:						
General Property Taxes	\$ 8,424,939	\$ -	\$ -	\$ -	\$ 2,657,671	\$ 11,082,610
Sales and Use Taxes	9,659,297	-	-	-	-	9,659,297
Special Taxes	-	-	-	-	4,392,991	4,392,991
Licenses and Permits	859,609	-	-	-	-	859,609
Franchise Fees	841,887	-	-	-	-	841,887
In Lieu - Utility Department	965,000	-	-	-	-	965,000
Penalties and Interest	214,316	-	-	-	-	214,316
Intergovernmental Revenues	3,076,086	-	-	-	418,660	3,494,746
Grant Income	776,565	-	-	-	1,912,038	2,688,603
Local Matching Funds	-	-	-	-	1,295,088	1,295,088
Charges for Services	2,521,876	-	-	-	307,680	2,829,556
Fines and Forfeitures	887,872	-	-	-	457,573	1,345,445
Interest Income	17,249	-	-	-	1,694	18,943
Net Investment Income	-	887,203	-	-	-	887,203
Sale of Land and Surplus Equipment	-	-	-	-	-	-
Cemetery	68,650	-	-	-	-	68,650
Facility Rental Income	-	-	-	-	1,127,538	1,127,538
Sponsorships	-	-	-	-	204,597	204,597
Donations/Contributions	103,764	-	1,000,000	-	100,000	1,203,764
Miscellaneous Revenues	486,756	-	-	-	1,199	487,955
TOTAL REVENUES	28,903,866	887,203	1,000,000	-	12,876,729	43,667,798
EXPENDITURES:						
Current:						
General Government	5,722,547	-	-	-	-	5,722,547
Public Safety	12,655,456	-	-	-	455,130	13,110,586
Public Works	4,319,581	-	-	204,360	-	4,523,941
Culture and Recreation	4,452,545	-	48,576	-	1,467,711	5,968,832
Tourism Promotion	-	-	-	-	2,053,962	2,053,962
Transit Operation	-	-	-	-	3,338,936	3,338,936
Other Functions	-	-	-	-	328,695	328,695
Capital Projects	-	-	6,385,261	1,256,271	6,835,966	14,477,498
Debt Service	633,686	-	-	-	2,970,556	3,604,242
TOTAL EXPENDITURES	27,783,815	-	6,433,837	1,460,631	17,450,956	53,129,239
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,120,051	887,203	(5,433,837)	(1,460,631)	(4,574,227)	(9,461,441)
OTHER FINANCING SOURCES (USES):						
Transfers from (to) Oxford Tourism Council	-	-	-	-	(807,490)	(807,490)
Transfers from (to) Other Funds	743,191	(868,140)	(217,983)	61,913	894,883	613,864
Unrealized Gain (Loss) from Investments	-	480,830	-	-	-	480,830
Proceeds from Issuance of Debt	-	-	7,164,469	11,103,426	3,223,551	21,491,446
TOTAL OTHER FINANCING SOURCES (USES)	743,191	(387,310)	6,946,486	11,165,339	3,310,944	21,778,650
NET CHANGE IN FUND BALANCES	1,863,242	499,893	1,512,649	9,704,708	(1,263,283)	12,317,209
FUND BALANCES-Beginning, as previously stated	13,443,046	35,360,789	1,864,984	-	13,219,584	63,888,403
Prior Period Adjustment	(1,140,002)	-	-	-	-	(1,140,002)
FUND BALANCES-Beginning, as restated	12,303,044	35,360,789	1,864,984	-	13,219,584	62,748,401
FUND BALANCES-Ending	\$ 14,166,286	\$ 35,860,682	\$ 3,377,633	\$ 9,704,708	\$ 11,956,301	\$ 75,065,610

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 12,317,209

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Government Wide Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 15,811,973

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds. (3,370,231)

Proceeds from the disposition of capital assets is reported as income in the Governmental Funds. The gain or loss on the sale of the capital assets and not the gross proceeds are reported as income in the Government-Wide Statement of Activities. -

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. -

Because some property taxes will not be collected for several months after the Government's fiscal year ends, they are not considered "available" revenues in the governmental funds. 26,916

Increase in accrual of compensated absences. (250,788)

Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds. 51,514

Pension expense reported in the statement of activities relating to GASB 68 is not reported in the governmental funds. These activities include:

Direct pension contributions	2,101,229
Pension expense	(6,091,183)

Bond issuance costs are reported as expenditures on the Governmental Funds financial statements in the year incurred. However, in the Statement of Activities, the cost of issuing bonds is amortized over the life of the related bonds, This is the amount of the current amortization of premium. 34,924

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.

This amount represents bond proceeds and premiums.	(21,200,000)
This amount represents long-term debt repayments and issuance costs.	2,950,439
This amount represents premium on issuance of bonds.	<u>(291,446)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,090,556

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL -
BUDGETARY BASIS
For the Year Ended September 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
REVENUES:				
General Property Taxes	\$ 9,482,838	\$ 9,550,838	\$ 9,446,694	\$ (104,144)
Sales and Use Taxes	9,689,900	9,564,000	9,560,336	(3,664)
Licenses and Permits	1,107,000	860,000	859,609	(391)
Franchise Fees	650,000	809,000	805,601	(3,399)
In Lieu - Utility Department	965,000	965,000	965,000	-
Penalties and Interest	160,000	214,000	214,316	316
Intergovernmental Revenues	1,820,000	2,040,000	1,776,858	(263,142)
Grant Income	1,185,724	1,184,889	926,359	(258,530)
Charges for Services	1,198,900	1,470,900	1,542,991	72,091
Fines and Forfeits	865,200	827,200	887,872	60,672
Parking Meter Revenues	670,000	845,000	978,885	133,885
Interest Income	18,000	16,000	17,249	1,249
Sale of Land and Surplus Equipment	-	-	-	-
Cemetery	40,000	68,000	68,650	650
Miscellaneous Revenues	527,702	744,102	590,520	(153,582)
TOTAL REVENUES	28,380,264	29,158,929	28,640,940	(517,989)
EXPENDITURES:				
Current:				
General Government	6,037,163	6,569,494	5,722,547	846,947
Public Safety	14,118,216	14,254,431	12,655,456	1,598,975
Public Works	5,907,296	5,370,827	4,319,581	1,051,246
Culture and Recreation	4,395,925	4,668,636	4,452,545	216,091
Debt Service	522,739	462,168	633,686	(171,518)
TOTAL EXPENDITURES	30,981,339	31,325,556	27,783,815	3,541,741
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,601,075)	(2,166,627)	857,125	3,023,752
OTHER FINANCING SOURCES (USES):				
Transfers (to) from Other Funds	1,484,017	1,454,540	743,191	(711,349)
Proceeds from Issuance of Debt	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,484,017	1,454,540	743,191	(711,349)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ (1,117,058)	\$ (712,087)	\$ 1,600,316	\$ 2,312,403

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
ACTIVITY CENTER PROJECT FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL -
BUDGETARY BASIS
For the Year Ended September 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
REVENUES:				
Donations/Contributions	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
TOTAL REVENUES	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
EXPENDITURES:				
Current:				
Culture and Recreation	-	61,000	48,576	12,424
Capital Projects	<u>3,000,000</u>	<u>4,200,000</u>	<u>6,385,261</u>	<u>(2,185,261)</u>
TOTAL EXPENDITURES	<u>3,000,000</u>	<u>4,261,000</u>	<u>6,433,837</u>	<u>(2,172,837)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,000,000)</u>	<u>(3,261,000)</u>	<u>(5,433,837)</u>	<u>(2,172,837)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (to) from Other Funds	-	(217,983)	(217,983)	-
Proceeds from Issuance of Debt	<u>3,000,000</u>	<u>7,927,983</u>	<u>7,164,469</u>	<u>(763,514)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,000,000</u>	<u>7,710,000</u>	<u>6,946,486</u>	<u>(763,514)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ -</u>	<u>\$ 4,449,000</u>	<u>\$ 1,512,649</u>	<u>\$ (2,936,351)</u>

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
DOWNTOWN PARKING GARAGE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL -
BUDGETARY BASIS
For the Year Ended September 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget Over (Under)
REVENUES:				
Donations/Contributions	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Culture and Recreation	208,000	208,000	204,360	3,640
Capital Projects	<u>685,000</u>	<u>685,000</u>	<u>1,256,271</u>	<u>(571,271)</u>
TOTAL EXPENDITURES	<u>893,000</u>	<u>893,000</u>	<u>1,460,631</u>	<u>(567,631)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(893,000)</u>	<u>(893,000)</u>	<u>(1,460,631)</u>	<u>(567,631)</u>
OTHER FINANCING SOURCES (USES):				
Transfers (to) from Other Funds	-	-	61,913	61,913
Proceeds from Issuance of Debt	<u>11,100,000</u>	<u>11,100,000</u>	<u>11,103,426</u>	<u>3,426</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>11,100,000</u>	<u>11,100,000</u>	<u>11,165,339</u>	<u>65,339</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	<u>\$ 10,207,000</u>	<u>\$ 10,207,000</u>	<u>\$ 9,704,708</u>	<u>\$ (502,292)</u>

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2018

	BUSINESS-TYPE ACTIVITIES-- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTAL
ASSETS:				
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$ 6,793,684	\$ 11,359,651	\$ 712,357	\$ 18,865,692
Investments	10,443	3,169,746	-	3,180,189
Receivables, net	3,617,609	1,930,403	666,437	6,214,449
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	828,918	603,014	-	1,431,932
Prepaid Expenses	2,292	-	-	2,292
Total Current Assets	11,252,946	17,062,814	1,378,794	29,694,554
<u>Noncurrent Assets:</u>				
<u>Restricted Assets</u>				
Cash and Cash Equivalents - Restricted	5,000	-	-	5,000
Investments - Restricted	344,994	1,680,539	-	2,025,533
Unamortized Debt Expense	5,033	-	-	5,033
Investment in CSA	16,959	-	-	16,959
<u>Capital Assets:</u>				
Land	908,953	199,510	-	1,108,463
Plants, Buildings & Improvements	36,193,732	65,419,743	38,832	101,652,307
Machinery & Equipment	2,911,227	7,490,100	3,778,233	14,179,560
Accumulated Depreciation	(12,092,059)	(38,872,534)	(1,898,801)	(52,863,394)
Construction Work In Progress	1,579,295	2,574,206	-	4,153,501
Total Noncurrent Assets	29,873,134	38,491,564	1,918,264	70,282,962
TOTAL ASSETS	41,126,080	55,554,378	3,297,058	99,977,516
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Outflows - Pensions	413,398	283,907	153,412	850,717
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 413,398	\$ 283,907	\$ 153,412	\$ 850,717

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF NET POSITION -
PROPRIETARY FUND TYPES
September 30, 2018

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS			
	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTAL
<u>LIABILITIES</u>				
<u>Current Liabilities:</u>				
Accounts Payable and				
Accrued Expenses	\$ 6,326,094	\$ 855,302	\$ 82,917	\$ 7,264,313
Accrued Interest Payable	2,302	207,307	9,300	218,909
Due to Other Funds	-	-	-	-
Current Portion of Long-Term Debt	425,000	1,532,731	240,000	2,197,731
Customer Deposits	3,985,583	-	-	3,985,583
Total Current Liabilities	10,738,979	2,595,340	332,217	13,666,536
<u>Long-Term Liabilities:</u>				
Other Liabilities	30,452	-	-	30,452
Compensated Absences	100,887	69,235	119,568	289,690
Net Pension Liability	4,263,901	7,186,698	3,883,412	15,334,011
Bonds, Notes, & Loans Payable, net of current portion	-	17,326,543	960,000	18,286,543
Total Long-Term Liabilities	4,395,240	24,582,476	4,962,980	33,940,696
Total Liabilities	15,134,219	27,177,816	5,295,197	47,607,232
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding Bonds, net	-	241,454	-	241,454
Deferred Inflows - Pensions	93,124	177,126	95,712	365,962
TOTAL DEFERRED INFLOWS OF RESOURCES	93,124	418,580	95,712	607,416
<u>NET POSITION</u>				
Net Investment in Capital Assets	29,076,148	17,951,751	718,264	47,746,163
Reserved for Unemployment Benefits	5,000	-	-	5,000
Reserved for Debt Service	342,692	1,680,539	-	2,023,231
Unrestricted	(3,111,705)	8,609,599	(2,658,703)	2,839,191
TOTAL NET POSITION	\$ 26,312,135	\$ 28,241,889	\$ (1,940,439)	\$ 52,613,585

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION-
PROPRIETARY FUNDS
For The Year Ended September 30, 2018

	BUSINESS-TYPE ACTIVITIES- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 23,875,261	\$ 10,914,521	\$ 4,182,078	\$ 38,971,860
Other	283,648	-	-	283,648
Total Operating Revenue	24,158,909	10,914,521	4,182,078	39,255,508
<u>OPERATING EXPENSES:</u>				
Operations	20,589,120	5,607,940	3,222,247	29,419,307
Maintenance	774,006	133,116	699,850	1,606,972
Depreciation and Amortization Expense	1,049,749	2,906,218	201,734	4,157,701
Total Operating Expenses	22,412,875	8,647,274	4,123,831	35,183,980
Net Operating Income (Loss)	1,746,034	2,267,247	58,247	4,071,528
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	39,373	9,869	-	49,242
Grant Income/ Capital Contributions	-	-	64,260	64,260
Amortization of Debt Expense	(12,081)	29,411	-	17,330
Rent Revenue	-	252,343	-	252,343
Miscellaneous Income (Expense)	(6,451)	142,338	-	135,887
Interest Expense	(51,118)	(645,238)	(18,352)	(714,708)
Total Non-Operating Income (Loss)	(30,277)	(211,277)	45,908	(195,646)
Income before Operating Transfers	1,715,757	2,055,970	104,155	3,875,882
<u>OPERATING TRANSFERS IN (OUT):</u>	(965,000)	(387,088)	(175,162)	(1,527,250)
Change in Net Position	750,757	1,668,882	(71,007)	2,348,632
Total Net Position - Beginning, as previously stated	25,561,378	26,573,007	-	52,134,385
Prior Period Adjustment	-	-	(1,869,432)	(1,869,432)
Total Net Position - Beginning, as restated	25,561,378	26,573,007	(1,869,432)	50,264,953
Total Net Position - Ending	\$ 26,312,135	\$ 28,241,889	\$ (1,940,439)	\$ 52,613,585

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2018

	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTALS
<u>Cash Flows from Operating Activities:</u>				
Receipts from Customers	\$ 23,950,689	\$ 10,967,608	\$ 4,085,642	\$ 39,003,939
Payments to Suppliers	(19,711,927)	(349,158)	(1,003,762)	(21,064,847)
Payments to Employees	(894,500)	(2,746,416)	(2,149,122)	(5,790,038)
Payments for Other Services and Charges	(965,000)	(1,630,900)	-	(2,595,900)
Other Receipts (Payments)	-	-	(205,588)	(205,588)
Net Cash Provided By (Used In) Operating Activities	2,379,262	6,241,134	727,170	9,347,566
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In (Out)	-	(387,088)	(175,162)	(562,250)
Net Cash Provided By (Used In) Noncapital Financing Activities	-	(387,088)	(175,162)	(562,250)
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds From Capital Debt	-	-	1,200,000	1,200,000
Purchases of Capital Assets	(2,241,892)	(3,231,846)	(1,094,859)	(6,568,597)
Plant Removal Cost	(303,451)	-	-	(303,451)
Materials Salvaged from Retirements	59,038	-	-	59,038
Principal Paid on Capital Debt	(410,000)	(1,465,871)	-	(1,875,871)
Interest Paid on Capital Debt	(53,253)	(623,040)	(9,052)	(685,345)
Other Receipts (Payments)	-	142,338	-	142,338
Net Cash Provided By (Used In) Capital and Related Financing Activities	(2,949,558)	(5,178,419)	96,089	(8,031,888)
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(355,437)	(4,042)	-	(359,479)
Proceeds From Sale of Investments	355,338	-	-	355,338
Cash Received from Grants	-	-	64,260	64,260
Interest and Dividends	39,373	9,869	-	49,242
Other Receipts (Payments)	(6,451)	252,343	-	245,892
Net Cash Provided By (Used In) Investing Activities	32,823	258,170	64,260	355,253
Net Increase (Decrease) In Cash and Cash Equivalents	(537,473)	933,797	712,357	1,108,681
Cash and Cash Equivalents--Beginning	7,336,157	10,425,854	-	17,762,011
Cash and Cash Equivalents--Ending	\$ 6,798,684	\$ 11,359,651	\$ 712,357	\$ 18,870,692
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:</u>				
Operating Income (Loss)	\$ 1,746,034	\$ 2,267,247	\$ 58,247	\$ 4,071,528
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation and Amortization Expense	1,049,749	2,906,218	201,734	4,157,701
Amounts Paid to City - Tax Equivalents	(965,000)	-	-	(965,000)
Pension Expense - Actuarially Determined	571,530	448,886	472,514	1,492,930
(Increase) Decrease in Accounts Receivable	(477,886)	53,087	(96,436)	(521,235)
(Increase) Decrease in Prepaid Items	85,510	-	-	85,510
(Increase) Decrease in Deferred Charges	(251,024)	(29,411)	-	(280,435)
(Increase) Decrease in Inventory	(118,292)	(19,864)	-	(138,156)
(Increase) Decrease in Compensated Absences	(32,861)	(98,454)	8,194	(123,121)
Increase (Decrease) in Accounts Payable	500,232	713,425	82,917	1,296,574
Increase (Decrease) in Accrued Interest Payable	1,604	-	-	1,604
Increase (Decrease) in Customer Deposits	269,666	-	-	269,666
Total Adjustments	633,228	3,973,887	668,923	5,276,038
Net Cash Provided By (Used In) Operating Activities	\$ 2,379,262	\$ 6,241,134	\$ 727,170	\$ 9,347,566

See accompanying notes to financial statements.

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES

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

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

FINANCIAL REPORTING ENTITY - BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

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

Government-Wide Financial Statements

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

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

CITY OF OXFORD, MS.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purposes, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Fund Types

Governmental Funds

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

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

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

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

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

Proprietary Funds

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

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

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

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

Environmental Services Fund – This fund is used to account for the cost of providing solid waste services to the City of Oxford.

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

Reporting Entity

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

Reclassifications

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

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

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

Blended Component Units

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

The Oxford Tourism Council – Established by the Legislature of the State of Mississippi in August 1998 for the promotion of tourism within the City. The Council is composed of five board members appointed by the City's mayor and board of aldermen with one of the five board members being a current alderman of the City. Although it is legally separate from the City, the Council is reported as if it were part of the primary government because its primary purpose is to provide tourism activities on behalf of the City.

Payments Between The City And Component Units

Resource flows between the primary government and blended component units are classified as interfund transactions in the financial statements.

Budgets and Budgetary Accounting

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

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

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

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

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

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

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

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

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

Revenue Recognition - Property Taxes

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

Encumbrances

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

Cash and Cash Equivalents

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

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

Receivables

Receivables at September 30, 2018, consisted primarily of property and other taxes, accounts (billings for user charged services including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues, and accrued interest on investments.

The accrual amount of court fine receivables on the Statement of Net Position – Government-Wide has been reduced by \$838,644 to reflect the provision for uncollectible fines as determined by management's estimate.

Business Information

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

Inventories

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

Prepaid Items

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

Compensated Absences

The City's policy allows employees to accumulate unused vacation leave with no maximum. Upon termination, any accumulated vacation leave of up to 30 days will be paid to the employee. Sick leave will be paid only upon illness while an employee of the City.

Cash and Investments

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

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

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

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

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

Fund Balance Classification

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has an obligation to maintain unemployment comp funds intact in lieu of periodic contributions to the state unemployment insurance program. The City has classified all funds associated with the unemployment comp fund as nonspendable. The City has \$55,079 of nonspendable fund balance as of September 30, 2018.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified the Forestry Grant, UMI Uninsured Motorist, BCBS Health Hometown and IDF Interlock Device funds in the General Fund as restricted. The City has classified all special revenue grant funds as restricted to the appropriate expenditure category. The City has also classified the 2 % Food and Beverage Tax, Hotel/Motel Tax, Oxford Transit, Conference Center, Oxford Tourism, and MDJ Unit Fund as restricted. The City has classified the Activity Center Project Fund, Downtown Parking Garage Fund, and all other capital projects funds as restricted for capital projects. The City also considers the balance in the Oxford Municipal Reserve & Trust Fund as restricted due to a state senate bill.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has classified the Crime Prevention/OPD Mounted Unit fund and the Tennis Sponsorships fund in the General Fund, as being committed because they were set aside for specific purposes by the Board of Aldermen. The City considers the balance in the debt service fund as committed based on Board authorization. The City also considers the Conference Center and Oxford Tourism Council funds as committed to tourism.

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES (continued)

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board of Aldermen delegating this responsibility to the City's management through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has classified the Cemetery Fund and Historic Homes Fund balances as assigned. The City has \$687,546 of assigned fund balance as of September 30, 2018.
- Unassigned: This classification includes the residual fund balance for the General Fund and all other amounts not included in other spendable classifications.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include those assumed in computing the provision for uncollectible court fines and the net pension liability. It is as least reasonably possible that the significant estimate used will change within the next year.

Pensions

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

NOTE 2 - PROPERTY TAXES

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

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2 - PROPERTY TAXES (continued)

The millage was allocated as follows:

	<u>2018</u>		<u>2017</u>	
	<u>City</u>	<u>School District</u>	<u>City</u>	<u>School District</u>
General Fund	20.43	0.00	22.18	0.00
Park & Recreation	2.00	0.00	2.00	0.00
Library	0.86	0.00	0.96	0.00
City Debt Service				
2012 GO Bonds	1.23	0.00	1.42	0.00
2010 GO Bonds	1.13	0.00	1.27	0.00
2009 GO Bonds	0.98	0.00	1.24	0.00
2015 GO Bonds	2.27	0.00	1.15	0.00
2017A GO Bonds	1.32	0.00	0.00	0.00
School Bond & Interest	0.00	8.65	0.00	10.27
School Votec Center	0.00	0.48	0.00	0.55
School Maintenance Fund	<u>0.00</u>	<u>49.54</u>	<u>0.00</u>	<u>47.85</u>
Total	<u>30.22</u>	<u>58.67</u>	<u>30.22</u>	<u>58.67</u>

NOTE 3 - CONTINGENT LIABILITIES

Litigation

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

Federally Assisted Programs – Compliance Audits

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

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 4 - FIXED ASSETS

The following is a summary of governmental activities capital asset activity as of September 30, 2018:

Primary Government:

	(Restated) Balance 10/1/2017	Additions	Transfers/ Disposals	Balance 9/30/2018
Capital Assets, not being depreciated:				
Land	\$ 6,750,620	\$ 5,000	\$ 0	\$ 6,755,620
Construction in Progress	<u>1,439,610</u>	<u>13,834,872</u>	<u>(39,188)</u>	<u>15,235,294</u>
Total Capital Assets, not being depreciated	8,190,230	13,839,872	(39,188)	21,990,914
Capital Assets being depreciated				
Plant, Buildings & Improvements	35,374,223	84,229	0	35,458,452
Infrastructure	47,507,837	237,155	39,188	47,784,180
Machinery & Equipment	<u>16,843,177</u>	<u>1,650,717</u>	<u>(5,489)</u>	<u>18,488,405</u>
Total Capital Assets being depreciated	99,725,237	1,972,101	33,699	101,731,037
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(7,876,628)	(915,798)	0	(8,792,426)
Infrastructure	(21,459,833)	(1,067,476)	0	(22,527,309)
Machinery & Equipment	<u>(11,074,280)</u>	<u>(1,386,957)</u>	<u>5,489</u>	<u>(12,455,748)</u>
Total Accumulated Depreciation	(40,410,741)	(3,370,231)	5,489	(43,775,483)
Total Capital Assets, depreciated, net	<u>59,314,496</u>	<u>(1,398,130)</u>	<u>39,188</u>	<u>57,955,554</u>
Governmental Activities Capital Assets	<u>\$ 67,504,726</u>	<u>\$ 12,441,742</u>	<u>\$ 0</u>	<u>\$ 79,946,468</u>

The City has adopted a capitalization threshold of \$1,000 for general fixed assets and a threshold of \$5,000 for infrastructure assets. The City has retroactively applied these thresholds to all general fixed assets in service.

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 4 - FIXED ASSETS (continued)

A summary of business-type capital asset activity at September 30, 2018 follows:

	(Restated) Balance 10/1/2017	Additions	Transfers/ Disposals	Balance 9/30/2018
Capital Assets, not being depreciated:				
Land	\$ 1,108,463	\$ 0	\$ 0	\$ 1,108,463
Construction in Progress	<u>4,146,432</u>	<u>3,763,105</u>	<u>(3,756,036)</u>	<u>4,153,501</u>
Total Capital Assets, not being depreciated	5,254,895	3,763,105	(3,756,036)	5,261,964
Capital Assets being depreciated				
Plant, Buildings & Improvements	100,542,223	1,420,399	(310,315)	101,652,307
Machinery & Equipment	<u>9,015,700</u>	<u>1,478,863</u>	<u>3,684,997</u>	<u>14,179,560</u>
Total Capital Assets being depreciated	109,557,923	2,899,262	3,374,682	115,831,867
Less: Accumulated Depreciation for:				
Plant, Buildings & Improvements	(42,910,119)	(3,705,610)	569,353	(46,046,376)
Machinery & Equipment	<u>(6,327,571)</u>	<u>(545,862)</u>	<u>56,415</u>	<u>(6,817,018)</u>
Total Accumulated Depreciation	(49,237,690)	(4,251,472)	625,768	(52,863,394)
Total Capital Assets, depreciated, net	<u>60,320,233</u>	<u>(1,352,210)</u>	<u>4,000,450</u>	<u>62,968,473</u>
Business Type Activities Capital Assets	\$ <u>65,575,128</u>	\$ <u>2,410,895</u>	\$ <u>244,414</u>	\$ <u>68,230,437</u>

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

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

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

Governmental Activities:	
General Government	\$ 216,715
Public Safety	710,235
Public Works	1,379,126
Culture & Recreation	842,884
Tourism Promotion	34,998
Transit Operation	182,685
Other Functions	<u>3,588</u>
Total Depreciation Expense – Governmental Activities	\$ <u>3,370,231</u>

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 4 - FIXED ASSETS (continued)

Business-type Activities:	
Electric Department	\$ 1,143,520
Environmental Services	201,734
Water and Sewer	<u>2,906,218</u>
Total Depreciation Expense – Business-type Activities	\$ <u>4,251,472</u>

NOTE 5 - LONG-TERM DEBT

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

The annual requirements to amortize all general obligation bonds, special assessment bonds, revenue bonds and notes outstanding as of September 30, 2018 are as follows:

Fiscal Year Ending September 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 3,712,855	\$ 1,371,435	\$ 2,197,731	\$ 642,109	\$ 7,924,130
2020	3,536,353	1,171,700	1,869,922	569,006	7,146,981
2021	3,452,390	1,076,780	1,942,452	510,991	6,982,613
2022	2,623,447	982,968	1,995,331	452,200	6,053,946
2023	2,709,526	909,463	2,073,569	390,779	6,083,337
2024-2028	12,246,313	3,415,892	8,304,676	1,066,620	25,033,501
2029-2033	7,580,000	2,714,377	2,100,593	139,576	12,534,546
2034-2038	<u>8,315,000</u>	<u>729,481</u>	<u>0</u>	<u>1,823,289</u>	<u>10,867,770</u>
Total	<u>\$ 44,175,884</u>	<u>\$ 12,372,096</u>	<u>\$ 20,484,274</u>	<u>\$ 5,594,570</u>	<u>\$ 82,626,824</u>

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 5 - LONG-TERM DEBT (continued)

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

<u>Governmental Activities</u>	<u>Balance</u> <u>10/01/17</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>09/30/18</u>	<u>Current</u> <u>Maturity</u>
General Obligation Bonds & Notes:					
General Obligation Bond Series 2017A, \$7,500,000 with interest at 3.0% maturing in 2037	\$ 7,500,000	\$ 0	\$ 270,000	\$ 7,230,000	\$ 280,000
General Obligation Bond Series 2017B, \$7,500,000 with interest at 3.0% to 4.0% maturing in 2037	0	7,500,000	0	7,500,000	270,000
General Obligation Refunding Bond Series 2010, \$7,085,000 with interest at 2.0% to 3.0% maturing in 2021	2,880,000	0	695,000	2,185,000	710,000
General Obligation Bond Series 2009, \$3,800,000 with interest at 3.0% to 3.75% maturing in 2024	2,085,000	0	260,000	1,825,000	270,000
General Obligation Bond Series 2012, \$5,500,000 with interest at 1.625% to 2.25% maturing in 2027	3,890,000	0	345,000	3,545,000	355,000
General Obligation Note Series 2012, \$500,000 with interest at 1.43% maturing in 2017	105,000	0	105,000	0	0
General Obligation Note Series 2014, \$500,000 with interest at 1.66% maturing in 2019	204,154	0	101,636	102,518	102,518
General Obligation Note Series 2014, \$900,000 with interest at 1.45% maturing in 2019	550,000	0	180,000	370,000	185,000
General Obligation Note Series 2016, \$800,000 with interest at 2.19% maturing in 2021	650,000	0	155,000	495,000	160,000

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

**NOTE 5 - LONG-TERM
DEBT (continued)**

	<u>Balance</u> <u>10/01/17</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>09/30/18</u>	<u>Current</u> <u>Maturity</u>
General Obligation Refunding Bond Series 2018A, \$2,700,000 with interest at 2.5% to 3.5% maturing in 2038	\$ 0	\$ 2,700,000	\$ 0	\$ 2,700,000	\$ 100,000
General Obligation Refunding Bond Series 2018C, \$1,050,000 with interest at 3.5% to 4.0% maturing in 2028	0	1,050,000	0	1,050,000	90,000
General Obligation Refunding Bond Series 2018B, \$9,950,000 with interest at 3.0% to 4.0% maturing in 2038	0	9,950,000	0	9,950,000	340,000
General Obligation Refunding Bond Series 2015, \$6,590,000 with interest at 2.0% to 2.5% maturing in 2027	<u>6,135,000</u>	<u>0</u>	<u>690,000</u>	<u>5,445,000</u>	<u>705,000</u>
Total General Obligation Bonds & Notes	\$ <u>23,999,154</u>	\$ <u>21,200,000</u>	\$ <u>2,801,636</u>	\$ <u>42,397,518</u>	\$ <u>3,567,518</u>
Special Assessment Bonds:					
Special Assessment Bond Series 2014, \$1,600,000 with interest at 2.250% to 2.625% maturing in 2029	\$ <u>1,340,000</u>	\$ <u>0</u>	\$ <u>95,000</u>	\$ <u>1,245,000</u>	\$ <u>95,000</u>
Total Special Assessment Bonds	\$ <u>1,340,000</u>	\$ <u>0</u>	\$ <u>95,000</u>	\$ <u>1,245,000</u>	\$ <u>95,000</u>
Other Notes Payable:					
State of Mississippi - CAP Loan \$1,000,000 with interest at 2.0% maturing 2028	\$ <u>587,169</u>	\$ <u>0</u>	\$ <u>53,803</u>	\$ <u>533,366</u>	\$ <u>50,337</u>
Total Other Notes Payable	\$ <u>587,169</u>	<u>0</u>	\$ <u>53,803</u>	\$ <u>533,366</u>	\$ <u>50,337</u>
Total Governmental Activities	\$ <u>25,926,323</u>	\$ <u>21,200,000</u>	\$ <u>2,950,439</u>	\$ <u>44,175,884</u>	\$ <u>3,712,855</u>

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

**NOTE 5 - LONG-TERM
DEBT (continued)**

<u>Business-Type Activities</u>	<u>Balance</u> <u>10/01/17</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>09/30/18</u>	<u>Current</u> <u>Maturity</u>
Revenue Bonds:					
Water & Sewer Refunding Bonds Series 2014- \$3,855,000 original issue with interest at 1.05% to 5.0%, maturing 2027	\$ 3,670,000	\$ 0	\$ 320,000	\$ 3,350,000	\$ 340,000
General Obligation Note Series 2017-\$1,200,000 original issue with interest at 1.86% maturing 2022	0	1,200,000	0	1,200,000	240,000
Water & Sewer Revenue Bonds Series 2008- \$3,450,000 original issue with interest at 3.625% to 4.5%, maturing 2028	2,295,000	0	160,000	2,135,000	170,000
Water & Sewer Revenue Bonds Series 2011- \$8,500,000 original issue with interest at 3.0% to 4.3%, maturing 2031	6,755,000	0	345,000	6,410,000	360,000
Water & Sewer Refunding Bonds Series 2012- \$2,360,000 original issue with interest at 1.0% to 2.625%, maturing 2025	1,780,000	0	215,000	1,565,000	225,000
Electric System Revenue Bonds Series 2011- \$3,335,000 original issue with interest at 2.25% to 3.125%, maturing 2019	<u>835,000</u>	<u>0</u>	<u>410,000</u>	<u>425,000</u>	<u>425,000</u>
Total Revenue Bonds	\$ <u>15,335,000</u>	\$ <u>1,200,000</u>	\$ <u>1,450,000</u>	\$ <u>15,085,000</u>	\$ <u>1,760,000</u>

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

**NOTE 5 - LONG-TERM
DEBT (continued)**

	Balance <u>10/01/17</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>09/30/18</u>	Current <u>Maturity</u>
Other Notes Payable:					
State of Mississippi – DEQ RLF \$8,813,809 with interest at 2.75% maturing 2029	\$ 5,825,145	\$ 0	\$ 425,871	\$ 5,399,274	\$ 437,731
Total Other Notes Payable	<u>5,825,145</u>	<u>0</u>	<u>425,871</u>	<u>5,399,274</u>	<u>437,731</u>
 Total Business-Type Activities	 <u>\$ 21,160,145</u>	 <u>\$ 1,200,000</u>	 <u>\$ 1,875,871</u>	 <u>\$ 20,484,274</u>	 <u>\$ 2,197,731</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

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

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

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. Retirees and beneficiaries who have been receiving benefit payments for at least one full fiscal year are eligible to receive an annual Cost-of-Living Adjustment (COLA). Designed to help offset the effects of inflation, the COLA is equal to 3% of your annual base benefit for each full fiscal year of retirement up to the year in which you reach age 55 (Retirement Tiers 1 through 3) or age 60 (Retirement Tier 4), plus 3% compounded for each fiscal year thereafter, beginning with the fiscal year in which you turn age 55.

Employee membership data related to the Plan, as of June 30, 2018 was as follows:

Retirees and Survivors	104,973
Terminated Vested Employees	16,578
Inactive Nonvested Members	52,763
Active Members	<u>150,687</u>
Total	<u>325,001</u>

Employee membership data related to the Plan, as of June 30, 2017 was as follows:

Retirees and Survivors	102,260
Terminated Vested Employees	16,682
Inactive Nonvested Members	50,170
Active Members	<u>152,382</u>
Total	<u>321,494</u>

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

For the year ended September 30, 2018, the City of Oxford's total payroll for all employees was \$18,880,099. Total covered payroll was \$18,512,692. Covered payroll refers to all compensation paid by the City (including Oxford Tourism Council and Oxford-Electric Department) to active employees covered by the Plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions- At September 30, 2018, the City of Oxford (including the Oxford Tourism Council) reported a liability of \$43,595,349 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2018, the City of Oxford-Electric Department reported a liability of \$4,263,901 for its

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Oxford's proportion of the net pension liability was based on a projection of the City of Oxford's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the City of Oxford (including Oxford Tourism Council)'s proportion was 0.262102%. At June 30, 2017, The City of Oxford-Electric's proportion was 0.025650%.

For the year ended September 30, 2018, the City of Oxford (including Oxford Tourism Council) recognized pension expense of \$4,222,190. At September 30, 2018, the City of Oxford (including Oxford Tourism Council) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Results - Pensions	\$ 191,118	\$ 183,776
City Pension Contributions Subsequent to the Measurement Date	695,815	0
Changes of Assumptions	25,723	24,080
Net Difference Between Projected and Actual Investment Earnings on Investments	0	866,611
Changes in Proportion and Differences Between ER Contributions and Proportionate Share of ER Contributions	798,704	26,202
Total	\$ <u>1,711,360</u>	\$ <u>1,100,669</u>

The \$695,815 of deferred outflows of resources resulting from the City of Oxford (including Oxford Tourism Council)'s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2018	\$ 770,656
2019	125,279
2020	(785,007)
2021	(196,052)
Total	\$ <u>(85,124)</u>

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

For the year ended June 30, 2018, the City of Oxford-Electric Department recognized pension expense of \$522,664. At June 30, 2018, the City of Oxford-Electric Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Results - Pensions	\$ 61,259	\$ 31,112
City Pension Contributions Subsequent to the Measurement Date	257,369	0
Changes in Assumptions	94,770	7,267
Net Difference Between Projected and Actual Earnings on Pension Plan Assets	0	54,745
Total	\$ <u>413,398</u>	\$ <u>93,124</u>

The \$257,369 of deferred outflows of resources resulting from the City of Oxford-Electric Department's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension.

Fiscal Year Ending June 30,	<u>Amount</u>
2018	\$ (74,165)
2019	(67,132)
2020	(3,972)
2021	82,364
Total	\$ <u>(62,905)</u>

Actuarial Assumptions-The City of Oxford-Electric pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.25-18.50%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions-The City of Oxford pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.25-18.50%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022, with male rates set forward one year for males with adjustments for the City of Oxford-Electric Department.

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022, with male rates set forward one year for males with adjustments for the City of Oxford.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 and 2017, are summarized in the following table:

Asset Class	2017		2018	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	27.00%	4.60%	27.00%	4.60%
International Equity	18.00%	4.50%	18.00%	4.50%
Emerging Markets Equity	4.00%	4.75%	4.00%	4.75%
Global	12.00%	4.75%	12.00%	4.75%
Fixed Income	18.00%	0.75%	18.00%	0.75%
Real Assets	10.00%	3.50%	10.00%	3.50%
Private Equity	8.00%	5.10%	8.00%	5.10%
Emerging Debt	2.00%	2.25%	2.00%	2.25%
Cash	1.00%	0.00%	1.00%	0.00%
Total	<u>100.00%</u>		<u>100.00%</u>	

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

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

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

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	6.75%	\$5,593,000
Current discount rate	7.75%	\$4,263,901
1% increase	8.75%	\$3,161,000

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

	Discount Rate	City's Proportionate Share of Net Pension Liability
1% decrease	6.75%	\$57,402,566
Current discount rate	7.75%	\$43,595,349
1% increase	8.75%	\$32,119,730

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

NOTE 7 - RISK MANAGEMENT

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

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 7 - RISK MANAGEMENT (continued)

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

For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The City Attorney estimates that the amount of actual or potential claims against the City as of September 30, 2018, will not materially affect the financial condition of the City. Therefore, no provisions have been made for estimated claims. There have been no material claims paid by the City during the current or prior year.

NOTE 8 - TRANSFERS IN AND OUT

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

Transfers from Electric Department reported as	
In lieu of taxes revenue in	
The City General Fund	\$ (965,000)
Transfers from Special Revenue funds reported as	
Revenues by Oxford Tourism Council	(807,490)
Transfers to City General Fund reported as	
Expenses by Electric Department	<u>51,614</u>
Difference	<u>\$ (1,720,876)</u>

NOTE 9 - COMMITMENTS

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

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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

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

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

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

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

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

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

In addition, upon a unanimous vote of the board of aldermen and with approval by the mayor, the governing authorities are authorized to withdraw monies from the corpus component and have them disbursed to the City for appropriation and spending.

**CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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

The withdrawal by the governing authorities shall be limited in the following manner:

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

Custodial Credit Risk:

The investments are held by the Glenmede Trust Company. The Company has presented a certificate of Liability Insurance for Errors and Omissions of \$50,000,000 and a Fidelity Bond of \$30,000,000. The balance of the City of Oxford Municipal Reserve and Trust Fund at September 30, 2018, was \$35,860,682.

Concentration of Credit Risk:

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

	<u>Amount</u>	<u>Percent</u>
Glenmede Intermediate Government Credit-Bond Funds	\$ <u>16,021,637</u>	44.68%

The investments are reported at fair value. The Oxford Municipal Reserve and Trust Fund does not participate in an external investment pool. Investments consisted of the following at September 30, 2018:

Investments:	<u>Cost</u>	<u>Market value (Level 1)</u>
Bond funds	\$ 21,858,971	\$ 20,693,800
Stock funds	11,006,490	13,271,423
Cash	1,705,510	1,705,510
Accrued income	0	189,949
Short-term investments	0	0
Total investments	<u>\$ 34,570,971</u>	<u>\$ 35,860,682</u>

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

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 11 - CONSTRUCTION AND OTHER COMMITMENTS

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

<u>To Be Paid By</u>	<u>Description</u>	<u>Amount Authorized</u>	<u>Expended through September 30, 2018</u>	<u>Remaining Commitment at September 30, 2018</u>
General City	Sisk Avenue Extension	\$ 2,833,752	\$ 1,002,229	\$ 1,831,523
General City	Activities Center	11,207,469	6,627,277	4,580,192
General City	West Oxford Loop Extension	5,813,463	5,800,285	13,178
General City	Downtown Parking Garage	9,805,972	1,370,836	8,435,136
Water and Sewer	Highway 314 Sewer Improvements	3,082,846	1,576,963	1,505,883
Water and Sewer	Kroger Water Tank	<u>2,888,500</u>	<u>272,045</u>	<u>2,616,455</u>
		<u>\$ 35,632,002</u>	<u>\$ 16,649,635</u>	<u>\$ 18,982,367</u>

NOTE 12 - DEFICIT FUND BALANCES

The following funds have a deficit fund balance at September 30, 2018:

<u>FUND NAME</u>	<u>AMOUNT</u>
2004 G.O. Bonds	\$ 67
Environmental Services Fund	<u>1,940,439</u>
TOTAL	<u>\$ 1,940,506</u>

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at September 30, 2018, were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 55,136	\$ 59,336
Special Revenue Funds	<u>4,200</u>	<u>0</u>
	<u>\$ 59,336</u>	<u>\$ 59,336</u>

CITY OF OXFORD, MS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 14 - FUND BALANCE RECONCILIATION – GENERAL FUND BUDGET BASIS

Mississippi state law requires, for budget purposes, that the general fund record revenues on the cash basis. Generally accepted accounting principles (GAAP) would require that the revenues be accounted for on the modified accrual basis; therefore, the required budgetary basis would not be considered to be GAAP. Any accruals of revenues included on the "Combined Statement of Revenues, Expenditures and Changes - All Governmental Fund Types" are eliminated for budget purposes. In the current fiscal year, accrued revenues were \$262,926 more than cash revenues.

NOTE 15 - EXPENDITURES OVER APPROPRIATIONS FOR INDIVIDUAL FUNDS

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

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
General Fund:			
Waste Disposal			
Supplies	\$ 0	\$ 14	\$ 14
Parks and Recreation			
Other Services and Charges	553,827	584,799	30,972
RSVP – Parks and Recreation			
Supplies	12,754	14,346	1,592
Other Services and Charges	47,922	66,093	18,171

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

The beginning balances of certain accounts have been restated to reflect changes related to the Environmental Services fund changing from being a part of the General Fund to becoming a proprietary fund. Prior to issuing the financial statements for the year ended September 30, 2018, management considered Environmental Services to be a governmental activities fund. The prior period adjustment required to make this change resulted in a net increase to governmental activities' net position of \$1,299,431 and a net decrease to proprietary net position of \$1,869,432. The prior period adjustment also resulted in a net decrease to beginning fund balance in the General Fund of \$1,140,002.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 21, 2019, the date on which the financial statements were available to be issued.

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Last 10 Fiscal Years
For the year ended September 30, 2018

	2018	2017	2016	2015
A. Oxford's proportion of net pension liability (%)	0.287752%	0.270622%	0.256494%	0.241479%
B. Oxford's proportionate share of net pension liability	\$ 47,859,250	\$ 45,299,757	\$ 45,192,084	\$ 36,526,996
C. Oxford's covered employee payroll	\$ 18,512,692	\$ 17,570,115	\$ 17,235,669	\$ 15,416,030
D. Oxford's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	258.52%	257.82%	262.20%	236.94%
E. Plan fiduciary net position as a percentage of total pension liability	62.54%	61.49%	57.47%	61.70%

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

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

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

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF THE CITY'S CONTRIBUTIONS
For the Last 10 Fiscal Years
For the year ended September 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Statutorily required contributions	\$ 2,915,751	\$ 2,767,291	\$ 2,714,614	\$ 2,428,025	\$ 2,250,203
B. Contributions in relation to statutorily required contributions	\$ 2,915,751	\$ 2,767,291	\$ 2,714,614	\$ 2,428,025	\$ 2,250,203
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
D. Oxford's covered employee payroll	\$ 18,512,692	\$ 17,570,115	\$ 17,235,669	\$ 15,416,030	\$ 14,287,003
E. Contributions as a percentage of covered employee payroll	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

**CITY OF OXFORD, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2018**

PENSION SCHEDULES

(1) Changes in benefit provisions

a. 2016

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

(2) Changes in assumptions

a. 2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disable lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

b. 2016

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

c. 2015

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

(3) ***Method and assumptions used in calculations of actuarially determined contributions.*** The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2016 valuation for the June 30, 2018 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

- | | |
|---------------------------------|---|
| • Actuarial cost method | Entry age |
| • Amortization method | Level percentage of payroll, open |
| • Remaining amortization period | 36.6 years |
| • Asset valuation method | 5-year smoothed market |
| • Price Inflation | 3.00 percent |
| • Salary increase | 3.75 percent to 19.00 percent, including inflation |
| • Investment rate of return | 7.75 percent, net of pension plan investment expense, including inflation |

**CITY OF OXFORD, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2018**

PENSION SCHEDULES (continued)

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

**CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2018**

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<u>ASSETS:</u>				
Cash	\$ 446,852	\$ 4,730,291	\$ 5,796,617	\$ 10,973,760
Investments	-	204,056	-	204,056
Prepaid Expenses	-	2,908	-	2,908
Receivables	10,777	188,957	-	199,734
Due From Other Funds	-	4,200	-	4,200
Due From Other Government Units	-	1,386,557	-	1,386,557
TOTAL ASSETS	\$ 457,629	\$ 6,516,969	\$ 5,796,617	\$ 12,771,215
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Checks Issued in Excess of Deposits	\$ 2,500	\$ 98,311	\$ -	\$ 100,811
Accounts Payable	-	612,828	101,275	714,103
TOTAL LIABILITIES	2,500	711,139	101,275	814,914
<u>FUND BALANCES (DEFICIT):</u>				
Committed	455,196	942,363	-	1,397,559
Restricted				
Capital Projects	-	-	5,695,342	5,695,342
Transit Operations	-	284,571	-	284,571
Tourism	-	2,732,005	-	2,732,005
Cultural and Recreational	-	6,078	-	6,078
Permanent Fund Principal	-	809,689	-	809,689
Public Safety	-	742,530	-	742,530
Economic Development	-	-	-	-
Nonspendable	-	2,908	-	2,908
Unassigned	(67)	285,686	-	285,619
TOTAL FUND BALANCES (DEFICIT)	455,129	5,805,830	5,695,342	11,956,301
TOTAL LIABILITIES AND FUND BALANCES	\$ 457,629	\$ 6,516,969	\$ 5,796,617	\$ 12,771,215

See accompanying notes to financial statements.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	Non-Major Debt Service	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
REVENUES:				
General Property Taxes	\$ 2,657,671	\$ -	\$ -	\$ 2,657,671
Special Taxes	-	4,392,991	-	4,392,991
Intergovernmental Revenues	-	418,660	-	418,660
Federal & State Grants	-	1,912,038	-	1,912,038
Local Matching Funds	-	1,295,088	-	1,295,088
Charges for Services	-	307,680	-	307,680
Fines & Forfeitures	-	457,573	-	457,573
Interest	361	1,333	-	1,694
Facility Rental Income	-	1,127,538	-	1,127,538
Sponsorships	-	204,597	-	204,597
Donations/Contributions	-	-	100,000	100,000
Miscellaneous	-	-	1,199	1,199
TOTAL REVENUES	<u>2,658,032</u>	<u>10,117,498</u>	<u>101,199</u>	<u>12,876,729</u>
EXPENDITURES:				
Current:				
Tourism Promotion	-	2,053,962	-	2,053,962
Public Safety	-	454,770	360	455,130
RSVP County Transit	-	66,084	-	66,084
Public Works	-	262,611	-	262,611
Culture and Recreation	-	1,467,711	-	1,467,711
Transit Operation	-	3,338,936	-	3,338,936
Capital Projects	-	656,781	6,179,185	6,835,966
Debt Service	<u>2,970,556</u>	<u>-</u>	<u>-</u>	<u>2,970,556</u>
TOTAL EXPENDITURES	<u>2,970,556</u>	<u>8,300,855</u>	<u>6,179,545</u>	<u>17,450,956</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(312,524)</u>	<u>1,816,643</u>	<u>(6,078,346)</u>	<u>(4,574,227)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from Issuance of Debt	-	-	3,223,551	3,223,551
Transfers from (to) Oxford Tourism Council	-	(807,490)	-	(807,490)
Transfers from (to) Other Funds	<u>680,972</u>	<u>(387,615)</u>	<u>601,526</u>	<u>894,883</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>680,972</u>	<u>(1,195,105)</u>	<u>3,825,077</u>	<u>3,310,944</u>
NET CHANGE IN FUND BALANCES	368,448	621,538	(2,253,269)	(1,263,283)
FUND BALANCES - Beginning	<u>86,681</u>	<u>5,184,292</u>	<u>7,948,611</u>	<u>13,219,584</u>
FUND BALANCES - Ending	<u>\$ 455,129</u>	<u>\$ 5,805,830</u>	<u>\$ 5,695,342</u>	<u>\$ 11,956,301</u>

See accompanying notes to financial statements.

**CITY OF OXFORD, MISSISSIPPI
BALANCE SHEET - GENERAL FUND
September 30, 2018**

		<u>TOTALS</u>
		2018
ASSETS:		
Cash	\$	11,890,660
Investments		1,038,529
Due From Other Governments		2,343,799
Due From Other Funds		55,136
Other Receivables		<u>20,309</u>
TOTAL ASSETS	\$	<u><u>15,348,433</u></u>
LIABILITIES:		
Accounts Payable and Accrued Expenses	\$	1,122,811
Due to Other Funds		59,336
Due to Other Governments		<u>-</u>
TOTAL LIABILITIES		<u>1,182,147</u>
FUND BALANCE:		
Nonspendable		52,171
Committed		
Public Safety		4,419
Culture & Recreation		44,309
Restricted		
Forestry		47,058
UMI Uninsured Motorist Funds		1,272
IDF Interlock Device Funds		3,432
Healthy Hometown Funds		23,790
Assigned		
Cemetery		622,711
Historic Homes Fund		64,835
Unassigned		<u>13,302,289</u>
TOTAL FUND BALANCE		<u>14,166,286</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>15,348,433</u></u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2018

	<u>TOTALS</u>
	<u>2018</u>
REVENUES:	
Ad Valorem Taxes:	
Real & Personal	\$ 8,424,939
Penalties and Interest	214,316
Licenses and Permits	859,609
State of Mississippi:	
Sales Tax	9,659,297
Municipal Aid	9,433
Fire Protection	107,978
Utility Tax	18,789
ABC Licenses	193,683
Homestead Reimbursement	135,156
Law Enforcement Assistance	-
In Lieu of Taxes	242,948
Lafayette County:	
Pro Rata Tax	1,014,719
In Lieu - Other:	
Utility Department	965,000
Housing Authority	-
State and Federal Grants	776,565
Intergovernmental Revenues	1,353,380
Fines and Forfeitures	887,872
FNC Parking Lease	-
Interest Income	17,249
Recreation Fees	1,542,991
Charges for Services	978,885
Franchise Fees	841,887
Donations/Contributions	103,764
Sale of Land & Surplus Equipment	-
Cemetery	68,650
Miscellaneous Income	486,756
TOTAL REVENUES	\$ 28,903,866
EXPENDITURES:	
General Government:	
Legislative:	
Personal Services	\$ 164,579
Supplies	3,788
Other Services and Charges	9,774
Capital Outlay	-
Total	<u>178,141</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2018

	<u>TOTALS</u> 2018
Judicial:	
Personnel Services	\$ 375,017
Supplies	14,611
Other Services and Charges	22,718
Capital Outlay	<u>3,781</u>
Total	<u>416,127</u>
Executive:	
Personnel Services	174,861
Supplies	4,814
Other Services and Charges	6,807
Capital Outlay	<u>-</u>
Total	<u>186,482</u>
Department of Planning:	
Personnel Services	443,528
Supplies	21,057
Other Services and Charges	43,664
Capital Outlay	<u>3,846</u>
Total	<u>512,095</u>
Elections:	
Personnel Services	-
Supplies	1,695
Other Services and Charges	<u>-</u>
Total	<u>1,695</u>
Finance:	
Personnel Services	319,804
Supplies	25,683
Other Services and Charges	69,407
Capital Outlay	<u>4,292</u>
Total	<u>419,186</u>
Human Resources:	
Personnel Services	292,880
Supplies	28,595
Other Services and Charges	80,116
Capital Outlay	<u>-</u>
Total	<u>401,591</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2018

	<u>TOTALS</u> <u>2018</u>
Law:	
Personnel Services	\$ -
Supplies	-
Other Services and Charges	<u>580,647</u>
Total	<u>580,647</u>
Building and Grounds:	
Personnel Services	763,827
Supplies	227,712
Other Services and Charges	54,617
Capital Outlay	<u>68,331</u>
Total	<u>1,114,487</u>
Building and Code Enforcement:	
Personnel Services	312,843
Supplies	10,372
Other Services and Charges	6,691
Capital Outlay	<u>200</u>
Total	<u>330,106</u>
General Government:	
Personnel Services	728,492
Supplies	6,475
Other Services and Charges	738,801
Capital Outlay	<u>5,000</u>
Total	<u>1,478,768</u>
Community Promotions:	
Other Services and Charges	<u>103,222</u>
Total	<u>103,222</u>
Total General Government	<u>5,722,547</u>
Public Safety:	
Police Department:	
Personnel Services	5,833,818
Supplies	465,887
Other Services and Charges	321,671
Capital Outlay	<u>526,000</u>
Total	<u>7,147,376</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2018

	<u>TOTALS</u> 2018
Parking Division:	
Personnel Services	\$ 154,127
Supplies	31,392
Other Services and Charges	72,009
Capital Outlay	<u>15,096</u>
Total	<u>272,624</u>
Emergency Management:	
Personnel Services	77,923
Supplies	20,967
Other Services and Charges	22,398
Capital Outlay	<u>19,546</u>
Total	<u>140,834</u>
Fire Department:	
Personnel Services	4,480,171
Supplies	180,257
Other Services and Charges	101,292
Capital Outlay	<u>332,902</u>
Total	<u>5,094,622</u>
Total Public Safety	<u>12,655,456</u>
Public Works:	
Highway and Street Maintenance:	
Personnel Services	553,503
Supplies	747,857
Other Services and Charges	1,094,033
Capital Outlay	<u>184,871</u>
Total	<u>2,580,264</u>
Waste Disposal:	
Personnel Services	-
Supplies	14
Other Services and Charges	-
Capital Outlay	<u>-</u>
Total	<u>14</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2018

	<u>TOTALS</u> <u>2018</u>
City Garage Department:	
Personnel Services	\$ 485,861
Supplies	382,945
Other Services and Charges	20,212
Capital Outlay	<u>3,921</u>
Total	<u>892,939</u>
Airport:	
Other Services and Charges	<u>30,000</u>
Total	<u>30,000</u>
Weed & Grass Control:	
Personnel Services	296,294
Supplies	9,703
Other Services and Charges	19,945
Capital Outlay	<u>25,550</u>
Total	<u>351,492</u>
Cemetery Maintenance:	
Personnel Services	226,344
Supplies	8,251
Other Services and Charges	3,414
Capital Outlay	<u>809</u>
Total	<u>238,818</u>
Family Crisis Services:	
Other Services and Charges	<u>35,750</u>
Total	<u>35,750</u>
Human Society:	
Other Services and Charges	<u>168,750</u>
Total	<u>168,750</u>
London Bus:	
Personnel Services	1,573
Supplies	3,545
Other Services and Charges	<u>16,436</u>
Total	<u>21,554</u>
Total Public Works	<u>4,319,581</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2018

	<u>TOTALS</u> <u>2018</u>
Culture & Recreation:	
Parks and Recreation:	
Personnel Services	\$ 1,202,809
Supplies	234,124
Other Services and Charges	584,799
Capital Outlay	<u>34,236</u>
Total	<u>2,055,968</u>
Swimming Pools - Parks:	
Personnel Services	47,831
Supplies	30,074
Other Services and Charges	19,359
Capital Outlay	<u>10,925</u>
Total	<u>108,189</u>
Library:	
Personnel Services	-
Supplies	-
Other Services and Charges	309,272
Capital Outlay	<u>-</u>
Total	<u>309,272</u>
RSVP - Park/Recreation:	
Personnel Services	178,522
Supplies	14,346
Other Services and Charges	66,093
Capital Outlay	<u>16,310</u>
Total	<u>275,271</u>
FNC Park:	
Personnel Services	684,169
Supplies	522,043
Other Services and Charges	323,828
Capital Outlay	<u>73,444</u>
Total	<u>1,603,484</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended September 30, 2018

	<u>TOTALS</u> <u>2018</u>
Historic Homes:	
Personnel Services	\$ -
Supplies	52,346
Other Services and Charges	46,686
Capital Outlay	<u>1,329</u>
Total	<u>100,361</u>
Total Culture and Recreation	<u>4,452,545</u>
Debt Service:	
Principal Retirement	595,440
Interest and Fiscal Charges	<u>38,246</u>
Total Debt Service	<u>633,686</u>
TOTAL EXPENDITURES	<u>27,783,815</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,120,051</u>
OTHER FINANCING SOURCES (USES):	
Transfers (to) from Other Funds	<u>743,191</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>743,191</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>1,863,242</u>
FUND BALANCE:	
October 1, Beginning, as previously stated	13,443,046
Prior Period Adjustment	<u>(1,140,002)</u>
October 1, Beginning, as restated	<u>12,303,044</u>
SEPTEMBER 30, Ending	<u>\$ 14,166,286</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Ad Valorem Taxes:			
Real & Personal	\$ 8,536,838	\$ 8,431,975	\$ (104,863)
Penalties and Interest	214,000	214,316	316
Licenses and Permits	860,000	859,609	(391)
State of Mississippi:			
Sales Tax	9,564,000	9,560,336	(3,664)
Municipal Aid	28,000	9,433	(18,567)
Fire Protection	107,000	107,978	978
Utility Tax	-	18,789	18,789
ABC Licenses	191,000	191,626	626
Homestead Reimbursement	118,000	135,156	17,156
In Lieu of Taxes	336,000	242,948	(93,052)
Lafayette County:			
Pro Rate Tax	1,014,000	1,014,719	719
In Lieu - Other:			
Utility Department	965,000	965,000	-
State, Federal and Local Grants	1,184,889	926,359	(258,530)
Intergovernmental Revenues	1,260,000	1,070,928	(189,072)
Fines and Forfeitures	827,200	887,872	60,672
Parking Meter Revenues	845,000	978,885	133,885
FNC Parking Lease	15,000	-	(15,000)
Interest Income	16,000	17,249	1,249
Recreation Fees	1,455,900	1,542,991	87,091
Charges for Services	-	-	-
Franchise Fees	809,000	805,601	(3,399)
Donations/Contributions	56,775	103,764	46,989
Sale of Land and Surplus Equipment	-	-	-
Cemetery	68,000	68,650	650
Miscellaneous Income	687,327	486,756	(200,571)
TOTAL REVENUES	\$ 29,158,929	\$ 28,640,940	\$ (517,989)

EXPENDITURES:

General Government:

Legislative:

Personnel Services	\$ 170,697	\$ 164,579	\$ 6,118
Supplies	4,600	3,788	812
Other Services and Charges	12,000	9,774	2,226
Capital Outlay	-	-	-
Total	187,297	178,141	9,156

Judicial:

Personnel Services	394,938	375,017	19,921
Supplies	17,650	14,611	3,039
Other Services and Charges	38,100	22,718	15,382
Capital Outlay	5,000	3,781	1,219
Total	455,688	416,127	39,561

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Executive:			
Personnel Services	\$ 176,069	\$ 174,861	\$ 1,208
Supplies	5,000	4,814	186
Other Services and Charges	11,000	6,807	4,193
Capital Outlay	3,000	-	3,000
Total	195,069	186,482	8,587
Department of Planning:			
Personnel Services	444,635	443,528	1,107
Supplies	21,057	21,057	-
Other Services and Charges	44,475	43,664	811
Capital Outlay	5,000	3,846	1,154
Total	515,167	512,095	3,072
Elections:			
Personnel Services	-	-	-
Supplies	10,000	1,695	8,305
Other Services and Charges	-	-	-
Total	10,000	1,695	8,305
Finance:			
Personnel Services	347,999	319,804	28,195
Supplies	26,300	25,683	617
Other Services and Charges	69,407	69,407	-
Capital Outlay	4,500	4,292	208
Total	448,206	419,186	29,020
Human Resources:			
Personnel Services	296,872	292,880	3,992
Supplies	31,000	28,595	2,405
Other Services and Charges	80,116	80,116	-
Capital Outlay	3,000	-	3,000
Total	410,988	401,591	9,397
Law:			
Personnel Services	-	-	-
Supplies	500	-	500
Other Services and Charges	580,647	580,647	-
Total	581,147	580,647	500
Building and Grounds:			
Personnel Services	767,137	763,827	3,310
Supplies	227,712	227,712	-
Other Services and Charges	90,680	54,617	36,063
Capital Outlay	70,000	68,331	1,669
Total	1,155,529	1,114,487	41,042

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Building and Code Enforcement:			
Personnel Services	\$ 329,851	\$ 312,843	\$ 17,008
Supplies	14,300	10,372	3,928
Other Services and Charges	9,100	6,691	2,409
Capital Outlay	-	200	(200)
Total	<u>353,251</u>	<u>330,106</u>	<u>23,145</u>
General Government:			
Personnel Services	728,492	728,492	-
Supplies	19,000	6,475	12,525
Other Services and Charges	1,274,160	738,801	535,359
Capital Outlay	36,000	5,000	31,000
Total	<u>2,057,652</u>	<u>1,478,768</u>	<u>578,884</u>
Community Promotions:			
Other Services and Charges	<u>199,500</u>	<u>103,222</u>	<u>96,278</u>
Total	<u>199,500</u>	<u>103,222</u>	<u>96,278</u>
Total General Government	<u>6,569,494</u>	<u>5,722,547</u>	<u>846,947</u>
Public Safety:			
Police Department:			
Personnel Services	6,302,278	5,833,818	468,460
Supplies	482,874	465,887	16,987
Other Services and Charges	615,064	321,671	293,393
Capital Outlay	1,311,730	526,000	785,730
Total	<u>8,711,946</u>	<u>7,147,376</u>	<u>1,564,570</u>
Parking Division:			
Personnel Services	156,752	154,127	2,625
Supplies	31,392	31,392	-
Other Services and Charges	72,009	72,009	-
Capital Outlay	18,000	15,096	2,904
Total	<u>278,153</u>	<u>272,624</u>	<u>5,529</u>
Emergency Management:			
Personnel Services	78,768	77,923	845
Supplies	27,000	20,967	6,033
Other Services and Charges	43,900	22,398	21,502
Capital Outlay	20,000	19,546	454
Total	<u>169,668</u>	<u>140,834</u>	<u>28,834</u>
Fire Department:			
Personnel Services	4,480,171	4,480,171	-
Supplies	180,257	180,257	-
Other Services and Charges	101,292	101,292	-
Capital Outlay	332,944	332,902	42
Total	<u>5,094,664</u>	<u>5,094,622</u>	<u>42</u>

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Other Protection Department:			
Other Services and Charges	\$ -	\$ -	\$ -
Total	-	-	-
Total Public Safety	14,254,431	12,655,456	1,598,975
Public Works:			
Highway and Street Maintenance:			
Personnel Services	640,543	553,503	87,040
Supplies	747,857	747,857	-
Other Services and Charges	1,295,700	1,094,033	201,667
Capital Outlay	727,725	184,871	542,854
Total	3,411,825	2,580,264	831,561
Waste Disposal:			
Personnel Services	-	-	-
Supplies	-	14	(14)
Other Services and Charges	-	-	-
Capital Outlay	-	-	-
Total	-	14	(14)
City Garage Department:			
Personnel Services	550,878	485,861	65,017
Supplies	457,000	382,945	74,055
Other Services and Charges	25,500	20,212	5,288
Capital Outlay	10,000	3,921	6,079
Total	1,043,378	892,939	150,439
Airport:			
Other Services and Charges	30,000	30,000	-
Total	30,000	30,000	-
Weed & Grass Control:			
Personnel Services	349,315	296,294	53,021
Supplies	9,703	9,703	-
Other Services and Charges	19,945	19,945	-
Capital Outlay	25,500	25,550	(50)
Total	404,463	351,492	52,971
Cemetery Maintenance:			
Personnel Services	227,320	226,344	976
Supplies	8,251	8,251	-
Other Services and Charges	9,200	3,414	5,786
Capital Outlay	10,000	809	9,191
Total	254,771	238,818	15,953

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Family Crisis Services:			
Other Services and Charges	\$ 35,750	\$ 35,750	\$ -
Total	35,750	35,750	-
Humane Society:			
Other Services and Charges	168,750	168,750	-
Total	168,750	168,750	-
London Bus:			
Personnel Services	16,440	16,436	4
Supplies	3,650	3,545	105
Other Services and Charges	1,800	1,573	227
Total	21,890	21,554	336
Total Public Works	5,370,827	4,319,581	1,051,246
Culture & Recreation:			
Parks and Recreation:			
Personnel Services	1,203,469	1,202,809	660
Supplies	255,523	234,124	21,399
Other Services and Charges	553,827	584,799	(30,972)
Capital Outlay	78,000	34,236	43,764
Total	2,090,819	2,055,968	34,851
Swimming Pools - Parks:			
Personnel Services	55,000	47,831	7,169
Supplies	192,200	30,074	162,126
Other Services and Charges	27,000	19,359	7,641
Capital Outlay	11,000	10,925	75
Total	285,200	108,189	177,011
Library:			
Personnel Services	-	-	-
Supplies	-	-	-
Other Services and Charges	321,000	309,272	11,728
Capital Outlay	-	-	-
Total	321,000	309,272	11,728
RSVP - Park/Recreation:			
Personnel Services	199,323	178,522	20,801
Supplies	12,754	14,346	(1,592)
Other Services and Charges	47,922	66,093	(18,171)
Capital Outlay	17,000	16,310	690
Total	276,999	275,271	1,728

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
Year Ended September 30, 2018

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FNC Park:			
Personnel Services	\$ 684,278	\$ 684,169	\$ 109
Supplies	522,043	522,043	-
Other Services and Charges	323,828	323,828	-
Capital Outlay	56,849	73,444	(16,595)
Total	1,586,998	1,603,484	(16,486)
Historic Homes:			
Personnel Services	-	-	-
Supplies	53,000	52,346	654
Other Services and Charges	53,120	46,686	6,434
Capital Outlay	1,500	1,329	171
Total	107,620	100,361	7,259
Total Culture and Recreation	4,668,636	4,452,545	216,091
Debt Service:			
Principal Retirement	462,168	595,440	(133,272)
Interest and Fiscal Charges	-	38,246	(38,246)
Total	462,168	633,686	(171,518)
TOTAL EXPENDITURES	31,325,556	27,783,815	3,541,741
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,166,627)	857,125	3,023,752
OTHER FINANCING SOURCES (USES):			
Transfers (to) from Other Funds	1,454,540	743,191	(711,349)
Lease Payments	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,454,540	743,191	(711,349)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(712,087)	1,600,316	2,312,403
FUND BALANCE:			
October 1, Beginning, as previously stated	\$ 13,443,046	\$ 13,443,046	\$ -
Prior Period Adjustment	(1,140,002)	(1,140,002)	-
October 1, Beginning, as restated	12,303,044	12,303,044	-
(Non-GAAP Budgetary Basis) September 30,	\$ 11,590,957	13,903,360	\$ 2,312,403
Adjustments to GAAP Basis:			
Accrued Revenue		262,926	
FUND BALANCE (GAAP) September 30,		\$ 14,166,286	

**CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
September 30, 2018**

	2% FOOD & BEVERAGE TAX	HOTEL/ MOTEL TAX	\$30M TRUST PROCEEDS	OXFORD TRANSIT FUND	MDJ UNIT FUND	CONFERENCE CENTER	OXFORD TOURISM COUNCIL	VARIOUS GRANT FUNDS	VARIOUS NON-GRANT FUNDS	TOTALS 2018
ASSETS:										
Cash	\$ 1,889,511	\$ 26,702	\$ 809,689	\$ -	\$ 682,874	\$ 888,921	\$ 346,370	\$ 36,933	\$ 49,291	\$ 4,730,291
Investments	204,056	-	-	-	-	-	-	-	-	204,056
Accrued Interest	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	2,908	-	-	2,908
Receivables	-	-	-	120,825	-	-	68,132	-	-	188,957
Due From Other Governments	566,461	86,432	-	510,712	-	-	-	222,952	-	1,386,557
Due From Other Funds	-	-	-	-	4,200	-	-	-	-	4,200
TOTAL ASSETS	<u>2,660,028</u>	<u>113,134</u>	<u>809,689</u>	<u>631,537</u>	<u>687,074</u>	<u>888,921</u>	<u>417,410</u>	<u>259,885</u>	<u>49,291</u>	<u>6,516,969</u>
LIABILITIES:										
Checks Issued in Excess of Deposits	-	-	-	98,311	-	-	-	-	-	98,311
Accounts Payable	41,157	-	-	272,508	908	37,602	37,772	222,881	-	612,828
TOTAL LIABILITIES	<u>41,157</u>	<u>-</u>	<u>-</u>	<u>370,819</u>	<u>908</u>	<u>37,602</u>	<u>37,772</u>	<u>222,881</u>	<u>-</u>	<u>711,139</u>
FUND BALANCE (DEFICIT):										
Committed	-	-	-	-	-	851,319	91,044	-	-	942,363
Restricted	2,618,871	113,134	809,689	260,718	686,166	-	-	37,004	49,291	4,574,873
Nonspendable	-	-	-	-	-	-	2,908	-	-	2,908
Unassigned	-	-	-	-	-	-	285,686	-	-	285,686
TOTAL FUND BALANCE (DEFICIT)	<u>2,618,871</u>	<u>113,134</u>	<u>809,689</u>	<u>260,718</u>	<u>686,166</u>	<u>851,319</u>	<u>379,638</u>	<u>37,004</u>	<u>49,291</u>	<u>5,805,830</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>2,660,028</u>	\$ <u>113,134</u>	\$ <u>809,689</u>	\$ <u>631,537</u>	\$ <u>687,074</u>	\$ <u>888,921</u>	\$ <u>417,410</u>	\$ <u>259,885</u>	\$ <u>49,291</u>	\$ <u>6,516,969</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2018

	2% FOOD & BEVERAGE TAX	HOTEL/ MOTEL TAX	\$30M TRUST PROCEEDS	OXFORD TRANSIT FUND	MDJ UNIT FUND	CONFERENCE CENTER	OXFORD TOURISM COUNCIL	VARIOUS GRANT FUNDS	VARIOUS NON-GRANT FUNDS	TOTALS 2018
REVENUES:										
Special Taxes	\$ 3,086,308	\$ 507,192	\$ -	\$ -	\$ -	\$ -	\$ 799,491	\$ -	\$ -	\$ 4,392,991
Intergovernmental Revenues	-	2,123	-	-	-	-	85,000	331,537	-	418,660
Federal & State Grants	-	-	-	1,865,078	-	-	44,798	-	2,162	1,912,038
Local Matching Funds	-	-	-	1,295,088	-	-	-	-	-	1,295,088
Charges for Services	49,455	-	-	111,258	-	-	146,967	-	-	307,680
Fines & Forfeitures	-	-	-	-	457,573	-	-	-	-	457,573
Interest Income	-	-	-	-	431	605	297	-	-	1,333
Facility Rental Income	-	-	-	-	-	1,127,538	-	-	-	1,127,538
Sponsorships	-	-	-	-	-	-	204,597	-	-	204,597
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	3,135,763	509,315	-	3,271,424	458,004	1,128,143	1,281,150	331,537	2,162	10,117,498
EXPENDITURES:										
Tourism Promotion:										
Personnel Services	9,353	-	-	-	-	-	276,147	-	-	285,500
Supplies	7,237	-	-	-	-	-	28,142	-	-	35,379
Other Services and Charges	707,866	-	-	-	-	-	1,021,042	-	-	1,728,908
Capital Outlay	-	-	-	-	-	-	4,175	-	-	4,175
Public Safety:										
Personnel Services	-	-	-	-	364,414	-	-	-	-	364,414
Supplies	-	-	-	-	31,008	-	-	-	-	31,008
Other Services and Charges	-	-	-	-	59,039	-	-	309	-	59,348
Capital Outlay	-	-	-	-	36,089	-	-	374	-	36,463
RSVP County Transit:										
Supplies	-	-	-	-	-	-	-	525	-	525
Personnel Services	-	-	-	-	-	-	-	62,936	-	62,936
Other Services and Charges	-	-	-	-	-	-	-	2,623	-	2,623
Public Works:										
Personnel Services	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	262,611	-	262,611
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Culture and Recreation:										
Personnel Services	-	-	-	-	-	419,991	-	-	-	419,991
Supplies	-	-	-	-	-	384,890	-	-	-	384,890
Other Services and Charges	-	-	198,858	-	-	463,972	-	-	-	662,830
Capital Outlay	-	-	74,540	-	-	5,655	-	-	-	80,195
Transit Operation:										
Personnel Services	-	-	-	2,026,367	-	-	-	-	-	2,026,367
Supplies	-	-	-	765,708	-	-	-	-	-	765,708
Other Services and Charges	-	-	-	546,861	-	-	-	-	-	546,861
Capital Outlay	261,490	-	-	278,633	-	-	-	-	-	540,123
Debt Service	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	985,946	-	273,398	3,617,569	490,550	1,274,508	1,329,506	329,378	-	8,300,855
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,149,817	509,315	(273,398)	(346,145)	(32,546)	(146,365)	(48,356)	2,159	2,162	1,816,643
OTHER FINANCING SOURCES (USES):										
Transfers from (to) Oxford Tourism Council	(327,000)	(480,490)	-	-	-	-	-	-	-	(807,490)
Transfers from (to) Other Funds	(1,626,869)	-	401,885	554,660	150,000	150,209	-	(17,500)	-	(387,615)
TOTAL OTHER FINANCING SOURCES (USES)	(1,953,869)	(480,490)	401,885	554,660	150,000	150,209	-	(17,500)	-	(1,195,105)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	195,948	28,825	128,487	208,515	117,454	3,844	(48,356)	(15,341)	2,162	621,538
FUND BALANCE(Deficit) - October 1,	2,422,923	84,309	681,202	52,203	568,712	847,475	427,994	52,345	47,129	5,184,292
FUND BALANCE(Deficit) - September 30,	\$ 2,618,871	\$ 113,134	\$ 809,689	\$ 260,718	\$ 686,166	\$ 851,319	\$ 379,638	\$ 37,004	\$ 49,291	\$ 5,805,830

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2018

	BUSINESS-TYPE ACTIVITIES- PROPRIETARY FUND			
	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTAL
ASSETS:				
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$ 6,793,684	\$ 11,359,651	\$ 712,357	\$ 18,865,692
Investments	10,443	3,169,746	-	3,180,189
Accounts Receivable, Net of Provision for Bad Debts	3,617,609	1,930,403	666,437	6,214,449
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	828,918	603,014	-	1,431,932
Prepaid Expenses	2,292	-	-	2,292
Total Current Assets	11,252,946	17,062,814	1,378,794	29,694,554
<u>Noncurrent Assets:</u>				
Restricted Assets				
Cash and Cash Equivalents - Restricted	5,000	-	-	5,000
Investments - Restricted	344,994	1,680,539	-	2,025,533
Unamortized Debt Expense	5,033	-	-	5,033
Investment in CSA	16,959	-	-	16,959
Land	908,953	199,510	-	1,108,463
Plant, Buildings & Improvements	36,193,732	65,419,743	38,832	101,652,307
Machinery & Equipment	2,911,227	7,490,100	3,778,233	14,179,560
Accumulated Depreciation	(12,092,059)	(38,872,534)	(1,898,801)	(52,863,394)
Construction Work In Progress	1,579,295	2,574,206	-	4,153,501
Net Noncurrent Assets	29,873,134	38,491,564	1,918,264	70,282,962
TOTAL ASSETS	41,126,080	55,554,378	3,297,058	99,977,516
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Deferred Outflows - Pensions	413,398	283,907	153,412	850,717
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 413,398	\$ 283,907	\$ 153,412	\$ 850,717

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
September 30, 2018

	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTAL
<u>LIABILITIES:</u>				
<u>Current Liabilities:</u>				
Accounts Payable and				
Accrued Expenses	\$ 6,326,094	\$ 855,302	\$ 82,917	\$ 7,264,313
Accrued Interest Payable	2,302	207,307	9,300	218,909
Due to Other Funds	-	-	-	-
Current Portion of Long-Term Debt	425,000	1,532,731	240,000	2,197,731
Customer Deposits	3,985,583	-	-	3,985,583
Total Current Liabilities	<u>10,738,979</u>	<u>2,595,340</u>	<u>332,217</u>	<u>13,666,536</u>
<u>Noncurrent Liabilities:</u>				
Other Liabilities	30,452	-	-	30,452
Compensated Absences	100,887	69,235	119,568	289,690
Net Pension Liability	4,263,901	7,186,698	3,883,412	15,334,011
Bonds, Notes, and Loans Payable, net of current portion	-	17,326,543	960,000	18,286,543
Total Noncurrent Liabilities	<u>4,395,240</u>	<u>24,582,476</u>	<u>4,962,980</u>	<u>33,940,696</u>
TOTAL LIABILITIES	<u>15,134,219</u>	<u>27,177,816</u>	<u>5,295,197</u>	<u>47,607,232</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred Charge on Refunding Bonds, net	-	241,454	-	241,454
Deferred Inflows - Pensions	93,124	177,126	95,712	365,962
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>93,124</u>	<u>418,580</u>	<u>95,712</u>	<u>607,416</u>
<u>NET POSITION:</u>				
Net Investment in Capital Assets	29,076,148	17,951,751	718,264	47,746,163
Reserved for Unemployment Benefits	5,000	-	-	5,000
Reserved for Debt Service	342,692	1,680,539	-	2,023,231
Unrestricted	(3,111,705)	8,609,599	(2,658,703)	2,839,191
TOTAL NET POSITION	<u>\$ 26,312,135</u>	<u>\$ 28,241,889</u>	<u>\$ (1,940,439)</u>	<u>\$ 52,613,585</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2018

	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTALS
<u>OPERATING REVENUE:</u>				
Charges For Services	\$ 23,875,261	\$ 10,914,521	\$ 4,182,078	\$ 38,971,860
Other	283,648	-	-	283,648
Total Operating Revenue	24,158,909	10,914,521	4,182,078	39,255,508
<u>OPERATING EXPENSES:</u>				
Operations	20,589,120	5,607,940	3,222,247	29,419,307
Maintenance	774,006	133,116	699,850	1,606,972
Depreciation and Amortization Expense	1,049,749	2,906,218	201,734	4,157,701
Total Operating Expenses	22,412,875	8,647,274	4,123,831	35,183,980
Net Operating Income (Loss)	1,746,034	2,267,247	58,247	4,071,528
<u>NON-OPERATING INCOME (EXPENSES):</u>				
Interest Income	39,373	9,869	-	49,242
Grant Income/ Capital Contributions	-	-	64,260	64,260
Amortization of Debt Expense	(12,081)	29,411	-	17,330
Rent Revenue	-	252,343	-	252,343
Miscellaneous Income (Expense)	(6,451)	142,338	-	135,887
Interest Expense	(51,118)	(645,238)	(18,352)	(714,708)
Total Non-Operating Income (Loss)	(30,277)	(211,277)	45,908	(195,646)
Income Before Operating Transfers	1,715,757	2,055,970	104,155	3,875,882
<u>OPERATING TRANSFERS IN (OUT):</u>				
Operating Transfers In (Out)	(965,000)	(387,088)	(175,162)	(1,527,250)
Change in Net Position	750,757	1,668,882	(71,007)	2,348,632
Total Net Position - Beginning, as previously stated	25,561,378	26,573,007	-	52,134,385
Prior Period Adjustment	-	-	(1,869,432)	(1,869,432)
Total Net Position - Beginning, as restated	25,561,378	26,573,007	(1,869,432)	50,264,953
Total Net Position - Ending	\$ 26,312,135	\$ 28,241,889	\$ (1,940,439)	\$ 52,613,585

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2018

	ELECTRIC FUND	WATER & SEWER FUND	ENVIRONMENTAL SERVICES	TOTALS
<u>Cash Flows from Operating Activities:</u>				
Receipts from Customers	\$ 23,950,689	\$ 10,967,608	\$ 4,085,642	\$ 39,003,939
Payments to Suppliers	(19,711,927)	(349,158)	(1,003,762)	(21,064,847)
Payments to Employees	(894,500)	(2,746,416)	(2,149,122)	(5,790,038)
Payments for Other Services and Charges	(965,000)	(1,630,900)	-	(2,595,900)
Other Receipts (Payments)	-	-	(205,588)	(205,588)
Net Cash Provided By (Used) In Operating Activities	<u>2,379,262</u>	<u>6,241,134</u>	<u>727,170</u>	<u>9,347,566</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In	-	(387,088)	(175,162)	(562,250)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>-</u>	<u>(387,088)</u>	<u>(175,162)</u>	<u>(562,250)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds From Capital Debt	-	-	1,200,000	1,200,000
Purchases of Capital Assets	(2,241,892)	(3,231,846)	(1,094,859)	(6,568,597)
Plant Removal Cost	(303,451)	-	-	(303,451)
Materials Salvaged from Retirements	59,038	-	-	59,038
Principal Paid on Capital Debt	(410,000)	(1,465,871)	-	(1,875,871)
Interest Paid on Capital Debt	(53,253)	(623,040)	(9,052)	(685,345)
Other Receipts (Payments)	-	142,338	-	142,338
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(2,949,558)</u>	<u>(5,178,419)</u>	<u>96,089</u>	<u>(8,031,888)</u>
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(355,437)	(4,042)	-	(359,479)
Proceeds From Sale of Investments	355,338	-	-	355,338
Interest and Dividends	39,373	9,869	-	49,242
Other Receipts (Payments)	(6,451)	252,343	-	245,892
Net Cash Provided By (Used In) Investing Activities	<u>32,823</u>	<u>258,170</u>	<u>64,260</u>	<u>355,253</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(537,473)	933,797	712,357	1,108,681
Cash and Cash Equivalents--Beginning	<u>7,336,157</u>	<u>10,425,854</u>	<u>-</u>	<u>17,762,011</u>
Cash and Cash Equivalents--Ending	<u>\$ 6,798,684</u>	<u>\$ 11,359,651</u>	<u>\$ 712,357</u>	<u>\$ 18,870,692</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:</u>				
Operating Income (Loss)	\$ 1,746,034	\$ 2,267,247	\$ 58,247	\$ 4,071,528
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used) In Operating Activities:				
Depreciation and Amortization Expense	1,049,749	2,906,218	201,734	4,157,701
Amounts Paid to City - Tax Equivalents	(965,000)	-	-	(965,000)
Pension Expense - Actuarially Determined	571,530	448,886	472,514	1,492,930
(Increase) Decrease in Accounts Receivable	(477,886)	53,087	(96,436)	(521,235)
(Increase) Decrease in Prepaid Items	85,510	-	-	85,510
(Increase) Decrease in Deferred Charges	(251,024)	(29,411)	-	(280,435)
(Increase) Decrease in Inventory	(118,292)	(19,864)	-	(138,156)
(Increase) Decrease in Compensated Absences	(32,861)	(98,454)	8,194	(123,121)
Increase (Decrease) in Accounts Payable	500,232	713,425	82,917	1,296,574
Increase (Decrease) in Accrued Liabilities	1,604	-	-	1,604
Increase (Decrease) in Customer Deposits	269,666	-	-	269,666
Total Adjustments	<u>633,228</u>	<u>3,973,887</u>	<u>668,923</u>	<u>5,276,038</u>
Net Cash Provided By (Used) In Operating Activities	<u>\$ 2,379,262</u>	<u>\$ 6,241,134</u>	<u>\$ 727,170</u>	<u>\$ 9,347,566</u>

**CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2018**

	2017A \$7.5M GO BOND FUND	INTERSECTION IMPROVEMENTS ESCROW	JACKSON AVENUE PROPERTY	OXFORD LOOP EXTENSION PROJECT	SISK AVENUE EXTENSION PROJECT	OXFORD COMMONS FRONTAGE RD	\$5.5M BOND ISSUE 2012	OFD COMMONS STATION PROJECT	RECYCLING BUILDING ESCROW	NORTH LAMAR PROJECT	TOTALS 2018
ASSETS:											
Cash	\$ 532,340	\$ 679,809	\$ -	\$ 2,376,605	\$ 1,659,386	\$ 247,638	\$ -	\$ 99,640	\$ 100,000	\$ 101,199	\$ 5,796,617
Investments	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-	-	-	-	-
Other Receivable	-	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>532,340</u>	<u>679,809</u>	<u>-</u>	<u>2,376,605</u>	<u>1,659,386</u>	<u>247,638</u>	<u>-</u>	<u>99,640</u>	<u>100,000</u>	<u>101,199</u>	<u>5,796,617</u>
LIABILITIES:											
Accounts Payable	-	-	-	16,080	85,195	-	-	-	-	-	101,275
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,080</u>	<u>85,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,275</u>
FUND BALANCE:											
Restricted	532,340	679,809	-	2,360,525	1,574,191	247,638	-	99,640	100,000	101,199	5,695,342
Unassigned	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	<u>532,340</u>	<u>679,809</u>	<u>-</u>	<u>2,360,525</u>	<u>1,574,191</u>	<u>247,638</u>	<u>-</u>	<u>99,640</u>	<u>100,000</u>	<u>101,199</u>	<u>5,695,342</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 532,340</u>	<u>\$ 679,809</u>	<u>\$ -</u>	<u>\$ 2,376,605</u>	<u>\$ 1,659,386</u>	<u>\$ 247,638</u>	<u>\$ -</u>	<u>\$ 99,640</u>	<u>\$ 100,000</u>	<u>\$ 101,199</u>	<u>\$ 5,796,617</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2018

	2017A \$7.5M GO BOND FUND	INTERSECTION IMPROVEMENTS ESCROW	JACKSON AVENUE PROPERTY	OXFORD LOOP EXTENSION PROJECT	SISK AVENUE EXTENSION PROJECT	OXFORD COMMONS FRONTAGE RD	\$5.5 M BOND ISSUE 2012	OFD COMMONS STATION PROJECT	RECYCLING BUILDING ESCROW	NORTH LAMAR PROJECT	TOTALS 2018
REVENUES:											
Grant Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-	-
Donations/Contributions	-	-	-	-	-	-	-	-	-	100,000	100,000
Other	-	-	-	-	-	-	-	-	-	1,199	1,199
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	101,199	101,199
EXPENDITURES:											
Capital Projects:											
Supplies	-	-	-	-	-	-	-	-	-	-	-
Other Services and Charges	-	-	-	-	-	-	-	360	-	-	360
Capital Outlay	-	360,644	-	4,950,953	867,588	-	-	-	-	-	6,179,185
TOTAL EXPENDITURES	-	360,644	-	4,950,953	867,588	-	-	360	-	-	6,179,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(360,644)	-	(4,950,953)	(867,588)	-	-	(360)	-	101,199	(6,078,346)
OTHER FINANCING SOURCES (USES):											
Proceeds of Debt Issuance	-	-	-	3,089,969	133,582	-	-	-	-	-	3,223,551
Transfers from (to) Other Funds	-	535,453	(17,225)	-	-	-	(116,702)	100,000	100,000	-	601,526
TOTAL OTHER FINANCING SOURCES (USES)	-	535,453	(17,225)	3,089,969	133,582	-	(116,702)	100,000	100,000	-	3,825,077
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	-	174,809	(17,225)	(1,860,984)	(734,006)	-	(116,702)	99,640	100,000	101,199	(2,253,269)
FUND BALANCE - October 1,	<u>532,340</u>	<u>505,000</u>	<u>17,225</u>	<u>4,221,509</u>	<u>2,308,197</u>	<u>247,638</u>	<u>116,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,948,611</u>
FUND BALANCE - September 30,	<u>\$ 532,340</u>	<u>\$ 679,809</u>	<u>\$ -</u>	<u>\$ 2,360,525</u>	<u>\$ 1,574,191</u>	<u>\$ 247,638</u>	<u>\$ -</u>	<u>\$ 99,640</u>	<u>\$ 100,000</u>	<u>\$ 101,199</u>	<u>\$ 5,695,342</u>

**CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
September 30, 2018**

	\$3 M GO BOND ISSUE 2004	\$7.5M GO BOND ISSUE 2017A	\$3.8 M GO BOND ISSUE 2009	\$7.085 M GO BOND ISSUE 2010	\$5.5 M GO BOND ISSUE 2012	\$1.6M SA BOND ISSUE 2014	\$6.6M GO BOND ISSUE 2015	TOTALS 2018
ASSETS:								
Cash	\$ -	\$ 56,818	\$ 82,029	\$ 149,980	\$ 53,349	\$ 265	\$ 104,411	\$ 446,852
Ad Valorem Taxes Receivable, net	<u>2,433</u>	<u>1,246</u>	<u>824</u>	<u>968</u>	<u>3,064</u>	<u>-</u>	<u>2,242</u>	<u>10,777</u>
TOTAL ASSETS	<u>2,433</u>	<u>58,064</u>	<u>82,853</u>	<u>150,948</u>	<u>56,413</u>	<u>265</u>	<u>106,653</u>	<u>457,629</u>
LIABILITIES:								
Checks Issued in Excess of Deposits	2,500	-	-	-	-	-	-	2,500
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
FUND BALANCE (DEFICIT):								
Committed	-	58,064	82,853	150,948	56,413	265	106,653	455,196
Unassigned -	<u>(67)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67)</u>
TOTAL FUND BALANCE (DEFICIT)	<u>(67)</u>	<u>58,064</u>	<u>82,853</u>	<u>150,948</u>	<u>56,413</u>	<u>265</u>	<u>106,653</u>	<u>455,129</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,433</u>	<u>\$ 58,064</u>	<u>\$ 82,853</u>	<u>\$ 150,948</u>	<u>\$ 56,413</u>	<u>\$ 265</u>	<u>\$ 106,653</u>	<u>\$ 457,629</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS
For the Year Ended September 30, 2018

	\$3 M GO BOND ISSUE 2004	\$7.5M GO BOND ISSUE 2017A	\$3.8 M GO BOND ISSUE 2009	\$7.085 M GO BOND ISSUE 2010	\$5.5 M GO BOND ISSUE 2012	\$1.6M SA BOND ISSUE 2014	\$6.6M GO BOND ISSUE 2015	TOTALS 2018
REVENUES:								
General Property Taxes	\$ -	\$ 482,592	\$ 358,198	\$ 412,480	\$ 448,983	\$ 127,182	\$ 828,236	\$ 2,657,671
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Interest Income	-	-	361	-	-	-	-	361
TOTAL REVENUES	<u>-</u>	<u>482,592</u>	<u>358,559</u>	<u>412,480</u>	<u>448,983</u>	<u>127,182</u>	<u>828,236</u>	<u>2,658,032</u>
EXPENDITURES:								
Fees	-	500	2,426	1,940	2,250	645	2,250	10,011
Payments - Principal	-	270,000	260,000	695,000	345,000	95,000	690,000	2,355,000
Payments - Interest	-	225,000	70,431	75,825	79,932	31,438	122,919	605,545
TOTAL EXPENDITURES	<u>-</u>	<u>495,500</u>	<u>332,857</u>	<u>772,765</u>	<u>427,182</u>	<u>127,083</u>	<u>815,169</u>	<u>2,970,556</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(12,908)	25,702	(360,285)	21,801	99	13,067	(312,524)
OTHER FINANCING SOURCES (USES):								
Proceeds from Issuance of Debt	-	-	-	-	-	-	-	-
Transfers from (to) Other Funds	-	70,972	-	410,000	-	-	200,000	680,972
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>70,972</u>	<u>-</u>	<u>410,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>680,972</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	-	58,064	25,702	49,715	21,801	99	213,067	368,448
FUND BALANCE - October 1,	<u>(67)</u>	<u>-</u>	<u>57,151</u>	<u>101,233</u>	<u>34,612</u>	<u>166</u>	<u>(106,414)</u>	<u>86,681</u>
FUND BALANCE - September 30,	<u>\$ (67)</u>	<u>\$ 58,064</u>	<u>\$ 82,853</u>	<u>\$ 150,948</u>	<u>\$ 56,413</u>	<u>\$ 265</u>	<u>\$ 106,653</u>	<u>\$ 455,129</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2018

NAME	POSITION	COMPANY	BOND AMOUNT	BOND EXPIRATION
Robyn Tannehill	Mayor	FCCI Insurance Group	100,000	7/1/2019
Rick Addy	Alderman Ward I	Travelers	100,000	7/1/2019
Mark Hulse	Alderman Ward II	FCCI Insurance Group	100,000	7/1/2019
Janice Antonow	Alderman Ward III	FCCI Insurance Group	100,000	7/1/2019
Ulysses L. Howell	Alderman Ward IV	FCCI Insurance Group	100,000	7/2/2019
Preston Edward Taylor	Alderman Ward V	FCCI Insurance Group	100,000	7/2/2019
Jason Bailey	Alderman Ward VI	FCCI Insurance Group	100,000	7/1/2019
John Morgan	Alderman At Large	FCCI Insurance Group	100,000	7/6/2019
Ashley Atkinson	City Clerk	FCCI Insurance Group	50,000	8/20/2019
Lesia Chandler	Deputy Clerk	FCCI Insurance Group	50,000	8/20/2019
Joey East	Police Chief	FCCI Insurance Group	50,000	7/1/2019
Matt Davis	Dir. Parking Enforcement	FCCI Insurance Group	50,000	4/1/2020
Daphanie Vaughn	Deputy Clerk	Travelers	50,000	5/12/2019
Donna C Buchanan	Admin. Asst.-Court	Travelers	25,000	1/6/2020
Jessica Fort Tolleson	Deputy Clerk	Travelers	50,000	1/6/2020
Caitlan Cole Carpenter	Deputy Clerk	Travelers	50,000	11/6/2019
Steven Clay Brownlee	Asst. Park Dir.-FNC Pk.	Travelers	50,000	1/25/2020
Brad Freeman	Park Dir.-FNC Park	Travelers	50,000	1/25/2020
Alex Jay Fauver	Narcotics Officer	Travelers	50,000	4/9/2019
Rodney G. Waller	Narcotics Officer	Travelers	50,000	1/8/2020
Lloyd Caleb East	Narcotics Officer	Travelers	50,000	10/20/2019
Aric A. Stratton	Narcotics Officer	Travelers	50,000	1/2/2020
Evelyn G. Willingham	Administrative Assistant	Travelers	50,000	2/1/2020
Shelby L. Hernandez	Administrative Assistant	Travelers	50,000	1/4/2020
Valerie R. A. Boothe	Administrative Assistant	Travelers	50,000	1/4/2020

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2018

	INTEREST RATE	BALANCE 9-30-17	DEBT ISSUED	DEBT RETIRED	BALANCE 9-30-18	CURRENT MATURITIES
LONG-TERM DEBT:						
<u>Governmental Activities</u>						
General Obligation Bonds:						
General Obligation-Series 2010 (Refunding)	2-3%	\$ 2,880,000	\$ -	\$ 695,000	\$ 2,185,000	\$ 710,000
General Obligation-Series 2009	3-3.75%	2,085,000	-	260,000	1,825,000	270,000
General Obligation-Series 2012	1.625-2.25%	3,890,000	-	345,000	3,545,000	355,000
G.O. Note Series 2012-BancorpSouth	1.43%	105,000	-	105,000	-	-
G.O. Note Series 2014-Regions	1.66%	204,154	-	101,636	102,518	102,518
G.O. Note Series 2014-Hancock	1.45%	550,000	-	180,000	370,000	185,000
G.O. Note Series 2015-Peoples	2-2.25%	6,135,000	-	690,000	5,445,000	705,000
G.O. Note Series 2016-Trustmark	2.19%	650,000	-	155,000	495,000	160,000
General Obligation-Series 2017A	3.00%	7,500,000	-	270,000	7,230,000	280,000
General Obligation-Series 2017B	3.00% - 4.00%	-	7,500,000	-	7,500,000	270,000
General Obligation-Series 2018A	2.5% - 3.5%	-	2,700,000	-	2,700,000	100,000
General Obligation-Series 2018B	3.0% - 4.0%	-	9,950,000	-	9,950,000	340,000
General Obligation-Series 2018C	3.5% - 4.0%	-	1,050,000	-	1,050,000	90,000
Total General Obligation Bonds and Notes		23,999,154	21,200,000	2,801,636	42,397,518	3,567,518
Special Assessment Bonds:						
Special Assessment Bond-Series 2014	2.225-2.625%	1,340,000	-	95,000	1,245,000	95,000
Total Special Assessment Bonds		1,340,000	-	95,000	1,245,000	95,000
Notes Payable:						
CAP Loan - State of Mississippi	2%	587,169	-	53,803	533,366	50,337
Total Notes Payable		587,169	-	53,803	533,366	50,337
Total Governmental Activities		25,926,323	21,200,000	2,950,439	44,175,884	3,712,855
<u>Business-Type Activities</u>						
Revenue Bonds:						
2007 Solid Waste Revenue Bond	2.00%	-	1,200,000	-	1,200,000	240,000
2008 Water & Sewer Revenue Bond	3.625-4.5%	2,295,000	-	160,000	2,135,000	170,000
2011 Water & Sewer Revenue Bond	3-4.3%	6,755,000	-	345,000	6,410,000	360,000
2012 Water & Sewer Revenue Bond	1-2.625%	1,780,000	-	215,000	1,565,000	225,000
2014 Water & Sewer Revenue Bond (Refunding)	1.05-5%	3,670,000	-	320,000	3,350,000	340,000
Electric Department						
2011 Electric System Revenue	2.25-3.125%	835,000	-	410,000	425,000	425,000
Total Revenue Bonds		15,335,000	1,200,000	1,450,000	15,085,000	1,760,000
Notes Payable:						
State Revolving Fund-Water & Sewer	2.75%	5,825,145	-	425,871	5,399,274	437,731
Total Notes Payable		5,825,145	-	425,871	5,399,274	437,731
Total Business-Type Activities		21,160,145	1,200,000	1,875,871	20,484,274	2,197,731
Total Long-Term Debt		\$ 47,086,468	\$ 22,400,000	\$ 4,826,310	\$ 64,660,158	\$ 5,910,586

CITY OF OXFORD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2018

Federal Grantor/ Pass Through Grantor/ Program Title	Grantor Agency Id Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
U. S. Department of Transportation			
Passed through Mississippi Department of Transportation			
Alcohol Open Container Requirements	154AL-2018-ST-22-52	20.607	\$ 108,323
State and Community Highway Safety	PT-2018-PT-22-52	20.600	10,697
National Priority Safety Programs	M5X-2018-MD-22-51	20.616	152,044
* Formula Grants for Rural Areas	MS 2017-009-00	20.509	1,865,961
Total U.S. Department of Transportation			\$ 2,137,025
U. S. Department of Homeland Security			
Passed through Mississippi Emergency Management Agency			
Homeland Security Grant Program	17HS286T	97.067	\$ 10,000
Hazard Mitigation Grant Program	1916-0018	97.039	85,266
Assistance to Firefighters Grant	EMW-2016-FO-06641	97.044	267,728
Total U. S. Department of Homeland Security			\$ 362,994
U. S. Department of Agriculture			
Passed through Mississippi Forestry Commission			
Urban and Community Forestry Grant Program	16-DG-11083128-001	10.675	\$ 33,490
Total U. S. Department of Agriculture			\$ 33,490
TOTAL FEDERAL EXPENDITURES			\$ 2,533,509

SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Oxford, Mississippi and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

* - Major Program

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Oxford, Mississippi's basic financial statements and have issued our report thereon dated May 21, 2019.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 1, 2, 3 and 4 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oxford, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as 1, 2 and 5. We noted certain other matters that we reported to management of the City of Oxford, Mississippi in a separate letter dated May 21, 2019.

City of Oxford, Mississippi's Response to Findings

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

Purpose of this Report

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

Franks, Franks, Wilemon & Hagood P.A.

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.
Tupelo, Mississippi
May 21, 2019

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

Honorable Mayor and Board of Aldermen
Oxford, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Oxford, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Oxford, Mississippi's major federal programs for the year ended September 30, 2018. City of Oxford, Mississippi's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Oxford, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Oxford, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Oxford, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control over Compliance

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

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

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

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

Franks, Franks, Wilemon & Hagood P.A.

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.
Tupelo, Mississippi
May 21, 2019

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

We have audited the financial statements of the City of Oxford, Mississippi, as of and for the year ended September 30, 2018 and have issued our report dated May 21, 2019. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

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

The results of those procedures and our audit of the general purpose financial statements disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are included in the Schedule of Findings and Questioned Costs as findings 1, 2 and 5.

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

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

Franks, Franks, Wilemon & Hagood P.A.

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.
Tupelo, Mississippi
May 21, 2019

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2018

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

Internal Control over major programs:
Material weakness identified? Yes X No
Significant deficiency identified
not considered to be a material weakness? Yes X None reported
Type of auditors' report issued on compliance
for major programs: Unmodified
Any audit findings disclosed that are required
to be reported in accordance with
2 CFR 200.516(a)? Yes X No

Identification of major program:

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

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2018

SECTION 2 – FINANCIAL STATEMENT FINDINGS:

FINDING NO. 1

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

Cause of Condition: The City did not conduct an annual inventory observation of fixed assets pursuant to guidelines set forth by the Mississippi Office of the State Auditor. The City does not have an accurate listing of fixed assets. The City has not ensured that all fixed assets are properly tagged and accounted for in compliance with state laws. The City did not provide adequate documentation for certain expenditures that were requested during the audit of fixed assets. Also, we noted one instance for which compliance with state purchase laws was not documented related to a fixed asset purchase.

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

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

FINDING NO. 2

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

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

Recommendation: The City should develop a process to ensure fixed asset depreciation schedules are maintained with adequate descriptions and relevant information. The City should ensure that all assets declared surplus are identified on the depreciation schedule and properly removed. The City should ensure that the capital outlay in the general ledger is reconciled to the depreciation schedule on a routine basis.

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

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2018

FINDING NO. 3

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

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

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

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

FINDING NO. 4

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

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

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

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

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2018

FINDING NO. 5

Criteria: The City is required, by state statutes, to prepare a budget for all required governmental funds of the City and to monitor and modify the budget as necessary to ensure all expenses are within the budgeted amounts.

Cause of Condition: The City had budget overages in some expense categories for the year ended September 30, 2018.

Recommendation: The City should ensure that all expenses are within the final amended budget amounts. The City Clerk should generate monthly budget to actual revenue and expense reports that should be used to ensure budgets are amended before expenses are disbursed in excess of budgeted amounts.

Response: The City will take steps necessary to provide the Board with accurate revenue and expense budget to actual comparisons on a monthly basis for all required accounts. The City will take steps necessary to ensure that budgets are amended prior to budget overages occurring.

Findings 1, 2, and 5 are noncompliance findings.
Findings 1, 2, 3 and 4 are material weaknesses.
Finding 5 is a significant deficiencies.

**CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2018**

SECTION 3 – FEDERAL AWARD FINDINGS:

NONE