

THE CITY OF OXFORD, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011



Dave Yost • Auditor of State

Members of Council
City of Oxford
101 E. High Street
Oxford, Ohio 45056

We have reviewed the *Independent Auditors' Report* of the City of Oxford, Butler County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Oxford is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 9, 2012

CITY OF OXFORD

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CITY OF OXFORD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

**ISSUED BY:
DEPARTMENT OF FINANCE**

*Joseph G. Newlin, Finance Director
Heidi Hill, Assistant Finance Director*

CITY OF OXFORD

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CITY OF OXFORD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	iii
City Officials	viii
Organizational Chart	ix
GFOA Certificate of Achievement	x
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis - General Fund	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis - Parking Fund	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis - Fire and EMS Fund	24
Statement of Net Assets - Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	26
Statement of Cash Flows - Proprietary Funds	27
Statement of Fiduciary Assets and Liabilities	28
Notes to the Basic Financial Statements	29

TABLE OF CONTENTS

(Continued)

YEAR ENDED DECEMBER 31, 2011

Page

SUPPLEMENTAL SECTION:

Fund Descriptions	59
Combining Balance Sheet - Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	63
Combining Balance Sheet - Nonmajor Special Revenue Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	66
Combining Balance Sheet - Nonmajor Capital Projects Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	69
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budget Basis) for the following funds:	
General Fund	70
Fire and EMS Fund	75
Parking Fund	76
Street Fund	77
State Highway Fund	78
Community Development Block Grant Fund	79
Community Development Block Grant Loan Fund	80
Law Enforcement Fund	81
Enforcement and Education Fund	82
Life Squad Fund	83
Housing Trust Fund	84
Special Assessments Fund	85
FEMA Fund	86
Debt Service Fund	87
Capital Improvement Fund	88
Capital Equipment Fund	89
Parking Improvement Fund	90
Combining Statement of Net Assets - Internal Service Funds	91
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	92
Combining Statement of Cash Flows - Internal Service Funds	93
Combining Statement of Assets and Liabilities - Agency Funds	94
Combining Statement of Changes in Assets and Liabilities - Agency Funds	95

TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2011

	<u>Page</u>
<u>STATISTICAL SECTION</u>	97
Net Assets by Component	98
Changes in Net Assets and Program Revenues by Function/Program	102
Fund Balances Governmental Funds	106
Changes in Fund Balances Governmental Funds	108
Assessed and Estimated Actual Value of Taxable Property	110
Property Tax Rates	112
Property Tax Levies and Collections	114
Principal Taxpayers Real Estate Tax	115
Income Tax Revenues Base and Collections	116
Ratio of Outstanding Debt by Type	118
Ratios of General Bonded Debt Outstanding	120
Computation of Direct and Overlapping Debt Attributable to Governmental Activities	121
Debt Ratio to Actual Value and Debt per Capita	122
Computation of Legal Debt Margin	124
Pledged Revenue Coverage	126
Demographic and Economic Statistics	128
Principal Employers	129
City Government Employees by Function/Activity	130
Operating Indicators by Function/Activity	132
Capital Asset Statistics by Function/Activity	134

CITY OF OXFORD

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CITY OF OXFORD

INTRODUCTORY SECTION

CITY OF OXFORD

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The Citizens of Oxford, Ohio,
Honorable Mayor and Members of City Council,

May 11, 2012

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

We are pleased to present our 2011 Comprehensive Annual Financial Report (CAFR) for the City of Oxford for your review. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and is audited in accordance with generally accepted auditing standards. State law requires that every general purpose local government publish a complete set of financial statements. This report is published to fulfill that requirement for the year ended December 31, 2011. This report contains the basic financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the City of Oxford. The report information is presented in three major sections:

1. **The Introductory Section** includes the table of contents, this letter of transmittal which presents the City's organization, operational structure and accomplishments, a list of elected officials and key administrative personnel, an organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting.
2. **The Financial Section** contains the Independent Auditors Report, Management's Discussion and Analysis, and the City's General Purpose Financial Statements, which include explanatory notes thereto. This section also includes additional supplementary information including the combining financial schedules and the individual fund budget-versus-actual schedules.
3. **The Statistical Section** presents social, economic, and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

A complete CAFR is not required to be prepared, but by doing so it represents a commitment by the City of Oxford (the City) to achieve the highest nationally recognized standards of excellence in financial reporting as established by the Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

This report consists of management's representations concerning the finances of the City of Oxford. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Plattenburg, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the

City's financial statements for the fiscal year ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditor's opinion is presented as the first component of the financial section of this report.

GAAP require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Oxford is located southwest of Dayton and north of Cincinnati in a primarily rural area in the Miami Valley Region of Southwestern Ohio. The City lies approximately 6 miles east of the Indiana state line in the northwest corner of Butler County. The City has a population of approximately 21,371 (2010 census) and covers an area of approximately 7.23 square miles. Oxford was organized as a municipality in 1830 as a direct result of the growing prominence of Miami University, which was founded in 1809 as a state university and plays a significant role in the community. Oxford possesses a college-town environment in a beautiful rural setting. The University, with a student population of approximately 17,234, is both a direct and indirect source of many jobs in the City. The University also contributes substantially to the social and cultural environment enhancing Oxford's unique living experience. In 2012, U.S. News and World Report ranked Miami University 39th among top public universities in the nation and ranked 3rd for best commitment to undergraduate teaching. In *BusinessWeek* magazine's 2012 ranking of undergraduate business programs, Miami's Farmer School of Business appears among the nation's top five percent, ranking eighth among public universities and colleges. Miami was one of just five institutions of higher learning to receive the Presidential Award in the 2012 President's Education Community Service Honor Roll for community service hours provided in the Oxford community.

The City of Oxford is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The Charter, which provides for a Council-Manager form of government, was adopted in 1960. The governing Council is responsible for the enactment of ordinances and resolutions to establish policies and to conduct City business, including the annual budget ordinances, and resolutions approving the expenditure of money. The seven-member Council is elected by its citizens as follows: Four members are elected in an odd-numbered year with the remaining three elected in the following odd-numbered year. Council members serve four-year terms and are limited to two consecutive terms. The Mayor and Vice Mayor are chosen by Council from among its members to serve a two-year term. The City Council appoints a City Manager, a Law Director/City Solicitor, and Finance Director/City Auditor. The City Manager is responsible for appointing the Department Heads and City staff. The City Manager is also responsible for the implementation of the Council's policies and other day-to-day administration and service delivery to its constituents. The City provides numerous services, including, among others, police, fire, and emergency services protection; the construction and maintenance of highways and streets; parks and recreational program services; and water, sewer, stormwater management, and refuse services.

The annual budget is the foundation for the City's financial planning and control. The budget process begins in the summer with the preparation of the 5-year Capital Improvement Plan (CIP). The City Manager typically presents their proposed CIP to the Council the fourth Tuesday in August. The approved capital projects for the forthcoming year are then incorporated into next year's annual operating budget. The operational budget preparation for the coming year begins in August. Department heads submit their budget requests in September, and meetings are held with the City Manager to discuss their requests. The City Manager's proposed budget is published in early October, and budget hearings with Council are held in mid-to-late October. The budget is then approved by ordinance in November.

The legal level of budgetary control, that is, the level at which transfers cannot be made without legislative approval, is established at the division level. The City Manager with the approval of the Finance Director can make transfers of appropriations for an unlimited amount within a division. Transfers may also be made for up to \$20,000 between divisions within a department or a 'function' by the City Manager with the concurrence of the Finance Director. Budget-to-actual comparisons are provided in this report beginning on page 66 for the General fund, page 71 for the Parking fund, and beginning on page 72 for all other governmental funds for which an appropriation has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local economy - During the current economic slowdown, Miami was forced to reduce its headcounts to meet current conditions as well as position itself for the future. Approximately 236 positions were eliminated, of which 144 were vacant. The City's other major employers have experienced some slight reductions to date. As the economy rebounds, the City expects income tax receipts to improve accordingly. The City to date has not had to implement any major headcount reductions but closely reviews any position vacated by retirement or separation of duty in order to justify a replacement by adding a part time employee or adjusting duties to current employees and waiting until conditions improve to bring on a full time replacement.

At December 31, 2011, the City's net asset and fund balances are in strong financial condition as shown in the government-wide and fund financial statements beginning on page 15. The General fund has an unassigned fund balance of \$7,906,290, or 84.8% of the total general fund expenditures of \$9,321,448. The Capital Improvement fund has an assigned fund balance of \$3,491,111. For the utility funds, the Water and Sewer funds have unrestricted net assets of \$4,581,949 and \$6,783,369 each representing 198.7% and 251.4%, respectively, of annual operating and non-operating expenses. While the fund balances as a percentage of operating costs appear significant, fund reserves have been accumulated to fund both working capital and to fund a portion of the total future capital improvements. Refer to the discussion of future proposed capital project costs in the City's 5-year capital plan found later in this report.

Future Long-term financial factors - Management is confident it will continue to financially manage the government in order to continue the strong financial condition of the City, by planning for capital outlays, continual increases in the cost for fuel, and rising healthcare costs. The 2012 General Fund operating budget has increased from the 2011 original budget by 2.8%. This minimal increase is due to budgeted 2% increase in wages for all employees and increased health care costs along with flat spending in other areas of the budget. During 2010, the City was successful in its efforts to get a .25% increase on Income Tax, for the purpose of funding our Fire/EMS services, passed by a margin of 64% for and 37% against. These revenues are placed in a special revenue fund along with other revenues attributed to Fire/EMS activities along with their related expenditures and are reported as a separate Governmental Fund in this years CAFR. Over the long-term, the next ten years, management is positive regarding the economic outlook of the City, but is aware of greater financial challenges. The State continues to reduce and eliminate taxes in an effort to attract corporate residents to the State of Ohio. The looming threat to cut funding exists with every new biennial budget year for the State of Ohio. The focus may change from one revenue stream to another, but the State legislators are clear that local governments should monitor and be mindful to reduce or eliminate reliance upon taxes, other than real property taxes, to support local services. Anticipating a continual reduction in shared taxes from the State, the City has continued to eliminate its reliance upon local government revenue sharing, estate taxes, and personal property tax to support City services.

Additionally, State budget funding to Miami University could also be reduced. Because the University is the City's largest employer and is reliant upon the State for funding assistance, any reduction of funding by the State to the University could have an impact on its employment growth, and hence City income tax revenues.

In the late 1990s and early 2000s, the City received roughly \$400,000 - \$500,000 of estate taxes annually thru the year 2003. In 2004 and 2005 the City began to feel to effect of the change in the law, the amount of the revenue collected in 2007 was \$391,013 and in 2008 it was \$658,541 and in 2009 \$271,443 and in 2010 \$181,326 respectively. The amount of revenue collected for 2011 was \$308,438. In past years, the actual estate tax in excess of the budget historically has been used by Council to fund capital improvements. Therefore, the City is being forced to look to other revenue streams to fund capital projects. During the budgeting process the City no longer budgets any estate tax, so its operations are not dependent on this revenue stream to function. The State legislators have voted to do away with this tax completely; the implementation date is January 1, 2013.

In 2011, the City earned \$193,769 of investment earnings compared to \$292,943, \$326,207, and \$1,159,183 in 2010, 2009, and 2008, respectively on an accrual basis. Due to the current economic environment, for the near term, the City expects its investment revenue to stabilize and increase slowly as market conditions improve. The City will have to plan for future capital expenditures in the near-term, two to five years, to control spending and to eliminate or minimize the use of cash reserves as a source of funding.

The City has been experiencing a significant increase in its employee health care costs in the last several years. In 2002, the City completed a study of its employee health care program and implemented changes effective January 1, 2003 to manage the cost of benefits provided, and to provide adequate funding of the costs. Primary changes include raising deductible and co-pay levels and initiating monthly employee contributions, where formerly the plan was non-contributory. The City also raised the amount by which it funds the benefit plan from \$600 per month in 2003 to \$850 for 2008 and a mid-year increase to \$950 in 2009. Beginning in 2012, the City began funding \$1,011 per month and approximately doubled the employees monthly contribution. The City continues to be vigilant in monitoring and controlling health care costs for the future.

The potential future economic factors above are presented to enable the reader to understand factors which may have an influence on the City's long-term finances. To summarize, the City expects to experience for two-to-three years a period of limited growth or no revenue growth to some revenue streams in its General fund. To accommodate this, the City has established a controlled spending approach, whereby all expenditures are evaluated as to its appropriateness and necessity to be performed this fiscal year. The delicate balance of revenue to expenditures are monitored and managed at all levels to not incur extreme fluctuations where costs can be controlled. As a result of conservative financial management, the City has successfully minimized the impact of the tightening of the past couple of years and looks forward to continual progress to improve its financial condition while maintaining both its existing services and its strong financial position. Management is confident from past performance that it will be able to recognize and respond effectively to future changes in economic conditions. The City will continue to carefully monitor these proposals and continue to be conservative in its management philosophy.

CITY-WIDE INITIATIVES

Improved productivity and efficiency continues to drive the management function in the City of Oxford.

Economic Development – Several new commercial initiatives have occurred in 2011 and planned into the fall of 2012. In the fall of 2006 the City's Charter review committee was formed and one of its suggestions for the City Of Oxford city council to consider was removing the three dwelling unit restriction in the Uptown Business District. This proposal was to encourage redevelopment in the Uptown Business District. A subcommittee was formed and brought back ballot language to council. In November of 2008, Issue 20 passed by a vote of 59%. To date this has assisted developers in adding 295 new residential occupancy permits and 38,300 sq. ft. newly constructed retail space of which only 6,000 sq. ft. remain available for lease. In addition there have been 7 redevelopment projects adding 32 new residential occupancy permits to the previous 26 permits and 19,100 sq. ft. renovated retail space all of which is leased. Also in the fall of 2009, site work began on Talawanda School District's new high school locate on approximately 160 acres in the south east section of Oxford. The school is scheduled to be completed by the fall of 2012 and is on track to earn Gold Leeds certification.

Also in the later part of 2009 the City's Economic Development Department and Community Improvement Corporation began the process of initiating a possible demographic study of the City to further market Oxford's unique characteristics and market. Request for proposals were received in the spring of 2010 and the study was slated for completion in the fall of 2011 and the study is currently being reviewed. The Community Improvement Corporation sponsored an Ohio Jobs Ready Site Grant application in conjunction with a local developer for \$3.5 million dollars. The Board was notified in July that the application was successful and it was subsequently awarded in October of 2011.

Five-Year Capital Improvement Plan (CIP) – The City's capital plan includes an aggressive infrastructure replacement component based on a continuous improvement philosophy. Every year the City invests in improvements and in equipment, utility replacement and infrastructure improvements. The City made the decision to postpone major investments in improvements and equipment in 2011 due to uncertain economic conditions. For the 2012 budget year the City will resume a more active capital improvement plan. The major improvements completed in 2011 include phase III of US 27 North improvements (set for completion in Summer of 2012), 2 ton dump truck, completion of Digester Rehabilitation study, and in early 2012 contracts were awarded for RAS improvements and Digester Rehabilitation at the City's Wastewater facility for a little over \$3 million dollars. After careful consideration, the City decided to complete the Wastewater improvements with existing funds rather than borrowing the funds.

The North West Butler County regions transportation improvement needs are being addresses through a partnership of

the regions townships, the City, Miami University, County, State, and Federal governments. One intersection improvement was completed in 2011 St. Rt. at 177 and St. Rt. 73 and the second at St. Rt. 127 and St. Rt. 73 will begin in late April of 2012. US 27 South of Oxford improvements will be bid out for a start date in 2014. The City will be starting the right of way purchase for this project in late spring of 2012. While many of these improvements are outside the corporation limits of the City, the City is acting in the capacity of technical and financial coordinator.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oxford, Ohio for its CAFR for the fiscal year ended December 31, 2010. The City of Oxford has received a Certificate of Achievement for the last twenty-seven consecutive years (years ended 1984-2010). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both GAAP and applicable legal standards.

A Certificate of Achievement is valid for a period of one year only. We believe this report conforms to the reporting standards set forth by the GFOA, and we are submitting it to the GFOA to determine its eligibility for another certificate.

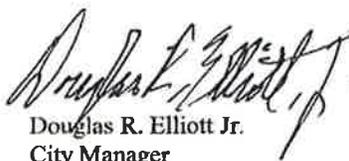
The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment by a governmental unit. The publication of this CAFR is indicative of the City's commitment to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City management, and investors.

Acknowledgments

This report is the culmination of months of hard work by many individuals. I want to thank Assistant Finance Director Heidi Hill, Accounting Specialist LeAnn Isenhardt, Payroll and Benefits Specialist Katrina Bockover, Accounting Specialist Rosemary Frazee. I also wish to thank Joanna Murray, Utility Collections Specialist II, and Mary Moore, Utility Collections Specialist I, for their assistance with this CAFR and their continued high-quality work in diligently carrying out their responsibilities within the finance department. Additional thanks are also due to the staff of the accrual conversion and CAFR preparation CPA firm, Clark, Schaefer, Hackett, and Co., Certified Public Accountants. Additionally, we wish to thank the independent accounting firm of Plattenburg, Certified Public Accountants. Members of the staff of both firms contributed greatly working with City finance department staff toward the preparation and audit of these financial statements.

Finally, a special word of thanks is necessary to recognize the efforts of members of City Council and the City Administration past and present whose conservative fiscal management and solid decision-making are reflected in the sound financial position of the City of Oxford. As a result of their hard work, under the GASB 34 reporting model format, this report presents information in an organized manner to provide greater insight regarding the City's finances. We hope readers of this financial report will find the report beneficial in understanding the City's financial organization, financial position and condition, net assets and results of operations.

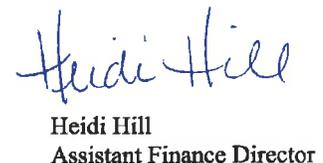
Respectfully,



Douglas R. Elliott Jr.
City Manager



Joseph G. Newlin
Finance Director



Heidi Hill
Assistant Finance Director

CITY OF OXFORD, OHIO

CITY OFFICIALS AS OF DECEMBER 31, 2011

City Council (Elected Officials)

Richard Keebler	Mayor
Ken Bogard	Vice-Mayor
Bob Blackburn	Council Member
Steve Snyder	Council Member
John Harman	Council Member
Kevin McKeehan	Council Member
Kate Rousmaniere	Council Member

Administration

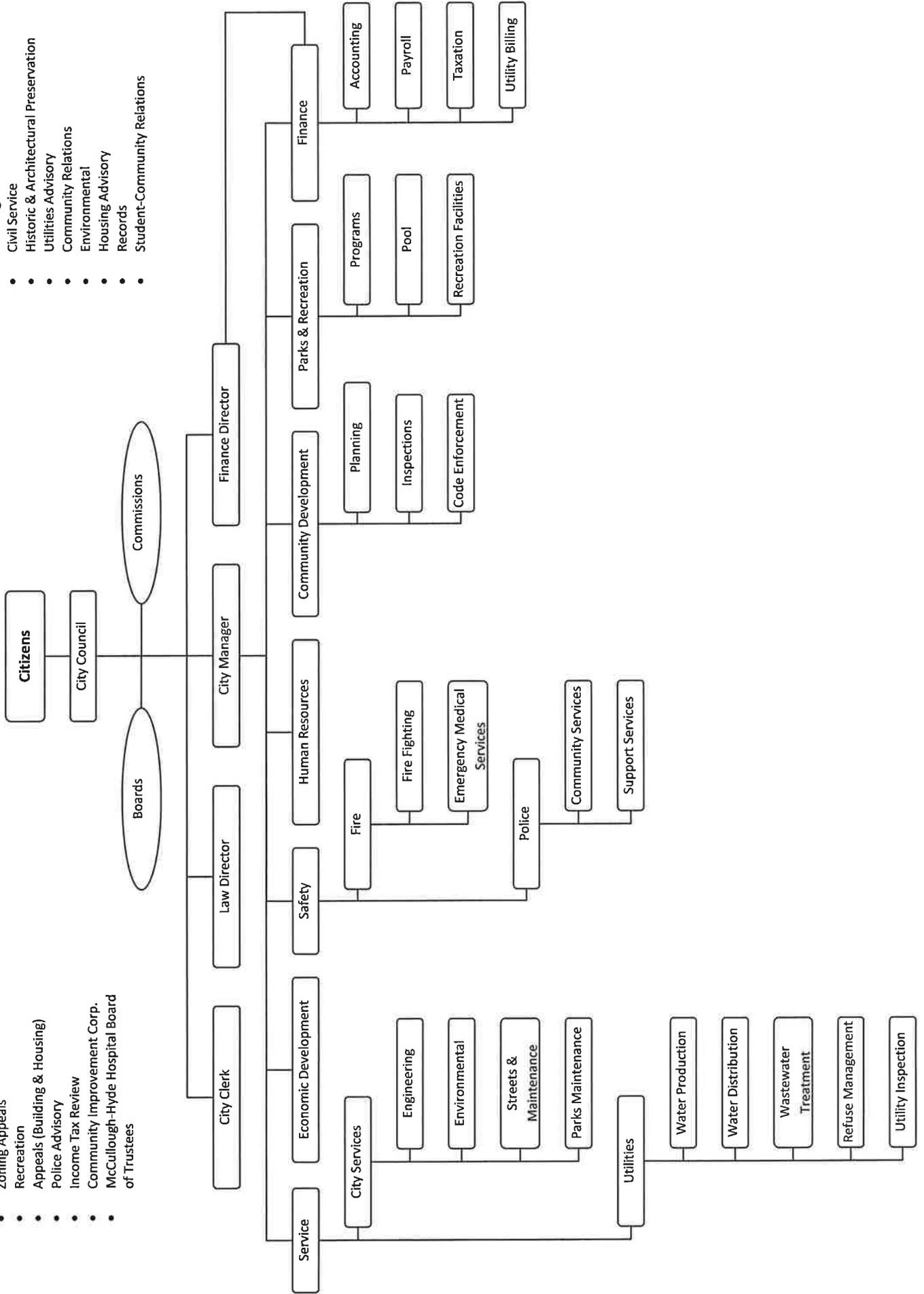
Douglas R. Elliott, Jr.	City Manager
Gail Brahier	Parks & Recreation Director
Mike Dreisbach	Service Director
Jung-Han Chen	Community Development Director
John Detherage	Fire Chief
Mary Ann Eaton	Clerk of Council
Donna Heck	Human Resources Director
Steve McHugh	Law Director
Joseph Newlin	Finance Director
Robert Holzworth	Acting Police Chief

Department of Finance

Joseph Newlin	Finance Director
Heidi Hill	Assistant Finance Director
Katrina Bockover	Payroll and Benefits Specialist
Rose Frazee	Accounting Specialist
LeAnn Isenhardt	Accounting Specialist
Mary Moore	Utility Collections Specialist I
Joanna Murray	Utility Collections Specialist II
Carole Reimer	Accounting Assistant

City of Oxford Organizational Chart

- Boards**
- Zoning Appeals
 - Recreation
 - Appeals (Building & Housing)
 - Police Advisory
 - Income Tax Review
 - Community Improvement Corp.
 - McCullough-Hyde Hospital Board of Trustees
- Citizens**
- City Council
- Commissions**
- Planning
 - Civil Service
 - Historic & Architectural Preservation
 - Utilities Advisory
 - Community Relations
 - Environmental
 - Housing Advisory
 - Records
 - Student-Community Relations



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oxford
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

CITY OF OXFORD

FINANCIAL SECTION

CITY OF OXFORD

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Oxford, Ohio

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 (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Fire and EMS Fund, and Parking Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17 to the financial statements, during the year ended December 31, 2011, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*".

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
May 11, 2012



MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis provides key information from management highlighting the overall financial performance of the City of Oxford for the year ended December 31, 2011. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter on page iii, and the City's financial statements, which begin on page 16.

I. FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

- ❑ In total, net assets increased by \$2,487,912. Net assets of governmental activities increased by \$1,481,623, which represents a 3.06% increase from 2010. Governmental activities assets increased \$986,603 or 1.85%, while governmental activities total liabilities decreased \$495,020 or 10.21%. The net assets of business-type activities increased by \$1,006,289, or 3.02% from 2010. Business-type assets decreased by \$385,114 or 0.89%, while liabilities decreased \$1,391,403 or 14.01%. Due to the City's planning for the down turn in the general economy, no major capital purchases or projects were initiated in 2011.
- ❑ General revenues account for \$10,529,990 in revenue, or 50.07% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,501,079, or 49.93% of total revenues of \$21,031,069.
- ❑ The City had \$12,067,840 in expenses related to governmental activities; only \$3,201,987 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$10,392,476 and Program Revenues of \$3,201,987 were able to fully provide for these programs.
- ❑ Among major funds, the general fund had \$10,400,049 in revenues and \$7,859,529 in expenditures. The general fund's fund balance increased by \$1,078,601.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, which includes the presentation of *combining statements* for non-major governmental funds. This annual report consists of a series of financial statements that are as follows:

The Basic Financial Statements

- Financial Statements for the City as Whole. The Statement of Net Assets and the Statement of Activities (on pages 16 and 17) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

- Individual Fund Financial Statements. Fund financial statements also reflect the City’s operations in more detail than the government-wide financial statements by providing information about the City’s major funds. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. These statements begin on page 18.
- Fiduciary Financial Statement. The fiduciary financial statement (page 28) provides financial information about activities for which the City acts solely as agent for the benefit of those outside the government.
- Notes to the Basic Financial Statements. The Notes (beginning on page 29) provide helpful information explaining the City’s significant accounting procedures and provide greater detail regarding financial statement components.
- Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. Schedules (pages 22 to 24) are presented for the General Fund and major special revenue funds that compare actual results to the original and final budgets for those funds.

Supplementary Information

- Combining Financial Statements. These statements (starting on page 62) provide financial information regarding non-major individual funds, which have been aggregated in the basic financial statements.
- Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. These schedules compare actual results to the original and final budgets for the non-major governmental funds. These schedules begin on page 77.

A. Reporting the City as a Whole

Government-wide statements

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City’s finances is, “Is the City as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City’s *net assets* and changes in them. You can think of the City’s net assets – the difference between assets and liabilities - as one way to measure the City’s financial health, or *financial position*. Over time, *increases or decreases* in the City’s net assets are one indicator of whether its *financial health* is improving or deteriorating. You will want to consider other nonfinancial factors, however, such as changes in the City’s property tax base and the condition of the City’s roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City’s basic services are reported here, including the police, fire and life squad, parking, parks and recreation departments, community environment, public health and welfare and general government administration. Income taxes, property taxes, and state and federal grants finance most of these activities.
- Business-type activities – These services are provided on a charge for goods or services basis in an effort to recover all of the expenses of the goods or services provided. The City provides water, sewer, refuse and stormwater utility services as business activities.

B. Reporting the City's Most Significant Funds

Fund financial statements

The City accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the fund financial statements that begin on page 18. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage money for particular purposes, like parking, water, sewer, and refuse activities. City Council may also establish separate funds to show that it is meeting legal responsibilities for using certain taxes, grants, or other money. The City's three types of funds –*governmental, proprietary and fiduciary* - use different accounting methods.

- Governmental funds - Most of the City's basic services are reported in governmental funds. The fund statements present how cash flows into and out of those funds, and show the balances remaining at year-end that are available for future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. *Information in governmental fund statements helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.* The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The government-wide financials, as previously described, present the government funds on the whole using the full accrual accounting basis. The differences between governmental activities as reported in the government-wide financial statements and as reported in the fund statements are presented in reconciliation on the right-hand side of the fund financial statements.
- Proprietary funds – There are two types of proprietary funds, enterprise funds and internal service funds. Proprietary funds are reported using the full accrual accounting basis. When the City charges customers for the services it provides with the intention that the charges will fully cover the cost of the services, these activities are reported in enterprise funds. Enterprise funds are generally reported in the same way that all activities are reported in the government-wide Statements of Net Assets and Statement of Activities. In fact, the City's four enterprise funds (water, sewer, refuse and storm water funds) are the same as we report in the combined business-type activities column in the government-wide statements. The individual fund statements for water, sewer, and refuse operations provide more detail and additional information, such as cash flows. Internal service funds are used to report activities within the government that are centralized for efficiency in separate funds in order to provide supplies and services to the other City programs and activities. The City has two separate funds: for fuel, postage services; and employee health insurance. These internal service funds are combined and shown in a separate column in the proprietary funds statements. In the government-wide financials, their activities are consolidated into the governmental and business-type activities.
- Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statement of Fiduciary Assets and Liabilities.

III. THE CITY AS A WHOLE

A. Net assets at year-end

The 2011 fiscal year activities generated a \$2,487,912 increase in City net assets. This is a 3.04% increase from 2010 to 2011. Governmental activities had an increase in net assets of \$1,481,623 and the balance \$1,006,289 was an increase attributed to Business-type activities.

The following table presents a condensed summary of the City's overall financial position at December 31, 2011 and 2010:

Table 1
Net Assets

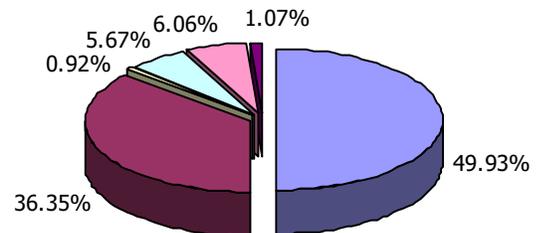
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 17,204,104	15,121,827	16,591,816	16,411,326	33,795,920	31,533,153
Capital assets	<u>37,037,322</u>	<u>38,132,996</u>	<u>26,278,836</u>	<u>26,844,440</u>	<u>63,316,158</u>	<u>64,977,436</u>
	<u>54,241,426</u>	<u>53,254,823</u>	<u>42,870,652</u>	<u>43,255,766</u>	<u>97,112,078</u>	<u>96,510,589</u>
Long-term liabilities	2,709,948	2,948,937	8,258,402	9,710,569	10,968,350	12,659,506
Other liabilities	<u>1,644,496</u>	<u>1,900,527</u>	<u>284,261</u>	<u>223,497</u>	<u>1,928,757</u>	<u>2,124,024</u>
	<u>4,354,444</u>	<u>4,849,464</u>	<u>8,542,663</u>	<u>9,934,066</u>	<u>12,897,107</u>	<u>14,783,530</u>
Net assets:						
Invested in capital assets, net of related debt	34,927,264	35,790,598	20,456,332	19,851,331	55,383,596	55,641,929
Restricted for:						
Public safety	744,234	352,234	-	-	744,234	352,234
Other purposes	1,793,023	1,621,790	1,643,002	1,567,745	3,436,025	3,189,535
Unrestricted	<u>12,422,461</u>	<u>10,640,737</u>	<u>12,228,655</u>	<u>11,902,624</u>	<u>24,651,116</u>	<u>22,543,361</u>
	<u>\$ 49,886,982</u>	<u>48,405,359</u>	<u>34,327,989</u>	<u>33,321,700</u>	<u>84,214,971</u>	<u>81,727,059</u>
Beginning net assets	\$ 48,405,359	48,228,269	33,321,700	31,962,795	81,727,059	80,191,064
Change in net assets	<u>1,481,623</u>	<u>177,090</u>	<u>1,006,289</u>	<u>1,358,905</u>	<u>2,487,912</u>	<u>1,535,995</u>
Ending net assets	<u>\$ 49,886,982</u>	<u>48,405,359</u>	<u>34,327,989</u>	<u>33,321,700</u>	<u>84,214,971</u>	<u>81,727,059</u>

The City deliberately utilizes conservative budgeting and spending practices. Actual 2011 revenues exceeded estimates in most funds, and expenses were lower than budgeted. The result was an increase in cash reserve for unrestricted as well as in total net assets. The City over the past several years has designated cash for specific future capital expenditures in the hope that less debt or no debt would be issued to perform specific infrastructure projects and or to construct future public facilities. Net capital assets decreased in 2011 the details of changes are discussed in Note 9 to the financial statements.

B. Governmental and Business-Type Activities

The City receives an income tax based on 2.00% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City and businesses operating in the City. Taxes total \$8,836,289 which represents 42.02% of revenues for the City in 2011. The City's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2011	Percent of Total
Program Revenues	10,501,079	49.93%
Income Tax	7,644,185	36.35%
Investment Earnings	193,769	0.92%
Property and other local tax	1,192,104	5.67%
Grants and Contributions (unrestricted)	1,275,422	6.06%
Other General Revenues	<u>224,510</u>	<u>1.07%</u>
	<u>21,031,069</u>	<u>100.00%</u>



The following table presents a condensed summary of the City's activities during 2011 and the resulting change in net assets compared to 2010.

Table 2
Changes in Net Assets

	Governmental Activities		Business- Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program revenues:						
Charges for services	\$ 2,247,027	2,375,911	7,087,629	7,240,021	9,334,656	9,615,932
Operating grants and contributions	497,511	442,562	19,613	23,578	517,124	466,140
Capital grants and contributions	457,449	673,231	191,850	435,765	649,299	1,108,996
	<u>3,201,987</u>	<u>3,491,704</u>	<u>7,299,092</u>	<u>7,699,364</u>	<u>10,501,079</u>	<u>11,191,068</u>
General revenues:						
Income taxes	7,644,185	6,606,050	-	-	7,644,185	6,606,050
Property and other taxes	1,192,104	1,131,365	-	-	1,192,104	1,131,365
Grants and contributions not restricted to specific programs	1,275,422	1,162,441	-	-	1,275,422	1,162,441
Investment earnings	79,863	125,014	113,906	167,929	193,769	292,943
Miscellaneous	200,902	824,633	23,608	22,732	224,510	847,365
	<u>10,392,476</u>	<u>9,849,503</u>	<u>137,514</u>	<u>190,661</u>	<u>10,529,990</u>	<u>10,040,164</u>
Total revenues	<u>13,594,463</u>	<u>13,341,207</u>	<u>7,436,606</u>	<u>7,890,025</u>	<u>21,031,069</u>	<u>21,231,232</u>
Expenses:						
Security of persons and property	5,594,328	5,938,681	-	-	5,594,328	5,938,681
Public health services	124,204	125,408	-	-	124,204	125,408
Leisure time activities	1,622,252	1,658,279	-	-	1,622,252	1,658,279
Community and economic development	824,042	1,035,942	-	-	824,042	1,035,942
Transportation	2,073,276	2,341,539	-	-	2,073,276	2,341,539
General government	1,745,839	1,901,916	-	-	1,745,839	1,901,916
Interest on long-term debt	83,899	142,352	-	-	83,899	142,352
Water	-	-	2,306,826	2,343,770	2,306,826	2,343,770
Sewer	-	-	2,699,020	2,774,274	2,699,020	2,774,274
Refuse	-	-	1,439,697	1,420,076	1,439,697	1,420,076
Stormwater	-	-	29,774	13,000	29,774	13,000
	<u>12,067,840</u>	<u>13,144,117</u>	<u>6,475,317</u>	<u>6,551,120</u>	<u>18,543,157</u>	<u>19,695,237</u>
Transfers	(45,000)	(20,000)	45,000	20,000	-	-
Change in net assets	\$ <u>1,481,623</u>	<u>177,090</u>	<u>1,006,289</u>	<u>1,358,905</u>	<u>2,487,912</u>	<u>1,535,995</u>

The decrease in charges for service revenue for Governmental Activities is mostly attributed to a drop in parking violations, court fines, and administrative citations. The municipal income tax increase is attributed to voter approved rate of 2.00% as opposed to the old rate of 1.75%, and the property tax increase is attributed to collection of past due taxes. Investment earnings decreased in 2011 due to market volatility in the market place. The decrease in capital grants and contributions is driven by a new dedicated street and new section of trails installed in our community park, financed by Stimulus funds and administered by Butler County, appearing in 2010 with no similar contributions in 2011. Finally the decrease in miscellaneous is due to less reimbursements for construction project in 2011. Program expenses are discussed in the following section.

1) Governmental activities

Table 3 presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 26.53% of the cost of the general governmental activities was recouped in program revenues in 2011 compared with 26.56% in 2010 and 22.42% in 2009.

Cost of Services

In 2011, full time employees received a 2% COLA increase mid-year but certain bargaining units received their 2% COLA increase at the beginning of the year. The change in 2011 as compared to 2010 for security of persons and property is the result of not replacing 3 retired police officers during the year. The community and economic development expenditures decrease for the year as a result of not completing our budgeted CDBG construction project, which is being carried over to 2012. Transportation decreased due to lower capital equipment purchases and the City's decision to forgo its normal street repaving program in 2011. General government decrease is attributed to the decreased personnel expenses, operating expenses and capital expenditures.

Table 3
Governmental Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2011	2010	2011	2010	2011	2010
Security of persons and property	\$ 5,594,328	5,938,681	821,784	897,320	4,772,544	5,041,361
Public health services	124,204	125,408	2,150	550	122,054	124,858
Leisure time activities	1,622,252	1,658,279	273,667	474,003	1,348,585	1,184,276
Community and economic development	824,042	1,035,942	309,317	360,670	514,725	675,272
Transportation	2,073,276	2,341,539	1,597,327	1,561,672	475,949	779,867
General government	1,745,839	1,901,916	197,742	197,489	1,548,097	1,704,427
Interest on long-term debt	83,899	142,352	-	-	83,899	142,352
	<u>\$ 12,067,840</u>	<u>13,144,117</u>	<u>3,201,987</u>	<u>3,491,704</u>	<u>8,865,853</u>	<u>9,652,413</u>

Program revenues

Program revenues saw a decrease of 9.4% in 2011. The major factor in the decrease in revenue for security of persons and property was decreases in administrative citations and court revenues. The decrease in revenues for leisure time activities can be attributed to an addition to our bike trail in our community park paid for with Stimulus funds in 2010 not being repeated in 2011 and the recreation department not collecting fees for local baseball federation and passing through to payment to the organization as an expense.

2) Business-type activities

The City's water, sewer and refuse operations generated revenues in excess of the cost of services in 2011. The Water Funds revenues decreased as a result of a wetter than normal summer. Sales of water taps and meters were also higher than normal (but down from 2010) due to redevelopment in the City's uptown area as well as construction projects at Miami University. Sewer Fund revenues also decreased as a result of wetter than normal conditions. Revenues in the Refuse Fund saw a minor increase due to a new contract with our provider resulting in the City passing the increases to its customer base. Revenues and expenses for the individual business-type activities are discussed in greater detail in the following section. The following table summarizes the business-type activities:

Table 4
Business-Type Activities

	Total Cost of Services		Program Revenues		Net Revenue (expense)	
	2011	2010	2011	2010	2011	2010
Water	\$ 2,306,826	2,343,770	2,705,999	2,966,884	399,173	623,114
Sewer	2,699,020	2,774,274	2,932,989	3,099,727	233,969	325,453
Refuse	1,439,697	1,420,076	1,660,104	1,632,753	220,407	212,677
Stormwater	29,774	13,000	-	-	(29,774)	(13,000)
	<u>\$ 6,475,317</u>	<u>6,551,120</u>	<u>7,299,092</u>	<u>7,699,364</u>	<u>823,775</u>	<u>1,148,244</u>

IV. THE CITY'S INDIVIDUAL FUNDS

A. Governmental funds

The financial statements for the City's governmental funds, accounted for under the modified accrual basis of accounting, are presented beginning on page 18. The City has seventeen governmental funds, four of which are considered major funds: the General Fund, the Fire and EMS Fund, the Parking Fund, and the Capital Improvement Fund. Assets of these three funds at December 31, 2011 comprise \$16,214,644 (85.73%) of the total \$18,913,096 governmental funds assets. The following provides an analysis of these major funds.

Table 5
Financial Highlights
Major Governmental Funds

	General Fund		Fire & EMS Fund		Parking Fund		Capital Improvement Fund	
	2011	2010	2011	2011	2010	2011	2010	
	Total assets	\$ 10,345,261	9,597,704	469,558	1,103,256	1,014,109	4,296,569	3,573,300
Total liabilities	<u>2,282,876</u>	<u>2,613,920</u>	<u>129,544</u>	<u>1,691,999</u>	<u>1,794,721</u>	<u>805,458</u>	<u>2,300</u>	
Fund balance	<u>\$ 8,062,385</u>	<u>6,983,784</u>	<u>340,014</u>	<u>(588,743)</u>	<u>(780,612)</u>	<u>3,491,111</u>	<u>3,571,000</u>	
Revenues	\$ 10,400,049	10,810,614	1,309,886	709,407	654,513	121,682	597,318	
Expenditures	<u>7,859,529</u>	<u>9,111,923</u>	<u>1,096,771</u>	<u>477,538</u>	<u>489,153</u>	<u>494,171</u>	<u>3,640,943</u>	
Excess of revenues over (under) expenditures	<u>2,540,520</u>	<u>1,698,691</u>	<u>213,115</u>	<u>231,869</u>	<u>165,360</u>	<u>(372,489)</u>	<u>(3,043,625)</u>	
Other financing sources (uses)	<u>(1,461,919)</u>	<u>(1,469,932)</u>	<u>126,899</u>	<u>(40,000)</u>	<u>(61,081)</u>	<u>292,600</u>	<u>456,334</u>	
Net change in fund balance	<u>\$ 1,078,601</u>	<u>228,759</u>	<u>340,014</u>	<u>191,869</u>	<u>104,279</u>	<u>(79,889)</u>	<u>(2,587,291)</u>	

The Fire and EMS fund is new in 2011 and comparisons will be provided in the future.

General Fund. Total assets in 2011 show an 8% increase compared to 2010. Total liabilities decreased 13% compared to 2010 total liabilities. The fund balance at the end of 2011 was \$8,062,385 including \$7,906,290 of unassigned fund balance. The fund balance represents 101% of annual governmental funds expenditures.

Revenues decreased from \$10,810,614 in 2010 to \$10,400,049 in 2011. Revenue items saw an overall decrease of 3.8% from 2010 to 2011. Increases were modestly noted in property taxes, income taxes and intergovernmental revenues (driven increased estate tax income). The decrease in charges for services is directly related to the creation of a Fire/EMS fund to not only reflect a .25% additional income tax effective 1/1/2011, but all other associated revenues including EMS billings and reimbursements from surrounding townships for our departments services. Our largest source of revenue is income tax receipts. The City of Oxford's largest employer Miami University did experience a slight decrease in employment, while most other entities held their own. As the overall economy improves, the City anticipates an uptick in both investment earnings and income tax receipts. These increases will help offset losses in local government funding from the State of Ohio as well as the elimination of estate taxes beginning in 2013.

Expenditures decreased by 13.74% from 2010 to 2011 from \$9,111,923 to \$7,859,529 respectively. In 2011, full time employees received a 2% COLA increase mid-year but certain bargaining units received their 2% COLA increase in the beginning of the year. Expenditures for security of persons and property decreased as the result of not replacing 3 retired police officers during the year and reporting all Fire/EMS expenditures for the year in the new Fire/EMS Fund. Leisure time activities expenditures decreased due to the City not passing through as an expense revenues collected for the local Baseball Federation. Community and economic development increased expenditures are due to payment for a marketing demographic study for the City of Oxford. General governmental spending decreased slightly due to closely monitoring all expenditures for the year.

Fire and EMS Fund. This fund was new in 2011 and thus, cannot be compared to the prior year. The fund was established to account for an income tax levy specifically for fire and emergency management services as well as all other associated revenues and expenditures for these services.

Parking Fund. Total assets increased from \$1,014,109 to \$1,103,256. Total liabilities decreased in 2011 when compared to 2010 by 5.72%. Liabilities reflect a no-interest interfund loan, originally \$2,700,312 in 2001, from the Capital Improvement Fund. The funds were used in 2001 to construct a four-story parking garage with 224 spaces in uptown Oxford. The loan balance at year-end net of repayment in 2011 was \$1,655,312. Future revenues from parking meter fees and fines and leased garage spaces will be the source for repayment of the interfund loan to the Capital Improvement Fund, anticipated to be over a 20-25 year period. The Parking Fund shows a fund deficit because the advance repayment obligation maintained in this fund.

Total Parking revenues increased from \$654,513 in 2010 to \$709,407 in 2011. The increase in revenue can be attributed to an increase in meter fees on High Street (main uptown business district). Expenditures decreased from \$489,153 in 2010 to \$477,538 in 2011 due to an increase in operating expenses being offsetting by a decrease in personnel expenditures due the retirement and subsequent rehiring of the full time parking director to a part time position.

Capital Improvement Fund. The change in revenue from 2010 to 2011 is primarily from the decrease in a reimbursement from the Ohio Department of Transportation due to a slowdown in reimbursable construction projects. The decrease in expenditures is the result of Phase III US 27 North improvements being in the final stages of completion. As well as, the City's early repayment of principle and interest in 2010 for the 47 acres of land acquired in 2008 and lowering the amount annually allocated for street maintenance for 2011. In 2012, the City has resumed budgeting normal spending levels for street maintenance as well as rebuilding another block of High Street in the uptown district with its original brick construction helping preserve the City's small town feel.

B. Proprietary funds

1) Enterprise funds

The following table provides financial highlights regarding the City's three major enterprise funds for its water, sewer and refuse utility operations. The information differs slightly from the government-wide proprietary fund information shown in section III. B. 2 in that the information below does not include the consolidation of internal service fund activity. For greater detail, please refer to the financial statements for the City's proprietary funds, which are presented beginning on page 25.

Table 6
Financial Highlights
Major Enterprise Funds

	Water Fund		Sewer Fund		Refuse Fund	
	2011	2010	2011	2010	2011	2010
Total assets	\$ 16,896,391	17,169,606	22,902,936	22,978,859	2,948,432	2,998,828
Total liabilities	<u>2,764,610</u>	<u>3,488,897</u>	<u>3,606,161</u>	<u>3,975,159</u>	<u>2,171,892</u>	<u>2,470,010</u>
Total net assets	<u>14,131,781</u>	<u>13,680,709</u>	<u>19,296,775</u>	<u>19,003,700</u>	<u>776,540</u>	<u>528,818</u>
Restricted net assets	<u>9,549,832</u>	<u>8,996,225</u>	<u>12,513,406</u>	<u>12,353,511</u>	<u>36,096</u>	<u>69,340</u>
Unrestricted net assets	\$ <u>4,581,949</u>	<u>4,684,484</u>	<u>6,783,369</u>	<u>6,650,189</u>	<u>740,444</u>	<u>459,478</u>
Operating revenues	\$ 2,585,591	2,667,022	2,885,155	2,986,556	1,640,491	1,609,175
Operating expenses	(2,195,171)	(2,153,158)	(2,548,930)	(2,598,526)	(1,389,543)	(1,358,483)
Net non-operating revenue (expenses)	(74,308)	(123,434)	(100,040)	(91,210)	(3,226)	(2,459)
Capital contributions	<u>134,960</u>	<u>312,530</u>	<u>56,890</u>	<u>123,235</u>	-	-
Net change in net assets	\$ <u>451,072</u>	<u>702,960</u>	<u>293,075</u>	<u>420,055</u>	<u>247,722</u>	<u>248,233</u>

Water Fund. Total assets showed a slight decrease in 2011. Total liabilities decreased by 26.20% from \$3,488,897 in 2010 to \$2,764,610 in 2011. The operating revenue decreased 3.1% due to above average precipitation along with decreased revenue received from water taps and meters. Total gallons of treated water increased from 811.3 (million gallons) in 2010 to 828.0 (million gallons) in 2011. All full-time employees received a 2.0% COLA increase midway through 2011. Operating expenses remained stable due to increased efficiencies in operations. Net non-operating revenue (expenses) was unfavorable due to lower interest payments due to refinancing of debt in 2011 and decreased investment revenue due to the nature of our current economic setting.

Sewer Fund. The sewer fund operating revenues decreased 3.4% due to above average precipitation. Total gallons of treated wastewater increased from 867.0 (million gallons) in 2010 to 1,092.0 (million gallons) in 2011. All full-time employees received a 2.0% COLA increase midway through 2011. Operating expenses remained stable due to increased efficiencies in operations. Depreciation expense also decreased due to a full depreciation of a number of assets during 2011. Net non-operating revenue (expenses) was unfavorable due to a decrease in investment income greater than our decrease in interest payments.

Refuse Fund. The City contracts with a private vendor for refuse service provided to its customers. The City last bid out its refuse contract in the fall of 2009. The new contract period covers 2010 – 2011 years. Weekly residential, curb-side refuse and recycling collection and disposal rates increased by 2.17% compared to 2009's rates. Monthly commercial refuse collection prices for once a week collection increased between 2.51% for a 95-gallon waste wheeler to 1.61% for a eight cubic yard dumpster. All the increases are passed on to the end user. The rates remained the same in 2011. The new contract also includes three one year options. Revenues increased slightly by 1.95% due to implementation of size and container requirements for residents in the square-mile district of the City. Net non-operating revenue (expenses) was unfavorable due to a decrease in investment income greater than our decrease in interest payments. The Fund also serves to fund annual operating and debt service costs for the landfill post-closure requirements. The City has met all post-closure requirements with no findings from Ohio EPA.

2) Internal service funds

Net assets at year-end and activity for the year for the City's two internal service funds is reported in a combined column in the proprietary fund statements beginning on page 25. The major impact to these funds pertains to the decrease in health care costs compared to 2010.

V. BUDGETED ACTIVITY AND ACTUAL RESULTS

The statements comparing the City's original and final budgets and actual results are for the General and Parking funds beginning on page 22. Other governmental funds with adopted budgets are presented in schedules beginning on page 77. During the year, the City made the following significant changes to its original General Fund budget:

- Early in 2011, the City created a Fire/EMS Fund to account for a new .25% income tax passed in November of 2010. A series of adjustment to the General Fund followed in order to facilitate this action. A decrease in revenues associated with Fire/EMS services of \$407,000. A decrease in appropriations associated with related Fire/Ems services of \$1,342,342. An increase in appropriations for the transfer of \$126,899 to the Fire/EMS fund and finally an increase in appropriations for an advance of \$245,000 to the Fire/EMS Fund.
- An increase of revenues associated with estate tax receipts of \$308,437.
- An increase of revenues associated with the repayment of an advance to the Fire/EMS Fund of \$245,000 anticipated to be paid in 2011.
- An appropriation of \$400,000 in the form of an advance from the General Fund to the Capital Improvement Fund. This was done in order to secure a contract for work to be performed in 2012 with reimbursement from OPWC to follow.
- An appropriation of \$70,200 in the general fund for an increase in anticipated income tax refunds.
- An appropriation of \$84,573 for payment of estate taxes to Oxford Township per an agreement between both entities.

Actual versus final budget differences consisted of the following two factors within the General Fund:

- Actual revenue versus budgeted revenue within the General Fund came in close to anticipated values.
- Actual appropriations for Security Persons and Property included maximum payout negotiated by Police Unions that did not materialize, the retirement of 3 police officers and not replacing them prior to years end. The drivers in appropriations for General Government being greater than actual are unspent contingency monies, also managing both supplies and outside service expenditures thusly maximizing dollars spent.

VI. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

At the end of 2011, the City had \$63,316,158 invested in a broad range of capital assets, including police and fire equipment, buildings, computer software and hardware upgrades, road improvements, and water and sewer lines and related plant facilities. Refer to Note 9 for additional information.

Table 7
Capital Assets at Year-End
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and easements	\$ 10,883,864	10,883,864	430,105	430,105	11,313,969	11,313,969
Construction in progress	2,032,813	1,827,860	295,605	32,881	2,328,418	1,860,741
Buildings	3,864,889	3,989,706	5,089,746	5,360,088	8,954,635	9,349,794
Improvements	2,718,200	2,958,108	79,550	61,836	2,797,750	3,019,944
Equipment	2,354,223	2,718,405	2,218,537	2,327,398	4,572,760	5,045,803
Infrastructure	<u>15,183,333</u>	<u>15,755,053</u>	<u>18,165,293</u>	<u>18,632,132</u>	<u>33,348,626</u>	<u>34,387,185</u>
Total	\$ <u>37,037,322</u>	<u>38,132,996</u>	<u>26,278,836</u>	<u>26,844,440</u>	<u>63,316,158</u>	<u>64,977,436</u>

The City's 2011 capital improvement program for governmental activities included expenditures for computer software and hardware upgrades, Rt. 732 repaving, infrastructure improvements for new Talawanda High School and upgrades to the City's pool. The City annually budgets for programs including a comprehensive street resurfacing program, normal replacement of major equipment and revolving replacements for equipment including vehicles. In 2011, the City limited the amount of funding for equipment and street repaving projects.

The 2011 capital improvements for the business-type activities included in the Water Fund replacement of an International 7400 4X2 truck, reconfiguration of discharge piping in a collector well, Kehr Rd stabilization project, water line to new Talawanda High School site, reconditioning of raw sewage pump and a new chlorine feed system. Both the Water and Sewer Funds contributed to computer software and hardware upgrades. Refer to Note 9 for additional information on capital assets.

B. Debt

The City's most recent general obligation bond rating was received on January, 11 2011 in conjunction with the issuance of the \$3,390,000 4-year Water refunding bonds and \$2,365,000 of outstanding Park Improvement refunding bonds. This refinancing helped the City realize an approximate \$127,614 in net PV savings. Moody's Investor Services, Inc. assigned an Aa2 rating to the approximately \$5,700,000 of general obligation debt.

Debt activity for 2011 consisted of scheduled principal and interest payments on existing debt. Total long term obligations outstanding at year-end were \$10,968,620. The 2011 Water refunding bonds are general obligation bonds with an outstanding balance of \$2,560,000 at year-end, but are paid by Water Utility revenues. The City has four individual debts borrowed by the Sewer fund (year-end balance \$3,325,585 and one by the Refuse fund (year-end balance \$963,797). Both are paid from their respective utility revenues. These five borrowings were issued by the Ohio Water Development Authority for capital improvements between 1987 and 1998. Refer to Note 14 for additional debt information.

VI. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Governmental Funds

Sound financial budgeting and conservative cost management continued in 2011 maintaining the governmental fund balances. Miami University's large capital construction campaign continues to provide a steady source of growth to the municipal income tax generated on an annual basis. The City has begun to experience growth in its property tax base because of recent economic development and community development activities. Recent housing projects and construction of new retail space have added to the assessed valuation of the community. 2008 also marked the revaluation of property values in the City of Oxford. These two factors contributed and will contribute to the City of Oxford's property tax revenue. In the later months of 2009, the County Auditor's office did an additional reassessment of property in the City of Oxford which has a negative impact of approximately \$46,400 in property tax revenues per the County Auditor's estimates. Redevelopment continues in the Uptown District which will have a positive impact on property tax receipts.

In 2004, the City completed a succession planning study for the Fire and Emergency Medical Service functions in anticipation of having to look toward some form of paid department. The primary finding of this study was to initiate soft billing for emergency service runs. 2008 was the first year the Fire/EMS employed part-time employees working rotating days from 7am to 7pm. Beginning in 2010 the City added a 7pm to 7am shift providing around the clock services. Officials from the City of Oxford along with Oxford Township, Milford Township and Miami University have been meeting together in an ad-hoc committee to evaluate current and future needs of our communities. As a result of meetings with Oxford and Milford Townships, the City will receive an additional \$54,800 per year for services provided for 2010-2011 years and will be reviewed prior to the end of the agreement. It was decided in early April of 2011 to extend the Oxford Township's contract for an additional year. In the fall of 2010 a .25% income tax levy passed and a new Fire/EMS Fund was established. This will provide a steady source of income for these operations well into the future given the department's current makeup and lessen the burden on the General Fund's limited resources.

Besides Miami University, the City of Oxford is home to McCullough-Hyde Hospital. The hospital is a key employer for the City that has major capital improvements for 2008 included opening an Outpatient Service center in nearby Ross, Ohio. In April of 2009, the hospital opened a 3,000 square-foot Oncology Center in Oxford. In October of 2009 the Ross Urgent Care Plus earned a Category 1 "Certified Urgent Care" designation establishing it as the only one in the southern half of Ohio. The City works diligently with the hospital to assist them in any way it can with planning and financing, by way of tax-exempt conduit debt issues to encourage partnerships among entities serving the same tax base to insure a quality of life for the community.

Enterprise Funds

Miami University's large capital construction campaign will have an impact on the enterprise funds. Connections of new buildings will have an initial impact while use of City utilities will be modified due to the new facilities. The City is also cognizant of Miami's aggressive water conservation program so it will not realize the full impact of the new facilities until they are put in operation and monitored for an extensive period of time. In the fall of 2009, the Farmer School of Business relocated to their new building which earned the "Silver" LEED designation. This facility is equipped with low-flow water equipment. Also in 2010, the Talawanda School District made great strides on the building of their new high school. This facility, when completed in the fall 2012, is striving to earn the "Gold" LEED designation.

The City is active in its efforts to reduce storm water infiltration into the City's sanitary sewer system. These efforts have increased the efficiency and effectiveness of the waste water utility which, in turn, has aided in compliance with EPA regulations as we move into Phase II mandated upgrades.

Late in 2011 the City entered into an agreement with Duke Energy Retail Sales for favorable guaranteed fixed rates of generation pricing for energy delivered for an approximately 3 year period. These savings along with improvements made at wells closer to the water plant and improvements at the plant are part of the City's long term goal to reduce our energy consumption and related costs.

Development pressures in the area surrounding the City of Oxford are increasing the interest in tying onto City water and sewer. This in turn, is creating an increasing demand for "edge" properties to request being annexed into the City. This trend will continue over the next several decades as the population in the region is expected to more than double. Capacity of City utilities is monitored closely and will have a direct impact on these annexation requests.

Employee Benefits (Health Insurance) Fund

For a number of years since 2000, the Employee Benefits (health insurance) Internal Service Fund has experienced health care cost increases in excess of amounts billed to the interfund departments, funding them with carryover balances in the Employee Benefits Fund. A study was completed during 2002 using an outside consultant to determine appropriate changes to the funding levels and benefits of the plan. These changes were implemented effective in January of 2003, resulting in restricting cost growth for that year. The City has increased its funding to the Employee Benefits Fund from the operating funds in 2003 from \$500 per employee per month to \$600 and continues to incrementally increase per employee per month amount annually. In 2006 the amount was \$750 per employee per month; for 2007 it was \$800 per employee per month; for 2008 it was \$850 per employee per month, and was budgeted at \$850 in 2009. Up until 2009, revenues of the affected funds have been sufficient to absorb these increases in cost. The funds affected are the General Fund, the Parking Fund, the Street Fund, the Water Fund, the Sewer Fund, and Refuse Fund. The City enacted legislation in mid-year 2009 to help offset large unexpected claims and also increased the amount it funds to \$950 per employee per month. The City's stop loss level was increased from \$25,000 to \$35,000 in 2003 and maintained at that level from 2004 on. In 2010, the City increased its stop loss level to \$45,000 and subsequently increased the level to \$55,000 in 2011. Insurance premiums from various health insurance stop loss carriers have been solicited annually to obtain the most cost-effective choice. Each year the program is tweaked by our Health Insurance Committee to insure adequate coverage while striving to drive down cost. At 2011 year end, this fund has net assets of \$265,414. In 2012 the City increased its budgeted contribution to \$1,011 per employee per month and the employee's monthly contribution was approximately doubled.

VII. REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at the City of Oxford, 101 East High Street, Oxford, OH, 45056.

CITY OF OXFORD, OHIO

Statement of Net Assets

December 31, 2011

		Governmental Activities	Business-Type Activities	Total
Assets				
Equity in pooled cash and investments	\$	13,103,532	15,758,496	28,862,028
Receivables:				
Taxes		2,203,949	-	2,203,949
Accounts		90,458	445,817	536,275
Loans		488,128	-	488,128
Interest		13,719	16,436	30,155
Intergovernmental		1,081,348	-	1,081,348
Prepaid items		53,087	22,225	75,312
Materials and supplies inventory		232,649	227,796	460,445
Internal balances		(96,365)	96,365	-
Deferred charges		33,599	24,681	58,280
Non-depreciable capital assets		12,916,677	725,710	13,642,387
Depreciable capital assets, net		24,120,645	25,553,126	49,673,771
Total assets		<u>54,241,426</u>	<u>42,870,652</u>	<u>97,112,078</u>
Liabilities				
Accounts payable		140,563	176,567	317,130
Accrued salaries		175,007	43,871	218,878
Intergovernmental payable		249,108	59,210	308,318
Unearned revenue		950,700	-	950,700
Accrued interest payable		6,038	4,613	10,651
Claims payable		123,080	-	123,080
Long-term liabilities:				
Due within one year		498,099	1,200,312	1,698,411
Due in more than one year		2,211,849	7,058,090	9,269,939
Total liabilities		<u>4,354,444</u>	<u>8,542,663</u>	<u>12,897,107</u>
Net Assets				
Invested in capital assets, net of related debt		34,927,264	20,456,332	55,383,596
Restricted for:				
Public safety		744,234	-	744,234
Other purposes		1,793,023	1,643,002	3,436,025
Unrestricted		12,422,461	12,228,655	24,651,116
Total net assets	\$	<u>49,886,982</u>	<u>34,327,989</u>	<u>84,214,971</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

Statement of Activities

Year Ended December 31, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Security of persons and property	\$ 5,594,328	671,480	150,304	-	(4,772,544)		(4,772,544)
Public health services	124,204	2,150	-	-	(122,054)		(122,054)
Leisure time activities	1,622,252	264,049	9,618	-	(1,348,585)		(1,348,585)
Community and economic development	824,042	273,183	25,200	10,934	(514,725)		(514,725)
Transportation	2,073,276	838,423	312,389	446,515	(475,949)		(475,949)
General government	1,745,839	197,742	-	-	(1,548,097)		(1,548,097)
Interest on long-term debt	83,899	-	-	-	(83,899)		(83,899)
Total governmental activities	12,067,840	2,247,027	497,511	457,449	(8,865,853)		(8,865,853)
Business-type activities:							
Water	2,306,826	2,571,039	-	134,960		399,173	399,173
Sewer	2,699,020	2,876,099	-	56,890		233,969	233,969
Refuse	1,439,697	1,640,491	19,613	-		220,407	220,407
Stormwater	29,774	-	-	-		(29,774)	(29,774)
Total business-type activities	6,475,317	7,087,629	19,613	191,850		823,775	823,775
Total	\$ 18,543,157	9,334,656	517,124	649,299	(8,865,853)	823,775	(8,042,078)
General revenues:							
Taxes:							
Income taxes					6,715,027	-	6,715,027
Income taxes for fire and EMS					929,158	-	929,158
Property and other taxes					1,192,104	-	1,192,104
Grants and contributions not restricted to specific programs					1,275,422	-	1,275,422
Investment earnings					79,863	113,906	193,769
Miscellaneous					200,902	23,608	224,510
Transfers					(45,000)	45,000	-
Total general revenues and transfers					10,347,476	182,514	10,529,990
Change in net assets					1,481,623	1,006,289	2,487,912
Net assets beginning of year					48,405,359	33,321,700	81,727,059
Net assets end of year					49,886,982	34,327,989	84,214,971

\$

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

Balance Sheet
 Governmental Funds
 December 31, 2011

	<u>General</u>	<u>Fire and EMS</u>	<u>Parking</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>
Assets					
Equity in pooled cash and investments	\$ 7,332,236	239,815	1,092,962	2,241,257	1,794,020
Receivables:					
Taxes	2,045,818	158,131	-	-	-
Accounts	47,253	-	190	-	-
Loans	-	-	-	-	488,128
Interest	11,983	-	1,142	-	229
Intergovernmental	437,586	-	-	400,000	243,762
Prepaid items	39,373	4,752	8,962	-	-
Materials and supplies inventory	31,012	-	-	-	172,313
Advances to other funds	400,000	66,860	-	1,655,312	-
Total assets	<u>10,345,261</u>	<u>469,558</u>	<u>1,103,256</u>	<u>4,296,569</u>	<u>2,698,452</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	79,379	11,520	1,484	5,458	26,355
Accrued salaries	138,183	18,860	5,732	-	12,232
Intergovernmental payable	200,616	23,687	8,771	-	16,034
Advances from other funds	-	-	1,655,312	400,000	66,860
Deferred revenue	<u>1,864,698</u>	<u>75,477</u>	<u>20,700</u>	<u>400,000</u>	<u>709,773</u>
Total liabilities	<u>2,282,876</u>	<u>129,544</u>	<u>1,691,999</u>	<u>805,458</u>	<u>831,254</u>
Fund balances:					
Nonspendable	70,385	4,752	8,962	-	172,313
Restricted	-	335,262	-	-	948,364
Assigned	85,710	-	-	3,491,111	746,521
Unassigned	<u>7,906,290</u>	<u>-</u>	<u>(597,705)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>8,062,385</u>	<u>340,014</u>	<u>(588,743)</u>	<u>3,491,111</u>	<u>1,867,198</u>
Total liabilities and fund balances	<u>\$ 10,345,261</u>	<u>469,558</u>	<u>1,103,256</u>	<u>4,296,569</u>	<u>2,698,452</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2011

	Total governmental fund balances	\$ 13,171,965
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
12,700,290	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	37,037,322
2,203,949	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
47,443	Income taxes receivable	644,540
488,128	Intergovernmental and other receivables	1,475,408
13,354	Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	240,134
1,081,348	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
53,087	General obligation bonds	(2,110,058)
203,325	Compensated absences	(599,890)
2,122,172	Accrued interest on long-term debt is not reported in the funds.	(6,038)
<u>18,913,096</u>	Bond issuance costs are expenditures in the funds but are reported as deferred charges in the statement of net assets and amortized over the life of the bonds.	<u>33,599</u>
	Net assets of governmental activities	\$ <u>49,886,982</u>
<u>18,913,096</u>		

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2011

	General	Fire and EMS	Parking	Capital Improvement	Other Governmental Funds
Revenues:					
Property and other taxes	\$ 1,284,812	-	-	-	-
Income taxes	6,735,204	853,681	-	-	-
Intergovernmental	1,061,372	-	-	39,505	440,279
Charges for services	459,672	447,096	503,785	-	15,278
Fines, costs and forfeitures	240,886	5,138	192,432	-	3,270
Licenses, permits and inspections	443,995	-	-	-	-
Special assessments	-	-	-	10,934	-
Interest	61,624	1,914	7,548	-	5,710
Contributions	9,618	-	-	-	38,545
Other	102,866	2,057	5,642	71,243	97,558
Total revenues	<u>10,400,049</u>	<u>1,309,886</u>	<u>709,407</u>	<u>121,682</u>	<u>600,640</u>
Expenditures:					
Current:					
Security of persons and property	4,063,092	1,096,771	-	-	173,167
Public health services	124,204	-	-	-	-
Leisure time activities	1,256,158	-	-	-	-
Community and economic development	796,761	-	-	-	282,000
Transportation	-	-	477,538	-	727,900
General government	1,619,314	-	-	-	0
Capital outlay	-	-	-	494,171	36,272
Debt Service:					
Principal retirement	-	-	-	-	235,000
Interest and fiscal charges	-	-	-	-	77,150
Total expenditures	<u>7,859,529</u>	<u>1,096,771</u>	<u>477,538</u>	<u>494,171</u>	<u>1,531,489</u>
Excess of revenues over (under) expenditures	<u>2,540,520</u>	<u>213,115</u>	<u>231,869</u>	<u>(372,489)</u>	<u>(930,849)</u>
Other financing sources (uses):					
Transfers in	-	126,899	-	292,600	1,037,420
Transfers out	<u>(1,461,919)</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,461,919)</u>	<u>126,899</u>	<u>(40,000)</u>	<u>292,600</u>	<u>1,037,420</u>
Net change in fund balances	1,078,601	340,014	191,869	(79,889)	106,571
Fund balance, beginning of year	<u>6,983,784</u>	<u>-</u>	<u>(780,612)</u>	<u>3,571,000</u>	<u>1,760,627</u>
Fund balance, end of year	<u>\$ 8,062,385</u>	<u>340,014</u>	<u>(588,743)</u>	<u>3,491,111</u>	<u>1,867,198</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

Statement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis

General Fund

Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Property and other taxes	\$ 1,259,680	1,259,690	1,274,480	14,790
Income taxes	6,800,000	6,800,000	6,712,608	(87,392)
Intergovernmental	787,647	1,039,085	1,144,631	105,546
Charges for services	762,430	412,430	396,176	(16,254)
Fines, costs and forfeitures	257,000	257,000	241,358	(15,642)
Licenses, permits and inspections	371,100	371,100	401,991	30,891
Interest	45,034	102,463	67,059	(35,404)
Contributions	11,000	11,000	12,338	1,338
Other	106,000	106,000	99,146	(6,854)
Total revenues	<u>10,399,891</u>	<u>10,358,768</u>	<u>10,349,787</u>	<u>(8,981)</u>
Expenditures:				
Current:				
Security of persons and property	5,970,104	4,631,108	4,216,460	414,648
Public health services	123,379	124,205	124,204	1
Leisure time activities	1,299,990	1,305,209	1,258,284	46,925
Community and economic development	856,679	861,268	834,649	26,619
General government	1,793,222	1,947,741	1,744,169	203,572
Total expenditures	<u>10,043,374</u>	<u>8,869,531</u>	<u>8,177,766</u>	<u>691,765</u>
Excess of revenues over expenditures	<u>356,517</u>	<u>1,489,237</u>	<u>2,172,021</u>	<u>682,784</u>
Other financing sources (uses):				
Advances in	-	245,000	245,000	-
Advances out	-	(645,000)	(645,000)	-
Transfers in	135,928	136,758	136,131	(627)
Transfers out	(1,135,020)	(1,461,919)	(1,461,919)	-
Total other financing sources (uses)	<u>(999,092)</u>	<u>(1,725,161)</u>	<u>(1,725,788)</u>	<u>(627)</u>
Net change in fund balance	(642,575)	(235,924)	446,233	682,157
Fund balance, beginning of year	6,596,541	6,596,541	6,596,541	
Prior year encumbrances appropriated	195,184	195,184	195,184	
Fund balance, end of year	\$ <u>6,149,150</u>	<u>6,555,801</u>	<u>7,237,958</u>	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIOStatement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis

Fire and EMS Fund

Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Income taxes	\$ 977,200	977,200	771,027	(206,173)
Charges for services	407,000	407,000	447,096	40,096
Fines, costs, and forfeitures	-	-	5,138	5,138
Interest	-	-	1,914	1,914
Other	-	-	2,057	2,057
Total revenues	<u>1,384,200</u>	<u>1,384,200</u>	<u>1,227,232</u>	<u>(156,968)</u>
Expenditures:				
Current:				
Security of persons and property	<u>1,428,081</u>	<u>1,377,642</u>	<u>1,072,861</u>	<u>304,781</u>
Total expenditures	<u>1,428,081</u>	<u>1,377,642</u>	<u>1,072,861</u>	<u>304,781</u>
Excess of revenues over expenditures	<u>(43,881)</u>	<u>6,558</u>	<u>154,371</u>	<u>147,813</u>
Other financing uses:				
Transfers in	126,899	126,899	126,899	-
Transfers out	-	(3,540)	(3,540)	-
Advances in	245,000	311,860	245,000	(66,860)
Advances out	<u>(245,000)</u>	<u>(311,860)</u>	<u>(311,860)</u>	<u>-</u>
Total other financing uses	<u>126,899</u>	<u>123,359</u>	<u>56,499</u>	<u>(66,860)</u>
Net change in fund balance	83,018	129,917	210,870	80,953
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>83,018</u>	<u>129,917</u>	<u>210,870</u>	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIOStatement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis

Parking Fund

Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Charges for services	\$ 471,000	471,000	509,450	38,450
Fines, costs, and forfeitures	244,000	244,000	195,082	(48,918)
Interest	5,033	5,033	8,226	3,193
Other	<u>10,000</u>	<u>10,000</u>	<u>5,642</u>	<u>(4,358)</u>
Total revenues	<u>730,033</u>	<u>730,033</u>	<u>718,400</u>	<u>(11,633)</u>
Expenditures:				
Current:				
Transportation	<u>511,055</u>	<u>511,055</u>	<u>448,687</u>	<u>62,368</u>
Total expenditures	<u>511,055</u>	<u>511,055</u>	<u>448,687</u>	<u>62,368</u>
Excess of revenues over expenditures	<u>218,978</u>	<u>218,978</u>	<u>269,713</u>	<u>50,735</u>
Other financing uses:				
Transfers out	<u>(188,081)</u>	<u>(188,081)</u>	<u>(188,081)</u>	<u>-</u>
Total other financing uses	<u>(188,081)</u>	<u>(188,081)</u>	<u>(188,081)</u>	<u>-</u>
Net change in fund balance	30,897	30,897	81,632	50,735
Fund balance, beginning of year	985,738	985,738	985,738	
Prior year encumbrances appropriated	<u>15,870</u>	<u>15,870</u>	<u>15,870</u>	
Fund balance, end of year	\$ <u>1,032,505</u>	<u>1,032,505</u>	<u>1,083,240</u>	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

Statement of Net Assets
 Proprietary Funds
 December 31, 2011

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Refuse	Non-major Stormwater	Totals	Activities - Internal Service Funds
Assets						
Current assets:						
Equity in pooled cash and investments	\$ 5,282,654	7,547,573	2,901,741	26,528	15,758,496	403,242
Receivables:						
Accounts	199,680	238,574	7,563	-	445,817	43,015
Interest	5,519	7,885	3,032	-	16,436	365
Prepaid items	14,339	7,886	-	-	22,225	-
Materials and supplies inventory	165,821	61,975	-	-	227,796	29,324
Total current assets	<u>5,668,013</u>	<u>7,863,893</u>	<u>2,912,336</u>	<u>26,528</u>	<u>16,470,770</u>	<u>475,946</u>
Noncurrent assets:						
Deferred charges	24,681	-	-	-	24,681	-
Non-depreciable capital assets	396,235	312,475	17,000	-	725,710	-
Depreciable capital assets, net	10,807,462	14,726,568	19,096	-	25,553,126	-
Total non-current assets	<u>11,228,378</u>	<u>15,039,043</u>	<u>36,096</u>	<u>-</u>	<u>26,303,517</u>	<u>-</u>
Total assets	<u>16,896,391</u>	<u>22,902,936</u>	<u>2,948,432</u>	<u>26,528</u>	<u>42,774,287</u>	<u>475,946</u>
Liabilities						
Current liabilities:						
Accounts payable	32,953	38,988	104,626	-	176,567	16,367
Accrued salaries	19,237	22,409	2,225	-	43,871	-
Intergovernmental payable	26,525	29,777	2,908	-	59,210	-
Claims payable	-	-	-	-	-	123,080
Accrued interest payable	4,613	-	-	-	4,613	-
Compensated absences payable	48,464	42,512	7,846	-	98,822	-
General obligation bonds payable	412,000	-	-	-	412,000	-
OWDA loans payable	-	428,767	260,723	-	689,490	-
Total current liabilities	<u>543,792</u>	<u>562,453</u>	<u>378,328</u>	<u>-</u>	<u>1,484,573</u>	<u>139,447</u>
Long-term liabilities:						
General obligation bonds payable, net of current portion	2,084,919	-	-	-	2,084,919	-
OWDA loans payable, net of current portion	-	2,896,818	703,074	-	3,599,892	-
Landfill post-closure care payable	-	-	1,080,755	-	1,080,755	-
Compensated absences payable, net of current portion	135,899	146,890	9,735	-	292,524	-
Total long-term liabilities	<u>2,220,818</u>	<u>3,043,708</u>	<u>1,793,564</u>	<u>-</u>	<u>7,058,090</u>	<u>-</u>
Total liabilities	<u>2,764,610</u>	<u>3,606,161</u>	<u>2,171,892</u>	<u>-</u>	<u>8,542,663</u>	<u>139,447</u>
Net Assets						
Invested in capital assets, net of related debt	8,706,778	11,713,458	36,096	-	20,456,332	-
Restricted for other purposes	843,054	799,948	-	-	1,643,002	-
Unrestricted	<u>4,581,949</u>	<u>6,783,369</u>	<u>740,444</u>	<u>26,528</u>	<u>12,132,290</u>	<u>336,499</u>
Total net assets	\$ <u>14,131,781</u>	<u>19,296,775</u>	<u>776,540</u>	<u>26,528</u>		<u>336,499</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					96,365	
Total net assets from above					<u>34,231,624</u>	
Net assets of business-type activities				\$	<u>34,327,989</u>	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Refuse	Non-major Stormwater	Totals	
Operating revenues:						
Charges for services	\$ 2,571,039	2,876,099	1,640,491	-	7,087,629	1,618,307
Other	14,552	9,056	-	-	23,608	-
Total operating revenues	<u>2,585,591</u>	<u>2,885,155</u>	<u>1,640,491</u>	<u>-</u>	<u>7,111,237</u>	<u>1,618,307</u>
Operating expenses:						
Personnel services	1,094,388	1,227,351	120,983	-	2,442,722	-
Contractual services	402,020	485,318	1,228,563	29,774	2,145,675	70,583
Supplies and materials	178,376	127,644	6,753	-	312,773	222,070
Other	63,362	30,108	-	-	93,470	-
Claims	-	-	-	-	-	1,332,258
Depreciation	457,025	678,509	33,244	-	1,168,778	-
Total operating expenses	<u>2,195,171</u>	<u>2,548,930</u>	<u>1,389,543</u>	<u>29,774</u>	<u>6,163,418</u>	<u>1,624,911</u>
Operating income (loss)	390,420	336,225	250,948	(29,774)	947,819	(6,604)
Non-operating revenues (expenses):						
Interest revenue	36,878	49,525	27,263	240	113,906	3,067
Intergovernmental	-	-	19,613	-	19,613	-
Interest expense and fiscal charges	(111,186)	(149,565)	(50,102)	-	(310,853)	-
Total non-operating revenues (expenses)	<u>(74,308)</u>	<u>(100,040)</u>	<u>(3,226)</u>	<u>240</u>	<u>(177,334)</u>	<u>3,067</u>
Income (loss) before contributions	316,112	236,185	247,722	(29,534)	770,485	(3,537)
Capital contributions	134,960	56,890	-	-	191,850	-
Transfers in	-	-	-	45,000	45,000	-
Change in net assets	451,072	293,075	247,722	15,466	1,007,335	(3,537)
Net assets, beginning of year	<u>13,680,709</u>	<u>19,003,700</u>	<u>528,818</u>	<u>11,062</u>		<u>340,036</u>
Net assets, end of year	\$ <u>14,131,781</u>	<u>19,296,775</u>	<u>776,540</u>	<u>26,528</u>		<u>336,499</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(1,046)	
Changes in net assets of business-type activities				\$	<u>1,006,289</u>	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Refuse	Non-major Stormwater	Totals	Activities - Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	\$ 2,590,697	2,904,069	1,642,606	-	7,137,372	43,765
Cash receipts from interfund services provided	-	-	-	-	-	1,617,791
Cash payments for employee services and benefits	(1,110,392)	(1,237,071)	(117,825)	-	(2,465,288)	-
Cash payments to suppliers for goods and services	(461,738)	(221,515)	(1,241,066)	(29,774)	(1,954,093)	(325,056)
Cash payments for employee medical claims	-	-	-	-	-	(1,361,665)
Cash payments for other operating expenses	(114,833)	(394,478)	(45,785)	-	(555,096)	-
Cash received from other operating revenue	14,552	9,056	-	-	23,608	-
Net cash provided (used) by operating activities	<u>918,286</u>	<u>1,060,061</u>	<u>237,930</u>	<u>(29,774)</u>	<u>2,186,503</u>	<u>(25,165)</u>
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	-	45,000	45,000	-
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(166,304)	(364,370)	-	-	(530,674)	-
Intergovernmental	-	-	19,613	-	19,613	-
Proceeds from refunding bonds	3,452,758	-	-	-	3,452,758	-
Principal payments	(4,190,000)	(411,656)	(249,741)	-	(4,851,397)	-
Interest paid	(143,447)	(149,565)	(50,102)	-	(343,114)	-
Capital contribution for capacity	62,460	56,890	-	-	119,350	-
Net cash used by capital and related financing activities	<u>(984,533)</u>	<u>(868,701)</u>	<u>(280,230)</u>	<u>-</u>	<u>(2,133,464)</u>	<u>-</u>
Cash flows from investing activities:						
Interest	58,261	78,645	38,996	240	176,142	4,549
Net change	(7,986)	270,005	(3,304)	15,466	274,181	(20,616)
Cash and pooled investments beginning of year	5,290,640	7,277,568	2,905,045	11,062	15,484,315	423,858
Cash and pooled investments end of year	<u>5,282,654</u>	<u>7,547,573</u>	<u>2,901,741</u>	<u>26,528</u>	<u>15,758,496</u>	<u>403,242</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	390,420	336,225	250,948	(29,774)	947,819	(6,604)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	457,025	678,509	33,244	-	1,168,778	-
Changes in assets and liabilities:						
Receivables	19,658	27,970	2,115	-	49,743	43,249
Prepaid items	7,188	(6,870)	-	-	318	-
Materials and supplies inventory	3,433	(18,431)	-	-	(14,998)	(19,572)
Accounts payable	19,590	15,402	6,856	-	41,848	(12,831)
Claims payable	-	-	-	-	-	(29,407)
Accrued salaries and benefits	6,947	8,223	598	-	15,768	-
Due to other governments	3,964	4,720	364	-	9,048	-
Compensated absences payable	10,061	14,313	2,196	-	26,570	-
Landfill post-closure liability	-	-	(58,391)	-	(58,391)	-
Net cash provided (used) by operating activities	\$ <u>918,286</u>	<u>1,060,061</u>	<u>237,930</u>	<u>(29,774)</u>	<u>2,186,503</u>	<u>(25,165)</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
 Statement of Fiduciary Assets and Liabilities
 Agency Funds
 December 31, 2011

		<u>Agency Funds</u>
<i>Assets</i>		
Equity in pooled cash and investments	\$	6,412
Receivables:		
Taxes		<u>8,903</u>
Total assets		<u><u>15,315</u></u>
<i>Liabilities</i>		
Due to others		<u>15,315</u>
Total liabilities	\$	<u><u>15,315</u></u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Oxford are prepared in conformity with generally accepted accounting principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City follows Financial Accounting Standards Board (FASB) standards of accounting and financial reporting issued on or before November 30, 1989 in its government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict GASB guidance. Governments also have the option of following subsequent FASB guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent FASB guidance. The significant accounting policies used in the preparation of these financial statements are summarized below.

A. Reporting Entity

The City of Oxford (the "City") is a home rule municipal corporation organized under the laws of the State of Ohio that operates under its own charter. The City was organized as a village in 1830 and the municipal charter was adopted in 1960. The municipal government provided by the charter is known as a council-manager form of government. A seven-member council is elected and the council selects one of its members to serve as mayor. The council appoints a city manager, an auditor/finance director, and a law director who execute the laws and administer the government of the City. The city manager appoints all other employees of the City.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are fairly presented. The primary government of the City consists of all funds and departments that comprise the legal entity of the City. They provide various services including police and fire protection, parks and recreation, planning, street maintenance and repair, community development, water, sewer and refuse collection.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units. However, the City does report very limited financial activity associated with the Oxford Community Improvement Corporation within its financial statements. The City is associated with McCullough-Hyde Hospital, Inc., which is defined as a related organization (Note 18).

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

B. Basis of Presentation

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. The statements distinguish between those activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type activities, which rely to a significant extent upon fees and charges for support. Interfund and internal service fund activities are generally eliminated to avoid the "doubling-up" effect on revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of expenses with program revenues identifies the extent to which each governmental function or business-type segment is self-financing or relies upon general revenues of the City.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other funds are aggregated and reported as non-major governmental or non-major proprietary funds.

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

Governmental funds are those through which most governmental functions typically are financed. The following are the City's major governmental funds:

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Fire and EMS Fund - To account for the City's fire and emergency medical services.

Parking Fund - To account for operation of parking control activities within the City funded by revenues from meter collections, garage fees and fines.

Capital Improvement Fund - To account for financial resources for the acquisition or construction of major capital facilities.

Proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The following are the City's major proprietary funds:

Water Fund - Accounts for the provision of water service to the City and surrounding areas.

Sewer Fund - Accounts for the provision of sanitary sewer service to the City and surrounding areas.

Refuse Fund - Accounts for the provision of refuse collection and disposal to the City as well as costs associated with the municipal landfill post-closure monitoring.

Additionally, the City reports the following fund types:

Internal Service Funds - to account for medical self-insurance and supplies provided to other departments of the City on a cost-reimbursement basis.

Agency Funds - to account for assets held in a fiduciary capacity on behalf of others.

C. Basis of Accounting

Governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

All governmental fund types are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the City is thirty-one days after year-end. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest earnings, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, grants, and municipal income tax.

The City reports deferred revenues on its governmental funds' balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Current and delinquent property taxes measurable as of December 31, 2011, whose availability is indeterminable and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

Since governmental funds' financial statements use a different measurement focus and basis of accounting than the government-wide statements, governmental funds' financial statements include reconciliations to the government-wide statements.

Proprietary Funds. All proprietary funds - enterprise funds and internal service funds - are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Fiduciary Funds. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting. The City's agency funds account for hotel taxes, building permits and monies to be refunded to City residents from the Oxford Natural Gas Company.

D. Pooled Cash and Investments

Cash balances of the City's funds are pooled and invested to improve cash management. For purposes of the statement of cash flows, investments with original maturities of three months or less are considered to be cash equivalents. GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments be recorded at their fair value and that changes in the fair value be reported in the operating statement. Interest earned by the City is distributed to the funds according to City Resolution which may be inconsistent with the Ohio Revised Code. Interest earned during 2011 amounted to approximately \$194,000.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

F. Supplies Inventory

Inventories are presented at cost on first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

G. Capital Assets

Capital assets, which include property, infrastructure, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets utilized by governmental activities are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

The City defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. Interest on constructed capital assets is capitalized. When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	20 - 60 years
Equipment	5 - 20 years
Improvements	20 - 60 years
Sewer lines/water lines	50 years
Infrastructure	50 years

H. Interfund Balances

During the course of operations, transactions occur between individual funds for goods provided or services rendered. On fund financial statements, receivables and payables resulting from interfund loans are classified as "advances to other funds" and "advances from other funds". These amounts are eliminated in the governmental columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

I. Deferred Charges

Bond issuance costs are deferred and amortized over the terms of the bonds using the straight-line method.

J. Compensated Absences

The City follows the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave termination benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees for whom it is probable that they will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

Vested vacation and sick leave is recorded as an expense in the government-wide statements for the period in which the leave was earned. For governmental funds, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and retirements.

Payment of vacation and sick leave recorded in the government-wide financial statements is dependent upon many factors; therefore timing of future payments is not readily determinable. Management believes that sufficient resources will be available when payment is due.

K. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance/resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City did not have any committed fund balances at year end.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

L. Accounting Estimates

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

M. Grants and Other Intergovernmental Revenues

Grants made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions, enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. At December 31, 2011, none of the City's net assets were restricted by enabling legislation.

The net assets restricted for other purposes result from special revenue funds and the restriction on their net asset use. When both restricted and non-restricted resources are available for use, it is the City's policy to use non-restricted resources first, and then restricted resources, as they are needed.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

O. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than fiduciary funds, are legally required to be budgeted and appropriated.

The legal level of budgetary control (the level at which transfers of budget amounts cannot be made without legislative approval) is established at the department level and within each department, the amount appropriated for each object. Budget transfers over \$20,000 made between departments within a function require council approval. Transfers of any amount from one function to another, or increases in budget, require legal approval. For budgetary presentation, all funds have two objects except for the General Fund; one object for personnel services and another object for other services and charges.

Tax Budget

A tax budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all of the previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or before January 31, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

Appropriations

The annual appropriation ordinance must be passed no later than April 1 of each year for the period January 1 to December 31. A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The appropriation ordinance fixes spending authority at the fund and department level. The appropriation ordinance may be amended during the year, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and functions within a fund may be modified with approval of both the city manager and finance director for those up to \$20,000 made between departments, which are within a function. All other modifications may only be made by resolution of City Council.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for governmental funds since they do not constitute expenditures or liabilities.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation lapses and is restored to the respective fund from which it was appropriated and becomes subject to future appropriation. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

P. Change in Accounting Principle

The City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clarified fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 2 – FUND DEFICITS

At December 31, 2011, the Parking Fund has a deficit fund balance of \$588,743 which is due to interfund borrowing for the construction of the new parking garage. The General Fund provides transfers to cover fund deficit balances, however, this is done when cash is needed.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the City reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, requires accounting for certain transactions according to cash receipts, disbursements, appropriations, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis, are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
4. Advances in and advances out are operating transactions (budget basis) rather than as a reservation of fund balance (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended December 31, 2011, on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>	<u>Fire and EMS Fund</u>	<u>Parking Fund</u>
Net change in fund balance - GAAP Basis	\$ 1,078,601	340,014	191,869
Net adjustment for revenue accruals	(50,262)	(82,654)	8,993
Net adjustment for expenditure accruals	(232,527)	52,856	40,104
Encumbrances	(85,710)	(28,946)	(11,253)
Other sources (uses)	<u>(263,869)</u>	<u>(70,400)</u>	<u>(148,081)</u>
Net change in fund balance - Budget Basis	\$ <u>446,233</u>	<u>210,870</u>	<u>81,632</u>

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 4 - POOLED CASH AND INVESTMENTS

The City maintains a cash deposit and investment pool for all funds. Each fund's share of cash deposits and investments is shown separately on the statement of net assets and balance sheets as "Equity in Pooled Cash and Investments".

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must be either evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be deposited or invested in the following securities:

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio;

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

- (5) No-load money market funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreement secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasury Assets Reserve of Ohio (STAR Ohio); and
- (7) Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time.
- (8) Under limited circumstance, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

At year end, \$3,831,575 of the City's bank balance of \$4,373,414 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name.

Investments: The City's investments at December 31, 2011 are summarized as follows:

Investment Type	Fair Value	Maturity			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
Federal Home Loan Bank Notes	\$ 7,908,458	-	-	4,845,545	3,062,913
Federal Home Loan Mort. Corp. Notes	5,414,774	-	3,513,615	1,901,159	-
Federal National Mort. Assoc. Notes	7,758,127	-	-	1,784,905	5,973,222
US Treasury Notes	3,471,144	-	3,471,144	-	-
US Treasury mutual funds	317,176	317,176	-	-	-
	\$ <u>24,869,679</u>	<u>317,176</u>	<u>6,984,759</u>	<u>8,531,609</u>	<u>9,036,135</u>

Credit Risk: It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality of the top 2 ratings by nationally recognized statistical rating organizations. The City's investments in Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes and U.S. Treasury mutual funds were rated AAA by Standard & Poor's and Aaa by Moody's.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment securities are registered in the name of the City.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single user. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2011:

Investment Type	Fair Value	Percent of Total
Federal Home Loan Bank Notes	\$ 7,908,458	31.80%
Federal Home Loan Mort. Corp. Notes	5,414,774	21.77%
Federal National Mort. Assoc. Notes	7,758,127	31.20%
US Treasury Note	3,471,144	13.96%
US Treasury mutual funds	317,176	1.28%
	\$ <u>24,869,679</u>	<u>100.00%</u>

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the City manages its exposure to declines in fair value by limiting the maximum maturity of investments in its portfolio to five years.

NOTE 5 - LOANS RECEIVABLE

Loans receivable consist of low-interest loans for development projects granted to eligible businesses under the Community Development Block Grant (CDBG) program. The amount of loans outstanding at December 31, 2011 is \$488,128 and is considered fully collectible.

NOTE 6 - PROPERTY TAXES

Property taxes are levied against all real, public utility and tangible (used in business) property located in the City. Real property and public utility taxes collected during 2011 were levied on December 31, 2010 on assessed values listed as of January 1, 2010, the lien date. One-half of these taxes were due on February 15, 2011 with the remaining balance due on July 20, 2011. Tangible personal property taxes collected during 2011 had a levy date of December 31, 2010. One-half of these taxes were due between February 15, 2011 and April 30, 2011, with the remaining balance due on October 20, 2011.

Assessed values of real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years with equalization adjustments in the third year following reappraisal. The most recent revaluation was completed in 2008. Public utility property taxes are assessed on tangible personal property as well as land improvements at true value (50% of cost). Tangible personal property assessments are 25% of true value.

The Butler County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Oxford. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2011, was \$3.65 per \$1,000 of assessed value.

Tangible personal property tax receipts received in 2011 (other than public utility property) represent the collection of 2011 taxes. Tangible personal property taxes received in 2011 were levied after April 1, 2011, on the true value as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunication companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City was fully reimbursed for the lost revenue but the reimbursements are being phased out.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property Assessed Valuation	\$	288,064,130
Public Utility Property Assessed Valuation		<u>6,795,400</u>
 Total	 \$	 <u><u>294,859,530</u></u>

NOTE 7 - INCOME TAX

The City levies a municipal income tax of 2.00% on substantially all income earned within the City which includes .25% which was approved by voters for Fire and EMS services and collected for the first time in 2011. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are used for general fund operations, fire and EMS services, capital improvements, debt service and other governmental functions when needed, as determined by the Council. In 2011, the proceeds were received to the General Fund.

NOTE 8 – INTERFUND ASSETS/LIABILITIES

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$ 400,000	-
Fire and EMS Fund	66,860	
Parking Fund	-	1,655,312
Capital Improvement Fund	1,655,312	400,000
Other governmental funds	<u>-</u>	<u>66,860</u>
	 \$ <u><u>2,122,172</u></u>	 <u><u>2,122,172</u></u>

The Parking Fund originally borrowed \$2,700,312 from the Capital Improvement Fund to construct a parking garage. This interfund loan is not expected to be repaid within one year.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land and right-of-way easements	\$ 10,883,864	-	-	10,883,864
Construction in progress	<u>1,827,860</u>	<u>204,953</u>	<u>-</u>	<u>2,032,813</u>
Total capital assets not being depreciated	<u>12,711,724</u>	<u>204,953</u>	<u>-</u>	<u>12,916,677</u>
<i>Capital assets being depreciated:</i>				
Buildings	5,903,336	5,090	-	5,908,426
Improvements	5,607,561	34,047	-	5,641,608
Equipment	7,030,234	55,565	(59,176)	7,026,623
General infrastructure	<u>31,153,962</u>	<u>179,577</u>	<u>-</u>	<u>31,333,539</u>
Total capital assets being depreciated	<u>49,695,093</u>	<u>274,279</u>	<u>(59,176)</u>	<u>49,910,196</u>
Less accumulated depreciation:				
Buildings	(1,913,630)	(129,907)	-	(2,043,537)
Improvements	(2,649,453)	(273,955)	-	(2,923,408)
Equipment	(4,311,829)	(419,747)	59,176	(4,672,400)
General infrastructure	<u>(15,398,909)</u>	<u>(751,297)</u>	<u>-</u>	<u>(16,150,206)</u>
Total accumulated depreciation	<u>(24,273,821)</u>	<u>(1,574,906)</u>	<u>59,176</u>	<u>(25,789,551)</u>
Total capital assets being depreciated, net	<u>25,421,272</u>	<u>(1,300,627)</u>	<u>-</u>	<u>24,120,645</u>
Capital assets, net	\$ <u>38,132,996</u>	<u>(1,095,674)</u>	<u>-</u>	<u>37,037,322</u>

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$ 262,201
Leisure time activities	366,094
Community and economic development	10,281
Transportation	815,363
General government	<u>120,967</u>
Total depreciation expense	\$ <u>1,574,906</u>

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 430,105	-	-	430,105
Construction in progress	32,881	295,605	(32,881)	295,605
Total capital assets not being depreciated	462,986	295,605	(32,881)	725,710
<i>Capital assets being depreciated:</i>				
Buildings	9,618,046	-	-	9,618,046
Improvements	7,932,028	53,821	-	7,985,849
Equipment	6,603,641	181,629	-	6,785,270
Infrastructure	28,294,190	105,000	-	28,399,190
Total capital assets being depreciated	52,447,905	340,450	-	52,788,355
Less accumulated depreciation:				
Buildings	(4,257,958)	(270,342)	-	(4,528,300)
Improvements	(7,870,192)	(36,107)	-	(7,906,299)
Equipment	(4,276,243)	(290,490)	-	(4,566,733)
Infrastructure	(9,662,058)	(571,839)	-	(10,233,897)
Total accumulated depreciation	(26,066,451)	(1,168,778)	-	(27,235,229)
Total capital assets being depreciated, net	26,381,454	(828,328)	-	25,553,126
 Capital assets, net	 \$ 26,844,440	 (532,723)	 (32,881)	 26,278,836

Depreciation expense was charged to segments as follows:

Water	\$ 457,025
Sewer	678,509
Refuse	33,244
Total depreciation expense	\$ 1,168,778

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City contributes to the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans: The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year); and the Combined Plan a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

benefit and defined contribution plan. Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed plan.

OPERS provides retirement, disability, and survivor and death benefits and annual cost of living adjustments to members of the Traditional and Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits including post-employment health care coverage. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans discussed above. Separate divisions for law enforcement and public safety divisions exist only within the Traditional Plan. The 2011 member contribution rates were 10.0% of their annual salary for members in state and local classifications. Public safety and law enforcement members contributed at a rate of 11.0% and 11.6%, respectively. The City was required to contribute 14.0% of covered payroll for employees and 18.1% for employees engaged in law enforcement and public safety. The City's required contributions to OPERS for the years ended December 31, 2011, 2010, and 2009 were approximately \$685,000, \$681,000, and \$696,000, respectively; 92% has been contributed for 2011 and 100% for 2010 and 2009.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary while the City is required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The City's required contributions to the Fund for the years ended December 31, 2011, 2010, and 2009 were approximately \$358,000, \$405,000, and \$420,000, respectively; 77% percent has been contributed for 2011 and 100% for 2010 and 2009.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0% of covered payroll, and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual employer contributions for 2011, 2010 and 2009 which were used to fund post-employment benefits were approximately \$196,000, \$247,000, and \$291,000, respectively; 92% has been contributed for 2011 and 100% for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006-2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase in January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual contributions for 2011, 2010 and 2009 that were used to fund post-employment benefits were approximately \$124,000, \$140,000 and \$144,000, respectively; 77% percent has been contributed for 2011 and 100% for 2010 and 2009.

NOTE 12 – OTHER EMPLOYEE BENEFITS

Deferred Compensation Plans

City employees and elected officials have the option to participate in two independently-managed deferred compensation plans, both created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseen emergency.

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. They may earn compensatory time at one and one-half times their regular rate of pay in lieu of overtime pay for all hours worked in excess of the 40-hour workweek. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation and compensatory time for the City as a whole amounted to \$631,444 at December 31, 2011.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 10 hours a month. Sick leave is cumulative without limit. In the event of death or separation, a non-police employee (or their estate) is paid one-third of their accumulated sick leave up to a maximum of 1,200 hours. Police officers grandfathered per the contract beginning January 1, 1992 may convert their first 600 hours at one-half and an additional 600 hours at a one-to-one ratio. During the month of April, all other employees have the option to convert a maximum of 1,200 hours of sick leave to cash at a five-to-one ratio. This payout option requires an employee to retain a 240 hour sick leave balance. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$359,792 at December 31, 2011.

NOTE 13 - RISK MANAGEMENT

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicle, property and general liability insurance, property and general liability for the closed municipal landfill, police professional liability, and public officials errors and omissions insurance. Vehicle policies include liability coverage for bodily injury and property damage. Claim payments have not exceeded coverage in the past three years. There was no decline in the level of coverage from the prior year.

The City has established a medical self-insurance fund. The purpose of this fund is to pay medical claims of employees and their covered dependents and minimize the total cost of annual medical insurance to the City. Medical claims exceeding \$55,000 per individual or \$1,320,125 in the aggregate in a given year are covered through a private insurance carrier.

The claims liability of \$123,080 reported in the fund at December 31, 2011 is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for the past two years were:

	2011	2010
Unpaid claims, beginning of year	\$ 152,487	132,037
Incurred claims (including IBNR)	1,402,841	1,508,160
Claim payments	<u>(1,432,248)</u>	<u>(1,487,710)</u>
 Unpaid claims, end of year	 \$ <u>123,080</u>	 <u>152,487</u>

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 14 - LONG-TERM LIABILITIES

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental activities:			
Park Improvement Bonds - 1999	3.9-5.5%	\$ 3,915,000	December 1, 2019
Park Improvement Refunding Bonds - 2009	2.0-4.0%	2,595,000	December 1, 2019
Business-type activities:			
Water Supply System Revenue Bonds -2011	2.0-3.0%	3,390,000	December 1, 2014
OWDA Loan - Landfill Closure - 1995	4.35%	3,978,072	July 1, 2015
OWDA Loan - Sewer Collection System - 1997	4.12%	681,351	July 1, 2015
OWDA Loan - Sewer Pump Station/EQ Basin - 1997	4.12%	6,368,862	January 1, 2019
OWDA Loan - Sandra Drive Sewers - 1998	3.98%	309,250	January 1, 2019

The following is a summary of changes during 2011 and balances for long-term liabilities of the City as of December 31, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General Obligation Bonds					
2009 Park Imp. Refunding	\$ 2,365,000	-	235,000	2,130,000	235,000
Less deferred amount on refunding	(41,735)	-	(4,910)	(36,825)	-
Add premium on issuance	19,133	-	2,250	16,883	-
Compensated absences	<u>606,539</u>	<u>246,445</u>	<u>253,094</u>	<u>599,890</u>	<u>263,099</u>
Total	\$ <u>2,948,937</u>	<u>246,445</u>	<u>485,434</u>	<u>2,709,948</u>	<u>498,099</u>

In 2009, the City issued \$2,595,000 of general obligation bonds to refund the 1999 Park Improvement General Obligation Bonds, which were issued for the design and construction of municipal parks. The original bonds are defeased and no longer a liability of the City. The escrow agent paid all outstanding bonds. The Park Improvement Refunding General Obligation Bonds are backed by the full faith and credit of the City and will be repaid from the Debt Service Fund. For the governmental activities, compensated absences are liquidated by the fund which pays the employee's salary.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Water Fund:					
General Obligation Bonds:					
Water Supply System-2002	\$ 3,360,000	-	3,360,000	-	-
Water Supply System-2011	-	3,390,000	830,000	2,560,000	412,000
Less deferred amount on refunding	(104,132)	(124,159)	(135,171)	(93,120)	-
Add premium on issuance	-	40,053	10,014	30,039	-
Subtotal	<u>3,255,868</u>	<u>3,305,894</u>	<u>4,064,843</u>	<u>2,496,919</u>	<u>412,000</u>
Sewer Fund:					
OWDA Loans:					
Sewer Collection System	284,518	-	39,017	245,501	40,641
Sewer Pump Station/EQ Basin	3,296,809	-	355,730	2,941,079	370,537
Sandra Drive Sewers	155,914	-	16,909	139,005	17,589
Subtotal	<u>3,737,241</u>	<u>-</u>	<u>411,656</u>	<u>3,325,585</u>	<u>428,767</u>
Refuse Fund:					
OWDA Loan - Landfill Closure	1,213,538	-	249,741	963,797	260,723
Landfill post-closure payable	1,139,146	-	58,391	1,080,755	-
Subtotal	<u>2,352,684</u>	<u>-</u>	<u>308,132</u>	<u>2,044,552</u>	<u>260,723</u>
Compensated absences	<u>364,776</u>	<u>119,569</u>	<u>92,999</u>	<u>391,346</u>	<u>98,822</u>
Total	<u>\$ 9,710,569</u>	<u>3,425,463</u>	<u>4,877,630</u>	<u>8,258,402</u>	<u>1,200,312</u>

In February 2011, the City issued \$3,390,000 of bonds to refund the outstanding \$3,360,000 2002 Water Supply System Bonds. The refunding was undertaken to reduce future debt service payments by approximately \$131,000 and resulted in an economic gain of \$128,000.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

The general obligation bonds are paid from operating revenues of the Water Fund. The 1995 Ohio Works Development Authority (OWDA) loans payable, representing amounts borrowed from the OWDA for closure costs for the landfill, are paid from Refuse Fund revenue. The remaining OWDA loans were for sewer plant and collection system construction and will be paid from Sewer Fund revenue.

Principal and interest requirements to retire the City's outstanding obligations at December 31, 2011 were:

		<u>Government Activities</u>			
		Park Imp. Refunding Bonds			
		<u>Principal</u>	<u>Interest</u>		
	2012	\$ 235,000	72,450		
	2013	250,000	63,050		
	2014	250,000	56,800		
	2015	260,000	49,300		
	2016	270,000	40,850		
	2017-2019	865,000	65,087		
	Total	\$ 2,130,000	347,537		
		<u>Business-type Activities</u>			
		<u>General Obligation Bonds</u>		<u>OWDA Loans</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2012	\$ 412,000	55,350	689,490	171,574
	2013	855,000	34,500	718,778	142,287
	2014	870,000	17,400	749,308	111,756
	2015	423,000	-	631,216	79,915
	2016	-	-	504,624	56,597
	2017-2018	-	-	995,966	50,964
	Total	\$ 2,560,000	107,250	4,289,382	613,093

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 15 – TRANSFERS

The City made the following transfers during 2011:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	1,461,919
Fire and EMS Fund	126,899	-
Parking Fund	-	40,000
Capital Improvement Fund	292,600	-
Other governmental funds	1,037,420	-
Non-major enterprise fund	45,000	-
	<u>\$ 1,501,919</u>	<u>1,501,919</u>

The General Fund makes transfers to the Debt Service Fund for general obligation bond retirement and to the Street Fund and Stormwater Fund for operating costs associated with street and stormwater maintenance. The General Fund also transfers funds to the Capital Improvement and Capital Equipment funds for capital projects and equipment purchases. Finally, the General Fund also transferred operating capital to the new Fire and EMS Fund. The Parking Fund made transfers to the Parking Improvement Fund for capital projects which are legal in accordance with the Ohio Revised Code.

NOTE 16 – LANDFILL POST-CLOSURE CARE

During 1986, the City stopped receiving refuse in its public landfill. State and federal laws and regulations require the City to permanently close the landfill and to perform certain maintenance and monitoring functions at the site for thirty years after closure. This amount is based on what it would cost to perform all future post-closure care in 1996. The Ohio Environmental Protection Agency officially certified the closure of the landfill in May 1996. The remaining post-closure liability recorded in the Refuse Fund is \$1,080,755. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. This liability will be paid from Refuse fund revenue. The reporting of the landfill closure and post-closure liability in the refuse fund follows the guidelines set by GASB Statement No. 18.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 17 – FUND BALANCES AND CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the City is bound to honor constraints on the specific purposes for which amounts in funds can be spent. There was no effect on fund balances.

Fund balance is classified as nonspendable, restricted, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General Fund	Fire & EMS Fund	Parking Fund	Capital Improvement	Other Governmental Funds	Total
Fund Balances:						
Nonspendable						
Inventory and prepaids	\$ 70,385	4,752	8,962	-	172,313	256,412
Restricted for:						
Public Safety	-	335,262	-	-	328,743	664,005
Community development	-	-	-	-	383,977	383,977
Transportation	-	-	-	-	235,644	235,644
Total restricted	-	335,262	-	-	948,364	1,283,626
Assigned to:						
Public safety	41,054	-	-	-	-	41,054
Community development	22,771	-	-	-	-	22,771
General government	17,845	-	-	-	-	17,845
Leisure time activities	4,040	-	-	-	-	4,040
Capital projects	-	-	-	3,491,111	-	3,491,111
Capital equipment	-	-	-	-	671,283	671,283
Parking capital projects	-	-	-	-	75,238	75,238
Total assigned	85,710	-	-	3,491,111	746,521	4,323,342
Unassigned	7,906,290	-	(597,705)	-	-	7,308,585
Total fund balances	\$ 8,062,385	340,014	(588,743)	3,491,111	1,867,198	13,171,965

NOTE 18 – RELATED ORGANIZATIONS

The Mayor of Oxford, with approval of City Council, appoints the Board of Trustees of McCullough-Hyde Hospital, Inc. The City’s accountability for the hospital does not extend beyond making the appointments. During 2011, the City made no contributions to the Hospital.

CITY OF OXFORD, OHIO
Notes to the Basic Financial Statements
Year Ended December 31, 2011

NOTE 19 - CONTRACTUAL COMMITMENTS

The City has active projects as of December 31, 2011 for items such as improvements to wastewater facilities, street improvements, architectural and design contracts among others. The City has expended approximately \$307,000 on these active projects with remaining commitments of approximately \$574,000.

NOTE 20 – CONTINGENT LIABILITIES

Litigation

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect on the financial condition of the City.

Federal and State Grants

The City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The City believes all expenditures meet grant qualifications.

SUPPLEMENTAL SECTION

Combining Statements and Individual Fund Statements

LISTING OF CITY FUNDS

During 2011, the City had 26 funds for reporting purposes, as follows:

GENERAL FUND (1)

The General Fund is used to account for all financial resources traditionally associated with governments, except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS (12)

Special Revenue Funds are used to account for financial resources for which specific uses are mandated by City ordinances or Federal and State statutes.

Major Special Revenue Fund:

Fire and EMS Fund – To account for fire and emergency medical services.

Parking Fund – To account for operation of parking control activities within the City, funded by revenues from meter collections, garage fees and fines.

Non-major Special Revenue Funds:

Street Fund – Required by State law to account for that portion of the gasoline tax and motor vehicle license fees designated for maintenance of streets within the City.

State Highway Fund – Required by State law to account for that portion of the gasoline tax and motor vehicle license fees designated for maintenance of state highways within the City.

Community Development Block Grant Fund – To account for monies received from the federal government under the Community Development Block Grant Program.

Community Development Block Grant Loan Fund – To account for monies received from the federal government under the Community Development Block Grant Program. The monies are used for economic development loans.

Law Enforcement Fund – To account for monies received from the State for purposes of drug enforcement.

Enforcement and Education Fund – To account for monies received from the State for purposes of law enforcement and education.

Life Squad Fund – To account for contributions from private sources for the purpose of improving life squad services in the City and surrounding area.

Housing Trust Fund – To account for monies donated toward the education and promotion of the awareness of affordable housing.

Special Assessment Fund – To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment liens.

FEMA Fund – To account for federal grant monies used for emergency assistance. The financials reflect the grant receivable and a payable for the related transfer to the funds.

DEBT SERVICE FUND (1)

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUNDS (3)

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

Major Capital Projects Fund:

Capital Improvement Fund – To account for financial resources for the acquisition or construction of various capital projects.

Non-major Capital Projects Funds:

Capital Equipment Fund – To account for financial resources used for the acquisition of equipment.

Parking Improvement Fund – To account for financial resources used for the acquisition, construction, or improvement to municipal parking lots and garage.

ENTERPRISE FUNDS (4)

Enterprise Funds are established to account for operations where the intent of the City is that the costs of providing goods or services on a continuing basis be recovered primarily through user charges.

Enterprise Funds:

Water Fund – To account for the provision of water service to the City and surrounding areas.

Sewer Fund – To account for the provision of sanitary sewer service to the City and surrounding areas.

Refuse Fund – To account for the provision of refuse collection and disposal services to the City as well as costs associated with the municipal landfill post-closure monitoring.

Storm Water Fund – To account for the provision of operation of the City's storm water utility.

INTERNAL SERVICE FUNDS (2)

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the City, on a cost-reimbursement basis.

Employee Benefits Fund – To accumulate monies for the payment of employee health insurance, life insurance and medical claims under a self-insured plan. The City charges departments for insurance and pays actual claims, administrative costs, and insurance premiums from this fund.

Internal Service Fund – To account for financing of services provided by one department to another department for postage, gasoline and copies.

AGENCY FUNDS (3)

Agency funds are used to account for assets held in a custodial capacity.

Hotel Tax Fund – Used as a clearing fund for guest tax revenues collected by the City from hotels within the City for the benefit of the Oxford Visitors and Convention Bureau.

Board of Building Standards Fund – To account for monies received on building permits which will be disbursed to the State of Ohio.

Oxford Natural Gas Refund Fund – To account for monies to be refunded to City residents from the Oxford Natural Gas Company.

CITY OF OXFORD, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<i>Assets:</i>				
Equity in pooled cash and investments	\$ 1,047,499	-	746,521	1,794,020
Receivables:				
Loans	488,128	-	-	488,128
Interest	229	-	-	229
Intergovernmental	243,762	-	-	243,762
Materials and supplies inventory	<u>172,313</u>	<u>-</u>	<u>-</u>	<u>172,313</u>
Total assets	<u>1,951,931</u>	<u>-</u>	<u>746,521</u>	<u>2,698,452</u>
 <i>Liabilities and Fund Balances</i>				
<i>Liabilities:</i>				
Accounts payable	26,355	-	-	26,355
Accrued salaries	12,232	-	-	12,232
Intergovernmental payable	16,034	-	-	16,034
Advances from other funds	66,860	-	-	66,860
Deferred revenue	<u>709,773</u>	<u>-</u>	<u>-</u>	<u>709,773</u>
Total liabilities	<u>831,254</u>	<u>-</u>	<u>-</u>	<u>831,254</u>
 <i>Fund balances:</i>				
Nonspendable	172,313	-	-	172,313
Restricted	948,364	-	-	948,364
Assigned	<u>-</u>	<u>-</u>	<u>746,521</u>	<u>746,521</u>
Total fund balances	<u>1,120,677</u>	<u>-</u>	<u>746,521</u>	<u>1,867,198</u>
Total liabilities and fund balances	<u>\$ 1,951,931</u>	<u>-</u>	<u>746,521</u>	<u>2,698,452</u>

CITY OF OXFORD, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ 440,279	-	-	440,279
Charges for services	15,278	-	-	15,278
Fines, costs and forfeitures	3,270	-	-	3,270
Interest	5,710	-	-	5,710
Contributions	38,545	-	-	38,545
Other	97,558	-	-	97,558
Total revenues	<u>600,640</u>	<u>-</u>	<u>-</u>	<u>600,640</u>
Expenditures:				
Current:				
Security of persons and property	173,167	-	-	173,167
Community and economic development	282,000	-	-	282,000
Transportation	727,900	-	-	727,900
Capital outlay	-	-	36,272	36,272
Debt service:				
Principal retirement	-	235,000	-	235,000
Interest and fiscal charges	-	77,150	-	77,150
Total expenditures	<u>1,183,067</u>	<u>312,150</u>	<u>36,272</u>	<u>1,531,489</u>
Excess of revenues over (under) expenditures	<u>(582,427)</u>	<u>(312,150)</u>	<u>(36,272)</u>	<u>(930,849)</u>
Other financing sources (uses):				
Transfers in	<u>413,000</u>	<u>312,150</u>	<u>312,270</u>	<u>1,037,420</u>
Total other financing sources (uses)	<u>413,000</u>	<u>312,150</u>	<u>312,270</u>	<u>1,037,420</u>
Net change in fund balance	(169,427)	-	275,998	106,571
Fund balance at beginning of year	<u>1,290,104</u>	<u>-</u>	<u>470,523</u>	<u>1,760,627</u>
Fund balance at end of year	\$ <u>1,120,677</u>	<u>-</u>	<u>746,521</u>	<u>1,867,198</u>

CITY OF OXFORD, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2011

		<u>Street</u>	<u>State Highway</u>	<u>Community Development Block Grant</u>	<u>Community Development Block Grant Loan</u>
<i>Assets:</i>					
Equity in pooled cash and investments	\$	220,166	18,646	150,000	218,783
Receivables:					
Loans		-	-	-	488,128
Interest		-	-	-	229
Intergovernmental		124,947	10,131	108,684	-
Materials and supplies inventory		<u>172,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets		<u><u>517,426</u></u>	<u><u>28,777</u></u>	<u><u>258,684</u></u>	<u><u>707,140</u></u>
 <i>Liabilities and Fund Balances:</i>					
<i>Liabilities:</i>					
Accounts payable		1,482	-	-	18,728
Accrued salaries		10,340	-	-	-
Intergovernmental payable		13,463	-	-	-
Deferred revenue		104,489	8,472	108,684	488,128
Advances from other funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities		<u><u>129,774</u></u>	<u><u>8,472</u></u>	<u><u>108,684</u></u>	<u><u>506,856</u></u>
 <i>Fund Balances:</i>					
Nonspendable		172,313	-	-	-
Restricted		<u>215,339</u>	<u>20,305</u>	<u>150,000</u>	<u>200,284</u>
Total fund balances		<u><u>387,652</u></u>	<u><u>20,305</u></u>	<u><u>150,000</u></u>	<u><u>200,284</u></u>
Total liabilities and fund balances	\$	<u><u>517,426</u></u>	<u><u>28,777</u></u>	<u><u>258,684</u></u>	<u><u>707,140</u></u>

<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Life Squad</u>	<u>Housing Trust</u>	<u>Special Assessment</u>	<u>FEMA</u>	<u><i>TOTAL</i></u>
151,635	161,059	19,476	5,456	28,237	74,041	\$ 1,047,499
-	-	-	-	-	-	488,128
-	-	-	-	-	-	229
-	-	-	-	-	-	243,762
-	-	-	-	-	-	172,313
<u>151,635</u>	<u>161,059</u>	<u>19,476</u>	<u>5,456</u>	<u>28,237</u>	<u>74,041</u>	<u>1,951,931</u>
4,520	1,625	-	-	-	-	26,355
1,206	686	-	-	-	-	12,232
1,253	1,318	-	-	-	-	16,034
-	-	-	-	-	-	709,773
-	-	-	-	-	66,860	66,860
<u>6,979</u>	<u>3,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,860</u>	<u>831,254</u>
-	-	-	-	-	-	172,313
<u>144,656</u>	<u>157,430</u>	<u>19,476</u>	<u>5,456</u>	<u>28,237</u>	<u>7,181</u>	<u>948,364</u>
<u>144,656</u>	<u>157,430</u>	<u>19,476</u>	<u>5,456</u>	<u>28,237</u>	<u>7,181</u>	<u>1,120,677</u>
<u>151,635</u>	<u>161,059</u>	<u>19,476</u>	<u>5,456</u>	<u>28,237</u>	<u>74,041</u>	\$ <u>1,951,931</u>

CITY OF OXFORD, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance

Nonmajor Special Revenue Funds

Year Ended December 31, 2011

	Street	State Highway	Community Development Block Grant	Community Development Block Grant Loan
Revenues:				
Intergovernmental	\$ 298,665	20,586	26,519	-
Charges for services	15,278	-	-	-
Fines, costs and forfeitures	-	-	-	-
Interest	1,373	131	-	1,127
Contributions	-	-	-	200
Other	5,109	-	-	81,729
Total revenues	<u>320,425</u>	<u>20,717</u>	<u>26,519</u>	<u>83,056</u>
Expenditures:				
Current:				
Security of persons and property	-	-	-	-
Community and economic development	-	-	17,000	265,000
Transportation	703,016	24,884	-	-
Total expenditures	<u>703,016</u>	<u>24,884</u>	<u>17,000</u>	<u>265,000</u>
Excess of revenues over (under) expenditures	<u>(382,591)</u>	<u>(4,167)</u>	<u>9,519</u>	<u>(181,944)</u>
Other financing sources (uses)				
Transfers in	413,000	-	-	-
Total other financing sources (uses)	<u>413,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	30,409	(4,167)	9,519	(181,944)
Fund balance at beginning of year	<u>357,243</u>	<u>24,472</u>	<u>140,481</u>	<u>382,228</u>
Fund balance at end of year	<u>\$ 387,652</u>	<u>20,305</u>	<u>150,000</u>	<u>200,284</u>

<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Life Squad</u>	<u>Housing Trust</u>	<u>Special Assessment</u>	<u>FEMA</u>	<u>TOTAL</u>
5,021	83,100	6,388	-	-	-	440,279
-	-	-	-	-	-	15,278
2,602	668	-	-	-	-	3,270
1,482	1,082	127	40	207	141	5,710
37,355	-	990	-	-	-	38,545
3,100	580	-	-	-	7,040	97,558
<u>49,560</u>	<u>85,430</u>	<u>7,505</u>	<u>40</u>	<u>207</u>	<u>7,181</u>	<u>600,640</u>
105,486	64,124	3,557	-	-	-	173,167
-	-	-	-	-	-	282,000
-	-	-	-	-	-	727,900
<u>105,486</u>	<u>64,124</u>	<u>3,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,183,067</u>
<u>(55,926)</u>	<u>21,306</u>	<u>3,948</u>	<u>40</u>	<u>207</u>	<u>7,181</u>	<u>(582,427)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,000</u>
(55,926)	21,306	3,948	40	207	7,181	(169,427)
<u>200,582</u>	<u>136,124</u>	<u>15,528</u>	<u>5,416</u>	<u>28,030</u>	<u>-</u>	<u>1,290,104</u>
<u>144,656</u>	<u>157,430</u>	<u>19,476</u>	<u>5,456</u>	<u>28,237</u>	<u>7,181</u>	<u>1,120,677</u>

CITY OF OXFORD, OHIO
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 December 31, 2011

		<u>Capital Equipment</u>	<u>Parking Improvement</u>	<u>TOTAL</u>
Assets:				
Equity in pooled cash and investments	\$	<u>671,283</u>	<u>75,238</u>	<u>746,521</u>
Total assets		<u><u>671,283</u></u>	<u><u>75,238</u></u>	<u><u>746,521</u></u>
 Liabilities and Fund Balances:				
Fund Balances:				
Assigned		<u>671,283</u>	<u>75,238</u>	<u>746,521</u>
Total fund balances		<u>671,283</u>	<u>75,238</u>	<u>746,521</u>
Total liabilities and fund balances	\$	<u><u>671,283</u></u>	<u><u>75,238</u></u>	<u><u>746,521</u></u>

CITY OF OXFORD, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
Year Ended December 31, 2011

	<u>Capital Equipment</u>	<u>Parking Improvement</u>	<u>TOTAL</u>
Revenues:			
Contributions	\$ -	-	-
Expenditures:			
Capital outlay	<u>21,975</u>	<u>14,297</u>	<u>36,272</u>
Excess of revenues over (under) expenditures	<u>(21,975)</u>	<u>(14,297)</u>	<u>(36,272)</u>
Other financing sources			
Transfers in	<u>272,270</u>	<u>40,000</u>	<u>312,270</u>
Total other financing sources	<u>272,270</u>	<u>40,000</u>	<u>312,270</u>
Net change in fund balance	250,295	25,703	275,998
Fund balance at beginning of year	<u>420,988</u>	<u>49,535</u>	<u>470,523</u>
Fund balance at end of year	\$ <u><u>671,283</u></u>	<u><u>75,238</u></u>	<u><u>746,521</u></u>

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
 Balances - Budget and Actual - Budget (Non-GAAP) Basis
 General Fund
 Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Property and other taxes	\$ 1,259,680	1,259,690	1,274,480	14,790
Income taxes	6,800,000	6,800,000	6,712,608	(87,392)
Intergovernmental	787,647	1,039,085	1,144,631	105,546
Charges for services	762,430	412,430	396,176	(16,254)
Fines, costs and forfeitures	257,000	257,000	241,358	(15,642)
Licenses, permits and inspections	371,100	371,100	401,991	30,891
Interest	45,034	102,463	67,059	(35,404)
Contributions	11,000	11,000	12,338	1,338
Other	106,000	106,000	99,146	(6,854)
Total revenues	<u>10,399,891</u>	<u>10,358,768</u>	<u>10,349,787</u>	<u>(8,981)</u>
Expenditures:				
Current:				
General government				
Management information systems				
Other	<u>95,362</u>	<u>95,362</u>	<u>90,175</u>	<u>5,187</u>
City Manager				
Personal services	174,880	181,701	181,701	-
Other	<u>8,780</u>	<u>8,780</u>	<u>6,942</u>	<u>1,838</u>
Total City Manager	<u>183,660</u>	<u>190,481</u>	<u>188,643</u>	<u>1,838</u>
Finance department				
Personal services	171,419	173,457	173,379	78
Other	<u>114,611</u>	<u>204,390</u>	<u>187,129</u>	<u>17,261</u>
Total finance department	<u>286,030</u>	<u>377,847</u>	<u>360,508</u>	<u>17,339</u>
Income tax collections				
Other	<u>273,000</u>	<u>343,200</u>	<u>314,394</u>	<u>28,806</u>
Law				
Personal services	96,423	97,001	96,928	73
Other	<u>66,353</u>	<u>66,353</u>	<u>47,486</u>	<u>18,867</u>
Total law	<u>162,776</u>	<u>163,354</u>	<u>144,414</u>	<u>18,940</u>

(Continued)

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2011

	Budgeted Amounts			Variance From Final Budget
	Original Budget	Final Budget	Actual	
Civil service and personnel				
Personal services	\$ 40,267	49,211	45,297	3,914
Other	28,458	37,432	37,139	293
Total civil service and personnel	68,725	86,643	82,436	4,207
Clerk of Council				
Personal services	76,451	76,451	74,018	2,433
Other	11,450	11,450	10,484	966
Total Clerk of Council	87,901	87,901	84,502	3,399
Legislative				
Personal services	18,735	18,735	18,363	372
Other	6,200	6,200	5,699	501
Total legislative	24,935	24,935	24,062	873
Municipal building				
Personal services	53,528	53,528	53,274	254
Other	87,454	87,454	73,626	13,828
Total municipal building	140,982	140,982	126,900	14,082
City garage				
Personal services	79,026	79,350	78,760	590
Other	32,202	32,202	25,494	6,708
Total city garage	111,228	111,552	104,254	7,298
Court house				
Other	63,866	63,866	34,743	29,123
Engineering				
Personal services	100,550	100,550	99,288	1,262
Other	38,374	38,374	24,009	14,365
Total engineering	138,924	138,924	123,297	15,627
Insurance				
Other	77,833	77,833	65,841	11,992
Contingency				
Other	78,000	44,861	-	44,861
Total general government	1,793,222	1,947,741	1,744,169	203,572

(Continued)

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Security of persons and property				
Police law enforcement				
Personal services	\$ 3,120,642	3,120,642	2,819,501	301,141
Other	336,890	334,290	286,100	48,190
Total police law enforcement	<u>3,457,532</u>	<u>3,454,932</u>	<u>3,105,601</u>	<u>349,331</u>
Traffic control				
Personal services	33,231	33,231	31,491	1,740
Other	38,100	38,100	38,060	40
Total traffic control	<u>71,331</u>	<u>71,331</u>	<u>69,551</u>	<u>1,780</u>
Animal control				
Personal services	48,697	52,043	50,616	1,427
Other	13,388	15,988	14,479	1,509
Total animal control	<u>62,085</u>	<u>68,031</u>	<u>65,095</u>	<u>2,936</u>
Communications				
Personal services	757,771	757,771	718,982	38,789
Other	149,831	149,831	135,841	13,990
Total communications	<u>907,602</u>	<u>907,602</u>	<u>854,823</u>	<u>52,779</u>
Firefighting and training				
Personal services	937,316	-	-	-
Other	187,501	39,631	39,232	399
Total firefighting and training	<u>1,124,817</u>	<u>39,631</u>	<u>39,232</u>	<u>399</u>
Life squad				
Personal services	129,856	-	-	-
Other	116,468	7,268	7,268	-
Total life squad	<u>246,324</u>	<u>7,268</u>	<u>7,268</u>	<u>-</u>
Emergency management				
Other	18,100	-	-	-
Street lighting				
Other	82,313	82,313	74,890	7,423
Total security of persons and property	<u>5,970,104</u>	<u>4,631,108</u>	<u>4,216,460</u>	<u>414,648</u>
Public health services				
Cemeteries				
Other	10,233	10,485	10,484	1

(Continued)

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Public health				
Other	\$ 6,000	6,574	6,574	-
Community assistance				
Other	107,146	107,146	107,146	-
Total public health services	123,379	124,205	124,204	1
Leisure time activities				
Senior citizens and community center				
Personal services	25,341	25,613	25,466	147
Other	20,800	20,800	18,469	2,331
Total senior citizens and community center	46,141	46,413	43,935	2,478
Swimming pool				
Personal services	51,972	53,663	53,663	-
Other	46,150	46,650	46,498	152
Total swimming pool	98,122	100,313	100,161	152
Recreation programs				
Personal services	435,503	435,503	422,348	13,155
Other	198,465	197,965	180,658	17,307
Total recreation programs	633,968	633,468	603,006	30,462
Parks maintenance				
Personal services	242,169	242,169	237,454	4,715
Other	124,518	124,518	118,070	6,448
Total parks maintenance	366,687	366,687	355,524	11,163
Recreation administration				
Personal services	146,422	149,678	149,518	160
Other	8,650	8,650	6,140	2,510
Total recreation administration	155,072	158,328	155,658	2,670
Total leisure time activities	1,299,990	1,305,209	1,258,284	46,925
Community and economic development				
Planning department				
Personal services	322,140	322,140	307,325	14,815
Other	35,089	35,089	32,482	2,607
Total planning department	357,229	357,229	339,807	17,422

(Continued)

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
Year Ended December 31, 2011

	Budgeted Amounts			Variance From Final Budget
	Original Budget	Final Budget	Actual	
Inspections				
Personal services	\$ 60,550	60,550	60,220	330
Other	249,573	249,573	245,815	3,758
Total inspections	310,123	310,123	306,035	4,088
Affordable housing				
Other	23,000	23,000	23,000	-
Urban forestry				
Other	29,237	29,237	29,231	6
				-
Economic development				
Personal services	91,090	95,679	95,614	65
Other	46,000	46,000	40,962	5,038
Total economic development	137,090	141,679	136,576	5,103
Total community and economic development	856,679	861,268	834,649	26,619
Total expenditures	10,043,374	8,869,531	8,177,766	691,765
Excess of revenues over expenditures	356,517	1,489,237	2,172,021	682,784
Other financing sources (uses):				
Advances in	-	245,000	245,000	-
Advances out	-	(645,000)	(645,000)	-
Transfers in	135,928	136,758	136,131	(627)
Transfers out	(1,135,020)	(1,461,919)	(1,461,919)	-
Total other financing sources (uses)	(999,092)	(1,725,161)	(1,725,788)	(627)
Net change in fund balance	(642,575)	(235,924)	446,233	682,157
Fund balance, beginning of year	6,596,541	6,596,541	6,596,541	
Prior year encumbrances appropriated	195,184	195,184	195,184	
Fund balance, end of year	\$ 6,149,150	6,555,801	7,237,958	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Fire and EMS Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Income taxes	\$ 977,200	977,200	771,027	(206,173)
Charges for services	407,000	407,000	447,096	40,096
Fines, costs, and forfeitures	-	-	5,138	5,138
Interest	-	-	1,914	1,914
Other	-	-	2,057	2,057
Total revenues	<u>1,384,200</u>	<u>1,384,200</u>	<u>1,227,232</u>	<u>(156,968)</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	937,316	1,067,172	800,054	267,118
Other	<u>490,765</u>	<u>310,470</u>	<u>272,807</u>	<u>37,663</u>
Total expenditures	<u>1,428,081</u>	<u>1,377,642</u>	<u>1,072,861</u>	<u>304,781</u>
Excess of revenues over expenditures	<u>(43,881)</u>	<u>6,558</u>	<u>154,371</u>	<u>147,813</u>
Other financing uses:				
Transfers in	126,899	126,899	126,899	-
Transfers out	-	(3,540)	(3,540)	-
Advances in	245,000	311,860	245,000	(66,860)
Advances out	<u>(245,000)</u>	<u>(311,860)</u>	<u>(311,860)</u>	<u>-</u>
Total other financing uses	<u>126,899</u>	<u>123,359</u>	<u>56,499</u>	<u>(66,860)</u>
Net change in fund balance	83,018	129,917	210,870	80,953
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 83,018</u>	<u>129,917</u>	<u>210,870</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Parking Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for services	\$ 471,000	471,000	509,450	38,450
Fines, costs, and forfeitures	244,000	244,000	195,082	(48,918)
Interest	5,033	5,033	8,226	3,193
Other	10,000	10,000	5,642	(4,358)
Total revenues	<u>730,033</u>	<u>730,033</u>	<u>718,400</u>	<u>(11,633)</u>
Expenditures:				
Current:				
Transportation				
Personal services	392,832	392,832	355,270	37,562
Other	118,223	118,223	93,417	24,806
Total expenditures	<u>511,055</u>	<u>511,055</u>	<u>448,687</u>	<u>62,368</u>
Excess of revenues over expenditures	<u>218,978</u>	<u>218,978</u>	<u>269,713</u>	<u>50,735</u>
Other financing uses:				
Transfers out	<u>(188,081)</u>	<u>(188,081)</u>	<u>(188,081)</u>	<u>-</u>
Total other financing uses	<u>(188,081)</u>	<u>(188,081)</u>	<u>(188,081)</u>	<u>-</u>
Net change in fund balance	30,897	30,897	81,632	50,735
Fund balance, beginning of year	985,738	985,738	985,738	
Prior year encumbrances appropriated	13,523	13,523	13,523	
Fund balance, end of year	<u>\$ 1,030,158</u>	<u>1,030,158</u>	<u>1,080,893</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Street Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 312,000	312,000	299,878	(12,122)
Charges for services	14,000	14,000	7,475	(6,525)
Interest	1,175	1,175	1,373	198
Other	5,000	5,000	14,382	9,382
Total revenues	<u>332,175</u>	<u>332,175</u>	<u>323,108</u>	<u>(9,067)</u>
Expenditures:				
Current:				
Transportation				
Personal services	580,574	584,492	572,605	11,887
Other	208,167	208,167	184,866	23,301
Total expenditures	<u>788,741</u>	<u>792,659</u>	<u>757,471</u>	<u>35,188</u>
Excess of revenues over (under) expenditures	<u>(456,566)</u>	<u>(460,484)</u>	<u>(434,363)</u>	<u>26,121</u>
Other financing sources:				
Transfers in	436,581	436,581	436,581	-
Total other financing sources	<u>436,581</u>	<u>436,581</u>	<u>436,581</u>	<u>-</u>
Net change in fund balance	(19,985)	(23,903)	2,218	26,121
Fund balance, beginning of year	194,586	194,586	194,586	
Prior year encumbrances appropriated	21,167	21,167	21,167	
Fund balance, end of year	<u>\$ 195,768</u>	<u>191,850</u>	<u>217,971</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
State Highway Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Intergovernmental	\$ 21,300	21,300	20,684	(616)
Interest	75	75	131	56
Total revenues	<u>21,375</u>	<u>21,375</u>	<u>20,815</u>	<u>(560)</u>
Expenditures:				
Current:				
Transportation				
Other	<u>25,113</u>	<u>25,113</u>	<u>24,884</u>	<u>229</u>
Total expenditures	<u>25,113</u>	<u>25,113</u>	<u>24,884</u>	<u>229</u>
Net change in fund balance	(3,738)	(3,738)	(4,069)	(331)
Fund balance, beginning of year	22,602	22,602	22,602	
Prior year encumbrances appropriated	<u>113</u>	<u>113</u>	<u>113</u>	
Fund balance, end of year	\$ <u>18,977</u>	<u>18,977</u>	<u>18,646</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund

Balances - Budget and Actual - Budget (Non-GAAP) Basis

Community Development Block Grant Fund

Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 130,000	130,000	60,693	(69,307)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>60,693</u>	<u>(69,307)</u>
Expenditures:				
Current:				
Community and economic development				
Other	<u>139,519</u>	<u>139,519</u>	<u>26,520</u>	<u>112,999</u>
Total expenditures	<u>139,519</u>	<u>139,519</u>	<u>26,520</u>	<u>112,999</u>
Excess of revenues over (under) expenditures	<u>(9,519)</u>	<u>(9,519)</u>	<u>34,173</u>	<u>43,692</u>
Other financing sources (uses):				
Advances in	-	-	-	-
Advances out	-	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(9,519)	(9,519)	34,173	43,692
Fund balance, beginning of year	106,308	106,308	106,308	
Prior year encumbrances appropriated	<u>9,519</u>	<u>9,519</u>	<u>9,519</u>	
Fund balance, end of year	\$ <u>106,308</u>	<u>106,308</u>	<u>150,000</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Community Development Block Grant Loan Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance From Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 1,849	1,849	1,741	(108)
Other	46,273	46,273	101,932	55,659
Total revenues	<u>48,122</u>	<u>48,122</u>	<u>103,673</u>	<u>55,551</u>
Expenditures:				
Current:				
Community and economic development				
Other	<u>350,000</u>	<u>350,000</u>	<u>266,275</u>	<u>83,725</u>
Total expenditures	<u>350,000</u>	<u>350,000</u>	<u>266,275</u>	<u>83,725</u>
Net change in fund balance	(301,878)	(301,878)	(162,602)	139,276
Fund balance, beginning of year	381,222	381,222	381,222	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 79,344</u>	<u>79,344</u>	<u>218,620</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Law Enforcement Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance From Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ -	-	5,021	5,021
Fines, costs, and forfeitures	1,000	1,000	2,602	1,602
Charges for services	1,000	1,000	3,100	2,100
Contributions	22,000	22,000	37,355	15,355
Interest	<u>950</u>	<u>950</u>	<u>1,482</u>	<u>532</u>
Total revenues	<u>24,950</u>	<u>24,950</u>	<u>49,560</u>	<u>24,610</u>
Expenditures:				
Current:				
Security of persons and property				
Other	<u>161,119</u>	<u>161,119</u>	<u>110,908</u>	<u>50,211</u>
Total expenditures	<u>161,119</u>	<u>161,119</u>	<u>110,908</u>	<u>50,211</u>
Net change in fund balance	(136,169)	(136,169)	(61,348)	74,821
Fund balance, beginning of year	194,343	194,343	194,343	
Prior year encumbrances appropriated	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	
Fund balance, end of year	\$ <u>66,174</u>	<u>66,174</u>	<u>140,995</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Enforcement and Education Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Fines, costs, and forfeitures	\$ -	-	668	668
Interest	389	389	1,082	693
Other	<u>90,600</u>	<u>90,600</u>	<u>83,680</u>	<u>(6,920)</u>
Total revenues	<u>90,989</u>	<u>90,989</u>	<u>85,430</u>	<u>(5,559)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	<u>127,530</u>	<u>127,530</u>	<u>104,284</u>	<u>23,246</u>
Total expenditures	<u>127,530</u>	<u>127,530</u>	<u>104,284</u>	<u>23,246</u>
Net change in fund balance	(36,541)	(36,541)	(18,854)	17,687
Fund balance, beginning of year	134,824	134,824	134,824	
Prior year encumbrances appropriated	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	
Fund balance, end of year	<u>\$ 105,183</u>	<u>105,183</u>	<u>122,870</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Life Squad Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			<u>Variance From Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 6,000	6,000	6,388	388
Interest	71	71	128	57
Contributions	500	500	989	489
Total revenues	<u>6,571</u>	<u>6,571</u>	<u>7,505</u>	<u>934</u>
Expenditures:				
Current:				
Security of persons and property				
Other	<u>4,000</u>	<u>4,000</u>	<u>3,900</u>	<u>100</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>3,900</u>	<u>100</u>
Net change in fund balance	2,571	2,571	3,605	1,034
Fund balance, beginning of year	15,871	15,871	15,871	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 18,442</u>	<u>18,442</u>	<u>19,476</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Housing Trust Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance From Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Interest	\$ -	-	40	40
Total revenues	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>
Expenditures:				
Current:				
Community and economic development				
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	40	40
Fund balance, beginning of year	5,416	5,416	5,416	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>5,416</u>	<u>5,416</u>	<u>5,456</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Special Assessments Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Interest	\$ 418	418	207	(211)
Total revenues	<u>418</u>	<u>418</u>	<u>207</u>	<u>(211)</u>
Expenditures:				
Current:				
Security of persons and property				
Other	<u>5,913</u>	<u>5,913</u>	-	<u>5,913</u>
Total expenditures	<u>5,913</u>	<u>5,913</u>	<u>-</u>	<u>5,913</u>
Net change in fund balance	(5,495)	(5,495)	207	5,702
Fund balance, beginning of year	22,117	22,117	22,117	
Prior year encumbrances appropriated	<u>5,913</u>	<u>5,913</u>	<u>5,913</u>	
Fund balance, end of year	\$ <u>22,535</u>	<u>22,535</u>	<u>28,237</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
FEMA Fund
Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ -	63,360	-	(63,360)
Interest	-	-	141	141
Other	-	3,500	3,500	-
Total revenues	-	66,860	3,641	(63,219)
Expenditures:				
Current:				
Security of persons and property				
Other	-	70,400	54,780	15,620
Total expenditures	-	70,400	54,780	15,620
Excess of revenues over (under) expenditures	-	(3,540)	(51,139)	(47,599)
Other financing sources (uses):				
Advances in	-	66,860	66,860	-
Transfers in	-	3,540	3,540	-
Advances out	-	(66,860)	-	66,860
Total other financing sources (uses)	-	3,540	70,400	66,860
Net change in fund balance	-	-	19,261	19,261
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	-	19,261	-

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis

Debt Service Fund

Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance From Final Budget
	Original Budget	Final Budget		
Revenues:				
Other	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Principal	\$ 235,000	235,000	235,000	-
Interest	77,150	77,150	77,150	-
Total expenditures	312,150	312,150	312,150	-
Other financing sources (uses):				
Transfers in	312,150	312,150	312,150	-
Total other financing sources	312,150	312,150	312,150	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	-	-	-

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Capital Improvement Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			<u>Variance From Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Other	\$ 80,000	80,000	82,177	2,177
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>82,177</u>	<u>2,177</u>
Expenditures:				
Capital outlay	<u>1,137,271</u>	<u>1,823,713</u>	<u>1,482,333</u>	<u>341,380</u>
Total expenditures	<u>1,137,271</u>	<u>1,823,713</u>	<u>1,482,333</u>	<u>341,380</u>
Excess of revenues over (under) expenditures	<u>(1,057,271)</u>	<u>(1,743,713)</u>	<u>(1,400,156)</u>	<u>343,557</u>
Other financing sources (uses):				
Transfers in	392,600	392,600	392,600	-
Advances in	-	400,000	400,000	-
Total other financing sources	<u>392,600</u>	<u>792,600</u>	<u>792,600</u>	<u>-</u>
Net change in fund balance	(664,671)	(951,113)	(607,556)	343,557
Fund balance, beginning of year	1,173,317	1,173,317	1,173,317	
Prior year encumbrances appropriated	644,671	644,671	644,671	
Fund balance, end of year	\$ <u>1,153,317</u>	<u>866,875</u>	<u>1,210,432</u>	

CITY OF OXFORD, OHIO

Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) Basis
Capital Equipment Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			<u>Variance From Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Other	\$ -	-	52,326	52,326
Total revenues	<u>-</u>	<u>-</u>	<u>52,326</u>	<u>52,326</u>
Expenditures:				
Capital outlay	<u>98,270</u>	<u>100,436</u>	<u>50,789</u>	<u>49,647</u>
Total expenditures	<u>98,270</u>	<u>100,436</u>	<u>50,789</u>	<u>49,647</u>
Excess of revenues over (under) expenditures	<u>(98,270)</u>	<u>(100,436)</u>	<u>1,537</u>	<u>101,973</u>
Other financing sources:				
Transfers in	<u>72,270</u>	<u>272,270</u>	<u>272,270</u>	<u>-</u>
Total other financing sources	<u>72,270</u>	<u>272,270</u>	<u>272,270</u>	<u>-</u>
Net change in fund balance	(26,000)	171,834	273,807	101,973
Fund balance, beginning of year	368,662	368,662	368,662	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>342,662</u>	<u>540,496</u>	<u>642,469</u>	

CITY OF OXFORD, OHIOSchedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual - Budget (Non-GAAP) BasisParking Improvement Fund
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			<u>Variance From Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Expenditures:				
Capital outlay	\$ 63,505	63,505	37,913	25,592
Total expenditures	<u>63,505</u>	<u>63,505</u>	<u>37,913</u>	<u>25,592</u>
Other financing sources:				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	(23,505)	(23,505)	2,087	25,592
Fund balance, beginning of year	26,030	26,030	26,030	
Prior year encumbrances appropriated	<u>23,505</u>	<u>23,505</u>	<u>23,505</u>	
Fund balance, end of year	\$ <u>26,030</u>	<u>26,030</u>	<u>51,622</u>	

CITY OF OXFORD, OHIO

Combining Statement of Net Assets

Internal Service Funds

December 31, 2011

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
<i>Assets</i>			
Equity in pooled cash and investments	\$ 348,910	54,332	403,242
Receivables:			
Accounts	39,584	3,431	43,015
Interest	-	365	365
Materials and supplies inventory	<u>-</u>	<u>29,324</u>	<u>29,324</u>
Total assets	<u>388,494</u>	<u>87,452</u>	<u>475,946</u>
<i>Liabilities</i>			
Accounts payable	-	16,367	16,367
Claims payable	<u>123,080</u>	<u>-</u>	<u>123,080</u>
Total liabilities	<u>123,080</u>	<u>16,367</u>	<u>139,447</u>
<i>Net Assets</i>			
Unrestricted	\$ <u>265,414</u>	<u>71,085</u>	<u>336,499</u>

CITY OF OXFORD, OHIO

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2011

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 1,372,814	245,493	1,618,307
Operating expenses:			
Contractual services	70,583	-	70,583
Supplies and materials	-	222,070	222,070
Claims	1,332,258	-	1,332,258
Total operating expenses	<u>1,402,841</u>	<u>222,070</u>	<u>1,624,911</u>
Operating income (loss)	<u>(30,027)</u>	<u>23,423</u>	<u>(6,604)</u>
Non-operating revenues:			
Interest revenue	<u>3,024</u>	<u>43</u>	<u>3,067</u>
Change in net assets	(27,003)	23,466	(3,537)
Net assets, beginning of year	<u>292,417</u>	<u>47,619</u>	<u>340,036</u>
Net assets, end of year	<u>\$ 265,414</u>	<u>71,085</u>	<u>336,499</u>

CITY OF OXFORD, OHIO
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2011

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ -	43,765	43,765
Cash received from interfund services provided	1,414,095	203,696	1,617,791
Cash payments to suppliers for goods and services	(70,583)	(254,473)	(325,056)
Cash payments for employee medical claims	<u>(1,361,665)</u>	<u>-</u>	<u>(1,361,665)</u>
Net cash provided (used) by operating activities	<u>(18,153)</u>	<u>(7,012)</u>	<u>(25,165)</u>
Cash flows from investing activities:			
Interest	<u>3,024</u>	<u>1,525</u>	<u>4,549</u>
Net change in cash and investments	(15,129)	(5,487)	(20,616)
Cash and investments beginning of year	<u>364,039</u>	<u>59,819</u>	<u>423,858</u>
Cash and investments end of year	<u>\$ 348,910</u>	<u>54,332</u>	<u>403,242</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (30,027)	23,423	(6,604)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
Receivables	41,281	1,968	43,249
Materials and supplies inventory	-	(19,572)	(19,572)
Accounts payable	-	(12,831)	(12,831)
Claims payable	<u>(29,407)</u>	<u>-</u>	<u>(29,407)</u>
Net cash provided (used) by operating activities	<u>\$ (18,153)</u>	<u>(7,012)</u>	<u>(25,165)</u>

CITY OF OXFORD, OHIO

Combining Statement of Assets and Liabilities

Agency Funds

December 31, 2011

		Hotel Tax Fund	Board of Building Standards Fund	Oxford Natural Gas Refund Fund	Total Agency Funds
<i>Assets</i>					
Pooled cash and investments	\$	3,364	71	2,977	6,412
Receivables:					
Taxes		8,903	-	-	8,903
Total assets		<u>12,267</u>	<u>71</u>	<u>2,977</u>	<u>15,315</u>
<i>Liabilities</i>					
Due to others		<u>12,267</u>	<u>71</u>	<u>2,977</u>	<u>15,315</u>
Total liabilities	\$	<u>12,267</u>	<u>71</u>	<u>2,977</u>	<u>15,315</u>

CITY OF OXFORD, OHIO

Combining Statement of Assets and Liabilities

Agency Funds

Year Ended December 31, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Hotel Tax Fund				
Assets:				
Equity in pooled cash and investments	\$ 3,364	178,385	178,385	3,364
Taxes receivable	<u>9,273</u>	<u>8,903</u>	<u>9,273</u>	<u>8,903</u>
	<u>12,637</u>	<u>187,288</u>	<u>187,658</u>	<u>12,267</u>
Liabilities:				
Due to others	<u>12,637</u>	<u>187,288</u>	<u>187,658</u>	<u>12,267</u>
<hr/>				
Board of Building Standards Fund				
Assets:				
Equity in pooled cash and investments	<u>62</u>	<u>1,417</u>	<u>1,408</u>	<u>71</u>
Liabilities:				
Due to others	<u>62</u>	<u>1,417</u>	<u>1,408</u>	<u>71</u>
<hr/>				
Oxford Natural Gas Refund Fund				
Assets:				
Equity in pooled cash and investments	<u>2,955</u>	<u>22</u>	<u>-</u>	<u>2,977</u>
Liabilities:				
Due to others	<u>2,955</u>	<u>22</u>	<u>-</u>	<u>2,977</u>
<hr/>				
TOTAL				
Assets:				
Equity in pooled cash and investments	6,381	179,824	179,793	6,412
Taxes receivable	<u>9,273</u>	<u>8,903</u>	<u>9,273</u>	<u>8,903</u>
	<u>15,654</u>	<u>188,727</u>	<u>189,066</u>	<u>15,315</u>
Liabilities:				
Due to others	\$ <u>15,654</u>	<u>188,727</u>	<u>189,066</u>	<u>15,315</u>

CITY OF OXFORD

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CITY OF OXFORD

STATISTICAL SECTION

CITY OF OXFORD

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Statistical Section

This part of the City of Oxford Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	98-109
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the property tax and the sales tax.	110-117
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	118 - 127
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	128 - 129
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	130-135

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The county implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

CITY OF OXFORD, OHIO
Net Assets by Component
Last Ten Years
(accrual basis of accounting)

	2002	2003	2004	2005
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 9,002,748	\$ 10,198,505	\$ 10,763,535	\$ 12,163,584
Restricted for:				
Capital Outlay	816,577	175,339	-	8,961,180
Other Purposes	837,917	789,458	811,876	937,362
Unrestricted (Deficit)	9,778,088	11,226,798	12,088,068	3,853,836
Total Governmental Activities Net Assets	\$ 20,435,330	\$ 22,390,100	\$ 23,663,479	\$ 25,915,962
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 13,259,832	\$ 13,388,790	\$ 13,622,770	\$ 13,959,553
Restricted for:				
Capital Outlay	-	-	-	-
Other Purposes	538,760	618,471	618,471	618,471
Unrestricted (Deficit)	7,880,653	8,858,506	10,216,285	11,375,297
Total Business-type Activities Net Assets	\$ 21,679,245	\$ 22,865,767	\$ 24,457,526	\$ 25,953,321
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$ 22,262,580	\$ 23,587,295	\$ 24,386,305	\$ 26,123,137
Restricted for:				
Capital Outlay	816,577	175,339	-	8,961,180
Other Purposes	1,376,677	1,407,929	1,430,347	1,555,833
Unrestricted (Deficit)	17,658,741	20,085,304	22,304,353	15,229,133
Total Primary Government Net Assets	\$ 42,114,575	\$ 45,255,867	\$ 48,121,005	\$ 51,869,283

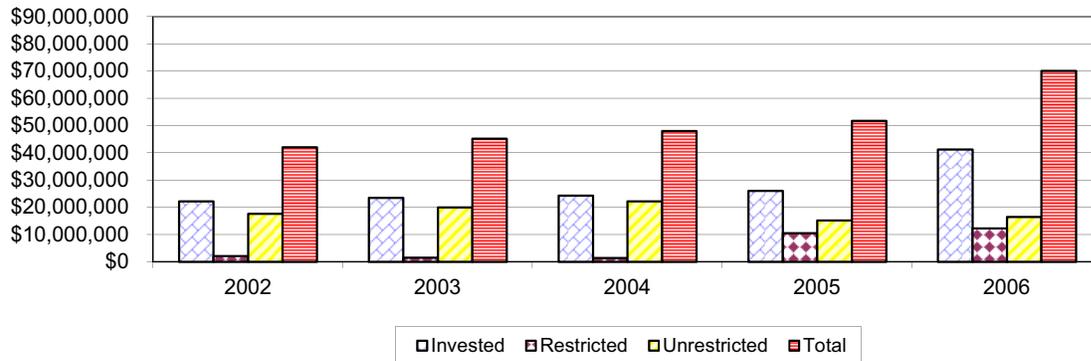
Note: The City implemented GASB 34 in fiscal year 2001.

2006	2007	2008	2009	2010	2011
\$ 26,501,311	\$ 28,314,289	\$ 30,948,163	\$ 33,083,211	\$ 35,790,598	\$ 34,927,264
9,830,986	7,861,611	7,604,173	6,820,527	4,041,523	744,234
1,037,940	1,340,122	1,249,729	1,289,017	1,621,790	1,793,023
4,724,697	6,578,503	6,622,580	7,035,514	6,951,448	12,422,461
<u>\$ 42,094,934</u>	<u>\$ 44,094,525</u>	<u>\$ 46,424,645</u>	<u>\$ 48,228,269</u>	<u>\$ 48,405,359</u>	<u>\$ 49,886,982</u>
\$ 14,780,802	\$ 17,612,297	\$ 18,392,100	\$ 19,181,334	\$ 19,851,331	\$ 20,456,332
-	-	-	-	-	-
1,437,467	1,310,801	1,601,947	1,423,559	1,567,745	1,643,002
11,827,341	11,087,694	11,517,762	11,357,902	11,902,624	12,228,655
<u>\$ 28,045,610</u>	<u>\$ 30,010,792</u>	<u>\$ 31,511,809</u>	<u>\$ 31,962,795</u>	<u>\$ 33,321,700</u>	<u>\$ 34,327,989</u>
\$ 41,282,113	\$ 45,926,586	\$ 49,340,263	\$ 52,264,545	\$ 55,641,929	\$ 55,383,596
9,830,986	7,861,611	7,604,173	6,820,527	4,041,523	744,234
2,475,407	2,650,923	2,851,676	2,712,576	3,189,535	3,436,025
16,552,038	17,666,197	18,140,342	18,393,416	18,854,072	24,651,116
<u>\$ 70,140,544</u>	<u>\$ 74,105,317</u>	<u>\$ 77,936,454</u>	<u>\$ 80,191,064</u>	<u>\$ 81,727,059</u>	<u>\$ 84,214,971</u>
(continued)					

CITY OF OXFORD OHIO
Net Assets by Component
Last Ten Years
(accrual basis of accounting)

	2002	2003	2004	2005
Invested in Capital Assets, Net of Related Debt	\$22,262,580	\$23,587,295	\$24,386,305	\$26,123,137
Restricted for:				
Public Safety (new 2011)	816,577	175,339	0	8,961,180
Other Purposes	1,376,677	1,407,929	1,430,347	1,555,833
Unrestricted (Deficit)	17,658,741	20,085,304	22,304,353	15,229,133
Total Net Assets	\$42,114,575	\$45,255,867	\$48,121,005	\$51,869,283

Net Assets

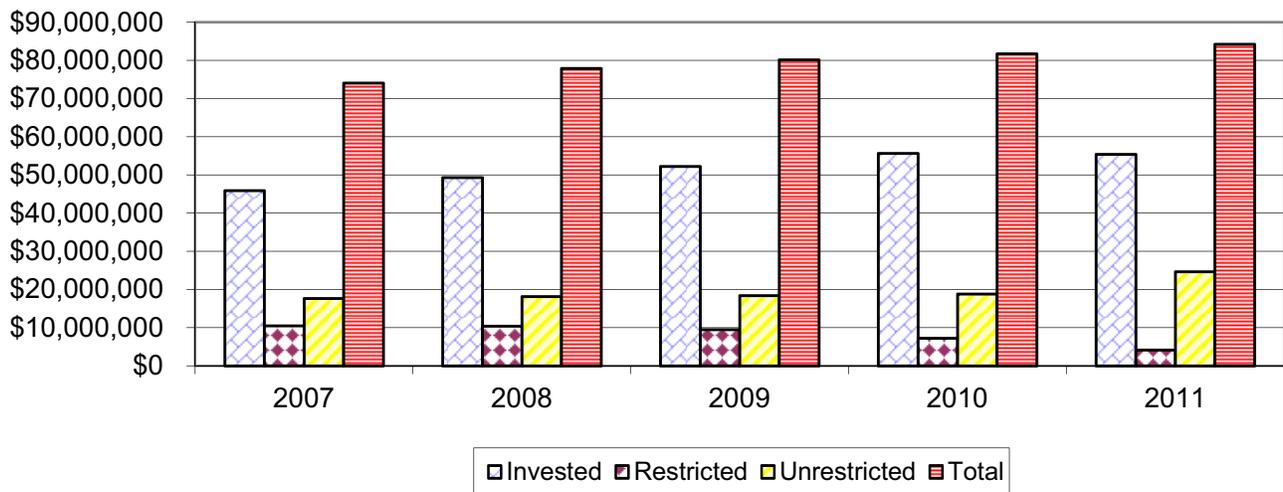


Note: The City implemented GASB 34 in fiscal year 2001.

2006	2007	2008	2009	2010	2011
\$41,282,113	\$45,926,586	\$49,340,263	\$52,264,545	\$55,641,929	\$55,383,596
9,830,986	7,861,611	7,604,173	6,820,527	4,041,523	744,234
2,475,407	2,650,923	2,851,676	2,712,576	3,189,535	3,436,025
16,552,038	17,666,197	18,140,342	18,393,416	18,854,072	24,651,116
<u>\$70,140,544</u>	<u>\$74,105,317</u>	<u>\$77,936,454</u>	<u>\$80,191,064</u>	<u>\$81,727,059</u>	<u>\$84,214,971</u>

(continued)

Net Assets



CITY OF OXFORD OHIO
Changes in Net Assets
Last Ten Years
(accrual basis of accounting)

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
Security of Persons and Property	\$ 3,568,033	\$ 4,001,941	\$ 4,002,239	\$ 3,982,613
Public health services	129,143	119,514	117,057	144,446
Leisure time activities	1,148,401	1,002,450	1,282,124	1,444,845
Community environment	1,216,854	729,345	904,090	486,504
Transportation	1,228,329	1,401,055	1,230,327	1,075,809
General Government:	1,607,227	1,378,313	1,459,258	1,555,665
Interest on long term debt	193,588	187,761	183,472	175,948
<i>Total Governmental</i>				
<i>Activities Expenses</i>	<u>9,091,575</u>	<u>8,820,379</u>	<u>9,178,567</u>	<u>8,865,830</u>
Business-type Activities:				
Water	2,360,881	2,062,456	2,147,710	2,101,610
Sewer	2,666,563	2,772,287	2,975,150	2,944,496
Refuse	1,133,177	1,223,886	1,097,558	1,422,302
Stormwater				
<i>Total Business-type</i>				
<i>Activities Expenses</i>	<u>6,160,621</u>	<u>6,058,629</u>	<u>6,220,418</u>	<u>6,468,408</u>
<i>Total Primary Government</i>				
<i>Expenses</i>	<u>15,252,196</u>	<u>14,879,008</u>	<u>15,398,985</u>	<u>15,334,238</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	211,776	271,299	218,662	620,433
Public Health Services	3,293	150	200	1,550
Leisure Time Activities	231,937	230,979	251,795	251,780
Community and Economic Development	193,498	231,190	257,788	224,228
Transportation	458,226	506,871	599,313	493,716
General Government	29,376	23,486	179,134	142,209
Operating Grants & Contributions	379,016	493,844	661,842	542,022
Capital Grants & Contributions	83,375	273,525	220,590	41,009
<i>Total Primary Government</i>				
<i>Program Revenues</i>	<u>1,590,497</u>	<u>2,031,344</u>	<u>2,389,324</u>	<u>2,316,947</u>

Note: The City implemented GASB 34 in fiscal year 2001.

	2006	2007	2008	2009	2010	2011
\$	4,124,123	\$ 4,619,279	\$ 5,166,831	\$ 5,763,025	\$ 5,938,681	\$ 5,594,328
	105,972	167,033	292,818	191,009	125,408	124,204
	1,356,112	1,301,751	1,450,908	1,501,531	1,658,279	1,622,252
	1,060,056	774,120	828,125	903,540	1,035,942	824,042
	1,328,636	1,996,544	1,916,817	1,890,434	2,341,539	2,073,276
	1,626,013	1,686,891	1,814,626	1,753,088	1,901,916	1,745,839
	168,495	160,437	152,338	246,872	142,352	83,899
	<u>9,769,407</u>	<u>10,706,055</u>	<u>11,622,463</u>	<u>12,249,499</u>	<u>13,144,117</u>	<u>12,067,840</u>
	2,009,675	2,187,290	2,374,711	2,388,849	2,343,770	2,306,826
	2,841,435	2,974,446	3,093,518	3,182,838	2,774,274	2,699,020
	1,380,082	1,368,052	1,406,226	1,402,241	1,420,076	1,439,697
		19,135	37,957	46,652	13,000	29,774
	<u>6,231,192</u>	<u>6,548,923</u>	<u>6,912,412</u>	<u>7,020,580</u>	<u>6,551,120</u>	<u>6,475,317</u>
	<u>16,000,599</u>	<u>17,254,978</u>	<u>18,534,875</u>	<u>19,270,079</u>	<u>19,695,237</u>	<u>18,543,157</u>
	617,656	665,130	493,311	600,138	830,605	671,480
	31,355	1,550	1,150	1,500	550	2,150
	242,793	241,856	271,000	289,387	279,642	264,049
	243,148	221,608	248,184	252,801	267,520	273,183
	525,119	567,485	846,156	744,903	800,105	838,423
	119,626	194,145	193,576	202,766	197,489	197,742
	675,627	821,813	687,583	644,261	442,562	497,511
	236,074	3,286	11,178	10,153	673,231	457,449
	<u>2,691,398</u>	<u>2,716,873</u>	<u>2,752,138</u>	<u>2,745,909</u>	<u>3,491,704</u>	<u>3,201,987</u>
(continued)						

CITY OF OXFORD
Changes in Net Assets(continued)
Last Ten Years
(accrual basis of accounting)

	2002	2003	2004	2005	2006
Business-type Activities:					
Charges for Services					
Water	2,565,524	2,415,535	2,620,849	2,677,808	2,637,925
Sewer	3,559,278	3,286,386	3,275,774	3,261,053	3,122,402
Refuse	1,236,284	1,273,687	1,331,688	1,395,392	1,436,575
Stormwater	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	3,082
Capital Grants and Contributions	297,948	71,400	408,800	140,200	183,000
<i>Total Business-type Activities</i>					
<i>Program Revenues</i>	7,659,034	7,047,008	7,637,111	7,474,453	7,382,984
<i>Total Primary Government</i>					
<i>Program Revenues</i>	9,249,531	9,078,352	10,026,435	9,791,400	10,074,382
Net (Expense)/Revenue					
Governmental Activities	(7,501,078)	(6,789,035)	(6,789,243)	(6,548,883)	(7,078,009)
Business-type Activities	1,498,413	988,379	1,416,693	1,006,045	1,151,792
<i>Total Primary Government</i>					
<i>Net (Expense)/Revenue</i>	\$ (6,002,665)	\$ (5,800,656)	\$ (5,372,550)	\$ (5,542,838)	\$ (5,926,217)
General Revenues and Other					
Changes in Net Assets					
Governmental Activities:					
Property Taxes Levied for:					
General Purposes	712,771	780,850	840,967	904,765	1,006,659
Income Taxes	5,466,898	5,796,651	5,883,833	6,441,179	6,630,531
Other Taxes	1,708,355	1,398,993	-	-	-
Grants and Entitlements (not restricted to specific program)	149,863	104,841	1,123,952	990,269	992,315
Unrestricted Contributions	-	-	-	100	-
Investment earnings	236,556	120,765	168,002	344,521	686,592
Miscellaneous	48,856	541,705	45,868	120,532	56,256
Transfers	-	-	-	-	(5,507)
<i>Total Governmental Activities</i>	8,323,299	8,743,805	8,062,622	8,801,366	9,366,846
Business-type Activities:					
Investment Earnings	427,071	197,200	171,475	484,054	731,382
Miscellaneous	5,142	943	3,591	5,696	16,587
Transfers	-	-	-	-	5,507
<i>Total Business-type Activities</i>	432,213	198,143	175,066	489,750	753,476
<i>Total Primary Government</i>	8,755,512	8,941,948	8,237,688	9,291,116	10,120,322
Change in Net Assets					
Governmental Activities	822,221	1,954,770	1,273,379	2,252,483	2,288,837
Business-type Activities	1,930,626	1,186,522	1,591,759	1,495,795	1,905,268
<i>Total Primary Government</i>					
<i>Change in Net Assets</i>	\$2,752,847	\$3,141,292	\$2,865,138	\$3,748,278	\$4,194,105

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2001

2007	2008	2009	2010	2011
2,671,728	2,688,786	2,497,354	2,654,354	2,571,039
3,160,378	3,032,692	2,904,551	2,976,492	2,876,099
1,511,839	1,585,236	1,593,879	1,609,175	1,640,491
-	20	20	-	-
6,140	-	278,851	23,578	19,613
191,691	230,191	65,038	435,765	191,850
<u>7,541,776</u>	<u>7,536,925</u>	<u>7,339,693</u>	<u>7,699,364</u>	<u>7,299,092</u>
<u>10,258,649</u>	<u>10,289,063</u>	<u>10,085,602</u>	<u>11,191,068</u>	<u>10,501,079</u>
(7,989,182)	(8,870,325)	(9,503,590)	(9,652,413)	(8,865,853)
<u>992,853</u>	<u>624,513</u>	<u>319,113</u>	<u>1,148,244</u>	<u>823,775</u>
<u>\$ (6,996,329)</u>	<u>\$ (8,245,812)</u>	<u>\$ (9,184,477)</u>	<u>\$ (8,504,169)</u>	<u>\$ (8,042,078)</u>
1,159,315	1,095,958	1,222,506	1,131,365	1,192,104
6,786,737	7,207,280	6,912,582	6,606,050	6,715,027
-	-	-	-	929,158
1,255,664	1,677,323	1,237,839	1,162,441	1,275,422
-	-	-	-	-
799,987	745,267	163,522	125,014	79,863
73,570	488,456	584,256	824,633	200,902
(86,500)	(13,839)	-	(20,000)	(45,000)
<u>9,988,773</u>	<u>11,200,445</u>	<u>10,120,705</u>	<u>9,829,503</u>	<u>10,347,476</u>
873,792	824,000	162,685	167,929	113,906
12,037	38,665	28,460	22,732	23,608
86,500	13,839	-	20,000	45,000
<u>972,329</u>	<u>876,504</u>	<u>191,145</u>	<u>210,661</u>	<u>182,514</u>
<u>10,961,102</u>	<u>12,076,949</u>	<u>10,311,850</u>	<u>10,040,164</u>	<u>10,529,990</u>
1,999,591	2,330,120	617,115	177,090	1,481,623
<u>1,965,182</u>	<u>1,501,017</u>	<u>510,258</u>	<u>1,358,905</u>	<u>1,006,289</u>
<u>\$3,964,773</u>	<u>\$3,831,137</u>	<u>\$1,127,373</u>	<u>\$1,535,995</u>	<u>\$2,487,912</u>

(continued)

CITY OF OXFORD
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Reserved	\$ 283,944	\$ 350,869	\$ 408,019	\$ 312,492	\$ 403,090
Unreserved	<u>3,105,222</u>	<u>3,173,063</u>	<u>3,271,034</u>	<u>4,262,013</u>	<u>4,783,330</u>
Nonspendable					
Assigned					
Unassigned					
<i>Total General Fund</i>	<u>3,389,166</u>	<u>3,523,932</u>	<u>3,679,053</u>	<u>4,574,505</u>	<u>5,186,420</u>
All Other Governmental Funds					
Reserved	\$ 3,707,134	\$ 3,011,813	\$ 3,133,622	\$ 3,869,167	\$ 4,836,449
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(1,553,702)	(1,363,851)	(1,018,946)	(727,193)	(435,931)
Debt Service Funds	1,703	-	-		-
Capital Projects Funds	4,768,417	6,138,877	6,045,618	5,213,348	5,041,016
Permanent Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonspendable					
Restricted					
Assigned					
Unassigned					
Total All Other Governmental Funds	<u>6,923,552</u>	<u>7,786,839</u>	<u>8,160,294</u>	<u>8,355,322</u>	<u>9,441,534</u>
<i>Total Governmental Funds</i>	<u>\$ 10,312,718</u>	<u>\$ 11,310,771</u>	<u>\$ 11,839,347</u>	<u>\$ 12,929,827</u>	<u>\$ 14,627,954</u>

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

2007	2008	2009	2010	2011 (1)
\$ 438,915	\$ 934,307	\$ 606,789	\$ 44,953	\$ -
5,708,868	5,304,677	6,148,236	6,938,831	-
				70,385
				85,710
				7,906,290
6,147,783	6,238,984	6,755,025	6,983,784	8,062,385
\$ 4,794,471	\$ 5,795,669	\$ 5,543,299	\$ 2,450,185	\$ -
(79,761)	92,966	36,388	480,495	-
-	-	-	-	-
3,186,847	1,838,903	1,471,807	1,620,335	-
-	-	-	-	-
				186,027
				1,283,626
				4,237,632
				(597,705)
7,901,557	7,727,538	7,051,494	4,551,015	5,109,580
\$ 14,049,340	\$ 13,966,522	\$ 13,806,519	\$ 11,534,799	\$ 13,171,965
(continued)				

CITY OF OXFORD
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues				
Property and Other Taxes	\$705,495	\$785,100	\$840,967	\$904,765
Municipal Income Taxes	5,649,198	6,035,339	5,858,965	6,473,251
Intergovernmental	1,930,985	1,908,992	1,767,729	1,767,657
Charges for Services	677,582	887,628	718,848	937,897
Fines and Forfeitures	311,089	335,960	359,125	419,727
Licenses and Permits	304,287	353,467	383,112	357,915
Special Assessments	6,718	7,374	7,057	6,726
Interest	297,911	130,781	204,342	292,747
Contributions and Donations	179,469	193,155	81,989	79,008
Other	19,787	465,823	40,986	132,662
<i>Total Revenues</i>	<u>10,082,521</u>	<u>11,103,619</u>	<u>10,263,120</u>	<u>11,372,355</u>
Expenditures				
Current:				
Security of Persons and Property	3,438,323	3,655,200	3,688,519	3,708,926
Public Health Services	129,143	119,514	111,157	144,446
Leisure Time Activities	883,344	1,001,366	1,087,593	1,055,704
Community Environment	1,219,167	709,028	1,287,121	669,163
Transportation	849,020	894,284	834,048	973,903
General Government	1,360,079	1,420,844	1,422,888	1,439,754
Capital Outlay	3,757,645	1,934,721	983,771	1,942,252
Debt Service:				
Principal Retirement	130,000	150,354	155,426	155,615
Interest and Fiscal Charges	194,054	191,189	183,836	176,529
Debt Issuance Cost	-	-	-	-
<i>Total Expenditures</i>	<u>11,960,775</u>	<u>10,076,500</u>	<u>9,754,359</u>	<u>10,266,292</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,878,254)</u>	<u>1,027,119</u>	<u>508,761</u>	<u>1,106,063</u>
Other Financing Sources (Uses)				
Operating Transfers - In	3,095,000	2,976,763	2,246,564	2,224,385
Operating Transfers - Out	(3,105,000)	(2,976,763)	(2,246,564)	(2,224,385)
Proceeds from Notes Payable	-	-	-	-
Payments to Refunding Agent	-	-	-	-
Proceeds from Refunding of Bonds	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-
Proceeds from Capital Lease	26,058	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>16,058</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(\$1,862,196)</u>	<u>\$1,027,119</u>	<u>\$508,761</u>	<u>\$1,106,063</u>
Debt Service as a Percentage of Noncapital Expenditures	4.11%	4.38%	4.02%	4.16%

2006	2007	2008	2009	2010	2011
\$1,006,659	\$1,159,315	\$1,178,345	\$1,317,292	\$1,223,420	\$1,284,812
6,576,810	6,190,198	7,420,089	7,068,135	6,712,088	7,588,885
1,730,138	1,881,391	2,109,592	1,887,062	1,565,812	1,541,156
977,706	1,100,505	1,229,921	1,288,349	1,408,679	1,425,831
434,749	413,961	482,885	451,226	669,169	441,726
374,513	365,531	376,293	387,828	419,597	443,995
4,164	-	10,606	10,153	10,924	10,934
585,456	770,741	865,560	158,591	119,851	76,796
270,185	111,077	164,314	104,009	108,959	48,163
50,310	99,461	363,981	474,415	756,945	279,366
<u>12,010,690</u>	<u>12,092,180</u>	<u>14,201,586</u>	<u>13,147,060</u>	<u>12,995,444</u>	<u>13,141,664</u>
4,051,727	4,479,082	4,999,133	5,464,185	5,432,718	5,333,030
103,110	164,757	292,818	191,009	125,408	124,204
1,102,575	1,133,251	1,257,257	1,308,926	1,282,923	1,256,158
1,018,689	650,465	928,690	1,012,606	1,141,033	1,078,761
1,031,296	1,072,515	1,327,556	1,217,026	1,266,576	1,205,438
1,589,484	1,709,069	5,496,187	1,660,998	1,693,251	1,619,314
1,080,165	3,046,648	1,640,864	1,599,212	2,432,847	530,443
166,389	167,403	175,000	680,000	1,730,000	235,000
169,127	161,104	153,060	176,495	142,408	77,150
-	-	-	44,799	-	-
<u>10,312,562</u>	<u>12,584,294</u>	<u>16,270,565</u>	<u>13,355,256</u>	<u>15,247,164</u>	<u>11,459,498</u>
1,698,128	(492,114)	(2,068,979)	(208,196)	(2,251,720)	1,682,166
2,548,663	1,887,803	5,181,408	1,792,768	1,511,013	1,456,919
(2,548,663)	(1,974,303)	(5,195,247)	(1,792,768)	(1,531,013)	(1,501,919)
-	-	2,000,000	-	-	-
-	-	-	(2,569,315)	-	-
-	-	-	2,595,000	-	-
-	-	-	22,508	-	-
-	-	-	-	-	-
-	(86,500)	1,986,161	48,193	(20,000)	(45,000)
<u>\$1,698,128</u>	<u>(\$578,614)</u>	<u>(\$82,818)</u>	<u>(\$160,003)</u>	<u>(\$2,271,720)</u>	<u>\$1,637,166</u>
(continued)					
3.77%	3.57%	2.29%	8.30%	17.11%	2.94%

CITY OF OXFORD, OHIO
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Public Utility	
	Assessed Value		Estimated	Assessed	Estimated
	Residential/ Agricultural	Commercial/ Industrial/PU	Actual Value	Value	Actual Value
2002	117,716,290	57,208,460	499,785,000	6,939,160	8,019,182
2003	126,711,640	68,826,210	558,679,571	7,056,880	8,018,034
2004	128,749,880	71,610,630	572,458,600	7,055,870	8,392,920
2005	132,334,280	72,396,620	584,945,429	7,385,770	7,900,750
2006	158,563,190	78,604,510	677,622,000	6,952,660	7,786,909
2007	163,496,470	81,197,710	699,126,229	6,852,480	6,780,125
2008	166,202,450	88,200,960	726,866,886	5,966,510	7,415,523
2009	198,092,890	108,394,070	875,677,029	6,525,660	7,415,523
2010	191,350,730	101,232,080	835,950,886	7,044,210	8,004,784
2011	196,698,990	91,365,140	823,040,371	6,795,400	7,722,045

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

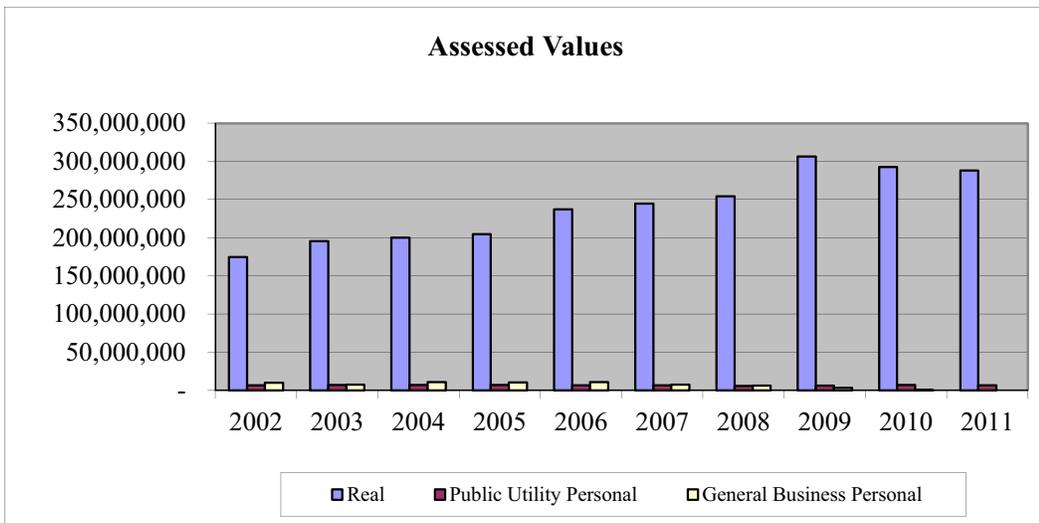
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009. Effective for 2009, telecommunications is the only remaining type of personal property tax. This will be phased out by 2011. The percentages for telecommunications are 10% for 2009, 5% for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, and 2 1/2% and homestead exemptions before being billed.

Source: Butler County Auditor's Office

Tangible Personal Property		Total		Ratio	Direct Tax Rate (in mills)
General Business					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
9,965,115	41,521,313	191,829,025	549,325,494	34.92%	3.65
7,772,421	33,793,135	210,367,151	600,490,740	35.03%	3.65
11,081,358	48,179,817	218,497,738	629,031,338	34.74%	3.65
10,402,590	45,228,652	222,519,260	638,074,831	34.87%	3.65
10,851,129	57,872,688	254,971,489	743,281,597	34.30%	3.65
7,536,472	60,291,776	259,083,132	766,198,130	33.81%	3.65
6,243,439	49,947,512	266,613,359	784,229,921	34.00%	3.65
3,459,380	34,593,800	316,472,000	917,686,351	34.49%	3.65
198,020	3,960,400	299,825,040	847,916,070	35.36%	3.65
-	-	294,859,530	830,762,416	35.49%	3.65

(continued)



CITY OF OXFORD, OHIO
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years

	2002	2003	2004	2005
Unvoted Millage				
Operating	3.65	3.65	3.65	3.65
Total Unvoted Millage	3.65	3.65	3.65	3.65
Voted Millage - by levy				
None	0.00	0.00	0.00	0.00
Total Voted millage	0.00	0.00	0.00	0.00
Total millage	3.65	3.65	3.65	3.65

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Property Tax Rates of Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

	2002	2003	2004	2005
Butler County	8.75	8.74	8.74	9.44
Metroparks of Butler County	0.00	0.00	0.00	0.00
Lane Public Library	0.00	0.00	0.00	0.00
Talawanda School	50.30	51.49	51.49	51.47
Butler County Vocational School	1.93	1.93	1.93	1.93
Cities:				
Oxford City	3.65	3.65	3.65	3.65
Townships:				
Oxford Township	0.24	0.24	0.24	0.24
Total Millage	64.87	66.05	66.05	66.73

The rates presented in this Table represent the original voted rates.

Source: Butler County Treasurer's Office for both tables

2006	2007	2008	2009	2010	2011
3.65	3.65	3.65	3.65	3.65	3.65
3.65	3.65	3.65	3.65	3.65	3.65
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
3.65	3.65	3.65	3.65	3.65	3.65
(continued)					

2006	2007	2008	2009	2010	2011
10.95	10.45	9.75	9.75	9.72	9.72
0.00	0.00	0.00	0.00	0.50	0.50
0.00	0.00	0.00	0.00	0.75	0.75
51.47	51.45	56.12	56.17	56.13	56.13
1.93	1.93	1.93	1.93	1.93	1.93
3.65	3.65	3.65	3.65	3.65	3.65
0.24	0.24	0.24	0.24	0.24	0.24
68.24	67.72	71.69	71.74	72.92	72.92
(continued)					

CITY OF OXFORD, OHIO
Property Tax Levies and Collections
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2002	700,176	661,680	94.50	15,741	677,421	96.75
2003	767,840	737,389	96.03	15,901	753,290	98.11
2004	757,070	742,134	98.03	19,794	761,928	100.64
2005	812,195	767,481	94.49	15,542	783,023	96.41
2006	928,185	865,490	93.25	18,709	884,199	95.26
2007	945,653	885,777	93.67	42,010	927,787	98.11
2008	973,314	924,445	94.98	43,710	968,155	99.47
2009	1,142,496	1,088,712	95.29	32,183	1,120,895	98.11
2010	1,093,639	1,000,594	91.49	2,924	1,003,518	91.76
2011	1,076,237	1,027,946	95.51	58,000	1,085,946	100.90

Source: Butler County Auditor's Office

** 2008 Current collected amounts include State Reimbursements of Rollback, Homestead and House Bill66.

CITY OF OXFORD, OHIO
Principal Taxpayers
Real Estate Tax
January 1, 2011 and January 1, 2002

Name of Taxpayer	January 1, 2011	
	Assessed Value	Percent of Real Property Assessed Value
OXO1 LTD	7,845,820	2.62%
Stewart Developers LLC	4,888,770	1.63%
Brown Road Associates LLC	4,550,010	1.52%
D & B Family LTD PRT	4,214,490	1.41%
Duke Energy	4,035,620	1.35%
Wal Mart Real Estate	3,002,380	1.00%
Southwestern Ohio	2,780,350	0.93%
Rodbro, Christopher	2,667,700	0.89%
Ogden Investments LTD PRT	2,395,060	0.80%
Hoelzer / Hoelzer Rentals & Hoelzer, Ned	2,353,100	0.79%
Totals	<u>\$38,733,300</u>	<u>12.93%</u>
Total Assessed Valuation	<u>\$299,627,020</u>	

Name of Taxpayer	January 1, 2002	
	Assessed Value	Percent of Real Property Assessed Value
Square D Company	\$5,063,360	2.62%
Cincinnati Gas & Electric	4,819,610	2.50%
D&B Family Ltd Prt	3,980,890	2.06%
First National Bank	3,467,730	1.80%
Ray & Mary Day	3,274,860	1.70%
Ogden Investments Prt	3,164,050	1.64%
Brookside at Chestnut LLC	2,922,440	1.51%
Ned & Vickie Hoelzer	2,812,320	1.46%
University Commons Prt	2,731,593	1.41%
Edward Redpath	<u>2,559,730</u>	1.33%
Totals	<u>\$34,796,583</u>	18.01%
Total Assessed Valuation	<u>\$193,170,258</u>	

Real property taxes paid in 2011 are based on January 1, 2010 values.
Real property taxes paid in 2002 are based on January 1, 2001 values.

Source: Butler County Auditor's Office

CITY OF OXFORD, OHIO
Income Tax Revenue Base and Collections
Last Ten Years

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentages of Taxes From Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2002	1.75%	5,615,304	5,066,202	90.22%	263,852	4.70%	285,250	5.08%
2003	1.75%	5,524,502	4,912,736	88.93%	227,341	4.12%	384,425	6.96%
2004	1.75%	5,855,034	5,250,516	89.68%	239,701	4.09%	364,816	6.23%
2005	1.75%	6,738,316	5,992,437	88.93%	344,556	5.11%	401,324	5.96%
2006	1.75%	6,670,508	5,795,838	86.89%	478,138	7.17%	396,533	5.94%
2007	1.75%	6,110,009	5,343,075	87.45%	403,424	6.60%	390,350	6.39%
2008	1.75%	7,024,286	6,140,395	87.42%	385,613	5.49%	498,278	7.09%
2009	1.75%	6,965,269	6,137,227	88.11%	320,833	4.61%	507,209	7.28%
2010	1.75%	6,557,644	5,798,111	88.42%	367,546	5.60%	391,988	5.98%
2011	2.00%	7,346,893	6,547,602	89.12%	295,524	4.02%	503,767	6.86%

Source: Regional Income Tax Agency

CITY OF OXFORD

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CITY OF OXFORD, OHIO
Ratio of Outstanding Debt By Type
Last Ten Years

Year	Governmental Activities				Notes Payable	Business-Type Activities	
	General Obligation Bonds	Special Assessment Bonds	Other Obligations	Capital Leases		Mortgage Revenue Bonds Payable	General Obligation Bonds
2002	3,570,000	-	434,913	35,187	-	8,712,598	
2003	3,430,000	-	409,250	24,833	-	-	8,083,632
2004	3,285,000	-	450,333	14,407	-	-	7,434,665
2005	3,135,000	-	482,270	8,792	-	-	6,780,699
2006	2,975,000	-	458,122	2,403	-	-	6,111,732
2007	2,810,000	-	481,009	-	-	-	5,427,766
2008	2,635,000	-	493,824	-	2,000,000	-	4,723,800
2009	2,569,738	-	548,477	-	1,500,000	-	3,999,834
2010	2,342,398	-	606,539	-	-	-	3,255,868
2011	2,110,058	-	599,890	-	-	-	2,496,919

Business-Type Activities				Totals		
OWDA Loans Payable	Landfill Closure & Post Closure Care Payable	Other Obligations	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
11,182,224	1,272,023	183,028	-	\$ 25,389,973	9.42%	\$ 1,146.07
10,457,765	1,300,072	210,596	-	\$ 23,916,148	8.89%	\$ 1,081.59
9,693,827	1,150,429	232,857	-	\$ 22,261,518	8.32%	\$ 1,011.89
8,888,056	1,276,687	257,271	-	\$ 20,828,775	7.91%	\$ 961.93
8,037,949	1,299,578	190,966	-	\$ 19,075,750	6.97%	\$ 847.89
7,140,842	1,302,520	246,018	-	\$ 17,408,155	6.30%	\$ 766.98
6,193,830	1,266,680	269,839	-	\$ 17,582,973	6.32%	\$ 768.25
5,585,229	1,206,729	383,968	-	\$ 15,793,975	5.61%	\$ 682.66
4,950,779	1,139,146	364,776	-	\$ 12,659,506	4.71%	\$ 592.37
4,289,382 (continued)	1,080,755	391,346	-	\$ 10,968,350	4.08%	\$ 513.24

CITY OF OXFORD, OHIO
Ratios of General Bonded Debt Outstanding
Last Ten Years

Year	General Obligation Bonds	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
2002	3,700,000	130,000	\$3,570,000	0.71%	\$161.14
2003	3,570,000	140,000	\$3,430,000	0.61%	\$155.12
2004	3,430,000	145,000	\$3,285,000	0.57%	\$149.32
2005	3,285,000	150,000	\$3,135,000	0.54%	\$144.78
2006	3,135,000	160,000	\$2,975,000	0.44%	\$132.23
2007	2,975,000	165,000	\$2,810,000	0.40%	\$123.80
2008	2,810,000	175,000	\$2,635,000	0.36%	\$115.13
2009	2,569,738	230,000	\$2,339,738	0.27%	\$101.13
2010	2,342,398	235,000	\$2,107,398	0.25%	\$98.61
2011	2,110,058	235,000	\$1,875,058	0.23%	\$87.74

CITY OF OXFORD, OHIO
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2011*

	Debt Outstanding	Percentage Applicable to County (1)	Amount of Direct and Overlapping Debt
Direct:			
City of Oxford	\$2,130,000	100.00%	\$2,130,000
Subtotal	<u>\$2,130,000</u>		<u>\$2,130,000</u>
Overlapping:			
Butler County	\$60,118,581	3.90%	\$2,344,625
Talawanda School District	\$48,670,000	42.24%	\$20,558,208
Butler Technology & Career Center Jt. Voc School District	\$4,500,000	3.58%	\$161,100
Subtotal	<u>\$113,288,581</u>		<u>\$23,063,933</u>
Total	<u><u>\$115,418,581</u></u>		<u><u>\$25,193,933</u></u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the County by the total assessed valuation of the subdivision. The valuations used were for the 2011 collection year.

CITY OF OXFORD, OHIO
Ratio of Debt
to Actual Value and Debt per Capita
Last Ten Years

Year	Population (1)		Estimated Actual Value of Taxable Property(2)	General Bonded Debt		
				General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt
2002	22,154	b	549,325,494	3,700,000	130,000	3,570,000
2003	22,112	b	600,490,740	3,570,000	140,000	3,430,000
2004	22,000	b	629,031,338	3,430,000	145,000	3,285,000
2005	21,653	b	638,074,831	3,285,000	150,000	3,135,000
2006	22,498	b	743,281,597	3,135,000	160,000	2,975,000
2007	22,697	b	766,198,130	2,975,000	165,000	2,810,000
2008	22,887	b	784,229,921	2,810,000	175,000	2,635,000
2009	23,136	b	917,686,351	2,569,738	230,000	2,339,738
2010	21,371	a	847,916,070	2,342,398	235,000	2,107,398
2011	21,371	a	830,762,417	2,110,058	235,000	1,875,058

Sources: (1) U.S. Bureau of Census, Census of Population
(a) 2010 Federal Census
(b) Census Estimates
(2) Butler County Auditor's Office

General Debt						
Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita	Capital Leases	Other Obligations	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
0.65%	161.14	35,187	434,913	4,040,100	0.74%	182.36
0.57%	155.12	24,833	409,250	3,864,083	0.64%	174.75
0.52%	149.32	14,407	450,333	3,749,740	0.60%	170.44
0.49%	144.78	8,792	482,270	3,626,062	0.57%	167.46
0.40%	132.23	2,403	458,122	3,435,525	0.46%	152.70
0.37%	123.80	-	481,009	3,291,009	0.43%	145.00
0.34%	115.13	-	493,824	3,128,824	0.40%	136.71
0.25%	101.13	-	548,477	2,888,215	0.31%	124.84
0.25%	98.61	-	606,539	2,713,937	0.32%	126.99
0.23%	87.74	-	599,890	2,474,948	0.30%	115.81

(continued)

CITY OF OXFORD, OHIO
Computation of Legal Debt Margin
Last Ten Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Assessed Valuation	<u>210,367,151</u>	<u>218,497,738</u>	<u>222,624,390</u>	<u>222,519,260</u>
Overall Debt Limit - 10 ½ % of Assessed Value (1)	<u>\$22,088,551</u>	<u>\$22,942,262</u>	<u>\$23,375,561</u>	<u>\$23,364,522</u>
Amount of Debt Applicable to Debt Limit				
Total Outstanding Bonded Debt	25,389,973	21,971,397	20,673,827	19,038,056
Less Debt Outside the Limitations	<u>(21,819,973)</u>	<u>(18,541,397)</u>	<u>(17,388,827)</u>	<u>(15,903,056)</u>
Debt within Limitations	3,570,000	3,430,000	3,285,000	3,135,000
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limitations	<u>3,570,000</u>	<u>3,430,000</u>	<u>3,285,000</u>	<u>3,135,000</u>
Overall Legal Debt Margin	<u>\$18,518,551</u>	<u>\$19,512,262</u>	<u>\$20,090,561</u>	<u>\$20,229,522</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.84%	85.05%	85.95%	86.58%
Unvoted Debt Limit - 5 ½ % of Assessed Value (1)	\$11,570,193	\$12,017,376	\$12,244,341	\$12,238,559
Amount of Debt Applicable to Debt Limit				
Total Outstanding Bonded Debt	25,389,973	21,971,397	20,673,827	19,038,056
Less Debt Outside the Limitations	<u>(21,819,973)</u>	<u>(18,541,397)</u>	<u>(17,388,827)</u>	<u>(15,903,056)</u>
Debt within Limitations	3,570,000	3,430,000	3,285,000	3,135,000
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limitations	<u>3,570,000</u>	<u>3,430,000</u>	<u>3,285,000</u>	<u>3,135,000</u>
Unvoted Legal Debt Margin	<u>\$8,000,193</u>	<u>\$8,587,376</u>	<u>\$8,959,341</u>	<u>\$9,103,559</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	69.14%	71.46%	73.17%	74.38%

Source: Butler County Auditors Office

(1) Ohio Bond Law sets a limit of 10 ½ % for overall debt and 5 ½ % for unvoted debt.

2006	2007	2008	2009	2010	2011
<u>254,971,489</u>	<u>259,083,132</u>	<u>266,613,359</u>	<u>316,472,000</u>	<u>299,825,040</u>	<u>294,859,530</u>
<u>\$26,772,006</u>	<u>\$27,203,729</u>	<u>\$27,994,403</u>	<u>\$33,229,560</u>	<u>\$31,481,629</u>	<u>\$30,960,251</u>
17,332,949 <u>(14,357,949)</u>	15,560,842 <u>(12,750,842)</u>	13,708,830 <u>(11,073,830)</u>	12,310,229 <u>(9,715,229)</u>	10,675,779 <u>(8,310,779)</u>	8,979,382 <u>(6,849,382)</u>
<u>2,975,000</u>	<u>2,810,000</u>	<u>2,635,000</u>	<u>2,595,000</u>	<u>2,365,000</u>	<u>2,130,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,975,000</u>	<u>2,810,000</u>	<u>2,635,000</u>	<u>2,595,000</u>	<u>2,365,000</u>	<u>2,130,000</u>
<u>\$23,797,006</u>	<u>\$24,393,729</u>	<u>\$25,359,403</u>	<u>\$30,634,560</u>	<u>\$29,116,629</u>	<u>\$28,830,251</u>
88.89%	89.67%	90.59%	92.19%	92.49%	93.12%
\$14,023,432	\$14,249,572	\$14,663,735	\$17,405,960	\$16,490,377	\$16,217,274
17,332,949 <u>(14,357,949)</u>	15,560,842 <u>(12,750,842)</u>	13,708,830 <u>(11,073,830)</u>	12,310,229 <u>(9,715,229)</u>	10,675,779 <u>(8,310,779)</u>	8,979,382 <u>(6,849,382)</u>
<u>2,975,000</u>	<u>2,810,000</u>	<u>2,635,000</u>	<u>2,595,000</u>	<u>2,365,000</u>	<u>2,130,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,975,000</u>	<u>2,810,000</u>	<u>2,635,000</u>	<u>2,595,000</u>	<u>2,365,000</u>	<u>2,130,000</u>
<u>\$11,048,432</u>	<u>\$11,439,572</u>	<u>\$12,028,735</u>	<u>\$14,810,960</u>	<u>\$14,125,377</u>	<u>\$14,087,274</u>
78.79%	80.28%	82.03%	85.09%	85.66%	86.87%

(continued)

CITY OF OXFORD, OHIO
Pledged Revenue Coverage
Last Ten Years

(Mortgage Revenue) General Obligation Bonds - Water

Year	Water Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service (1)		Coverage
				Principal	Interest	
2002	2,565,524	1,712,706	852,818	560,000	636,000	71.00%
2003	2,415,535	1,762,587	652,948	655,000	292,562	69.00%
2004	2,620,849	1,861,878	758,971	675,000	268,650	80.00%
2005	2,677,808	1,837,438	840,370	680,000	255,150	90.00%
2006	2,637,925	1,770,801	867,124	695,000	238,150	93.00%
2007	2,671,728	1,974,887	696,841	710,000	220,775	75.00%
2008	2,727,451	2,153,827	573,624	730,000	221,250	60.00%
2009	2,516,671	2,166,532	350,139	750,000	179,350	38.00%
2010	2,667,022	2,153,158	513,864	770,000	153,100	56.00%
2011	2,585,591	2,195,171	390,420	830,000	57,160	44.00%

Source: City of Oxford Finance Department

(1) These bonds were called @12/1/02 and paid in full via a G/O refunding in 2002

OWDA Loans - Sewer

Year	Sewer Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	3,559,278	2,193,461	1,365,817	521,248	431,191	143.00%
2003	3,286,386	2,386,608	899,778	551,225	401,214	94.00%
2004	3,275,774	2,613,350	662,424	583,088	369,350	70.00%
2005	3,261,053	2,614,435	646,618	616,968	335,471	68.00%
2006	3,122,402	2,545,107	577,295	653,002	299,437	61.00%
2007	3,160,378	2,713,979	446,399	686,859	265,580	47.00%
2008	3,042,458	2,882,611	159,847	727,518	222,268	17.00%
2009	2,913,694	2,984,054	(70,360)	379,456	181,765	-13.00%
2010	2,986,556	2,598,526	388,030	395,228	165,993	69.00%
2011	2,885,155	2,548,930	336,225	411,656	149,565	60.00%

OWDA Loans - Refuse

Year	Refuse Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	1,236,284	999,296	236,988	165,936	133,907	79.00%
2003	1,273,687	1,102,173	171,514	173,233	126,610	57.00%
2004	1,331,688	982,499	349,189	180,851	118,993	116.00%
2005	1,395,392	1,315,369	80,023	188,803	111,040	27.00%
2006	1,436,575	1,281,632	154,943	197,105	102,738	52.00%
2007	1,511,839	1,278,457	233,382	205,773	94,070	78.00%
2008	1,585,236	1,327,042	258,194	219,494	80,350	86.00%
2009	1,593,879	1,329,950	263,929	229,145	70,698	88.00%
2010	1,609,175	1,358,483	250,692	239,222	60,621	84.00%
2011	1,640,491	1,389,543	250,948	249,741	50,102	84.00%

CITY OF OXFORD, OHIO
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate (4)
2002	22,154	b 269,503,410	2 12,165	3.70%
2003	22,112	b 268,992,480	2 12,165	4.00%
2004	22,000	b 267,630,000	2 12,165	5.90%
2005	21,653	b 263,408,745	2 12,165	5.30%
2006	22,498	b 273,688,170	2 12,165	4.90%
2007	22,697	b 276,109,005	2 12,165	5.10%
2008	22,887	b 278,420,355	2 12,165	5.90%
2009	23,136	b 281,449,440	2 12,165	9.40%
2010	21,371	a 268,868,551	3 12,581	9.40%
2011	21,371	a 268,868,551	3 12,581	9.60%

Sources: (1) 2010 US Census Bureau; 2001 - 2008 US Census Population Estimates
(a) 2010 Census
(b) Census Estimates
(2) U. S. Census Bureau, Census 2000
(3) U. S. Census Bureau
(4) Ohio Bureau of Employment Services; rates are for Butler County

CITY OF OXFORD, OHIO
Principal Employers
*Current Year and Nine Years Ago**

Employer	Nature of Business	2011		Percentage of Total Employment
		Number of Employees	Rank	
Miami University	Education	2,962	1	59%
McCullough Hyde Hospital	Hospital	560	2	11%
Talawanda School District	Education	330	3	7%
Wal-Mart Associates	Retail	202	4	4%
Schneider Electric	Manufacturer	250	5	5%
Kroger Limited Partner	Retail	175	6	4%
RDI Marketing	Marketing	180	7	4%
Maple Knoll Communities	Healthcare	160	8	3%
City of Oxford	Government	114	9	2%
Liberty Matrix of Oxford	Healthcare	64	10	1%
Total		4,997		100%

*Information not available for nine years ago.

Source: Regional Income Tax Agency/Oxford Chamber of Commerce

CITY OF OXFORD, OHIO
City Government Employees by Function/Activity
Last Ten Years

	2002	2003	2004	2005	2006
General Government					
Office of the City Manager	4.00	4.00	4.00	4.00	4.00
Finance Department	8.00	8.00	8.00	8.00	8.00
Law Department	1.00	1.00	1.00	1.00	1.00
Management Information Systems	1.00	1.00	1.00		
Community Environment					
Economic Development	1.00	1.00	1.00	1.00	1.00
Community Development	5.00	5.00	5.00	5.00	5.00
Leisure Time Activities					
Parks and Recreation	22.50	22.50	21.75	20.75	20.75
Security of Persons and Property					
Police Division	42.00	43.50	44.50	44.50	46.50
Fire Division	36.50	36.50	36.50	36.50	36.50
Public Service					
Administration	9.00	9.00	9.00	8.00	8.00
Streets and Maintenance	15.25	16.75	17.25	16.25	16.25
Wastewater Division	13.25	13.25	13.50	13.50	13.50
Water Division	10.25	10.25	10.25	10.25	10.25
Total	<u>168.75</u>	<u>171.75</u>	<u>172.75</u>	<u>168.75</u>	<u>170.75</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City of Oxford HR Department

* Detailed information prior to 2000 was not available and did not include PT positions

2007	2008	2009	2010	2011
4.00	4.50	4.50	4.00	4.00
8.00	8.50	7.50	7.50	7.50
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
5.00	5.00	5.00	5.00	5.00
22.75	22.75	21.75	21.75	21.75
46.50	46.50	49.00	50.00	50.00
36.50	36.50	44.50	52.00	52.00
8.00	8.00	9.00	8.00	8.00
16.25	16.25	16.25	16.75	16.75
13.50	13.50	14.00	13.00	13.00
10.25	10.25	10.75	10.00	10.00
<u>172.75</u>	<u>173.75</u>	<u>184.25</u>	<u>190.00</u>	<u>190.00</u>

(continued)

CITY OF OXFORD, OHIO
Operating Indicators by Function/Activity
Last Ten Years

	2002	2003	2004	2005	2006
General Government					
Legislative and Executive					
City Council					
Number of ordinances	30	31	32	52	54
Number of resolutions	79	83	82	107	80
Number of meetings	23	25	22	26	23
Management Information Systems					
Number of devices		139	139	139	139
Finance Department - Purchasing					
Number of bid contracts awarded	23	35	31	30	32
Number of purchase orders issued	481	524	518	513	496
Risk Management					
Number of claims	12	15	8	8	5
Public Safety					
Enforcement					
Number of incidents reported	2,813	2,850	2,554	2,422	2,261
Number of accidents investigated	586	617	487	476	490
Number of parking citations	13,568	15,495	14,168	16,207	18,107
Number of traffic non-moving citations	341	396	314	469	638
Number of traffic moving citations	2,333	2,959	1,679	1,924	1,466
Number of minor misdemeanor citations	744	864	645	629	637
Number of DUI citations	108	125	113	Inc. in arrests	Inc. in arrests
Number of arrests	1,299	1,624	1,416	1,195	1,514
Number of OPD CFS (calls for service)	35,814	38,600	30,507	30,421	28,074
Number of parking meters	519	728	733	733	733
Emergency Medical Services					
Number of emergency responses	1,281	1,330	1,392	1,484	1,529
Public Works					
Engineer					
Miles of roads resurfaced	3.43	3.01	2.89	3.17	5.14
Number of bridges replaced/improved	0.00	0.00	0.00	0.00	0.00
Number of culverts built/replaced/improved	0.00	0.00	0.00	0.00	0.00
Water District					
Annual water treated (in million gallons)	920.06	883.31	858.93	878.10	834.91
Number of tap-ins	7	10	49	20	41
Number of customers	4,175	4,170	4,337	4,368	
Miles of water mains	70.00	70.49	70.83	71.49	71.49
Sewer District					
Annual sewage treated (in million gallons)	932.80	997.11	870.00	889.00	993.00
Number of tap-ins	33.00	31.00	90.00	57.00	55.00
Number of customers	3,882	3,885	4,036	4,067	
Miles of sanitary sewers	62.40	63.53	63.84	64.51	64.51
Parks and Recreation					
Parks					
Number of parks	11	11	11	11	11
Acreage developed	128.95	128.95	128.95	128.95	128.95
Acreage undeveloped	23.00	23.00	23.00	23.00	23.00
Community and Economic Development					
Number of contacts					
Number of projects	1	0	1	0	1
Number of jobs created	5.00	0.00	1.50	0.00	6.00
Building Department					
Number of permits issued	402	481	501	526	555
Number of inspections performed				1,961	2,131

Source: City of Oxford Departmental Staff

2007	2008	2009	2010	2011
49	48	60	37	27
91	88	98	78	72
37	48	38	28	27
139	144	151	155	168
37	29	7	12	1
454	493	497	370	325
6	11	4	6	9
2,404	2,446	2,106	2,047	1,935
441	434	434	436	374
16,774	19,128	17,188	20,701	19,848
572	219	524	113	175
2,149	1,340	1,787	1,315	834
579	572	663	592	386
146	97	76	77	78
1,578	1,590	1,369	1,222	1,058
29,791	44,935	27,725	26,554	29,265
804	823	778	776	792
1,560	2,130	2,318	2,367	2,337
2.76	3.94	5.38	3.63	1.20
0.00	0.00	0.00	0.00	0.00
0.00	1.00	0.00	0.00	0.00
856.27	836.34	751.42	811.30	828.00
27	37	25	41	19
4,394	4,399	4,302	4,399	4,392
71.49	72.43	72.61	72.83	73.11
875.00	848.63	882.00	867.00	1,092.00
44.00	35.00	24.00	16.00	16.00
4,100	4,123	4,153	4,162	4,104
64.51	65.45	65.63	66.00	66.05
11	11	11	11	11
128.95	128.95	128.95	128.95	128.95
23.00	23.00	23.00	23.00	23.00
	48	60	51	48
1	3	5	12	12
7.00	5.00	6.00	48.00	38.00
453	403	407	409	267
1,628	1,576	1,359	1,290	766

(continued)

CITY OF OXFORD, OHIO
Capital Asset Statistics by Function/Activity
Last Ten Years

	2002	2003	2004	2005	2006
General Government					
Legislative and Executive					
City Council					
Administrative office space (sq. ft.)	300.00	300.00	300.00	300.00	300.00
City Manager's Office					
Administrative office space	460.00	460.00	460.00	460.00	460.00
Finance Department					
Administrative office space	821.00	821.00	821.00	821.00	821.00
Management Information Systems					
Administrative office space	221.00	221.00	221.00	221.00	221.00
Public Safety					
Police					
Jail capacity	11	11	11	11	11
Number of patrol vehicles	28	30	30	30	31
Fire					
Number of fire fighting vehicles	5	5	5	5	5
Emergency Medical Services					
Number of stations	1	1	1	1	1
Number of emergency squads	2	2	2	2	2
Public Service					
Engineer					
Centerline miles of roads	49.92	49.92	50.25	50.25	50.91
Number of bridges	1	1	1	1	1
Number of culverts	20	20	20	20	20
Number of vehicles	3	3	3	3	3
Water District					
Number of treatment facilities	1	1	1	1	1
Miles of water lines	70.00	70.49	70.83	71.49	71.49
Sewer District					
Number of treatment facilities	1	1	1	1	1
Number of pumping stations	1	1	1	1	1
Miles of sewer lines	62.40	63.53	63.84	64.51	64.51
Parks and Recreation					
Parks					
Number of parks	11	11	11	11	11
Acreage developed	128.95	128.95	128.95	128.95	128.95
Acreage undeveloped	23.00	23.00	23.00	23.00	23.00
Miles of trails	4.10	4.10	4.10	4.85	4.85
Community and Economic Development					
Number of related infrastructure projects	7	11	13	16	36
Building Department					
Administrative office space	306.00	306.00	306.00	306.00	306.00

Source: City of Oxford Departmental Staff

2007	2008	2009	2010	2011
300.00	300.00	300.00	300.00	300.00
460.00	460.00	460.00	460.00	460.00
821.00	821.00	821.00	821.00	821.00
221.00	221.00	221.00	221.00	221.00
11	11	11	11	11
33	33	33	34	33
5	5	5	5	5
1	1	1	1	1
2	2	2	3	3
50.91	51.34 #	51.52	51.84	52.12
1	1	1	1	1
20	20	20	20	20
3	3	3	3	3
1	1	1	1	1
71.49	72.43	72.61	72.83	73.11
1	1	1	1	1
1	1	1	1	1
64.51	65.45	65.63	66.00	66.05
11	11	11	11	11
128.95	128.95	128.95	128.95	128.95
23.00	23.00	23.00	23.00	23.00
4.85	4.85	4.85	5.86	5.86
17	11	4	3	0
306.00	306.00	306.00	306.00	306.00

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CITY OF OXFORD

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CITY OF OXFORD



Yellow Book Report

December 31, 2011

**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**

City Council
City of Oxford, Ohio

We have audited 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 (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 11, 2012 wherein we noted the City adopted GASB Statement No. 54 as disclosed in Note 17. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Auditor of State, City Council and is not intended to be and should not be used by anyone other than these specified parties.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
May 11, 2012

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Dave Yost • Auditor of State

CITY OF OXFORD

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 19, 2012