

**CITY OF OXFORD, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2007
WITH INDEPENDENT AUDITOR'S REPORT**

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CITY OF OXFORD, MISSISSIPPI
LIST OF PRINCIPAL OFFICERS
September 30, 2007

<u>TITLE</u>	<u>NAME</u>
Mayor	Richard Howorth
Mayor Pro Tempore	Ulysses Howell
Aldersperson	George Patterson
Aldersperson	Ernest Oliver
Aldersperson	Janice Antonow
Aldersperson	Preston E. Taylor
Aldersperson	Jon Fisher
Aldersperson	Dr. William C. Baker
City Clerk and Tax Collector	Lisa D. Carwyle



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

INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen
City of Oxford, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oxford's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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 opinion.

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 of Oxford, Mississippi, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated April 28, 2008, on our consideration of the City of Oxford, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's Discussion and Analysis and Budgetary Comparisons on pages 8 through 15 and pages 58 through 65 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford's basic financial statements. The combining and individual non-major fund financial statements and schedules of investments, surety bonds and long-term debt are presented for the purposes of additional analysis and are not a required part of the basic financial statements. These statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Young & Garrett

April 28, 2008

CITY OF OXFORD, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2007

As management of the City of Oxford, Mississippi ("City"), we offer readers of the City of Oxford, Mississippi's financial statements this narrative overview and analysis of the financial activities of the City of Oxford, Mississippi, for the fiscal year ended September 30, 2007. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Oxford, Mississippi using the integrated approach as prescribed by GASB Statement No. 34.

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

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City reports assets of \$119,579,953, of which \$82,868,480 are capital assets. The assets exceed the City's liabilities of \$45,902,349, \$36,855,061 of which are long term, at the close of the most recent fiscal year by \$73,677,604. Of this amount, \$16,029,689 are unrestricted net assets. The City's net assets are comprised of \$37,724,113 from Governmental Activities and \$35,953,491 from Business-Type Activities.

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

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

Although the City's investment in its capital assets is reported net of related debt, please note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (less than 1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF OXFORD, MISSISSIPPI
NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and						
Other Assets	\$17,722,568	\$ 7,275,510	\$18,988,905	\$16,384,226	\$36,711,473	\$23,659,736
Capital Assets (Net)	<u>43,429,202</u>	<u>41,378,975</u>	<u>39,439,278</u>	<u>35,020,517</u>	<u>82,868,480</u>	<u>76,399,492</u>
Total Assets	<u>\$61,151,770</u>	<u>48,654,485</u>	<u>\$58,428,183</u>	<u>51,404,743</u>	<u>\$119,579,953</u>	<u>100,059,228</u>
Current and						
Other Liabilities	2,547,059	2,081,833	6,500,229	5,991,340	9,047,288	8,073,173
Long-Term						
Liabilities	<u>20,880,598</u>	<u>13,525,000</u>	<u>15,974,463</u>	<u>13,358,248</u>	<u>36,855,061</u>	<u>26,883,248</u>
Total Liabilities	<u>23,427,657</u>	<u>15,606,833</u>	<u>22,474,692</u>	<u>19,349,588</u>	<u>45,902,349</u>	<u>34,956,421</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	20,973,604	26,803,975	22,410,122	20,880,590	43,383,726	47,684,565
Restricted	13,112,954	3,317,812	1,151,235	1,139,062	14,264,189	4,456,874
Unrestricted	<u>3,637,555</u>	<u>2,925,865</u>	<u>12,392,134</u>	<u>10,035,503</u>	<u>16,029,689</u>	<u>12,961,368</u>
Total Net Assets	<u>\$37,724,113</u>	<u>\$33,047,652</u>	<u>\$35,953,491</u>	<u>\$32,055,155</u>	<u>\$73,677,604</u>	<u>\$65,102,807</u>

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

GOVERNMENTAL ACTIVITIES

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

CITY OF OXFORD, MISSISSIPPI
CHANGES IN NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
REVENUE:	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Program Revenues:						
Charges for						
Services	\$ 6,045,378	\$ 5,691,662	\$25,519,962	\$24,747,956	\$31,565,340	\$30,439,618
Operating Grants						
And Contributions	138,228	2,307,998	-	-	138,228	2,307,998
Capital Grants and						
Contributions	1,019,113	-	-	-	1,019,113	-
General Revenues:						
Property Taxes	4,812,392	4,455,676	-	-	4,812,392	4,455,676
Other Taxes	7,055,815	6,730,112	-	-	7,055,815	6,730,112
Sale of Assets	1,360,352	-	-	-	1,360,352	-
Unrestricted Interest						
Earned	697,443	59,201	779,074	125,983	1,476,517	185,184
Transfers	567,033	558,925	(567,033)	(558,925)	-	-
TOTAL REVENUE	\$21,695,754	19,803,574	25,732,003	24,315,014	47,427,757	44,118,588
EXPENSES:						
General Government	4,506,787	4,422,984	-	-	4,506,787	4,422,984
Public Safety	5,963,289	5,731,467	-	-	5,963,289	5,731,467
Public Works	3,020,281	2,879,994	-	-	3,020,281	2,879,994
Tourism	779,171	480,516	-	-	779,171	480,516
Culture and Rec.	1,397,029	1,031,173	-	-	1,397,029	1,031,173
Miscellaneous	603,584	1,011,893	-	-	603,584	1,011,893
Interest on Long-						
Term Debt	749,152	688,705	-	-	749,152	688,705
Water and Sewer						
Service	-	-	5,125,553	4,714,399	5,125,553	4,714,399
Electric Service	-	-	16,708,114	15,356,737	16,708,114	15,356,737
TOTAL EXPENSES	\$17,019,293	\$16,246,732	\$21,833,667	\$20,071,136	\$38,852,960	\$36,317,868

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

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Change in Net						
Assets	\$ 4,676,461	\$ 3,556,842	\$ 3,898,336	\$ 4,243,878	\$ 8,574,797	\$ 7,800,720
Net Assets-						
Beginning	<u>33,047,652</u>	<u>29,490,810</u>	<u>32,055,155</u>	<u>27,811,277</u>	<u>65,102,807</u>	<u>57,302,087</u>
Net Assets-Ending	<u>\$37,724,113</u>	<u>\$33,047,652</u>	<u>\$35,953,491</u>	<u>\$32,055,155</u>	<u>\$73,677,604</u>	<u>\$65,102,807</u>

BUSINESS-TYPE ACTIVITIES

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

Business-Type Activities

	<u>Operating Revenues</u>
Fiscal Year ended September 30, 2007	\$ 25,519,962
Fiscal Year ended September 30, 2006	24,747,956
Increase between Fiscal Years	\$ <u>772,006</u>

	<u>Operating Expenses</u>
Fiscal Year ended September 30, 2007	\$ 21,833,667
Fiscal Year ended September 30, 2006	20,071,136
Increase between Fiscal Years	\$ <u>1,762,531</u>

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, increased in fiscal year 2007 by \$10,769,827.

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

	<u>2007</u>
Debt Payable beginning of fiscal year	\$ 28,714,927
Add: New Debt Issues	<u>12,976,506</u>
	41,691,433
Less: Debt Retired	<u>2,206,679</u>
Debt Payable at end	\$ <u>39,484,754</u>

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

CAPITAL ASSETS

The capital assets of the City are those assets, which are used in the performance of the City functions including infrastructure assets. At September 30, 2006, net capital assets of the governmental activities totaled \$41,378,975 and the net capital assets of the business-type activities totaled \$35,020,517. At September 30, 2007, net capital assets of the governmental activities totaled \$43,429,202 and the net capital assets of the business-type activities totaled \$39,439,278. Depreciation on capital assets is recognized in the Government-Wide financial statements.

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

FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

3. NOTES TO THE FINANCIAL STATEMENTS

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

4. REQUIRED SUPPLEMENTAL INFORMATION

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

5. OTHER INFORMATION

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

REQUESTS FOR INFORMATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
September 30, 2007

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Cash Equivalents	\$16,110,083	\$13,667,847	\$29,777,930
Receivables:			
Customer	-	3,084,991	3,084,991
Due from Other Government	983,636	278,600	1,262,236
Other	-	83,911	83,911
Internal Balances	524,078	(524,078)	-
Inventories	-	552,456	552,456
Debt Service Funds	-	1,151,235	1,151,235
Prepaid Expenses	<u>104,771</u>	<u>693,943</u>	<u>798,714</u>
Total Non-Capital Assets	<u>17,722,568</u>	<u>18,988,905</u>	<u>36,711,473</u>
Capital Assets (Net of Depreciation):			
Land	1,635,601	1,102,913	2,738,514
Improvements Other than Buildings	327,194	-	327,194
Infrastructure	25,546,112	-	25,546,112
Buildings & Utility Systems	10,860,084	31,126,784	41,986,868
Equipment & Furniture	3,729,428	1,678,150	5,407,578
Construction in Progress	<u>1,330,783</u>	<u>5,531,431</u>	<u>6,862,214</u>
Total Capital Assets	<u>43,429,202</u>	<u>39,439,278</u>	<u>82,868,480</u>
Total Assets	<u>61,151,770</u>	<u>58,428,183</u>	<u>119,579,953</u>
<u>LIABILITIES</u>			
Accounts Payable & Accrued Expenses	972,059	3,566,054	4,538,113
Customer Deposits	-	1,879,482	1,879,482
Long-term Debt Due Within One Year:			
Bonds	1,575,000	700,000	2,275,000
Notes	-	354,693	354,693
Due in More than One Year:			
Bonds	20,775,000	13,895,000	34,670,000
Notes	<u>105,598</u>	<u>2,079,463</u>	<u>2,185,061</u>
Total Liabilities	<u>\$23,427,657</u>	<u>\$22,474,692</u>	<u>\$45,902,349</u>

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

<u>NET ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Invested in Capital Assets-			
Net of Related Debt	\$20,973,604	\$22,410,122	\$43,383,726
Reserved for:			
Unemployment	52,171	-	52,171
Tourism	1,073,610	-	1,073,610
Debt Service	717,611	1,151,235	1,868,846
Cemetery	26,897	-	26,897
Capital Projects	10,843,705	-	10,843,705
Fire Protection	13,333	-	13,333
Other	385,627	-	385,627
Unrestricted	<u>3,637,555</u>	<u>12,392,134</u>	<u>16,029,689</u>
Total Net Assets	<u>\$37,724,113</u>	<u>\$35,953,491</u>	<u>\$73,677,604</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended September 30, 2007

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	EXPENSES	PROGRAM REVENUE	OPERATING	CAPITAL	NET (EXPENSE) REVENUES AND		
		CHARGES FOR	GRANTS &	GRANTS &	CHANGES IN NET ASSETS		
		SERVICES	CONTRIBUTIONS	CONTRIBUTIONS	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
					ACTIVITIES	ACTIVITIES	
<u>GOVERNMENTAL ACTIVITIES</u>							
General Government	\$ 4,506,787	\$ 1,262,901	\$ 1,440	\$ -	\$ (3,242,446)	\$ -	\$ (3,242,446)
Public Safety	5,963,289	789,031	86,758	-	(5,087,500)	-	(5,087,500)
Public Works	3,020,281	2,408,358	-	-	(611,923)	-	(611,923)
Tourism	779,171	1,272,098	-	-	492,927	-	492,927
Culture & Recreation	1,397,029	-	19,142	694,424	(683,463)	-	(683,463)
Miscellaneous	603,584	312,990	30,888	324,689	64,983	-	64,983
Interest on Long-term Debt	<u>749,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(749,152)</u>	<u>-</u>	<u>(749,152)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>17,019,293</u>	<u>6,045,378</u>	<u>138,228</u>	<u>1,019,113</u>	<u>(9,816,574)</u>	<u>-</u>	<u>(9,816,574)</u>
<u>BUSINESS-TYPE ACTIVITIES</u>							
Water & Sewer Service	5,125,553	6,883,790	-	-	-	1,758,237	1,758,237
Electric Service	<u>16,708,114</u>	<u>18,636,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,928,058</u>	<u>1,928,058</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>21,833,667</u>	<u>25,519,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,686,295</u>	<u>3,686,295</u>
TOTAL PRIMARY GOVERNMENT	<u>\$38,852,960</u>	<u>31,565,340</u>	<u>138,228</u>	<u>1,019,113</u>	<u>(9,816,574)</u>	<u>3,686,295</u>	<u>(6,130,279)</u>

CITY OF OXFORD, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
- Continued -

FUNCTIONS/PROGRAMS <u>PRIMARY GOVERNMENT</u>	NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS		
	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE <u>ACTIVITIES</u>	<u>TOTAL</u>
<u>GENERAL REVENUES</u>			
Property Taxes	\$ 4,812,392	\$ -	\$ 4,812,392
Other Taxes	1,665,513	-	1,665,513
Intergovernmental	5,390,302	-	5,390,302
Unrestricted Interest Earned	697,443	779,074	1,476,517
Transfers	567,033	(567,033)	-
Sale of Assets	<u>1,360,352</u>	<u>-</u>	<u>1,360,352</u>
TOTAL GENERAL REVENUES	<u>14,493,035</u>	<u>212,041</u>	<u>14,705,076</u>
Change in Net Assets	4,676,461	3,898,336	8,574,797
Net Assets - Beginning	<u>33,047,652</u>	<u>32,055,155</u>	<u>65,102,807</u>
Net Assets - Ending	<u>\$37,724,113</u>	<u>\$35,953,491</u>	<u>\$73,677,604</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

FUND FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2007

ASSETS	MAJOR FUNDS						TOTAL GOVERNMENTAL FUNDS	
	GENERAL	\$9M G.O. BOND SERIES	CAPITAL LOAN FIRE STATION	2007 OPC BALLFIELD	BUSINESS INCUBATOR	OTHER GOVERNMENTAL FUNDS	2007	2006
	FUND	2007	FUND	BOND	PHASE II	FUNDS		
Cash and Cash Equivalents	\$ 3,201,213	\$ 5,028,235	\$ -	\$ 5,311,766	\$ -	\$ 2,568,869	\$ 16,110,083	\$ 6,266,227
Due from Other Governments	581,661	-	-	-	255,199	41,178	878,038	790,976
Due from Other Funds	250,036	-	-	-	-	274,042	524,078	208,246
Loan Receivable from State	-	-	105,598	-	-	-	105,598	-
Special Assessments Receivable	-	-	-	-	-	-	-	10,061
TOTAL ASSETS	\$ 4,032,910	\$ 5,028,235	\$ 105,598	\$ 5,311,766	\$ 255,199	\$ 2,884,089	\$ 17,617,797	\$ 7,275,510
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Bank Overdraft	\$ -	\$ -	\$ 105,598	\$ -	\$ 255,199	\$ 38,635	\$ 399,432	\$ 732,998
Accounts Payable	157,713	-	-	-	-	13,206	170,919	74,520
Due to Lienholder	-	-	-	-	-	59,295	59,295	-
Deferred Revenue	-	-	-	-	-	-	-	10,061
TOTAL LIABILITIES	157,713	-	105,598	-	255,199	111,136	629,646	817,579
Fund Balances:								
Reserved for:								
Unemployment	-	-	-	-	-	52,171	52,171	52,171
Cemetery	-	-	-	-	-	26,897	26,897	23,625
Fire Protection	-	-	-	-	-	13,333	13,333	13,333
Band Shelter	-	-	-	-	-	-	-	14,066
Other	-	-	-	-	-	385,627	385,627	408,017
Debt Service	-	-	-	-	-	717,611	717,611	642,067
Tourism	-	-	-	-	-	1,073,610	1,073,610	1,032,257
Capital Projects	-	5,028,235	-	5,311,766	-	503,704	10,843,705	1,132,276
Unreserved	3,875,197	-	-	-	-	-	3,875,197	3,140,119
TOTAL FUND BALANCES	3,875,197	5,028,235	-	5,311,766	-	2,772,953	16,988,151	6,457,931
TOTAL LIABILITIES & FUND BALANCES	\$ 4,032,910	\$ 5,028,235	\$ 105,598	\$ 5,311,766	\$ 255,199	\$ 2,884,089	\$ 17,617,797	\$ 7,275,510
SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.								

CITY OF OXFORD, MISSISSIPPI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
September 30, 2007

Total Fund Balance-Governmental Funds	\$ 16,988,151
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Amounts reported for Net Assets in the
Statement of Net Assets are different because:

Capital Assets are used in Governmental Activities
are not financial resources and therefore are
not reported in the funds:

Capital Assets net of accumulated depreciation as of 10-1-06	41,378,975	
Plus capital outlay expenditures made during year	3,386,190	
Less capital assets deleted during the year Net of depreciation	(7,789)	
Less depreciation expense recorded during year	<u>(1,328,174)</u>	43,429,202

Loan Costs	104,771
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Long-term liabilities are not due and payable
in the current period and therefore are not
recorded in the funds, as follows:

Long-term debt as of 10-1-06	14,575,000	
Issuances during year	9,105,598	
Less payments during year	<u>1,225,000</u>	
	22,455,598	
Add interest accrued for year	<u>342,413</u>	(22,798,011)

Total Net Assets-Governmental-Wide Statement	\$ <u>37,724,113</u>
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SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
September 30, 2007

	MAJOR FUNDS						TOTAL GOVERNMENTAL FUNDS	
	GENERAL	\$9M G.O. BOND SERIES	FIRE STATION	2007 OPC BALLFIELD	BUSINESS INCUBATOR	OTHER GOVERNMENTAL		
REVENUES	FUND	2007	FUND	BOND	PHASE II	FUNDS	2007	2006
Ad Valorem Taxes	\$ 3,314,879	\$ -	\$ -	\$ -	\$ -	\$ 1,497,513	\$ 4,812,392	\$ 4,455,676
Other Taxes	393,415	-	-	-	-	1,272,098	1,665,513	1,782,876
Special Assessments	-	-	-	-	-	-	-	-
Licenses and Permits	1,262,901	-	-	-	-	-	1,262,901	1,038,128
Intergovernmental	6,662,400	-	-	-	-	-	6,662,400	6,295,931
Charges for Services	2,382,911	-	-	-	-	-	2,382,911	2,029,956
Fines and Forfeits	605,587	-	-	-	-	183,444	789,031	665,116
Miscellaneous	131,488	25,000	-	-	-	52,329	208,817	383,681
Reimbursements	71,430	-	-	-	-	-	71,430	206,951
Rental Fees	-	-	-	-	-	32,743	32,743	-
Interest	166,662	178,290	-	141,738	-	210,753	697,443	62,552
Local Contributions	-	-	-	-	-	1,447	1,447	250,684
Federal and State Awards	-	-	-	-	29,561	1,126,333	1,155,894	2,053,963
Sale of Cemetery Lots	-	-	-	-	-	25,447	25,447	19,135
REVENUES	14,991,673	203,290	-	141,738	29,561	4,402,107	19,768,369	19,244,649
EXPENDITURES								
Legislative	102,264	-	-	-	-	-	102,264	98,476
Judicial	178,885	-	-	-	-	-	178,885	156,784
Executive	78,875	-	-	-	-	-	78,875	80,315
Financial Administration	252,454	-	-	-	-	-	252,454	260,689
Human Resources	110,787	-	-	-	-	-	110,787	105,668
Law	186,662	-	-	-	-	-	186,662	177,263
Department of Planning	147,647	-	-	-	-	-	147,647	369,568
Building Code Enforcement	235,175	-	-	-	-	-	235,175	-
Buildings and Grounds	369,478	-	-	-	-	-	369,478	330,894

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS

- Continued -

MAJOR FUNDS								
	GENERAL	\$9M G.O. BOND SERIES	FIRE STATION	2007 OPC BALLFIELD	BUSINESS INCUBATOR	OTHER GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS	
EXPENDITURES - Continued	FUND	2007	FUND	BOND	PHASE II	FUNDS	2007	2006
General Government	\$ 1,739,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,739,541	\$ 1,695,789
Community Promotions	38,850	-	-	-	-	44,505	83,355	259,782
Police Department	3,068,192	-	-	-	-	-	3,068,192	2,871,094
Fire Department	2,481,687	-	-	-	-	-	2,481,687	2,451,057
Emergency Mgmt.	35,454	-	-	-	-	-	35,454	23,534
Highways and Streets	1,407,341	-	-	-	-	-	1,407,341	1,275,527
Sanitation Administration	74,753	-	-	-	-	-	74,753	67,520
Tourism Promotion	-	-	-	-	-	779,171	779,171	315,568
Capital Outlay	-	64,770	105,598	196,063	29,561	1,628,746	2,024,738	2,371,007
Drug and Traffic Enforcement	-	-	-	-	-	249,225	249,225	320,512
Street Cleaning	67,683	-	-	-	-	-	67,683	71,269
Waste Collection	1,069,890	-	-	-	-	-	1,069,890	734,243
Waste Disposal	570,960	-	-	-	-	-	570,960	558,704
Weed and Grass Control	126,132	-	-	-	-	-	126,132	102,210
Cemetery Fund	106,278	-	-	-	-	-	106,278	92,410
Rape Crisis	3,600	-	-	-	-	-	3,600	3,600
Youth Vision	3,600	-	-	-	-	-	3,600	3,600
Parks and Recreation	781,939	-	-	-	-	-	781,939	877,409
Swimming Pool	65,304	-	-	-	-	-	65,304	62,464
RSVP	150,650	-	-	-	-	-	150,650	90,273
Library	237,125	-	-	-	-	-	237,125	222,016
City Garage	958,360	-	-	-	-	-	958,360	885,042
Miscellaneous	-	-	-	-	-	317,306	317,306	622,848
Airport	15,000	-	-	-	-	-	15,000	15,000

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

	MAJOR FUNDS						TOTAL GOVERNMENTAL FUNDS	
	GENERAL	\$9M G.O. BOND SERIES	CAPITAL LOAN FIRE STATION	2007 OPC BALLFIELD	BUSINESS INCUBATOR	OTHER GOVERNMENTAL	2007	2006
EXPENDITURES - Continued	FUND	2007	FUND	BOND	PHASE II	FUNDS		
Humane Society	\$ 102,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,100	\$ 65,590
Recycling	141,032	-	-	-	-	-	141,032	196,410
Debt Service:								
Principal Retirement	-	-	-	-	-	1,225,000	1,225,000	1,170,000
Cost of Bond Issue	-	110,285	-	-	-	-	110,285	-
Interest & Fiscal Charges	-	-	-	-	-	620,993	620,993	711,954
TOTAL EXPENDITURES	14,907,698	175,055	105,598	196,063	29,561	4,864,946	20,278,921	19,716,089
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	83,975	28,235	(105,598)	(54,325)	-	(462,839)	(510,552)	(471,440)
OTHER FINANCING SOURCES (USES)								
Bond and Loan Proceeds	-	9,000,000	105,598	-	-	-	9,105,598	-
Sale of Assets	3,717	-	-	1,350,210	-	14,216	1,368,143	-
Operating Transfers In	647,386	-	-	4,015,881	-	520,119	5,183,386	816,945
Operating Transfers Out	-	(4,000,000)	-	-	-	(616,353)	(4,616,353)	(258,020)
TOTAL OTHER FINANCING SOURCES (USES)	651,103	5,000,000	105,598	5,366,091	-	(82,018)	11,040,774	558,925
NET CHANGES IN FUND BALANCE	735,078	5,028,235	-	5,311,766	-	(544,857)	10,530,222	87,485
FUND EQUITY								
Beginning of Year	3,140,119	-	-	-	-	3,317,810	6,457,929	6,370,446
End of Year	\$ 3,875,197	\$ 5,028,235	\$ -	\$ 5,311,766	\$ -	\$ 2,772,953	\$ 16,988,151	\$ 6,457,931

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 For the Year Ended September 30, 2007

Net Change in Fund Balances-Governmental Funds	\$10,530,222
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Amounts reported for Governmental Activities
 in the Statement of Activities are different
 because:

Capital outlays are reported as expenditures in Governmental Funds but are not reported as expenses in the Statement of Activities. Instead, costs associated with Capital Assets are capitalized in the Statement of Net Assets.	3,386,190
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Loan costs that are amortized over the life of the bonds	110,285
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Depreciation is not an expenditure in Governmental Funds but is an expense of allocating the cost of Capital Assets over their estimated useful lives in the Statement of Activities.	(1,328,174)
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Amortization of loan costs is not an expenditure in the Governmental funds, but is an expense of allocating the cost over the life of the debt issue.	(5,514)
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Issuance of Debt	(9,105,598)
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Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,225,000
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The basis of assets sold is not used to determine gain or loss in Governmental Funds.	(7,789)
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CITY OF OXFORD, MISSISSIPPI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
- Continued -

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

Accrued Interest on Bonds	<u>(128,161)</u>
Change in Net Assets-Government-Wide	<u>\$ 4,676,461</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2007

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 10,830,336	\$ 2,837,511	\$ 13,667,847
Debt Service Sinking Funds	547,165	604,070	1,151,235
Receivables:			
Consumer	-	3,084,991	3,084,991
Other	83,911	-	83,911
Due from State	278,600	-	278,600
Utility Plant	34,086,798	24,121,131	58,207,929
Accumulated Depreciation	(13,071,018)	(5,697,633)	(18,768,651)
Inventory	15,000	537,456	552,456
Due from Other Funds	769,916	-	769,916
Prepayments	-	75,999	75,999
Deferred Debits	197,501	420,443	617,944
	<u>33,738,209</u>	<u>25,983,968</u>	<u>59,722,177</u>
TOTAL ASSETS			

LIABILITIES AND FUND EQUITY

<u>LIABILITIES</u>			
Vouchers Payable	\$ 29,943	\$ 3,292,715	\$ 3,322,658
Due to Other Funds	274,042	1,019,952	1,293,994
Bonds Payable	10,035,000	4,560,000	14,595,000
Notes Payable	2,284,156	150,000	2,434,156
Customer Deposits	-	1,879,482	1,879,482
Other	-	213,889	213,889
Deferred Credits	-	29,507	29,507
	<u>12,623,141</u>	<u>11,145,545</u>	<u>23,768,686</u>
TOTAL LIABILITIES			

<u>NET ASSETS</u>			
Investment in Fixed Assets,			
Net of Related Debt	8,696,624	13,713,498	22,410,122
Reserved for Debt Service	547,165	604,070	1,151,235
Fund Equity-Unrestricted	11,871,279	520,855	12,392,134
	<u>21,115,068</u>	<u>14,838,423</u>	<u>35,953,491</u>
TOTAL NET ASSETS			

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 Year Ended September 30, 2007

	WATER AND SEWER	ELECTRIC FUND	TOTAL ENTERPRISE FUNDS
<u>REVENUES</u>			
Charges for Services	\$ 6,683,920	\$18,555,195	\$25,239,115
Other	<u>863,730</u>	<u>196,191</u>	<u>1,059,921</u>
TOTAL REVENUES	<u>7,547,650</u>	<u>18,751,386</u>	<u>26,299,036</u>
<u>EXPENDITURES</u>			
Purchased Power	-	14,485,213	14,485,213
Admin, General & Sales	821,592	487,716	1,309,308
Financial and Customer			
Account Expense	449,497	308,875	758,372
Transmission & Distribution	731,329	684,116	1,415,445
Treatment & Purification	715,669	-	715,669
Source of Supply	730,634	-	730,634
Water-Waste Collection	405,546	-	405,546
Other:			
Depreciation &			
Amortization	883,482	442,612	1,326,094
Interest	<u>387,804</u>	<u>299,582</u>	<u>687,386</u>
TOTAL EXPENDITURES	<u>5,125,553</u>	<u>16,708,114</u>	<u>21,833,667</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,422,097</u>	<u>2,043,272</u>	<u>4,465,369</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers Out	<u>(9,647)</u>	<u>(557,386)</u>	<u>(567,033)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,647)</u>	<u>(557,386)</u>	<u>(567,033)</u>
NET CHANGE IN NET ASSETS	2,412,450	1,485,886	3,898,336
<u>NET ASSETS</u>			
Beginning of Year	18,702,618	13,352,537	32,055,155
End of Year	\$ <u>21,115,068</u>	\$ <u>14,838,423</u>	\$ <u>35,953,491</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2007

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING ACTIVITIES</u>			
Received from Customers	\$ 6,879,783	\$ 18,193,605	\$ 25,073,388
Purchased of Power	-	(14,500,305)	(14,500,305)
Paid for Operating Expenses	(3,874,004)	(887,604)	(4,761,608)
NET CASH PROVIDED	<u>3,005,779</u>	<u>2,805,696</u>	<u>5,811,475</u>
<u>NON-CAPITAL FINANCING</u>			
Transfer to Other Funds	(9,647)	(557,386)	(567,033)
NET CASH USED	<u>(9,647)</u>	<u>(557,386)</u>	<u>(567,033)</u>
<u>CAPITAL AND RELATING FINANCING</u>			
Interest Paid on Principal	(387,804)	(292,261)	(680,065)
Principal Paid on Notes	(196,680)	(200,000)	(396,680)
Notes Issued	1,070,909	-	1,070,909
Principal Paid on Bonds	(345,000)	(240,000)	(585,000)
Bonds Issued	2,800,000	-	2,800,000
Purchase of Capital Assets	(4,493,979)	(1,328,591)	(5,822,570)
Payment of Bond Costs	(54,661)	-	(54,661)
(Increase)/Decrease in Debt			
Service Sinking Funds	(1,431)	(7,828)	(9,259)
Sale of Assets	2,576	-	2,576
Conservation Advances from TVA	-	(3,306)	(3,306)
Other Deductions	-	(33,547)	(33,547)
NET CASH PROVIDED (USED)	<u>(1,606,070)</u>	<u>(2,105,533)</u>	<u>(3,711,603)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Earned	<u>663,860</u>	<u>115,214</u>	<u>779,074</u>
NET CASH PROVIDED	<u>663,860</u>	<u>115,214</u>	<u>779,074</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,053,922	257,991	2,311,913
<u>CASH AND CASH EQUIVALENTS</u>			
Beginning of Year	<u>8,776,414</u>	<u>2,579,520</u>	<u>11,355,934</u>
End of Year	\$ <u>10,830,336</u>	\$ <u>2,837,511</u>	\$ <u>13,667,847</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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

	WATER AND <u>SEWER</u>	ELECTRIC <u>FUND</u>	TOTAL PROPRIETARY <u>FUNDS</u>
<u>RECONCILIATION OF OPERATING</u>			
<u>INCOME TO NET CASH PROVIDED</u>			
<u>(USED) BY OPERATING ACTIVITIES</u>			
Operating Profit	\$ <u>2,143,465</u>	\$ <u>2,261,187</u>	\$ <u>4,404,652</u>
Adjustments to Reconcile			
Operating Income to Net			
Cash Provided (Used) by			
Operating Activities:			
Depreciation and Amortization	883,482	532,678	1,416,160
(Increase) Decrease in Due			
from Other Funds	(46,553)	-	(46,553)
(Increase) Decrease in			
Accounts Receivable	(278,600)	(442,567)	(721,167)
(Increase) Decrease in			
Inventory	-	121,048	121,048
(Increase) Decrease in			
Prepayments and Other			
Current Assets	-	(24,771)	(24,771)
(Increase) Decrease in			
Deferred Charges	-	60,539	60,539
Increase (Decrease) in			
Accounts Payable	29,943	(15,092)	14,851
Increase (Decrease) in			
Consumer Deposits	-	269,570	269,570
Increase (Decrease) in Other			
Accrued Liabilities	274,042	37,286	311,328
Increase (Decrease) in			
Deferred Credits	<u>-</u>	<u>5,818</u>	<u>5,818</u>
TOTAL ADJUSTMENTS	<u>862,314</u>	<u>544,509</u>	<u>1,406,823</u>
NET CASH PROVIDED BY			
OPERATING ACTIVITIES	\$ <u><u>3,005,779</u></u>	\$ <u><u>2,805,696</u></u>	\$ <u><u>5,811,475</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. No component units are reported in the City's financial statements.

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

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

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

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

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

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

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

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

B. Government-wide and fund financial statements

The basic financial statements include both government-wide (based on the City as a whole) and fund types (the total of all funds of a particular type). The focus is on either the City as a whole, or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction. The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales, and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program

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

revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. These funds are normally budgeted in this manner. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile funds based on financial statements with the governmental column of the government-wide presentation. The City's fiduciary funds are presented in the fund financial statements, by type (private purpose or agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The focus of the revised model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information. In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts, recording cash, and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities, or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

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

GOVERNMENTAL FUNDS

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

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

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

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

FIDUCIARY FUNDS

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

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

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

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

PROPRIETARY FUNDS

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

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

C. Fixed Assets and Long-Term Liabilities

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

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

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

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

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

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

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

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

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

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

Buildings	33 1/3-60 years
Other Furniture and equipment	3-10 years
Mobile equipment	3-10 years
Improvements other than buildings	8 years
Utility systems	10-50 years
Streets and other infrastructure	80 years

D. Basis of Accounting

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

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

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

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

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

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

E. Budgets and Budgetary Accounting

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

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

All annual appropriations lapse at fiscal year end.

F. Encumbrance System

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

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

G. Cash and Investments

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

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

Cash

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC), or any successors to such insurance corporations, must be collateralized in an amount equal to 105% of the uninsured amount.

Investments

The City is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds.

Investments are stated at cost of which \$1,151,235 are restricted for debt service reserves.

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

H. Advances To/From Other Funds

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

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

I. Prepaid Expenses

Payments made for services that will benefit periods beyond September 30, 2007, are recorded as prepaid expenses in the Enterprise Fund.

J. Inventory

Inventories of the Enterprise Fund are valued at average cost.

K. Compensated Absences

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

L. Fund Equity

Government-Wide Statements

In accordance with GASB Statement No. 34, equity is classified as net assets and displayed in three components:

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

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

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

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

(b) law through constitutional provisions or enabling legislation.

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

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements. Following are the classifications of reserves used by the City:

Reserved-Restricted for a particular future use.

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

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

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

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

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

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

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

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

M. Comparative Data

Comparative total data for the prior year have been presented in the accompanying combining financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because of their inclusion would make certain statements unduly complex and difficult to understand.

N. Concentration of Credit Risk

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

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

NOTE 2 - CASH, OTHER DEPOSITS, AND INVESTMENTS

Cash and Other Deposits

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

The carrying value of the City's deposits with financial institutions was \$29,777,930, and the bank balance was \$30,272,176.

Custodial Credit Risk-Deposits

Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the municipality will not be able to recover deposits or collateral securities that are in the possession of an outside party. The municipality does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the municipality. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the municipality. As of September 30, 2007, \$-0- of the municipality's bank balance of \$30,272,176 was exposed to custodial credit risk.

Investments

As of September 30, 2007, the City had the following investments. The City has no investment pool.

Investment Type	Maturity	Fair	Maturity
Enterprise Fund:	In Years	Value	Value
Certificate of Deposit	one	\$ 1,151,235	\$ 1,151,235

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

NOTE 3 - GENERAL AND PROPRIETARY FUND CAPITAL ASSETS

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

	BALANCE 10-1-06	ADDITIONS	DELETIONS	BALANCE 9-30-07
<u>Non-depreciable Assets</u>				
Land	\$ 1,635,601	\$ -	\$ -	\$ 1,635,601
Construction in Progress	-	1,330,783	-	1,330,783
Total	1,635,601	1,330,783	-	2,966,384
<u>Depreciable Assets</u>				
Improvements Other				
Than Buildings	1,231,644	-	-	1,231,644
Buildings	12,232,477	-	-	12,232,477
Equipment and Furniture	5,718,429	1,030,252	77,888	6,670,793
Infrastructure	28,068,149	1,025,155	-	29,093,304
Total	47,250,699	2,055,407	77,888	49,228,218
Total Capital Assets	48,886,300	3,386,190	77,888	52,194,602
<u>Accumulated Depreciation</u>				
Improvements Other				
Than Buildings	871,475	32,975	-	904,450
Buildings	1,157,995	214,398	-	1,372,393
Equipment and Furniture	2,294,326	717,138	70,099	2,941,365
Infrastructure	3,183,529	363,663	-	3,547,192
Total	7,507,325	1,328,174	70,099	8,765,400
Governmental Activities				
Capital Assets-				
Net	\$ 41,378,975	\$ 2,058,016	\$ 7,789	\$ 43,429,202

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

Depreciation expense of \$1,328,174 was charged to the governmental activities expense accounts as follows:

General Government	\$ 145,883
Public Safety	307,188
Public Works	613,432
Miscellaneous	15,432
Culture, Recreation and Tourism	<u>246,239</u>
Total	<u>\$ 1,328,174</u>

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

	BALANCE <u>10-1-06</u>	ADDITIONS	DELETIONS	BALANCE <u>9-30-07</u>
<u>Non-depreciable Assets</u>				
Land	\$ 1,027,257	\$ 75,656	\$ -	\$ 1,102,913
Construction in Progress	<u>5,383,694</u>	<u>2,139,412</u>	<u>1,991,675</u>	<u>5,531,431</u>
Total	<u>6,410,951</u>	<u>2,215,068</u>	<u>1,991,675</u>	<u>6,634,344</u>
<u>Depreciable Assets</u>				
Electric Plant	14,692,494	1,174,806	(1,941,405)	17,808,705
Sewer System & Water System	28,301,910	2,159,087	12,353	30,448,644
Equipment and Furniture	<u>3,049,076</u>	<u>284,151</u>	<u>16,992</u>	<u>3,316,235</u>
Total	<u>46,043,480</u>	<u>3,618,044</u>	<u>(1,912,060)</u>	<u>51,573,584</u>
Total Capital Assets	<u>52,454,431</u>	<u>5,833,112</u>	<u>79,615</u>	<u>58,207,928</u>
<u>Accumulated Depreciation</u>				
Electric Plant	4,060,751	439,213	50,270	4,449,694
Sewer System & Water System	11,907,921	785,303	12,353	12,680,871
Equipment and Furniture	<u>1,465,242</u>	<u>189,835</u>	<u>16,992</u>	<u>1,638,085</u>
Total	<u>17,433,914</u>	<u>1,414,351</u>	<u>79,615</u>	<u>18,768,650</u>
<u>Business Activities</u>				
Capital Assets-				
Net	\$ <u>35,020,517</u>	\$ <u>4,418,761</u>	\$ <u>-</u>	\$ <u>39,439,278</u>

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

Depreciation expense of \$1,414,351 was charged to business activities.

NOTE 4 - GENERAL PROPERTY TAXES

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

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

NOTE 5 - LONG-TERM DEBT

BOND INDEBTEDNESS

The following is a summary of bond transactions of the City for the year ended September 30, 2007:

	<u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds Payable at			
October 1, 2006	\$14,215,000	\$12,740,000	\$ 26,955,000
Bonds Issued	9,000,000	2,800,000	11,800,000
Bonds Retired	<u>1,050,000</u>	<u>760,000</u>	<u>1,810,000</u>
Bonds Payable at			
September 30, 2007	<u>\$22,165,000</u>	<u>\$14,780,000</u>	<u>\$ 36,945,000</u>

General obligation bonds include General City Bonds, Special Street Improvements Bonds, and School Bonds.

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

Retirement and payment of the Series 1993 revenue bonds issued is secured by an irrevocable pledge and dedication of a portion of the proceeds, in the amount of \$200,000 annually, of a special sales tax of 2% on the gross receipts of certain establishments. These bonds constitute a borrowing solely upon the credit of such sales tax revenues and does not constitute an indebtedness or pledge of the general credit of the municipality. Management anticipates that collections of the special sales tax levy will produce revenues sufficient to retire the issue in its entirety.

The General Obligation Bonds, Series 1995, 2004, and 2005 were issued for the purpose of street improvement.

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

The combined Water and Sewer revenue bonds were issued in fiscal 1996, 2003, 2004, 2006 and 2007 for the purpose of installing new systems in certain parts of the City.

The Electric System Revenue Bonds, Series 1999, were issued for the purpose of constructing a new warehouse, offices and other improvements for the Electric Department and are callable after November 1, 2007. These bonds do not constitute indebtedness of the City of Oxford within the meaning of any constitutional, statutory or charter limitation of indebtedness. The taxing power of the City is not pledged to the payment thereof, either as to principal or interest.

The General Obligation Bonds, Series 2001, 2002 and 2004, were issued for the purpose of street and bridge improvements.

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

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

FISCAL YEAR ENDED	MATURITIES	
	PRINCIPAL	INTEREST
2008	\$ 2,275,000	\$ 1,800,908
2009	2,195,000	1,489,061
2010	2,295,000	1,386,853
2011	2,150,000	1,286,477
2012	2,105,000	1,188,798
2013-2017	10,420,000	4,591,258
2018-2022	9,870,000	2,219,093
2023-2027	5,635,000	606,119
TOTALS	<u>\$36,945,000</u>	<u>\$14,568,567</u>

NOTES AND GRANTS PAYABLE

A summary of long-term notes payable transactions of the City for the year ended September 30, 2007, is as follows:

	<u>TOTALS</u>
Balance at October 1, 2006	\$ 1,759,927
New Notes Issued	1,176,506
Notes Retired	396,679
Balance at September 30, 2007	\$ <u>2,539,754</u>

The Electric Department negotiated a \$1,000,000 loan from the Tennessee Valley Authority. Interest at a variable rate of approximately 2.4% is payable monthly. The principal balance of \$150,000 matures in 2008.

The City of Oxford has received loan proceeds which are not the total amount of the loans. Payment schedules will not be finalized until all of the loans are received.

Certain Urban Renewal Notes, having balances of approximately \$1,861,784 at September 30, 2007, were issued in 1995 for the purpose of renovating a low-rent housing project. The Oxford Housing Authority is managing the property and retires the notes from rental proceeds; consequently, these notes are not reflected as liabilities in the accompanying financial statement nor in the maturities reflected herein.

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

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

FISCAL YEAR ENDED	MATURITIES	
	PRINCIPAL	INTEREST
2008	\$ 354,693	\$ 51,239
2009	213,032	36,465
2010	221,712	27,785
2011	230,744	18,753
2012	343,067	10,383
2013-2017	102,922	1,031
TOTALS	<u>\$ 1,466,170</u>	<u>\$ 145,656</u>

NOTE 6 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other assets of the Electric Fund include \$ 18,143 receivable from customers of a home insulation program sponsored by TVA. This program is an agreement for installation of TVA approved insulation, to be paid for by the Electric Fund and repaid by the customer by monthly additions to their electric bill. TVA makes advances to the Electric Fund as disbursements are made under the program. Repayments are made to TVA as amounts are collected from customers.

NOTE 7 - CONTINGENT LIABILITIES

The City receives financial assistance from certain federal, state and local governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect the overall financial position of the City at September 30, 2007.

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

NOTE 8 - COMMITMENTS

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

NOTE 9 - DEFINED BENEFIT PENSION PLAN

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

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the City of Oxford is required to contribute at an actuarially determined rate. The current rate is 11.3% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Oxford's contributions to PERS for the years ending 2007, 2006, and 2005 were \$1,132,061, \$914,460 and \$1,101,881, respectively, equal to the required contributions for each year.

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

NOTE 10 - OXFORD-LAFAYETTE MEDICAL CENTER

The medical center is jointly owned by the City of Oxford and Lafayette County. Operations of the medical center were transferred to Baptist Memorial Hospital in fiscal year 1989, pursuant to a 30 year lease. The City and County have agreed to extend the lease up to 45 years pending extensive new construction by the Hospital.

NOTE 11 - FLEXIBLE BENEFIT (CAFETERIA) PLAN

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

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

During fiscal 2007, no costs accrued to the employer under the Plan.

NOTE 12 - RISK MANAGEMENT

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

NOTE 13 - ESTIMATES

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

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

NOTE 14 - INTERFUND TRANSACTIONS

TRANSFERS IN/OUT	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Major Funds:		
General Fund	\$ 647,386	\$ -
\$9M G.O. Bond Series 2007	-	4,000,000
2007 OPC Ballpark Project	4,015,881	-
Water and Sewer Fund	-	9,647
Electric Fund	-	557,386
Non-Major Fund	520,119	616,353
TOTALS	<u>\$ 5,183,386</u>	<u>\$ 5,183,386</u>
	<u>DUE TO</u>	<u>DUE FROM</u>
	<u>OTHER FUNDS</u>	<u>OTHER FUNDS</u>
Electric Department	\$ 1,019,952	\$ -
Water and Sewer Department	274,042	769,916
General Fund	-	250,036
Pathway Grant	-	274,042
TOTALS	<u>\$ 1,293,994</u>	<u>\$ 1,293,994</u>

The Electric Department owes the Water and Sewer Department for collected revenue which should be paid within two months and the General Fund for sanitation charges which should also be paid within two months. The Water and Sewer Department owes the Pathway Grant Fund for money deposited into the wrong account. This money should be refunded within six months.

REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
<u>TAXES:</u>				
Ad Valorem Tax	\$ 2,664,721	\$ 2,664,721	\$ 2,733,294	\$ 68,573
Park Comm Tax Levy	339,127	339,127	341,079	1,952
Library Tax Levy	238,500	238,500	240,506	2,006
Over 65 Reimbursement	63,000	63,000	79,798	16,798
In Lieu of Taxes	175,000	175,000	114,149	(60,851)
Penalties and Interest	100,000	100,000	129,551	29,551
Utility Tax	<u>85,000</u>	<u>85,000</u>	<u>69,917</u>	<u>(15,083)</u>
TOTAL TAXES	<u>3,665,348</u>	<u>3,665,348</u>	<u>3,708,294</u>	<u>42,946</u>
 <u>LICENSES AND PERMITS:</u>				
Privilege License	30,000	34,000	38,297	4,297
Franchise Charges	300,000	328,433	584,412	255,979
Building and Zoning	275,000	302,000	400,867	98,867
Plumbing	165,000	189,000	236,675	47,675
Special Event Permits	1,500	1,500	-	(1,500)
Dog Licenses	-	-	2,625	2,625
Taxi Permits	<u>200</u>	<u>200</u>	<u>25</u>	<u>(175)</u>
TOTAL LICENSES AND PERMITS	<u>771,700</u>	<u>855,133</u>	<u>1,262,901</u>	<u>407,768</u>
 <u>INTERGOVERNMENTAL:</u>				
Municipal Aid	20,000	20,000	19,489	(511)
Reimb-Transfer Station	86,000	86,000	50,658	(35,342)
Police Training	5,000	12,000	25,737	13,737
Sales Tax-Rental Car Settlement	15,000	15,000	9,657	(5,343)
Sales Tax-Revenue	5,306,186	5,650,501	5,741,338	90,837
ABC Licenses	80,000	80,000	116,025	36,025
Fire Protection	55,000	55,000	55,632	632
Section 5310 Grant-MDOT	-	-	44,800	44,800
Katrina Grant	-	-	8,345	8,345
Rural Development Grant	-	-	54,699	54,699
County Ad Valorem Tax	200,000	200,000	216,352	16,352
Univ of Miss Fire Protection	264,000	264,000	130,000	(134,000)
Oxford Housing Authority	75,000	75,000	50,000	(25,000)
School Resource Officer Reimb	<u>150,000</u>	<u>150,000</u>	<u>139,668</u>	<u>(10,332)</u>
TOTAL INTERGOVERNMENTAL	<u>6,256,186</u>	<u>6,607,501</u>	<u>6,662,400</u>	<u>54,899</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
<u>GOVERNMENTAL SERVICES:</u>				
Sanitation Charges	\$ 1,800,000	\$ 1,941,573	\$ 2,204,406	\$ 262,833
Waste Disposal	30,000	30,000	14,816	(15,184)
Income from Police Dept Fees	6,000	6,000	5,230	(770)
Income from Swim Pool	14,000	14,000	17,693	3,693
Income from Recycling	65,000	65,000	66,052	1,052
Income from Dumpsters	30,000	30,000	9,714	(20,286)
School Collections	65,000	65,000	65,000	-
TOTAL GOVERNMENTAL SERVICES	<u>2,010,000</u>	<u>2,151,573</u>	<u>2,382,911</u>	<u>231,338</u>
<u>FINES AND FORFEITS:</u>				
Court Fines and Forfeits	500,000	548,000	587,404	39,404
State Fuel Tax	-	-	18,183	18,183
State Fines T&A	5,000	5,000	-	(5,000)
TOTAL FINES AND FORFEITS	<u>505,000</u>	<u>553,000</u>	<u>605,587</u>	<u>52,587</u>
<u>MISCELLANEOUS:</u>				
Miscellaneous	50,000	50,000	109,232	59,232
Sale of Vehicles	-	-	3,717	3,717
RSVP	-	-	22,256	22,256
Reimbursements	-	-	71,430	71,430
Interest Earned	30,000	30,000	166,662	136,662
TOTAL MISCELLANEOUS	<u>80,000</u>	<u>80,000</u>	<u>373,297</u>	<u>293,297</u>
<u>INTERFUND TRANSFERS:</u>				
Transfer-Cemetery T/A	20,000	20,000	20,000	-
Transfer-Water/Sewer-General	300,000	300,000	-	(300,000)
Transfer-Reimb Electric	40,000	40,000	16,933	(23,067)
Transfers-2%	70,000	70,000	70,000	-
Tax Equivalent-E/D	540,000	540,000	540,453	453
Fuel Reimbursements	50,000	50,000	-	(30,000)
Transfer-RSVP	30,000	30,000	-	(50,000)
TOTAL INTERFUND TRANSFERS	<u>1,050,000</u>	<u>1,050,000</u>	<u>647,386</u>	<u>(402,614)</u>
 TOTAL REVENUE	 <u>14,338,234</u>	 <u>14,962,555</u>	 <u>15,642,776</u>	 <u>680,221</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
EXPENDITURES				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
Legislative	\$ 112,204	\$ 112,204	\$ 102,264	\$ 9,940
Judicial	235,002	210,509	178,885	31,624
Executive	80,458	80,458	78,875	1,583
Elections	3,000	3,000	-	3,000
Financial Administration	262,692	264,192	252,454	11,738
Human Resources	115,864	115,864	110,787	5,077
Law	155,961	185,961	186,662	(701)
Dept. of Planning	138,640	153,940	147,647	6,293
Building and Code Enforcement	249,344	249,344	235,175	14,169
Buildings and Grounds	355,673	355,673	369,478	(13,805)
General Government	1,833,318	1,829,863	1,739,541	90,322
Community Promotions	42,000	42,000	38,850	3,150
Police Department	3,350,211	3,362,211	3,068,192	294,019
Fire Department	2,596,649	2,596,649	2,481,687	114,962
Emergency Mgmt	85,594	85,594	35,454	50,140
Highway and Street	1,672,799	1,671,833	1,407,341	264,492
Sanitation Administration	73,923	75,423	74,753	670
Street Cleaning	72,129	72,129	67,683	4,446
Waste Collection	1,270,789	1,275,789	1,069,890	205,899
Waste Disposal	553,974	553,974	570,960	(16,986)
Weed and Grass Control	137,698	137,698	126,132	11,566
Cemetery Fund	153,595	117,595	106,278	11,317
Rape Crisis	3,600	3,600	3,600	-
Youth Vision	3,600	3,600	3,600	-
Parks and Recreation	789,454	789,454	781,939	7,515
Swimming Pool	67,451	67,451	65,304	2,147
RSVP	86,275	104,940	150,650	(45,710)
Library	238,500	238,500	237,125	1,375
City Garage	1,049,505	1,049,505	958,360	91,145
Airport	15,000	15,000	15,000	-
Humane Society	132,100	132,100	102,100	30,000
Recycling	<u>137,442</u>	<u>137,742</u>	<u>141,032</u>	<u>(3,290)</u>
TOTAL EXPENDITURES	<u>16,074,444</u>	<u>16,093,795</u>	<u>14,907,698</u>	<u>1,186,097</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES \$	(1,736,210)	\$(1,131,240)	\$ 735,078	\$ 1,866,318
FUND BALANCE - BEGINNING	<u>3,140,119</u>	<u>3,140,119</u>	<u>3,140,119</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>1,403,909</u>	\$ <u>2,008,879</u>	\$ <u>3,875,197</u>	\$ <u>1,866,318</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL FUND TYPE
\$9M GO BOND SERIES
Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Interest Income	\$ -	\$ -	\$ 178,290	\$ 178,290
Miscellaneous	-	-	25,000	25,000
Bond and Note Proceeds	-	-	9,000,000	9,000,000
TOTAL REVENUE	-	-	9,203,290	9,203,290
EXPENDITURES				
Capital Outlay	-	-	64,770	(64,770)
Bond Issue Costs	-	-	110,285	(110,285)
Operating Transfers Out	-	-	4,000,000	(4,000,000)
TOTAL EXPENDITURES	-	-	4,175,055	(4,175,055)
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	5,028,235	5,028,235
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 5,028,235	\$ 5,028,235

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL LOAN FIRE STATION
Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Bond and Note Proceeds	\$ -	\$ -	\$ 105,598	\$ 105,598
TOTAL REVENUE	-	-	105,598	105,598
EXPENDITURES				
Capital Outlay	-	-	105,598	(105,598)
TOTAL EXPENDITURES	-	-	105,598	(105,598)
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2007 OPC BALLFIELD PROJECT
Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET -</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Interest Income	\$ -	\$ -	\$ 141,738	\$ 141,738
Sale of Assets	-	-	1,350,210	1,350,210
Operating Transfers In	-	-	4,015,881	4,015,881
TOTAL REVENUE	-	-	5,507,829	5,507,829
EXPENDITURES				
Capital Outlay	-	-	196,063	(196,063)
TOTAL EXPENDITURES	-	-	196,063	(196,063)
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	5,311,766	5,311,766
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 5,311,766	\$ 5,311,766

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
 SCHEUDLE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GOVERNMENTAL FUND TYPE
 BUSINESS INCUBATOR
 Year Ended September 30, 2007

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Federal Awards	\$ -	\$ -	\$ 29,561	\$ 29,561
TOTAL REVENUE	-	-	29,561	29,561
EXPENDITURES				
Capital Outlay	-	-	29,561	(29,561)
TOTAL EXPENDITURES	-	-	29,561	(29,561)
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Year ended September 30, 2007

BUDGETARY COMPARISON SCHEDULE

- 1) Basis of Presentation. The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis and variances between the final budget and the actual data.
- 2) The budget is adopted by the Board of Alderman. Amendments can be made of the approval of the Board. A budgetary comparison is presented for the major governmental funds consistent with accounting principles generally accepted in the United States of America.
- 3) Section 21-35-15, Mississippi Code (Ann. 1972) explains that expenditures shall be kept within the budget "except for capital outlay." Because Capital Projects funds do not have legally binding budgets, two of the major governmental funds budgetary comparisons are not presented.

SUPPLEMENTARY INFORMATION

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)
September 30, 2007

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	SPECIAL ASSESSMENT FUNDS	TOTALS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 229,662	\$ 104,907	\$ 1,514,064	\$ 720,236	\$ -	\$ 2,568,869
Due from Other Governments	-	-	41,178	-	-	41,178
Due from Water Department	274,042	-	-	-	-	274,042
TOTAL ASSETS	\$ <u>503,704</u>	\$ <u>104,907</u>	\$ <u>1,555,242</u>	\$ <u>720,236</u>	\$ <u>-</u>	\$ <u>2,884,089</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities:</u>						
Accounts Payable	\$ -	\$ -	\$ 10,581	\$ 2,625	\$ -	\$ 13,206
Bank Overdraft	-	2,408	36,227	-	-	38,635
Due to Lienholder	-	59,295	-	-	-	59,295
TOTAL LIABILITIES	-	61,703	46,808	2,625	-	111,136
<u>Fund Balances:</u>						
Reserved For:						
Unemployment	-	-	52,171	-	-	52,171
Cemetery	-	26,897	-	-	-	26,897
Fire Protection	-	13,333	-	-	-	13,333
Tourism	-	-	1,073,610	-	-	1,073,610
Other	-	2,974	382,653	-	-	385,627
Debt Service	-	-	-	717,611	-	717,611
Capital Projects	503,704	-	-	-	-	503,704
TOTAL FUND BALANCES	503,704	43,204	1,508,434	717,611	-	2,772,953
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u>503,704</u>	 \$ <u>104,907</u>	 \$ <u>1,555,242</u>	 \$ <u>720,236</u>	 \$ <u>-</u>	 \$ <u>2,884,089</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)
 September 30, 2007

	CAPITAL PROJECTS	FIDUCIARY	SPECIAL REVENUE	DEBT SERVICE	SPECIAL ASSESSMENT	TOTALS
<u>REVENUES</u>	<u>FUNDS</u>	<u>FUNDS</u>	<u>FUNDS</u>	<u>FUNDS</u>	<u>FUNDS</u>	
Ad Valorem	\$ -	\$ -	\$ -	\$ 1,497,513	\$ -	\$ 1,497,513
Other Taxes	-	-	1,272,098	-	-	1,272,098
Interest Income	409	-	186,525	23,819	-	210,753
Federal & State Awards	989,552	-	136,781	-	-	1,126,333
Sale of Cemetery Lots	-	25,447	-	-	-	25,447
Sale of Assets	-	-	14,216	-	-	14,216
Local Matching Funds	-	-	1,447	-	-	1,447
Fines and Seizures	-	460	182,984	-	-	183,444
Rental Fees	-	-	32,743	-	-	32,743
Miscellaneous	<u>1,446</u>	<u>-</u>	<u>50,883</u>	<u>-</u>	<u>-</u>	<u>52,329</u>
 TOTAL REVENUES	 <u>991,407</u>	 <u>25,907</u>	 <u>1,877,677</u>	 <u>1,521,332</u>	 <u>-</u>	 <u>4,416,323</u>
 <u>EXPENDITURES</u>						
Capital Projects	1,448,183	-	180,563	-	-	1,628,746
Drug and Traffic Enforcement	-	-	249,225	-	-	249,225
Community Promotions	-	-	44,505	-	-	44,505
Miscellaneous	169,980	4,583	142,743	-	-	317,306
Bond Maturities	-	-	205,000	1,020,000	-	1,225,000
Interest Paid and Agent Fees	-	-	195,205	425,788	-	620,993
Tourism Promotion	<u>-</u>	<u>-</u>	<u>779,171</u>	<u>-</u>	<u>-</u>	<u>779,171</u>
 TOTAL EXPENDITURES	 <u>1,618,163</u>	 <u>4,583</u>	 <u>1,796,412</u>	 <u>1,445,788</u>	 <u>-</u>	 <u>4,864,946</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>(626,756)</u>	 <u>21,324</u>	 <u>81,265</u>	 <u>75,544</u>	 <u>-</u>	 <u>(448,623)</u>

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

<u>OTHER FINANCING SOURCES (USES)</u>	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	SPECIAL ASSESSMENT FUNDS	<u>TOTALS</u>
Operating Transfers In	\$ 412,000	\$ -	\$ 62,679	\$ 39,096	\$ 6,344	\$ 520,119
Operating Transfers Out	<u>(413,815)</u>	<u>(34,066)</u>	<u>(123,032)</u>	<u>(39,846)</u>	<u>(5,594)</u>	<u>(616,353)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(1,815)</u>	 <u>(34,066)</u>	 <u>(60,353)</u>	 <u>(750)</u>	 <u>750</u>	 <u>(96,234)</u>
 NET CHANGE IN FUND BALANCE	 (628,571)	 (12,742)	 20,912	 74,794	 750	 (544,857)
 <u>FUND EQUITY</u>						
Beginning of Year	<u>1,132,275</u>	<u>55,946</u>	<u>1,487,522</u>	<u>642,817</u>	<u>(750)</u>	<u>3,317,810</u>
End of Year	\$ <u><u>503,704</u></u>	\$ <u><u>43,204</u></u>	\$ <u><u>1,508,434</u></u>	\$ <u><u>717,611</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,772,953</u></u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2007

	JACKSON AVENUE PROJECT	PATHWAY GRANT	\$1,300,000 BOND FUND	UNIVERSITY- ITS PROJECT	\$1,500,000 G.O. BONDS	2004 G.O. BONDS	POWERHOUSE PROJECT	TOTALS ASSETS
<u>ASSETS</u>								
Cash and Cash								
Equivalents	\$ 110,801	\$ 87,001	\$ -	\$ -	\$ 31,860	\$ -	\$ -	\$ 229,662
Due from Water								
Department	-	274,042	-	-	-	-	-	274,042
TOTAL ASSETS	\$ <u>110,801</u>	\$ <u>361,043</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>31,860</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>503,704</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL								
LIABILITIES	-	-	-	-	-	-	-	-
Fund Balances:								
Reserved for								
Capital Projects	110,801	361,043	-	-	31,860	-	-	503,704
TOTAL LIABILITIES								
AND FUND								
BALANCES	\$ <u>110,801</u>	\$ <u>361,043</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>31,860</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>503,704</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 September 30, 2007

	JACKSON AVENUE PROJECT	PATHWAY GRANT	\$1,300,000 BOND FUND	UNIVERSITY- ITS PROJECT	\$1,500,000 G.O. BONDS	2004 G.O. BONDS	POWERHOUSE PROJECT	TOTALS ASSETS
<u>REVENUES</u>								
Interest Income	\$ -	\$ -	\$ 409	\$ -	\$ -	\$ -	\$ -	\$ 409
Federal & State Awards	-	694,424	-	295,128	-	-	-	989,552
Miscellaneous	-	1,446	-	-	-	-	-	1,446
TOTAL REVENUES	-	695,870	409	295,128	-	-	-	991,407
<u>EXPENDITURES</u>								
Capital Projects	-	746,827	-	316,998	384,358	-	-	1,448,183
Miscellaneous	-	-	-	160,688	-	29	9,263	169,980
TOTAL EXPENDITURES	-	746,827	-	477,686	384,358	29	9,263	1,618,163
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(50,957)	409	(182,558)	(384,358)	(29)	(9,263)	(626,756)
<u>OTHER FINANCING SOURCES (USES)</u>								
Transfers In	-	412,000	-	-	-	-	-	412,000
Transfers Out	168,700	-	1,815	-	-	(243,300)	-	(413,815)
TOTAL OTHER FINANCING SOURCES (USES)	(168,700)	412,000	(1,815)	-	-	(243,300)	-	(1,815)
NET CHANGE IN FUND BALANCES	(168,700)	361,043	(1,406)	(182,558)	(384,358)	(243,329)	(9,263)	(628,571)
<u>FUND EQUITY</u>								
Beginning of Year	279,501	-	1,406	182,558	416,218	243,329	9,263	1,132,275
End of Year	\$ 110,801	\$ 361,043	\$ -	\$ -	\$ 31,860	\$ -	\$ -	\$ 503,704

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
September 30, 2007

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ 26,897	\$ 78,010	\$ 104,907
TOTAL ASSETS	\$ 26,897	\$ 78,010	\$ 104,907
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Due to Lienholders	\$ -	\$ 59,295	\$ 59,295
Bank Overdraft	-	2,408	2,408
TOTAL LIABILITIES	-	61,703	61,703
Fund Equity:			
Cemetery Maintenance	26,897	-	26,897
Fire Protection	-	13,333	13,333
Youth Court	-	5,382	5,382
Other	-	(2,408)	(2,408)
TOTAL FUND EQUITY	26,897	16,307	43,204
TOTAL LIABILITIES AND FUND EQUITY	\$ 26,897	\$ 78,010	\$ 104,907

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND EQUITY
 FIDUCIARY FUNDS
 Year Ended September 30, 2007

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTAL
<u>REVENUES</u>			
Fines	\$ -	\$ 460	\$ 460
Sale of Cemetery Lots	<u>25,447</u>	<u>-</u>	<u>25,447</u>
TOTAL REVENUES	\$ <u>25,447</u>	\$ <u>460</u>	\$ <u>25,907</u>
<u>EXPENDITURES</u>			
Miscellaneous Expenses	<u>2,175</u>	<u>2,408</u>	<u>4,583</u>
TOTAL EXPENDITURES	<u>2,175</u>	<u>2,408</u>	<u>4,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>23,272</u>	<u>(1,948)</u>	<u>21,324</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers Out	<u>20,000</u>	<u>14,066</u>	<u>34,066</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,000)</u>	<u>(14,066)</u>	<u>(34,066)</u>
NET CHANGE IN FUND BALANCE	3,272	(16,014)	(12,742)
FUND EQUITY			
Beginning of Year	<u>23,625</u>	<u>32,321</u>	<u>55,946</u>
End of Year	\$ <u>26,897</u>	\$ <u>16,307</u>	\$ <u>43,204</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
September 30, 2007

	CEMETERY TRUST FUND
<u>ASSETS</u>	
Cash	\$ <u>26,897</u>
TOTAL ASSETS	\$ <u>26,897</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Fund Balance:	
Reserved for Cemetery Maintenance	\$ <u>26,897</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>26,897</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND EQUITY
 EXPENDABLE TRUST FUNDS
 Year Ended September 30, 2007

	CEMETERY TRUST <u>FUND</u>
<u>REVENUES</u>	
Sales of Cemetery Lots	\$ <u>25,447</u>
 TOTAL REVENUES	 <u>25,447</u>
 <u>EXPENDITURES</u>	 <u>2,175</u>
TOTAL EXPENDITURES	<u>2,175</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>23,272</u>
 <u>OTHER FINANCING SOURCES (USES)</u>	
Operating Transfers Out	<u>20,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	3,272
 <u>FUND EQUITY</u>	
Beginning of Year	<u>23,625</u>
End of Year	\$ <u>26,897</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
AGENCY FUNDS
September 30, 2007

	YOUTH COURT	FIRE PROTECTION	BAND SHELTER	LIENHOLDER TAX COLECTED	CITY BONDS CLEARING	OTHER FINES AND FEES CLEARING	TOTAL
<u>ASSETS</u>							
Cash	\$ 5,382	\$ 13,333	\$ -	\$ 59,295	\$ -	\$ -	\$ 78,010
TOTAL ASSETS	\$ 5,382	\$ 13,333	\$ -	\$ 59,295	\$ -	\$ -	\$ 78,010
<u>LIABILITIES AND FUND EQUITY</u>							
Liabilities:							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ 1,156	\$ 1,252	\$ 2,408
Due to Lienholders	-	-	-	59,295	-	-	59,295
TOTAL LIABILITIES	-	-	-	59,295	1,156	1,252	61,703
Fund Equity:							
Reserved for:							
Fire Protection	-	13,333	-	-	-	-	13,333
Others	5,382	-	-	-	(1,156)	(1,252)	2,974
TOTAL FUND EQUITY	5,382	13,333	-	-	(1,156)	(1,252)	16,307
TOTAL LIABILITIES AND FUND EQUITY	\$ 5,382	\$ 13,333	\$ -	\$ 59,295	\$ -	\$ -	\$ 78,010

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND EQUITY
 AGENCY FUNDS
 September 30, 2007

	YOUTH COURT	FIRE PROTECTION	BAND SHELTER	LIENHOLDER TAX COLECTED	CITY BONDS CLEARING	OTHER FINES AND FEES CLEARING	TOTAL
<u>REVENUES</u>							
Fines	\$ 460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460
TOTAL REVENUES	460	-	-	-	-	-	460
<u>EXPENDITURES</u>	-	-	-	-	1,156	1,252	2,408
TOTAL EXPENDITURES	-	-	-	-	1,156	1,252	2,408
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	460	-	-	-	(1,156)	(1,252)	(1,948)
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating Transfers Out	-	-	(14,066)	-	-	-	(14,066)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(14,066)	-	-	-	(14,066)
NET CHANGE IN FUND EQUITY	460	-	(14,066)	-	(1,156)	(1,252)	(16,014)
<u>FUND EQUITY</u>							
Beginning of Year	4,922	13,333	14,066	-	-	-	32,321
End of Year	\$ 5,382	\$ 13,333	\$ -	\$ -	\$ (1,156)	\$ (1,252)	\$ 16,307

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
September 30, 2007

	2% TAX FUND	FEDERAL ASSISTANCE DRUG AND TRAFFIC ENFORCEMENT	DARE PROJECT	LAW ENFORCEMENT	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 1,074,268	\$ 125,902	\$ 21,284	\$ -	\$ 52,171	\$ 240,439	\$ 1,514,064
Due from Other Governments	-	-	-	-	-	41,178	41,178
 TOTAL ASSETS	 \$ 1,074,268	 \$ 125,902	 \$ 21,284	 \$ -	 \$ 52,171	 \$ 281,617	 \$ 1,555,242
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,227	\$ 36,227
Accounts Payable	658	568	14	-	-	9,341	10,581
TOTAL LIABILITIES	658	568	14	-	-	45,568	46,808
Fund Balance:							
Reserved for:							
Unemployment	-	-	-	-	52,171	-	52,171
Other	1,073,610	125,334	21,270	-	-	236,049	1,456,263
TOTAL FUND BALANCES	1,073,610	125,334	21,270	-	52,171	236,049	1,508,434
 TOTAL LIABILITIES AND FUND EQUITY	 \$ 1,074,268	 \$ 125,902	 \$ 21,284	 \$ -	 \$ 52,171	 \$ 281,617	 \$ 1,555,242

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND EQUITY
 SPECIAL REVENUE FUNDS
 Year Ended September 30, 2007

	FEDERAL ASSISTANCE						
	2% TAX	DRUG AND	DARE	LAW	UNEMPLOYMENT		
	FUND	TRAFFIC	PROJECT	ENFORCEMENT	COMPENSATION	OTHER	TOTAL
<u>REVENUES</u>							
Tourism Tax	\$ 1,272,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,272,098
Federal & State Awards	-	86,758	-	-	-	50,023	136,781
Local Matching Funds	-	-	-	-	-	1,447	1,447
Interest on Investments	69,665	10,100	-	-	-	106,760	186,525
Fines and Seizures	-	108,159	38,042	-	-	36,783	182,984
Miscellaneous	6,789	18,395	-	-	-	72,658	97,842
TOTAL REVENUES	<u>1,348,552</u>	<u>223,412</u>	<u>38,042</u>	<u>-</u>	<u>-</u>	<u>267,671</u>	<u>1,877,677</u>
<u>EXPENDITURES</u>							
Capital Outlay	-	6,024	7,176	-	-	167,363	180,563
Tourism Promotion	823,676	-	-	-	-	-	823,676
Drug and Traffic Enforcement	-	249,225	-	-	-	-	249,225
Bond Maturities	205,000	-	-	-	-	-	205,000
Interest Paid and Agent Fees	195,205	-	-	-	-	-	195,205
Miscellaneous	13,318	48,360	19,636	-	-	61,429	142,743
TOTAL EXPENDITURES	<u>1,237,199</u>	<u>303,609</u>	<u>26,812</u>	<u>-</u>	<u>-</u>	<u>228,792</u>	<u>1,796,412</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>111,353</u>	<u>(80,197)</u>	<u>11,230</u>	<u>-</u>	<u>-</u>	<u>38,879</u>	<u>81,265</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating Transfers In	-	17,784	-	-	-	44,895	62,679
Operating Transfers Out	(70,000)	-	-	(35,247)	-	(17,785)	(123,032)
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>(70,000)</u>	<u>17,784</u>	<u>-</u>	<u>(35,247)</u>	<u>-</u>	<u>27,110</u>	<u>(60,353)</u>
NET CHANGE IN FUND BALANCE	41,353	(62,413)	11,230	(35,247)	-	65,989	20,912
<u>FUND EQUITY</u>							
Beginning of Year	1,032,257	187,747	10,040	35,247	52,171	170,060	1,487,522
End of Year	\$ <u>1,073,610</u>	\$ <u>125,334</u>	\$ <u>21,270</u>	\$ <u>-</u>	\$ <u>52,171</u>	\$ <u>236,049</u>	\$ <u>1,508,434</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
September 30, 2007

	2005 G.O.	2002 G.O.	2004 G.O.	1984 P.S.C.	1993 REFUNDING	1995 G.O.	2001 G.O.	TOTAL
<u>ASSETS</u>								
Cash	\$ 3,889	\$ 60,440	\$ 72,953	\$ -	\$ 308,543	\$ 133,378	\$ 141,033	\$ 720,236
TOTAL ASSETS	\$ 3,889	\$ 60,440	\$ 72,953	\$ -	\$ 308,543	\$ 133,378	\$ 141,033	\$ 720,236
<u>LIABILITIES AND FUND EQUITY</u>								
Liability-Accounts Payable	\$ -	\$ -	\$ 2,625	\$ -	\$ -	\$ -	\$ -	\$ 2,625
Fund Equity-Restricted	3,889	60,440	70,328	-	308,543	133,378	141,033	717,611
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,889	\$ 60,440	\$ 72,953	\$ -	\$ 308,543	\$ 133,378	\$ 141,033	\$ 720,236

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND EQUITY
 DEBT SERVICE FUNDS
 Year Ended September 30, 2007

	2005	2002	2004	1984	1993	1995	2001	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>P.S.C.</u>	<u>REFUNDING</u>	<u>G.O.</u>	<u>G.O.</u>	<u>TOTAL</u>
<u>REVENUES</u>								
Ad Valorem and Other Taxes	\$ 177,995	\$ 151,523	\$ 268,748	\$ -	\$ 286,239	\$ 250,973	\$ 362,035	\$ 1,497,513
Investment Income	<u>1,063</u>	<u>3,943</u>	<u>4,515</u>	<u>-</u>	<u>-</u>	<u>9,041</u>	<u>5,257</u>	<u>23,819</u>
TOTAL REVENUES	<u>179,058</u>	<u>155,466</u>	<u>273,263</u>	<u>-</u>	<u>286,239</u>	<u>260,014</u>	<u>367,292</u>	<u>1,521,332</u>
<u>EXPENDITURES</u>								
Bond Principal Maturities	130,000	125,000	195,000		175,000	210,000	185,000	1,020,000
Interest Paid	48,988	30,516	81,557	-	17,491	48,860	188,644	416,056
Agent Fees	<u>938</u>	<u>853</u>	<u>5,257</u>	<u>-</u>	<u>-</u>	<u>744</u>	<u>1,940</u>	<u>9,732</u>
TOTAL EXPENDITURES	<u>179,926</u>	<u>156,369</u>	<u>281,814</u>	<u>-</u>	<u>192,491</u>	<u>259,604</u>	<u>375,584</u>	<u>1,445,788</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(868)</u>	<u>(903)</u>	<u>(8,551)</u>	<u>-</u>	<u>93,748</u>	<u>410</u>	<u>(8,292)</u>	<u>75,544</u>
<u>OTHER FINANCING SOURCES (USES)</u>								
Operating Transfers In	7,820	7,819	7,819	-	-	7,819	7,819	39,096
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,846</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>7,820</u>	<u>7,819</u>	<u>7,819</u>	<u>(39,846)</u>	<u>-</u>	<u>7,819</u>	<u>7,819</u>	<u>(750)</u>
NET CHANGE IN FUND BALANCE	6,952	6,916	(732)	(39,846)	93,748	8,229	(473)	74,794
<u>FUND EQUITY</u>								
Beginning of Year	<u>(3,063)</u>	<u>53,524</u>	<u>71,060</u>	<u>39,846</u>	<u>214,795</u>	<u>125,149</u>	<u>141,506</u>	<u>642,817</u>
End of Year	\$ <u><u>3,889</u></u>	\$ <u><u>60,440</u></u>	\$ <u><u>70,328</u></u>	\$ <u><u>-</u></u>	\$ <u><u>308,543</u></u>	\$ <u><u>133,378</u></u>	\$ <u><u>141,033</u></u>	\$ <u><u>717,611</u></u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
SPECIAL ASSESSMENT FUNDS
September 30, 2007

	WEST OXFORD LOOP	1989 SPECIAL STREET	TOTAL SPECIAL ASSESSMENT FUNDS
<u>ASSETS</u>			
Cash	\$ -	\$ -	\$ -
Special Assessment Receivable	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Bank Overdraft	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-
TOTAL LIABILITIES	-	-	-
Fund Balances:			
Reserved for Debt Service	-	-	-
TOTAL FUND BALANCES	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND EQUITY
 SPECIAL ASSESSMENT FUNDS
 Year Ended September 30, 2007

	WEST OXFORD LOOP	1989 SPECIAL STREET	TOTAL
<u>REVENUES</u>			
Special Improvement Collections	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
<u>EXPENDITURES</u>			
Note Principal Maturities	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	6,344	-	6,344
Operating Transfers Out	-	5,594	5,594
TOTAL OTHER FINANCING SOURCES (USES)	6,344	(5,594)	750
NET CHANGE IN FUND EQUITY	6,344	(5,594)	750
<u>FUND EQUITY</u>			
Beginning of Year (Deficit)	(6,344)	5,594	(750)
End of Year (Deficit)	\$ -	\$ -	\$ -

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF NET ASSETS
PROPRIETARY FUND-WATER AND SEWER
September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$10,830,336	\$ 8,776,414
Debt Service Sinking Funds	547,165	545,734
Other Receivables	83,911	83,911
Due from State	278,600	
Utility Plant	34,086,798	29,592,819
Accumulated Depreciation	(13,071,018)	(12,199,888)
Inventory	15,000	15,000
Due from Other Funds	769,916	723,363
Deferred Debits	<u>197,501</u>	<u>155,192</u>
 TOTAL ASSETS	 <u>33,738,209</u>	 <u>27,692,545</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Vouchers Payable	29,943	-
Bonds Payable	10,035,000	7,580,000
Notes Payable	2,284,156	1,409,927
Due to Other Funds	<u>274,042</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>12,623,141</u>	 <u>8,989,927</u>
 <u>NET ASSETS</u>		
Investment in Fixed Assets, Net of Related Debt	8,696,624	8,403,004
Reserved for Debt Service	547,165	545,734
Fund Equity-Unrestricted	<u>11,871,279</u>	<u>9,753,880</u>
 TOTAL NET ASSETS	 <u>\$21,115,068</u>	 <u>\$18,702,618</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF NET ASSETS
PROPRIETARY FUND-ELECTRIC
September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,837,511	\$ 2,579,520
Debt Service Sinking Funds	604,070	593,328
Consumer Receivables	3,084,991	2,642,424
Utility Plant	24,121,131	22,861,612
Accumulated Depreciation	(5,697,633)	(5,234,026)
Inventory	537,456	658,504
Prepayments	75,999	51,228
Deferred Debits	420,443	491,217
	<u>25,983,968</u>	<u>24,643,807</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Vouchers Payable	3,292,715	3,607,702
Due to Other Funds	1,019,952	723,363
Bonds Payable	4,560,000	4,800,000
Notes Payable	150,000	350,000
Customer Deposits	1,879,482	1,609,913
Other	213,889	176,604
Deferred Credits	29,507	23,688
	<u>11,145,545</u>	<u>11,291,270</u>
 <u>NET ASSETS</u>		
Investment in Fixed Assets,		
Net of Related Debt	13,713,498	12,477,586
Reserved for Debt Service	604,070	593,328
Fund Equity-Unrestricted	520,855	281,623
	<u>\$14,838,423</u>	<u>\$13,352,537</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND-WATER AND SEWER
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>REVENUES</u>		
Charges for Services	\$ 6,683,920	\$ 7,652,381
Other	197,294	-
TOTAL REVENUES	<u>6,881,214</u>	<u>7,652,381</u>
<u>EXPENDITURES</u>		
Administration, General and Sales	821,592	944,901
Financial and Customer Account	449,497	396,548
Transmission and Distribution	731,329	813,846
Treatment and Purification	715,669	686,791
Source of Supply	730,634	538,561
Water-Waste Collection	405,546	340,198
Depreciation and Amortization	883,482	850,864
TOTAL EXPENDITURES	<u>4,737,749</u>	<u>4,571,709</u>
OPERATING INCOME	<u>2,143,465</u>	<u>3,080,672</u>
<u>OTHER INCOME</u>		
Interest	663,860	40,401
Sale of Assets	2,576	-
TOTAL OTHER INCOME	<u>666,436</u>	<u>40,401</u>
NET INCOME BEFORE DEBT SERVICE	<u>2,809,901</u>	<u>3,121,073</u>
<u>DEBT SERVICE</u>	<u>387,804</u>	<u>142,690</u>
NET INCOME BEFORE OTHER FINANCING SOURCES (USES)	<u>2,422,097</u>	<u>2,978,383</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers Out	<u>(9,647)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,647)</u>	<u>-</u>
NET CHANGE IN NET ASSETS	<u>2,412,450</u>	<u>2,978,383</u>
<u>NET ASSETS</u>		
Beginning of Year	18,702,618	15,724,235
End of Year	\$ <u>21,115,068</u>	\$ <u>18,702,618</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND-ELECTRIC
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>REVENUES</u>		
Electric Sales	\$ 18,286,134	\$ 16,762,719
Revenue from Late Payments	82,367	65,783
Miscellaneous Service Revenue	186,694	162,341
Rent from Electric Property	80,917	79,672
Other	<u>60</u>	<u>25,060</u>
 TOTAL OPERATING REVENUE	 <u>18,636,172</u>	 <u>17,095,575</u>
 <u>PURCHASED POWER</u>	 <u>14,485,213</u>	 <u>13,244,389</u>
 <u>OPERATING EXPENSE</u>		
Distribution Expense	281,716	277,301
Customer Accounts Expense	278,044	260,892
Customer Service and Information	30,831	27,063
Sales Expense	21,604	49,681
Administration and General Expense	<u>466,112</u>	<u>405,707</u>
 TOTAL OPERATING EXPENSE	 <u>1,078,307</u>	 <u>1,020,644</u>
 <u>MAINTENANCE EXPENSE</u>		
Distribution Expense	324,947	311,729
Administration and General Expense	<u>5,374</u>	<u>7,293</u>
 TOTAL MAINTENANCE EXPENSE	 <u>330,321</u>	 <u>319,022</u>
 <u>OTHER OPERATING EXPENSE</u>		
Depreciation	442,612	404,850
Taxes and Tax Equivalents	<u>38,532</u>	<u>32,045</u>
 TOTAL OTHER OPERATING EXPENSE	 <u>481,144</u>	 <u>436,895</u>
 TOTAL PURCHASED POWER AND OPERATING EXPENSE	 <u>16,374,985</u>	 <u>15,020,950</u>
 OPERATING INCOME	 2,261,187	 2,074,625
 <u>OTHER INCOME</u>	 <u>115,214</u>	 <u>85,582</u>
 NET INCOME BEFORE OTHER DEDUCTIONS	 \$ <u>2,376,401</u>	 \$ <u>2,160,207</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND-ELECTRIC
- Continued -

	<u>2007</u>	<u>2006</u>
<u>OTHER DEDUCTIONS</u>	\$ <u>33,547</u>	\$ <u>28,004</u>
NET INCOME BEFORE DEBT EXPENSE	<u>2,342,854</u>	<u>2,132,203</u>
<u>DEBT EXPENSE</u>		
Interest on Long-Term Debt	252,286	265,756
Other Interest Expense	39,975	34,706
Amortization	<u>7,321</u>	<u>7,321</u>
TOTAL DEBT EXPENSE	<u>299,582</u>	<u>307,783</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers Out	<u>557,386</u>	<u>558,925</u>
NET INCOME	1,485,886	1,265,495
Reinvested Earnings-Beginning of Year	<u>13,352,537</u>	<u>12,087,042</u>
Reinvested Earnings-End of Year	\$ <u>14,838,423</u>	\$ <u>13,352,537</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND-WATER AND SEWER
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 6,879,783	\$ 7,512,499
Paid for Operating Expenses	<u>3,874,004</u>	<u>(3,720,845)</u>
NET CASH PROVIDED	<u>3,005,779</u>	<u>3,791,654</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	<u>(9,647)</u>	<u>-</u>
NET CASH USED	<u>(9,647)</u>	<u>-</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(387,804)	(120,528)
Principal Paid on Notes	(196,680)	(188,980)
Notes Issued	1,070,909	-
Principal Paid on Bonds	(345,000)	(230,000)
Bonds Issued	2,800,000	3,400,000
Purchase of Capital Assets	(4,493,979)	(2,777,211)
Payment of Bond Costs	(54,661)	(63,994)
Increase in Debt Service Sinking Funds	(1,431)	(1,128)
Sale of Assets	<u>2,576</u>	<u>-</u>
NET CASH PROVIDED (USED)	<u>(1,606,070)</u>	<u>18,159</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>663,860</u>	<u>40,401</u>
NET CASH PROVIDED	<u>663,860</u>	<u>40,401</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	2,053,922	3,850,214
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>8,776,414</u>	<u>4,926,200</u>
End of Year	\$ <u>10,830,336</u>	\$ <u>8,776,414</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND-WATER AND SEWER
- Continued -

	<u>2007</u>	<u>2006</u>
<u>RECONCILIATION OF OPERATING INCOME TO</u>		
<u>NET CASH PROVIDED (USED) BY OPERATING</u>		
<u>ACTIVITIES</u>		
Operating Profit	\$ <u>2,143,465</u>	\$ <u>3,080,672</u>
Adjustments to Reconcile Operating		
Income to Net Cash Provided (Used)		
by Operating Activities:		
Depreciation and Amortization	883,482	850,864
(Increase) Decrease in Due from State	(278,600)	-
(Increase) Decrease in Due from Other Funds	(46,553)	(139,882)
Increase (Decrease) in Vouchers Payable	29,943	-
Increase (Decrease) in Due to Other Funds	<u>274,042</u>	<u>-</u>
TOTAL ADJUSTMENTS	<u>862,314</u>	<u>710,982</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>3,005,779</u></u>	\$ <u><u>3,791,654</u></u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND-ELECTRIC
Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 18,193,605	\$ 16,790,498
Purchase of Power	(14,500,305)	(12,508,679)
Paid for Operating Expenses	<u>(887,604)</u>	<u>(1,120,547)</u>
NET CASH PROVIDED	<u>2,805,696</u>	<u>3,161,272</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	<u>(557,386)</u>	<u>(558,925)</u>
NET CASH USED	<u>(557,386)</u>	<u>(558,925)</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(292,261)	(300,462)
Principal Paid on Notes	(200,000)	(200,000)
Principal Paid on Bonds	(240,000)	(225,000)
Purchase of Capital Assets	(1,328,591)	(2,294,753)
(Increase) Decrease in Restricted Bond Funds	(7,828)	3,086
Conservation Advances from TVA	(3,306)	4,669
Conservation Loans Receivable	-	925
Other Deductions	<u>(33,547)</u>	<u>(28,004)</u>
NET CASH USED	<u>(2,105,533)</u>	<u>(3,039,539)</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>115,214</u>	<u>85,582</u>
NET CASH PROVIDED	<u>115,214</u>	<u>85,582</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	257,991	(351,610)
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>2,579,520</u>	<u>2,931,130</u>
End of Year	\$ <u>2,837,511</u>	\$ <u>2,579,520</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND-ELECTRIC
- Continued -

	<u>2007</u>	<u>2006</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Profit	\$ <u>2,261,187</u>	\$ <u>2,074,625</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	532,678	491,385
(Increase) Decrease in Accounts Receivable	(442,567)	(305,077)
(Increase) Decrease in Inventory	121,048	(295,264)
(Increase) Decrease in Prepayments and Other Current Assets	(24,771)	13,076
(Increase) Decrease in Deferred Charges	60,539	87,272
Increase (Decrease) in Accounts Payable	(15,092)	875,592
Increase (Decrease) in Consumer Deposits	269,570	211,532
Increase (Decrease) in Other Accrued Liabilities	37,286	2,911
Increase (Decrease) in Deferred Credits	<u>5,818</u>	<u>5,220</u>
TOTAL ADJUSTMENTS	<u>544,509</u>	<u>1,086,647</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>2,805,696</u></u>	\$ <u><u>3,161,272</u></u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2007

	<u>COST AND MARKET VALUE</u>
<u>ENTERPRISE FUNDS</u>	
Certificates of Deposit:	
First National Bank	\$ <u>1,151,235</u>
Total Enterprise Funds	<u>1,151,235</u>
TOTAL INVESTMENTS	\$ <u><u>1,151,235</u></u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF SURETY BONDS
September 30, 2007

<u>POLICY NO.</u>	<u>INS. CO.</u>	<u>COVERAGE</u>	<u>DESCRIPTION</u>
CPP43230	F & D	\$ 10,000	Blanket Continuation Bond Covering All City Employees
CPP43230	F & D Crime Policy	125,000	Indemnity Bond For Mayor
BD2232050	Brierfield	100,000	Continuation Bond, City Clerk
BD0231907	Brierfield	50,000	Chief of Police
BD2231446- 3001134	Brierfield	100,000	Each Alderperson and Mayor

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
September 30, 2007

<u>DEFINITION AND PURPOSE</u>	<u>INTEREST RATE</u>	<u>BALANCE OCTOBER 1, 2006</u>	<u>ADDITIONS</u>	<u>REDEMPTIONS</u>	<u>BALANCE SEPTEMBER 30, 2007</u>
<u>REVENUE BONDS</u>					
1993 Revenue Refunding	3-6.1%	\$ 360,000	\$ -	\$ 175,000	\$ 185,000
1996 Combination Water & Sewer	6.5%	665,000	-	115,000	550,000
1999 Electric System Revenue	4.6-6.25%	4,800,000	-	240,000	4,560,000
2003 Combination Water & Sewer	3.8-4.5%	1,770,000	-	70,000	1,700,000
2004 Water & Sewer Revenue Bond		1,745,000	-	55,000	1,690,000
2006 Water & Sewer Revenue Bond		3,400,000	-	105,000	3,295,000
2007 Water & Sewer Revenue Bond		-	2,800,000	-	2,800,000
<u>GENERAL OBLIGATION BONDS</u>					
1995 General Obligation	4.9-7.0%	900,000	-	210,000	690,000
2001 General Obligation - Jackson Avenue	4.375-6.25%	4,195,000	-	185,000	4,010,000
2001 Special Obligation - Conference Center	4.6%	4,270,000	-	205,000	4,065,000
2002 General Obligation - Police Dept. Equipment	3.875-5.5%	850,000	-	125,000	725,000
2004 General Obligation	3-3.8%	2,625,000	-	195,000	2,430,000
2005 General Obligation	3.375-3.79%	1,375,000	-	130,000	1,245,000
2007 General Obligation	5.000-4.125%	-	9,000,000	-	9,000,000
		<u>26,955,000</u>	<u>11,800,000</u>	<u>1,810,000</u>	<u>36,945,000</u>
<u>NOTES PAYABLE</u>					
TVA	VAR	350,000	-	200,000	150,000
State Revolving Fund	4.0%	1,409,927	-	196,679	1,213,248
State of Mississippi (1)		-	105,598	-	105,598
State Revolving Fund (1)		-	1,070,908	-	1,070,908
		<u>1,759,927</u>	<u>1,176,506</u>	<u>396,679</u>	<u>2,539,754</u>
TOTAL		\$ <u>28,714,927</u>	\$ <u>12,976,506</u>	\$ <u>2,206,679</u>	\$ <u>39,484,754</u>

(1) Notes have not been finalized; therefore, the
Amounts are not included in the subsequent schedules.

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

YEAR	1993 REVENUE REFUNDING		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 208,650	\$ 185,000	\$ 23,650
	<u>\$ 208,650</u>	<u>\$ 185,000</u>	<u>\$ 23,650</u>

YEAR	1996 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 153,110	\$ 125,000	\$ 28,110
2009	156,860	135,000	21,860
2010	154,975	140,000	14,975
2011	157,800	150,000	7,800
	<u>\$ 622,745</u>	<u>\$ 550,000</u>	<u>\$ 72,745</u>

YEAR	1999 ELECTRIC SYSTEM REVENUE		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 477,937	\$ 250,000	\$ 227,937
2009	480,702	265,000	215,702
2010	482,482	280,000	202,482
2011	483,248	295,000	188,248
2012	482,968	310,000	172,968
2013-2017	2,420,013	1,820,000	600,013
2018-2021	1,447,888	1,340,000	107,888
	<u>\$ 6,275,238</u>	<u>\$ 4,560,000</u>	<u>\$ 1,715,238</u>

YEAR	2003 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 135,200	\$ 70,000	\$ 66,878
2009	137,200	75,000	63,978
2010	137,000	80,000	60,877
2011	135,100	80,000	57,677
2012	139,377	85,000	54,377
2013-2017	687,746	470,000	217,746
2018-2022	689,190	575,000	114,190
2023-2024	275,700	265,000	10,700
	<u>\$ 2,336,513</u>	<u>\$ 1,700,000</u>	<u>\$ 646,423</u>

YEAR	2004 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 126,453	\$ 60,000	\$ 66,453
2009	129,421	65,000	64,421
2010	127,228	65,000	62,228
2011	129,865	70,000	59,865
2012	132,234	75,000	57,234
2013-2017	664,540	425,000	239,540
2018-2022	684,056	540,000	144,056
2023-2026	416,375	390,000	26,375
	<u>\$ 2,410,172</u>	<u>\$ 1,690,000</u>	<u>\$ 720,172</u>

YEAR	2006 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 254,369	\$ 110,000	\$ 144,369
2009	253,181	115,000	138,181
2010	251,712	120,000	131,712
2011	250,113	125,000	125,113
2012	248,550	130,000	118,550
2013-2017	1,244,225	755,000	489,225
2018-2022	1,289,000	975,000	314,000
2023-2026	1,063,800	965,000	98,800
	<u>\$ 4,854,950</u>	<u>\$ 3,295,000</u>	<u>\$ 1,559,950</u>

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

YEAR	2007 COMBINED WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 227,755	\$ 85,000	\$ 142,755
2009	227,655	90,000	137,655
2010	227,255	95,000	132,255
2011	226,555	100,000	126,555
2012	225,555	105,000	120,555
2013-2017	1,117,469	605,000	512,469
2018-2022	1,113,495	760,000	353,495
2023-2027	<u>1,108,031</u>	<u>960,000</u>	<u>148,031</u>
	\$ <u>4,473,770</u>	\$ <u>2,800,000</u>	\$ <u>1,673,770</u>

YEAR	1995 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 257,730	\$ 220,000	\$ 37,730
2009	255,850	230,000	25,850
2010	<u>253,200</u>	<u>240,000</u>	<u>13,200</u>
	\$ <u>766,780</u>	\$ <u>690,000</u>	\$ <u>76,780</u>

YEAR	2001 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 376,613	\$ 200,000	\$ 176,613
2009	373,931	210,000	163,931
2010	372,688	220,000	152,688
2011	372,844	230,000	142,844
2012	377,453	245,000	132,453
2013-2017	1,924,750	1,440,000	484,750
2018-2021	<u>1,597,234</u>	<u>1,465,000</u>	<u>132,234</u>
	\$ <u>5,395,513</u>	\$ <u>4,010,000</u>	\$ <u>1,385,513</u>

YEAR	2001 SPECIAL OBLIGATION-CONFERENCE CNTR		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 401,990	\$ 215,000	\$ 186,990
2009	402,100	225,000	177,100
2010	401,750	235,000	166,750
2011	400,940	245,000	155,940
2012	399,670	255,000	144,670
2013-2017	1,996,590	1,460,000	536,590
2018-2021	<u>1,597,900</u>	<u>1,430,000</u>	<u>167,900</u>
	\$ <u>5,600,940</u>	\$ <u>4,065,000</u>	\$ <u>1,535,940</u>

YEAR	2002 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 155,575	\$ 130,000	\$ 25,575
2009	160,344	140,000	20,344
2010	159,822	145,000	14,822
2011	159,106	150,000	9,106
2012	<u>163,100</u>	<u>160,000</u>	<u>3,100</u>
	\$ <u>797,947</u>	\$ <u>725,000</u>	\$ <u>72,947</u>

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

YEAR	2004 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 280,807	\$ 205,000	\$ 75,807
2009	279,841	210,000	69,841
2010	283,660	220,000	63,660
2011	290,191	230,000	60,191
2012	290,285	240,000	50,285
2013-2017	1,122,322	980,000	142,322
2018-2020	358,205	345,000	13,205
	<u>\$ 2,905,311</u>	<u>\$ 2,430,000</u>	<u>\$ 475,311</u>

YEAR	2005 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 177,628	\$ 135,000	\$ 42,628
2009	176,062	140,000	36,062
2010	175,291	145,000	30,291
2011	175,313	150,000	25,313
2012	180,081	160,000	20,081
2013-2015	541,578	515,000	26,578
	<u>\$ 1,425,953</u>	<u>\$ 1,245,000</u>	<u>\$ 180,953</u>

YEAR	2007 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 840,413	\$ 285,000	\$ 555,413
2009	649,136	295,000	354,136
2010	650,913	310,000	340,913
2011	652,825	325,000	327,825
2012	654,525	340,000	314,525
2013-2017	3,292,025	1,950,000	1,342,025
2018-2022	3,312,125	2,440,000	872,125
2023-2027	3,377,213	3,055,000	322,213
	<u>\$13,429,175</u>	<u>\$ 9,000,000</u>	<u>\$ 4,429,175</u>

YEAR	STATE REVOLVING FUND NOTE		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 249,497	\$ 204,693	\$ 44,804
2009	249,497	213,032	36,465
2010	249,497	221,712	27,785
2011	249,497	230,744	18,753
2012	249,497	240,145	9,352
2013-2017	103,953	102,922	1,031
	<u>\$ 1,351,438</u>	<u>\$ 1,213,248</u>	<u>\$ 138,190</u>

YEAR	TVA NOTE		
	TOTAL	PRINCIPAL	INTEREST
2008	\$ 156,435	\$ 150,000	\$ 6,435
	<u>\$ 156,435</u>	<u>\$ 150,000</u>	<u>\$ 6,435</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FEDERAL AWARDS
September 30, 2007

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	RECEIPTS/ REVENUES	EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Passed through the Governor's Office of Federal-State Programs:					
Justice Assistance Grant	16.738	06NM2251	\$ 86,758	\$ 86,758	\$ 86,758
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through the Mississippi Emergency Management Agency:					
Hurricane Katrina	97.084	KAPA	8,345	8,345	8,345
ODP Homeland Security Grant Program	97.067	4DPG	30,888	30,888	30,888
			<u>39,233</u>	<u>39,233</u>	<u>39,233</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Community Facility Grant	10.766		54,699	54,699	54,699
Urban & Community Forestry Assistance Grant	10.664		19,142	19,142	19,142
			<u>73,841</u>	<u>73,841</u>	<u>73,841</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through the Mississippi Department of Transportation:					
Pathway Grant	20.205		694,424	694,424	694,424
Section 5310 Grant	20.205		44,800	44,800	44,800
Intermodal Surface Transportation Efficiency Act	20.205		295,128	295,128	295,128
			<u>1,034,352</u>	<u>1,034,352</u>	<u>1,034,352</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>					
PL108-447 Grant	93.887		29,561	29,561	29,561
TOTAL AWARDS			\$ <u>1,263,745</u>	\$ <u>1,263,745</u>	\$ <u>1,263,745</u>

COMPLIANCE AND INTERNAL CONTROL REPORTS



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

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

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

We have audited the financial statements of the City of Oxford as of and for the year ended September 30, 2007, and have issued our report dated April 28, 2008. 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

In planning and performing our audit, we considered the City of Oxford's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City of Oxford's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

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

Young & Sanett

April 28, 2008



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Oxford with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2007. The City of Oxford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Oxford complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.

Internal Control Over Compliance

The management of the City of Oxford is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

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

Young & Ganett

April 28, 2008



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

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

We have audited the basic financial statements of the City of Oxford, Mississippi, as of and for the year ended September 30, 2007, and have issued our report dated April 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

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

The results of those procedures and our audit of the basic financial statements disclosed no material instances on noncompliance with state laws and regulations.

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

Young & Garrett

April 28, 2008

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CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2007

Section 1: Summary of Auditor's Results

1. Unqualified opinion was issued on the financial statements of the City of Oxford, Mississippi.
2. The audit of the financial statements did not disclose any material weaknesses in internal control.
3. The audit did not disclose any noncompliance which is material to the general purpose financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any audit findings which are required to be reported under section _____.510(a) of OMB Circular A-133.
7. Federal programs identified as major programs:
 - a. U.S. Department of Transportation:
CFDA #20.205
8. The dollar threshold used to distinguish between the type A and the type B programs was \$300,000.
9. The auditee qualified as a high-risk auditee.

Section 2: Findings Relating to the Financial Statements

No findings were noted.

Section 3: Findings and Questioned Costs for Federal Awards

No findings were noted.