

CITY OF OXFORD, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2009
WITH INDEPENDENT AUDITOR'S REPORT

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CITY OF OXFORD, MISSISSIPPI
LIST OF PRINCIPAL OFFICERS
September 30, 2009

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



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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, 2009, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2009, 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 June 4, 2010, 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 62 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 consisted principally 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 on it.

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. The combining and individual non-major fund financial statements and schedules of investments, surety bonds and long-term debt 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.

The Dwight L. Young Group

June 4, 2010

CITY OF OXFORD, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2009

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, 2009. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

THE FINANCIAL STATEMENTS

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

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City reports assets of \$169,337,866, of which \$114,764,164 are capital assets. The assets exceed the City's liabilities of \$80,566,921, \$50,921,544 of which are long term, at the close of the most recent fiscal year by \$88,770,945. Of this amount, \$18,871,177 are unrestricted net assets. The City's net assets are comprised of \$43,791,479 from Governmental Activities and \$44,979,466 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 12 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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and						
Other Assets	\$33,031,167	\$32,566,984	\$21,542,535	\$20,296,642	\$ 54,573,702	\$ 52,863,626
Capital Assets (Net)	<u>57,010,537</u>	<u>51,945,335</u>	<u>57,753,627</u>	<u>50,689,087</u>	<u>114,764,164</u>	<u>102,634,422</u>
Total Assets	<u>90,041,704</u>	<u>84,512,319</u>	<u>79,296,162</u>	<u>70,985,729</u>	<u>169,337,866</u>	<u>155,498,048</u>
Current and						
Other Liabilities	23,007,576	22,137,250	6,637,801	6,941,123	29,645,377	29,078,373
Long-Term						
Liabilities	<u>23,242,649</u>	<u>20,773,394</u>	<u>27,678,895</u>	<u>24,374,003</u>	<u>50,921,544</u>	<u>45,147,397</u>
Total Liabilities	<u>46,250,225</u>	<u>42,910,644</u>	<u>34,316,696</u>	<u>31,315,126</u>	<u>80,566,921</u>	<u>74,225,770</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	31,732,018	29,680,654	28,649,295	25,210,765	60,381,313	54,891,419
Restricted	7,496,535	7,399,221	2,021,920	1,650,895	9,518,455	9,050,116
Unrestricted	<u>4,562,926</u>	<u>4,521,800</u>	<u>14,308,251</u>	<u>12,808,943</u>	<u>18,871,177</u>	<u>17,330,743</u>
Total Net Assets	<u>\$43,791,479</u>	<u>\$41,601,675</u>	<u>\$44,979,466</u>	<u>\$39,670,603</u>	<u>\$ 88,770,945</u>	<u>\$ 81,272,278</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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Program Revenues:						
Charges for						
Services	\$ 5,324,153	\$ 4,648,053	\$30,118,758	\$26,262,931	\$35,442,911	\$30,910,984
Operating Grants						
And Contributions	1,059,418	100,000	-	-	1,059,418	100,000
Capital Grants and						
Contributions	1,476,087	934,245	914,344	929,188	2,390,431	1,863,433
General Revenues:						
Property Taxes	6,223,870	5,851,479	-	-	6,223,870	5,851,479
Other Taxes	2,259,579	2,138,569	-	-	2,259,579	2,138,569
Intergovernmental	7,296,535	7,623,163	-	-	7,296,535	7,623,163
Sale of Assets	-	2,814	-	-	-	2,814
Unrestricted Interest						
Earned	455,431	903,235	958,010	927,131	1,413,441	1,830,366
Transfers	622,700	1,061,127	(622,700)	(1,061,127)	-	-
Insurance Recovery	-	5,339	-	-	-	5,339
TOTAL REVENUE	<u>\$24,717,773</u>	<u>\$23,268,024</u>	<u>\$31,368,412</u>	<u>\$27,058,123</u>	<u>\$56,086,185</u>	<u>\$50,326,147</u>
EXPENSES:						
General Government	5,402,087	5,046,775	-	-	5,402,087	5,046,775
Public Safety	6,856,741	6,219,754	-	-	6,856,741	6,219,754
Public Works	4,887,522	3,736,373	-	-	4,887,522	3,736,373
Tourism	904,385	970,355	-	-	904,385	970,355
Culture and Rec.	2,594,507	1,465,471	-	-	2,594,507	1,465,471
Miscellaneous	924,464	867,665	-	-	924,464	867,665
Interest on Long-						
Term Debt	958,263	1,084,069	-	-	958,263	1,084,069
Water and Sewer						
Service	-	-	6,012,809	5,415,386	6,012,809	5,415,386
Electric Service	-	-	20,046,740	17,925,625	20,046,740	17,925,625
TOTAL EXPENSES	<u>\$22,527,969</u>	<u>\$19,390,462</u>	<u>\$26,059,549</u>	<u>\$23,341,011</u>	<u>\$48,587,518</u>	<u>\$42,731,473</u>

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

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Change in Net						
Assets	\$ 2,189,804	\$ 3,877,562	\$ 5,308,863	\$ 3,717,112	\$ 7,498,667	\$ 7,594,674
Net Assets-						
Beginning	<u>41,601,675</u>	<u>37,724,113</u>	<u>39,670,603</u>	<u>35,953,491</u>	<u>81,272,278</u>	<u>73,677,604</u>
Net Assets-Ending	<u>\$43,791,479</u>	<u>\$41,601,675</u>	<u>\$44,979,466</u>	<u>\$39,670,603</u>	<u>\$88,770,945</u>	<u>\$81,272,278</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, 2009	\$ 30,118,758
Fiscal Year ended September 30, 2008	<u>26,262,931</u>
Increase between Fiscal Years	<u>\$ 3,855,827</u>

	<u>Operating Expenses</u>
Fiscal Year ended September 30, 2009	\$ 26,059,549
Fiscal Year ended September 30, 2008	<u>23,341,011</u>
Increase between Fiscal Years	<u>\$ 2,718,538</u>

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, increased in fiscal year 2009 by \$3,639,848.

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

	<u>2009</u>
Debt Payable beginning of fiscal year	\$ 47,743,003
Add: New Debt Issues	<u>6,197,645</u>
	53,940,648
Less: Debt Retired	<u>2,557,797</u>
Debt Payable at end	<u>\$ 51,382,851</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, 2008, net capital assets of the governmental activities totaled \$51,945,335 and the net capital assets of the business-type activities totaled \$50,689,087. At September 30, 2009, net capital assets of the governmental activities totaled \$57,010,537 and the net capital assets of the business-type activities totaled \$57,753,627. 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, 2009

<u>ASSETS</u>	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Cash Equivalents	\$11,356,176	\$16,079,755	\$27,435,931
Receivables:			
Customer	-	2,925,652	2,925,652
Due from Other Government	931,338	13,699	945,037
Other	-	83,911	83,911
Taxes	19,835,532	-	19,835,532
Internal Balances	551,702	(551,702)	-
Inventories	-	487,424	487,424
Debt Service Funds	229,073	2,021,920	2,250,993
Prepaid Expenses	127,346	481,876	609,222
 Total Non-Capital Assets	 <u>33,031,167</u>	 <u>21,542,535</u>	 <u>54,573,702</u>
Capital Assets (Net of Depreciation):			
Land	3,111,688	1,108,463	4,220,151
Improvements Other than Buildings	5,005,627	-	5,005,627
Infrastructure	31,898,158	-	31,898,158
Buildings & Utility Systems	12,183,266	39,773,670	51,956,936
Equipment & Furniture	4,811,798	1,744,963	6,556,761
Construction in Progress	-	15,126,531	15,126,531
 Total Capital Assets	 <u>57,010,537</u>	 <u>57,753,627</u>	 <u>114,764,164</u>
 Total Assets	 <u>90,041,704</u>	 <u>79,296,162</u>	 <u>169,337,866</u>
 <u>LIABILITIES</u>			
Accounts Payable & Accrued Expenses	1,136,174	3,035,768	4,171,942
Customer Deposits	-	2,176,596	2,176,596
Deferred Revenue	19,835,532	-	19,835,532
Long-term Debt Due Within One Year:			
Bonds	1,820,000	890,000	2,710,000
Notes	215,870	535,437	751,307
Due in More than One Year:			
Bonds	21,305,000	18,605,000	39,910,000
Notes	1,937,649	9,073,895	11,011,544
 Total Liabilities	 <u>\$46,250,225</u>	 <u>\$34,316,696</u>	 <u>\$80,566,921</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	\$31,732,018	\$28,649,295	\$60,381,313
Reserved for:			
Unemployment	52,171	-	52,171
Tourism	1,456,706	-	1,456,706
Debt Service	229,346	2,021,920	2,251,266
Cemetery	69,279	-	69,279
Capital Projects	4,987,144	-	4,987,144
Fire Protection	13,333	-	13,333
Other	688,556	-	688,556
Unrestricted	<u>4,562,926</u>	<u>14,308,251</u>	<u>18,871,177</u>
 Total Net Assets	 <u>\$43,791,479</u>	 <u>\$44,979,466</u>	 <u>\$88,770,945</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended September 30, 2009

FUNCTIONS/PROGRAMS		PROGRAM REVENUE		NET (EXPENSE) REVENUES AND		TOTAL
		CHARGES FOR	OPERATING	CAPITAL	CHANGES IN NET ASSETS	
<u>PRIMARY GOVERNMENT</u>	<u>EXPENSES</u>	<u>SERVICES</u>	<u>GRANTS & CONTRIBUTIONS</u>	<u>GRANTS & CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>
<u>GOVERNMENTAL ACTIVITIES</u>						
General Government	\$ 5,402,087	\$ 987,022	\$ -	\$ -	\$ (4,415,065)	\$ -
Public Safety	6,856,741	495,267	-	-	(6,361,474)	-
Public Works	4,887,522	3,099,680	1,059,418	-	(728,424)	-
Tourism	904,385	-	-	-	(904,385)	-
Culture & Recreation	2,594,507	304,503	-	1,476,087	(813,917)	-
Miscellaneous	924,464	437,681	-	-	(486,783)	-
Interest on Long-term Debt	958,263	-	-	-	(958,263)	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>22,527,969</u>	<u>5,324,153</u>	<u>1,059,418</u>	<u>1,476,087</u>	<u>(14,668,311)</u>	<u>-</u>
<u>BUSINESS-TYPE ACTIVITIES</u>						
Water & Sewer Service	6,012,809	8,081,354	-	914,344	-	2,982,889
Electric Service	20,046,740	22,037,404	-	-	-	1,990,664
TOTAL BUSINESS-TYPE ACTIVITIES	<u>26,059,549</u>	<u>30,118,758</u>	<u>-</u>	<u>914,344</u>	<u>-</u>	<u>4,973,553</u>
TOTAL PRIMARY GOVERNMENT	<u>\$48,587,518</u>	<u>\$35,442,911</u>	<u>\$1,059,418</u>	<u>\$2,390,431</u>	<u>\$ (14,668,311)</u>	<u>4,973,553</u>

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

FUNCTIONS/PROGRAMS <u>PRIMARY GOVERNMENT</u>	NET (EXPENSE) REVENUES AND <u>CHANGES IN NET ASSETS</u>		
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>GENERAL REVENUES</u>			
Property Taxes	\$ 6,223,870	\$ -	\$ 6,223,870
Other Taxes	2,259,579	-	2,259,579
Intergovernmental	7,296,535	-	7,296,535
Unrestricted Interest Earned	455,431	958,010	1,413,441
Transfers	<u>622,700</u>	<u>(622,700)</u>	<u>-</u>
TOTAL GENERAL REVENUES	<u>16,858,115</u>	<u>335,310</u>	<u>17,193,425</u>
Change in Net Assets	2,189,804	5,308,863	7,498,667
Net Assets - Beginning	<u>41,601,675</u>	<u>39,670,603</u>	<u>81,272,278</u>
Net Assets - Ending	<u>\$43,791,479</u>	<u>\$44,979,466</u>	<u>\$88,770,945</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

FUND FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2009

MAJOR FUNDS

	GENERAL	3.8M G.O. BOND ISSUE	OTHER GOVERNMENTAL	TOTAL
<u>ASSETS</u>	<u>FUND</u>	<u>2009</u>	<u>FUNDS</u>	<u>2009</u>
Cash and Cash Equivalents	\$ 3,773,501	\$ 3,646,984	\$ 4,164,764	\$ 11,585,249
Due from Other Governments	490,966	-	440,372	931,338
Due from Other Funds	551,702	-	-	551,702
Taxes Receivable	<u>19,835,532</u>	<u>-</u>	<u>-</u>	<u>19,835,532</u>
TOTAL ASSETS	<u>\$24,651,701</u>	<u>\$ 3,646,984</u>	<u>\$ 4,605,136</u>	<u>\$ 32,903,821</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Bank Overdraft	\$ -	\$ -	\$ 676,167	\$ 676,167
Accounts Payable	21,315	-	23,760	45,075
Due to Lienholder	-	-	55,931	55,931
Due to Water Department	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue	<u>19,835,532</u>	<u>-</u>	<u>-</u>	<u>19,835,532</u>
TOTAL LIABILITIES	<u>19,856,847</u>	<u>-</u>	<u>755,858</u>	<u>20,612,705</u>
 Fund Balances:				
Reserved for:				
Unemployment	-	-	52,171	52,171
Cemetery	-	-	69,279	69,279
Fire Protection	-	-	13,333	13,333
Tourism	-	-	1,456,706	1,456,706
Other	-	-	688,556	688,556
Debt Service	-	-	229,073	229,073
Capital Projects	-	3,646,984	1,340,160	4,987,144
Unreserved	<u>4,794,854</u>	<u>-</u>	<u>-</u>	<u>4,794,854</u>
TOTAL FUND BALANCES	<u>4,794,854</u>	<u>3,646,984</u>	<u>3,849,278</u>	<u>12,291,116</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$24,651,701</u>	<u>\$ 3,646,984</u>	<u>\$ 4,605,136</u>	<u>\$ 32,903,821</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
September 30, 2009

Total Fund Balance-Governmental Funds	\$ 12,291,116
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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 10-1-08	51,945,335	
Plus capital outlay expenditures made during year	6,748,424	
Less capital assets deleted during the year Net of depreciation	-	
Less depreciation expense recorded during year	<u>(1,683,222)</u>	57,010,537

Loan Costs	127,346
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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 10-1-08	22,264,681	
Issuances during year	4,508,603	
Less payments during year	<u>(1,494,765)</u>	
	25,278,519	
Add interest accrued for year	<u>359,001</u>	(25,637,520)

Total Net Assets-Governmental-Wide Statement	\$ <u>43,791,479</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 BALANCES
GOVERNMENTAL FUNDS
September 30, 2009

	MAJOR FUNDS			
	GENERAL	3.8M G.O. BOND ISSUE	OTHER GOVERNMENTAL	TOTAL
	FUND	2009	FUNDS	2009
<u>REVENUES</u>				
Ad Valorem Taxes	\$ 4,621,021	\$ -	\$ 1,602,849	\$ 6,223,870
Other Taxes	457,981	-	1,801,598	2,259,579
Licenses and Permits	987,022	-	-	987,022
Intergovernmental	7,045,268	-	251,267	7,296,535
Charges for Services	3,099,680	-	-	3,099,680
Fines and Forfeits	433,340	-	61,927	495,267
Miscellaneous	277,817	-	111,538	389,355
Reimbursements	304,503	-	-	304,503
Rental Fees	-	-	28,976	28,976
Interest	222,308	-	233,123	455,431
Local Contributions	-	-	693,404	693,404
Federal and State Awards	-	-	366,014	366,014
Sale of Cemetery Lots	-	-	19,350	19,350
Contribution of Land	<u>1,476,087</u>	<u>-</u>	<u>-</u>	<u>1,476,087</u>
REVENUES	<u>18,925,027</u>	<u>-</u>	<u>5,170,046</u>	<u>24,095,073</u>
<u>EXPENDITURES</u>				
Legislative	102,376	-	-	102,376
Judicial	193,480	-	-	193,480
Executive	85,456	-	-	85,456
Elections	12,031	-	-	12,031
Financial Administration	244,089	-	-	244,089
Human Resources	158,688	-	-	158,688
Law	168,619	-	443,218	611,837
Department of Planning	186,656	-	-	186,656
Building Code Enforcement	246,076	-	-	246,076
Buildings and Grounds	374,580	-	-	374,580

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

	MAJOR FUNDS			
	GENERAL	3.8M G.O. BOND ISSUE	OTHER GOVERNMENTAL	TOTAL
EXPENDITURES - Continued	FUND	2009	FUNDS	2009
General Government	\$ 1,924,498	\$ -	\$ -	\$ 1,924,498
Community Promotions	45,497	-	-	45,497
Police Department	3,514,254	-	-	3,514,254
Fire Department	2,918,474	-	-	2,918,474
Emergency Mgmt.	73,103	-	-	73,103
Highways and Streets	1,501,936	-	-	1,501,936
Sanitation Administration	74,511	-	-	74,511
Tourism Promotion	-	-	862,409	862,409
Capital Outlay	-	153,016	5,119,321	5,272,337
Street Cleaning	78,112	-	-	78,112
Waste Collection	1,139,084	-	-	1,139,084
Waste Disposal	480,133	-	-	480,133
Weed and Grass Control	240,580	-	-	240,580
Cemetery Maintenance	131,092	-	-	131,092
Family Crisis	7,200	-	-	7,200
Parks and Recreation	2,428,596	-	-	2,428,596
Swimming Pool	125,642	-	-	125,642
RSVP	123,727	-	-	123,727
FNC Park	744,154	-	-	744,154
Library	287,805	-	-	287,805
City Garage	1,021,127	-	-	1,021,127
Miscellaneous	-	-	784,471	784,471
Airport	15,000	-	-	15,000

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

	MAJOR FUNDS			
	GENERAL	3.8M G.O. BOND ISSUE	OTHER GOVERNMENTAL	TOTAL
	FUND	2009	FUNDS	2009
<u>EXPENDITURES</u> - Continued				
Humane Society	\$ 117,793	\$ -	\$ -	\$ 117,793
Recycling	508,104	-	-	508,104
Loan Costs	-	-	12,100	12,100
Debt Service:				
Principal Retirement	44,765	-	1,450,000	1,494,765
Interest & Fiscal Charges	40,809	-	853,370	894,179
TOTAL EXPENDITURES	<u>19,358,047</u>	<u>153,016</u>	<u>9,524,889</u>	<u>29,035,952</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(433,020)</u>	 <u>(153,016)</u>	 <u>(4,354,843)</u>	 <u>(4,940,879)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Bond and Loan Proceeds	-	3,800,000	675,000	4,475,000
Operating Transfers In	697,800	-	692,022	1,389,822
Operating Transfers Out	<u>(205,000)</u>	<u>-</u>	<u>(562,122)</u>	<u>(767,122)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>492,800</u>	 <u>3,800,000</u>	 <u>804,900</u>	 <u>5,097,700</u>
 NET CHANGES IN FUND BALANCES	 59,780	 3,646,984	 (3,549,943)	 156,821
 <u>FUND BALANCES</u>				
Beginning of Year	<u>4,735,074</u>	<u>-</u>	<u>7,399,221</u>	<u>12,134,295</u>
End of Year	<u>\$ 4,794,854</u>	<u>\$ 3,646,984</u>	<u>\$ 3,849,278</u>	<u>\$ 12,291,116</u>
SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT				

CITY OF OXFORD, MISSISSIPPI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 For the Year Ended September 30, 2009

Net Change in Fund Balances-Governmental Funds \$ 156,821

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. 6,748,424

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. (1,683,222)

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)

Issuance of Debt (4,508,603)

Repayment of debt principal is an expenditure in the
 Governmental Funds, but the repayment reduces
 long-term liabilities in the Statement of Net Assets. 1,494,765

Loan costs are an expense in the Governmental Funds;
 However, the costs are amortized in the Statement of
 Activities 33,603

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>(46,470)</u>
Change in Net Assets-Government-Wide	<u>\$ 2,189,804</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2009

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,079,499	\$ 4,000,256	\$ 16,079,755
Debt Service Sinking Funds	1,318,313	703,607	2,021,920
Receivables:			
Consumer	-	2,925,652	2,925,652
Other	83,911	-	83,911
Due from State	13,699	-	13,699
Utility Plant	48,919,543	29,761,645	78,681,188
Accumulated Depreciation	(14,511,314)	(6,416,247)	(20,927,561)
Inventory	15,000	472,424	487,424
Due from Other Funds	1,246,764	-	1,246,764
Prepayments	-	57,492	57,492
Deferred Debits	223,974	200,410	424,384
	<u>49,389,389</u>	<u>31,705,239</u>	<u>81,094,628</u>
TOTAL ASSETS			
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Vouchers Payable	\$ 84,703	\$ 2,547,886	\$ 2,632,589
Due to Other Funds	-	1,798,466	1,798,466
Bonds Payable	12,450,000	7,045,000	19,495,000
Notes Payable	9,609,332	-	9,609,332
Customer Deposits	-	2,176,596	2,176,596
Other	-	358,641	358,641
Deferred Credits	-	44,538	44,538
	<u>22,144,035</u>	<u>13,971,127</u>	<u>36,115,162</u>
TOTAL LIABILITIES			
<u>NET ASSETS</u>			
Invested in Fixed Assets, Net of Related Debt	12,348,897	16,300,398	28,649,295
Reserved for Debt Service	1,318,313	703,607	2,021,920
Fund Equity-Unrestricted	13,578,144	730,107	14,308,251
	<u>27,245,354</u>	<u>17,734,112</u>	<u>44,979,466</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, 2009

	WATER AND SEWER	ELECTRIC FUND	TOTAL ENTERPRISE FUNDS
<u>REVENUES</u>			
Charges for Services	\$ 7,863,008	\$21,954,059	\$29,817,067
Other	<u>949,316</u>	<u>310,385</u>	<u>1,259,701</u>
TOTAL REVENUES	<u>8,812,324</u>	<u>22,264,444</u>	<u>31,076,768</u>
<u>EXPENDITURES</u>			
Purchased Power	-	17,501,010	17,501,010
Admin, General & Sales	722,799	537,949	1,260,748
Computer Technology	155,451	-	155,451
Financial and Customer Account Expense	403,105	367,305	770,410
Transmission & Distribution	752,406	641,640	1,394,046
Treatment & Purification	901,053	-	901,053
Source of Supply	728,528	-	728,528
Water-Waste Collection	381,800	-	381,800
Other:			
Depreciation & Amortization	1,002,291	618,879	1,621,170
Interest	<u>965,376</u>	<u>379,957</u>	<u>1,345,333</u>
TOTAL EXPENDITURES	<u>6,012,809</u>	<u>20,046,740</u>	<u>26,059,549</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,799,515</u>	<u>2,217,704</u>	<u>5,017,219</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers Out	-	(622,700)	(622,700)
Grants	<u>914,344</u>	<u>-</u>	<u>914,344</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>914,344</u>	<u>(622,700)</u>	<u>291,644</u>
NET CHANGE IN NET ASSETS	3,713,859	1,595,004	5,308,863
<u>NET ASSETS</u>			
Beginning of Year	23,531,495	16,139,108	39,670,603
End of Year	\$ <u>27,245,354</u>	\$ <u>17,734,112</u>	\$ <u>44,979,466</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2009

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING ACTIVITIES</u>			
Received from Customers	\$ 7,662,297	\$ 22,312,260	\$ 29,974,557
Purchased of Power	-	(17,590,960)	(17,590,960)
Paid for Operating Expenses	(3,958,965)	(1,133,309)	(5,092,274)
NET CASH PROVIDED	<u>3,703,332</u>	<u>3,587,991</u>	<u>7,291,323</u>
<u>NON-CAPITAL FINANCING</u>			
Transfer to Other Funds	-	(622,700)	(622,700)
NET CASH USED	<u>-</u>	<u>(622,700)</u>	<u>(622,700)</u>
<u>CAPITAL AND RELATING FINANCING</u>			
Interest Paid on Principal	(965,376)	(379,957)	(1,345,333)
Principal Paid on Notes	(213,032)	-	(213,032)
Notes Issued	1,689,042	-	1,689,042
Principal Paid on Bonds	(585,000)	(265,000)	(850,000)
Bonds Issued	-	3,000,000	3,000,000
Purchase of Capital Assets	(5,252,050)	(3,521,835)	(8,773,885)
(Increase)/Decrease in Debt			
Service Sinking Funds	(271,488)	(99,537)	(371,025)
Grant Received	914,344	-	914,344
Conservation Advances from TVA	-	(6,006)	(6,006)
NET CASH PROVIDED (USED)	<u>(4,683,560)</u>	<u>(1,272,335)</u>	<u>(5,955,895)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Earned	<u>730,970</u>	<u>227,040</u>	<u>958,010</u>
NET CASH PROVIDED	<u>730,970</u>	<u>227,040</u>	<u>958,010</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(249,258)	1,919,996	1,670,738
<u>CASH AND CASH EQUIVALENTS</u>			
Beginning of Year	<u>12,328,757</u>	<u>2,080,260</u>	<u>14,409,017</u>
End of Year	\$ <u>12,079,499</u>	\$ <u>4,000,256</u>	\$ <u>16,079,755</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Profit	\$ <u>3,033,921</u>	\$ <u>2,370,621</u>	\$ <u>5,404,542</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	1,021,309	707,054	1,728,363
(Increase) Decrease in Accounts Receivable	(419,057)	47,816	(371,241)
(Increase) Decrease in Inventory	-	40,499	40,499
(Increase) Decrease in Prepayments and Other Current Assets	(10,754)	(7,560)	(18,314)
(Increase) Decrease in Deferred Charges	-	229,751	229,751
Increase (Decrease) in Accounts Payable	77,913	(89,950)	(12,037)
Increase (Decrease) in Consumer Deposits	-	119,729	119,729
Increase (Decrease) in Other Accrued Liabilities	-	162,612	162,612
Increase (Decrease) in Deferred Credits	<u>-</u>	<u>7,419</u>	<u>7,419</u>
TOTAL ADJUSTMENTS	<u>669,411</u>	<u>1,217,370</u>	<u>1,886,781</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>3,703,332</u></u>	\$ <u><u>3,587,991</u></u>	\$ <u><u>7,291,323</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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

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 \$548,415 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, 2009, 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 \$27,435,931, and the bank balance was \$29,275,295.

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, 2009, \$-0- of the municipality's bank balance of \$29,275,295 was exposed to custodial credit risk.

Investments

As of September 30, 2009, the City had the following investments. The City has no investment pool.

Investment Type	Maturity In Years	Fair Value	Maturity Value
Certificates of Deposit	one	\$ 1,170,161	\$ 1,170,161

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 10-1-08	ADDITIONS	DELETIONS	RECLASSI- FICATIONS	BALANCE 9-30-09
<u>Non-depreciable Assets</u>					
Land	\$ 1,635,601	\$ 1,476,087	\$ -	\$ -	\$ 3,111,688
Construction in Progress	8,382,202	-	-	(8,382,202)	-
Total	<u>10,017,803</u>	<u>1,476,087</u>	<u>-</u>	<u>(8,382,202)</u>	<u>3,111,688</u>
<u>Depreciable Assets</u>					
Improvements Other Than Buildings	1,418,982	2,727,382	-	1,934,414	6,080,778
Buildings	12,510,343	668,398	-	849,500	14,028,241
Equipment and Furniture	7,781,732	1,492,896	-	-	9,274,628
Infrastructure	<u>30,307,435</u>	<u>383,661</u>	<u>-</u>	<u>5,598,288</u>	<u>36,289,384</u>
Total	<u>52,018,492</u>	<u>5,272,337</u>	<u>-</u>	<u>8,382,202</u>	<u>65,673,031</u>
Total Capital Assets	<u>62,036,295</u>	<u>6,748,424</u>	<u>-</u>	<u>-</u>	<u>68,784,719</u>
<u>Accumulated Depreciation</u>					
Improvements Other Than Buildings	932,903	142,248	-	-	1,075,151
Buildings	1,593,053	251,922	-	-	1,844,975
Equipment and Furniture	3,640,490	822,340	-	-	4,462,830
Infrastructure	<u>3,924,514</u>	<u>466,712</u>	<u>-</u>	<u>-</u>	<u>4,391,226</u>
Total	<u>10,090,960</u>	<u>1,683,222</u>	<u>-</u>	<u>-</u>	<u>11,774,182</u>
<u>Governmental Activities</u>					
Capital Assets-					
Net	\$ <u>51,945,335</u>	\$ <u>5,065,202</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>57,010,537</u>

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

Depreciation expense of \$1,683,222 was charged to the governmental activities expense accounts as follows:

General Government	\$ 79,783
Public Safety	356,393
Public Works	755,257
Miscellaneous	89,143
Culture, Recreation and Tourism	<u>402,646</u>
Total	<u>\$ 1,683,222</u>

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

	BALANCE 10-1-08	ADDITIONS	DELETIONS	BALANCE 9-30-09
<u>Non-depreciable Assets</u>				
Land	\$ 1,102,913	\$ 5,550	\$ -	\$ 1,108,463
Construction in Progress	<u>13,960,762</u>	<u>1,165,769</u>	<u>-</u>	<u>15,126,531</u>
Total	<u>15,063,675</u>	<u>1,171,319</u>	<u>-</u>	<u>16,234,994</u>
<u>Depreciable Assets</u>				
Electric Plant	18,892,401	3,683,361	246,064	22,319,698
Sewer System & Water System	33,069,213	3,752,556	454,668	36,367,101
Equipment and Furniture	<u>3,724,120</u>	<u>108,225</u>	<u>72,950</u>	<u>3,759,395</u>
Total	<u>55,675,734</u>	<u>7,544,142</u>	<u>773,682</u>	<u>62,446,194</u>
Total Capital Assets	<u>70,739,409</u>	<u>8,715,461</u>	<u>773,682</u>	<u>78,681,188</u>
<u>Accumulated Depreciation</u>				
Electric Plant	4,722,480	578,181	344,605	4,956,056
Sewer System & Water System	13,485,758	925,983	454,668	13,957,073
Equipment and Furniture	<u>1,842,084</u>	<u>197,860</u>	<u>25,512</u>	<u>2,014,432</u>
Total	<u>20,050,322</u>	<u>1,702,024</u>	<u>824,785</u>	<u>20,927,561</u>
<u>Business Activities</u>				
Capital Assets-Net	\$ <u>50,689,087</u>	\$ <u>7,013,437</u>	\$ <u>(51,103)</u>	\$ <u>57,753,627</u>

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

Depreciation expense of \$1,702,024 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, 2009:

	<u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds Payable at			
October 1, 2008	\$20,775,000	\$17,345,000	\$ 38,120,000
Bonds Issued	3,800,000	-	3,800,000
Bonds Retired	<u>1,450,000</u>	<u>850,000</u>	<u>2,300,000</u>
Bonds Payable at			
September 30, 2009	<u>\$23,125,000</u>	<u>\$16,495,000</u>	<u>\$ 39,620,000</u>

General obligation bonds include General City Bonds.

The General Obligation Bonds, Series 1995, 2004, 2005, and 2009 were issued for the purpose of street improvement.

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

The 2008 General Obligation Bonds were issued for establishing sanitary, storm, drainage or sewage systems, and repairing, improving and extending the same, constructing infrastructure and for the purchase and construction of recreational facilities.

The combined Water and Sewer revenue bonds were issued in fiscal 1996, 2003, 2004, 2006, 2008, and 2009 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, 2008. 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.

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
2010	\$ 2,585,000	\$ 1,643,453
2011	2,455,000	1,529,277
2012	2,425,000	1,423,248
2013	2,365,000	1,332,290
2014	2,490,000	1,231,249
2015-2019	13,305,000	4,448,381
2020-2024	9,865,000	1,893,387
2025-2029	4,130,000	317,538
TOTALS	<u>\$39,620,000</u>	<u>\$13,818,823</u>

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

NOTES AND GRANTS PAYABLE

A summary of long-term notes payable transactions of the City for the year ended September 30, 2009, is as follows:

	<u>TOTALS</u>
Balance at October 1, 2008	\$ 9,623,003
New Notes Issued	2,397,645
Notes Retired	257,797
Balance at September 30, 2009	<u>\$11,762,851</u>

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 \$1,564,054 at September 30, 2009, were issued in 1995 for the purpose of renovating a low-rent housing project. The Oxford Housing Authority is managing the property and retires the notes from rental proceeds; consequently, these notes are not reflected as liabilities in the accompanying financial statement nor in the maturities reflected herein.

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

FISCAL YEAR ENDED	MATURITIES	
	PRINCIPAL	INTEREST
2010	\$ 751,307	\$ 299,429
2011	804,824	294,805
2012	830,883	269,067
2013	710,626	243,919
2014	624,989	225,563
2015-2019	2,596,001	905,660
2020-2024	2,646,675	560,463
2025-2029	2,797,546	183,464
TOTALS	<u>\$11,762,851</u>	<u>\$ 2,982,370</u>

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

NOTE 6 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

Other assets of the Electric Fund include \$ 10,252 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, 2009.

NOTE 8 - COMMITMENTS

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLAN

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

Funding Policy. PERS members are required to contribute 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 2009, 2008, and 2007 were \$1,268,992, \$1,180,966 and \$1,132,061, respectively, equal to the required contributions for each year.

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.

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

NOTE 11 - FLEXIBLE BENEFIT (CAFETERIA) PLAN

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

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

During fiscal 2009, 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	\$ 697,800	\$ 205,000
Electric Fund	-	622,700
Non-Major Fund	692,022	562,122
TOTALS	<u>\$ 1,389,822</u>	<u>\$ 1,389,822</u>
	<u>DUE FROM</u>	<u>DUE TO</u>
	<u>OTHER FUNDS</u>	<u>OTHER FUNDS</u>
Electric Department	\$ -	\$ 1,798,466
Water and Sewer Department	1,246,764	-
General Fund	551,702	,
TOTALS	<u>\$ 1,798,466</u>	<u>\$ 1,798,466</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 General Fund owes OUT Transit and Homeland Security and these amounts should be paid within six months. The 2008 G.O. Bond owes the Water Department for a loan and this amount should be paid within twelve months.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2009

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
REVENUE				
<u>TAXES:</u>				
Ad Valorem Tax	\$ 3,840,713	\$ 3,840,713	\$ 3,892,654	\$ 51,941
Park Comm Tax Levy	469,850	469,850	463,922	(5,928)
Library Tax Levy	267,815	267,815	264,445	(3,370)
Over 65 Reimbursement	65,000	65,000	92,636	27,636
In Lieu of Taxes	175,000	175,000	112,746	(62,254)
Penalties and Interest	120,000	120,000	175,052	55,052
Utility Tax	<u>85,000</u>	<u>85,000</u>	<u>77,547</u>	<u>(7,453)</u>
TOTAL TAXES	<u>5,023,378</u>	<u>5,023,378</u>	<u>5,079,002</u>	<u>55,624</u>
<u>LICENSES AND PERMITS:</u>				
Privilege License	50,000	50,000	50,615	615
Franchise Charges	475,000	475,000	729,118	254,118
Building and Zoning	350,000	350,000	192,119	(157,881)
Plumbing	200,000	200,000	13,370	(186,630)
Taxi Permits	200	200	450	250
Dog Licenses	<u>4,500</u>	<u>4,500</u>	<u>1,350</u>	<u>(3,150)</u>
TOTAL LICENSES AND PERMITS	<u>1,079,700</u>	<u>1,079,700</u>	<u>987,022</u>	<u>(92,678)</u>
<u>INTERGOVERNMENTAL:</u>				
Municipal Aid	20,000	20,000	19,488	(512)
Reimb-Transfer Station	55,000	55,000	59,568	4,568
Police Training	15,000	15,000	16,111	1,111
Sales Tax-Rental Car Settlement	17,500	17,500	12,573	(4,927)
Sales Tax-Revenue	6,222,000	5,830,000	5,756,524	(73,476)
ABC Licenses	95,000	95,000	122,175	27,175
Fire Protection	62,000	62,000	62,120	120
Hospital	8,000	8,000	3,927	(4,073)
County Ad Valorem Tax	285,000	285,000	274,251	(10,749)
Univ of Miss Fire Protection	457,258	457,258	457,258	-
Oxford Housing Authority	50,000	50,000	50,000	-
School Resource Officer Reimb	<u>205,000</u>	<u>205,000</u>	<u>211,273</u>	<u>6,273</u>
TOTAL INTERGOVERNMENTAL	<u>7,491,758</u>	<u>7,099,758</u>	<u>7,045,268</u>	<u>(54,490)</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
<u>GOVERNMENTAL SERVICES:</u>				
FNC Parking Lease	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Sanitation Charges	2,709,654	2,709,654	2,901,841	192,187
Waste Disposal	23,000	23,000	20,383	(2,617)
Income from Police Dept Fees	5,000	5,000	6,124	1,124
Income from Swim Pool	14,000	14,000	19,723	5,723
Income from Recycling	150,000	150,000	70,076	(79,924)
Income from Dumpsters	12,500	12,500	1,533	(10,967)
School Collections	65,000	65,000	65,000	-
TOTAL GOVERNMENTAL SERVICES	<u>2,994,154</u>	<u>2,994,154</u>	<u>3,099,680</u>	<u>105,526</u>
<u>FINES AND FORFEITS:</u>				
Court Fines and Forfeits	425,000	425,000	421,202	(3,798)
State Fuel Tax	-	-	12,138	12,138
State Fines T&A	16,000	16,000	-	(16,000)
TOTAL FINES AND FORFEITS	<u>441,000</u>	<u>441,000</u>	<u>433,340</u>	<u>(7,660)</u>
<u>MISCELLANEOUS:</u>				
Donation of Land	-	-	1,476,087	1,476,087
Miscellaneous	100,000	135,000	277,817	142,817
RSVP	30,000	30,000	23,704	(6,296)
FNC Sponsorships	179,277	219,277	172,514	(46,763)
FNC OPC Concessions	46,000	86,000	91,313	5,313
Fuel Reimbursements	100,000	100,000	16,972	(83,028)
Interest Earned	75,000	175,000	222,308	47,308
TOTAL MISCELLANEOUS	<u>530,277</u>	<u>745,277</u>	<u>2,280,715</u>	<u>1,535,438</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	37,209	(2,791)
Transfers	236,341	236,341	75,100	(161,241)
Tax Equivalent-E/D	540,000	540,000	585,491	45,491
TOTAL INTERFUND TRANSFERS	<u>1,136,341</u>	<u>1,136,341</u>	<u>697,800</u>	<u>(438,541)</u>
 TOTAL REVENUE	 <u>18,696,608</u>	 <u>18,519,608</u>	 <u>19,622,827</u>	 <u>1,103,219</u>

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

- Continued -

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES				
Legislative	\$ 115,701	\$ 115,701	\$ 102,376	\$ 13,325
Judicial	199,831	199,831	193,480	6,351
Executive	81,656	84,006	85,456	(1,450)
Elections	9,000	12,031	12,031	-
Financial Administration	263,680	263,680	244,089	19,591
Human Resources	188,342	188,342	158,688	29,654
Law	158,008	165,008	168,619	(3,611)
Dept. of Planning	239,648	239,648	186,656	52,992
Building and Code Enforcement	278,566	278,566	246,076	32,490
Buildings and Grounds	419,233	430,318	374,580	55,738
General Government	1,947,224	1,947,224	1,924,498	22,726
Community Promotions	45,000	45,000	45,497	(497)
Police Department	3,865,817	3,895,817	3,514,254	381,563
Fire Department	3,183,350	3,183,350	2,918,474	264,876
Emergency Mgmt	153,874	153,874	73,103	80,771
Highway and Street	2,507,168	2,507,168	1,501,936	1,005,232
Sanitation Administration	76,614	79,430	74,511	4,919
Street Cleaning	77,836	77,338	78,112	(774)
Waste Collection	1,157,399	1,157,899	1,139,084	18,815
Waste Disposal	680,105	675,404	480,133	195,271
Weed and Grass Control	246,396	248,779	240,580	8,199
Cemetery Maintenance	134,850	134,850	131,092	3,758
Family Crisis Services	7,200	7,200	7,200	-
FNC Park	557,958	814,489	2,220,241	(1,405,752)
Parks and Recreation	968,218	968,218	952,509	15,709
Swimming Pool	85,754	170,754	125,642	45,112
RSVP	115,135	124,012	123,727	285
Library	267,000	267,000	287,805	(20,805)
City Garage	1,541,544	1,142,544	1,021,127	121,417
Airport	15,000	15,000	15,000	-
Humane Society	117,793	117,793	117,793	-
Recycling	528,615	542,485	508,104	34,381
Principal Retirement	-	-	44,765	(44,765)
Interest and Fiscal Charges	-	-	40,809	(40,809)
Operating Transfers Out	-	-	205,000	(205,000)
TOTAL EXPENDITURES	<u>20,233,515</u>	<u>20,252,759</u>	<u>19,563,047</u>	<u>689,712</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES \$	(1,536,907)	\$(1,733,151)	\$ 59,780	\$ 1,792,931
FUND BALANCE - BEGINNING	<u>4,735,074</u>	<u>4,735,074</u>	<u>4,735,074</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>3,198,167</u>	\$ <u>3,001,923</u>	\$ <u>4,794,854</u>	\$ <u>1,792,931</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
3.8 MILLION G.O. BOND ISSUE 2009
Year Ended September 30, 2009

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
REVENUE				
Bond Proceeds	\$ -	\$ -	\$ 3,800,000	\$ 3,800,000
TOTAL REVENUE	-	-	3,800,000	3,800,000
EXPENDITURES				
Capital Outlay	-	-	153,016	(153,016)
TOTAL EXPENDITURES	-	-	153,016	(153,016)
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	3,646,984	3,646,984
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ 3,646,984	\$ 3,646,984

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Year ended September 30, 2009

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, 2009

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,557,111	\$ 143,995	\$ 2,225,790	\$ 237,868	\$ 4,164,764
Due from Other Governments	<u>104,518</u>	<u>-</u>	<u>335,854</u>	<u>-</u>	<u>440,372</u>
TOTAL ASSETS	\$ <u>1,661,629</u>	\$ <u>143,995</u>	\$ <u>2,561,644</u>	\$ <u>237,868</u>	\$ <u>4,605,136</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Bank Overdraft	\$ 321,469	\$ -	\$ 345,903	\$ 8,795	\$ 676,167
Accounts Payable	-	-	23,760	-	23,760
Due to Lienholder	<u>-</u>	<u>55,931</u>	<u>-</u>	<u>-</u>	<u>55,931</u>
TOTAL LIABILITIES	<u>321,469</u>	<u>55,931</u>	<u>369,663</u>	<u>8,795</u>	<u>755,858</u>
Fund Balances:					
Reserved For:					
Unemployment	-	-	52,171	-	52,171
Cemetery	-	69,279	-	-	69,279
Fire Protection	-	13,333	-	-	13,333
Tourism	-	-	1,456,706	-	1,456,706
Other	-	5,452	683,104	-	688,556
Debt Service	-	-	-	229,073	229,073
Capital Projects	<u>1,340,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,340,160</u>
TOTAL FUND BALANCES	<u>1,340,160</u>	<u>88,064</u>	<u>2,191,981</u>	<u>229,073</u>	<u>3,849,278</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>1,661,629</u>	\$ <u>143,995</u>	\$ <u>2,561,644</u>	\$ <u>237,868</u>	\$ <u>4,605,136</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)
 Year Ended September 30, 2009

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>REVENUES</u>					
Ad Valorem	\$ -	\$ -	\$ -	\$ 1,602,849	\$ 1,602,849
Other Taxes	-	-	1,801,598	-	1,801,598
Interest Income	101,499	-	117,355	14,269	233,123
Federal & State Awards	92,322	-	273,692	-	366,014
Sale of Cemetery Lots	-	19,350	-	-	19,350
Local Matching Funds	-	-	693,404	-	693,404
Fines and Seizures	-	50	61,877	-	61,927
Rental Fees	-	-	28,976	-	28,976
Intergovernmental	-	-	251,267	-	251,267
Miscellaneous	-	-	111,538	-	111,538
 TOTAL REVENUES	 <u>193,821</u>	 <u>19,400</u>	 <u>3,339,707</u>	 <u>1,617,118</u>	 <u>5,170,046</u>
<u>EXPENDITURES</u>					
Capital Projects	4,950,643	-	168,678	-	5,119,321
Drug and Traffic Enforcement	-	-	443,218	-	443,218
Miscellaneous	25,070	4,800	754,601	-	784,471
Bond Maturities	-	-	225,000	1,225,000	1,450,000
Interest Paid and Agent Fees	-	-	177,911	675,459	853,370
Tourism Promotion	-	-	862,409	-	862,409
Loan Costs	12,100	-	-	-	12,100
 TOTAL EXPENDITURES	 <u>4,987,813</u>	 <u>4,800</u>	 <u>2,631,817</u>	 <u>1,900,459</u>	 <u>9,524,889</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>(4,793,992)</u>	 <u>14,600</u>	 <u>707,890</u>	 <u>(283,341)</u>	 <u>(4,354,843)</u>

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

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In	\$ 130,000	\$ -	\$ 197,807	\$ 364,215	\$ 692,022
Operating Transfers Out	-	-	(562,122)	-	(562,122)
Loan Proceeds	<u>675,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,000</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>805,000</u>	 <u>-</u>	 <u>(364,315)</u>	 <u>364,215</u>	 <u>804,900</u>
 NET CHANGE IN FUND BALANCE	 <u>(3,988,992)</u>	 <u>14,600</u>	 <u>343,575</u>	 <u>80,874</u>	 <u>(3,549,943)</u>
 <u>FUND BALANCE</u>					
Beginning of Year	<u>5,329,152</u>	<u>73,464</u>	<u>1,848,406</u>	<u>148,199</u>	<u>7,399,221</u>
End of Year	\$ <u>1,340,160</u>	\$ <u>88,064</u>	\$ <u>2,191,981</u>	\$ <u>229,073</u>	\$ <u>3,849,278</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2009

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	G.O. NOTE SERIES 2008	\$1,500,000 G.O. BONDS	2007 OPC BALLFIELD PROJECT	BUSINESS INCUBATOR PHASE II/III	TOTALS
<u>ASSETS</u>								
Cash and Cash								
Equivalents	\$ 976,881	\$ 110,801	\$ 54,783	\$ 407,238	\$ 7,408	\$ -	\$ -	\$ 1,557,111
Due from Other								
Government	-	-	-	-	-	-	104,518	104,518
 TOTAL ASSETS	 \$ <u>976,881</u>	 \$ <u>110,801</u>	 \$ <u>54,783</u>	 \$ <u>407,238</u>	 \$ <u>7,408</u>	 \$ <u>-</u>	 \$ <u>104,518</u>	 \$ <u>1,661,629</u>
 <u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,951	\$ 104,518	\$ 321,469
 TOTAL								
LIABILITIES	-	-	-	-	-	216,951	104,518	321,469
 Fund Balances:								
Reserved for								
Capital Projects	<u>976,881</u>	<u>110,801</u>	<u>54,783</u>	<u>407,238</u>	<u>7,408</u>	<u>(216,951)</u>	<u>-</u>	<u>1,340,160</u>
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u>976,881</u>	 \$ <u>110,801</u>	 \$ <u>54,783</u>	 \$ <u>407,238</u>	 \$ <u>7,408</u>	 \$ <u>-</u>	 \$ <u>104,518</u>	 \$ <u>1,661,629</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 Year Ended September 30, 2009

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	G.O. NOTE SERIES 2008	\$1,500,000 G.O. BONDS	2007 OPC BALLFIELD PROJECT	BUSINESS INCUBATOR PHASE II/III	TOTALS
<u>REVENUES</u>								
Interest Income	\$ 83,341	\$ -	\$ -	\$ 1,909	\$ -	\$ 16,249	\$ -	\$ 101,499
Federal & State Awards	-	-	16,272	-	-	-	76,050	92,322
TOTAL REVENUES	<u>83,341</u>	<u>-</u>	<u>16,272</u>	<u>1,909</u>	<u>-</u>	<u>16,249</u>	<u>76,050</u>	<u>193,821</u>
<u>EXPENDITURES</u>								
Capital Projects	1,973,053	-	-	257,571	-	2,643,969	76,050	4,950,643
Miscellaneous	-	-	618	-	24,452	-	-	25,070
Loan Costs	-	-	-	12,100	-	-	-	12,100
TOTAL EXPENDITURES	<u>1,973,053</u>	<u>-</u>	<u>618</u>	<u>269,671</u>	<u>24,452</u>	<u>2,643,969</u>	<u>76,050</u>	<u>4,987,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,889,712)</u>	<u>-</u>	<u>15,654</u>	<u>(267,762)</u>	<u>(24,452)</u>	<u>(2,627,720)</u>	<u>-</u>	<u>(4,793,992)</u>
<u>OTHER FINANCING SOURCES (USES)</u>								
Transfers In	130,000	-	-	-	-	-	-	130,000
Loan Proceeds	-	-	-	675,000	-	-	-	675,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>675,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>805,000</u>
NET CHANGE IN FUND BALANCES	<u>(1,759,712)</u>	<u>-</u>	<u>15,654</u>	<u>407,238</u>	<u>(24,452)</u>	<u>(2,627,720)</u>	<u>-</u>	<u>(3,988,992)</u>
<u>FUND BALANCE</u>								
Beginning of Year	<u>2,736,593</u>	<u>110,801</u>	<u>39,129</u>	<u>-</u>	<u>31,860</u>	<u>2,410,769</u>	<u>-</u>	<u>5,329,152</u>
End of Year	<u>\$ 976,881</u>	<u>\$ 110,801</u>	<u>\$ 54,783</u>	<u>\$ 407,238</u>	<u>\$ 7,408</u>	<u>\$ (216,951)</u>	<u>\$ -</u>	<u>\$ 1,340,160</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
September 30, 2009

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ <u>69,279</u>	\$ <u>74,716</u>	\$ <u>143,995</u>
TOTAL ASSETS	\$ <u>69,279</u>	\$ <u>74,716</u>	\$ <u>143,995</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Due to Lienholders	\$ <u>-</u>	\$ <u>55,931</u>	\$ <u>55,931</u>
TOTAL LIABILITIES	<u>-</u>	<u>55,931</u>	<u>55,931</u>
Fund Balance:			
Cemetery Maintenance	69,279	-	69,279
Fire Protection	-	13,333	13,333
Youth Court	<u>-</u>	<u>5,452</u>	<u>5,452</u>
TOTAL FUND BALANCE	<u>69,279</u>	<u>18,785</u>	<u>88,064</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>69,279</u>	\$ <u>74,716</u>	\$ <u>143,995</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FIDUCIARY FUNDS
 Year Ended September 30, 2009

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTAL
<u>REVENUES</u>			
Fines	\$ -	\$ 50	\$ 50
Sale of Cemetery Lots	<u>19,350</u>	<u>-</u>	<u>19,350</u>
TOTAL REVENUES	<u>19,350</u>	<u>50</u>	<u>19,400</u>
<u>EXPENDITURES</u>			
Miscellaneous Expenses	<u>4,800</u>	<u>-</u>	<u>4,800</u>
TOTAL EXPENDITURES	<u>4,800</u>	<u>-</u>	<u>4,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>14,550</u>	<u>50</u>	<u>14,600</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	14,550	50	14,600
FUND BALANCE			
Beginning of Year	<u>54,729</u>	<u>18,735</u>	<u>73,464</u>
End of Year	\$ <u>69,279</u>	\$ <u>18,785</u>	\$ <u>88,064</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUND
September 30, 2009

	CEMETERY TRUST FUND
<u>ASSETS</u>	
Cash	\$ <u>69,279</u>
 TOTAL ASSETS	 \$ <u><u>69,279</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Fund Balance:	
Reserved for Cemetery Maintenance	\$ <u>69,279</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u><u>69,279</u></u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 EXPENDABLE TRUST FUND
 Year Ended September 30, 2009

	CEMETERY TRUST FUND
<u>REVENUES</u>	
Sales of Cemetery Lots	\$ <u>19,350</u>
TOTAL REVENUES	<u>19,350</u>
 <u>EXPENDITURES</u>	 <u>4,800</u>
TOTAL EXPENDITURES	<u>4,800</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>14,550</u>
 <u>OTHER FINANCING SOURCES (USES)</u>	
Operating Transfers Out	 <u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	 <u>-</u>
NET CHANGE IN FUND BALANCE	14,550
 <u>FUND BALANCE</u>	
Beginning of Year	 <u>54,729</u>
End of Year	\$ <u><u>69,279</u></u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
AGENCY FUNDS
September 30, 2009

	YOUTH COURT	FIRE PROTECTION	TAX COLLECTOR CLEARING	TOTAL
<u>ASSETS</u>				
Cash	\$ 5,452	\$ 13,333	\$ 55,931	\$ 74,716
 TOTAL ASSETS	 \$ 5,452	 \$ 13,333	 \$ 55,931	 \$ 74,716
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Bank Overdraft	\$ -	\$ -	\$ -	\$ -
Due to Lienholders	-	-	55,931	55,931
 TOTAL LIABILITIES	 -	 -	 55,931	 55,931
Fund Balance:				
Reserved for:				
Fire Protection	-	13,333	-	13,333
Others	5,452	-	-	5,452
 TOTAL FUND BALANCE	 5,452	 13,333	 -	 18,785
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 5,452	 \$ 13,333	 \$ 55,931	 \$ 74,716

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 AGENCY FUNDS
 September 30, 2009

	YOUTH COURT	FIRE PROTECTION	TAX COLLECTOR CLEARING	TOTAL
<u>REVENUES</u>				
Fines	\$ 50	\$ -	\$ -	\$ 50
TOTAL REVENUES	50	-	-	50
<u>EXPENDITURES</u>				
	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	50	-	-	50
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	50	-	-	50
<u>FUND BALANCE</u>				
Beginning of Year	5,402	13,333	-	18,735
End of Year	\$ 5,452	\$ 13,333	\$ -	\$ 18,785

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 September 30, 2009

	2% TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	OXFORD LAFAYETTE FIELDS SPONSORSHIP	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 1,329,058	\$ 792	\$ 219,770	\$ -	\$ 52,171	\$ 623,999	\$ 2,225,790
Due from Other Governments	<u>138,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,058</u>	<u>335,854</u>
TOTAL ASSETS	\$ <u>1,467,854</u>	\$ <u>792</u>	\$ <u>219,770</u>	\$ <u>-</u>	\$ <u>52,171</u>	\$ <u>821,057</u>	\$ <u>2,561,644</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,903	\$ 345,903
Accounts Payable	<u>11,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,612</u>	<u>23,760</u>
TOTAL LIABILITIES	<u>11,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,515</u>	<u>369,663</u>
Fund Balance:							
Reserved for:							
Tourism	1,456,706	-	-	-	-	-	1,456,706
Unemployment	-	-	-	-	52,171	-	52,171
Other	<u>-</u>	<u>792</u>	<u>219,770</u>	<u>-</u>	<u>-</u>	<u>462,542</u>	<u>683,104</u>
TOTAL FUND BALANCES	<u>1,456,706</u>	<u>792</u>	<u>219,770</u>	<u>-</u>	<u>52,171</u>	<u>462,542</u>	<u>2,191,981</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>1,467,854</u>	\$ <u>792</u>	\$ <u>219,770</u>	\$ <u>-</u>	\$ <u>52,171</u>	\$ <u>821,057</u>	\$ <u>2,561,644</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 Year Ended September 30, 2009

	2% TAX	DUI		OXFORD	UNEMPLOYMENT		
	FUND	GRANT	HUMANE	LAFAYETTE	COMPENSATION	OTHER	TOTAL
	FUND	FUNDS	SOCIETY	SPONSORSHIP	FUND		
<u>REVENUES</u>							
Tourism Tax	\$ 1,801,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,801,598
Federal & State Awards	-	65,653	-	-	-	208,039	273,692
Local Matching Funds	300,000	-	120,000	-	-	273,404	693,404
Interest on Investments	2,477	-	-	-	-	114,878	117,355
Fines and Seizures	-	-	-	-	-	61,877	61,877
Rental Fees	-	-	-	-	-	28,976	28,976
Intergovernmental	-	-	-	-	-	251,267	251,267
Miscellaneous	25,720	-	-	4,625	-	81,193	111,538
TOTAL REVENUES	2,129,795	65,653	120,000	4,625	-	1,019,634	3,339,707
<u>EXPENDITURES</u>							
Capital Outlay	40,544	3,841	-	-	-	124,293	168,678
Tourism Promotion	846,648	-	-	-	-	15,761	862,409
Drug and Traffic Enforcement	-	98,818	-	-	-	344,400	443,218
Bond Maturities	225,000	-	-	-	-	-	225,000
Interest Paid and Agent Fees	177,911	-	-	-	-	-	177,911
Miscellaneous	63,941	9,983	-	-	-	680,777	754,601
TOTAL EXPENDITURES	1,354,044	112,542	-	-	-	1,165,231	2,631,817
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	775,751	(46,889)	120,000	4,625	-	(145,597)	707,890
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating Transfers In	-	-	-	-	-	197,807	197,807
Operating Transfers Out	(487,022)	-	-	(75,100)	-	-	(562,122)
TOTAL OTHER FINANCIAL SOURCES (USES)	(487,022)	-	-	(75,100)	-	197,807	(364,315)
NET CHANGE IN FUND BALANCE	288,729	(46,889)	120,000	(70,475)	-	52,210	343,575

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

	2% TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	OXFORD LAFAYETTE FIELDS SPONSORSHIP	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
<u>FUND BALANCE</u>							
Beginning of Year	\$ <u>1,167,977</u>	\$ <u>47,681</u>	\$ <u>99,770</u>	\$ <u>70,475</u>	\$ <u>52,171</u>	\$ <u>410,332</u>	\$ <u>1,848,406</u>
End of Year	\$ <u>1,456,706</u>	\$ <u>792</u>	\$ <u>219,770</u>	\$ <u>-</u>	\$ <u>52,171</u>	\$ <u>462,542</u>	\$ <u>2,191,981</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 September 30, 2009

	2005	2004	2002	2001	1995	1993 STADIUM	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>BONDS</u>	<u>TOTAL</u>
<u>ASSETS</u>							
Cash	\$ <u>17,145</u>	\$ <u>65,780</u>	\$ <u>15,109</u>	\$ <u>118,301</u>	\$ <u>21,533</u>	\$ <u>-</u>	\$ <u>237,868</u>
 TOTAL ASSETS	\$ <u>17,145</u>	\$ <u>65,780</u>	\$ <u>15,109</u>	\$ <u>118,301</u>	\$ <u>21,533</u>	\$ <u>-</u>	\$ <u>237,868</u>
 <u>LIABILITIES AND FUND BALANCE</u>							
Liability-Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,795	\$ 8,795
Fund Balance-Restricted	<u>17,145</u>	<u>65,780</u>	<u>15,109</u>	<u>118,301</u>	<u>21,533</u>	<u>(8,795)</u>	<u>229,073</u>
 TOTAL LIABILITIES AND FUND BALANCE	\$ <u>17,145</u>	\$ <u>65,780</u>	\$ <u>15,109</u>	\$ <u>118,301</u>	\$ <u>21,533</u>	\$ <u>-</u>	\$ <u>237,868</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 Year Ended September 30, 2009

	2007	2005	2004	2002	2001	1995	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>TOTAL</u>
<u>REVENUES</u>							
Ad Valorem and Other Taxes	\$ 398,864	\$ 169,358	\$ 266,779	\$ 111,377	\$ 424,479	\$ 231,992	\$ 1,602,849
Investment Income	<u>3,509</u>	<u>1,468</u>	<u>2,255</u>	<u>985</u>	<u>3,722</u>	<u>2,330</u>	<u>14,269</u>
TOTAL REVENUES	<u>402,373</u>	<u>170,826</u>	<u>269,034</u>	<u>112,362</u>	<u>428,201</u>	<u>234,322</u>	<u>1,617,118</u>
<u>EXPENDITURES</u>							
Bond Principal Maturities	295,000	140,000	210,000	140,000	210,000	230,000	1,225,000
Interest Paid	354,137	36,063	69,841	20,344	163,931	25,850	670,166
Agent Fees	<u>1,050</u>	<u>853</u>	<u>-</u>	<u>821</u>	<u>1,940</u>	<u>629</u>	<u>5,293</u>
TOTAL EXPENDITURES	<u>650,187</u>	<u>176,916</u>	<u>279,841</u>	<u>161,165</u>	<u>375,871</u>	<u>256,479</u>	<u>1,900,459</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(247,814)</u>	<u>(6,090)</u>	<u>(10,807)</u>	<u>(48,803)</u>	<u>52,330</u>	<u>(22,157)</u>	<u>(283,341)</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating Transfers Out	<u>364,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,215</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>364,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,215</u>
NET CHANGE IN FUND BALANCE	116,401	(6,090)	(10,807)	(48,803)	52,330	(22,157)	80,874
<u>FUND BALANCE</u>							
Beginning of Year	<u>(125,196)</u>	<u>23,235</u>	<u>76,587</u>	<u>63,912</u>	<u>65,971</u>	<u>43,690</u>	<u>148,199</u>
End of Year	\$ <u>(8,795)</u>	\$ <u>17,145</u>	\$ <u>65,780</u>	\$ <u>15,109</u>	\$ <u>118,301</u>	\$ <u>21,533</u>	\$ <u>229,073</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF NET ASSETS
PROPRIETARY FUND-WATER AND SEWER
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$12,079,499	\$ 12,328,757
Debt Service Sinking Funds	1,318,313	1,046,825
Other Receivables	83,911	83,911
Due from State	13,699	2,945
Utility Plant	48,919,543	44,122,161
Accumulated Depreciation	(14,511,314)	(13,963,691)
Inventory	15,000	15,000
Due from Other Funds	1,246,764	827,707
Deferred Debits	<u>223,974</u>	<u>242,992</u>
 TOTAL ASSETS	 <u>49,389,389</u>	 <u>44,706,607</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Vouchers Payable	84,703	6,790
Bonds Payable	12,450,000	13,035,000
Notes Payable	<u>9,609,332</u>	<u>8,133,322</u>
 TOTAL LIABILITIES	 <u>22,144,035</u>	 <u>21,175,112</u>
 <u>NET ASSETS</u>		
Invested in Fixed Assets, Net of Related Debt	12,348,897	8,990,148
Reserved for Debt Service	1,318,313	1,046,825
Fund Balance-Unrestricted	<u>13,578,144</u>	<u>13,494,522</u>
 TOTAL NET ASSETS	 <u>\$27,245,354</u>	 <u>\$23,531,495</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF NET ASSETS
PROPRIETARY FUND-ELECTRIC
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 4,000,256	\$ 2,080,260
Debt Service Sinking Funds	703,607	604,070
Consumer Receivables	2,925,652	2,973,468
Utility Plant	29,761,645	26,617,248
Accumulated Depreciation	(6,416,247)	(6,086,631)
Inventory	472,424	512,923
Prepayments	57,492	49,932
Deferred Debits	<u>200,410</u>	<u>430,161</u>
TOTAL ASSETS	<u>31,705,239</u>	<u>27,181,431</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Vouchers Payable	2,547,886	3,533,993
Due to Other Funds	1,798,466	902,309
Bonds Payable	7,045,000	4,310,000
Customer Deposits	2,176,596	2,056,867
Other	358,641	202,035
Deferred Credits	<u>44,538</u>	<u>37,119</u>
TOTAL LIABILITIES	<u>13,971,127</u>	<u>11,042,323</u>
 <u>NET ASSETS</u>		
Invested in Fixed Assets, Net of Related Debt	16,300,398	16,220,617
Reserved for Debt Service	703,607	604,070
Fund Balance-Unrestricted	<u>730,107</u>	<u>(685,579)</u>
TOTAL NET ASSETS	<u>\$17,734,112</u>	<u>\$16,139,108</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND-WATER AND SEWER
Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Charges for Services	\$ 7,863,008	\$ 6,336,931
Other	218,346	259,599
TOTAL REVENUES	<u>8,081,354</u>	<u>6,596,530</u>
<u>EXPENDITURES</u>		
Administration, General and Sales	722,799	706,096
Computer Technology	155,451	125,188
Financial and Customer Account	403,105	371,054
Transmission and Distribution	752,406	831,740
Treatment and Purification	901,053	851,793
Source of Supply	728,528	720,022
Water-Waste Collection	381,800	397,328
Depreciation and Amortization	1,002,291	892,673
TOTAL EXPENDITURES	<u>5,047,433</u>	<u>4,895,894</u>
OPERATING INCOME	<u>3,033,921</u>	<u>1,700,636</u>
<u>OTHER INCOME</u>		
Interest	730,970	806,095
Grant	914,344	929,188
TOTAL OTHER INCOME	<u>1,645,314</u>	<u>1,735,283</u>
NET INCOME BEFORE DEBT SERVICE	<u>4,679,235</u>	<u>3,435,919</u>
<u>DEBT SERVICE</u>	<u>965,376</u>	<u>519,492</u>
NET INCOME BEFORE OTHER FINANCING SOURCES (USES)	<u>3,713,859</u>	<u>2,916,427</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers Out	-	400,000
Operating Transfers Out	-	(900,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(500,000)</u>
NET CHANGE IN NET ASSETS	3,713,859	2,416,427
<u>NET ASSETS</u>		
Beginning of Year	23,531,495	21,115,068
End of Year	\$ <u>27,245,354</u>	\$ <u>23,531,495</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND-ELECTRIC
Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Electric Sales	\$ 21,665,338	\$ 19,292,795
Revenue from Late Payments	123,132	113,479
Miscellaneous Service Revenue	165,590	178,252
Rent from Electric Property	83,284	81,815
Other	<u>60</u>	<u>60</u>
TOTAL OPERATING REVENUE	<u>22,037,404</u>	<u>19,666,401</u>
<u>PURCHASED POWER</u>	<u>17,501,010</u>	<u>15,209,665</u>
<u>OPERATING EXPENSE</u>		
Distribution Expense	277,537	291,552
Customer Accounts Expense	326,132	418,988
Customer Service and Information	41,174	72,207
Sales Expense	45,827	66,423
Administration and General Expense	<u>426,141</u>	<u>515,771</u>
TOTAL OPERATING EXPENSE	<u>1,116,811</u>	<u>1,364,941</u>
<u>MAINTENANCE EXPENSE</u>		
Distribution Expense	<u>364,103</u>	<u>423,984</u>
TOTAL MAINTENANCE EXPENSE	<u>364,103</u>	<u>423,984</u>
<u>OTHER OPERATING EXPENSE</u>		
Depreciation	579,499	538,900
Taxes and Tax Equivalents	<u>65,979</u>	<u>65,979</u>
TOTAL OTHER OPERATING EXPENSE	<u>645,478</u>	<u>604,879</u>
TOTAL PURCHASED POWER AND OPERATING EXPENSE	<u>19,627,402</u>	<u>17,603,469</u>
OPERATING INCOME	2,410,002	2,062,932
<u>OTHER INCOME</u>	<u>227,039</u>	<u>121,036</u>
NET INCOME BEFORE OTHER DEDUCTIONS	\$ <u>2,637,041</u>	\$ <u>2,183,968</u>

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

	<u>2009</u>	<u>2008</u>
<u>OTHER DEDUCTIONS</u>	\$ <u>39,380</u>	\$ <u>41,959</u>
NET INCOME BEFORE DEBT EXPENSE	<u>2,597,661</u>	<u>2,142,009</u>
<u>DEBT EXPENSE</u>		
Interest on Long-Term Debt	325,595	228,109
Other Interest Expense	47,041	44,767
Amortization	<u>7,321</u>	<u>7,321</u>
TOTAL DEBT EXPENSE	<u>379,957</u>	<u>280,197</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers Out	<u>(622,700)</u>	<u>(561,127)</u>
NET INCOME	1,595,004	1,300,685
Reinvested Earnings-Beginning of Year	<u>16,139,108</u>	<u>14,838,423</u>
Reinvested Earnings-End of Year	\$ <u>17,734,112</u>	\$ <u>16,139,108</u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND-WATER AND SEWER
Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 7,662,297	\$ 6,538,736
Paid for Operating Expenses	<u>(3,958,965)</u>	<u>4,007,315</u>
NET CASH PROVIDED	<u>3,703,332</u>	<u>2,531,421</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	-	(900,000)
Transfer in from Other Funds	<u>-</u>	<u>400,000</u>
NET CASH (USED)	<u>-</u>	<u>(500,000)</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(965,376)	(519,492)
Principal Paid on Notes	(213,032)	(204,692)
Notes Issued	1,689,042	6,053,858
Principal Paid on Bonds	(585,000)	(450,000)
Bonds Issued	-	3,450,000
Purchase of Capital Assets	(5,252,050)	(10,035,363)
Payment of Bond Costs	-	(62,934)
Increase in Debt Service Sinking Funds	(271,488)	(499,660)
Grant Received	<u>914,344</u>	<u>929,188</u>
NET CASH (USED)	<u>(4,683,560)</u>	<u>(1,339,095)</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>730,970</u>	<u>806,095</u>
NET CASH PROVIDED	<u>730,970</u>	<u>806,095</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(249,258)	1,498,421
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>12,328,757</u>	<u>10,830,336</u>
End of Year	\$ <u><u>12,079,499</u></u>	\$ <u><u>12,328,757</u></u>

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

	<u>2009</u>	<u>2008</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Profit	\$ <u>3,033,921</u>	\$ <u>1,700,636</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	1,021,309	910,116
(Increase) Decrease in Due from State	-	275,655
(Increase) Decrease in Accounts Receivable	(419,057)	(57,791)
Increase (Decrease) in Vouchers Payable	77,913	(23,153)
Increase (Decrease) in Due to Other Funds	-	(274,042)
Increase (Decrease) in Property	<u>(10,754)</u>	<u>-</u>
TOTAL ADJUSTMENTS	<u>669,411</u>	<u>830,785</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES \$	<u><u>3,703,332</u></u>	<u><u>2,531,421</u></u>

CITY OF OXFORD, MISSISSIPPI
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND-ELECTRIC
Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 22,312,260	\$ 19,777,924
Purchase of Power	(17,590,960)	(15,052,602)
Paid for Operating Expenses	(1,133,309)	(1,472,869)
NET CASH PROVIDED	<u>3,587,991</u>	<u>3,252,453</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	<u>(622,700)</u>	<u>(561,127)</u>
NET CASH (USED)	<u>(622,700)</u>	<u>(561,127)</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(379,957)	(272,876)
Principal Paid on Notes	-	(150,000)
Principal Paid on Bonds	(265,000)	(250,000)
Purchase of Capital Assets	(3,521,835)	(2,852,893)
(Increase) Decrease in Restricted Bond Funds	(99,537)	-
Conservation Advances from TVA	(6,006)	(1,885)
Bonds Issued	3,000,000	-
Other Deductions	<u>-</u>	<u>(41,959)</u>
NET CASH (USED)	<u>(1,272,335)</u>	<u>(3,569,613)</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>227,040</u>	<u>121,036</u>
NET CASH PROVIDED	<u>227,040</u>	<u>121,036</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,919,996	(757,251)
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>2,080,260</u>	<u>2,837,511</u>
End of Year	\$ <u><u>4,000,256</u></u>	\$ <u><u>2,080,260</u></u>

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

	<u>2009</u>	<u>2008</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Profit	\$ <u>2,370,621</u>	\$ <u>2,062,932</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	707,054	660,865
(Increase) Decrease in Accounts Receivable	47,816	111,523
(Increase) Decrease in Inventory	40,499	24,533
(Increase) Decrease in Prepayments and Other Current Assets	(7,560)	26,067
(Increase) Decrease in Deferred Charges	229,751	(18,924)
Increase (Decrease) in Accounts Payable	(89,950)	157,063
Increase (Decrease) in Consumer Deposits	119,729	177,384
Increase (Decrease) in Other Accrued Liabilities	162,612	43,397
Increase (Decrease) in Deferred Credits	<u>7,419</u>	<u>7,613</u>
TOTAL ADJUSTMENTS	<u>1,217,370</u>	<u>1,189,521</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>3,587,991</u></u>	\$ <u><u>3,252,453</u></u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2009

<u>INVESTMENTS</u>	<u>COST AND MARKET VALUE</u>
Certificates of Deposit:	
First National Bank	\$ 942,157
Mechanics Bank	33,633
Southbank	<u>194,371</u>
 TOTAL INVESTMENTS	 \$ <u>1,170,161</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF SURETY BONDS
September 30, 2009

<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, 2009

DEFINITION AND PURPOSE	INTEREST RATE	BALANCE OCTOBER 1, 2008	ADDITIONS	REDEMPTIONS	BALANCE SEPTEMBER 30, 2009
<u>REVENUE BONDS</u>					
1996 Combination Water & Sewer	6.5%	\$ 425,000	\$ -	\$ 135,000	\$ 290,000
1999 Electric System Revenue	4.6-6.25%	4,310,000	-	265,000	4,045,000
2003 Combination Water & Sewer	3.8-4.5%	1,630,000	-	75,000	1,555,000
2004 Water & Sewer Revenue Bond		1,630,000	-	65,000	1,565,000
2006 Water & Sewer Revenue Bond		3,185,000	-	115,000	3,070,000
2008 Water & Sewer Revenue Bond		2,715,000	-	90,000	2,625,000
2009 Water & Sewer Revenue Bond		3,450,000	-	105,000	3,345,000
<u>GENERAL OBLIGATION BONDS</u>					
1995 General Obligation	4.9-7.0%	470,000	-	230,000	240,000
2001 General Obligation - Jackson Avenue	4.375-6.25%	3,810,000	-	210,000	3,600,000
2001 Special Obligation - Conference Center	4.6%	3,850,000	-	225,000	3,625,000
2002 General Obligation - Police Dept. Equipment	3.875-5.5%	595,000	-	140,000	455,000
2004 General Obligation	3-3.8%	2,225,000	-	210,000	2,015,000
2005 General Obligation	3.375-3.79%	1,110,000	-	140,000	970,000
2007 General Obligation	5.00-4.125%	8,715,000	-	295,000	8,420,000
2009 General Obligation	3.000-3.75%	-	3,800,000	-	3,800,000
		<u>38,120,000</u>	<u>3,800,000</u>	<u>2,300,000</u>	<u>39,620,000</u>
<u>NOTES PAYABLE</u>					
General Obligation Note	3.6%	-	675,000	-	675,000
State Revolving Fund	4.0%	1,008,555	-	213,032	795,523
MS Development 569		499,874	33,603	-	533,477
State Revolving Fund		7,124,767	1,689,042	-	8,813,809
MS Development 515		989,807	-	44,765	945,042
		<u>9,623,003</u>	<u>2,397,645</u>	<u>257,797</u>	<u>11,762,851</u>
TOTAL		\$ <u>47,743,003</u>	\$ <u>6,197,645</u>	\$ <u>2,557,797</u>	\$ <u>51,382,851</u>

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

YEAR	1996 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 154,975	\$ 140,000	\$ 14,975
2011	157,800	150,000	7,800
	<u>\$ 312,775</u>	<u>\$ 290,000</u>	<u>\$ 22,775</u>

YEAR	1999 ELECTRIC SYSTEM REVENUE		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 482,482	\$ 280,000	\$ 202,482
2011	483,248	295,000	188,248
2012	482,968	310,000	172,968
2013	481,734	325,000	156,734
2014	481,734	345,000	136,734
2015-2019	2,909,671	2,490,000	419,671
	<u>\$ 5,321,837</u>	<u>\$ 4,045,000</u>	<u>\$ 1,276,837</u>

YEAR	2003 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 140,877	\$ 80,000	\$ 60,877
2011	137,677	80,000	57,677
2012	139,377	85,000	54,377
2013	135,861	85,000	50,861
2014	137,265	90,000	47,265
2015-2019	689,268	510,000	179,268
2020-2024	690,230	625,000	65,230
	<u>\$ 2,070,555</u>	<u>\$ 1,555,000</u>	<u>\$ 515,555</u>

YEAR	2004 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 127,228	\$ 65,000	\$ 62,228
2011	129,865	70,000	59,865
2012	132,234	75,000	57,234
2013	129,421	75,000	54,421
2014	131,415	80,000	51,415
2015-2019	669,414	465,000	204,414
2020-2024	693,646	600,000	93,646
2025	141,075	135,000	6,075
	<u>\$ 2,154,298</u>	<u>\$ 1,565,000</u>	<u>\$ 589,298</u>

YEAR	2006 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 251,712	\$ 120,000	\$ 131,712
2011	250,113	125,000	125,113
2012	248,550	130,000	118,550
2013	246,725	135,000	111,725
2014	249,975	145,000	104,975
2015-2019	1,255,725	835,000	420,725
2020-2024	1,309,000	1,075,000	234,000
2025-2029	535,600	505,000	30,600
	<u>\$ 4,347,400</u>	<u>\$ 3,070,000</u>	<u>\$ 1,277,400</u>

YEAR	2008 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 227,255	\$ 95,000	\$ 132,255
2011	226,555	100,000	126,555
2012	225,555	105,000	120,555
2013	224,255	110,000	114,255
2014	222,655	115,000	107,655
2015-2019	1,118,719	665,000	453,719
2020-2024	1,112,366	835,000	277,366
2025-2029	661,000	600,000	61,000
	<u>\$ 4,018,360</u>	<u>\$ 2,625,000</u>	<u>\$ 1,393,360</u>

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

YEAR	2009 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 239,150	\$ 110,000	\$ 129,150
2011	239,650	115,000	124,650
2012	239,950	120,000	119,950
2013	240,050	125,000	115,050
2014	249,750	140,000	109,750
2015-2019	1,193,850	770,000	423,850
2020-2024	1,300,805	985,000	315,805
2024-2028	<u>1,080,000</u>	<u>980,000</u>	<u>100,000</u>
	<u>\$ 4,783,205</u>	<u>\$ 3,345,000</u>	<u>\$ 1,438,205</u>

YEAR	1995 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ <u>253,200</u>	\$ <u>240,000</u>	\$ <u>13,200</u>
YEAR	2008 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 149,300	\$ 125,000	\$ 24,300
2011	149,800	130,000	19,800
2012	150,120	135,000	15,120
2013	150,260	140,000	10,260
2014	<u>150,220</u>	<u>145,000</u>	<u>5,220</u>
	<u>\$ 749,700</u>	<u>\$ 675,000</u>	<u>\$ 74,700</u>

YEAR	2001 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 372,688	\$ 220,000	\$ 152,688
2011	372,844	230,000	142,844
2012	377,453	245,000	132,453
2013	387,092	260,000	127,092
2014	379,813	270,000	109,813
2015-2019	1,956,641	1,605,000	351,641
2020-2021	<u>804,125</u>	<u>770,000</u>	<u>34,125</u>
	<u>\$ 4,650,656</u>	<u>\$ 3,600,000</u>	<u>\$ 1,050,656</u>

YEAR	2001 SPECIAL OBLIGATION-CONFERENCE CNTR		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 401,750	\$ 235,000	\$ 166,750
2011	400,940	245,000	155,940
2012	399,670	255,000	144,670
2013	391,845	265,000	126,845
2014	394,310	280,000	114,310
2015-2019	1,962,250	1,600,000	362,250
2020-2021	<u>779,615</u>	<u>745,000</u>	<u>34,615</u>
	<u>\$ 4,730,380</u>	<u>\$ 3,625,000</u>	<u>\$ 1,105,380</u>

YEAR	2002 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
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>\$ 482,028</u>	<u>\$ 455,000</u>	<u>\$ 27,028</u>

YEAR	2004 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 283,660	\$ 220,000	\$ 63,660
2011	287,191	230,000	57,191
2012	290,285	240,000	50,285
2013	292,685	250,000	42,685
2014	299,313	265,000	34,313
2015-2019	<u>888,530</u>	<u>810,000</u>	<u>78,530</u>
	<u>\$ 2,341,664</u>	<u>\$ 2,015,000</u>	<u>\$ 326,664</u>

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

YEAR	2005 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 175,291	\$ 145,000	\$ 30,291
2011	175,313	150,000	25,313
2012	180,081	160,000	20,081
2013	179,597	165,000	14,597
2014	178,944	170,000	8,944
2015	<u>183,038</u>	<u>180,000</u>	<u>3,038</u>
	<u>\$ 1,072,264</u>	<u>\$ 970,000</u>	<u>\$ 102,264</u>

YEAR	2008 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 650,913	\$ 310,000	\$ 340,913
2011	652,825	325,000	327,825
2012	654,525	340,000	314,525
2013	660,525	360,000	300,525
2014	655,925	370,000	285,925
2015-2019	3,292,425	2,130,000	1,162,425
2020-2024	3,342,625	2,675,000	667,625
2025-2029	<u>2,029,863</u>	<u>1,910,000</u>	<u>119,863</u>
	<u>\$11,939,626</u>	<u>\$ 8,420,000</u>	<u>\$ 3,519,626</u>

YEAR	2009 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 307,450	\$ 180,000	\$ 127,450
2011	311,150	190,000	121,150
2012	314,500	200,000	114,500
2013	317,500	210,000	117,500
2014	320,150	220,000	120,150
2015-2019	1,633,850	1,245,000	388,850
2020-2024	<u>1,725,975</u>	<u>1,555,000</u>	<u>170,975</u>
	<u>\$ 4,930,575</u>	<u>\$ 3,800,000</u>	<u>\$ 1,160,575</u>

YEAR	MS DEVELOPMENT 515		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 60,706	\$ 42,190	\$ 18,516
2011	60,706	43,042	17,669
2012	60,706	43,911	16,795
2013	60,706	44,797	15,909
2014	60,706	45,701	15,005
2015-2019	303,530	242,722	60,808
2020-2024	303,530	268,227	35,303
2025-2029	<u>222,581</u>	<u>214,452</u>	<u>8,129</u>
	<u>\$ 1,133,171</u>	<u>\$ 945,042</u>	<u>\$ 188,129</u>

YEAR	STATE REVOLVING FUND NOTE		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 249,497	\$ 221,712	\$ 27,785
2011	249,497	230,744	18,753
2012	249,497	240,145	9,352
2013	<u>103,953</u>	<u>102,922</u>	<u>1,031</u>
	<u>\$ 852,444</u>	<u>\$ 795,523</u>	<u>\$ 56,921</u>

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

YEAR	MS DEVELOPMENT 515		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 58,905	\$ 48,680	\$ 10,225
2011	58,904	49,662	9,242
2012	58,905	50,665	8,240
2013	58,904	51,687	7,217
2014	58,904	52,730	6,174
2015-2019	<u>294,523</u>	<u>280,053</u>	<u>14,470</u>
	\$ <u><u>589,045</u></u>	\$ <u><u>533,477</u></u>	\$ <u><u>55,568</u></u>

YEAR	STATE REVELOLVING FUND NOTE		
	TOTAL	PRINCIPAL	INTEREST
2010	\$ 532,328	\$ 313,725	\$ 218,603
2011	580,722	351,376	229,346
2012	580,722	361,162	219,560
2013	580,772	371,220	209,502
2014	580,772	381,558	199,164
2015-2019	2,903,608	2,073,226	830,382
2020-2024	2,903,608	2,378,448	525,160
2025-2029	<u>2,758,429</u>	<u>2,583,094</u>	<u>175,335</u>
	\$ <u><u>11,420,861</u></u>	\$ <u><u>8,813,809</u></u>	\$ <u><u>2,607,052</u></u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FEDERAL AWARDS
September 30, 2009

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	16.727	06NM2251	\$ 81,159	\$ 81,159	\$ 81,159
Safe Routes to School	20.219		<u>17,802</u>	<u>17,802</u>	<u>17,802</u>
			<u>98,961</u>	<u>98,961</u>	<u>98,961</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through the Mississippi					
Emergency Management Agency:					
ODP Homeland Security Grant Program	97.067	4DPG	<u>68,871</u>	<u>68,871</u>	<u>68,871</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Urban & Community Forestry Assistance Grant	10.664		<u>11,595</u>	<u>11,595</u>	<u>11,595</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through the Mississippi Dept. of Transportation:					
Pathway Grant	20.205		16,272	16,272	16,272
Public Transportation for Nonurbanized Areas	20.209		<u>238,640</u>	<u>238,640</u>	<u>238,640</u>
			<u>254,912</u>	<u>254,912</u>	<u>254,912</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>					
Water Pollution Control-State and Interstate Program Grant	66.418		<u>914,344</u>	<u>914,344</u>	<u>914,344</u>
<u>DEPARTMENT OF THE INTERIOR</u>					
National Fire Plan-Rural Fire Assistance	15.242		<u>56,192</u>	<u>56,192</u>	<u>56,192</u>
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>					
Promotion of the Arts	45.024		<u>37,592</u>	<u>37,592</u>	<u>37,592</u>
TOTAL AWARDS			\$ <u>1,442,467</u>	\$ <u>1,442,467</u>	\$ <u>1,442,467</u>

INTERNAL CONTROL AND COMPLIANCE REPORTS



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

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

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

We have audited the financial statements of the City of Oxford as of and for the year ended September 30, 2009, and have issued our report thereon dated June 4, 2010. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oxford's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Oxford's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

COMPLIANCE AND OTHER MATTERS

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

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

The Dwight L. Young Group

June 4, 2010

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

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

Dwight L. Young, Jr., C.P.A.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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

COMPLIANCE

We have audited the compliance of the City of Oxford with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2009. The City of Oxford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Oxford's management. Our responsibility is to express an opinion on the City of Oxford's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Oxford's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Oxford'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, 2009.

INTERNAL CONTROL OVER COMPLIANCE

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

The Dwight L. Young Group

June 4, 2010

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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, 2009, and have issued our report dated June 4, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

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

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

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

The Dwight L. Young Group

June 4, 2010

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2009

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. Environmental Protection Agency:
CFDA #66.418
 - b. 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 low-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.

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FEDERAL AWARDS
September 30, 2009

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	16.727	06NM2251	\$ 81,159	\$ 81,159	\$ 81,159
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through the Mississippi Emergency Management Agency:					
ODP Homeland Security Grant Program	97.067	4DPG	68,871	68,871	68,871
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Urban & Community Forestry Assistance Grant	10.664		11,595	11,595	11,595
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through the Mississippi Dept. of Transportation:					
Safe Routes to School	20.205		17,802	17,802	17,802
Pathway Grant	20.205		16,272	16,272	16,272
Water Pollution Control	20.205		327,881	327,881	327,881
Public Transportation for Nonurbanized Areas	20.207		296,438	296,438	296,438
			658,393	658,393	658,393
<u>ENVIRONMENTAL PROTECTION AGENCY</u>					
Water Pollution Control-State and Interstate Program Grant	66.418		528,665	528,665	528,665
<u>DEPARTMENT OF THE INTERIOR</u>					
National Fire Plan-Rural Fire Assistance	15.242		56,192	56,192	56,192
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>					
Promotion of the Arts	45.024		37,592	37,592	37,592
TOTAL AWARDS			\$ 1,442,467	\$ 1,442,467	\$ 1,442,467