

**CITY OF OXFORD, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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CITY OF OXFORD, MISSISSIPPI
LIST OF PRINCIPAL OFFICERS
September 30, 2011

<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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2011, 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated May 29, 2012, on our consideration of the City of Oxford, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's Discussion and Analysis and Budgetary Comparison on pages 8 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford's financial statements. The combining and individual non-major fund financial statements 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedules of investments, surety bonds, and long-term debt, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

The Dwight R. Young Group

May 29, 2012

CITY OF OXFORD, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2011

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, 2011. 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 \$198,149,846, of which \$127,366,451 are capital assets. The assets exceed the City's liabilities of \$69,695,668, \$55,724,080 of which are long term, at the close of the most recent fiscal year by \$128,454,178. Of this amount, \$19,184,124 are unrestricted net assets. The City's net assets are comprised of \$78,550,727 from Governmental Activities and \$49,903,451 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 30 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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
Current and						
Other Assets	\$46,182,304	\$33,570,429	\$24,601,091	\$19,698,816	\$70,783,395	\$ 53,269,245
Capital Assets (Net)	<u>62,329,018</u>	<u>58,654,324</u>	<u>65,037,433</u>	<u>59,082,900</u>	<u>127,366,451</u>	<u>117,737,224</u>
Total Assets	<u>108,511,322</u>	<u>92,224,753</u>	<u>89,638,524</u>	<u>78,781,716</u>	<u>198,149,846</u>	<u>171,006,469</u>
Current and						
Other Liabilities	8,023,290	23,323,306	5,948,298	5,241,655	13,971,588	28,564,961
Long-Term						
Liabilities	<u>21,937,305</u>	<u>23,369,422</u>	<u>33,786,775</u>	<u>26,678,895</u>	<u>55,724,080</u>	<u>50,048,317</u>
Total Liabilities	<u>29,960,595</u>	<u>46,692,728</u>	<u>39,735,073</u>	<u>31,920,550</u>	<u>69,695,668</u>	<u>78,613,278</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	40,391,713	35,284,902	31,250,658	32,404,005	71,642,371	67,688,907
Restricted	36,297,557	6,454,744	1,330,126	2,007,851	37,627,683	8,462,595
Unrestricted	<u>1,861,457</u>	<u>3,792,379</u>	<u>17,322,667</u>	<u>12,449,310</u>	<u>19,184,124</u>	<u>16,241,689</u>
Total Net Assets	<u>\$78,550,727</u>	<u>\$45,532,025</u>	<u>\$49,903,451</u>	<u>\$46,861,166</u>	<u>\$128,454,178</u>	<u>\$ 92,393,191</u>

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Program Revenues:						
Charges for						
Services	\$ 6,025,266	\$ 6,069,422	\$31,383,835	\$27,814,690	\$37,409,101	\$33,884,112
Operating Grants						
And Contributions	1,860,097	434,163	47,501	-	1,907,598	434,163
Capital Grants and						
Contributions	2,014,190	2,507,177	-	13,699	2,014,190	2,520,876
General Revenues:						
Property Taxes	7,024,826	6,959,283	-	-	7,024,826	6,959,283
Other Taxes	2,418,940	504,551	-	-	2,418,940	504,551
Intergovernmental	7,749,046	9,460,289	-	-	7,749,046	9,460,289
Loss on Assets	-	(1,846)	-	(916,343)	-	(918,189)
Unrestricted Interest						
Earned	81,371	498,658	165,669	625,215	247,040	1,123,873
Transfers	1,015,620	1,049,981	(1,015,620)	(1,049,981)	-	-
Escrow Refund	79,180	-	-	-	79,180	-
Gain on Sale of						
Hospital	30,000,000	-	-	-	30,000,000	-
TOTAL REVENUE	\$58,268,536	\$27,481,678	\$30,581,385	\$26,487,280	\$88,849,921	\$53,968,958
EXPENSES:						
General Government	3,953,824	4,206,489	-	-	3,953,824	4,206,489
Public Safety	7,495,550	7,138,828	-	-	7,495,550	7,138,828
Public Works	4,668,059	4,355,850	-	-	4,668,059	4,355,850
Tourism	960,344	973,512	-	-	960,344	973,512
Culture and Rec.	2,801,316	2,755,418	-	-	2,801,316	2,755,418
Miscellaneous	3,593,533	5,362,125	-	-	3,593,533	5,362,125
Interest on Long-						
Term Debt	1,049,324	948,910	-	-	1,049,324	948,910
Economic Development	727,884	-	-	-	727,884	-
Water and Sewer						
Service	-	-	6,787,763	6,076,521	6,787,763	6,076,521
Electric Service	-	-	20,751,337	18,529,059	20,751,337	18,529,059
TOTAL EXPENSES	\$25,249,834	\$25,741,132	\$27,539,100	\$24,605,580	\$52,788,934	\$50,346,712

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

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Change in Net Assets	\$33,018,702	\$ 1,740,546	\$ 3,042,285	\$ 1,881,700	\$ 36,060,987	\$ 3,622,246
Net Assets- Beginning	<u>45,532,025</u>	<u>43,791,479</u>	<u>46,861,166</u>	<u>44,979,466</u>	<u>92,393,191</u>	<u>88,770,945</u>
Net Assets-Ending	<u>\$78,550,727</u>	<u>\$45,532,025</u>	<u>\$49,903,451</u>	<u>\$46,861,166</u>	<u>\$128,454,178</u>	<u>\$92,393,191</u>

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, 2011	\$ 31,383,835
Fiscal Year ended September 30, 2010	27,814,690
Increase between Fiscal Years	<u>\$ 3,569,145</u>

	<u>Operating Expenses</u>
Fiscal Year ended September 30, 2011	\$ 27,539,100
Fiscal Year ended September 30, 2010	24,605,580
Increase between Fiscal Years	<u>\$ 2,933,520</u>

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, increased in fiscal year 2011 by \$5,675,763.

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

	<u>2011</u>
Debt Payable beginning of fiscal year	\$ 50,048,317
Add: New Debt Issues	<u>15,585,000</u>
	65,633,317
Less: Debt Retired	<u>9,909,237</u>
Debt Payable at end	<u>\$ 55,724,080</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, 2010, net capital assets of the governmental activities totaled \$58,654,324 and the net capital assets of the business-type activities totaled \$59,082,900. At September 30, 2011, net capital assets of the governmental activities totaled \$62,329,018 and the net capital assets of the business-type activities totaled \$65,037,433. 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, 2011

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	OXFORD TOURISM COUNCIL
Cash and Cash Equivalents	\$ 7,846,143	\$17,884,382	\$25,730,525	\$ 152,756
Receivables:				
Customer	-	3,398,465	3,398,465	-
Due from Other Government	553,540	13,699	567,239	-
Other	1,953	83,911	85,864	-
Taxes	6,851,522	-	6,851,522	15,855
Internal Balances	603,711	(603,711)	-	-
Inventories	-	564,183	564,183	-
Debt Service Funds	21,475	1,330,126	1,351,601	-
Prepaid Expenses	301,653	1,930,036	2,231,689	3,151
Investment Trust	30,002,307	-	30,002,307	-
 Total Non-Capital Assets	<u>46,182,304</u>	<u>24,601,091</u>	<u>70,783,395</u>	<u>171,762</u>
 Capital Assets (Net of Depreciation):				
Land	3,111,688	1,108,463	4,220,151	-
Improvements Other than				
Buildings	4,912,259	-	4,912,259	-
Infrastructure	35,503,562	-	35,503,562	-
Buildings & Utility				
Systems	12,811,984	60,340,641	73,152,625	-
Equipment & Furniture	5,989,525	1,525,349	7,514,874	97,524
Construction in Progress	-	2,062,980	2,062,980	-
 Total Capital Assets	<u>62,329,018</u>	<u>65,037,433</u>	<u>127,366,451</u>	<u>97,524</u>
 Total Assets	<u>108,511,322</u>	<u>89,638,524</u>	<u>198,149,846</u>	<u>269,286</u>
 <u>LIABILITIES</u>				
Accounts Payable &				
Accrued Expenses	1,153,844	3,240,029	4,393,873	31,999
Customer Deposits	-	2,650,903	2,650,903	-
Deferred Revenue	6,869,446	57,366	6,926,812	11,509
Long-term Debt Due				
Within One Year:				
Bonds	1,830,000	1,125,000	2,955,000	-
Notes	229,576	601,307	830,883	-
Due in More than				
One Year:				
Bonds	18,465,000	21,670,000	40,135,000	-
Notes	<u>1,412,729</u>	<u>10,390,468</u>	<u>11,803,197</u>	<u>-</u>
 Total Liabilities	<u>\$29,960,595</u>	<u>\$39,735,073</u>	<u>\$69,695,668</u>	<u>\$ 43,508</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>	<u>OXFORD TOURISM COUNCIL</u>
Invested in Capital Assets-				
Net of Related Debt	\$40,391,713	\$31,250,658	\$71,642,371	\$ -
Reserved for:				
Investment Trust	30,002,307	-	30,002,307	-
Unemployment	52,171	-	52,171	-
Tourism	1,473,735	-	1,473,735	-
Debt Service	-	1,330,126	1,330,126	-
Cemetery	154,191	-	154,191	-
Capital Projects	4,029,237	-	4,029,237	-
Fire Protection	13,333	-	13,333	-
Other	572,583	-	572,583	30,967
Unrestricted	<u>1,861,457</u>	<u>17,322,667</u>	<u>19,184,124</u>	<u>194,811</u>
 Total Net Assets	 <u>\$78,550,727</u>	 <u>\$49,903,451</u>	 <u>\$128,454,178</u>	 <u>\$ 225,778</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended September 30, 2011

FUNCTIONS/PROGRAMS		<u>PROGRAM REVENUE</u>		CAPITAL GRANTS & CONTRIBUTIONS	<u>NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS</u>			OXFORD TOURISM COUNCIL
		<u>CHARGES FOR</u>	<u>OPERATING</u>		<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	<u>TOTAL</u>	
<u>PRIMARY GOVERNMENT</u>	<u>EXPENSES</u>	<u>SERVICES</u>	<u>CONTRIBUTIONS</u>	<u>CONTRIBUTIONS</u>	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>		
<u>GOVERNMENTAL ACTIVITIES</u>								
General Government	\$ 3,953,824	\$ 836,656	\$ -	\$ -	\$ (3,117,168)	\$ -	\$ (3,117,168)	\$ -
Public Safety	7,495,550	528,378	297,195	319,962	(6,350,015)	-	(6,350,015)	-
Public Works	4,668,059	3,324,491	-	528,727	(814,841)	-	(814,841)	-
Tourism	960,344	-	-	-	(960,344)	-	(960,344)	(1,237,702)
Culture & Recreation	2,801,316	920,039	1,562,902	387,812	69,437	-	69,437	-
Economic Development	727,884	-	-	727,884	-	-	-	-
Miscellaneous	3,593,533	415,702	-	49,805	(3,128,026)	-	(3,128,026)	1,334,845
Interest on Long-term Debt	<u>1,049,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,049,324)</u>	<u>-</u>	<u>(1,049,324)</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>25,249,834</u>	<u>6,025,266</u>	<u>1,860,097</u>	<u>2,014,190</u>	<u>(15,350,281)</u>	<u>-</u>	<u>(15,350,281)</u>	<u>97,143</u>
<u>BUSINESS-TYPE ACTIVITIES</u>								
Water & Sewer Service	6,787,763	8,122,580	47,501	-	-	1,382,318	1,382,318	-
Electric Service	<u>20,751,337</u>	<u>23,261,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,509,918</u>	<u>2,509,918</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>27,539,100</u>	<u>31,383,835</u>	<u>47,501</u>	<u>-</u>	<u>-</u>	<u>3,892,236</u>	<u>3,892,236</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$52,788,934</u>	<u>\$37,409,101</u>	<u>\$1,907,598</u>	<u>\$2,014,190</u>	<u>\$ (15,350,281)</u>	<u>\$ 3,892,236</u>	<u>\$ (11,458,045)</u>	<u>\$ -</u>

CITY OF OXFORD, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

- Continued -

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS			OXFORD
	GOVERNMENTAL	BUSINESS-TYPE		TOURISM
	ACTIVITIES	ACTIVITIES	TOTAL	COUNCIL
<u>GENERAL REVENUES</u>				
Property Taxes	\$ 7,024,826	\$ -	\$ 7,024,826	\$ -
Other Taxes	2,418,940	-	2,418,940	-
Intergovernmental	7,749,046	-	7,749,046	-
Unrestricted Interest Earned	81,371	165,669	247,040	-
Transfers	1,015 620	(1,015,620)	-	
Escrow Refund	79,180	-	79,180	-
Profit on Sale of Hospital	<u>30,000,000</u>	<u>-</u>	<u>30,000,000</u>	<u>-</u>
TOTAL GENERAL REVENUES	<u>48,368,983</u>	<u>(849,951)</u>	<u>47,519,032</u>	<u>-</u>
Change in Net Assets	33,018,702	3,042,285	36,060,987	97,143
Net Assets - Beginning	<u>45,532,025</u>	<u>46,861,166</u>	<u>92,393,191</u>	<u>128,635</u>
Net Assets - Ending	<u>\$78,550,727</u>	<u>\$49,903,451</u>	<u>\$128,454,178</u>	<u>\$ 225,778</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

FUND FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2011

MAJOR FUNDS

	GENERAL FUND	OXFORD RESERVE & TRUST FUND	3.8M G.O. BOND ISSUE 2011	2010 G.O. REFUNDING	OTHER GOVERNMENTAL FUNDS	TOTAL 2011
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 3,426,666	\$ 30,002,307	\$ 812,076	\$ -	\$ 3,628,876	\$ 37,869,925
Due from Employees	-	-	-	-	1,953	1,953
Due from Other Governments	-	-	-	-	553,540	553,540
Due from Other Funds	673,621	-	-	-	26,831	700,452
Taxes Receivable	<u>5,363,372</u>	<u>-</u>	<u>-</u>	<u>351,928</u>	<u>1,136,222</u>	<u>6,851,522</u>
TOTAL ASSETS	\$ <u>9,463,659</u>	\$ <u>30,002,307</u>	\$ <u>812,076</u>	\$ <u>351,928</u>	\$ <u>5,347,422</u>	\$ <u>45,977,292</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Bank Overdraft	\$ -	\$ -	\$ -	\$ 64,570	\$ 609,392	\$ 673,962
Accounts Payable	53,969	-	-	-	47,340	101,309
Due to Lienholders	-	-	-	-	84,252	84,252
Due to Other Funds	17,081	-	-	-	79,660	96,741
Deferred Revenue	<u>5,363,372</u>	<u>-</u>	<u>-</u>	<u>351,928</u>	<u>1,136,222</u>	<u>6,851,522</u>
TOTAL LIABILITIES	<u>5,434,422</u>	<u>-</u>	<u>-</u>	<u>416,498</u>	<u>1,956,866</u>	<u>7,807,786</u>

Fund Balances:

Reserved for:

Investment Trust	-	30,002,307	-	-	-	30,002,307
Unemployment	-	-	-	-	52,171	52,171
Cemetery	-	-	-	-	154,191	154,191
Fire Protection	-	-	-	-	13,333	13,333
Tourism	-	-	-	-	1,473,735	1,473,735
Other	-	-	-	-	572,583	572,583
Debt Service	-	-	-	(64,570)	86,045	21,475
Capital Projects	-	-	812,076	-	1,038,498	1,850,574
Unreserved	<u>4,029,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,029,237</u>
TOTAL FUND BALANCES	<u>4,029,237</u>	<u>30,002,307</u>	<u>812,076</u>	<u>(64,570)</u>	<u>3,390,556</u>	<u>38,169,606</u>
TOTAL LIABILITIES & FUND BALANCES	\$ <u>9,463,659</u>	\$ <u>30,002,307</u>	\$ <u>812,076</u>	\$ <u>351,928</u>	\$ <u>5,347,422</u>	\$ <u>45,977,392</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, 2011

Total Fund Balance-Governmental Funds		\$ 38,169,606
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 10-1-10	58,654,324	
Plus capital outlay expenditures made during year	5,835,884	
Less capital assets deleted during the year Net of depreciation	(5,578)	
Less depreciation expense recorded during year	<u>(2,155,612)</u>	62,329,018
Premium on Bond Issue		(17,924)
Loan Costs		301,653
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 10-1-10	23,369,422	
Issuances during year	7,085,000	
Less payments during year	<u>(8,517,117)</u>	
	21,937,305	
Add interest accrued for year	<u>294,321</u>	(22,231,626)
Total Net Assets-Governmental-Wide Statement		\$ <u>78,550,727</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
September 30, 2011

	MAJOR FUNDS					
	GENERAL	OXFORD	3.8M G.O.		OTHER	
	FUND	RESERVE &	BOND ISSUE	2010 G.O.	GOVERNMENTAL	TOTAL
REVENUES		TRUST FUND	2011	REFUNDING	FUNDS	2011
Ad Valorem Taxes	\$ 5,449,094	\$ -	\$ -	\$ 100,838	\$ 1,474,894	\$ 7,024,826
Other Taxes	647,989	-	-	-	1,770,951	2,418,940
Licenses and Permits	836,656	-	-	-	-	836,656
Intergovernmental	7,556,042	-	-	-	193,004	7,749,046
Charges for Services	3,228,431	-	-	-	-	3,228,431
Fines and Forfeits	420,634	-	-	-	107,744	528,378
Miscellaneous	285,162	-	-	-	107,890	393,052
FNC Sponsorships & Concessions	511,378	-	-	-	-	511,378
Rental Fees	-	-	-	-	22,650	22,650
Interest	32,929	2,307	-	93	44,050	79,379
Local Contributions	-	-	-	-	827,389	827,389
Federal and State Awards	-	-	-	-	3,008,271	3,008,271
Sale of Cemetery Lots	-	-	-	-	96,060	96,060
Park Commission	-	-	-	-	322,987	322,987
Bus Fares	-	-	-	-	85,674	85,674
Donations	-	-	-	-	38,627	38,627
REVENUES	<u>18,968,315</u>	<u>2,307</u>	<u>-</u>	<u>100,931</u>	<u>8,100,191</u>	<u>27,171,744</u>
EXPENDITURES						
Legislative	115,138	-	-	-	-	115,138
Judicial	206,243	-	-	-	-	206,243
Executive	89,018	-	-	-	-	89,018
Financial Administration	279,293	-	-	-	-	279,293
Human Resources	179,657	-	-	-	-	179,657
Law	229,348	-	-	-	-	229,348
Department of Planning	205,353	-	-	-	-	205,353
Building Code Enforcement	210,925	-	-	-	-	210,925
Buildings and Grounds	520,831	-	-	-	-	520,831

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

	<u>MAJOR FUNDS</u>					<u>TOTAL</u>
	<u>GENERAL</u>	<u>OXFORD</u>	<u>3.8M G.O.</u>	<u>2010 G.O.</u>	<u>OTHER</u>	
<u>EXPENDITURES</u> - Continued	<u>FUND</u>	<u>TRUST FUND</u>	<u>BOND ISSUE</u>	<u>REFUNDING</u>	<u>GOVERNMENTAL</u>	<u>2011</u>
General Government	\$ 1,886,580	\$ -	\$ -	\$ -	\$ -	\$ 1,886,580
Community Promotions	46,782	-	-	-	-	46,782
Police Department	3,645,770	-	-	-	321,192	3,966,962
Fire Department	3,158,818	-	-	-	-	3,158,818
Emergency Mgmt.	118,438	-	-	-	-	118,438
Highways and Streets	2,331,377	-	-	-	-	2,331,377
Sanitation Administration	296,225	-	-	-	-	296,225
Tourism Promotion	-	-	-	-	960,344	960,344
Capital Outlay	-	-	2,177,585	-	2,017,287	4,194,872
Street Cleaning	86,422	-	-	-	-	86,422
Waste Collection	1,172,393	-	-	-	-	1,172,393
Waste Disposal	552,258	-	-	-	-	552,258
Weed and Grass Control	253,785	-	-	-	-	253,785
Cemetery Maintenance	113,967	-	-	-	-	113,967
Family Crisis	7,200	-	-	-	-	7,200
Parks and Recreation	982,173	-	-	-	-	982,173
Swimming Pool	83,899	-	-	-	-	83,899
RSVP	151,197	-	-	-	-	151,197
FNC Park	918,824	-	-	-	-	918,824
Library	261,221	-	-	-	-	261,221
City Garage	763,157	-	-	-	-	763,157
Miscellaneous	-	-	-	-	2,996,208	2,996,208
Airport	15,000	-	-	-	-	15,000

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

	MAJOR FUNDS					
	GENERAL	OXFORD	3.8M G.O.		OTHER	
	FUND	RESERVE &	BOND ISSUE	2010 G.O.	GOVERNMENTAL	TOTAL
		TRUST FUND	2011	REFUNDING	FUNDS	2011
<u>EXPENDITURES</u> - Continued						
Humane Society	\$ 151,830	\$ -	\$ -	\$ -	\$ -	\$ 151,830
Recycling	369,466	-	-	-	-	369,466
Debt Service						
Principal Retirement	206,227	-	-	6,742,500	1,568,390	8,517,117
Bond Issue Cost	-	-	-	213,394	-	213,394
Interest & Fiscal Charges	<u>46,695</u>	<u>-</u>	<u>-</u>	<u>393,703</u>	<u>622,823</u>	<u>1,063,221</u>
TOTAL EXPENDITURES	<u>19,655,510</u>	<u>-</u>	<u>2,177,585</u>	<u>7,349,597</u>	<u>8,486,244</u>	<u>37,668,936</u>
EXCESS OF REVENUES OVER						
(UNDER) EXPENDITURES	<u>(687,195)</u>	<u>2,307</u>	<u>(2,177,585)</u>	<u>(7,248,666)</u>	<u>(386,053)</u>	<u>(10,497,192)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Sale of Hospital	-	30,000,000	-	-	-	30,000,000
Operating Transfers In	1,353,008	-	-	-	868,522	2,221,530
Issuance of Bonds	-	-	-	7,085,000	-	7,085,000
Premium of Bond Issue	-	-	-	19,916	-	19,916
Return of Escrow	-	-	-	79,180	-	79,180
Operating Transfers Out	<u>(648,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(556,996)</u>	<u>(1,205,910)</u>
TOTAL OTHER FINANCING						
SOURCES (USES)	<u>704,094</u>	<u>30,000,000</u>	<u>-</u>	<u>7,184,096</u>	<u>311,526</u>	<u>38,199,716</u>
NET CHANGES IN FUND BALANCES	16,899	30,002,307	(2,177,585)	(64,570)	(74,527)	27,702,524
<u>FUND BALANCES</u>						
Beginning of Year	<u>4,012,338</u>	<u>-</u>	<u>2,989,661</u>	<u>-</u>	<u>3,465,083</u>	<u>10,467,082</u>
End of Year	\$ <u>4,029,237</u>	\$ <u>30,002,307</u>	\$ <u>812,076</u>	\$ <u>(64,570)</u>	\$ <u>3,390,556</u>	\$ <u>38,169,606</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, 2011

Net Change in Fund Balances-Governmental Funds	\$27,702,524
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Capital outlays are reported as expenditures in Governmental Funds but are not reported as expenses in the Statement of Activities. Instead, costs associated with Capital Assets are capitalized in the Statement of Net Assets.	5,835,884
Depreciation is not an expenditure in Governmental Funds but is an expense of allocating the cost of Capital Assets over their estimated useful lives in the Statement of Activities.	(2,155,612)
Amortization of loan costs is not an expenditure in the Governmental funds, but is an expense of allocating the cost over the life of the debt issue.	(30,213)
Loss on Disposal of Equipment	(5,578)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	8,517,117
Issuance of debt principal is income in the Governmental Funds; however, the issuance increases the long-term liabilities in the Statement of Net Assets.	(7,085,000)
Loan cost payments is an expenditure in the Governmental Funds, but is amortized over the life of the debt issue in the Statement of Activities.	213,394
Premiums received from the sale of the bonds is income in the Governmental Funds, but is amortized over the life of the debt issue in the Statement of Activities.	(19,916)

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

Amortization of the bond premium is not income in the Governmental Funds, but is income by allocating the premiums over the life of the debt issue.	1,992
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Under the Modified Accrual Basis of Accounting in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the Change in Net Assets differs from the Change in Fund Balances by a combination of the following items:

Accrued Interest on Bonds Decreased	<u>44,110</u>
Change in Net Assets-Government-Wide	<u>\$33,018,702</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 11,762,815	\$ 6,121,567	\$ 17,884,382
Debt Service Sinking Funds	973,192	356,934	1,330,126
Receivables:			
Consumer	-	3,398,465	3,398,465
Other	83,911	-	83,911
Due from State	13,699	-	13,699
Utility Plant	55,225,473	30,513,429	85,738,902
Accumulated Depreciation	(13,181,385)	(7,520,084)	(20,701,469)
Inventory	15,000	549,183	564,183
Due from Other Funds	1,679,329	-	1,679,329
Prepayments	-	1,475,034	1,475,034
Deferred Debits	301,698	153,304	455,002
	<u>56,873,732</u>	<u>35,047,832</u>	<u>91,921,564</u>
TOTAL ASSETS			
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Vouchers Payable	18,893	3,048,401	3,067,294
Due to Other Funds	-	2,283,040	2,283,040
Bonds Payable	19,700,000	3,095,000	22,795,000
Notes Payable	8,491,775	2,500,000	10,991,775
Customer Deposits	-	2,650,903	2,650,903
Other	-	172,735	172,735
Deferred Credits	-	57,366	57,366
	<u>28,210,668</u>	<u>13,807,445</u>	<u>42,018,113</u>
TOTAL LIABILITIES			
<u>NET ASSETS</u>			
Invested in Fixed Assets,			
Net of Related Debt	13,852,313	17,398,345	31,250,658
Reserved for Debt Service	973,193	356,934	1,330,127
Fund Equity-Unrestricted	13,837,558	3,485,108	17,322,666
	<u>\$ 28,663,064</u>	<u>\$ 21,240,387</u>	<u>\$ 49,903,451</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, 2011

	WATER AND SEWER	ELECTRIC FUND	TOTAL ENTERPRISE FUNDS
<u>REVENUES</u>			
Charges for Services	\$ 7,912,790	\$23,174,157	\$31,086,947
Other	209,790	87,098	296,888
TOTAL REVENUES	<u>8,122,580</u>	<u>23,261,255</u>	<u>31,383,835</u>
<u>EXPENDITURES</u>			
Purchased Power	-	17,986,389	17,986,389
Admin, General & Sales	660,644	713,744	1,374,388
Computer Technology	178,595	-	178,595
Financial & Customer Acct. Exp.	595,853	377,799	973,652
Transmission & Distribution	961,466	678,470	1,639,936
Treatment & Purification	990,042	-	990,042
Source of Supply	750,966	-	750,966
Sanitation Sewer Line	509,026	-	509,026
Depreciation & Amortization	1,379,465	767,587	2,147,052
TOTAL EXPENDITURES	<u>6,026,057</u>	<u>20,523,989</u>	<u>26,550,046</u>
NET INCOME FROM OPERATIONS	2,096,523	2,737,266	4,833,789
<u>DEBT EXPENSE</u>			
Interest on Long-term Debt	<u>761,706</u>	<u>227,348</u>	<u>989,054</u>
NET INCOME BEFORE NONOPERATING REVENUES (EXPENDITURES)	<u>1,334,817</u>	<u>2,509,918</u>	<u>3,844,735</u>
<u>NONOPERATING REVENUES (EXPENDITURES)</u>			
Investment Income	94,518	71,151	165,669
Local Match	47,501	-	47,501
TOTAL NONOPERATING	<u>142,019</u>	<u>71,151</u>	<u>213,170</u>
NET INCOME BEFORE TRANSFERS	1,476,836	2,581,069	4,057,905
<u>TRANSFERS OUT</u>	<u>(375,000)</u>	<u>(640,620)</u>	<u>(1,015,620)</u>
CHANGE IN NET ASSETS	1,101,836	1,940,449	3,042,285
<u>NET ASSETS</u>			
Beginning of Year	27,561,228	19,299,938	46,861,166
End of Year	\$ <u>28,663,064</u>	\$ <u>21,240,387</u>	\$ <u>49,903,451</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2011

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING ACTIVITIES</u>			
Received from Customers	\$ 7,884,100	\$ 22,811,052	\$ 30,695,152
Purchased Power	-	(17,290,070)	(17,290,070)
Salaries	(1,594,798)	(803,280)	(2,398,078)
Payroll Taxes	(118,245)	(106,877)	(225,122)
Retirement	(186,306)	(293,322)	(479,628)
Health & Life Insurance	(142,292)	(141,699)	(283,991)
Fuel, Oil & Lubricants	(45,030)	(86,564)	(131,594)
Utilities	(587,478)	(24,877)	(612,355)
Other	(2,066,769)	(1,377,257)	(3,444,026)
NET CASH PROVIDED	<u>3,143,182</u>	<u>2,687,106</u>	<u>5,830,288</u>
<u>NON-CAPITAL FINANCING</u>			
Local Match	47,501	-	47,501
Transfer to Other Funds	(375,000)	(685,496)	(1,060,496)
NET CASH USED	<u>(327,499)</u>	<u>(685,496)</u>	<u>(1,012,995)</u>
<u>CAPITAL AND RELATING FINANCING</u>			
Interest Paid on Principal	(761,706)	(227,348)	(989,054)
Principal Paid on Notes	(582,120)	-	(582,120)
Principal Paid on Bonds	(570,000)	(240,000)	(810,000)
Bonds Issued	8,500,000	-	8,500,000
Purchase of Capital Assets	(7,438,256)	(768,645)	(8,206,901)
(Increase)/Decrease in Debt			
Service Sinking Funds	681,415	(3,691)	677,724
Conservation Advances from TVA	-	(1,256)	(1,256)
NET CASH PROVIDED (USED)	<u>(170,667)</u>	<u>(1,240,940)</u>	<u>(1,411,607)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Earned	94,518	71,151	165,669
NET CASH PROVIDED	<u>94,518</u>	<u>71,151</u>	<u>165,669</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,739,534	831,821	3,571,355
<u>CASH AND CASH EQUIVALENTS</u>			
Beginning of Year	9,023,281	5,289,746	14,313,027
End of Year	\$ <u>11,762,815</u>	\$ <u>6,121,567</u>	\$ <u>17,884,382</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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

	WATER AND <u>SEWER</u>	ELECTRIC <u>FUND</u>	TOTAL PROPRIETARY <u>FUNDS</u>
<u>RECONCILIATION OF OPERATING</u>			
<u>INCOME TO NET CASH PROVIDED</u>			
<u>(USED) BY OPERATING ACTIVITIES</u>			
Operating Profit	\$ <u>2,096,523</u>	\$ <u>2,737,266</u>	\$ <u>4,833,789</u>
Adjustments to Reconcile			
Operating Income to Net			
Cash Provided (Used) by			
Operating Activities:			
Depreciation and			
Amortization	1,379,465	872,904	2,252,369
(Increase) Decrease in			
Accounts Receivable	-	(450,203)	(450,203)
(Increase) Decrease in			
Inventory	-	(78,826)	(78,826)
(Increase) Decrease in			
Prepayments and Other			
Current Assets	(238,480)	(1,412,302)	(1,650,782)
(Increase) Decrease in			
Deferred Charges	(96,740)	8,539	(88,201)
Increase (Decrease) in			
Accounts Payable	2,414	741,195	743,609
Increase (Decrease) in			
Consumer Deposits	-	279,952	279,952
Increase (Decrease) in Other			
Accrued Liabilities	-	(16,750)	(16,750)
Increase (Decrease) in			
Deferred Credits	<u>-</u>	<u>5,331</u>	<u>5,331</u>
TOTAL ADJUSTMENTS	<u>1,046,659</u>	<u>(50,160)</u>	<u>996,499</u>
NET CASH PROVIDED BY			
OPERATING ACTIVITIES	\$ <u><u>3,143,182</u></u>	\$ <u><u>2,687,106</u></u>	\$ <u><u>5,830,288</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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. The City has four component units. Three blended component units are the Oxford Park Commission Activity Fund, RSVP, and the City of Oxford Municipal Reserve and Trust Fund which are included in the City's financial statements. The Oxford Tourism Council is a component unit and is presented in this audit report.

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

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

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

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

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 (expenditures) in net total assets.

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

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

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

D. Basis of Accounting

Basis of Accounting refers to when revenues and expenditures 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.

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, 2011, 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:

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

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.

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

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

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

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

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

M. 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.

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.

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

The financial statements of the City shows cash and cash equivalents with financial institutions of \$25,730,525, and the balances shown by the banks were \$28,118,920.

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, 2011, \$-0- of the municipality's bank balance of \$28,118,920 was exposed to custodial credit risk.

The \$30,002,307 investment in Fidelity Money Market is insured for \$500,000 by the Securities Investor Protection Corporation (SIPC). In addition to SIPC protection, Fidelity provides its brokerage customers with additional coverage from Lloyd's of London together with other insurers of an aggregate of one billion dollars. The custodial risk amount is unavailable. The amount of the one billion dollars that would be allocated to the \$29,502,307 is unknown. The investment is in compliance with the trust legislation.

Investments

As of September 30, 2011, the City had the following investments. The City has no investment pool.

<u>Investment Type</u>	<u>Maturity In Years</u>	<u>Fair Value</u>	<u>Maturity Value</u>
Certificates of Deposit	one	\$ 4,600,313	\$ 4,600,313
Fidelity Investments Money Market	one	30,002,307	30,002,307

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 10-1-10	ADDITIONS	DELETIONS	RECLASSI- FICATIONS	BALANCE 9-30-11
<u>Non-depreciable Assets</u>					
Land	\$ 3,111,688	\$ -	\$ -	\$ -	\$ 3,111,688
Construction in Progress	-	-	-	-	-
Total	<u>3,111,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,111,688</u>
<u>Depreciable Assets</u>					
Improvements Other Than Buildings	6,276,152	36,280	-	-	6,312,432
Buildings	14,751,799	503,305	3,594	-	15,251,510
Equipment and Furniture	10,216,048	2,150,375	40,614	-	12,325,809
Infrastructure	<u>37,940,189</u>	<u>3,145,924</u>	<u>-</u>	<u>-</u>	<u>41,086,113</u>
Total	<u>69,184,188</u>	<u>5,835,884</u>	<u>44,208</u>	<u>-</u>	<u>74,975,864</u>
Total Capital Assets	<u>72,295,876</u>	<u>5,835,884</u>	<u>44,208</u>	<u>-</u>	<u>78,087,552</u>
<u>Accumulated Depreciation</u>					
Improvements Other Than Buildings	1,236,936	163,237	-	-	1,400,173
Buildings	2,118,681	322,897	2,052	-	2,439,526
Equipment and Furniture	5,361,965	1,010,897	36,578	-	6,336,284
Infrastructure	<u>4,923,970</u>	<u>658,581</u>	<u>-</u>	<u>-</u>	<u>5,582,551</u>
Total	<u>13,641,552</u>	<u>2,155,612</u>	<u>38,630</u>	<u>-</u>	<u>15,758,534</u>
<u>Governmental Activities</u>					
Capital Assets- Net	\$ <u>58,654,324</u>	\$ <u>3,680,272</u>	\$ <u>5,578</u>	\$ <u>-</u>	\$ <u>62,329,018</u>

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

Depreciation expense of \$2,155,612 was charged to the governmental activities expense accounts as follows:

General Government	\$ 5,672
Public Safety	425,525
Public Works	1,147,041
Miscellaneous	25,418
Culture, Recreation and Tourism	<u>551,956</u>
Total	<u>\$ 2,155,612</u>

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

	BALANCE <u>10-1-10</u>	ADDITIONS	DELETIONS	RECLASSIFICATIONS	BALANCE <u>9-30-11</u>
<u>Non-depreciable Assets</u>					
Land	\$ 1,108,463	\$ -	\$ -	\$ -	\$ 1,108,463
Construction in Progress	<u>4,290,304</u>	<u>1,979,004</u>	<u>-</u>	<u>(4,206,328)</u>	<u>2,062,980</u>
Total	<u>5,398,767</u>	<u>1,979,004</u>	<u>-</u>	<u>(4,206,328)</u>	<u>3,171,443</u>
<u>Depreciable Assets</u>					
Electric Plant	26,282,821	2,691,048	2,275,735	-	26,698,134
Sewer System & Water System	41,732,625	5,264,404	-	4,206,328	51,203,357
Equipment and Furniture	<u>4,286,323</u>	<u>379,646</u>	<u>-</u>	<u>-</u>	<u>4,665,969</u>
Total	<u>72,301,769</u>	<u>8,335,098</u>	<u>2,275,735</u>	<u>4,206,328</u>	<u>82,567,460</u>
Total Capital Assets	<u>77,700,536</u>	<u>10,314,102</u>	<u>2,275,735</u>	<u>-</u>	<u>85,738,903</u>
<u>Accumulated Depreciation</u>					
Electric Plant	5,314,742	765,858	156,454	(175,992)	5,748,154
Sewer System & Water System	10,620,967	1,191,729	-	-	11,812,696
Equipment and Furniture	<u>2,681,927</u>	<u>282,701</u>	<u>-</u>	<u>175,992</u>	<u>3,140,620</u>
Total	<u>18,617,636</u>	<u>2,240,288</u>	<u>156,454</u>	<u>-</u>	<u>20,701,470</u>
<u>Business Activities</u>					
Capital Assets-Net	\$ <u>59,082,900</u>	\$ <u>8,073,814</u>	\$ <u>2,119,281</u>	\$ <u>-</u>	\$ <u>65,037,433</u>

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

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

Depreciation expense of \$2,240,288 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, 2011:

	<u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds Payable at			
October 1, 2010	\$21,430,000	\$15,105,000	\$ 36,535,000
Bonds Issued	7,085,000	8,500,000	15,585,000
Bonds Retired	<u>8,220,000</u>	<u>810,000</u>	<u>9,030,000</u>
Bonds Payable at			
September 30, 2011	<u>\$20,295,000</u>	<u>\$22,795,000</u>	<u>\$ 43,090,000</u>

General obligation bonds include General City Bonds.

The General Obligation Bonds, Series 2004, 2005, and 2011 were issued for the purpose of street improvement.

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

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

The combined Water and Sewer revenue bonds were issued in fiscal 1996, 2003, 2004, 2006, 2008, 2010, and 2011 for the purpose of installing new systems in certain parts of the City.

The Electric System Revenue Bonds, Series 2011, were issued for the purpose redeeming the Series 1999 bonds. These bonds do not constitute indebtedness of the City of Oxford within the meaning of any constitutional, statutory or charter limitation of indebtedness. The taxing power of the City is not pledged to the payment thereof, either as to principal or interest.

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

On November 2, 2010, the City issued \$7,085,000 in general obligation bonds with an average interest rate of 2.23% to advance refund \$6,540,000 of outstanding general obligation bonds with an average interest rate of 4.55%. The net proceeds of \$6,891,522 after payment of \$213,436 of issuance costs were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment requirements of the general obligation bonds.

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

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

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

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

FISCAL YEAR ENDED	MATURITIES		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 4,402,939	\$ 2,820,000	\$ 1,582,939
2013	4,246,391	2,755,000	1,491,391
2014	4,273,605	2,875,000	1,398,605
2015	4,077,895	2,850,000	1,227,895
2016	3,914,600	2,780,000	1,134,600
2017-2021	18,664,580	14,455,000	4,209,580
2022-2026	12,429,571	10,535,000	1,894,571
2027-2031	4,374,475	4,020,000	354,475
	<u>\$ 56,384,056</u>	<u>\$43,090,000</u>	<u>\$13,294,056</u>

NOTES AND GRANTS PAYABLE

A summary of long-term notes payable transactions of the City for the year ended September 30, 2011, is as follows:

	TOTALS
Balance at October 1, 2010	\$13,513,317
New Notes Issued	-
Notes Retired	879,237
Balance at September 30, 2011	<u>\$12,634,080</u>

Certain Urban Renewal Notes, having balances of approximately \$1,145,000 at September 30, 2011, were issued in 1995 for the purpose of renovating a low-rent housing project. The Oxford Housing Authority is managing the property and retires the notes from rental proceeds; consequently, these notes are not reflected as liabilities in the accompanying financial statement nor in the maturities reflected herein.

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

FISCAL YEAR ENDED	MATURITIES		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 1,022,858	\$ 756,470	\$ 266,388
2013	954,545	710,626	243,919
2014	3,350,552	3,124,989	225,563
2015	700,332	492,603	207,729
2016	700,333	505,552	194,781
2017-2021	3,383,851	2,613,749	770,102
2022-2026	3,207,138	2,794,263	412,875
2027-2031	1,698,155	1,635,828	62,327
	<u>\$ 15,017,764</u>	<u>\$12,634,080</u>	<u>\$ 2,383,684</u>

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

NOTE 6 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND

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

NOTE 7 - CONTINGENT LIABILITIES

The City receives financial assistance from certain federal, state and local governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect the overall financial position of the City at September 30, 2011.

NOTE 8 - COMMITMENTS

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLAN

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

Funding Policy. PERS members are required to contribute 9.00% of their annual covered salary and the City of Oxford is required to contribute at an actuarially determined rate. The current rate is 13.0% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Oxford's contributions to PERS for the years ending 2011, 2010, and 2009 were \$1,329,198, \$1,311,583 and \$1,268,992, respectively, equal to the required contributions for each year.

NOTE 10 - OXFORD-LAFAYETTE MEDICAL CENTER

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

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

NOTE 11 - FLEXIBLE BENEFIT (CAFETERIA) PLAN

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

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

During fiscal 2011, no costs accrued to the employer under the Plan.

NOTE 12 - RISK MANAGEMENT

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

NOTE 13 - ESTIMATES

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

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

NOTE 14 - INTERFUND TRANSACTIONS

TRANSFERS IN/OUT	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Major Funds:		
General Fund	\$ 1,353,008	\$ 648,914
Electric Fund	-	640,620
Water Department	-	375,000
Non-Major Fund	868,522	556,996
TOTALS	<u>\$ 2,221,530</u>	<u>\$ 2,221,530</u>
	<u>DUE FROM</u>	<u>DUE TO</u>
	<u>OTHER FUNDS</u>	<u>OTHER FUNDS</u>
Major Funds:		
Electric Department	\$ -	\$ 2,283,040
Water and Sewer Department	1,679,329	-
General Fund	673,621	17,081
Non-Major Fund	26,831	79,660
TOTALS	<u>\$ 2,379,781</u>	<u>\$ 2,379,781</u>

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

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

NOTE 15 - THE CITY OF OXFORD MUNICIPAL RESERVE AND TRUST FUND

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

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

The earnings component shall be composed of three percent of the amount of the full fund balance and shall be defined and available for the trustees to transfer to the City's general fund.

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

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

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

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

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

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

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

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

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

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

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, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
REVENUE				
<u>TAXES:</u>				
Ad Valorem Tax	\$ 4,675,566	\$ 4,675,566	\$ 4,660,088	\$ (15,478)
Park Comm Tax Levy	541,287	541,287	522,502	(18,785)
Library Tax Levy	276,057	276,057	266,504	(9,553)
Over 65 Reimbursement	95,000	95,000	94,269	(731)
In Lieu of Taxes	150,000	150,000	312,164	162,164
Penalties and Interest	180,000	180,000	181,097	1,097
Utility Tax	<u>85,000</u>	<u>85,000</u>	<u>60,459</u>	<u>(24,541)</u>
TOTAL TAXES	<u>6,002,910</u>	<u>6,002,910</u>	<u>6,097,083</u>	<u>94,173</u>
<u>LICENSES AND PERMITS:</u>				
Privilege License	50,000	50,000	53,702	3,702
Franchise Charges	520,000	520,000	594,837	74,837
Building and Zoning	195,000	195,000	183,352	(11,648)
Plumbing	25,000	25,000	-	(25,000)
Taxi Permits	200	200	2,140	1,940
Dog Licenses	<u>2,000</u>	<u>2,000</u>	<u>2,625</u>	<u>625</u>
TOTAL LICENSES AND PERMITS	<u>792,200</u>	<u>792,200</u>	<u>836,656</u>	<u>44,456</u>
<u>INTERGOVERNMENTAL:</u>				
Municipal Aid	20,000	20,000	19,485	(515)
Reimb-Transfer Station	60,000	60,000	46,491	(13,509)
Police Training	20,000	20,000	4,328	(15,672)
Sales Tax-Rental Car Settlement	17,500	17,500	14,148	(3,352)
Sales Tax-Revenue	5,822,718	5,822,718	6,101,397	278,679
ABC Licenses	115,000	115,000	122,650	7,650
Fire Protection	63,000	63,000	97,050	34,050
Hospital	8,000	8,000	53,927	45,927
County Ad Valorem Tax	292,451	292,451	318,655	26,204
Univ of Miss Fire Protection	510,000	510,000	504,500	(5,500)
Oxford Housing Authority	50,000	50,000	60,000	10,000
School Resource Officer Reimb	<u>215,000</u>	<u>215,000</u>	<u>213,411</u>	<u>(1,589)</u>
TOTAL INTERGOVERNMENTAL	<u>7,193,669</u>	<u>7,193,669</u>	<u>7,556,042</u>	<u>362,373</u>

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

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	AMOUNTS	
<u>GOVERNMENTAL SERVICES:</u>				
FNC Parking Lease	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Sanitation Charges	2,846,427	2,846,427	2,906,679	60,252
Waste Disposal	20,000	20,000	16,418	(3,582)
Income from Police Dept Fees	6,300	6,300	6,781	481
Income from Swim Pool	21,000	21,000	19,396	(1,604)
Income from Recycling	139,760	139,760	199,157	59,397
Income from Dumpsters	7,500	7,500	-	(7,500)
School Collections	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
TOTAL GOVERNMENTAL SERVICES	<u>3,120,987</u>	<u>3,120,987</u>	<u>3,228,431</u>	<u>107,444</u>
<u>FINES AND FORFEITS:</u>				
Court Fines and Forfeits	425,000	425,000	390,018	(34,982)
State Fuel Tax	-	-	30,616	30,616
State Fines T&A	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
TOTAL FINES AND FORFEITS	<u>450,000</u>	<u>450,000</u>	<u>420,634</u>	<u>(29,366)</u>
<u>MISCELLANEOUS:</u>				
Miscellaneous	150,000	150,000	285,162	135,162
FNC Sponsorships	474,000	474,000	340,334	(133,666)
FNC OPC Concessions	83,102	83,102	171,044	87,942
Interest Earned	<u>200,000</u>	<u>200,000</u>	<u>32,929</u>	<u>(167,071)</u>
TOTAL MISCELLANEOUS	<u>907,102</u>	<u>907,102</u>	<u>829,469</u>	<u>(77,633)</u>
<u>INTERFUND TRANSFERS:</u>				
Transfer-Cemetery T/A	20,000	20,000	20,000	-
Transfer-Water/Sewer-General	375,000	375,000	375,000	-
Transfer-Reimb Electric	40,000	40,000	25,620	(14,380)
Transfers	290,561	290,561	290,561	-
Tax Equivalent-E/D	690,000	690,000	615,000	(75,000)
Transfer-RSVP	<u>30,000</u>	<u>30,000</u>	<u>26,827</u>	<u>(3,173)</u>
TOTAL INTERFUND TRANS	<u>1,445,561</u>	<u>1,445,561</u>	<u>1,353,008</u>	<u>(92,553)</u>
TOTAL REVENUE	<u>19,912,429</u>	<u>19,912,429</u>	<u>20,321,323</u>	<u>408,894</u>

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

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	AMOUNTS	
EXPENDITURES				
Legislative	\$ 127,157	\$ 127,157	\$ 115,138	\$ 12,019
Judicial	210,906	210,906	206,243	4,663
Executive	92,105	92,105	89,018	3,087
Elections	3,000	3,000	-	3,000
Financial Administration	250,025	250,025	279,293	(29,268)
Human Resources	185,252	185,252	179,657	5,595
Law	165,408	165,408	229,348	(63,940)
Dept. of Planning	486,937	486,937	205,353	281,584
Building and Code Enforcement	238,867	238,867	210,925	27,942
Buildings and Grounds	547,796	547,796	520,831	26,965
General Government	2,034,395	2,034,395	1,886,580	147,815
Community Promotions	52,500	52,500	46,782	5,718
Police Department	4,011,452	4,011,452	3,645,770	365,682
Fire Department	3,600,171	3,600,171	3,158,818	441,353
Emergency Mgmt	134,808	134,808	118,438	16,370
Highway and Street	2,345,260	2,345,260	2,331,377	13,883
Sanitation Administration	291,055	291,055	296,225	(5,170)
Street Cleaning	87,642	87,642	86,422	1,220
Waste Collection	1,355,530	1,355,530	1,172,393	183,137
Waste Disposal	547,566	547,566	552,258	(4,692)
Weed and Grass Control	286,574	286,574	253,785	32,789
Cemetery Maintenance	122,102	122,102	113,967	8,135
Family Crisis Services	7,200	7,200	7,200	-
FNC Park	967,947	967,947	918,824	49,123
Parks and Recreation	1,010,612	1,010,612	982,173	28,439
Swimming Pool	85,754	85,754	83,899	1,855
RSVP	157,008	157,008	151,197	5,811
Library	296,180	296,180	261,221	34,959
City Garage	814,152	814,152	763,157	50,995
Airport	15,000	15,000	15,000	-
Humane Society	151,830	151,830	151,830	-
Recycling	442,135	442,135	369,466	72,669
Principal Retirement	-	-	206,228	(206,228)
Interest and Fiscal Charges	-	-	46,694	(46,694)
Operating Transfers Out	-	-	648,914	(648,914)
TOTAL EXPENDITURES	21,124,326	21,124,326	20,304,424	819,902

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES \$	(1,211,897)	\$(1,211,897)	\$ 16,899	\$ 1,228,796
FUND BALANCE - BEGINNING	<u>4,012,338</u>	<u>4,012,338</u>	<u>4,012,338</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>2,800,441</u>	\$ <u>2,800,441</u>	\$ <u>4,029,237</u>	\$ <u>1,228,796</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OXFORD RESERVE AND TRUST FUND
Year Ended September 30, 2011

	<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				
Sale of Hospital	\$ -	\$ -	\$30,000,000	\$30,000,000
Interest Income	-	-	2,307	2,307
TOTAL REVENUE	-	-	30,002,307	30,002,307
EXPENDITURES				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	30,002,307	30,002,307
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$30,002,307	\$30,002,307

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 2011
Year Ended September 30, 2011

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	AMOUNTS	
REVENUE				
Interest Income	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	-	-	-	-
EXPENDITURES				
Capital Outlay	-	-	2,177,585	(2,177,585)
TOTAL EXPENDITURES	-	-	2,177,585	(2,177,585)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(2,177,585)	(2,177,585)
FUND BALANCE - BEGINNING	-	-	2,989,661	2,989,661
FUND BALANCE - ENDING	\$ -	\$ -	\$ 812,076	\$ 812,076

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2010 G.O. REFUNDING
Year Ended September 30, 2011

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Ad Valorem Tax	\$ -	\$ -	\$ 100,838	\$ 100,838
Interest	-	-	93	93
Issuance of Bonds	-	-	7,085,000	7,085,000
Premium of Bond Issue	-	-	19,916	19,916
Return of Escrow	-	-	79,180	79,180
	<u>-</u>	<u>-</u>	<u>7,285,027</u>	<u>7,285,027</u>
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>7,285,027</u>	<u>7,285,027</u>
EXPENDITURES				
Principal Retirement	-	-	6,742,500	(6,742,500)
Bond Issue Cost	-	-	213,394	(213,394)
Interest & Fixed Charges	-	-	393,703	(393,703)
	<u>-</u>	<u>-</u>	<u>7,349,597</u>	<u>(7,349,597)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>7,349,597</u>	<u>(7,349,597)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	(64,570)	(64,570)
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(64,570)</u>	\$ <u>(64,570)</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Year ended September 30, 2011

BUDGETARY COMPARISON SCHEDULE

- 1) Basis of Presentation. The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis and variances between the final budget and the actual data.
- 2) The budget is adopted by the Board of Alderman. Amendments can be made on the approval of the Board. A budgetary comparison is presented for the major governmental funds consistent with accounting principles generally accepted in the United States of America.
- 3) Section 21-35-15, Mississippi Code (Ann. 1972) explains that expenditures shall be kept within the budget "except for capital outlay." 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, 2011

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 445,148	\$ 286,830	\$ 2,798,151	\$ 98,747	\$ 3,628,876
Due from Employees	-	1,953	-	-	1,953
Due from Other Funds	-	-	26,831	-	26,831
Due from Other Governments	-	-	553,540	-	553,540
Taxes Receivable	-	-	-	1,136,222	1,136,222
TOTAL ASSETS	\$ <u>445,148</u>	\$ <u>288,783</u>	\$ <u>3,378,522</u>	\$ <u>1,234,969</u>	\$ <u>5,347,422</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Bank Overdraft	\$ -	\$ 9,750	\$ 69,910	\$ -	\$ 79,660
Due to Other Funds	-	-	596,690	12,702	609,392
Accounts Payable	-	21,805	25,535	-	47,340
Deferred Revenue	-	-	-	1,136,222	1,136,222
Due to Lienholder	-	84,252	-	-	84,252
TOTAL LIABILITIES	-	<u>115,807</u>	<u>692,135</u>	<u>1,148,924</u>	<u>1,956,866</u>
Fund Balances:					
Reserved For:					
Unemployment	-	-	52,171	-	52,171
Cemetery	-	154,191	-	-	154,191
Fire Protection	-	13,333	-	-	13,333
Tourism	-	-	1,473,735	-	1,473,735
Other	-	5,452	567,131	-	572,583
Debt Service	-	-	-	86,045	86,045
Capital Projects	<u>445,148</u>	-	<u>593,350</u>	-	<u>1,038,498</u>
TOTAL FUND BALANCES	<u>445,148</u>	<u>172,976</u>	<u>2,686,387</u>	<u>86,045</u>	<u>3,390,556</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>445,148</u>	\$ <u>288,783</u>	\$ <u>3,378,522</u>	\$ <u>1,234,969</u>	\$ <u>5,347,422</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, 2011

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>REVENUES</u>					
Ad Valorem	\$ -	\$ -	\$ -	\$ 1,474,894	\$ 1,474,894
Tourism Tax	-	-	1,770,951	-	1,770,951
Interest Income	25,765	548	16,977	760	44,050
Federal & State Awards	-	-	3,008,271	-	3,008,271
Sale of Cemetery Lots	-	96,060	-	-	96,000
Local Matching Funds	-	-	677,389	150,000	827,389
Donations	-	-	38,627	-	38,627
Fines and Seizures	-	-	107,744	-	107,744
Rental Fees	-	-	22,650	-	22,650
Intergovernmental	-	-	193,004	-	193,004
Miscellaneous	-	-	107,890	-	107,890
Park Commission	-	-	322,987	-	322,987
Bus Fares	-	-	85,674	-	85,674
 TOTAL REVENUES	 <u>25,765</u>	 <u>96,608</u>	 <u>6,352,164</u>	 <u>1,625,654</u>	 <u>8,100,191</u>
<u>EXPENDITURES</u>					
Capital Projects	165,246	-	1,852,041	-	2,017,287
Drug and Traffic Enforcement	-	-	321,192	-	321,192
Miscellaneous	-	18,891	2,977,317	-	2,996,208
Principal Maturities	74,413	-	218,977	1,275,000	1,568,390
Interest Paid and Agent Fees	-	-	52,345	570,478	622,823
Tourism Promotion	-	-	960,344	-	960,344
 TOTAL EXPENDITURES	 <u>239,659</u>	 <u>18,891</u>	 <u>6,382,216</u>	 <u>1,845,478</u>	 <u>8,486,244</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>(213,894)</u>	 <u>77,717</u>	 <u>(30,052)</u>	 <u>(219,824)</u>	 <u>(386,053)</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	\$ -	\$ -	\$ 648,914	\$ 219,608	\$ 868,522
Operating Transfers Out	-	(20,000)	(536,996)	-	(556,996)
Loan Proceeds	-	-	-	-	-
 TOTAL OTHER FINANCING SOURCES (USES)	 -	 (20,000)	 111,918	 219,608	 311,526
 NET CHANGE IN FUND BALANCE	 (213,894)	 57,717	 81,866	 (216)	 (74,527)
 <u>FUND BALANCE</u>					
Beginning of Year	659,042	115,259	2,604,521	86,261	3,465,083
 End of Year	 \$ 445,148	 \$ 172,976	 \$ 2,686,387	 \$ 86,045	 \$ 3,390,556

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 September 30, 2011

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	G.O. NOTE SERIES 2010	BUSINESS INCUBATOR PHASE II/III	TOTALS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 278,441	\$ 110,801	\$ 54,783	\$ -	\$ 1,123	\$ 445,148
Due from Other Government	-	-	-	-	-	-
TOTAL ASSETS	\$ 278,441	\$ 110,801	\$ 54,783	\$ -	\$ 1,123	\$ 445,148
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
Fund Balances:						
Reserved for Capital Projects	278,441	110,801	54,783	-	1,123	445,148
TOTAL LIABILITIES AND FUND BALANCES	\$ 278,441	\$ 110,801	\$ 54,783	\$ -	\$ 1,123	\$ 445,148

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 Year Ended September 30, 2011

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	G.O. NOTE SERIES 2010	BUSINESS INCUBATOR PHASE II/III	TOTALS
<u>REVENUES</u>						
Interest Income	\$ 25,765	\$ -	\$ -	\$ -	\$ -	\$ 25,765
Federal & State Awards	-	-	-	-	-	-
TOTAL REVENUES	<u>25,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,765</u>
<u>EXPENDITURES</u>						
Capital Projects	165,246	-	-	-	-	165,246
Miscellaneous	-	-	-	-	-	-
Principal Retirement	-	-	-	74,413	-	74,413
TOTAL EXPENDITURES	<u>165,246</u>	<u>-</u>	<u>-</u>	<u>74,413</u>	<u>-</u>	<u>239,659</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(139,481)</u>	<u>-</u>	<u>-</u>	<u>(74,413)</u>	<u>-</u>	<u>(213,894)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(139,481)</u>	<u>-</u>	<u>-</u>	<u>(74,413)</u>	<u>-</u>	<u>(213,894)</u>
<u>FUND BALANCE</u>						
Beginning of Year	<u>417,922</u>	<u>110,801</u>	<u>54,783</u>	<u>74,413</u>	<u>1,123</u>	<u>659,042</u>
End of Year	\$ <u>278,441</u>	\$ <u>110,801</u>	\$ <u>54,783</u>	\$ <u>-</u>	\$ <u>1,123</u>	\$ <u>445,148</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
September 30, 2011

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ 154,191	\$ 132,639	\$ 286,830
Due from Employees	<u>-</u>	<u>1,953</u>	<u>1,953</u>
TOTAL ASSETS	\$ <u>154,191</u>	\$ <u>134,592</u>	\$ <u>288,783</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ 21,805	\$ 21,805
Due to Lienholders	-	84,252	84,252
Due to Other Funds	<u>-</u>	<u>9,750</u>	<u>9,750</u>
TOTAL LIABILITIES	<u>-</u>	<u>115,807</u>	<u>115,807</u>
Fund Balance:			
Cemetery Maintenance	154,191	-	154,191
Fire Protection	-	13,333	13,333
Youth Court	<u>-</u>	<u>5,452</u>	<u>5,452</u>
TOTAL FUND BALANCE	<u>154,191</u>	<u>18,785</u>	<u>172,976</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>154,191</u>	\$ <u>134,592</u>	\$ <u>288,783</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FIDUCIARY FUNDS
 Year Ended September 30, 2011

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTAL
<u>REVENUES</u>			
Interest	\$ -	\$ 548	\$ 548
Sale of Cemetery Lots	<u>96,060</u>	<u>-</u>	<u>96,060</u>
TOTAL REVENUES	<u>96,060</u>	<u>548</u>	<u>96,608</u>
<u>EXPENDITURES</u>			
Miscellaneous Expenses	<u>18,343</u>	<u>548</u>	<u>18,891</u>
TOTAL EXPENDITURES	<u>18,343</u>	<u>548</u>	<u>18,891</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>77,717</u>	<u>-</u>	<u>77,717</u>
TOTAL OTHER FINANCING SOURCES OPERATING TRANSFERS OUT	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	<u>57,717</u>	<u>-</u>	<u>57,717</u>
FUND BALANCE			
Beginning of Year	<u>96,474</u>	<u>18,785</u>	<u>115,259</u>
End of Year	\$ <u>154,191</u>	\$ <u>18,785</u>	\$ <u>172,976</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUND
September 30, 2011

	CEMETERY TRUST FUND
<u>ASSETS</u>	
Cash	\$ <u>154,191</u>
 TOTAL ASSETS	 \$ <u>154,191</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Fund Balance:	
Reserved for Cemetery Maintenance	\$ <u>154,191</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u>154,191</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 EXPENDABLE TRUST FUND
 Year Ended September 30, 2011

	CEMETERY TRUST FUND
<u>REVENUES</u>	
Sales of Cemetery Lots	\$ <u>96,060</u>
TOTAL REVENUES	<u>96,060</u>
 <u>EXPENDITURES</u>	 <u>18,343</u>
TOTAL EXPENDITURES	<u>18,343</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>77,717</u>
 <u>OTHER FINANCING SOURCES (USES)</u>	
Operating Transfers Out	<u>(20,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	57,717
 <u>FUND BALANCE</u>	
Beginning of Year	<u>96,474</u>
End of Year	\$ <u><u>154,191</u></u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
AGENCY FUNDS
September 30, 2011

	<u>FSA CLEARING</u>	<u>PAYROLL CLEARING</u>	<u>YOUTH COURT</u>	<u>FIRE PROTECTION</u>	<u>TAX COLLECTOR CLEARING</u>	<u>TOTAL</u>
<u>ASSETS</u>						
Cash	\$ 7,797	\$ 21,805	\$ 5,452	\$ 13,333	\$ 84,252	\$ 132,639
Due from Employees	<u>1,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,953</u>
TOTAL ASSETS	\$ <u>9,750</u>	\$ <u>21,805</u>	\$ <u>5,452</u>	\$ <u>13,333</u>	\$ <u>84,252</u>	\$ <u>134,592</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Accounts Payable	\$ -	\$ 21,805	\$ -	\$ -	\$ -	\$ 21,805
Due to Lienholders	-	-	-	-	84,252	84,252
Due to Other Funds	<u>9,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,750</u>
TOTAL LIABILITIES	<u>9,750</u>	<u>21,805</u>	<u>-</u>	<u>-</u>	<u>84,252</u>	<u>115,807</u>
Fund Balance:						
Reserved for:						
Fire Protection	-	-	-	13,333	-	13,333
Others	<u>-</u>	<u>-</u>	<u>5,452</u>	<u>-</u>	<u>-</u>	<u>5,452</u>
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>5,452</u>	<u>13,333</u>	<u>-</u>	<u>18,785</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>9,750</u>	\$ <u>21,805</u>	\$ <u>5,452</u>	\$ <u>13,333</u>	\$ <u>84,252</u>	\$ <u>134,592</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 AGENCY FUNDS
 September 30, 2011

	<u>FFA</u> <u>CLEARING</u>	<u>PAYROLL</u> <u>CLEARING</u>	<u>YOUTH</u> <u>COURT</u>	<u>FIRE</u> <u>PROTECTION</u>	<u>TAX COLLECTOR</u> <u>CLEARING</u>	<u>TOTAL</u>
<u>REVENUES</u>						
Interest	\$ <u>5</u>	\$ <u>256</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>287</u>	\$ <u>548</u>
TOTAL REVENUES	<u>5</u>	<u>256</u>	<u>-</u>	<u>-</u>	<u>287</u>	<u>548</u>
<u>EXPENDITURES</u>	<u>5</u>	<u>256</u>	<u>-</u>	<u>-</u>	<u>287</u>	<u>548</u>
TOTAL EXPENDITURES	<u>5</u>	<u>256</u>	<u>-</u>	<u>-</u>	<u>287</u>	<u>548</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>						
Beginning of Year	<u>-</u>	<u>-</u>	<u>5,452</u>	<u>13,333</u>	<u>-</u>	<u>18,785</u>
End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>5,452</u></u>	\$ <u><u>13,333</u></u>	\$ <u><u>-</u></u>	\$ <u><u>18,785</u></u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 September 30, 2011

	2% TAX FUND	NON-GRANT FUNDS	GRANT FUNDS	UNEMPLOYMENT COMPENSATION FUND	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,473,735	\$ 511,867	\$ 760,378	\$ 52,171	\$ 2,798,151
Due from Other Governments	-	-	553,540	-	553,540
Due from Other Funds	-	9,750	17,081	-	26,831
 TOTAL ASSETS	 \$ <u>1,473,735</u>	 \$ <u>521,617</u>	 \$ <u>1,330,999</u>	 \$ <u>52,171</u>	 \$ <u>3,378,522</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Bank Overdraft	\$ -	\$ 105,217	\$ 491,473	\$ -	\$ 596,690
Accounts Payable	-	22,084	3,451	-	25,535
Due to Other Funds	-	-	69,910	-	69,910
TOTAL LIABILITIES	-	127,301	564,834	-	692,135
 Fund Balance:					
Reserved for:					
Capital Projects	-	38,350	555,000	-	593,350
Tourism	1,473,735	-	-	-	1,473,735
Unemployment	-	-	-	52,171	52,171
Other	-	355,966	211,165	-	567,131
TOTAL FUND BALANCES	<u>1,473,735</u>	<u>394,316</u>	<u>766,165</u>	<u>52,171</u>	<u>2,686,387</u>
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u>1,473,735</u>	 \$ <u>521,617</u>	 \$ <u>1,330,999</u>	 \$ <u>52,171</u>	 \$ <u>3,378,522</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 Year Ended September 30, 2011

	2% TAX	NON-GRANT	GRANT	UNEMPLOYMENT	
	FUND	FUNDS	FUNDS	COMPENSATION	TOTAL
<u>REVENUES</u>					
Tourism Tax	\$ 1,770,951	\$ -	\$ -	\$ -	\$ 1,770,951
Federal & State Awards	-	225,037	2,783,234	-	3,008,271
Local Matching Funds	-	304,858	372,531	-	677,389
Donations	-	37,628	1,000	-	38,627
Interest on Investments	9,938	6,635	404	-	16,977
Fines and Seizures	-	55,809	51,935	-	107,744
Rental Fees	-	22,650	-	-	22,650
Bus Fares	-	-	85,674	-	85,674
Intergovernmental	-	193,004	-	-	193,004
Park Commission Revenue	-	322,987	-	-	322,987
Miscellaneous	298	89,471	18,120	-	107,890
TOTAL REVENUES	<u>1,781,187</u>	<u>1,258,079</u>	<u>3,312,898</u>	<u>-</u>	<u>6,352,164</u>
<u>EXPENDITURES</u>					
Capital Outlay	-	924,352	927,689	-	1,852,041
Tourism Promotion	767,340	193,004	-	-	960,344
Drug and Traffic Enforcement	-	-	321,192	-	321,192
Bond Maturities	202,500	-	-	-	202,500
Note Payments	-	16,477	-	-	16,477
Interest Paid and Agent Fees	52,345	-	-	-	52,345
Other	200,000	703,293	2,074,024	-	2,977,317
TOTAL EXPENDITURES	<u>1,222,185</u>	<u>1,837,126</u>	<u>3,322,905</u>	<u>-</u>	<u>6,382,216</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>559,002</u>	<u>(579,047)</u>	<u>(10,007)</u>	<u>-</u>	<u>(30,052)</u>

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

	2% TAX FUND	NON-GRANT FUNDS	GRANT FUNDS	UNEMPLOYMENT COMPENSATION FUND	TOTAL
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In	\$ -	\$ 280,000	\$ 368,914	\$ -	\$ 648,914
Operating Transfers Out	<u>(510,169)</u>	<u>(26,827)</u>	<u>-</u>	<u>-</u>	<u>(536,996)</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>(510,169)</u>	<u>253,173</u>	<u>368,914</u>	<u>-</u>	<u>111,918</u>
 NET CHANGE IN FUND BALANCE	 48,833	 (325,874)	 358,907	 -	 81,866
 <u>FUND BALANCE</u>					
Beginning of Year	<u>1,424,902</u>	<u>720,190</u>	<u>407,258</u>	<u>52,171</u>	<u>2,604,521</u>
End of Year	\$ <u>1,473,735</u>	\$ <u>394,316</u>	\$ <u>766,165</u>	\$ <u>52,171</u>	\$ <u>2,686,387</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 September 30, 2011

	2009	2007	2005	2004	2002	2000	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>TOTAL</u>
<u>ASSETS</u>							
Cash	\$ 57,551	\$ -	\$ 15,227	\$ 16,671	\$ 9,298	\$ -	\$ 98,747
Taxes Receivable	<u>276,514</u>	<u>266,459</u>	<u>168,422</u>	<u>271,487</u>	<u>153,340</u>	<u>-</u>	<u>1,136,222</u>
TOTAL ASSETS	\$ <u>334,065</u>	\$ <u>266,459</u>	\$ <u>183,649</u>	\$ <u>288,158</u>	\$ <u>162,638</u>	\$ <u>-</u>	\$ <u>1,234,969</u>
 <u>LIABILITIES AND FUND BALANCE</u>							
<u>LIABILITIES:</u>							
Bank Overdraft	\$ -	\$ 12,702	\$ -	\$ -	\$ -	\$ -	\$ 12,702
Deferred Revenue	<u>276,514</u>	<u>266,459</u>	<u>168,422</u>	<u>271,487</u>	<u>153,340</u>	<u>-</u>	<u>1,136,222</u>
TOTAL LIABILITIES	<u>276,514</u>	<u>279,161</u>	<u>168,422</u>	<u>271,487</u>	<u>153,340</u>	<u>-</u>	<u>1,148,924</u>
 <u>FUND BALANCE:</u>							
Reserved for Debt Service	<u>57,551</u>	<u>(12,702)</u>	<u>15,227</u>	<u>16,671</u>	<u>9,298</u>	<u>-</u>	<u>86,045</u>
TOTAL FUND BALANCE	<u>57,551</u>	<u>(12,702)</u>	<u>15,227</u>	<u>16,671</u>	<u>9,298</u>	<u>-</u>	<u>86,045</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>334,065</u>	\$ <u>266,459</u>	\$ <u>183,649</u>	\$ <u>288,158</u>	\$ <u>162,638</u>	\$ <u>-</u>	\$ <u>1,234,969</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 Year Ended September 30, 2011

	2010	2007	2005	2004	2002	2000	
	<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	\$ 310,819	\$ 282,182	\$ 175,045	\$ 282,062	\$ 159,353	\$ 265,433	\$ 1,474,894
Investment Income	401	42	140	71	28	78	760
Local Match	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
TOTAL REVENUES	<u>311,220</u>	<u>432,224</u>	<u>175,185</u>	<u>282,133</u>	<u>159,381</u>	<u>265,511</u>	<u>1,625,654</u>
<u>EXPENDITURES</u>							
Bond Principal Maturities	190,000	325,000	150,000	230,000	150,000	230,000	1,275,000
Interest Paid and Agent Fees	<u>62,030</u>	<u>328,874</u>	<u>26,002</u>	<u>57,191</u>	<u>9,884</u>	<u>86,497</u>	<u>570,478</u>
TOTAL EXPENDITURES	<u>252,030</u>	<u>653,874</u>	<u>176,002</u>	<u>287,191</u>	<u>159,884</u>	<u>316,497</u>	<u>1,845,478</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>59,190</u>	<u>(221,650)</u>	<u>(817)</u>	<u>(5,058)</u>	<u>(503)</u>	<u>(50,986)</u>	<u>(219,824)</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating Transfers In	<u>-</u>	<u>219,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,608</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>-</u>	<u>219,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,608</u>
NET CHANGE IN FUND BALANCE	59,190	(2,042)	(817)	(5,058)	(503)	(50,986)	(216)
<u>FUND BALANCE</u>							
Beginning of Year	<u>(1,639)</u>	<u>(10,660)</u>	<u>16,044</u>	<u>21,729</u>	<u>9,801</u>	<u>50,986</u>	<u>86,261</u>
End of Year	\$ <u>57,551</u>	\$ <u>(12,702)</u>	\$ <u>15,227</u>	\$ <u>16,671</u>	\$ <u>9,298</u>	\$ <u>-</u>	\$ <u>86,045</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2011

	<u>COST AND MARKET VALUE</u>
<u>INVESTMENTS</u>	
Certificates of Deposit:	
First National Bank	\$ 2,347,466
Mechanics Bank	34,638
Southbank	199,423
Bank of Holly Springs	<u>2,018,786</u>
	4,600,313
 <u>OTHER INVESTMENTS</u>	
Fidelity Investments	<u>30,002,307</u>
 TOTAL INVESTMENTS	\$ <u>34,602,620</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF SURETY BONDS
September 30, 2011

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

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
September 30, 2011

<u>DEFINITION AND PURPOSE</u>	<u>INTEREST RATE</u>	<u>BALANCE OCTOBER 1, 2010</u>	<u>ADDITIONS</u>	<u>REDEMPTIONS</u>	<u>BALANCE SEPTEMBER 30, 2011</u>
<u>REVENUE BONDS</u>					
1996 Combination Water & Sewer	6.5%	\$ 150,000	\$ -	\$ 150,000	\$ -
2003 Combination Water & Sewer	3.8-4.5%	1,475,000	-	80,000	1,395,000
2004 Water & Sewer Revenue Bond		1,430,000	-	-	1,430,000
2006 Water & Sewer Revenue Bond		2,950,000	-	125,000	2,825,000
2008 Water & Sewer Revenue Bond		2,530,000	-	100,000	2,430,000
2010 Water & Sewer Revenue Bond		3,235,000	-	115,000	3,120,000
2011 Water & Sewer Revenue Bond	4.125-3.750%	-	8,500,000	-	8,500,000
2011 Electric System Revenue	2.00-3.25%	3,335,000	-	240,000	3,095,000
TVA Loan A-9001		2,500,000	-	-	2,500,000
<u>GENERAL OBLIGATION BONDS</u>					
2000 General Obligation - Jackson Avenue	4.375-6.25%	3,380,000	-	3,380,000	-
2001 Special Obligation - Conference Center	4.6%	3,390,000	-	3,390,000	-
2002 General Obligation - Police Dept. Equipment	3.875-5.5%	310,000	-	150,000	160,000
2004 General Obligation	3-3.8%	1,795,000	-	230,000	1,565,000
2005 General Obligation	3.375-3.79%	825,000	-	150,000	675,000
2007 General Obligation	5.00-4.125%	8,110,000	-	325,000	7,785,000
2011 General Obligation	3.000-3.75%	3,620,000	-	190,000	3,430,000
2010 General Obligation - Refunding	2.000-3.00%	-	7,085,000	405,000	6,680,000
		<u>39,035,000</u>	<u>15,585,000</u>	<u>9,030,000</u>	<u>45,590,000</u>
<u>NOTES PAYABLE</u>					
General Obligation Note	3.6%	550,000	-	204,413	345,587
State Revolving Fund - Water & Sewer	4.0%	573,811	-	230,744	343,067
MS Development 569		484,241	-	49,662	434,579
State Revolving Fund - Water & Sewer		8,500,084	-	351,376	8,148,708
MS Development 515		905,181	-	43,042	862,139
		<u>11,013,317</u>	<u>-</u>	<u>879,237</u>	<u>10,134,080</u>
TOTAL		\$ <u>50,048,317</u>	\$ <u>15,585,000</u>	\$ <u>9,909,237</u>	\$ <u>55,724,080</u>

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

YEAR	2011 ELECTRIC SYSTEM REVENUE		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 431,013	\$ 355,000	\$ 76,013
2013	428,412	360,000	68,412
2014	430,200	370,000	60,200
2015	436,706	385,000	51,706
2016	432,500	390,000	42,500
2017-2021	<u>1,294,250</u>	<u>1,235,000</u>	<u>59,250</u>
	<u>\$ 3,453,081</u>	<u>\$ 3,095,000</u>	<u>\$ 358,081</u>

YEAR	2003 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 139,377	\$ 85,000	\$ 54,377
2013	135,871	85,000	50,871
2014	137,265	90,000	47,265
2015	138,660	95,000	43,660
2016	139,918	100,000	39,918
2017-2021	687,058	550,000	137,058
2022-2026	<u>413,862</u>	<u>390,000</u>	<u>23,862</u>
	<u>\$ 1,792,011</u>	<u>\$ 1,395,000</u>	<u>\$ 397,011</u>

YEAR	2004 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 132,234	\$ 75,000	\$ 57,234
2013	129,421	75,000	54,421
2014	131,415	80,000	51,415
2015	133,115	85,000	48,115
2016	134,615	90,000	44,615
2017-2021	680,405	515,000	165,405
2022-2026	<u>556,000</u>	<u>510,000</u>	<u>46,000</u>
	<u>\$ 1,897,205</u>	<u>\$ 1,430,000</u>	<u>\$ 467,205</u>

YEAR	2006 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 248,550	\$ 130,000	\$ 118,550
2013	246,725	135,000	111,725
2014	249,975	145,000	104,975
2015	247,725	150,000	97,725
2016	250,600	160,000	90,600
2017-2021	1,276,000	925,000	351,000
2022-2026	<u>1,326,000</u>	<u>1,180,000</u>	<u>146,000</u>
	<u>\$ 3,845,575</u>	<u>\$ 2,825,000</u>	<u>\$ 1,020,575</u>

YEAR	2008 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 225,555	\$ 105,000	\$ 120,555
2013	224,255	110,000	114,255
2014	222,655	115,000	107,655
2015	222,480	120,000	102,480
2016	221,930	125,000	96,930
2017-2021	1,118,818	730,000	388,818
2022-2026	1,108,356	915,000	193,356
2027-2031	<u>220,500</u>	<u>210,000</u>	<u>10,500</u>
	<u>\$ 3,564,549</u>	<u>\$ 2,430,000</u>	<u>\$ 1,134,549</u>

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

YEAR	2010 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 239,950	\$ 120,000	\$ 119,950
2013	240,050	125,000	115,050
2014	249,750	140,000	109,750
2015	244,150	140,000	104,150
2016	243,450	145,000	98,450
2017-2021	1,256,452	855,000	401,452
2022-2026	1,300,003	1,085,000	215,003
2027-2031	530,600	510,000	20,600
	<u>\$ 4,304,405</u>	<u>\$ 3,120,000</u>	<u>\$ 1,184,405</u>

YEAR	TVA LOAN A-9001		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 77,500	\$ -	\$ 77,500
2013	77,500	-	77,500
2014	<u>2,577,500</u>	<u>2,500,000</u>	<u>77,500</u>
	<u>\$ 2,732,500</u>	<u>\$ 2,500,000</u>	<u>\$ 232,500</u>

YEAR	2002 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 163,100	\$ 160,000	\$ 3,100
	<u>\$ 163,100</u>	<u>\$ 160,000</u>	<u>\$ 3,100</u>

YEAR	2004 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 290,285	\$ 240,000	\$ 50,285
2013	292,685	250,000	42,685
2014	299,313	265,000	34,313
2015	177,315	150,000	27,315
2016	176,900	155,000	21,900
2017-2021	<u>534,315</u>	<u>505,000</u>	<u>29,315</u>
	<u>\$ 1,770,813</u>	<u>\$ 1,565,000</u>	<u>\$ 205,813</u>

YEAR	2005 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
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>\$ 721,660</u>	<u>\$ 675,000</u>	<u>\$ 46,660</u>

YEAR	2007 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 654,525	\$ 340,000	\$ 314,525
2013	660,525	360,000	300,525
2014	655,925	370,000	285,925
2015	660,725	390,000	270,725
2016	657,800	405,000	252,800
2017-2021	<u>3,299,650</u>	<u>2,330,000</u>	<u>969,650</u>
2022-2026	<u>3,373,125</u>	<u>2,930,000</u>	<u>443,125</u>
2027-2031	<u>673,613</u>	<u>660,000</u>	<u>13,613</u>
	<u>\$10,635,888</u>	<u>\$ 7,785,000</u>	<u>\$ 2,850,888</u>

CITY OF OXFORD, MISSISSIPPI

SCHEDULE OF LONG-TERM DEBT

- Continued -

YEAR	2009 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 314,500	\$ 200,000	\$ 114,500
2013	317,500	210,000	107,500
2014	320,150	220,000	100,150
2015	317,725	225,000	92,725
2016	325,131	240,000	85,131
2017-2021	1,670,119	1,360,000	310,119
2022-2026	<u>1,046,850</u>	<u>975,000</u>	<u>71,850</u>
	\$ <u>4,311,975</u>	\$ <u>3,430,000</u>	\$ <u>881,975</u>

YEAR	2008 GENERAL OBLIGATION NOTE		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 147,441	\$ 135,000	\$ 12,441
2013	147,581	140,000	7,581
2014	<u>73,128</u>	<u>70,587</u>	<u>2,541</u>
	\$ <u>368,150</u>	\$ <u>345,587</u>	\$ <u>22,563</u>

YEAR	MS DEVELOPMENT 515 NOTE		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 60,706	\$ 43,911	\$ 16,795
2013	60,706	44,797	15,909
2014	60,706	45,701	15,005
2015	60,706	46,624	14,082
2016	60,706	47,565	13,141
2017-2021	303,530	252,619	50,911
2022-2026	303,530	281,494	22,036
2027-2031	<u>101,169</u>	<u>99,428</u>	<u>1,741</u>
	\$ <u>1,011,759</u>	\$ <u>862,139</u>	\$ <u>149,620</u>

YEAR	STATE REVOLVING FUND NOTE-WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 249,497	\$ 240,145	\$ 9,352
2013	<u>103,953</u>	<u>102,922</u>	<u>1,031</u>
2013	\$ <u>353,450</u>	\$ <u>343,067</u>	\$ <u>10,383</u>

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

YEAR	MS DEVELOPMENT 569 NOTE		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 58,905	\$ 50,665	\$ 8,240
2013	58,904	51,687	7,217
2014	58,904	52,730	6,174
2015	58,904	53,795	5,109
2016	58,905	54,881	4,024
2017-2021	<u>176,713</u>	<u>170,821</u>	<u>5,892</u>
	\$ <u>471,235</u>	\$ <u>434,579</u>	\$ <u>36,656</u>

YEAR	STATE REVELOLVING FUND NOTE-WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 580,722	\$ 361,162	\$ 219,560
2013	580,722	371,220	209,502
2014	580,722	381,558	199,164
2015	580,722	392,184	188,538
2016	580,722	403,106	177,616
2017-2021	2,903,608	2,190,309	713,299
2022-2026	2,903,608	2,512,769	390,839
2027-2031	<u>1,596,986</u>	<u>1,536,400</u>	<u>60,586</u>
	\$ <u>10,307,812</u>	\$ <u>8,148,708</u>	\$ <u>2,159,104</u>

YEAR	2010 GENERAL OBLIGATION REFUNDING		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 746,825	\$ 595,000	\$ 151,825
2013	749,925	610,000	139,925
2014	752,725	625,000	127,725
2015	750,225	635,000	115,225
2016	762,525	660,000	102,525
2017-2021	<u>3,845,275</u>	<u>3,555,000</u>	<u>290,275</u>
	\$ <u>7,607,500</u>	\$ <u>6,680,000</u>	\$ <u>927,500</u>

YEAR	2011 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2012	\$ 559,444	\$ 255,000	\$ 304,444
2013	563,925	270,000	293,925
2014	567,788	285,000	282,788
2015	566,031	295,000	271,031
2016	569,231	310,000	259,231
2017-2021	3,002,238	1,895,000	1,107,238
2022-2026	3,305,375	2,550,000	755,375
2027-2031	<u>2,949,762</u>	<u>2,640,000</u>	<u>309,762</u>
	\$ <u>12,083,794</u>	\$ <u>8,500,000</u>	\$ <u>3,583,794</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2011

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR <u>PROGRAM TITLE</u>	FEDERAL CFDA <u>NUMBER</u>	PASS-THROUGH ENTITY IDENTIFYING <u>NUMBER</u>	FEDERAL <u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed through the Governor's Office of Federal-State Programs:			
Enforcing Underage Drinking Laws Program	16.727	06NM2251	\$ 190,815
Community Oriented Policing Services Technology Grant	16.710		32,386
ARRA-Edward Byrne Memorial Assistance Grant	16.804		<u>38,448</u>
			<u>261,649</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed through the Mississippi Emergency Management Agency:			
Hazard Mitigation Grant	97.039	4DPG	43,853
Medical Reserve Corp. Grant	93.008		<u>28,791</u>
			<u>72,644</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Urban & Community Forestry Assistance Grant	10.664		<u>8,872</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through the Mississippi Dept. of Transportation:			
ARRA-Surface Transportation Program	20.205		3,174
Pathway Grant	20.205		126,080
ARRA-Public Transportation for Nonurbanized Areas	20.209		196,919
Public Transportation for Nonurbanized Areas	20.209		536,047
Alcohol Impaired Drug Countermeasures Incentives Grant	20.601		<u>108,775</u>
			<u>970,995</u>
<u>U.S. NATIONAL PARK SERVICE</u>			
Preserve America Grant	15.904		<u>49,805</u>
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
Community Development Block Grant	14.228		38,500
Neighborhood Initiative	14.251		<u>727,885</u>
			<u>766,385</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
- Continued -

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR <u>PROGRAM TITLE</u>	FEDERAL CFDA <u>NUMBER</u>	PASS-THROUGH ENTITY IDENTIFYING <u>NUMBER</u>	FEDERAL <u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
ARRA-Energy Efficiency and Conservation Block Grant	81.128		\$ <u>100,000</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Volunteer Generation Fund	94.021		<u>4,594</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>2,234,944</u>

The accompanying notes are an integral part of this schedule.

CITY OF OXFORD, MISSISSIPPI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Oxford, Mississippi under programs of the federal government for the year ended September 30, 2011. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Oxford, Mississippi, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Oxford, Mississippi.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PLICIES

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

INTERNAL CONTROL AND COMPLIANCE REPORTS



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

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

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

We have audited the financial statements of the City of Oxford as of and for the year ended September 30, 2011, and have issued our report thereon dated May 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

May 29, 2012



The Dwight L. Young Group

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

COMPLIANCE

We have audited the City of Oxford, Mississippi's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Oxford's major federal programs for the year ended September 30, 2011. The City of Oxford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Oxford's management. Our responsibility is to express an opinion on the City of Oxford's compliance based on our audit.

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

In our opinion, the City of Oxford complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

The Dwight L. Young Group

May 29, 2012



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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, 2011, and have issued our report dated May 29, 2012. 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

May 29, 2012

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2011

Section 1: Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.804	U.S. Department of Transportation
14.251	U.S. Department of Transportation
81.128	U.S. Department of Transportation

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

Section 2: Findings Relating to the Financial Statements

No findings were noted.

Section 3: Findings and Questioned Costs for Federal Awards

No findings were noted.