

CITY OF OXFORD, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2006  
WITH INDEPENDENT AUDITOR'S REPORT

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CITY OF OXFORD, MISSISSIPPI  
LIST OF PRINCIPAL OFFICERS  
September 30, 2006

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



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INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen  
City of Oxford, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oxford's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated April 18, 2007, on our consideration of the City of Oxford, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's Discussion and Analysis and Budgetary Comparisons on pages 8 through 15 and pages 66 through 71 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

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

*Young & Sarrett*

April 18, 2007

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2006

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, 2006. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

**THE FINANCIAL STATEMENTS**

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

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

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

**REPORTING THE CITY AS A WHOLE**

**The Statement of Net Assets and the Statement of Activities**

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



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

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

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City reports assets of \$100,059,228, of which \$76,399,492 are capital assets. The assets exceed the City's liabilities of \$34,956,421, \$26,883,248 of which are long term, at the close of the most recent fiscal year by \$65,102,807. Of this amount, \$12,961,368 are unrestricted net assets. The City's net assets are comprised of \$33,047,652 from Governmental Activities and \$32,055,155 from Business-Type Activities.

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

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

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

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

CITY OF OXFORD, MISSISSIPPI  
NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and Other Assets	\$ 7,275,510	\$ 6,375,089	\$16,384,226	\$13,145,729	\$23,659,736	\$19,520,818
Capital Assets (Net)	<u>41,378,975</u>	<u>39,102,867</u>	<u>35,020,517</u>	<u>31,290,801</u>	<u>76,399,492</u>	<u>70,393,668</u>
Total Assets	<u>\$48,654,485</u>	<u>45,477,956</u>	<u>\$51,404,743</u>	<u>44,436,530</u>	<u>\$100,059,228</u>	<u>89,914,486</u>
Current and Other Liabilities	2,081,833	1,412,146	5,991,340	6,235,327	8,073,173	7,647,473
Long-Term Liabilities	<u>13,525,000</u>	<u>14,575,000</u>	<u>13,358,248</u>	<u>10,389,926</u>	<u>26,883,248</u>	<u>24,964,926</u>
Total Liabilities	<u>15,606,833</u>	<u>15,987,146</u>	<u>19,349,588</u>	<u>16,625,253</u>	<u>34,956,421</u>	<u>32,612,399</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	26,803,975	23,352,867	20,880,590	19,706,894	47,684,565	43,059,761
Restricted	3,317,812	3,571,468	1,139,062	1,145,830	4,456,874	4,306,814
Unrestricted	<u>2,925,865</u>	<u>2,566,475</u>	<u>10,035,503</u>	<u>6,958,553</u>	<u>12,961,368</u>	<u>9,935,512</u>
Total Net Assets	<u>\$33,047,652</u>	<u>\$29,490,810</u>	<u>\$32,055,155</u>	<u>\$27,811,277</u>	<u>\$65,102,807</u>	<u>\$57,302,087</u>

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>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Program Revenues:						
Charges for						
Services	\$ 5,691,662	\$ 5,286,226	\$24,747,956	\$21,215,091	\$30,439,618	\$26,501,317
Operating Grants						
And Contributions	2,307,998	1,363,618	-	-	2,307,998	1,363,618
Capital Grants and						
Contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	4,455,676	3,951,321	-	-	4,455,676	3,951,321
Other Taxes	6,730,112	5,795,108	-	-	6,730,112	5,795,108
Special Assessments	-	-	-	-	-	-
Unrestricted Interest						
Earned	59,201	64,202	125,983	-	185,184	64,202
Transfers	558,925	902,788	(558,925)	(902,788)	-	-
<b>TOTAL REVENUE</b>	<b>\$19,803,574</b>	<b>17,363,263</b>	<b>24,315,014</b>	<b>20,312,303</b>	<b>44,118,588</b>	<b>37,675,566</b>
EXPENSES:						
General Government	4,422,984	3,925,276	-	-	4,422,984	3,925,276
Public Safety	5,731,467	5,602,970	-	-	5,731,467	5,602,970
Public Works	2,879,994	2,613,063	-	-	2,879,994	2,613,063
Tourism	480,516	359,039	-	-	480,516	359,039
Culture and Rec.	1,031,173	961,421	-	-	1,031,173	961,421
Miscellaneous	1,011,893	588,644	-	-	1,011,893	588,644
Interest on Long-						
Term Debt	688,705	551,192	-	-	688,705	551,192
Water and Sewer						
Service	-	-	4,714,399	3,987,111	4,714,399	3,987,111
Electric Service	-	-	15,356,737	13,466,947	15,356,737	13,466,947
<b>TOTAL EXPENSES</b>	<b>\$16,246,732</b>	<b>\$14,601,605</b>	<b>\$20,071,136</b>	<b>\$17,454,058</b>	<b>\$36,317,868</b>	<b>\$32,055,663</b>

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2006	2005	2006	2005	2006	2005
Change in Net Assets	\$ 3,556,842	\$ 2,761,658	\$ 4,243,878	\$ 2,858,245	\$ 7,800,720	\$ 5,619,903
Net Assets- Beginning	<u>29,490,810</u>	<u>26,729,152</u>	<u>27,811,277</u>	<u>24,953,032</u>	<u>57,302,087</u>	<u>51,682,184</u>
Net Assets-Ending	<u>\$33,047,652</u>	<u>\$29,490,810</u>	<u>\$32,055,155</u>	<u>\$27,811,277</u>	<u>\$65,102,807</u>	<u>\$57,302,087</u>

Property Taxes Assessed

	2005-06		2004-05	
	<u>Mills</u>	<u>Amount</u>	<u>Mills</u>	<u>Amount</u>
General Fund	16.98	\$ 3,498,333	16.98	\$ 2,384,710
Bond and Interest	8.29	1,707,961	8.29	1,161,026
Parks and Recreation	2.00	412,053	2.00	270,749
School Bond and Maintenance	47.66	<u>9,819,231</u>	<u>47.66</u>	<u>8,977,799</u>
	<u>74.93</u>	<u>\$ 15,437,578</u>	<u>74.93</u>	<u>\$ 12,794,284</u>

Taxes assessed for the School Bond and Maintenance are remitted to the Separate School District and are not considered revenue for this report.

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, 2006	\$ 24,747,956
Fiscal Year ended September 30, 2005	21,215,091
Increase between Fiscal Years	<u>\$ 3,532,865</u>
	<u>Operating Expenses</u>
Fiscal Year ended September 30, 2006	\$ 20,071,136
Fiscal Year ended September 30, 2005	17,454,058
Increase between Fiscal Years	<u>\$ 2,617,078</u>

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

**DEBT ADMINISTRATION**

Debt, considered a liability of governmental activities, increased in fiscal year 2006 by \$1,381,019.

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

	2006
Debt Payable beginning of fiscal year	\$ 27,333,908
Add: New Bond Issues	<u>3,400,000</u>
	30,733,908
Less: Debt Retired	<u>2,018,981</u>
Debt Payable at end	\$ <u>28,714,927</u>

**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, 2005, net capital assets of the governmental activities totaled \$39,102,867 and the net capital assets of the business-type activities totaled \$31,290,801. At September 30, 2006, net capital assets of the governmental activities totaled \$41,378,975 and the net capital assets of the business-type activities totaled \$35,020,517. 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.

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

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.

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.

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

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.

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, 2006

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Cash Equivalents	\$ 5,624,160	\$11,355,934	\$16,980,094
Receivables:			
Customer	-	2,642,424	2,642,424
Other	801,037	83,911	884,948
Internal Balances	208,246	(208,246)	-
Inventories	-	673,504	673,504
Debt Service Funds	642,067	1,139,062	1,781,129
Prepaid Expenses	-	697,637	697,637
Total Non-Capital Assets	<u>7,275,510</u>	<u>16,384,226</u>	<u>23,659,736</u>
Capital Assets:			
Land	1,635,601	1,027,257	2,662,858
Improvements Other than			
Buildings	1,231,644	-	1,231,644
Infrastructure	28,068,149	-	28,068,149
Buildings & Utility			
Systems	12,232,477	42,994,404	55,226,881
Equipment & Furniture	5,718,429	3,049,076	8,767,505
Construction in Progress	-	5,383,694	5,383,694
Less-Accumulated			
Depreciation	(7,507,325)	(17,433,914)	(24,941,239)
Total Capital Assets	<u>41,378,975</u>	<u>35,020,517</u>	<u>76,399,492</u>
Total Assets	<u>48,654,485</u>	<u>51,404,743</u>	<u>100,059,228</u>
LIABILITIES			
Accounts Payable &			
Accrued Expenses	1,031,833	3,599,748	4,631,581
Customer Deposits	-	1,609,913	1,609,913
Long-term Debt Due			
Within One Year:			
Bonds	1,050,000	585,000	1,635,000
Notes	-	196,679	196,679
Due in More than			
One Year:			
Bonds	13,525,000	11,795,000	25,320,000
Notes	-	1,563,248	1,563,248
Total Liabilities	<u>\$15,606,833</u>	<u>\$19,349,588</u>	<u>\$34,956,421</u>

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

<u>NET ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Invested in Capital Assets-			
Net of Related Debt	\$26,803,975	\$20,880,590	\$47,684,565
Reserved for:			
Unemployment	52,171	-	52,171
Tourism	1,032,257	-	1,032,257
Debt Service	642,067	1,139,062	1,781,129
Cemetery	23,625	-	23,625
Capital Projects	1,132,276	-	1,132,276
Fire Protection	13,333	-	13,333
Band Shelter	14,066	-	14,066
Other	408,017	-	408,017
Unrestricted	<u>2,925,865</u>	<u>10,035,503</u>	<u>12,961,368</u>
 Total Net Assets	 <u>\$33,047,652</u>	 <u>\$32,055,155</u>	 <u>\$65,102,807</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
Year Ended September 30, 2006

FUNCTIONS/PROGRAMS	PROGRAM REVENUE			NET (EXPENSE) REVENUES AND		
			OPERATING	CHANGES IN NET ASSETS		
		CHARGES FOR	GRANTS &	GOVERNMENTAL	BUSINESS-TYPE	
<u>PRIMARY GOVERNMENT</u>	<u>EXPENSES</u>	<u>SERVICES</u>	<u>CONTRIBUTIONS</u>	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
<u>GOVERNMENTAL ACTIVITIES</u>						
General Government	\$ 4,422,984	\$ 1,038,128	\$ -	\$ (3,384,856)	\$ -	\$ (3,384,856)
Public Safety	5,731,467	665,116	-	(5,066,351)	-	(5,066,351)
Public Works	2,879,994	2,049,091	-	(830,903)	-	(830,903)
Tourism	480,516	1,348,695	150,000	1,018,179	-	1,018,179
Culture & Recreation	1,031,173	15,155	623,083	(392,935)	-	(392,935)
Miscellaneous	1,011,893	575,477	1,531,564	1,095,148	-	1,095,148
Interest on Long-term Debt	<u>688,705</u>	<u>-</u>	<u>-</u>	<u>(688,705)</u>	<u>-</u>	<u>(688,705)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>16,246,732</u>	<u>5,691,662</u>	<u>2,304,647</u>	<u>(8,250,423)</u>	<u>-</u>	<u>(8,250,423)</u>
<u>BUSINESS-TYPE ACTIVITIES</u>						
Water & Sewer Service	4,714,399	7,652,381	-	-	2,937,982	2,937,982
Electric Service	<u>15,356,737</u>	<u>17,095,575</u>	<u>-</u>	<u>-</u>	<u>1,738,838</u>	<u>1,738,838</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>20,071,136</u>	<u>24,747,956</u>	<u>-</u>	<u>(8,250,423)</u>	<u>4,676,820</u>	<u>4,676,820</u>
TOTAL PRIMARY GOVERNMENT	<u>\$36,317,868</u>	<u>30,439,618</u>	<u>2,307,998</u>	<u>(8,250,423)</u>	<u>4,676,820</u>	<u>(3,573,603)</u>

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

FUNCTIONS/PROGRAMS <u>PRIMARY GOVERNMENT</u>	NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>GENERAL REVENUES</u>			
Property Taxes	\$ 4,455,676	\$ -	\$ 4,455,676
Other Taxes	6,730,112	-	6,730,112
Unrestricted Interest Earned	62,552	125,983	188,535
Transfers	<u>558,925</u>	<u>(558,925)</u>	<u>-</u>
TOTAL GENERAL REVENUES	<u>11,807,265</u>	<u>(432,942)</u>	<u>11,374,323</u>
Change in Net Assets	3,556,842	4,243,878	7,800,720
Net Assets - Beginning	<u>29,490,810</u>	<u>27,811,277</u>	<u>57,302,087</u>
Net Assets - Ending	<u>\$33,047,652</u>	<u>\$32,055,155</u>	<u>\$65,102,807</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

FUND FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2006

MAJOR FUNDS

	GENERAL	2% FOOD TAX	POWERHOUSE	BUSINESS	OTHER	TOTAL GOVERNMENTAL FUNDS	
	FUND	FUND	PROJECT	INCUBATOR	FUNDS	2006	2005
			PHASE II				
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 2,931,873	\$ 1,032,257	\$ -	\$ -	\$ 2,302,097	\$ 6,266,227	\$ 6,088,851
Due from Other Governments	-	-	498,083	225,638	67,255	790,976	486,282
Due from Other Funds	208,246	-	-	-	-	208,246	156,133
Special Assessments Receivable	-	-	-	-	10,061	10,061	-
TOTAL ASSETS	\$ <u>3,140,119</u>	\$ <u>1,032,257</u>	\$ <u>498,083</u>	\$ <u>225,638</u>	\$ <u>2,379,413</u>	\$ <u>7,275,510</u>	\$ <u>6,731,266</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Bank Overdraft	\$ -	\$ -	\$ 488,820	\$ 225,638	\$ 18,540	\$ 732,998	\$ 356,177
Accounts Payable	-	-	-	-	74,520	74,520	25,000
Deferred Revenue	-	-	-	-	10,061	10,061	-
TOTAL LIABILITIES	-	-	488,820	225,638	103,121	817,579	381,177

Fund Balances:

Reserved for:

Unemployment	-	-	-	-	52,171	52,171	52,171
Cemetery	-	-	-	-	23,625	23,625	25,365
Fire Protection	-	-	-	-	13,333	13,333	13,333
Band Shelter	-	-	-	-	14,066	14,066	14,066
Other	-	-	-	-	408,017	408,017	383,085
Debt Service	-	-	-	-	642,067	642,067	599,573
Tourism	-	1,032,257	-	-	-	1,032,257	785,055
Capital Projects	-	-	9,263	-	1,123,013	1,132,276	1,698,820
Unreserved	3,140,119	-	-	-	-	3,140,119	2,778,621
TOTAL FUND BALANCES	3,140,119	1,032,257	9,263	-	2,276,292	6,457,931	6,350,089
TOTAL LIABILITIES & FUND BALANCES	\$ <u>3,140,119</u>	\$ <u>1,032,257</u>	\$ <u>498,083</u>	\$ <u>225,638</u>	\$ <u>2,379,413</u>	\$ <u>7,275,510</u>	\$ <u>6,731,266</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, 2006

Total Fund Balance-Governmental Funds \$ 6,457,931

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 10-1-05	39,102,867	
Plus capital outlay expenditures made during year	3,508,737	
Less depreciation expense recorded during year	<u>1,232,629</u>	41,378,975

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 10-1-05	15,750,000	
Issuances during year	0	
Less payments during year	<u>1,175,000</u>	
	14,575,000	
Add interest accrued for year	<u>214,254</u>	(14,789,254)

Total Net Assets-Governmental-Wide Statement \$ 33,047,652

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY  
GOVERNMENTAL FUNDS  
September 30, 2006

MAJOR FUNDS

	GENERAL	2% FOOD TAX	POWERHOUSE	BUSINESS INCUBATOR	OTHER GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS	
	FUND	FUND	PROJECT	PHASE II	FUNDS	2006	2005
<u>REVENUES</u>							
Ad Valorem Taxes	\$ 2,938,833	\$ -	\$ -	\$ -	\$ 1,516,843	\$ 4,455,676	\$ 3,951,321
Other Taxes	434,181	1,348,695	-	-	-	1,782,876	1,514,846
Special Assessments	-	-	-	-	-	-	-
Licenses and Permits	1,038,128		-	-	-	1,038,128	759,595
Intergovernmental	6,295,931		-	-	-	6,295,931	5,373,566
Charges for Services	2,029,956		-	-	-	2,029,956	2,072,773
Fines and Forfeits	549,210			-	115,906	665,116	575,105
Miscellaneous	322,778			-	60,903	383,681	215,182
Reimbursements	61,741			-	145,210	206,951	181,359
Interest	26,393	3,351		-	32,808	62,552	64,202
Local Contributions	-	150,000	-	-	100,684	250,684	92,900
Federal and State Awards		-	723,083	225,638	1,205,242	2,053,963	1,363,618
Sale of Cemetery Lots	-		-	-	19,135	19,135	19,545
REVENUES	<u>\$13,697,151</u>	<u>1,502,046</u>	<u>723,083</u>	<u>225,638</u>	<u>3,196,731</u>	<u>19,244,649</u>	<u>16,184,012</u>
<u>EXPENDITURES</u>							
Legislative	\$ 98,476	-	-	-	-	98,476	74,620
Judicial	156,784	-	-	-	-	156,784	142,608
Executive	80,315	-	-	-	-	80,315	62,887
Elections	-	-	-	-	-	-	6,043
Financial Administration	260,689	-	-	-	-	260,689	247,789
Human Resources	105,668	-	-	-	-	105,668	103,968
Law	177,263	-	-	-	-	177,263	150,761
Department of Planning	369,568	-	-	-	-	369,568	271,407
Buildings and Grounds	330,894	-	-	-	-	330,894	229,604
General Government	1,695,789	-	-	-	-	1,695,789	1,769,861
Community Promotions	40,160	219,622	-	-	-	259,782	45,450



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

- Continued -

<u>EXPENDITURES</u> - Continued	<u>MAJOR FUNDS</u>					<u>TOTAL GOVERNMENTAL FUNDS</u>	
	<u>GENERAL</u> <u>FUND</u>	<u>2% FOOD TAX</u> <u>FUND</u>	<u>POWERHOUSE</u> <u>PROJECT</u>	<u>BUSINESS</u> <u>INCUBATOR</u> <u>PHASE II</u>	<u>OTHER</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>	<u>2006</u>	<u>2005</u>
Police Department	\$ 2,871,094	\$ -	-	-	-	2,871,094	2,817,220
Fire Department	2,451,057	-	-	-	-	2,451,057	2,430,650
Emergency Mgmt.	23,534	-	-	-	-	23,534	63,837
Highways and Streets	1,275,527	-	-	-	-	1,275,527	875,174
Sanitation Administration	67,520	-	-	-	-	67,520	64,749
Tourism Promotion	-	313,388	-	-	2,180	315,568	317,053
Capital Outlay	-	122,508	713,820	226,732	1,307,947	2,371,007	4,566,151
Drug and Traffic Enforcement	-	-	-	-	320,512	320,512	363,863
Street Cleaning	71,269	-	-	-	-	71,269	71,608
Waste Collection	734,243	-	-	-	-	734,243	754,564
Waste Disposal	558,704	-	-	-	-	558,704	522,987
Weed and Grass Control	102,210	-	-	-	-	102,210	158,388
Cemetery Fund	92,410	-	-	-	-	92,410	89,363
Rape Crisis	3,600	-	-	-	-	3,600	3,600
Youth Vision	3,600	-	-	-	-	3,600	3,600
Exchange Club Family	-	-	-	-	-	-	900
Angel Ranch	-	-	-	-	-	-	1,095
Parks and Recreation	877,409	-	-	-	-	877,409	758,828
Swimming Pool	62,464	-	-	-	-	62,464	61,278
RSVP	90,273	-	-	-	-	90,273	71,384
Library	222,016	-	-	-	-	222,016	203,271
City Garage	885,042	-	-	-	-	885,042	809,529
Miscellaneous	-	30,212	-	-	592,636	622,848	62,980
Airport	15,000	-	-	-	-	15,000	15,000
Humane Society	65,590	-	-	-	-	65,590	122,000
Domestic Violence	-	-	-	-	-	-	900
Recycling	196,410	-	-	-	-	196,410	106,855

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

- Continued -

	<u>MAJOR FUNDS</u>					<u>TOTAL GOVERNMENTAL FUNDS</u>	
	<u>GENERAL</u>	<u>2% FOOD TAX</u>	<u>POWERHOUSE</u>	<u>BUSINESS</u>	<u>OTHER</u>	<u>2006</u>	<u>2005</u>
<u>EXPENDITURES</u> - Continued	<u>FUND</u>	<u>FUND</u>	<u>PROJECT</u>	<u>INCUBATOR</u>	<u>GOVERNMENTAL</u>		
				<u>PHASE II</u>	<u>FUNDS</u>		
Debt Service							
Principal Retirement	\$ -	195,000	-	-	975,000	1,170,000	1,002,781
Interest and Fiscal Charges	-	204,113	-	-	507,841	711,954	714,822
TOTAL EXPENDITURES	<u>13,984,578</u>	<u>1,084,843</u>	<u>713,820</u>	<u>226,732</u>	<u>3,706,116</u>	<u>19,716,089</u>	<u>20,137,428</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 \$ (287,427)	 417,203	 (90,737)	 (1,094)	 (509,385)	 (471,440)	 (3,953,416)
 <u>OTHER FINANCING SOURCES (USES)</u>							
Bond and Loan Proceeds	-	-	-	-	-	-	1,500,000
Operating Transfers In	648,925	-	100,000	-	68,020	816,945	1,414,923
Operating Transfers Out	-	(170,000)	-	-	(88,020)	(258,020)	(235,672)
TOTAL OTHER FINANCING SOURCES (USES)	648,925	(170,000)	100,000	-	(20,000)	558,925	2,679,251
 NET CHANGES IN FUND BALANCE	 361,498	 247,203	 9,263	 (1,094)	 (529,385)	 87,485	 (1,274,165)
 <u>FUND EQUITY</u>							
Beginning of Year	<u>2,778,621</u>	<u>785,054</u>	<u>-</u>	<u>1,094</u>	<u>2,805,677</u>	<u>6,370,446</u>	<u>7,624,254</u>
End of Year	\$ <u>3,140,119</u>	<u>1,032,257</u>	<u>9,263</u>	<u>-</u>	<u>2,276,292</u>	<u>6,457,931</u>	<u>6,350,089</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT



CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2006

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 8,776,414	\$ 2,579,520	\$ 11,355,934
Debt Service Sinking Funds	545,734	593,328	1,139,062
Receivables:			
Consumer	-	2,642,424	2,642,424
Other	83,911	-	83,911
Utility Plant	29,592,819	22,861,612	52,454,431
Accumulated Depreciation	(12,199,888)	(5,234,026)	(17,433,914)
Inventory	15,000	658,504	673,504
Due from Other Funds	723,363	(723,363)	-
Prepayments	-	51,228	51,228
Deferred Debits	155,192	491,217	646,409
	<u>27,692,545</u>	<u>23,920,444</u>	<u>51,612,989</u>
TOTAL ASSETS			
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Vouchers Payable	\$ -	\$ 3,607,702	\$ 3,607,702
Bonds Payable	7,580,000	4,800,000	12,380,000
Notes Payable	1,409,927	350,000	1,759,927
Customer Deposits	-	1,609,913	1,609,913
Other	-	176,604	176,604
Deferred Credits	-	23,688	23,688
	<u>8,989,927</u>	<u>10,567,907</u>	<u>19,557,834</u>
TOTAL LIABILITIES			
<u>NET ASSETS</u>			
Investment in Fixed Assets,			
Net of Related Debt	8,403,004	12,477,586	20,880,590
Reserved for Debt Service	545,734	593,328	1,139,062
Fund Equity-Unrestricted	9,753,880	281,623	10,035,503
	<u>18,702,618</u>	<u>13,352,537</u>	<u>32,055,155</u>
TOTAL NET ASSETS			

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND-WATER AND SEWER  
September 30, 2006

	WATER AND SEWER FUND CURRENT YEAR	WATER AND SEWER FUND PRIOR YEAR
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 8,776,414	\$ 4,926,200
Debt Service Sinking Funds	545,734	544,606
Other Receivables	83,911	83,911
Utility Plant	29,592,819	26,815,608
Accumulated Depreciation	(12,199,888)	(11,349,024)
Inventory	15,000	15,000
Due from Other Funds	723,363	583,481
Deferred Debits	<u>155,192</u>	<u>113,360</u>
 TOTAL ASSETS	 <u>27,692,545</u>	 <u>21,733,142</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Bonds Payable	7,580,000	4,410,000
Notes Payable	<u>1,409,927</u>	<u>1,598,907</u>
 TOTAL LIABILITIES	 <u>8,989,927</u>	 <u>6,008,907</u>
 <u>NET ASSETS</u>		
Investment in Fixed Assets, Net of Related Debt	8,403,004	9,457,677
Reserved for Debt Service	545,734	544,606
Fund Equity-Unrestricted	<u>9,753,880</u>	<u>5,721,952</u>
 TOTAL NET ASSETS	 <u>\$18,702,618</u>	 <u>\$15,724,235</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND-ELECTRIC  
September 30, 2006

	ELECTRIC FUND CURRENT YEAR	ELECTRIC FUND PRIOR YEAR
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,579,520	\$ 2,931,130
Debt Service Sinking Funds	593,328	601,224
Consumer Receivables	2,642,424	2,337,347
Utility Plant	22,861,612	20,641,050
Accumulated Depreciation	(5,234,026)	(4,816,833)
Inventory	658,504	363,240
Prepayments	51,228	64,304
Deferred Debits	<u>491,217</u>	<u>581,926</u>
 TOTAL ASSETS	 <u>24,643,807</u>	 <u>22,703,388</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Vouchers Payable	3,607,702	2,835,257
Due to Other Funds	723,363	583,481
Bonds Payable	4,800,000	5,025,000
Notes Payable	350,000	550,000
Customer Deposits	1,609,913	1,398,381
Other	176,604	205,759
Deferred Credits	<u>23,688</u>	<u>18,468</u>
 TOTAL LIABILITIES	 <u>11,291,270</u>	 <u>10,616,346</u>
 <u>NET ASSETS</u>		
Investment in Fixed Assets, Net of Related Debt	12,477,586	10,249,217
Reserved for Debt Service	593,328	601,224
Fund Equity-Unrestricted	<u>281,623</u>	<u>1,236,601</u>
 TOTAL NET ASSETS	 <u>\$13,352,537</u>	 <u>\$ 12,087,042</u>

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, 2006

	WATER AND SEWER	ELECTRIC FUND	TOTAL ENTERPRISE FUNDS
<u>REVENUES</u>			
Charges for Services	\$ 7,652,381	16,990,843	24,643,224
Other	<u>40,401</u>	<u>190,314</u>	<u>230,715</u>
TOTAL REVENUES	<u>7,692,782</u>	<u>17,181,157</u>	<u>24,873,939</u>
<u>EXPENDITURES</u>			
Purchased Power	-	13,244,389	13,244,389
Admin, General & Sales	944,901	455,388	1,400,289
Financial and Customer Account Expense	396,548	287,955	684,503
Transmission & Distribution	813,846	656,372	1,470,218
Treatment & Purification	686,791	-	686,791
Source of Supply	538,561	-	538,561
Water-Waste Collection	340,198	-	340,198
Other:			
Depreciation & Amortization	850,864	404,850	1,255,714
Interest	<u>142,690</u>	<u>307,783</u>	<u>450,473</u>
TOTAL EXPENDITURES	<u>4,714,399</u>	<u>15,356,737</u>	<u>20,071,136</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,978,383</u>	<u>1,824,420</u>	<u>4,802,803</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers Out	<u>-</u>	<u>(558,925)</u>	<u>(558,925)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(558,925)</u>	<u>(558,925)</u>
NET CHANGE IN NET ASSETS	<u>2,978,383</u>	<u>1,265,495</u>	<u>4,243,878</u>
<u>NET ASSETS</u>			
Beginning of Year	15,724,235	12,087,042	27,811,277
End of Year	\$ <u>18,702,618</u>	<u>13,352,537</u>	<u>32,055,155</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUND-WATER AND SEWER  
September 30, 2006

	WATER AND SEWER FUND CURRENT YEAR	WATER AND SEWER FUND PRIOR YEAR
<u>REVENUES</u>		
Charges for Services	\$ 7,652,381	\$ 6,210,511
Other	<u>40,401</u>	<u>69,887</u>
TOTAL REVENUES	<u>7,692,782</u>	<u>6,280,398</u>
<u>EXPENDITURES</u>		
Administration, General and Sales	944,901	827,338
Financial and Customer Account	396,548	302,148
Transmission and Distribution	813,846	598,710
Treatment and Purification	686,791	724,069
Source of Supply	538,561	366,847
Water-Waste Collection	340,198	408,954
Depreciation and Amortization	850,864	686,090
Interest	<u>142,690</u>	<u>72,955</u>
TOTAL EXPENDITURES	<u>4,714,399</u>	<u>3,987,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,978,383</u>	<u>2,293,287</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers Out	<u>-</u>	<u>(300,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(300,000)</u>
NET CHANGE IN NET ASSETS	2,978,383	1,993,287
<u>NET ASSETS</u>		
Beginning of Year	15,724,235	13,730,948
End of Year	\$ <u>18,702,618</u>	<u>15,724,235</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.



CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUND-ELECTRIC  
September 30, 2006

	ELECTRIC FUND CURRENT YEAR	ELECTRIC FUND PRIOR YEAR
<u>REVENUES</u>		
Charges for Services	\$ 16,990,843	\$ 14,798,127
Other	<u>190,314</u>	<u>136,566</u>
TOTAL REVENUES	<u>17,181,157</u>	<u>14,934,693</u>
<u>EXPENDITURES</u>		
Purchased Power	13,244,389	11,428,861
Administration, General and Sales	455,388	409,007
Financial and Customer Account	287,955	284,997
Transmission and Distribution	656,372	637,076
Depreciation and Amortization	404,850	390,706
Interest	<u>307,783</u>	<u>316,300</u>
TOTAL EXPENDITURES	<u>15,356,737</u>	<u>13,466,947</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,824,420</u>	<u>1,467,746</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers Out	<u>(558,925)</u>	<u>(602,788)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(558,925)</u>	<u>(602,788)</u>
NET CHANGE IN NET ASSETS	1,265,495	864,958
<u>NET ASSETS</u>		
Beginning of Year	<u>12,087,042</u>	<u>11,222,084</u>
End of Year	\$ <u>13,352,537</u>	\$ <u>12,087,042</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended September 30, 2006

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING ACTIVITIES</u>			
Received from Customers	\$ 7,512,499	\$ 16,790,498	\$ 24,302,997
Purchased of Power	-	(12,508,679)	(12,508,679)
Paid for Operating Expenses	(3,720,654)	(1,214,637)	(4,935,482)
NET CASH PROVIDED	<u>3,791,654</u>	<u>3,067,182</u>	<u>6,858,836</u>
<u>NON-CAPITAL FINANCING</u>			
Transfer to Other Funds	-	(558,925)	(558,925)
NET CASH USED	<u>-</u>	<u>(558,925)</u>	<u>(558,925)</u>
<u>CAPITAL AND RELATING FINANCING</u>			
Interest Paid on Principal	(120,528)	(307,783)	(428,311)
Principal Paid on Notes	(188,980)	(200,000)	(388,980)
Principal Paid on Bonds	(230,000)	(225,000)	(455,000)
Bonds Issued	3,400,000	-	3,400,000
Purchase of Capital Assets	(2,777,211)	(2,220,562)	(4,997,773)
Payment of Bond Costs	(63,994)	-	(63,994)
(Increase)/Decrease in Debt Service Sinking Funds	(1,128)	7,896	6,768
NET CASH PROVIDED (USED)	<u>18,159</u>	<u>(2,945,449)</u>	<u>(2,927,290)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Earned	<u>40,401</u>	<u>85,582</u>	<u>125,983</u>
NET CASH PROVIDED	<u>40,401</u>	<u>85,582</u>	<u>125,983</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,850,214	(351,610)	3,498,604
<u>CASH AND CASH EQUIVALENTS</u>			
Beginning of Year	<u>4,926,200</u>	<u>2,931,130</u>	<u>7,857,330</u>
End of Year	\$ <u>8,776,414</u>	\$ <u>2,579,520</u>	\$ <u>11,355,934</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Profit	\$ 3,080,672	\$ 2,046,621	\$ 5,127,293
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	850,864	453,928	1,304,792
(Increase) Decrease in Due from Other Funds	(139,882)	-	(139,882)
(Increase) Decrease in Accounts Receivable	-	(305,077)	(305,077)
(Increase) Decrease in Inventory	-	(295,264)	(295,264)
(Increase) Decrease in Prepayments and Other Current Assets	-	13,076	13,076
(Increase) Decrease in Deferred Charges	-	90,709	90,709
Increase (Decrease) in Accounts Payable	-	875,592	875,592
Increase (Decrease) in Consumer Deposits	-	211,532	211,532
Increase (Decrease) in Other Accrued Liabilities	-	(29,155)	(29,155)
Increase (Decrease) in Deferred Credits	-	5,220	5,220
TOTAL ADJUSTMENTS	710,982	1,020,561	1,731,543
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 3,791,654	3,067,182	6,858,836

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND-WATER AND SEWER  
Year Ended September 30, 2006

	WATER AND SEWER FUND CURRENT YEAR	WATER AND SEWER FUND PRIOR YEAR
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 7,512,499	\$ 6,161,584
Paid for Operating Expenses	<u>(3,720,845)</u>	<u>(3,228,066)</u>
NET CASH PROVIDED	<u>3,791,654</u>	<u>2,933,518</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	<u>( - )</u>	<u>(300,000)</u>
NET CASH USED	<u>( - )</u>	<u>(300,000)</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(120,528)	(72,955)
Principal Paid on Notes	(188,980)	(181,582)
Principal Paid on Bonds	(230,000)	(170,000)
Bonds Issued	3,400,000	1,800,000
Purchase of Capital Assets	(2,777,211)	(4,248,655)
Payment of Bond Costs	(63,994)	(34,071)
Increase in Debt Service Sinking Funds	<u>( 1,128)</u>	<u>(28,482)</u>
NET CASH PROVIDED (USED)	<u>18,159</u>	<u>(2,935,745)</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>40,401</u>	<u>69,887</u>
NET CASH PROVIDED	<u>40,401</u>	<u>69,887</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	3,850,214	(232,340)
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>4,926,200</u>	<u>5,158,540</u>
End of Year	\$ <u>8,776,414</u>	\$ <u>4,926,200</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND-WATER AND SEWER  
Year Ended September 30, 2006

	<u>WATER AND SEWER FUND CURRENT YEAR</u>	<u>WATER AND SEWER FUND PRIOR YEAR</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Profit	\$ <u>3,080,672</u>	\$ <u>2,296,355</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	850,864	686,090
(Increase) Decrease in Due from Other Funds	<u>(139,882)</u>	<u>(48,927)</u>
TOTAL ADJUSTMENTS	<u>710,982</u>	<u>637,163</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>3,791,654</u></u>	\$ <u><u>2,933,518</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND-ELECTRIC  
Year Ended September 30, 2006

	ELECTRIC FUND CURRENT YEAR	ELECTRIC FUND PRIOR YEAR
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 16,790,498	\$ 14,583,226
Purchase of Power	(12,508,679)	(11,446,061)
Paid for Operating Expenses	<u>( 1,214,637)</u>	<u>(1,795,463)</u>
NET CASH PROVIDED	<u>3,067,182</u>	<u>1,341,702</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	<u>(558,925)</u>	<u>(602,788)</u>
NET CASH USED	<u>(558,925)</u>	<u>(602,788)</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(307,783)	(316,300)
Principal Paid on Notes	(200,000)	(160,000)
Principal Paid on Bonds	(225,000)	(215,000)
Purchase of Capital Assets	(2,220,562)	(434,718)
Increase/Decrease in Restricted Bond Funds	<u>7,896</u>	<u>(5,207)</u>
NET CASH USED	<u>(2,945,449)</u>	<u>(1,131,225)</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>85,582</u>	<u>57,936</u>
NET CASH PROVIDED	<u>85,582</u>	<u>57,936</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(351,610)	(334,375)
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>2,931,130</u>	<u>3,265,505</u>
End of Year	\$ <u><u>2,579,520</u></u>	\$ <u><u>2,931,130</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND-ELECTRIC  
Year Ended September 30, 2006

	ELECTRIC FUND <u>CURRENT YEAR</u>	ELECTRIC FUND <u>PRIOR YEAR</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Profit	\$ <u>2,046,621</u>	\$ <u>1,726,110</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	453,928	390,706
(Increase) Decrease in Accounts Receivable	(305,077)	(293,531)
(Increase) Decrease in Inventory	(295,264)	(2,772)
(Increase) Decrease in Prepayments and Other Current Assets	13,076	7,453
(Increase) Decrease in Deferred Charges	90,709	216,591
Increase (Decrease) in Accounts Payable	875,592	(787,802)
Increase (Decrease) in Consumer Deposits	211,532	90,292
Increase (Decrease) in Other Accrued Liabilities	(29,155)	(10,254)
Increase (Decrease) in Deferred Credits	<u>5,220</u>	<u>4,909</u>
TOTAL ADJUSTMENTS	<u>1,020,561</u>	<u>(384,408)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>3,067,182</u></u>	\$ <u><u>1,341,702</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF FIDUCIARY NET ASSETS  
September 30, 2006

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ <u>1,891</u>
TOTAL ASSETS	\$ <u><u>1,891</u></u>
 <u>LIABILITIES</u>	
Due to Various Agencies	\$ <u>1,891</u>
TOTAL LIABILITIES	\$ <u><u>1,891</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.



CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

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

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

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

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

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

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

**B. Government-wide and fund financial statements**

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

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

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

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

GOVERNMENTAL FUNDS

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

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

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

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

FIDUCIARY FUNDS

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

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

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

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

PROPRIETARY FUNDS

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

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

**C. Fixed Assets and Long-Term Liabilities**

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

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

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

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

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

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

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

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

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



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

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

**D. Basis of Accounting**

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

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

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

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

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

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

**E. Budgets and Budgetary Accounting**

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

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

All annual appropriations lapse at fiscal year end.

**F. Encumbrance System**

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

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

**G. Cash and Investments**

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

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

Cash

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

Investments

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

Investments are stated at cost of which \$1,781,129 are restricted for debt service reserves.

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

**H. Advances To/From Other Funds**

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

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

**I. Prepaid Expenses**

Payments made for services that will benefit periods beyond September 30, 2006, are recorded as prepaid expenses in the Enterprise Fund.

**J. Inventory**

Inventories of the Enterprise Fund are valued at average cost.

**K. Compensated Absences**

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

**L. Fund Equity**

Government-Wide Statements

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

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

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

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

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

(b) law through constitutional provisions or enabling legislation.

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

#### Fund Statements

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

Reserved-Restricted for a particular future use.

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

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

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

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

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

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

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

Reserved for band shelter-An account that represents a fund balance that is restricted for a band shelter.

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

**M. Comparative Data**

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

**N. Concentration of Credit Risk**

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

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

**NOTE 2 - CASH, OTHER DEPOSITS, AND INVESTMENTS**

Cash and Other Deposits

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

The carrying value of the City's deposits with financial institutions was \$18,763,114, and the bank balance was \$15,495,514.

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, 2006, \$ 0 of the municipality's bank balance of \$15,495,514 was exposed to custodial credit risk.

Investments

As of September 30, 2006, the City had the following investments. The City has no investment pool.

Investment Type	Maturity	Fair	Maturity
Enterprise Fund:	In Years	Value	Value
Certificate of Deposit	one	\$ 1,781,129	\$ 1,781,129

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 <u>10-1-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE <u>9-30-06</u>
<u>Non-depreciable Assets</u>				
Land	\$ 1,635,601	\$ -	\$ -	\$ 1,635,601
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,635,601</u>	<u>-</u>	<u>-</u>	<u>1,635,601</u>
<u>Depreciable Assets</u>				
Improvements Other Than Buildings	876,000	355,644	-	1,231,644
Buildings	11,044,258	1,188,219	-	12,232,477
Equipment and Furniture	5,175,151	543,278	-	5,718,429
Infrastructure	<u>26,646,553</u>	<u>1,421,596</u>	<u>-</u>	<u>28,068,149</u>
Total	<u>43,741,962</u>	<u>3,508,737</u>	<u>-</u>	<u>47,250,699</u>
Total Capital Assets	<u>45,377,563</u>	<u>3,508,737</u>	<u>-</u>	<u>48,886,300</u>
<u>Accumulated Depreciation</u>				
Improvements Other Than Buildings	838,500	32,975	-	871,475
Buildings	943,597	214,398	-	1,157,995
Equipment and Furniture	1,659,919	634,407	-	2,294,326
Infrastructure	<u>2,832,680</u>	<u>350,849</u>	<u>-</u>	<u>3,183,529</u>
Total	<u>6,274,696</u>	<u>1,232,629</u>	<u>-</u>	<u>7,507,325</u>
<u>Governmental Activities</u>				
Capital Assets-				
Net	\$ <u>39,102,867</u>	\$ <u>2,276,108</u>	\$ <u>-</u>	\$ <u>41,378,975</u>



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

Depreciation expense of \$1,239,629 was charged to the governmental activities expense accounts as follows:

General Government	\$ 141,106
Public Safety	276,482
Public Works	582,256
Miscellaneous	12,677
Culture, Recreation and Tourism	<u>220,108</u>
Total	\$ <u>1,232,629</u>

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

	BALANCE <u>10-1-05</u>	ADDITIONS	DELETIONS	BALANCE <u>9-30-06</u>
<u>Non-depreciable Assets</u>				
Land	\$ 1,027,257	\$ -	\$ -	\$ 1,027,257
Construction in Progress	<u>3,541,897</u>	<u>1,841,797</u>	<u>-</u>	<u>5,383,694</u>
Total	<u>4,569,154</u>	<u>1,841,797</u>	<u>-</u>	<u>6,410,951</u>
<u>Depreciable Assets</u>				
Electric Plant	14,348,026	387,486	43,018	14,692,494
Sewer System & Water System	25,829,970	2,471,940	-	28,301,910
Equipment and Furniture	<u>2,709,508</u>	<u>339,568</u>	<u>-</u>	<u>3,049,076</u>
Total	<u>42,887,504</u>	<u>3,198,994</u>	<u>43,018</u>	<u>46,043,480</u>
Total Capital Assets	<u>47,456,658</u>	<u>5,040,791</u>	<u>43,018</u>	<u>52,454,431</u>
<u>Accumulated Depreciation</u>				
Electric Plant	3,731,829	403,114	74,192	4,060,751
Sewer System & Water System	11,160,211	747,710	-	11,907,921
Equipment and Furniture	<u>1,273,817</u>	<u>191,425</u>	<u>-</u>	<u>1,465,242</u>
Total	<u>16,165,857</u>	<u>1,342,249</u>	<u>74,192</u>	<u>17,433,914</u>
<u>Business Activities</u>				
Capital Assets-				
Net	\$ <u>31,290,801</u>	\$ <u>3,698,542</u>	\$ <u>(31,174)</u>	\$ <u>35,020,517</u>

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

Depreciation expense of \$1,342,249 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.

The assessed value of the taxable property within the City for which current payment was due during the fiscal year ended September 30, 2006, is as follows:

Real Property	\$ 205,770,639
Personal Property	21,179,834
Public Utilities	4,423,893
Motor Vehicles and Mobile Homes	163,741,296
	<u>\$ 395,115,662</u>

The City levied a tax millage of 74.93 mills on the assessed values. The millage was allocated as follows:

Library	1.42
General Fund (General Account)	15.56
City Bond and Interest Fund	8.29
Parks and Recreation Fund	2.00
School Bond and Interest Fund	8.37
School Maintenance Fund	38.35
Vo-Tec Center	.94
	<u>74.93</u>

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

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

**NOTE 5 - LONG-TERM DEBT**

BOND INDEBTEDNESS

The following is a summary of bond transactions of the City for the year ended September 30, 2006:

	<u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds Payable at			
October 1, 2005	\$15,225,000	\$ 9,960,000	\$ 25,185,000
Bonds Issued	-	3,400,000	3,400,000
Bonds Retired	<u>1,010,000</u>	<u>620,000</u>	<u>1,630,000</u>
Bonds Payable at			
September 30, 2006	<u>\$14,215,000</u>	<u>\$12,740,000</u>	<u>\$ 26,955,000</u>

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

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

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

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

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

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

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

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

FISCAL YEAR ENDED	MATURITIES	
	PRINCIPAL	INTEREST
2007	\$ 1,810,000	\$ 1,184,944
2008	1,905,000	1,102,440
2009	1,810,000	997,825
2010	1,890,000	913,141
2011	1,725,000	831,180
2012-2016	7,960,000	3,120,977
2017-2021	7,775,000	1,372,211
2022-2026	2,080,000	214,470
TOTALS	<u>\$26,955,000</u>	<u>\$ 9,737,188</u>

NOTES AND GRANTS PAYABLE

A summary of long-term notes payable transactions of the City for the year ended September 30, 2006, is as follows:

	<u>TOTALS</u>
Balance at October 1, 2005	\$ 2,148,908
New Notes Issued	-
Notes Retired	388,981
Balance at September 30, 2006	\$ <u>1,759,927</u>

The Electric Department negotiated a \$1,000,000 loan from the Tennessee Valley Authority. Interest at a variable rate of approximately 2.4% is payable monthly. The principal balance of \$350,000 matures in 2006.

Certain Urban Renewal Notes, having balances of approximately \$1,955,972 at September 30, 2006, were issued in 1995 for the purpose of renovating a low-rent housing project. The Oxford Housing Authority is managing the property and retires the notes from rental proceeds; consequently, these notes are not reflected as liabilities in the accompanying financial statement nor in the maturities reflected herein.

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

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

FISCAL YEAR ENDED	MATURITIES	
	PRINCIPAL	INTEREST
2007	\$ 546,679	\$ 66,818
2008	204,693	44,804
2009	213,032	36,465
2010	221,712	27,785
2011	230,744	18,753
2012-2016	343,067	10,383
TOTALS	<u>\$ 1,759,927</u>	<u>\$ 205,008</u>

**NOTE 6 - TVA HOME INSULATION PROGRAM - ELECTRIC FUND**

Other assets of the Electric Fund include \$ 21,057 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, 2006.

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

Pursuant to a decision on October 7, 2002, by the judge of the Circuit Court of Lafayette County, Mississippi, the City has been assessed the sum of \$1,759,810 in damages related to an action by an employee of three co-defendant contractors. A post-trial motion has been filed on the City's behalf asking the court to reconsider several aspects of the ruling; which motion is presently pending before the court.

Claims have been asserted by various sub-contractors, related to unpaid construction costs, totaling approximately \$125,000.

In the opinion of the City's management, liability in excess of insurance coverage on the above will not have a material adverse effect on the City's financial statements.

**NOTE 8 - COMMITMENTS**

Commitments for operating leases of equipment at September 30, 2006, are as follows:

<u>FISCAL YEAR ENDING</u>	
September 30, 2007	\$ <u>46,376</u>

Lease payments are recorded as expenditures of the general fund.

**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

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

financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the City of Oxford is required to contribute at an actuarially determined rate. The current rate is 11.3% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Oxford's contributions to PERS for the years ending 2006, 2005, and 2004 were \$914,460, \$1,101,881 and \$811,133, respectively, equal to the required contributions for each year.

**NOTE 10 - OXFORD-LAFAYETTE MEDICAL CENTER**

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

**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 2006, no costs accrued to the employer under the Plan.

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

**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.

**NOTE 14 - INTERFUND TRANSACTIONS**

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
TRANSFERS IN/OUT		
Major Funds:		
General Fund	\$ 648,925	\$ -
2% Food Tax Fund	-	170,000
Powerhouse Project	100,000	-
Water and Sewer Fund	-	-
Electric Fund	-	558,925
Non-Major Fund	68,020	88,020
TOTALS	<u>\$ 816,945</u>	<u>\$ 816,945</u>



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GOVERNMENTAL FUND TYPE  
GENERAL FUND  
Year Ended September 30, 2006

	<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	\$ 2,411,800	\$ 2,411,800	\$ 2,396,156	\$ ( 15,644)
Park Comm Tax Levy	309,815	309,815	317,335	7,520
Library Tax Levy	225,000	225,000	225,342	342
Over 65 Reimbursement	63,000	63,000	71,439	8,439
In Lieu of Taxes	175,000	175,000	93,891	( 81,109)
Penalties and Interest	80,000	80,000	112,831	32,831
Utility Tax	85,000	85,000	156,020	71,020
TOTAL TAXES	<u>3,349,615</u>	<u>3,349,615</u>	<u>3,373,014</u>	<u>23,399</u>
<u>LICENSES AND PERMITS:</u>				
Privilege License	33,000	33,000	27,842	( 5,158)
Franchise Charges	250,000	250,000	394,369	144,369
Building and Zoning	235,000	235,000	404,711	169,711
Plumbing	140,000	140,000	208,879	68,879
Special Events	2,000	2,000	2,325	325
Taxi Permits	10	10	2	( 8)
TOTAL LICENSES AND PERMITS	<u>660,010</u>	<u>660,010</u>	<u>1,038,128</u>	<u>378,118</u>
<u>INTERGOVERNMENTAL:</u>				
Municipal Aid	20,000	20,000	19,490	( 510)
Reimb-Transfer Station	86,000	86,000	54,074	( 31,926)
Police Training	8,000	8,000	-	( 8,000)
Sales Tax-Revenue	5,055,359	5,055,359	5,264,762	209,403
ABC Licenses	70,000	70,000	102,375	32,375
Fire Protection	55,000	55,000	59,784	4,784
Homeland Security Grant	30,505	30,505	28,469	( 2,036)
MEMA Grant Funds Received	10,000	10,000	2,106	( 7,894)
County Ad Valorem Tax	200,000	200,000	197,514	( 2,486)
Univ of Miss Fire Protection	256,250	256,250	382,500	126,250
Oxford Housing Authority	75,000	75,000	56,848	( 18,152)
County Share-Emer Mgmt	17,734	17,734	-	( 17,734)
Hospital Funds Received	-	-	-	-
School Resource Officer Reimb	130,000	130,000	128,009	( 1,991)
TOTAL INTERGOVERNMENTAL	<u>6,013,848</u>	<u>6,013,848</u>	<u>6,295,931</u>	<u>282,083</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
<u>GOVERNMENTAL SERVICES:</u>				
Sanitation Charges	\$ 1,800,000	\$ 1,800,000	\$ 1,870,081	\$ 70,081
Waste Disposal	35,000	35,000	17,449	( 17,551)
Income from RSVP Transit Bus	-	-	-	-
Income from Police Dept Fees	6,000	6,000	4,803	( 1,197)
Income from Swim Pool	15,000	15,000	15,155	,155
Income from Recycling	84,530	84,530	48,204	( 36,326)
Income from Dumpsters	30,000	30,000	9,264	( 20,736)
School Collections	65,000	65,000	65,000	-
TOTAL GOVERNMENTAL SERVICES	<u>2,035,530</u>	<u>2,035,530</u>	<u>2,029,956</u>	<u>( 5,574)</u>
<u>FINES AND FORFEITS:</u>				
Court Fines and Forfeits	475,000	475,000	537,080	62,080
State Fines T&A	5,000	5,000	12,130	7,130
TOTAL FINES AND FORFEITS	<u>480,000</u>	<u>480,000</u>	<u>549,210</u>	<u>69,210</u>
<u>MISCELLANEOUS:</u>				
Miscellaneous	38,000	225,000	246,810	21,810
Interest Earned	30,000	30,000	26,393	( 3,607)
Fuel Reimbursements	50,000	50,000	61,741	11,741
TOTAL MISCELLANEOUS	<u>118,000</u>	<u>305,000</u>	<u>334,944</u>	<u>29,944</u>
<u>INTERFUND TRANSFERS:</u>				
Transfer-Cemetery T/A	20,000	20,000	20,000	-
Transfer-Water/Sewer-General	300,000	300,000	-	( 300,000)
Transfer-Reimb Electric	40,000	40,000	18,472	( 21,528)
Transfers-2%	70,000	70,000	70,000	-
Tax Equivalent-E/D	540,000	540,000	585,491	45,491
Transfer-RSVP	30,000	30,000	30,930	930
TOTAL INTERFUND TRANSFERS	<u>1,000,000</u>	<u>1,000,000</u>	<u>724,893</u>	<u>( 275,107)</u>
 TOTAL REVENUE	 <u>13,657,003</u>	 <u>13,844,003</u>	 <u>14,346,076</u>	 <u>502,073</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
EXPENDITURES				
Legislative	\$ 113,819	\$ 113,819	\$ 98,476	\$ 15,343
Judicial	209,982	209,982	156,784	53,198
Executive	80,172	80,172	80,315	( 143)
Elections	3,000	3,000	-	3,000
Financial Administration	265,644	265,644	260,689	4,955
Human Resources	109,595	109,595	105,668	3,927
Law	134,501	134,501	177,263	( 42,762)
Dept. of Planning	358,862	358,862	369,568	( 10,706)
Buildings and Grounds	337,573	337,573	330,894	6,679
General Government	1,804,178	1,804,178	1,695,789	108,389
Community Promotions	39,500	39,500	40,160	( 660)
Police Department	2,897,669	2,897,669	2,871,094	26,575
Fire Department	2,558,821	2,558,821	2,451,057	107,764
Emergency Mgmt	83,946	83,946	23,534	60,412
Highway and Street	1,373,981	1,373,981	1,275,527	98,454
Sanitation Administration	71,618	71,618	67,520	4,098
Street Cleaning	69,823	69,823	71,269	( 1,446)
Waste Collection	762,510	762,510	734,243	28,267
Waste Disposal	535,690	535,690	558,704	( 23,014)
Weed and Grass Control	117,075	117,075	102,210	14,865
Cemetery Fund	102,833	102,833	92,410	10,423
Rape Crisis	3,600	3,600	3,600	-
Youth Vision	3,600	3,600	3,600	-
Exchange Club Family	-	-	-	-
Angel Ranch	-	-	-	-
Park and Recreation	854,971	854,971	877,409	( 22,438)
Swimming Pool	67,451	67,451	62,464	4,987
RSVP	76,466	76,466	90,273	( 13,807)
Library	225,000	225,000	222,016	2,984
City Garage	897,636	897,636	885,042	15,594
Miscellaneous	-	-	-	-
Airport	15,000	15,000	15,000	-
Humane Society	125,590	125,590	65,590	60,000
Domestic Violence	-	-	-	-
Recycling	204,883	204,883	196,410	8,473
Debt Services:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	<u>14,504,989</u>	<u>14,504,989</u>	<u>13,984,578</u>	<u>520,411</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES \$ ( 847,986)	\$ ( 847,986)	\$ ( 660,986)	\$ 361,498	\$ 1,022,484
FUND BALANCE - BEGINNING	<u>2,778,621</u>	<u>2,778,621</u>	<u>2,778,621</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>1,930,635</u>	\$ <u>2,117,635</u>	\$ <u>3,140,119</u>	\$ <u>1,022,484</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GOVERNMENTAL FUND TYPE  
2% FOOD AND BEVERAGE TAX  
Year Ended September 30, 2006

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
<b>REVENUE</b>				
2% Food and Beverage Tax	\$ 1,565,528	\$ 1,565,528	\$ 1,348,695	\$ ( 216,833)
Interest Income	30,000	30,000	3,351	( 26,649)
Local Contributions	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
<b>TOTAL REVENUE</b>	<u>1,595,528</u>	<u>1,595,528</u>	<u>1,502,046</u>	<u>( 93,482)</u>
<b>EXPENDITURES</b>				
Personal Services	-	-	7,126	( 7,126)
Oxford Tourism Council	313,388	313,388	313,388	-
Yoknapatawpha Arts Council	30,000	30,000	30,000	-
Grants Awarded	80,000	80,000	-	80,000
Tree Board Requests	15,000	15,000	9,722	5,278
Cedar Oaks	5,700	5,700	5,700	-
Flowers, Shrubs, and Supplies	35,000	35,000	23,835	11,165
Transfer to General Fund	70,000	70,000	70,000	-
Oxford Park Lake Project	450,000	450,000	41,545	408,455
Hancock Bank	396,003	396,003	399,114	( 3,111)
Power House Project	100,000	100,000	100,000	-
Balance to finish Multi-Purpose	10,500	10,500	10,500	-
Furniture, Landscaping	21,000	21,000	193	20,807
Double Decker Arts Festival	25,000	25,000	25,000	-
Skate Park Funding	100,000	100,000	122,508	( 22,508)
Public Transit	82,100	82,100	-	82,100
Heritage Foundation	16,000	16,000	16,000	-
Lafayette County Courthouse	50,000	50,000	50,000	-
Miscellaneous	<u>6,500</u>	<u>6,500</u>	<u>30,212</u>	<u>( 23,712)</u>
<b>TOTAL EXPENDITURES</b>	<u>1,806,191</u>	<u>1,806,191</u>	<u>1,254,843</u>	<u>551,348</u>
<b>EXCESS (DEFICIENCY) OF</b>				
REVENUES OVER EXPENDITURES	( 210,663)	( 210,663)	247,203	457,866
<b>FUND BALANCE - BEGINNING</b>	<u>785,054</u>	<u>785,054</u>	<u>785,054</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	\$ <u>574,391</u>	\$ <u>574,391</u>	\$ <u>1,032,257</u>	\$ <u>457,866</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
Year ended September 30, 2006

BUDGETARY COMPARISON SCHEDULE

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

SUPPLEMENTARY INFORMATION



CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)  
September 30, 2006

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	SPECIAL ASSESSMENT FUNDS	TOTALS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 1,123,013	\$ 55,946	\$ 471,664	\$ 645,880	\$ 5,594	\$ 2,302,097
Due from Other Governments	-	-	67,255	-	-	67,255
Special Assessments Receivable	-	-	-	-	10,061	10,061
 TOTAL ASSETS	 \$ <u>1,123,013</u>	 \$ <u>55,946</u>	 \$ <u>538,919</u>	 \$ <u>645,880</u>	 \$ <u>15,655</u>	 \$ <u>2,379,413</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities:</u>						
Accounts Payable	\$ -	\$ -	\$ 74,520	\$ -	\$ -	\$ 74,520
Bank Overdraft	-	-	9,133	3,063	6,344	18,540
Deferred Revenue	-	-	-	-	10,061	10,061
TOTAL LIABILITIES	-	-	83,653	3,063	16,405	103,121
<u>Fund Balances:</u>						
Reserved For:						
Unemployment	-	-	52,171	-	-	52,171
Cemetery	-	23,625	-	-	-	23,625
Fire Protection	-	13,333	-	-	-	13,333
Band Shelter	-	14,066	-	-	-	14,066
Other	-	4,922	403,095	-	-	408,017
Debt Service	-	-	-	642,817	(750)	642,067
Capital Projects	1,123,013	-	-	-	-	1,123,013
 TOTAL FUND BALANCES	 1,123,013	 55,946	 455,266	 642,817	 (750)	 2,276,292
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u>1,123,013</u>	 \$ <u>55,946</u>	 \$ <u>538,919</u>	 \$ <u>645,880</u>	 \$ <u>15,655</u>	 \$ <u>2,379,413</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)  
 September 30, 2006

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	SPECIAL ASSESSMENT FUNDS	TOTALS
<u>REVENUES</u>						
Ad Valorem	\$ -	\$ -	\$ -	\$ 1,516,843	\$ -	\$ 1,516,843
Interest Income	3,964	-	27,139	1,705	-	32,808
Federal & State Awards	461,335	-	743,907	-	-	1,205,242
Reimbursements	145,210	-	-	-	-	145,210
Sale of Cemetery Lots	-	19,135	-	-	-	19,135
Local Matching Funds	-	-	100,684	-	-	100,684
Fines and Seizures	-	1,070	114,836	-	-	115,906
Miscellaneous	-	-	32,436	25,000	3,467	60,903
TOTAL REVENUES	<u>610,509</u>	<u>20,205</u>	<u>1,019,002</u>	<u>1,543,548</u>	<u>3,467</u>	<u>3,196,731</u>
<u>EXPENDITURES</u>						
Capital Projects	1,185,222	-	122,725	-	-	1,307,947
Drug and Traffic Enforcement	-	-	320,512	-	-	320,512
Miscellaneous	-	875	570,081	21,680	-	592,636
Bond Maturities	-	-	-	975,000	-	975,000
Interest Paid and Agent Fees	-	-	-	507,841	-	507,841
Tourism Promotion	-	-	2,180	-	-	2,180
TOTAL EXPENDITURES	<u>1,185,222</u>	<u>875</u>	<u>1,015,498</u>	<u>1,504,521</u>	<u>-</u>	<u>3,706,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>( 574,713)</u>	<u>19,330</u>	<u>3,504</u>	<u>39,027</u>	<u>3,467</u>	<u>( 509,385)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers In	68,020	-	-	-	-	68,020
Operating Transfers Out	( 68,020)	( 20,000)	-	-	-	( 88,020)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>( 20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 20,000)</u>
NET CHANGE IN FUND BALANCE	<u>(574,713)</u>	<u>( ,670)</u>	<u>3,504</u>	<u>39,027</u>	<u>3,467</u>	<u>( 529,385)</u>
<u>FUND EQUITY</u>						
Beginning of Year	<u>1,697,726</u>	<u>56,616</u>	<u>451,762</u>	<u>603,790</u>	<u>(4,217)</u>	<u>2,805,677</u>
End of Year	\$ <u>1,123,013</u>	\$ <u>55,946</u>	\$ <u>455,266</u>	\$ <u>642,817</u>	\$ <u>(750)</u>	\$ <u>2,276,292</u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
September 30, 2006

	JACKSON AVENUE PROJECT	SKATE PARK PROJECT	\$1,300,000 BOND FUND	UNIVERSITY- ITS FUND	\$1,500,000 G.O. BONDS	2004 G.O BONDS	TOTALS ASSETS
<u>ASSETS</u>							
Cash and Cash							
Equivalents	\$ 279,501	\$ -	\$ 1,406	\$ 182,558	\$ 416,218	\$ 243,330	\$ 1,123,013
Due from Other							
Governments	-	-	-	-	-	-	-
 TOTAL ASSETS	 \$ <u>279,501</u>	 \$ <u>-</u>	 \$ <u>1,406</u>	 \$ <u>182,558</u>	 \$ <u>416,218</u>	 \$ <u>243,330</u>	 \$ <u>1,123,013</u>
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
 TOTAL							
LIABILITIES	-	-	-	-	-	-	-
 Fund Balances:							
Reserved for							
Capital Projects	279,501	-	1,406	182,558	416,218	243,330	1,123,013
 TOTAL LIABILITIES							
AND FUND							
BALANCES	\$ <u>279,501</u>	\$ <u>-</u>	\$ <u>1,406</u>	\$ <u>182,558</u>	\$ <u>416,218</u>	\$ <u>243,330</u>	\$ <u>1,123,013</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 September 30, 2006

	JACKSON AVENUE PROJECT	SKATE PARK PROJECT	\$1,300,000 BOND FUND	UNIVERSITY- ITS PROJECT	\$1,500,000 G.O. BONDS	2004 G.O. BONDS	TOTALS ASSETS
<u>REVENUES</u>							
Interest Income	\$ -	\$ -	\$ 3,964	\$ -	\$ -	\$ -	\$ 3,964
Federal & State Awards	168,785	-	-	-	-	-	168,785
Grants	-	-	-	292,550	-	-	292,550
Reimbursements	-	145,210	-	-	-	-	145,210
TOTAL REVENUES	168,785	145,210	3,964	292,550	-	-	610,509
<u>EXPENDITURES</u>							
Capital Projects	-	233,136	95,639	109,993	631,195	115,259	1,185,222
Interest Paid	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	233,136	95,639	109,993	631,195	115,259	1,185,222
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	168,785	( 87,926)	(91,675)	182,557	(631,195)	(115,259)	(574,713)
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers In	-	68,020	-	-	-	-	68,020
Transfers Out	-	-	-	-	-	68,020	(68,020)
TOTAL OTHER FINANCING SOURCES (USES)	-	68,020	-	-	-	(68,020)	-
NET CHANGE IN FUND BALANCES							
	168,785	(19,906)	(91,675)	182,557	(631,195)	(183,279)	(574,713)
<u>FUND EQUITY</u>							
Beginning of Year	110,716	19,906	93,081	1	1,047,413	426,609	1,697,726
End of Year	\$ 279,501	\$ -	\$ 1,406	\$ 182,558	\$ 416,218	\$ 243,330	\$ 1,123,013

CITY OF OXFORD, MISSISSIPPI  
 COMBINING BALANCE SHEET  
 FIDUCIARY FUNDS  
 September 30, 2006

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ <u>23,625</u>	\$ <u>32,321</u>	\$ <u>55,946</u>
 TOTAL ASSETS	 \$ <u><u>23,625</u></u>	 \$ <u><u>32,321</u></u>	 \$ <u><u>55,946</u></u>
 <u>RESERVED FOR</u>			
Cemetery Maintenance	\$ 23,625	\$ -	\$ 23,625
Fire Protection	-	13,333	13,333
Band Shelter	-	14,066	14,066
Youth Court	<u>-</u>	<u>4,922</u>	<u>4,922</u>
 TOTAL FUND EQUITY	 <u>23,625</u>	 <u>32,321</u>	 <u>55,946</u>
 TOTAL LIABILITIES AND FUND EQUITY	 \$ <u><u>23,625</u></u>	 \$ <u><u>32,321</u></u>	 \$ <u><u>55,946</u></u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND EQUITY  
 FIDUCIARY FUNDS  
 Year Ended September 30, 2006

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTAL
<u>REVENUES</u>			
Fines	\$ -	\$ 1,070	\$ 1,070
Sale of Cemetery Lots	<u>19,135</u>	<u>-</u>	<u>19,135</u>
TOTAL REVENUES	\$ <u>19,135</u>	\$ <u>1,070</u>	\$ <u>20,205</u>
<u>EXPENDITURES</u>			
Miscellaneous Expenses	<u>875</u>	<u>-</u>	<u>875</u>
TOTAL EXPENDITURES	<u>875</u>	<u>-</u>	<u>875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>18,260</u>	<u>1,070</u>	<u>19,330</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers Out	<u>20,000</u>	<u>-</u>	<u>20,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,000</u>	<u>-</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCE	(1,740)	1,070	( 670)
<u>FUND EQUITY</u>			
Beginning of Year	<u>25,365</u>	<u>31,251</u>	<u>56,616</u>
End of Year	\$ <u>23,625</u>	\$ <u>32,321</u>	\$ <u>55,946</u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
EXPENDABLE TRUST FUNDS  
September 30, 2006

	CEMETERY TRUST FUND
<u>ASSETS</u>	
Cash	\$ <u>23,625</u>
TOTAL ASSETS	\$ <u>23,625</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Fund Balance:	
Reserved for Cemetery Maintenance	\$ <u>23,625</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>23,625</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND EQUITY  
 EXPENDABLE TRUST FUNDS  
 Year Ended September 30, 2006

	CEMETERY TRUST FUND
<u>REVENUES</u>	
Interest Income	\$ -
Sales of Cemetery Lots	<u>19,135</u>
TOTAL REVENUES	<u>19,135</u>
 <u>EXPENDITURES</u>	 <u>875</u>
TOTAL EXPENDITURES	<u>875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>18,260</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	( 1,740 )
 <u>FUND EQUITY</u>	
Beginning of Year	<u>25,365</u>
End of Year	\$ <u><u>23,625</u></u>



CITY OF OXFORD, MISSISSIPPI  
 COMBINING BALANCE SHEET  
 AGENCY FUNDS  
 September 30, 2006

	YOUTH COURT	FIRE PROTECTION	BAND SHELTER	TOTAL
<u>ASSETS</u>				
Cash	\$ <u>4,922</u>	\$ <u>13,333</u>	\$ <u>14,066</u>	\$ <u>32,321</u>
TOTAL ASSETS	\$ <u>4,922</u>	\$ <u>13,333</u>	\$ <u>14,066</u>	\$ <u>32,321</u>

LIABILITIES AND FUND EQUITY

Fund Balance:

Reserved for:

Fire Protection	\$ -	\$ 13,333	\$ -	\$ 13,333
Band Shelter	-	-	14,066	14,066
Others	<u>4,922</u>	<u>-</u>	<u>-</u>	<u>4,922</u>
	\$ <u>4,922</u>	\$ <u>13,333</u>	\$ <u>14,066</u>	\$ <u>32,321</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND EQUITY  
 AGENCY FUNDS  
 September 30, 2006

	<u>YOUTH COURT</u>	<u>FIRE PROTECTION</u>	<u>BAND SHELTER</u>	<u>TOTAL</u>
<u>REVENUES</u>				
FINES	\$ 1,070	\$ -	\$ -	\$ 1,070
MISCELLANEOUS	-	-	-	-
TOTAL REVENUES	<u>1,070</u>	<u>-</u>	<u>-</u>	<u>1,070</u>
<u>EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,070	-	-	1,070
FUND EQUITY				
Beginning of Year	<u>3,852</u>	<u>13,333</u>	<u>14,066</u>	<u>31,251</u>
End of Year	\$ <u>4,922</u>	\$ <u>13,333</u>	\$ <u>14,066</u>	\$ <u>32,321</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 September 30, 2006

	FEDERAL ASSISTANCE DRUG AND TRAFFIC ENFORCEMENT	DARE PROJECT	CRIME PREVENTION	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 187,747	\$ 10,040	\$ 35,247	\$ 52,171	\$ 186,459	\$ 471,664
Due from Other Governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,255</u>	<u>67,255</u>
TOTAL ASSETS	\$ <u>187,747</u>	\$ <u>10,040</u>	\$ <u>35,247</u>	\$ <u>52,171</u>	\$ <u>253,714</u>	\$ <u>538,919</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ 9,133	\$ 9,133
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,520</u>	<u>74,520</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,653</u>	<u>83,653</u>
Fund Balance:						
Reserved for:						
Unemployment	-	-	-	52,171	-	52,171
Other	<u>187,747</u>	<u>10,040</u>	<u>35,247</u>	<u>-</u>	<u>170,061</u>	<u>403,095</u>
TOTAL FUND BALANCES	<u>187,747</u>	<u>10,040</u>	<u>35,247</u>	<u>52,171</u>	<u>170,061</u>	<u>455,266</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>187,747</u>	\$ <u>10,040</u>	\$ <u>35,247</u>	\$ <u>52,171</u>	\$ <u>253,714</u>	\$ <u>538,919</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND EQUITY  
 SPECIAL REVENUE FUNDS  
 Year Ended September 30, 2006

	<u>FEDERAL ASSISTANCE</u>			<u>UNEMPLOYMENT COMPENSATION</u>		
	<u>TRAFFIC ENFORCEMENT</u>	<u>DARE PROJECT</u>	<u>LAW ENFORCEMENT</u>	<u>FUND</u>	<u>OTHER</u>	<u>TOTAL</u>
<u>REVENUES</u>						
Federal & State Awards	\$ 155,022	\$ -	\$ -	\$ -	\$ 588,885	\$ 743,907
Local Matching Funds	100,684	-	-	-	-	100,684
Interest on Investments	516	-	-	-	26,623	27,139
Fines and Seizures	76,593	38,243	-	-	-	114,836
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,436</u>	<u>32,436</u>
TOTAL REVENUES	<u>332,815</u>	<u>38,243</u>	<u>-</u>	<u>-</u>	<u>647,944</u>	<u>1,019,002</u>
<u>EXPENDITURES</u>						
Capital Outlay	-	-	-	-	122,725	122,725
Tourism Promotion	-	-	-	-	2,180	2,180
Drug and Traffic Enforcement	271,108	49,404	-	-	-	320,512
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>570,081</u>	<u>570,081</u>
TOTAL EXPENDITURES	<u>271,108</u>	<u>49,404</u>	<u>-</u>	<u>-</u>	<u>694,986</u>	<u>1,015,498</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	61,707	(11,161)	-	-	(47,042)	3,504
<u>FUND EQUITY</u>						
Beginning of Year	<u>126,040</u>	<u>21,201</u>	<u>35,247</u>	<u>52,171</u>	<u>217,103</u>	<u>451,762</u>
End of Year	\$ <u>187,747</u>	\$ <u>10,040</u>	\$ <u>35,247</u>	\$ <u>52,171</u>	\$ <u>170,061</u>	\$ <u>455,266</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING BALANCE SHEET  
 DEBT SERVICE FUNDS  
 September 30, 2006

	2005	2002	2004	1984	1993	1995	2001	SEPARATE SCHOOL DISTRICT	TOTAL
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>P.S.C.</u>	<u>REFUNDING</u>	<u>G.O.</u>	<u>G.O.</u>		
<u>ASSETS</u>									
Cash	\$ -	\$ 53,524	\$ 71,060	\$ 39,846	\$ 214,795	\$ 125,150	\$ 141,505	\$ -	\$ 645,880
 TOTAL ASSETS	 <u>-</u>	 <u>53,524</u>	 <u>71,060</u>	 <u>39,846</u>	 <u>214,795</u>	 <u>125,150</u>	 <u>141,505</u>	 <u>-</u>	 <u>645,880</u>
 <u>LIABILITIES AND FUND EQUITY</u>									
Liability-Bank Overdraft	\$ 3,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,063
Fund Equity-Restricted	<u>(3,063)</u>	<u>53,524</u>	<u>71,060</u>	<u>39,846</u>	<u>214,795</u>	<u>125,150</u>	<u>141,505</u>	<u>-</u>	<u>642,817</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ -</u>	 <u>53,524</u>	 <u>71,060</u>	 <u>39,846</u>	 <u>214,795</u>	 <u>125,150</u>	 <u>141,505</u>	 <u>\$ -</u>	 <u>\$ 645,880</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND EQUITY  
 DEBT SERVICE FUNDS  
 Year Ended September 30, 2006

	2005	2002	2004	1984	1993	1995	2001	SEPARATE SCHOOL	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>P.S.C.</u>	<u>REFUNDING</u>	<u>G.O.</u>	<u>G.O.</u>	<u>DISTRICT</u>	<u>TOTAL</u>
<u>REVENUES</u>									
Ad Valorem and Other Taxes	\$ 207,389	\$ 161,447	\$ 287,839	\$ -	\$ 200,000	\$ 268,546	\$ 391,622	\$ -	\$ 1,516,843
Investment Income	105	236	307	-	-	538	519	-	1,705
Miscellaneous	-	-	-	25,000	-	-	-	-	25,000
TOTAL REVENUES	<u>207,494</u>	<u>161,683</u>	<u>288,146</u>	<u>25,000</u>	<u>200,000</u>	<u>269,084</u>	<u>392,141</u>	<u>-</u>	<u>1,543,548</u>
<u>EXPENDITURES</u>									
Miscellaneous	-	-	-	-	-	-	-	21,680	21,680
Bond Principal Maturities	125,000	120,000	190,000	-	160,000	200,000	180,000	-	975,000
Interest Paid	84,161	36,088	87,091	-	32,645	59,260	200,050	-	499,295
Agent Fees	1,396	875	2,744	-	-	796	2,735	-	8,546
TOTAL EXPENDITURES	<u>210,557</u>	<u>156,963</u>	<u>279,835</u>	<u>-</u>	<u>192,645</u>	<u>260,056</u>	<u>382,785</u>	<u>21,680</u>	<u>1,504,521</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	( 3,063)	4,720	8,311	25,000	7,355	9,028	9,356	(21,680)	39,027
<u>FUND EQUITY</u>									
Beginning of Year	-	48,804	62,749	14,846	207,440	116,122	132,149	21,680	603,790
End of Year	\$ ( 3,063)	\$ 53,524	\$ 71,060	\$ 39,846	\$ 214,795	\$ 125,150	\$ 141,505	\$ -	\$ 642,817

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
SPECIAL ASSESSMENT FUNDS  
September 30, 2006

	WEST OXFORD LOOP	1989 SPECIAL STREET	TOTAL SPECIAL ASSESSMENT FUNDS
<u>ASSETS</u>			
Cash	\$ -	\$ 5,594	\$ 5,594
Special Assessment Receivable	<u>10,061</u>	<u>-</u>	<u>10,061</u>
TOTAL ASSETS	\$ <u>10,061</u>	\$ <u>5,594</u>	\$ <u>15,655</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Bank Overdraft	\$ 6,344	-	6,344
Deferred Revenue	<u>10,061</u>	\$ <u>-</u>	\$ <u>10,061</u>
TOTAL LIABILITIES	<u>16,405</u>	<u>-</u>	<u>16,405</u>
Fund Balances:			
Reserved for Debt Service	<u>(6,344)</u>	<u>5,594</u>	<u>(750)</u>
TOTAL FUND BALANCES	<u>(6,344)</u>	<u>5,594</u>	<u>(750)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>10,061</u>	\$ <u>5,594</u>	\$ <u>15,655</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND EQUITY  
 SPECIAL ASSESSMENT FUNDS  
 Year Ended September 30, 2006

	WEST OXFORD LOOP	1989 SPECIAL STREET	TOTAL
<u>REVENUES</u>			
Special Improvement Collections	\$ <u>3,467</u>	\$ <u>-</u>	\$ <u>3,467</u>
TOTAL REVENUES	<u>3,467</u>	<u>-</u>	<u>3,467</u>
<u>EXPENDITURES</u>			
Note Principal Maturities	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,467	-	3,467
<u>FUND EQUITY</u>			
Beginning of Year (Deficit)	<u>(9,811)</u>	<u>5,594</u>	<u>(4,217)</u>
End of Year (Deficit)	\$ <u><u>(6,344)</u></u>	\$ <u><u>5,594</u></u>	\$ <u><u>( 750)</u></u>



CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF INVESTMENTS  
September 30, 2006

	<u>COST AND MARKET VALUE</u>
<u>ENTERPRISE FUNDS</u>	
Certificates of Deposit:	
First National Bank	\$ 1,049,042
Mechanics Bank	29,609
SouthBank	<u>702,478</u>
 Total Enterprise Funds	 <u>1,781,129</u>
 TOTAL INVESTMENTS	 \$ <u><u>1,781,129</u></u>

CITY OF OXFORD, MISSISSIPPI  
 SCHEDULE OF SURETY BONDS  
 September 30, 2006

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

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
September 30, 2006

<u>DEFINITION AND PURPOSE</u>	<u>INTEREST RATE</u>	<u>BALANCE OCTOBER 1, 2005</u>	<u>ADDITIONS</u>	<u>REDEMPTIONS</u>	<u>BALANCE SEPTEMBER 30, 2006</u>
<u>REVENUE BONDS</u>					
1993 Revenue Refunding	3-6.1%	\$ 525,000	\$ -	\$ 165,000	\$ 360,000
1996 Combination Water & Sewer	6.5%	775,000	-	110,000	665,000
1999 Electric System Revenue	4.6-6.25%	5,025,000	-	225,000	4,800,000
2003 Combination Water & Sewer	3.8-4.5%	1,835,000	-	65,000	1,770,000
2004 Water & Sewer Revenue Bond		1,800,000	-	55,000	1,745,000
2006 Water & Sewer Revenue Bond		-	3,400,000	-	3,400,000
<u>GENERAL OBLIGATION BONDS</u>					
1995 General Obligation	4.9-7.0%	1,100,000	-	200,000	900,000
2001 General Obligation - Jackson Avenue	4.375-6.25%	4,375,000	-	180,000	4,195,000
2001 Special Obligation - Conference Center	4.6%	4,465,000	-	195,000	4,270,000
2002 General Obligation - Police Dept. Equipment	3.875-5.5%	970,000	-	120,000	850,000
2004 General Obligation	3-3.8%	2,815,000	-	190,000	2,625,000
2005 General Obligation	3.375-3.79%	1,500,000	-	125,000	1,375,000
<u>NOTES PAYABLE</u>					
TVA	VAR	550,000	-	200,000	350,000
State Revolving Fund	4.0%	1,598,908	-	188,981	1,409,927
Regions Bank		-	-	-	-
TOTAL		\$ <u>27,333,908</u>	\$ <u>3,400,000</u>	\$ <u>2,018,981</u>	\$ <u>28,714,927</u>

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

YEAR	1993 REVENUE REFUNDING		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 204,975	\$ 175,000	\$ 29,975
2008	<u>208,650</u>	<u>185,000</u>	<u>23,650</u>
	<u>\$ 413,625</u>	<u>\$ 360,000</u>	<u>\$ 53,625</u>

YEAR	1996 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 148,750	\$ 115,000	\$ 33,750
2008	153,110	125,000	28,110
2009	156,860	135,000	21,860
2010	154,975	140,000	14,975
2011	<u>157,800</u>	<u>150,000</u>	<u>7,800</u>
	<u>\$ 771,495</u>	<u>\$ 665,000</u>	<u>\$ 106,495</u>

YEAR	1999 ELECTRIC SYSTEM REVENUE		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 479,332	\$ 240,000	\$ 239,332
2008	477,937	250,000	227,937
2009	480,702	265,000	215,702
2010	482,482	280,000	202,482
2011	483,248	295,000	188,248
2012-2016	2,416,999	1,725,000	691,999
2017-2021	<u>1,933,868</u>	<u>1,745,000</u>	<u>188,868</u>
	<u>\$ 6,754,568</u>	<u>\$ 4,800,000</u>	<u>\$ 1,954,568</u>

YEAR	2003 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 138,000	\$ 70,000	\$ 68,000
2008	135,200	70,000	65,200
2009	137,200	75,000	62,200
2010	137,000	80,000	57,000
2011	135,100	80,000	55,100
2012-2016	685,270	455,000	230,270
2017-2021	676,470	550,000	126,470
2022-2024	<u>412,470</u>	<u>390,000</u>	<u>22,470</u>
	<u>\$ 2,456,710</u>	<u>\$ 1,770,000</u>	<u>\$ 686,710</u>

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

YEAR	2004 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 123,321	\$ 55,000	\$ 68,321
2008	126,453	60,000	66,453
2009	129,421	65,000	64,421
2010	127,228	65,000	62,228
2011	129,865	70,000	59,865
2012-2016	660,800	405,000	255,800
2017-2021	680,405	515,000	165,405
2022-2026	556,000	510,000	46,000
	<u>\$ 2,533,493</u>	<u>\$ 1,745,000</u>	<u>\$ 788,493</u>

YEAR	2006 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 255,144	\$ 105,000	\$ 150,144
2008	254,369	110,000	144,369
2009	253,181	115,000	138,181
2010	251,712	120,000	131,712
2011	250,113	125,000	125,113
2012-2016	1,243,575	720,000	523,575
2017-2021	1,276,000	925,000	351,000
2022-2026	1,326,000	1,180,000	146,000
	<u>\$ 5,110,094</u>	<u>\$ 3,400,000</u>	<u>\$ 1,710,094</u>

YEAR	1995 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 258,860	\$ 210,000	\$ 48,860
2008	257,730	220,000	37,730
2009	255,850	230,000	25,850
2010	253,200	240,000	13,200
	<u>\$ 1,025,640</u>	<u>\$ 900,000</u>	<u>\$ 125,640</u>

YEAR	2001 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 373,644	\$ 185,000	\$ 188,644
2008	376,613	200,000	176,613
2009	373,931	210,000	163,931
2010	372,688	220,000	152,688
2011	372,844	230,000	142,844
2012-2016	1,911,110	1,365,000	546,110
2017-2021	1,988,328	1,785,000	203,328
	<u>\$ 5,769,158</u>	<u>\$ 4,195,000</u>	<u>\$ 1,574,158</u>

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

YEAR	2001 SPECIAL OBLIGATION-CONFERENCE CNTR		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 401,858	\$ 205,000	\$ 196,858
2008	403,369	215,000	188,369
2009	404,433	225,000	179,433
2010	405,083	235,000	170,083
2011	405,600	245,000	160,600
2012-2016	2,041,966	1,395,000	646,966
2017-2021	<u>2,066,425</u>	<u>1,750,000</u>	<u>316,425</u>
	<u>\$ 6,128,734</u>	<u>\$ 4,270,000</u>	<u>\$ 1,858,734</u>

YEAR	2002 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 155,516	\$ 125,000	\$ 30,516
2008	155,575	130,000	25,575
2009	160,344	140,000	20,344
2010	159,822	145,000	14,822
2011	159,106	150,000	9,106
2012-2013	<u>163,100</u>	<u>160,000</u>	<u>3,100</u>
	<u>\$ 953,463</u>	<u>\$ 850,000</u>	<u>\$ 103,463</u>

YEAR	2004 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 276,556	\$ 195,000	\$ 52,818
2008	280,806	205,000	44,804
2009	279,841	210,000	36,465
2010	283,660	220,000	27,785
2011	287,191	230,000	18,753
2012-2016	1,236,498	1,060,000	
2017-2020	<u>525,715</u>	<u>505,000</u>	<u>10,383</u>
	<u>\$ 3,170,267</u>	<u>\$ 2,625,000</u>	<u>\$ 191,008</u>

YEAR	2005 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 178,988	\$ 130,000	\$ 48,988
2008	177,628	135,000	42,628
2009	176,062	140,000	36,062
2010	175,291	145,000	30,291
2011	175,313	150,000	25,313
2012-2015	<u>721,659</u>	<u>675,000</u>	<u>46,659</u>
	<u>\$ 1,604,941</u>	<u>\$ 1,375,000</u>	<u>\$ 229,941</u>

YEAR	TVA NOTE		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 364,000	\$ 350,000	\$ 14,000
	<u>\$ 364,000</u>	<u>\$ 350,000</u>	<u>\$ 14,000</u>

YEAR	STATE REVOLVING FUND NOTE		
	TOTAL	PRINCIPAL	INTEREST
2007	\$ 249,497	\$ 196,679	\$ 52,818
2008	249,497	204,693	44,804
2009	249,497	213,032	36,465
2010	249,497	221,712	27,785
2011	249,497	230,744	18,753
2012-2015	<u>353,450</u>	<u>343,067</u>	<u>10,383</u>
	<u>\$ 1,600,935</u>	<u>\$ 1,409,927</u>	<u>\$ 191,008</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF FEDERAL AWARDS  
September 30, 2006

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	RECEIPTS/ REVENUES	EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Passed through the Governor's					
Office of Federal-State					
Programs:					
Multi-Jurisdictional Drug Enforcement	16.519	7NM-2251	\$ 149,686	\$ 149,686	\$ 149,686
Direct:					
Coverdell Forensic Science Improvement	16.564	N/A	38,250	38,250	38,250
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through the Mississippi					
Emergency Management Agency:					
Hurricane Katrina	97.084	KAPA	28,791	28,791	28,791
Domestic Preparedness Equipment Grants	97.004	3SSG	91,695	91,695	91,695
ODP Homeland Security Grant Program	97.067	4DPG	47,676	47,676	47,676
			168,162	168,162	168,162
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Passed through the Mississippi					
Development Authority:					
Urban Sewer	14.218	1121-04-286-ED-01	525,000	481,604	481,604
	14.218	1149-02-286-ED-01	564,213	-	-
			1,089,213	481,604	481,604
TOTAL AWARDS			\$ 1,445,311	\$ 837,702	\$ 837,702

COMPLIANCE AND INTERNAL CONTROL REPORTS





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

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

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

We have audited the financial statements of the City of Oxford as of and for the year ended September 30, 2006, and have issued our report dated April 18, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

#### COMPLIANCE AND OTHER MATTERS

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

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

*Young & Sanetti*

April 18, 2007



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

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

Compliance

We have audited the compliance of the City of Oxford with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2006. The City of Oxford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Oxford complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

#### Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

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

*Young & Garrett*

April 18, 2007



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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, 2006, and have issued our report dated April 18, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

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

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

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

*Young & Garrett*

April 18, 2007

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CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2006

Section 1: Summary of Auditor's Results

1. Unqualified opinion was issued on the financial statements of the City of Oxford, Mississippi.
2. The audit of the financial statements did not disclose any material weaknesses in internal control.
3. The audit did not disclose any noncompliance which is material to the general purpose financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any audit findings which are required to be reported under section \_\_\_\_\_.510(a) of OMB

Circular A-133.

7. Federal programs identified as major programs:
  - a. U.S. Department of Housing and Urban Development:  
CFDA #14.218
8. The dollar threshold used to distinguish between the type A and the type B programs was \$300,000.
9. The auditee qualified as a high-risk auditee.

Section 2: Findings Relating to the Financial Statements

No findings were noted.

Section 3: Findings and Questioned Costs for Federal Awards

No findings were noted.