

CITY OF OXFORD, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
WITH INDEPENDENT AUDITOR'S REPORT

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CITY OF OXFORD, MISSISSIPPI  
LIST OF PRINCIPAL OFFICERS  
September 30, 2008

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



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

## INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen  
City of Oxford, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oxford's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated June 24, 2009, 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 59 through 68 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 on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford's basic financial statements. The combining and individual non-major fund financial statements and schedules of investments, surety bonds and long-term debt are presented for the purposes of additional analysis and are not a required part of the basic financial statements. 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 & Harrett*

July 31, 2009

CITY OF OXFORD, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2008

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, 2008. 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 \$155,498,048, of which \$102,634,422 are capital assets. The assets exceed the City's liabilities of \$74,225,770, \$45,147,397 of which are long term, at the close of the most recent fiscal year by \$81,272,278. Of this amount, \$17,330,743 are unrestricted net assets. The City's net assets are comprised of \$41,601,675 from Governmental Activities and \$39,670,603 from Business-Type Activities.

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

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

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

An additional portion of the City's net assets (less than 12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF OXFORD, MISSISSIPPI  
NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and						
Other Assets	\$32,566,984	\$35,923,592	\$20,296,642	\$18,988,905	\$ 52,863,626	\$ 54,912,497
Capital Assets (Net)	<u>51,945,335</u>	<u>43,429,202</u>	<u>50,689,087</u>	<u>39,439,278</u>	<u>102,634,422</u>	<u>82,868,480</u>
Total Assets	<u>84,512,319</u>	<u>79,352,794</u>	<u>70,985,729</u>	<u>58,428,183</u>	<u>155,498,048</u>	<u>137,780,977</u>
Current and						
Other Liabilities	22,137,250	20,748,083	6,941,123	6,500,229	29,078,373	27,248,312
Long-Term						
Liabilities	<u>20,773,394</u>	<u>20,880,598</u>	<u>24,374,003</u>	<u>15,974,463</u>	<u>45,147,397</u>	<u>36,855,061</u>
Total Liabilities	<u>42,910,644</u>	<u>41,628,681</u>	<u>31,315,126</u>	<u>22,474,692</u>	<u>74,225,770</u>	<u>64,103,373</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	29,680,654	20,973,604	25,210,765	22,410,122	54,891,419	43,383,726
Restricted	7,399,221	13,112,954	1,650,895	1,151,235	9,050,116	14,264,189
Unrestricted	<u>4,521,800</u>	<u>3,637,555</u>	<u>12,808,943</u>	<u>12,392,134</u>	<u>17,330,743</u>	<u>16,029,689</u>
Total Net Assets	<u>\$41,601,675</u>	<u>\$37,724,113</u>	<u>\$39,670,603</u>	<u>\$35,953,491</u>	<u>\$ 81,272,278</u>	<u>\$ 73,677,604</u>

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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Program Revenues:						
Charges for						
Services	\$ 4,648,053	\$ 6,045,378	\$26,262,931	\$25,519,962	\$30,910,984	\$31,565,340
Operating Grants						
And Contributions	100,000	138,228	-	-	100,000	138,228
Capital Grants and						
Contributions	934,245	1,019,113	929,188	-	1,863,433	1,019,113
General Revenues:						
Property Taxes	5,851,479	4,812,392	-	-	5,851,479	4,812,392
Other Taxes	2,138,569	1,665,513	-	-	2,138,569	1,665,513
Intergovernmental	7,623,163	5,390,302	-	-	7,623,163	5,390,302
Sale of Assets	2,814	1,360,352	-	-	2,814	1,360,352
Unrestricted Interest						
Earned	903,235	697,443	927,131	779,074	1,830,366	1,476,517
Transfers	1,061,127	567,033	(1,061,127)	(567,033)	-	-
Insurance Recovery	<u>5,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,339</u>	<u>-</u>
TOTAL REVENUE	<u>\$23,268,024</u>	<u>21,695,754</u>	<u>27,058,123</u>	<u>25,732,003</u>	<u>50,326,147</u>	<u>47,427,757</u>
EXPENSES:						
General Government	5,046,775	4,506,787	-	-	5,046,775	4,506,787
Public Safety	6,219,754	5,963,289	-	-	6,219,754	5,963,289
Public Works	3,736,373	3,020,281	-	-	3,736,373	3,020,281
Tourism	970,355	779,171	-	-	970,355	779,171
Culture and Rec.	1,465,471	1,397,029	-	-	1,465,471	1,397,029
Miscellaneous	867,665	603,584	-	-	867,665	603,584
Interest on Long-						
Term Debt	1,084,069	749,152	-	-	1,084,069	749,152
Water and Sewer						
Service	-	-	5,415,386	5,125,553	5,415,386	5,125,553
Electric Service	<u>-</u>	<u>-</u>	<u>17,925,625</u>	<u>16,708,114</u>	<u>17,925,625</u>	<u>16,708,114</u>
TOTAL EXPENSES	<u>\$19,390,462</u>	<u>\$17,019,293</u>	<u>\$23,341,011</u>	<u>\$21,833,667</u>	<u>\$42,731,473</u>	<u>\$38,852,960</u>

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

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Change in Net						
Assets	\$ 3,877,562	\$ 4,676,461	\$ 3,717,112	\$ 3,898,336	\$ 7,594,674	\$ 8,574,797
Net Assets-						
Beginning	<u>37,724,113</u>	<u>33,047,652</u>	<u>35,953,491</u>	<u>32,055,155</u>	<u>73,677,604</u>	<u>65,102,807</u>
Net Assets-Ending	<u>\$41,601,675</u>	<u>\$37,724,113</u>	<u>\$39,670,603</u>	<u>\$35,953,491</u>	<u>\$81,272,278</u>	<u>\$73,677,604</u>

**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, 2008	\$ 26,262,931
Fiscal Year ended September 30, 2007	25,519,962
Increase between Fiscal Years	\$ <u>742,969</u>

	<u>Operating Expenses</u>
Fiscal Year ended September 30, 2008	\$ 23,341,011
Fiscal Year ended September 30, 2007	21,833,667
Increase between Fiscal Years	\$ <u>1,507,344</u>

**DEBT ADMINISTRATION**

Debt, considered a liability of governmental activities, increased in fiscal year 2008 by \$8,258,249.

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

	<u>2008</u>
Debt Payable beginning of fiscal year	\$ 39,484,754
Add: New Debt Issues	<u>10,898,135</u>
	50,382,889
Less: Debt Retired	<u>2,639,886</u>
Debt Payable at end	\$ <u>47,743,003</u>

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

**CAPITAL ASSETS**

The capital assets of the City are those assets, which are used in the performance of the City functions including infrastructure assets. At September 30, 2007, net capital assets of the governmental activities totaled \$43,429,202 and the net capital assets of the business-type activities totaled \$39,439,278. At September 30, 2008, net capital assets of the governmental activities totaled \$51,945,335 and the net capital assets of the business-type activities totaled \$50,689,087. Depreciation on capital assets is recognized in the Government-Wide financial statements.

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

**FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

3. NOTES TO THE FINANCIAL STATEMENTS

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

4. REQUIRED SUPPLEMENTAL INFORMATION

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

5. OTHER INFORMATION

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

REQUESTS FOR INFORMATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



CITY OF OXFORD, MISSISSIPPI  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
September 30, 2008

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$11,499,396	\$14,409,017	\$25,908,413
Receivables:			
Customer	-	2,973,468	2,973,468
Due from Other Government	909,998	2,945	912,943
Other	-	83,911	83,911
Taxes	19,835,532	-	19,835,532
Internal Balances	74,602	(74,602)	-
Inventories	-	527,923	527,923
Debt Service Funds	148,199	1,650,895	1,799,094
Prepaid Expenses	99,257	723,085	822,342
	<u>32,566,984</u>	<u>20,296,642</u>	<u>52,863,626</u>
Total Non-Capital Assets			
Capital Assets (Net of Depreciation):			
Land	1,635,601	1,102,913	2,738,514
Improvements Other than Buildings	486,079	-	486,079
Infrastructure	26,382,921	-	26,382,921
Buildings & Utility Systems	10,917,290	33,743,376	44,660,666
Equipment & Furniture	4,141,242	1,882,036	6,023,278
Construction in Progress	8,382,202	13,960,762	22,342,964
	<u>51,945,335</u>	<u>50,689,087</u>	<u>102,634,422</u>
Total Capital Assets			
Total Assets	<u>84,512,319</u>	<u>70,985,729</u>	<u>155,498,048</u>
<u>LIABILITIES</u>			
Accounts Payable & Accrued Expenses	810,431	3,779,937	4,590,368
Customer Deposits	-	2,056,867	2,056,867
Deferred Revenue	19,835,532	-	19,835,532
Long-term Debt Due Within One Year:			
Bonds	1,450,000	850,000	2,300,000
Notes	41,287	254,319	295,606
Due in More than One Year:			
Bonds	19,325,000	16,495,000	35,820,000
Notes	1,448,394	7,879,003	9,327,397
	<u>\$42,910,644</u>	<u>\$31,315,126</u>	<u>\$74,225,770</u>
Total Liabilities			

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	\$29,680,654	\$25,210,765	\$54,891,419
Reserved for:			
Unemployment	52,171	-	52,171
Tourism	1,167,977	-	1,167,977
Debt Service	148,199	1,650,895	1,799,094
Cemetery	54,729	-	54,729
Capital Projects	5,329,152	-	5,329,152
Fire Protection	13,333	-	13,333
Other	633,660	-	633,660
Unrestricted	<u>4,521,800</u>	<u>12,808,943</u>	<u>17,330,743</u>
Total Net Assets	<u>\$41,601,675</u>	<u>\$39,670,603</u>	<u>\$81,272,278</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
Year Ended September 30, 2008

FUNCTIONS/PROGRAMS	PROGRAM REVENUE			NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>GOVERNMENTAL ACTIVITIES</u>							
General Government	\$ 5,046,775	\$ 941,363	\$ -	\$ -	\$ (4,105,412)	\$ -	\$ (4,105,412)
Public Safety	6,219,754	529,777	-	-	(5,689,977)	-	(5,689,977)
Public Works	3,736,373	2,660,075	-	-	(1,076,298)	-	(1,076,298)
Tourism	970,355	-	-	-	(970,355)	-	(970,355)
Culture & Recreation	1,465,471	150,000	100,000	934,245	(281,226)	-	(281,226)
Miscellaneous	867,665	366,838	-	-	(500,827)	-	(500,827)
Interest on Long-term Debt	<u>1,084,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,084,069)</u>	<u>-</u>	<u>(1,084,069)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>19,390,462</u>	<u>4,648,053</u>	<u>100,000</u>	<u>934,245</u>	<u>(13,708,164)</u>	<u>-</u>	<u>(13,708,164)</u>
<u>BUSINESS-TYPE ACTIVITIES</u>							
Water & Sewer Service	5,415,386	6,596,530	-	929,188	-	2,110,332	2,110,332
Electric Service	<u>17,925,625</u>	<u>19,666,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,740,776</u>	<u>1,740,776</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>23,341,011</u>	<u>26,262,931</u>	<u>-</u>	<u>929,188</u>	<u>-</u>	<u>3,851,108</u>	<u>3,851,108</u>
TOTAL PRIMARY GOVERNMENT	<u>\$42,731,473</u>	<u>30,910,984</u>	<u>100,000</u>	<u>1,863,433</u>	<u>(13,708,164)</u>	<u>3,851,108</u>	<u>(9,857,056)</u>

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

FUNCTIONS/PROGRAMS <u>PRIMARY GOVERNMENT</u>	NET (EXPENSE) REVENUES AND <u>CHANGES IN NET ASSETS</u>		
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>GENERAL REVENUES</u>			
Property Taxes	\$ 5,851,479	\$ -	\$ 5,851,479
Other Taxes	2,138,569	-	2,138,569
Intergovernmental	7,623,163	-	7,623,163
Unrestricted Interest Earned	903,235	927,131	1,830,366
Transfers	1,061,127	(1,061,127)	-
Sale of Assets	2,814	-	2,814
Insurance Recovery	<u>5,339</u>	<u>-</u>	<u>5,339</u>
TOTAL GENERAL REVENUES	<u>17,585,726</u>	<u>(133,996)</u>	<u>17,451,730</u>
Change in Net Assets	3,877,562	3,717,112	7,594,674
Net Assets - Beginning	<u>37,724,113</u>	<u>35,953,491</u>	<u>73,677,604</u>
Net Assets - Ending	<u>\$41,601,675</u>	<u>\$39,670,603</u>	<u>\$81,272,278</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

FUND FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2008

	MAJOR FUNDS							
	GENERAL	2007 OPC BALLFIELD	USAR GRANT	O.U.T. TRANSIT	\$9M G.O. BOND	2007 G.O. BOND	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS	FUND	PROJECT	FUND	FUND	2007			2008
Cash and Cash Equivalents	\$ 3,964,854	\$ 2,410,769	\$ -	\$ -	\$ 2,803,627	\$ 55,192	\$ 2,413,153	\$ 11,647,595
Due from Other Governments	588,106	-	170,728	87,830	-	-	63,334	909,998
Due from Other Funds	254,990	-	-	34,336	-	-	8,053	297,379
Loan Receivable from State	-	-	-	-	-	-	-	-
Taxes Receivable	19,835,532	-	-	-	-	-	-	19,835,532
TOTAL ASSETS	\$24,643,482	\$ 2,410,769	\$ 170,728	\$ 122,166	\$ 2,803,627	\$ 55,192	\$ 2,484,540	\$ 32,690,504
LIABILITIES AND FUND BALANCES								
Liabilities:								
Bank Overdraft	\$ -	\$ -	\$ 170,728	\$ 120,972	\$ -	\$ -	\$ 40,037	\$ 331,737
Accounts Payable	30,487	-	-	1,194	67,034	-	8,315	107,030
Due to Lienholder	-	-	-	-	-	-	59,133	59,133
Due to Water Dept.	-	-	-	-	-	180,388	-	180,388
Due to Other Funds	42,389	-	-	-	-	-	-	42,389
Deferred Revenue	19,835,532	-	-	-	-	-	-	19,835,532
TOTAL LIABILITIES	19,908,408	-	170,728	122,166	67,034	180,388	107,485	20,556,209
Fund Balances:								
Reserved for:								
Unemployment	-	-	-	-	-	-	52,171	52,171
Cemetery	-	-	-	-	-	-	54,729	54,729
Fire Protection	-	-	-	-	-	-	13,333	13,333
Tourism	-	-	-	-	-	-	1,167,977	1,167,977
Other	-	-	-	-	-	-	633,660	633,660
Debt Service	-	-	-	-	-	(125,196)	273,395	148,199
Capital Projects	-	2,410,769	-	-	2,736,593	-	181,790	5,329,152
Unreserved	4,735,074	-	-	-	-	-	-	4,735,074
TOTAL FUND BALANCES	4,735,074	2,410,769	-	-	2,736,593	(125,196)	2,377,055	12,134,295
TOTAL LIABILITIES & FUND BALANCES	\$24,643,482	\$ 2,410,769	\$ 170,728	\$ 122,166	\$ 2,803,627	\$ 55,192	\$ 2,484,540	\$ 32,690,504
SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.								

CITY OF OXFORD, MISSISSIPPI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
- Continued -

	<u>TOTAL GOVERNMENTAL FUNDS</u>	
	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 11,647,595	\$ 16,110,083
Due from Other Governments	909,998	878,038
Due from Other Funds	297,379	524,078
Loan Receivable from State	-	105,598
Taxes Receivable	<u>19,835,832</u>	<u>-</u>
TOTAL ASSETS	\$ <u>32,690,504</u>	\$ <u>17,617,797</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Bank Overdraft	\$ 331,737	\$ 399,432
Accounts Payable	107,030	170,919
Due to Lienholder	59,133	59,295
Due to Water Dept.	180,388	-
Due to Other Funds	42,389	-
Deferred Revenue	<u>19,835,532</u>	<u>-</u>
TOTAL LIABILITIES	<u>20,556,209</u>	<u>629,646</u>
 Fund Balances:		
Reserved for:		
Unemployment	52,171	52,171
Cemetery	54,729	26,897
Fire Protection	13,333	13,333
Tourism	1,167,977	385,627
Other	633,660	717,611
Debt Service	148,199	1,073,610
Capital Projects	5,329,152	10,843,705
Unreserved	<u>4,735,074</u>	<u>3,875,197</u>
TOTAL FUND BALANCES	<u>12,134,295</u>	<u>16,988,151</u>
 TOTAL LIABILITIES & FUND BALANCES	\$ <u>32,690,504</u>	\$ <u>17,617,797</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, 2008

Total Fund Balance-Governmental Funds	\$ 12,134,295
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Amounts reported for Net Assets in the  
Statement of Net Assets are different because:

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

Capital Assets net of accumulated depreciation as of 10-1-07	43,429,202	
Plus capital outlay expenditures made during year	9,900,052	
Less capital assets deleted during the year Net of depreciation	(5,836)	
Less depreciation expense recorded during year	<u>(1,378,083)</u>	51,945,335

Loan Costs	99,257
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Long-term liabilities are not due and payable  
in the current period and therefore are not  
recorded in the funds, as follows:

Long-term debt as of 10-1-07	22,455,598	
Issuances during year	1,394,276	
Less payments during year	<u>(1,585,193)</u>	
	22,264,681	
Add interest accrued for year	<u>312,531</u>	(22,577,212)

Total Net Assets-Governmental-Wide Statement	\$ <u>41,601,675</u>
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SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.



CITY OF OXFORD, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
September 30, 2008

MAJOR FUNDS								
	GENERAL	2007 OPC BALLFIELD	USAR GRANT	O.U.T. TRANSIT	\$9M G.O. BOND	2007 G.O. BOND	OTHER GOVERNMENTAL FUNDS	TOTAL 2008
<u>REVENUES</u>	<u>FUND</u>	<u>PROJECT</u>	<u>FUND</u>	<u>FUND</u>	<u>2007</u>			
Ad Valorem Taxes	\$ 4,358,254	\$ -	\$ -	\$ -	\$ -	\$ 215,166	\$ 1,278,059	\$ 5,851,479
Other Taxes	536,465	-	-	-	-	-	1,602,104	2,138,569
Licenses and Permits	918,258	-	-	-	-	-	-	918,258
Intergovernmental	7,623,163	-	-	-	-	-	-	7,623,163
Charges for Services	2,611,340	150,000	-	-	-	-	-	2,761,340
Fines and Forfeits	474,305	-	-	-	-	-	55,472	529,777
Miscellaneous	125,190	-	-	-	-	-	105,098	230,288
Reimbursements	94,118	-	-	42,432	-	-	-	136,550
Rental Fees	-	-	-	-	-	-	23,105	23,105
Interest	225,994	283,259	-	-	226,648	4,743	162,591	903,235
Local Contributions	-	-	-	-	-	-	100,000	100,000
Federal and State Awards	-	-	139,847	307,074	-	-	487,324	934,245
Sale of Cemetery Lots	-	-	-	-	-	-	48,735	48,735
REVENUES	<u>16,967,087</u>	<u>433,259</u>	<u>139,847</u>	<u>349,506</u>	<u>226,648</u>	<u>219,909</u>	<u>3,862,488</u>	<u>22,198,744</u>
<u>EXPENDITURES</u>								
Legislative	102,035	-	-	-	-	-	-	102,035
Judicial	189,107	-	-	-	-	-	-	189,107
Executive	79,093	-	-	-	-	-	-	79,093
Financial Administration	253,555	-	-	-	-	-	-	253,555
Human Resources	156,283	-	-	-	-	-	-	156,283
Law	139,834	-	-	-	-	-	-	139,834
Department of Planning	203,966	-	-	-	-	-	-	203,966
Building Code Enforcement	245,344	-	-	-	-	-	-	245,344
Buildings and Grounds	358,023	-	-	-	-	-	-	358,023

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

	MAJOR FUNDS							TOTAL
	GENERAL	2007 OPC BALLFIELD	USAR GRANT	O.U.T. TRANSIT	\$9M G.O. BOND	2007 G.O. BOND	OTHER GOVERNMENTAL FUNDS	
<u>EXPENDITURES - Continued</u>	<u>FUND</u>	<u>PROJECT</u>	<u>FUND</u>	<u>FUND</u>	<u>2007</u>			<u>2008</u>
General Government	\$ 1,857,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,857,701
Community Promotions	40,100	-	-	-	-	-	-	40,100
Police Department	3,457,367	-	-	-	-	-	11,849	3,469,216
Fire Department	2,655,392	-	-	-	-	-	-	2,655,392
Emergency Mgmt.	37,545	-	-	-	-	-	-	37,545
Highways and Streets	1,924,615	-	-	-	-	-	-	1,924,615
Sanitation Administration	76,205	-	-	-	-	-	-	76,205
Tourism Promotion	-	-	-	-	-	-	939,693	939,693
Capital Outlay	-	3,782,401	83,724	343,691	2,287,240	-	2,007,339	8,504,395
Street Cleaning	72,348	-	-	-	-	-	-	72,348
Waste Collection	954,779	-	-	-	-	-	-	954,779
Waste Disposal	692,934	-	-	-	-	-	-	692,934
Weed and Grass Control	124,023	-	-	-	-	-	-	124,023
Cemetery Fund	115,719	-	-	-	-	-	-	115,719
Family Crisis	7,200	-	-	-	-	-	-	7,200
Parks and Recreation	840,335	-	-	-	-	-	-	840,335
Swimming Pool	65,812	-	-	-	-	-	-	65,812
RSVP	113,479	-	-	-	-	-	-	113,479
FNC Park	695	-	-	-	-	-	-	695
Library	261,669	-	-	-	-	-	-	261,669
City Garage	1,245,719	-	-	-	-	-	-	1,245,719
Miscellaneous	-	1,855	56,123	40,151	-	-	632,447	730,576
Airport	15,000	-	-	-	-	-	-	15,000

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

	MAJOR FUNDS							
	GENERAL	2007 OPC BALLFIELD	USAR GRANT	O.U.T. TRANSIT	\$9M G.O. BOND	2007 G.O. BOND	OTHER GOVERNMENTAL FUNDS	TOTAL
<u>EXPENDITURES</u> - Continued	<u>FUND</u>	<u>PROJECT</u>	<u>FUND</u>	<u>FUND</u>	<u>2007</u>	<u>G.O. BOND</u>		<u>2008</u>
Humane Society	\$ 114,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,889
Recycling	241,083	-	-	-	-	-	-	241,083
Debt Service:								
Principal Retirement	10,193	-	-	-	-	285,000	1,290,000	1,585,193
Interest & Fiscal Charges	4,983	-	-	-	1,050	555,413	549,399	1,110,845
TOTAL EXPENDITURES	<u>16,657,025</u>	<u>3,784,256</u>	<u>139,847</u>	<u>383,842</u>	<u>2,288,290</u>	<u>840,413</u>	<u>5,430,727</u>	<u>29,524,400</u>
EXCESS OF REVENUES OVER								
(UNDER) EXPENDITURES	<u>310,062</u>	<u>(3,350,997)</u>	<u>-</u>	<u>(34,336)</u>	<u>(2,061,642)</u>	<u>(620,504)</u>	<u>(1,568,239)</u>	<u>(7,325,656)</u>
<u>OTHER FINANCING SOURCES (USES)</u>								
Bond and Loan Proceeds	-	-	-	-	-	-	1,394,276	1,394,276
Sale of Assets	8,650	-	-	-	-	-	-	8,650
Insurance Recovery	-	-	-	-	-	-	5,339	5,339
Operating Transfers In	957,611	600,000	-	34,336	170,000	495,308	333,189	2,590,444
Operating Transfers Out	<u>416,446</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>562,871</u>	<u>1,529,317</u>
TOTAL OTHER FINANCING								
SOURCES (USES)	<u>549,815</u>	<u>450,000</u>	<u>-</u>	<u>34,336</u>	<u>(230,000)</u>	<u>495,308</u>	<u>1,169,933</u>	<u>2,469,392</u>
NET CHANGES IN FUND BALANCE	859,877	(2,900,997)	-	-	(2,291,642)	(125,196)	(398,306)	(4,856,264)
<u>FUND BALANCE</u>								
Beginning of Year	<u>3,875,197</u>	<u>5,311,766</u>	<u>-</u>	<u>-</u>	<u>5,028,235</u>	<u>-</u>	<u>2,775,361</u>	<u>16,990,559</u>
End of Year	\$ <u>4,735,074</u>	\$ <u>2,410,769</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,736,593</u>	\$ <u>(125,196)</u>	\$ <u>2,377,055</u>	\$ <u>12,134,295</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2008

Net Change in Fund Balances-Governmental Funds	\$ (4,856,264)
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Amounts reported for Governmental Activities  
in the Statement of Activities are different  
because:

Capital outlays are reported as expenditures in Governmental Funds but are not reported as expenses in the Statement of Activities. Instead, costs associated with Capital Assets are capitalized in the Statement of Net Assets.

Depreciation is not an expenditure in Governmental Funds but is an expense of allocating the cost of Capital Assets over their estimated useful lives in the Statement of Activities. (1,378,083)

Amortization of loan costs is not an expenditure in the Governmental funds, but is an expense of allocating the cost over the life of the debt issue.

Issuance of Debt	(1,394,276)
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Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,585,193

The basis of assets sold is not used to determine gain or loss in Governmental Funds. (5,836)

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

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

Accrued Interest on Bonds	<u>32,290</u>
Change in Net Assets-Government-Wide	<u>\$ 3,877,562</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2008

	<u>WATER AND SEWER</u>	<u>ELECTRIC FUND</u>	<u>TOTAL PROPRIETARY FUNDS</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,328,757	\$ 2,080,260	\$ 14,409,017
Debt Service Sinking Funds	1,046,825	604,070	1,650,895
Receivables:			
Consumer	-	2,973,468	2,973,468
Other	83,911	-	83,911
Due from State	2,945	-	2,945
Utility Plant	44,122,161	26,617,248	70,739,409
Accumulated Depreciation	(13,963,691)	(6,086,631)	(20,050,322)
Inventory	15,000	512,923	527,923
Due from Other Funds	827,707	-	827,707
Prepayments	-	49,932	49,932
Deferred Debits	242,992	430,161	673,153
	<u>44,706,607</u>	<u>27,181,431</u>	<u>71,888,038</u>
TOTAL ASSETS			

LIABILITIES AND FUND EQUITY

<u>LIABILITIES</u>			
Vouchers Payable	\$ 6,790	\$ 3,533,993	\$ 3,540,783
Due to Other Funds	-	902,309	902,309
Bonds Payable	13,035,000	4,310,000	17,345,000
Notes Payable	8,133,322	-	8,133,322
Customer Deposits	-	2,056,867	2,056,867
Other	-	202,035	202,035
Deferred Credits	-	37,119	37,119
	<u>21,175,112</u>	<u>11,042,323</u>	<u>32,217,435</u>
TOTAL LIABILITIES			

<u>NET ASSETS</u>			
Investment in Fixed Assets, Net of Related Debt	8,990,148	16,220,617	25,210,765
Reserved for Debt Service	1,046,825	604,070	1,650,895
Fund Equity-Unrestricted	13,494,522	(685,579)	12,808,943
	<u>23,531,495</u>	<u>16,139,108</u>	<u>39,670,603</u>
TOTAL NET ASSETS			

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
Year Ended September 30, 2008

	WATER AND SEWER	ELECTRIC FUND	TOTAL ENTERPRISE FUNDS
<u>REVENUES</u>			
Charges for Services	\$ 6,336,931	\$19,584,526	\$25,921,457
Other	<u>1,994,882</u>	<u>202,911</u>	<u>2,197,793</u>
TOTAL REVENUES	<u>8,331,813</u>	<u>19,787,437</u>	<u>28,119,250</u>
<u>EXPENDITURES</u>			
Purchased Power	-	15,209,665	15,209,665
Admin, General & Sales	706,096	582,194	1,288,290
Computer Technology	125,188	-	125,188
Financial and Customer Account Expense	371,054	491,195	862,249
Transmission & Distribution	831,740	823,474	1,655,214
Treatment & Purification	851,793	-	851,793
Source of Supply	720,022	-	720,022
Water-Waste Collection	397,328	-	397,328
Other:			
Depreciation & Amortization	892,673	538,900	1,431,573
Interest	<u>519,492</u>	<u>280,197</u>	<u>799,689</u>
TOTAL EXPENDITURES	<u>5,415,386</u>	<u>17,925,625</u>	<u>23,341,011</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,916,427</u>	<u>1,861,812</u>	<u>4,778,239</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	400,000	-	400,000
Operating Transfers Out	<u>(900,000)</u>	<u>(561,127)</u>	<u>(1,461,127)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(500,000)</u>	<u>(561,127)</u>	<u>(1,061,127)</u>
NET CHANGE IN NET ASSETS	2,416,427	1,300,685	3,717,112
<u>NET ASSETS</u>			
Beginning of Year	21,115,068	14,838,423	35,953,491
End of Year	\$ <u>23,531,495</u>	\$ <u>16,139,108</u>	\$ <u>39,670,603</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended September 30, 2008

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING ACTIVITIES</u>			
Received from Customers	\$ 6,538,736	\$ 19,777,924	\$ 26,316,660
Purchased of Power	-	(15,052,602)	(15,052,602)
Paid for Operating Expenses	<u>(4,007,315)</u>	<u>(1,472,869)</u>	<u>(5,480,184)</u>
NET CASH PROVIDED	<u>2,531,421</u>	<u>3,252,453</u>	<u>5,783,874</u>
<u>NON-CAPITAL FINANCING</u>			
Transfer in from Other Funds	400,000	-	400,000
Transfer to Other Funds	<u>(900,000)</u>	<u>(561,127)</u>	<u>(1,461,127)</u>
NET CASH USED	<u>(500,000)</u>	<u>(561,127)</u>	<u>(1,061,127)</u>
<u>CAPITAL AND RELATING FINANCING</u>			
Interest Paid on Principal	(519,492)	(272,876)	(792,368)
Principal Paid on Notes	(204,692)	(150,000)	(354,692)
Notes Issued	6,053,858	-	6,053,858
Principal Paid on Bonds	(450,000)	(250,000)	(700,000)
Bonds Issued	3,450,000	-	3,450,000
Purchase of Capital Assets	(10,035,363)	(2,852,893)	(12,888,256)
Payment of Bond Costs	(62,934)	-	(62,934)
(Increase)/Decrease in Debt			
Service Sinking Funds	(499,660)	-	(499,660)
Grant Received	929,188	-	929,188
Conservation Advances from TVA	-	(1,885)	(1,885)
Other Deductions	<u>-</u>	<u>(41,959)</u>	<u>(41,959)</u>
NET CASH PROVIDED (USED)	<u>(1,339,095)</u>	<u>(3,569,613)</u>	<u>(4,908,708)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Earned	<u>806,095</u>	<u>121,036</u>	<u>927,131</u>
NET CASH PROVIDED	<u>806,095</u>	<u>121,036</u>	<u>927,131</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,498,421	(757,251)	741,170
<u>CASH AND CASH EQUIVALENTS</u>			
Beginning of Year	<u>10,830,336</u>	<u>2,837,511</u>	<u>13,667,847</u>
End of Year	\$ <u>12,328,757</u>	\$ <u>2,080,260</u>	\$ <u>14,409,017</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.



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

	<u>WATER AND SEWER</u>	<u>ELECTRIC FUND</u>	<u>TOTAL PROPRIETARY FUNDS</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating Profit	\$ <u>1,700,636</u>	\$ <u>2,062,932</u>	\$ <u>3,763,568</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	910,116	660,865	1,570,981
(Increase) Decrease in Due from Other Funds	(57,791)	-	(57,791)
(Increase) Decrease in Accounts Receivable	275,655	111,523	387,178
(Increase) Decrease in Inventory	-	24,533	24,533
(Increase) Decrease in Prepayments and Other Current Assets	-	26,067	26,067
(Increase) Decrease in Deferred Charges	-	(18,924)	(18,924)
Increase (Decrease) in Accounts Payable	(23,153)	157,063	133,910
Increase (Decrease) in Consumer Deposits	-	177,384	177,384
Increase (Decrease) in Other Accrued Liabilities	(274,042)	43,397	(230,645)
Increase (Decrease) in Deferred Credits	<u>-</u>	<u>7,613</u>	<u>7,613</u>
TOTAL ADJUSTMENTS	<u>830,785</u>	<u>1,189,521</u>	<u>2,020,306</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>2,531,421</u></u>	\$ <u><u>3,252,453</u></u>	\$ <u><u>5,783,874</u></u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2008

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

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

**A. Reporting Entity**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GOVERNMENTAL FUNDS

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

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

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

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

FIDUCIARY FUNDS

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

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

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

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

PROPRIETARY FUNDS

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

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

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

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

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

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



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

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

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

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

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

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

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

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

**D. Basis of Accounting**

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

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

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

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

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

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

**E. Budgets and Budgetary Accounting**

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

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

All annual appropriations lapse at fiscal year end.

**F. Encumbrance System**

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

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

**G. Cash and Investments**

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

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

Cash

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

Investments

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

Investments are stated at cost of which \$548,415 are restricted for debt service reserves.

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

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

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

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

**I. Prepaid Expenses**

Payments made for services that will benefit periods beyond September 30, 2008, are recorded as prepaid expenses in the Enterprise Fund.

**J. Inventory**

Inventories of the Enterprise Fund are valued at average cost.

**K. Compensated Absences**

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

**L. Fund Equity**

Government-Wide Statements

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

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

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

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

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

(b) law through constitutional provisions or enabling legislation.

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

Fund Statements

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

Reserved-Restricted for a particular future use.

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

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

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

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

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

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

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

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

**M. Comparative Data**

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

**N. Concentration of Credit Risk**

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

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

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

Cash and Other Deposits

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

The carrying value of the City's deposits with financial institutions was \$27,707,507, and the bank balance was \$28,409,669.

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, 2008, \$-0- of the municipality's bank balance of \$28,409,669 was exposed to custodial credit risk.

Investments

As of September 30, 2008, the City had the following investments. The City has no investment pool.

<u>Investment Type</u>	<u>Maturity In Years</u>	<u>Fair Value</u>	<u>Maturity Value</u>
Certificates of Deposit	one	\$ 548,415	\$ 548,415



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

**NOTE 3 - GENERAL AND PROPRIETARY FUND CAPITAL ASSETS**

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

	BALANCE 10-1-07	ADDITIONS	DELETIONS	BALANCE 9-30-08
<u>Non-depreciable Assets</u>				
Land	\$ 1,635,601	\$ -	\$ -	\$ 1,635,601
Construction in Progress	<u>1,330,783</u>	<u>7,051,419</u>	<u>-</u>	<u>8,382,202</u>
Total	<u>2,966,384</u>	<u>7,051,419</u>	<u>-</u>	<u>10,017,803</u>
<u>Depreciable Assets</u>				
Improvements Other Than Buildings	1,231,644	187,338	-	1,418,982
Buildings	12,232,477	277,866	-	12,510,343
Equipment and Furniture	6,670,793	1,169,298	58,359	7,781,732
Infrastructure	<u>29,093,304</u>	<u>1,214,131</u>	<u>-</u>	<u>30,307,435</u>
Total	<u>49,228,218</u>	<u>2,848,633</u>	<u>58,359</u>	<u>52,018,492</u>
Total Capital Assets	<u>52,194,602</u>	<u>9,900,052</u>	<u>58,359</u>	<u>62,036,295</u>
<u>Accumulated Depreciation</u>				
Improvements Other Than Buildings	904,450	28,453	-	932,903
Buildings	1,372,393	220,660	-	1,593,053
Equipment and Furniture	2,941,365	751,648	52,523	3,640,490
Infrastructure	<u>3,547,192</u>	<u>377,322</u>	<u>-</u>	<u>3,924,514</u>
Total	<u>8,765,400</u>	<u>1,378,083</u>	<u>52,523</u>	<u>10,090,960</u>
<u>Governmental Activities</u>				
Capital Assets-				
Net	\$ <u>43,429,202</u>	\$ <u>8,521,969</u>	\$ <u>(5,836)</u>	\$ <u>51,945,335</u>

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

Depreciation expense of \$1,378,083 was charged to the governmental activities expense accounts as follows:

General Government	\$ 143,048
Public Safety	259,111
Public Works	723,165
Miscellaneous	14,077
Culture, Recreation and Tourism	<u>238,682</u>
Total	<u>\$ 1,378,083</u>

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

	BALANCE 10-1-07	ADDITIONS	DELETIONS	BALANCE 9-30-08
<u>Non-depreciable Assets</u>				
Land	\$ 1,102,913	\$ -	\$ -	\$ 1,102,913
Construction in Progress	<u>5,531,431</u>	<u>8,429,331</u>	<u>-</u>	<u>13,960,762</u>
Total	<u>6,634,344</u>	<u>8,429,331</u>	<u>-</u>	<u>15,063,675</u>
<u>Depreciable Assets</u>				
Electric Plant	17,808,705	1,261,348	(187,652)	18,882,401
Sewer System & Water System	30,448,644	2,620,569	-	33,069,213
Equipment and Furniture	<u>3,316,235</u>	<u>407,885</u>	<u>-</u>	<u>3,724,120</u>
Total	<u>51,573,584</u>	<u>4,289,802</u>	<u>(187,652)</u>	<u>55,675,734</u>
Total Capital Assets	<u>58,207,928</u>	<u>12,719,133</u>	<u>(187,652)</u>	<u>70,739,409</u>
<u>Accumulated Depreciation</u>				
Electric Plant	4,449,694	537,333	(264,547)	4,722,480
Sewer System & Water System	12,680,871	804,887	-	13,485,758
Equipment and Furniture	<u>1,638,085</u>	<u>203,999</u>	<u>-</u>	<u>1,842,084</u>
Total	<u>18,768,650</u>	<u>1,546,219</u>	<u>(264,547)</u>	<u>20,050,322</u>
<u>Business Activities</u>				
Capital Assets- Net	<u>\$ 39,439,278</u>	<u>\$11,172,914</u>	<u>\$ 76,895</u>	<u>\$ 50,689,087</u>

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

Depreciation expense of \$1,546,219 was charged to business activities.

**NOTE 4 - GENERAL PROPERTY TAXES**

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

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

**NOTE 5 - LONG-TERM DEBT**

BOND INDEBTEDNESS

The following is a summary of bond transactions of the City for the year ended September 30, 2008:

	<u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds Payable at			
October 1, 2007	\$22,165,000	\$14,780,000	\$ 36,945,000
Bonds Issued	-	3,450,000	3,450,000
Bonds Retired	<u>1,390,000</u>	<u>885,000</u>	<u>2,275,000</u>
Bonds Payable at			
September 30, 2008	<u>\$20,775,000</u>	<u>\$17,345,000</u>	<u>\$ 38,120,000</u>

General obligation bonds include General City Bonds.

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

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

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

The combined Water and Sewer revenue bonds were issued in fiscal 1996, 2003, 2004, 2006, 2007, and 2008 for the purpose of installing new systems in certain parts of the City.

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

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

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
2009	\$ 2,300,000	\$ 1,625,136
2010	2,405,000	1,518,203
2011	2,265,000	1,413,427
2012	2,225,000	1,311,148
2013	2,155,000	1,228,094
2014-2018	11,360,000	4,673,084
2019-2023	9,795,000	2,268,149
2024-2028	5,615,000	653,119
TOTALS	<u>\$38,120,000</u>	<u>\$14,690,360</u>

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

NOTES AND GRANTS PAYABLE

A summary of long-term notes payable transactions of the City for the year ended September 30, 2008, is as follows:

	<u>TOTALS</u>
Balance at October 1, 2007	\$ 2,539,754
New Notes Issued	7,448,135
Notes Retired	<u>364,886</u>
Balance at September 30, 2008	\$ <u>9,623,003</u>

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

Certain Urban Renewal Notes, having balances of approximately \$1,718,038 at September 30, 2008, were issued in 1995 for the purpose of renovating a low-rent housing project. The Oxford Housing Authority is managing the property and retires the notes from rental proceeds; consequently, these notes are not reflected as liabilities in the accompanying financial statement nor in the maturities reflected herein.

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

FISCAL YEAR ENDED	MATURITIES	
	PRINCIPAL	INTEREST
2009	\$ 254,319	\$ 55,884
2010	263,832	46,371
2011	273,714	36,489
2012	283,983	26,220
2013	147,645	17,014
2014-2018	237,524	66,006
2019-2023	262,482	41,048
2024-2028	274,863	13,492
TOTALS	\$ <u>1,998,362</u>	\$ <u>302,524</u>

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

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

Other assets of the Electric Fund include \$ 16,257 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, 2008.

**NOTE 8 - COMMITMENTS**

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

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

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

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

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the City of Oxford is required to contribute at an actuarially determined rate. The current rate is 11.3% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Oxford's contributions to PERS for the years ending 2008, 2007, and 2006 were \$1,180,966, \$1,132,061 and \$914,460, respectively, equal to the required contributions for each year.

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

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

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

**NOTE 11 - FLEXIBLE BENEFIT (CAFETERIA) PLAN**

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

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

During fiscal 2008, no costs accrued to the employer under the Plan.

**NOTE 12 - RISK MANAGEMENT**

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

**NOTE 13 - ESTIMATES**

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



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

**NOTE 14 - INTERFUND TRANSACTIONS**

TRANSFERS IN/OUT	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Major Funds:		
General Fund	\$ 957,611	\$ 416,446
\$9M G.O. Bond Series 2007	170,000	400,000
2007 OPC Ballpark Project	600,000	150,000
OUT Transit Fund	34,336	-
2007 G.O. Bond	495,308	-
Water and Sewer Fund	400,000	900,000
Electric Fund	-	561,127
Non-Major Fund	333,189	562,871
TOTALS	<u>\$ 2,990,444</u>	<u>\$ 2,990,444</u>
	<u>DUE FROM</u>	<u>DUE TO</u>
	<u>OTHER FUNDS</u>	<u>OTHER FUNDS</u>
Electric Department	\$ -	\$ 902,309
Water and Sewer Department	827,707	-
General Fund	254,990	42,389
OUT Transit	34,336	-
Homeland Security	8,053	-
2007 G.O. Bond	-	180,388
TOTALS	<u>\$ 1,125,086</u>	<u>\$ 1,125,086</u>

The Electric Department owes the Water and Sewer Department for collected revenue which should be paid within two months and the General Fund for sanitation charges which should also be paid within two months. The General Fund owes OUT Transit and Homeland Security and these amounts should be paid within six months. The 2007 G.O. Bond owes the Water Department for a loan and this amount should be paid within twelve months.

REQUIRED SUPPLEMENTARY INFORMATION

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

Year Ended September 30, 2008

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
REVENUE				
<u>TAXES:</u>				
Ad Valorem Tax	\$ 3,529,981	\$ 3,529,981	\$ 3,660,687	\$ 130,706
Park Comm Tax Levy	433,719	433,719	435,899	2,180
Library Tax Levy	260,231	260,231	261,668	1,437
Over 65 Reimbursement	63,000	63,000	87,392	24,392
In Lieu of Taxes	175,000	175,000	243,043	68,043
Penalties and Interest	100,000	100,000	129,401	29,401
Utility Tax	<u>85,000</u>	<u>85,000</u>	<u>76,629</u>	<u>(8,371)</u>
TOTAL TAXES	<u>4,646,931</u>	<u>4,646,931</u>	<u>4,894,719</u>	<u>247,788</u>
 <u>LICENSES AND PERMITS:</u>				
Privilege License	32,000	32,000	53,508	21,508
Franchise Charges	300,000	507,649	439,984	(67,665)
Building and Zoning	438,000	438,000	303,403	(134,597)
Plumbing	250,000	250,000	116,688	(133,312)
Taxi Permits	200	200	175	(25)
Dog Licenses	<u>2,000</u>	<u>2,000</u>	<u>4,500</u>	<u>2,500</u>
TOTAL LICENSES AND PERMITS	<u>1,022,200</u>	<u>1,229,849</u>	<u>918,258</u>	<u>(311,591)</u>
 <u>INTERGOVERNMENTAL:</u>				
Municipal Aid	20,000	20,000	19,488	(512)
Reimb-Transfer Station	128,500	128,500	128,139	(361)
Police Training	5,000	5,000	32,138	27,138
Sales Tax-Rental Car Settlement	17,500	17,500	-	(17,500)
Sales Tax-Revenue	6,100,000	6,100,000	6,036,322	(63,678)
ABC Licenses	80,000	80,000	120,150	40,150
Fire Protection	55,000	55,000	60,887	5,887
FNC Parking	-	-	7,500	7,500
Hospital	-	-	7,853	7,853
County Ad Valorem Tax	225,000	275,000	282,586	7,586
Univ of Miss Fire Protection	264,000	264,000	480,369	216,369
Oxford Housing Authority	50,000	50,000	50,000	-
School Resource Officer Reimb	<u>150,000</u>	<u>195,456</u>	<u>397,731</u>	<u>202,275</u>
TOTAL INTERGOVERNMENTAL	<u>7,095,000</u>	<u>7,190,456</u>	<u>7,623,163</u>	<u>432,707</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET-
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>GOVERNMENTAL SERVICES:</u>				
Sanitation Charges	\$ 2,160,000	\$ 2,160,000	\$ 2,402,642	\$ 242,642
Waste Disposal	30,000	30,000	13,281	(16,719)
Income from Police Dept Fees	5,000	5,000	5,018	18
Income from Swim Pool	14,000	14,000	12,756	(1,244)
Income from Recycling	65,000	65,000	103,341	38,341
Income from Dumpsters	15,000	15,000	9,302	(5,698)
School Collections	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
TOTAL GOVERNMENTAL SERVICES	<u>2,354,000</u>	<u>2,354,000</u>	<u>2,611,340</u>	<u>257,340</u>
<u>FINES AND FORFEITS:</u>				
Court Fines and Forfeits	525,000	525,000	455,962	(69,038)
State Fuel Tax	-	-	18,343	18,343
State Fines T&A	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
TOTAL FINES AND FORFEITS	<u>535,000</u>	<u>535,000</u>	<u>474,305</u>	<u>(60,695)</u>
<u>MISCELLANEOUS:</u>				
Miscellaneous	100,000	100,000	104,467	4,467
Sale of Vehicles	-	-	8,650	8,650
RSVP	30,000	30,000	20,723	(9,277)
Fuel Reimbursements	45,000	105,000	94,138	(10,862)
Interest Earned	<u>130,000</u>	<u>130,000</u>	<u>225,994</u>	<u>95,994</u>
TOTAL MISCELLANEOUS	<u>305,000</u>	<u>365,000</u>	<u>453,972</u>	<u>88,972</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	20,674	(19,326)
Transfers	70,000	70,000	76,484	6,484
Tax Equivalent-E/D	<u>540,000</u>	<u>540,000</u>	<u>540,433</u>	<u>433</u>
TOTAL INTERFUND TRANSFERS	<u>970,000</u>	<u>970,000</u>	<u>957,591</u>	<u>(12,409)</u>
 TOTAL REVENUE	 <u>16,928,131</u>	 <u>17,291,236</u>	 <u>17,933,348</u>	 <u>642,112</u>

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

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	AMOUNTS	
EXPENDITURES				
Legislative	\$ 109,194	\$ 109,194	\$ 102,035	\$ 7,159
Judicial	190,987	190,987	189,107	1,880
Executive	79,241	79,241	79,093	148
Elections	3,000	3,000	-	3,000
Financial Administration	266,355	265,288	253,555	11,733
Human Resources	160,403	163,402	156,283	7,119
Law	167,127	167,127	139,834	27,293
Dept. of Planning	368,789	368,789	203,966	164,823
Building and Code Enforcement	265,603	265,603	245,344	20,259
Buildings and Grounds	409,174	438,974	358,023	80,951
General Government	1,854,436	1,891,663	1,857,701	33,962
Community Promotions	42,000	42,000	40,100	1,900
Police Department	3,750,174	3,767,954	3,351,769	416,185
Fire Department	3,067,787	3,067,787	2,655,392	412,395
Emergency Mgmt	94,824	94,824	37,545	57,279
Highway and Street	1,848,136	2,113,136	1,924,615	188,521
Sanitation Administration	80,980	80,980	76,205	4,775
Street Cleaning	75,374	75,374	72,348	3,026
Waste Collection	1,003,478	1,003,478	954,779	48,699
Waste Disposal	696,538	782,319	692,934	89,385
Weed and Grass Control	168,980	168,980	124,023	44,957
Cemetery Fund	109,382	113,601	115,719	(2,118)
Family Crisis Services	-	7,200	7,200	-
FNC Park	-	-	695	(695)
Parks and Recreation	1,145,926	1,163,650	840,335	323,315
Swimming Pool	68,216	68,216	65,812	2,404
RSVP	115,873	116,561	113,479	3,082
Library	260,000	260,000	261,669	(1,669)
City Garage	1,149,493	1,349,493	1,245,719	103,774
Airport	15,000	15,000	15,000	-
Humane Society	144,889	144,889	114,889	30,000
Recycling	365,364	365,364	241,083	124,281
Principal Retirement	-	-	115,791	(115,791)
Interest and Fiscal Charges	-	-	4,983	(4,983)
Operating Transfers Out	-	-	416,446	(416,446)
TOTAL EXPENDITURES	<u>18,076,723</u>	<u>18,744,074</u>	<u>17,073,471</u>	<u>1,670,603</u>

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

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES \$	(1,148,592)	\$(1,452,838)	\$ 859,877	\$ 2,312,715
FUND BALANCE - BEGINNING	<u>3,875,197</u>	<u>3,875,197</u>	<u>3,875,197</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>2,726,605</u>	\$ <u>2,422,359</u>	\$ <u>4,735,074</u>	\$ <u>2,312,715</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
2007 OPC BALLFIELD PROJECT  
Year Ended September 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Reimbursements	\$ -	\$ -	\$ 150,000	\$ 150,000
Interest	-	-	283,259	283,259
Operating Transfers In	-	-	600,000	600,000
	<u>-</u>	<u>-</u>	<u>1,033,259</u>	<u>1,033,259</u>
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>1,033,259</u>	<u>1,033,259</u>
EXPENDITURES				
Capital Outlay	-	-	3,782,401	(3,782,401)
Miscellaneous	-	-	1,855	(1,855)
Operating Transfers Out	-	-	150,000	(150,000)
	<u>-</u>	<u>-</u>	<u>3,934,256</u>	<u>(3,934,256)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,934,256</u>	<u>(3,934,256)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	(2,900,997)	(2,900,997)
FUND BALANCE - BEGINNING	-	-	5,311,766	5,311,766
FUND BALANCE - ENDING	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,410,769</u>	\$ <u>2,410,769</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
USAR GRANT FUND  
Year Ended September 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
REVENUE				
Federal and State Awards	\$ -	\$ -	\$ 139,847	\$ 139,847
TOTAL REVENUE	-	-	139,847	139,847
EXPENDITURES				
Miscellaneous	-	-	56,123	(56,123)
Capital Outlay	-	-	83,724	(83,724)
TOTAL EXPENDITURES	-	-	139,847	(139,847)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT



CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
O.U.T. TRANSIT FUND  
Year Ended September 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Reimbursements	\$ -	\$ -	\$ 42,432	\$ 42,432
Federal and State Awards	-	-	307,074	307,074
Operating Transfers In	-	-	34,336	34,336
	<u>-</u>	<u>-</u>	<u>383,842</u>	<u>383,842</u>
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>383,842</u>	<u>383,842</u>
EXPENDITURES				
Miscellaneous	-	-	40,151	40,151
Capital Outlay	-	-	343,691	343,691
	<u>-</u>	<u>-</u>	<u>383,842</u>	<u>383,842</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>383,842</u>	<u>383,842</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
 SCHEUDLE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 BUSINESS INCUBATOR  
 Year Ended September 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUE				
Ad Valorem Taxes	-	-	215,166	215,166
Interest Income	-	-	4,743	4,743
Operating Transfers In	\$ -	\$ -	\$ 495,308	\$ 495,308
 TOTAL REVENUE	 -	 -	 715,217	 715,217
EXPENDITURES				
Principal Retirement	-	-	285,000	285,000
Interest and Fiscal Charges	-	-	555,413	555,413
 TOTAL EXPENDITURES	 -	 -	 840,413	 840,413
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	-	-	(125,196)	(125,196)
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ (125,196)	\$ (125,196)

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
\$9,000,000 G.O. BOND  
Year Ended September 30, 2008

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET- FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	
REVENUE				
Interest Income	-	-	226,648	226,648
Operating Transfers In	\$ -	\$ -	\$ 170,000	\$ 170,000
TOTAL REVENUE	-	-	396,648	396,648
EXPENDITURES				
Capital Outlay	-	-	2,287,240	2,287,240
Operating Transfers Out	-	-	400,000	400,000
Interest and Fiscal Charges	-	-	1,050	1,050
TOTAL EXPENDITURES	-	-	2,688,290	2,688,290
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(2,291,642)	(2,291,642)
FUND BALANCE - BEGINNING	-	-	5,028,235	5,028,235
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,736,593	\$ 2,736,593

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
Year ended September 30, 2008

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, 2008

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 181,790	\$ 132,597	\$ 1,825,371	\$ 273,395	\$ 2,413,153
Due from Other Governments	28,468	-	34,866	-	63,334
Due from Other Funds	-	-	8,053	-	8,053
TOTAL ASSETS	\$ <u>210,258</u>	\$ <u>132,597</u>	\$ <u>1,868,290</u>	\$ <u>273,395</u>	\$ <u>2,484,540</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Bank Overdraft	\$ 28,468	\$ -	\$ 11,569	\$ -	\$ 40,037
Accounts Payable	-	-	8,315	-	8,315
Due to Lienholder	-	59,133	-	-	59,133
TOTAL LIABILITIES	<u>28,468</u>	<u>59,133</u>	<u>19,884</u>	<u>-</u>	<u>107,485</u>
Fund Balances:					
Reserved For:					
Unemployment	-	-	52,171	-	52,171
Cemetery	-	54,729	-	-	54,729
Fire Protection	-	13,333	-	-	13,333
Tourism	-	-	1,167,977	-	1,167,977
Other	-	5,402	628,258	-	633,660
Debt Service	-	-	-	273,395	273,395
Capital Projects	181,790	-	-	-	181,790
TOTAL FUND BALANCES	<u>181,790</u>	<u>73,464</u>	<u>1,848,406</u>	<u>273,395</u>	<u>2,377,055</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>210,258</u>	\$ <u>132,597</u>	\$ <u>1,868,290</u>	\$ <u>273,395</u>	\$ <u>2,484,540</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)  
 Year Ended September 30, 2008

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>REVENUES</u>					
Ad Valorem	\$ -	\$ -	\$ -	\$ 1,278,059	\$ 1,278,059
Other Taxes	-	-	1,602,104	-	1,602,104
Interest Income	-	-	146,581	16,010	162,591
Federal & State Awards	205,549	-	281,775	-	487,324
Sale of Cemetery Lots	-	48,735	-	-	48,735
Local Matching Funds	-	-	100,000	-	100,000
Fines and Seizures	-	20	55,452	-	55,472
Rental Fees	-	-	23,105	-	23,105
Miscellaneous	-	-	105,098	-	105,098
 TOTAL REVENUES	 <u>205,549</u>	 <u>48,755</u>	 <u>2,314,115</u>	 <u>1,294,069</u>	 <u>3,862,488</u>
<u>EXPENDITURES</u>					
Capital Projects	1,935,998	-	71,341	-	2,007,339
Drug and Traffic Enforcement	-	-	11,849	-	11,849
Miscellaneous	117,851	903	513,693	-	632,447
Bond Maturities	-	-	215,000	1,075,000	1,290,000
Interest Paid and Agent Fees	-	-	187,110	362,289	549,399
Tourism Promotion	-	-	933,015	6,678	939,693
 TOTAL EXPENDITURES	 <u>2,053,849</u>	 <u>903</u>	 <u>1,932,008</u>	 <u>1,443,967</u>	 <u>5,430,727</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	  (1,848,300)	  <u>47,852</u>	  <u>382,107</u>	  <u>(149,898)</u>	  <u>(1,568,239)</u>

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

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
<u>OTHER FINANCING SOURCES (USES)</u>					
Insurance Recovery	\$ -	\$ -	\$ 5,339	\$ -	\$ 5,339
Operating Transfers In	132,110	-	201,079	-	333,189
Operating Transfers Out	-	(20,000)	(334,792)	(208,079)	(562,871)
Loan Proceeds	<u>1,394,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,394,276</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>1,526,386</u>	 <u>(20,000)</u>	 <u>(128,374)</u>	 <u>(208,079)</u>	 <u>1,169,933</u>
 NET CHANGE IN FUND BALANCE	 <u>(321,914)</u>	 <u>27,852</u>	 <u>253,733</u>	 <u>(357,977)</u>	 <u>(398,306)</u>
<u>FUND BALANCE</u>					
Beginning of Year	503,704	45,612	1,508,434	717,611	2,775,361
Prior Year Adjustment	<u>-</u>	<u>-</u>	<u>86,239</u>	<u>(86,239)</u>	<u>-</u>
 Beginning of Year-Restated	 <u>503,704</u>	 <u>45,612</u>	 <u>1,594,673</u>	 <u>631,372</u>	 <u>2,775,361</u>
 End of Year	 \$ <u>181,790</u>	 \$ <u>73,464</u>	 \$ <u>1,848,406</u>	 \$ <u>273,395</u>	 \$ <u>2,377,055</u>



CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
September 30, 2008

	JACKSON AVENUE PROJECT	PATHWAY GRANT	UNIVERSITY- GIS PROJECT	\$1,500,000 G.O. BONDS	FIRE STATION	BUSINESS INCUBATOR PHASE II/III	TOTALS
<u>ASSETS</u>							
Cash and Cash							
Equivalents	\$ 110,801	\$ 39,129	\$ -	\$ 31,860	\$ -	\$ -	\$ 181,790
Due from Other							
Government	-	-	-	-	-	28,468	28,468
 TOTAL ASSETS	 \$ <u>110,801</u>	 \$ <u>39,129</u>	 \$ <u>-</u>	 \$ <u>31,860</u>	 \$ <u>-</u>	 \$ <u>28,468</u>	 \$ <u>210,258</u>
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,468	\$ 28,468
 TOTAL							
LIABILITIES	-	-	-	-	-	28,468	28,468
 Fund Balances:							
Reserved for							
Capital Projects	110,801	39,129	-	31,860	-	-	181,790
 TOTAL LIABILITIES							
AND FUND							
BALANCES	\$ <u>110,801</u>	\$ <u>39,129</u>	\$ <u>-</u>	\$ <u>31,860</u>	\$ <u>-</u>	\$ <u>28,468</u>	\$ <u>210,258</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 Year Ended September 30, 2008

	JACKSON AVENUE PROJECT	PATHWAY GRANT	UNIVERSITY- GIS PROJECT	\$1,500,000 G.O. BONDS	FIRE STATION	BUSINESS INCUBATOR PHASE II/III	TOTALS
<u>REVENUES</u>							
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal & State Awards	-	89,304	116,245	-	-	-	205,549
TOTAL REVENUES	-	89,304	116,245	-	-	-	205,549
<u>EXPENDITURES</u>							
Capital Projects	-	411,218	-	-	1,524,780	-	1,935,998
Miscellaneous	-	-	116,245	-	1,606	-	117,851
TOTAL EXPENDITURES	-	411,218	116,245	-	1,526,386	-	2,053,849
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(321,914)	-	-	(1,526,386)	-	(1,848,300)
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers In	-	-	-	-	132,110	-	132,110
Transfers Out	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	1,394,276	-	1,394,276
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	1,526,386	-	1,526,386
NET CHANGE IN FUND BALANCES	-	(321,914)	-	-	-	-	(321,914)
<u>FUND BALANCE</u>							
Beginning of Year	110,801	361,043	-	31,860	-	-	503,704
End of Year	\$ 110,801	\$ 39,129	\$ -	\$ 31,860	\$ -	\$ -	\$ 181,790

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
FIDUCIARY FUNDS  
September 30, 2008

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ <u>54,729</u>	\$ <u>77,868</u>	\$ <u>132,597</u>
TOTAL ASSETS	\$ <u>54,729</u>	\$ <u>77,868</u>	\$ <u>132,597</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Due to Lienholders	\$ <u>-</u>	\$ <u>59,133</u>	\$ <u>59,133</u>
TOTAL LIABILITIES	<u>-</u>	<u>59,133</u>	<u>59,133</u>
Fund Balance:			
Cemetery Maintenance	54,729	-	54,729
Fire Protection	-	13,333	13,333
Youth Court	<u>-</u>	<u>5,402</u>	<u>5,402</u>
TOTAL FUND BALANCE	<u>54,729</u>	<u>18,735</u>	<u>73,464</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>54,729</u>	\$ <u>77,868</u>	\$ <u>132,597</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FIDUCIARY FUNDS  
 Year Ended September 30, 2008

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTAL
<u>REVENUES</u>			
Fines	\$ -	\$ 20	\$ 20
Sale of Cemetery Lots	<u>48,735</u>	<u>-</u>	<u>48,735</u>
TOTAL REVENUES	\$ <u>48,735</u>	\$ <u>20</u>	\$ <u>48,755</u>
<u>EXPENDITURES</u>			
Miscellaneous Expenses	<u>903</u>	<u>-</u>	<u>903</u>
TOTAL EXPENDITURES	<u>903</u>	<u>-</u>	<u>903</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>47,832</u>	<u>20</u>	<u>47,852</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	27,832	20	27,852
FUND BALANCE			
Beginning of Year	<u>26,897</u>	<u>18,715</u>	<u>45,612</u>
End of Year	\$ <u>54,729</u>	\$ <u>18,735</u>	\$ <u>73,464</u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
EXPENDABLE TRUST FUND  
September 30, 2008

	CEMETERY TRUST FUND
<u>ASSETS</u>	
Cash	\$ <u>54,729</u>
 TOTAL ASSETS	 \$ <u>54,729</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Fund Balance:	
Reserved for Cemetery Maintenance	\$ <u>54,729</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u>54,729</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 EXPENDABLE TRUST FUND  
 Year Ended September 30, 2008

	CEMETERY TRUST FUND
<u>REVENUES</u>	
Sales of Cemetery Lots	\$ <u>48,735</u>
TOTAL REVENUES	<u>48,735</u>
 <u>EXPENDITURES</u>	 <u>903</u>
TOTAL EXPENDITURES	<u>903</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>47,832</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	27,832
 <u>FUND BALANCE</u>	
Beginning of Year	<u>26,897</u>
End of Year	\$ <u><u>54,729</u></u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
September 30, 2008

	YOUTH COURT	FIRE PROTECTION	DELINQUENT TAX COLLECTION CLEARING	TOTAL
<u>ASSETS</u>				
Cash	\$ 5,402	\$ 13,333	\$ 59,133	\$ 77,868
TOTAL ASSETS	\$ 5,402	\$ 13,333	\$ 59,133	\$ 77,868
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Bank Overdraft	\$ -	\$ -	\$ -	\$ -
Due to Lienholders	-	-	59,133	59,133
TOTAL LIABILITIES	-	-	59,133	59,133
Fund Balance:				
Reserved for:				
Fire Protection	-	13,333	-	13,333
Others	5,402	-	-	5,402
TOTAL FUND BALANCE	5,402	13,333	-	18,735
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,402	\$ 13,333	\$ 59,133	\$ 77,868

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 AGENCY FUNDS  
 September 30, 2008

	YOUTH COURT	FIRE PROTECTION	DELINQUENT TAX COLLECTION CLEARING	TOTAL
<u>REVENUES</u>				
Fines	\$ 20	\$ -	\$ -	\$ 20
TOTAL REVENUES	20	-	-	20
<u>EXPENDITURES</u>	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	20	-	-	20
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	20	-	-	20
<u>FUND BALANCE</u>				
Beginning of Year	5,382	13,333	-	18,715
End of Year	\$ 5,402	\$ 13,333	\$ -	\$ 18,735



CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
September 30, 2008

	2% TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	OXFORD LAFAYETTE FIELDS SPONSORSHIP	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 1,174,668	\$ 32,175	\$ 99,770	\$ 70,475	\$ 52,171	\$ 396,112	\$ 1,825,371
Due from Other Governments	-	15,506	-	-	-	19,360	34,866
Due from Other Funds	-	-	-	-	-	8,053	8,053
 TOTAL ASSETS	 \$ <u>1,174,668</u>	 \$ <u>47,681</u>	 \$ <u>99,770</u>	 \$ <u>70,475</u>	 \$ <u>52,171</u>	 \$ <u>423,525</u>	 \$ <u>1,868,290</u>
 <u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,569	\$ 11,569
Accounts Payable	<u>6,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,624</u>	<u>8,315</u>
TOTAL LIABILITIES	<u>6,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,193</u>	<u>19,884</u>
 Fund Balance:							
Reserved for:							
Tourism	1,167,977	-	-	-	-	-	1,167,977
Unemployment	-	-	-	-	52,171	-	52,171
Other	<u>-</u>	<u>47,681</u>	<u>99,770</u>	<u>70,475</u>	<u>-</u>	<u>410,332</u>	<u>628,258</u>
TOTAL FUND BALANCES	<u>1,167,977</u>	<u>47,681</u>	<u>99,770</u>	<u>70,475</u>	<u>52,171</u>	<u>410,332</u>	<u>1,848,406</u>
 TOTAL LIABILITIES AND FUND BALANCES	 \$ <u>1,174,668</u>	 \$ <u>47,681</u>	 \$ <u>99,770</u>	 \$ <u>70,475</u>	 \$ <u>52,171</u>	 \$ <u>423,525</u>	 \$ <u>1,868,290</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 Year Ended September 30, 2008

	2% TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	OXFORD LAFAYETTE FIELDS SPONSORSHIP	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
<u>REVENUES</u>							
Tourism Tax	\$ 1,602,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,602,104
Federal & State Awards	-	69,890	-	-	-	211,885	281,775
Local Matching Funds	-	-	-	-	-	100,000	100,000
Interest on Investments	2,453	-	-	-	-	144,128	146,581
Fines and Seizures	-	-	-	-	-	55,452	55,452
Rental Fees	-	-	-	-	-	23,105	23,105
Miscellaneous	7,768	-	-	70,475	-	26,855	105,098
TOTAL REVENUES	<u>1,612,325</u>	<u>69,890</u>	<u>-</u>	<u>70,475</u>	<u>-</u>	<u>561,425</u>	<u>2,314,115</u>
<u>EXPENDITURES</u>							
Capital Outlay	22,065	10,360	19,880	-	-	19,036	71,341
Tourism Promotion	933,015	-	-	-	-	-	933,015
Drug and Traffic Enforcement	-	11,849	-	-	-	-	11,849
Bond Maturities	215,000	-	-	-	-	-	215,000
Interest Paid and Agent Fees	187,110	-	-	-	-	-	187,110
Miscellaneous	39,778	-	350	-	-	473,565	513,693
TOTAL EXPENDITURES	<u>1,396,968</u>	<u>22,209</u>	<u>20,230</u>	<u>-</u>	<u>-</u>	<u>492,601</u>	<u>1,932,008</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>215,357</u>	<u>47,681</u>	<u>(20,230)</u>	<u>70,475</u>	<u>-</u>	<u>68,824</u>	<u>382,107</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Insurance Recovery	-	-	-	-	-	5,339	5,339
Operating Transfers In	31,079	-	120,000	-	-	50,000	201,079
Operating Transfers Out	(238,308)	-	-	-	-	(96,484)	(334,792)
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>(207,229)</u>	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>(41,145)</u>	<u>(128,374)</u>
NET CHANGE IN FUND BALANCE	<u>8,128</u>	<u>47,681</u>	<u>99,770</u>	<u>70,475</u>	<u>-</u>	<u>27,679</u>	<u>253,733</u>

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

	2% TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	OXFORD LAFAYETTE FIELDS SPONSORSHIP	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
<u>FUND BALANCE</u>							
Beginning of Year	\$ 1,073,610	\$ -	\$ -	\$ -	\$ 52,171	\$ 382,653	\$ 1,508,434
Prior Year Adjustment	<u>86,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,239</u>
Beginning of Year-Restated	<u>1,159,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,171</u>	<u>382,653</u>	<u>1,594,673</u>
End of Year	\$ <u>1,167,977</u>	\$ <u>47,681</u>	\$ <u>99,770</u>	\$ <u>70,475</u>	\$ <u>52,171</u>	\$ <u>410,332</u>	\$ <u>1,848,406</u>

CITY OF OXFORD, MISSISSIPPI  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
September 30, 2008

	2005	2004	2002	2001	1995	1993	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	STADIUM	
<u>ASSETS</u>						<u>BONDS</u>	<u>TOTAL</u>
Cash	\$ <u>23,235</u>	\$ <u>76,587</u>	\$ <u>63,912</u>	\$ <u>65,971</u>	\$ <u>43,690</u>	\$ -	\$ <u>273,395</u>
TOTAL ASSETS	\$ <u>23,235</u>	\$ <u>76,587</u>	\$ <u>63,912</u>	\$ <u>65,971</u>	\$ <u>43,690</u>	\$ -	\$ <u>273,395</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liability-Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance-Restricted	<u>23,235</u>	<u>76,587</u>	<u>63,912</u>	<u>65,971</u>	<u>43,690</u>	-	<u>273,395</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>23,235</u>	\$ <u>76,587</u>	\$ <u>63,912</u>	\$ <u>65,971</u>	\$ <u>43,690</u>	\$ -	\$ <u>273,395</u>

CITY OF OXFORD, MISSISSIPPI  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 DEBT SERVICE FUNDS  
 Year Ended September 30, 2008

	2005	2004	2002	2001	1995	1993 STADIUM	
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>BONDS</u>	<u>TOTAL</u>
<u>REVENUES</u>							
Ad Valorem and Other Taxes	\$ 196,227	\$ 283,526	\$ 157,045	\$ 379,522	\$ 261,739	\$ -	\$ 1,278,059
Investment Income	<u>1,646</u>	<u>3,540</u>	<u>2,837</u>	<u>3,968</u>	<u>4,019</u>	<u>-</u>	<u>16,010</u>
TOTAL REVENUES	<u>197,873</u>	<u>287,066</u>	<u>159,882</u>	<u>383,490</u>	<u>265,758</u>	<u>-</u>	<u>1,294,069</u>
<u>EXPENDITURES</u>							
Bond Principal Maturities	135,000	205,000	130,000	200,000	220,000	185,000	1,075,000
Interest Paid	42,627	73,182	25,913	176,612	37,730	6,225	362,289
Agent Fees	<u>900</u>	<u>2,625</u>	<u>497</u>	<u>1,940</u>	<u>716</u>	<u>-</u>	<u>6,678</u>
TOTAL EXPENDITURES	<u>178,527</u>	<u>280,807</u>	<u>156,410</u>	<u>378,552</u>	<u>258,446</u>	<u>191,225</u>	<u>1,443,967</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,346</u>	<u>6,259</u>	<u>3,472</u>	<u>4,938</u>	<u>7,312</u>	<u>(191,225)</u>	<u>(149,898)</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>(97,000)</u>	<u>(31,079)</u>	<u>(208,079)</u>
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>(97,000)</u>	<u>(31,079)</u>	<u>(208,079)</u>
NET CHANGE IN FUND BALANCE	<u>19,346</u>	<u>6,259</u>	<u>3,472</u>	<u>(75,062)</u>	<u>(89,688)</u>	<u>(222,304)</u>	<u>(357,977)</u>
<u>FUND BALANCE</u>							
Beginning of Year	3,889	70,328	60,440	141,033	133,378	308,543	717,611
Prior Year Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,239)</u>	<u>(86,239)</u>
Beginning of Year-Restated	<u>3,889</u>	<u>70,328</u>	<u>60,440</u>	<u>141,033</u>	<u>133,378</u>	<u>222,304</u>	<u>631,372</u>
End of Year	\$ <u>23,235</u>	\$ <u>76,587</u>	\$ <u>63,912</u>	\$ <u>65,971</u>	\$ <u>43,690</u>	\$ <u>-</u>	\$ <u>273,395</u>

CITY OF OXFORD, MISSISSIPPI  
COMPARATIVE STATEMENTS OF NET ASSETS  
PROPRIETARY FUND-WATER AND SEWER  
September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$12,328,757	\$ 10,830,336
Debt Service Sinking Funds	1,046,825	547,165
Other Receivables	83,911	83,911
Due from State	2,945	278,600
Utility Plant	44,122,161	34,086,798
Accumulated Depreciation	(13,963,691)	(13,071,018)
Inventory	15,000	15,000
Due from Other Funds	827,707	769,916
Deferred Debits	<u>242,992</u>	<u>197,501</u>
 TOTAL ASSETS	 <u>44,706,607</u>	 <u>33,738,209</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Vouchers Payable	6,790	29,943
Bonds Payable	13,035,000	10,035,000
Notes Payable	8,133,322	2,284,156
Due to Other Funds	<u>-</u>	<u>274,042</u>
 TOTAL LIABILITIES	 <u>21,175,112</u>	 <u>12,623,141</u>
 <u>NET ASSETS</u>		
Investment in Fixed Assets, Net of Related Debt	8,990,148	8,696,624
Reserved for Debt Service	1,046,825	547,165
Fund Balance-Unrestricted	<u>13,494,522</u>	<u>11,871,279</u>
 TOTAL NET ASSETS	 <u>\$23,531,495</u>	 <u>\$21,115,068</u>

CITY OF OXFORD, MISSISSIPPI  
COMPARATIVE STATEMENTS OF NET ASSETS  
PROPRIETARY FUND-ELECTRIC  
September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,080,260	\$ 2,837,511
Debt Service Sinking Funds	604,070	604,070
Consumer Receivables	2,973,468	3,084,991
Utility Plant	26,617,248	24,121,131
Accumulated Depreciation	(6,086,631)	(5,697,633)
Inventory	512,923	537,456
Prepayments	49,932	75,999
Deferred Debits	<u>430,161</u>	<u>420,443</u>
 TOTAL ASSETS	 <u>27,181,431</u>	 <u>25,983,968</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Vouchers Payable	3,533,993	3,292,715
Due to Other Funds	902,309	1,019,952
Bonds Payable	4,310,000	4,560,000
Notes Payable	-	150,000
Customer Deposits	2,056,867	1,879,482
Other	202,035	213,889
Deferred Credits	<u>37,119</u>	<u>29,507</u>
 TOTAL LIABILITIES	 <u>11,042,323</u>	 <u>11,145,545</u>
 <u>NET ASSETS</u>		
Investment in Fixed Assets, Net of Related Debt	16,220,617	13,713,498
Reserved for Debt Service	604,070	604,070
Fund Balance-Unrestricted	<u>(685,579)</u>	<u>520,855</u>
 TOTAL NET ASSETS	 <u>\$16,139,108</u>	 <u>\$14,838,423</u>

CITY OF OXFORD, MISSISSIPPI  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUND-WATER AND SEWER  
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>		
Charges for Services	\$ 6,336,931	\$ 6,683,920
Other	259,599	197,294
TOTAL REVENUES	<u>6,596,530</u>	<u>6,881,214</u>
<u>EXPENDITURES</u>		
Administration, General and Sales	706,096	821,592
Computer Technology	125,188	-
Financial and Customer Account	371,054	449,497
Transmission and Distribution	831,740	731,329
Treatment and Purification	851,793	715,669
Source of Supply	720,022	730,634
Water-Waste Collection	397,328	405,546
Depreciation and Amortization	892,673	883,482
TOTAL EXPENDITURES	<u>4,895,894</u>	<u>4,737,749</u>
OPERATING INCOME	<u>1,700,636</u>	<u>2,143,465</u>
<u>OTHER INCOME</u>		
Interest	806,095	663,860
Sale of Assets	-	2,576
Grant	929,188	-
TOTAL OTHER INCOME	<u>1,735,283</u>	<u>666,436</u>
NET INCOME BEFORE DEBT SERVICE	<u>3,435,919</u>	<u>2,809,901</u>
<u>DEBT SERVICE</u>	<u>519,492</u>	<u>387,804</u>
NET INCOME BEFORE OTHER FINANCING SOURCES (USES)	<u>2,916,427</u>	<u>2,422,097</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers Out	400,000	-
Operating Transfers Out	<u>(900,000)</u>	<u>(9,647)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(500,000)</u>	<u>(9,647)</u>
NET CHANGE IN NET ASSETS	2,416,427	2,412,450
<u>NET ASSETS</u>		
Beginning of Year	21,115,068	18,702,618
End of Year	\$ <u>23,531,495</u>	\$ <u>21,115,068</u>



CITY OF OXFORD, MISSISSIPPI  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUND-ELECTRIC  
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>		
Electric Sales	\$ 19,292,795	\$ 18,286,134
Revenue from Late Payments	113,479	82,367
Miscellaneous Service Revenue	178,252	186,694
Rent from Electric Property	81,815	80,917
Other	<u>60</u>	<u>60</u>
TOTAL OPERATING REVENUE	<u>19,666,401</u>	<u>18,636,172</u>
<u>PURCHASED POWER</u>	<u>15,209,665</u>	<u>14,485,213</u>
<u>OPERATING EXPENSE</u>		
Distribution Expense	291,552	281,716
Customer Accounts Expense	418,988	278,044
Customer Service and Information	72,207	30,831
Sales Expense	66,423	21,604
Administration and General Expense	<u>515,771</u>	<u>466,112</u>
TOTAL OPERATING EXPENSE	<u>1,364,941</u>	<u>1,078,307</u>
<u>MAINTENANCE EXPENSE</u>		
Distribution Expense	423,984	324,947
Administration and General Expense	<u>-</u>	<u>5,374</u>
TOTAL MAINTENANCE EXPENSE	<u>423,984</u>	<u>330,321</u>
<u>OTHER OPERATING EXPENSE</u>		
Depreciation	538,900	442,612
Taxes and Tax Equivalents	<u>65,979</u>	<u>38,532</u>
TOTAL OTHER OPERATING EXPENSE	<u>604,879</u>	<u>481,144</u>
TOTAL PURCHASED POWER AND OPERATING EXPENSE	<u>17,603,469</u>	<u>16,374,985</u>
OPERATING INCOME	2,062,932	2,261,187
<u>OTHER INCOME</u>	<u>121,036</u>	<u>115,214</u>
NET INCOME BEFORE OTHER DEDUCTIONS	\$ <u>2,183,968</u>	\$ <u>2,376,401</u>

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

	<u>2008</u>	<u>2007</u>
<u>OTHER DEDUCTIONS</u>	\$ <u>41,959</u>	\$ <u>33,547</u>
NET INCOME BEFORE DEBT EXPENSE	<u>2,142,009</u>	<u>2,342,854</u>
<u>DEBT EXPENSE</u>		
Interest on Long-Term Debt	228,109	252,286
Other Interest Expense	44,767	39,975
Amortization	<u>7,321</u>	<u>7,321</u>
TOTAL DEBT EXPENSE	<u>280,197</u>	<u>299,582</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers Out	<u>(561,127)</u>	<u>(557,386)</u>
NET INCOME	1,300,685	1,485,886
Reinvested Earnings-Beginning of Year	<u>14,838,423</u>	<u>13,352,537</u>
Reinvested Earnings-End of Year	\$ <u>16,139,108</u>	\$ <u>14,838,423</u>

CITY OF OXFORD, MISSISSIPPI  
COMPARATIVE STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND-WATER AND SEWER  
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 6,538,736	\$ 6,879,783
Paid for Operating Expenses	<u>4,007,315</u>	<u>3,874,004</u>
NET CASH PROVIDED	<u>2,531,421</u>	<u>3,005,779</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	(900,000)	(9,647)
Transfer in from Other Funds	<u>400,000</u>	<u>-</u>
NET CASH (USED)	<u>(500,000)</u>	<u>(9,647)</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(519,492)	(387,804)
Principal Paid on Notes	(204,692)	(196,680)
Notes Issued	6,053,858	1,070,909
Principal Paid on Bonds	(450,000)	(345,000)
Bonds Issued	3,450,000	2,800,000
Purchase of Capital Assets	(10,035,363)	(4,493,979)
Payment of Bond Costs	(62,934)	(54,661)
Increase in Debt Service Sinking Funds	(499,660)	(1,431)
Sale of Assets	-	2,576
Grant Received	<u>929,188</u>	<u>-</u>
NET CASH (USED)	<u>(1,339,095)</u>	<u>(1,606,070)</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>806,095</u>	<u>663,860</u>
NET CASH PROVIDED	<u>806,095</u>	<u>663,860</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,498,421	2,053,922
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>10,830,336</u>	<u>8,776,414</u>
End of Year	\$ <u>12,328,757</u>	\$ <u>10,830,336</u>

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

	<u>2008</u>	<u>2007</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Profit	\$ <u>1,700,636</u>	\$ <u>2,143,465</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	910,116	883,482
(Increase) Decrease in Due from State	275,655	(278,600)
(Increase) Decrease in Due from Other Funds	(57,791)	(46,553)
Increase (Decrease) in Vouchers Payable	(23,153)	29,943
Increase (Decrease) in Due to Other Funds	<u>(274,042)</u>	<u>274,042</u>
TOTAL ADJUSTMENTS	<u>830,785</u>	<u>862,314</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>2,531,421</u></u>	\$ <u><u>3,005,779</u></u>

CITY OF OXFORD, MISSISSIPPI  
COMPARATIVE STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND-ELECTRIC  
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>OPERATING ACTIVITIES</u>		
Received from Customers	\$ 19,777,924	\$ 18,193,605
Purchase of Power	(15,052,602)	(14,500,305)
Paid for Operating Expenses	<u>(1,472,869)</u>	<u>(887,604)</u>
NET CASH PROVIDED	<u>3,252,453</u>	<u>2,805,696</u>
<u>NON-CAPITAL FINANCING</u>		
Transfer to Other Funds	<u>(561,127)</u>	<u>(557,386)</u>
NET CASH (USED)	<u>(561,127)</u>	<u>(557,386)</u>
<u>CAPITAL AND RELATING FINANCING</u>		
Interest Paid on Principal Debt	(272,876)	(292,261)
Principal Paid on Notes	(150,000)	(200,000)
Principal Paid on Bonds	(250,000)	(240,000)
Purchase of Capital Assets	(2,852,893)	(1,328,591)
(Increase) Decrease in Restricted Bond Funds	-	(7,828)
Conservation Advances from TVA	(1,885)	(3,306)
Conservation Loans Receivable	-	-
Other Deductions	<u>(41,959)</u>	<u>(33,547)</u>
NET CASH (USED)	<u>(3,569,613)</u>	<u>(2,105,533)</u>
<u>INVESTING ACTIVITIES</u>		
Interest Earned	<u>121,036</u>	<u>115,214</u>
NET CASH PROVIDED	<u>121,036</u>	<u>115,214</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(757,251)	257,991
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of Year	<u>2,837,511</u>	<u>2,579,520</u>
End of Year	\$ <u>2,080,260</u>	\$ <u>2,837,511</u>

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

	<u>2008</u>	<u>2007</u>
<u>RECONCILIATION OF OPERATING INCOME TO</u>		
<u>NET CASH PROVIDED (USED) BY OPERATING</u>		
<u>ACTIVITIES</u>		
Operating Profit	\$ <u>2,062,932</u>	\$ <u>2,261,187</u>
Adjustments to Reconcile Operating		
Income to Net Cash Provided (Used)		
by Operating Activities:		
Depreciation and Amortization	660,865	539,999
(Increase) Decrease in Accounts		
Receivable	111,523	(442,567)
(Increase) Decrease in Inventory	24,533	121,048
(Increase) Decrease in Prepayments		
and Other Current Assets	26,067	(24,771)
(Increase) Decrease in Deferred Charges	(18,924)	53,218
Increase (Decrease) in Accounts Payable	157,063	(15,092)
Increase (Decrease) in Consumer Deposits	177,384	269,570
Increase (Decrease) in Other Accrued		
Liabilities	43,397	37,286
Increase (Decrease) in Deferred Credits	<u>7,613</u>	<u>5,818</u>
TOTAL ADJUSTMENTS	<u>1,189,521</u>	<u>544,509</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>3,252,453</u></u>	\$ <u><u>2,805,696</u></u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF INVESTMENTS  
September 30, 2008

<u>INVESTMENTS</u>	<u>COST AND MARKET VALUE</u>
Certificates of Deposit:	
First National Bank	\$ 323,976
Mechanics Bank	32,545
Southbank	<u>191,894</u>
 TOTAL INVESTMENTS	 \$ <u>548,415</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF SURETY BONDS  
September 30, 2008

<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, 2008

DEFINITION AND PURPOSE	INTEREST RATE	BALANCE OCTOBER 1, 2007	ADDITIONS	REDEMPTIONS	BALANCE SEPTEMBER 30, 2008
<u>REVENUE BONDS</u>					
1993 Revenue Refunding	3-6.1%	\$ 185,000	\$ -	\$ 185,000	\$ -
1996 Combination Water & Sewer	6.5%	550,000	-	125,000	425,000
1999 Electric System Revenue	4.6-6.25%	4,560,000	-	250,000	4,310,000
2003 Combination Water & Sewer	3.8-4.5%	1,700,000	-	70,000	1,630,000
2004 Water & Sewer Revenue Bond		1,690,000	-	60,000	1,630,000
2006 Water & Sewer Revenue Bond		3,295,000	-	110,000	3,185,000
2007 Water & Sewer Revenue Bond		2,800,000	-	85,000	2,715,000
2008 Water & Sewer Revenue Bond			3,450,000	-	3,450,000
<u>GENERAL OBLIGATION BONDS</u>					
1995 General Obligation	4.9-7.0%	690,000	-	220,000	470,000
2001 General Obligation - Jackson Avenue	4.375-6.25%	4,010,000	-	200,000	3,810,000
2001 Special Obligation - Conference Center	4.6%	4,065,000	-	215,000	3,850,000
2002 General Obligation - Police Dept. Equipment	3.875-5.5%	725,000	-	130,000	595,000
2004 General Obligation	3-3.8%	2,430,000	-	205,000	2,225,000
2005 General Obligation	3.375-3.79%	1,245,000	-	135,000	1,110,000
2007 General Obligation	5.000-4.125%	9,000,000	-	285,000	8,715,000
		<u>36,945,000</u>	<u>3,450,000</u>	<u>2,275,000</u>	<u>38,120,000</u>
<u>NOTES PAYABLE</u>					
TVA	VAR	150,000	-	150,000	-
State Revolving Fund	4.0%	1,213,248	-	204,693	1,008,555
MS Development 569		105,598	394,276	-	499,874
State Revolving Fund (1)		1,070,908	6,053,859	-	7,124,767
MS Development 515		-	1,000,000	10,193	989,807
		<u>2,539,754</u>	<u>7,448,135</u>	<u>364,886</u>	<u>9,623,003</u>
TOTAL		\$ <u>39,484,754</u>	\$ <u>10,898,135</u>	\$ <u>2,639,886</u>	\$ <u>47,743,003</u>

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

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

YEAR	1996 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
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>469,635</u>	<u>425,000</u>	<u>44,635</u>

YEAR	1999 ELECTRIC SYSTEM REVENUE		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 480,702	\$ 265,000	\$ 215,702
2010	482,482	280,000	202,482
2011	483,248	295,000	188,248
2012	482,968	310,000	172,968
2013	481,734	325,000	156,734
2014-2018	2,366,691	1,920,000	446,691
2019-2020	<u>963,694</u>	<u>915,000</u>	<u>48,694</u>
	<u>\$ 5,741,519</u>	<u>\$ 4,310,000</u>	<u>\$ 1,431,519</u>

YEAR	2003 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 137,200	\$ 75,000	\$ 63,978
2010	137,000	80,000	60,877
2011	135,100	80,000	57,677
2012	139,377	85,000	54,377
2013	139,065	85,000	54,065
2014-2018	698,445	490,000	208,445
2019-2023	702,580	600,000	102,580
2024	<u>137,700</u>	<u>135,000</u>	<u>10,700</u>
	<u>\$ 2,226,467</u>	<u>\$ 1,630,000</u>	<u>\$ 612,699</u>

YEAR	2004 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 129,421	\$ 65,000	\$ 64,421
2010	127,228	65,000	62,228
2011	129,865	70,000	59,865
2012	132,234	75,000	57,234
2013	129,421	75,000	54,421
2014-2018	667,401	445,000	222,401
2019-2023	691,193	570,000	121,193
2024-2025	<u>276,956</u>	<u>265,000</u>	<u>11,956</u>
	<u>\$ 2,283,719</u>	<u>\$ 1,630,000</u>	<u>\$ 653,719</u>

YEAR	2006 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 253,181	\$ 115,000	\$ 138,181
2010	251,712	120,000	131,712
2011	250,113	125,000	125,113
2012	248,550	130,000	118,550
2013	246,725	135,000	111,725
2014-2018	1,250,100	795,000	455,100
2019-2023	1,300,000	1,025,000	275,000
2024-2026	<u>800,200</u>	<u>740,000</u>	<u>60,200</u>
	<u>\$ 4,600,581</u>	<u>\$ 3,185,000</u>	<u>\$ 1,415,581</u>

YEAR	2007 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 227,655	\$ 90,000	\$ 137,655
2010	227,255	95,000	132,255
2011	226,555	100,000	126,555
2012	225,555	105,000	120,555
2013	224,255	110,000	114,255
2014-2018	1,118,116	635,000	483,116
2019-2023	1,111,366	795,000	316,366
2024-2028	<u>885,250</u>	<u>785,000</u>	<u>100,250</u>
	<u>\$ 4,246,007</u>	<u>\$ 2,715,000</u>	<u>\$ 1,531,007</u>

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

YEAR	2008 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 241,075	\$ 105,000	\$ 136,075
2010	241,350	110,000	131,350
2011	241,950	115,000	126,950
2012	242,350	120,000	122,350
2013	242,550	125,000	117,550
2014-2018	1,246,138	740,000	506,138
2019-2023	1,291,743	940,000	351,743
2024-2028	<u>1,342,800</u>	<u>1,195,000</u>	<u>147,800</u>
	\$ <u>5,089,956</u>	\$ <u>3,450,000</u>	\$ <u>1,639,956</u>

YEAR	1995 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 255,850	\$ 230,000	\$ 25,850
2010	<u>253,200</u>	<u>240,000</u>	<u>13,200</u>
	\$ <u>509,050</u>	\$ <u>470,000</u>	\$ <u>39,050</u>

YEAR	2001 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 373,931	\$ 210,000	\$ 163,931
2010	372,688	220,000	152,688
2011	372,844	230,000	142,844
2012	377,453	245,000	132,453
2013	387,092	260,000	127,092
2014-2018	1,973,250	1,520,000	453,250
2019-2021	<u>1,225,188</u>	<u>1,125,000</u>	<u>100,188</u>
	\$ <u>5,082,446</u>	\$ <u>3,810,000</u>	\$ <u>1,272,446</u>

YEAR	2001 SPECIAL OBLIGATION-CONFERENCE CNTR		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 402,100	\$ 225,000	\$ 177,100
2010	401,750	235,000	166,750
2011	400,940	245,000	155,940
2012	399,670	255,000	144,670
2013	391,845	265,000	126,845
2014-2018	1,964,420	1,530,000	434,420
2019-2021	<u>1,171,935</u>	<u>1,095,000</u>	<u>76,935</u>
	\$ <u>5,132,660</u>	\$ <u>3,850,000</u>	\$ <u>1,282,660</u>

YEAR	2002 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2009	160,344	140,000	20,344
2010	159,822	145,000	14,822
2011	159,106	150,000	9,106
2012	<u>163,100</u>	<u>160,000</u>	<u>3,100</u>
	\$ <u>642,372</u>	\$ <u>595,000</u>	\$ <u>47,372</u>

YEAR	2004 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 279,841	\$ 210,000	\$ 69,841
2010	283,660	220,000	63,660
2011	290,191	230,000	60,191
2012	290,285	240,000	50,285
2013	300,285	250,000	50,285
2014-2018	1,009,517	900,000	109,517
2019	<u>178,325</u>	<u>175,000</u>	<u>3,325</u>
	\$ <u>2,632,104</u>	\$ <u>2,225,000</u>	\$ <u>407,104</u>

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

YEAR	2005 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 176,062	\$ 140,000	\$ 36,062
2010	175,291	145,000	30,291
2011	175,313	150,000	25,313
2012	180,081	160,000	20,081
2013	179,597	165,000	14,597
2014-2015	361,981	350,000	11,981
	<u>\$ 1,248,325</u>	<u>1,110,000</u>	<u>138,325</u>

YEAR	2007 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 649,136	\$ 295,000	\$ 354,136
2010	650,913	310,000	340,913
2011	652,825	325,000	327,825
2012	654,525	340,000	314,525
2013	660,525	360,000	300,525
2014-2018	3,333,875	2,035,000	1,342,025
2019-2023	3,378,325	2,555,000	872,125
2024-2028	2,755,300	2,495,000	322,213
	<u>\$12,735,424</u>	<u>\$ 8,715,000</u>	<u>\$ 4,174,287</u>

YEAR	MS DEVELOPMENT 515		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 60,706	\$ 41,287	\$ 19,419
2010	60,706	42,120	18,586
2011	60,706	42,970	17,736
2012	60,706	43,838	16,868
2013	60,706	44,723	15,983
2014-2018	303,530	237,524	66,006
2019-2023	303,530	262,482	41,048
2024-2028	288,354	274,863	13,491
	<u>\$ 1,198,944</u>	<u>\$ 989,807</u>	<u>\$ 209,137</u>

YEAR	STATE REVOLVING FUND NOTE		
	TOTAL	PRINCIPAL	INTEREST
2009	\$ 249,497	\$ 213,032	\$ 36,465
2010	249,497	221,712	27,785
2011	249,497	230,744	18,753
2012	249,497	240,145	9,352
2013	103,953	102,922	1,031
	<u>\$ 1,101,941</u>	<u>\$ 1,008,555</u>	<u>\$ 93,386</u>

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF FEDERAL AWARDS  
September 30, 2008

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	RECEIPTS/ REVENUES	EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Passed through the Governor's					
Office of Federal-State					
Programs:					
Justice Assistance Grant	16.738	06NM2251	\$ 151,138	\$ 151,138	\$ 151,138
State and Community Highway Safety	20.600		<u>69,890</u>	<u>69,890</u>	<u>69,890</u>
			<u>221,028</u>	<u>221,028</u>	<u>221,028</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through the Mississippi					
Emergency Management Agency:					
ODP Homeland Security Grant Program	97.067	4DPG	<u>37,874</u>	<u>37,874</u>	<u>37,874</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Urban & Community Forestry Assistance Grant	10.664		<u>14,400</u>	<u>14,400</u>	<u>14,400</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through the Mississippi					
Department of Transportation:					
Pathway Grant	20.205		89,304	89,304	89,304
Public Transportation for Nonurbanized Areas	20.209		<u>307,074</u>	<u>307,074</u>	<u>307,074</u>
			<u>396,378</u>	<u>396,378</u>	<u>396,378</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>					
Water Pollution Control-State and Interstate Program Grant	66.418		<u>929,188</u>	<u>929,188</u>	<u>929,188</u>
TOTAL AWARDS			\$ <u>1,598,868</u>	\$ <u>1,598,868</u>	\$ <u>1,598,868</u>

INTERNAL CONTROL AND COMPLIANCE REPORTS



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

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

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

We have audited the financial statements of the City of Oxford as of and for the year ended September 30, 2008, and have issued our report thereon dated June 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

#### COMPLIANCE AND OTHER MATTERS

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

This report is intended solely for the information 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 & Garrett*

July 31, 2009





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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 OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2008. The City of Oxford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Oxford's management. Our responsibility is to express an opinion on the City of Oxford's compliance based on our audit.

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

In our opinion, the City of Oxford complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

#### INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

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

*Young & Garrett*

July 31, 2009



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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, 2008, and have issued our report dated June 24, 2009. 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*

July 31, 2009

CITY OF OXFORD, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2008

Section 1: Summary of Auditor's Results

1. Unqualified opinion was issued on the financial statements of the City of Oxford, Mississippi.
2. The audit of the financial statements did not disclose any material weaknesses in internal control.
3. The audit did not disclose any noncompliance which is material to the general purpose financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any audit findings which are required to be reported under section \_\_\_\_\_.510(a) of OMB Circular A-133.
7. Federal programs identified as major programs:
  - a. Environmental Protection Agency:  
CFDA #66.418
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.