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**CITY OF OXFORD, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2010
WITH INDEPENDENT AUDITOR'S REPORT**

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CITY OF OXFORD, MISSISSIPPI
LIST OF PRINCIPAL OFFICERS
September 30, 2010

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

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

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

Dwight L. Young, Jr., C.P.A.
Patricia A. Bynum, C.P.A.



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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of and for the year ended September 30, 2010, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Mississippi, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated April 20, 2011, 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 Information on pages 8 through 15 and pages 58 through 62 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The Dwight L. Young Group

April 20, 2011

CITY OF OXFORD, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2010

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, 2010. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

THE FINANCIAL STATEMENTS

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

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City reports assets of \$171,006,469, of which \$117,737,224 are capital assets. The assets exceed the City's liabilities of \$78,613,278, \$46,913,493 of which are long term, at the close of the most recent fiscal year by \$92,393,191. Of this amount, \$16,241,689 are unrestricted net assets. The City's net assets are comprised of \$45,532,025 from Governmental Activities and \$46,861,166 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 10 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$33,570,429	\$33,031,167	\$19,698,816	\$21,542,535	\$ 53,269,245	\$ 54,573,702
Capital Assets (Net)	<u>58,654,324</u>	<u>57,010,537</u>	<u>59,082,900</u>	<u>57,753,627</u>	<u>117,737,224</u>	<u>114,764,164</u>
Total Assets	<u>92,224,753</u>	<u>90,041,704</u>	<u>78,781,716</u>	<u>79,296,162</u>	<u>171,006,469</u>	<u>169,337,866</u>
Current and Other Liabilities	23,323,306	23,007,576	5,241,655	6,637,801	28,564,961	29,645,377
Long-Term Liabilities	<u>23,369,422</u>	<u>23,242,649</u>	<u>26,678,895</u>	<u>27,678,895</u>	<u>50,048,317</u>	<u>50,921,544</u>
Total Liabilities	<u>46,692,728</u>	<u>46,250,225</u>	<u>31,920,550</u>	<u>34,316,696</u>	<u>78,613,278</u>	<u>80,566,921</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	35,284,902	31,732,018	32,404,005	28,649,295	67,688,907	60,381,313
Restricted	6,454,744	7,496,535	2,007,851	2,021,920	8,462,595	9,518,455
Unrestricted	<u>3,792,379</u>	<u>4,562,926</u>	<u>12,449,310</u>	<u>14,308,251</u>	<u>16,241,689</u>	<u>18,871,177</u>
Total Net Assets	<u>\$45,532,025</u>	<u>\$43,791,479</u>	<u>\$46,861,166</u>	<u>\$44,979,466</u>	<u>\$ 92,393,191</u>	<u>\$ 88,770,945</u>

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>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
REVENUE:						
Program Revenues:						
Charges for						
Services	\$ 6,069,422	\$ 5,324,153	\$27,814,690	\$30,118,758	\$33,884,112	\$35,442,911
Operating Grants						
And Contributions	434,163	1,059,418	-	-	434,163	1,059,418
Capital Grants and						
Contributions	2,507,177	1,476,087	13,699	914,344	2,520,876	2,390,431
General Revenues:						
Property Taxes	6,959,283	6,223,870	-	-	6,959,283	6,223,870
Other Taxes	504,551	2,259,579	-	-	504,551	2,259,579
Intergovernmental	9,460,289	7,296,535	-	-	9,460,289	7,296,535
Loss on Assets	(1,846)	-	(916,343)	-	(918,189)	-
Unrestricted Interest						
Earned	498,658	455,431	625,215	958,010	1,123,873	1,413,441
Transfers	1,049,981	622,700	(1,049,981)	(662,700)	-	-
Insurance Recovery	-	-	-	-	-	-
TOTAL REVENUE	\$27,481,678	\$24,717,773	\$26,487,280	\$31,368,412	\$53,968,958	\$56,086,185
EXPENSES:						
General Government	4,206,489	5,402,087	-	-	4,206,489	5,402,087
Public Safety	7,138,828	6,856,741	-	-	7,138,828	6,856,741
Public Works	4,355,850	4,887,522	-	-	4,355,850	4,887,522
Tourism	973,512	904,385	-	-	973,512	904,385
Culture and Rec.	2,755,418	2,594,507	-	-	2,755,418	2,594,507
Miscellaneous	5,362,125	924,464	-	-	5,362,125	924,464
Interest on Long-						
Term Debt	948,910	958,263	-	-	948,910	958,263
Water and Sewer						
Service	-	-	6,076,521	6,012,809	6,076,521	6,012,809
Electric Service	-	-	18,529,059	20,046,740	18,529,059	20,046,740
TOTAL EXPENSES	\$25,741,132	\$22,527,969	\$24,605,580	\$26,059,549	\$50,346,712	\$48,587,518

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

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Change in Net						
Assets	\$ 1,740,546	\$ 2,189,804	\$ 1,881,700	\$ 5,308,863	\$ 3,622,246	\$ 7,498,667
Net Assets-						
Beginning	<u>43,791,479</u>	<u>41,601,675</u>	<u>44,979,466</u>	<u>39,670,603</u>	<u>88,770,945</u>	<u>81,272,278</u>
Net Assets-Ending	<u>\$45,532,025</u>	<u>\$43,791,479</u>	<u>\$46,861,166</u>	<u>\$44,979,466</u>	<u>\$92,393,191</u>	<u>\$88,770,945</u>

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, 2010	\$ 27,814,690
Fiscal Year ended September 30, 2009	<u>30,118,758</u>
Decrease between Fiscal Years	\$ <u>(2,304,068)</u>
	<u>Operating Expenses</u>
Fiscal Year ended September 30, 2010	\$ 24,605,580
Fiscal Year ended September 30, 2009	<u>26,059,549</u>
Decrease between Fiscal Years	\$ <u>(1,453,969)</u>

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, decreased in fiscal year 2010 by \$1,334,534.

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

	<u>2010</u>
Debt Payable beginning of fiscal year	\$ 51,382,851
Add: New Debt Issues	<u>5,835,000</u>
	57,217,851
Less: Debt Retired	<u>7,169,534</u>
Debt Payable at end	\$ <u>50,048,317</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, 2009, net capital assets of the governmental activities totaled \$57,010,537 and the net capital assets of the business-type activities totaled \$57,753,627. At September 30, 2010, net capital assets of the governmental activities totaled \$58,654,324 and the net capital assets of the business-type activities totaled \$59,082,900. 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, 2010

	GOVERNMENTAL	BUSINESS-TYPE		OXFORD
ASSETS	ACTIVITIES	ACTIVITIES	TOTAL	TOURISM
Cash and Cash Equivalents	\$10,117,407	\$14,313,027	\$24,430,434	\$ 59,361
Receivables:				
Customer	-	2,948,262	2,948,262	-
Due from Other Government	812,649	13,699	826,348	-
Other	-	83,911	83,911	-
Taxes	21,840,517	-	21,840,517	8,898
Internal Balances	582,824	(582,824)	-	-
Inventories	-	485,357	485,357	-
Debt Service Funds	98,560	2,007,851	2,106,411	-
Prepaid Expenses	118,472	429,533	548,005	-
Total Non-Capital Assets	33,570,429	19,698,816	53,269,245	68,259
Capital Assets (Net of Depreciation):				
Land	3,111,688	1,108,463	4,220,151	-
Improvements Other than Buildings	5,039,216	-	5,039,216	-
Infrastructure	33,016,219	-	33,016,219	-
Buildings & Utility Systems	12,633,118	52,079,737	64,712,855	-
Equipment & Furniture	4,854,083	1,604,396	6,458,479	119,968
Construction in Progress	-	4,290,304	4,290,304	-
Total Capital Assets	58,654,324	59,082,900	117,737,224	119,968
Total Assets	92,224,753	78,781,716	171,006,469	188,227
LIABILITIES				
Accounts Payable & Accrued Expenses	1,482,789	2,870,704	4,353,493	59,592
Customer Deposits	-	-	2,370,951	-
Deferred Revenue	21,840,517	2,370,951	21,840,517	-
Long-term Debt Due Within One Year:				
Bonds	1,520,000	810,000	2,330,000	-
Notes	222,704	582,120	804,824	-
Due in More than One Year:				
Bonds	19,910,000	16,795,000	36,705,000	-
Notes	1,716,718	8,491,775	10,208,493	-
Total Liabilities	\$46,692,728	\$31,920,550	\$78,613,278	\$ 59,592

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

<u>NET ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>OXFORD TOURISM COUNCIL</u>
Invested in Capital Assets-				
Net of Related Debt	\$35,284,902	\$32,404,005	\$67,688,907	\$ -
Reserved for:				
Unemployment	52,171	-	52,171	-
Tourism	1,424,902	-	1,424,902	-
Debt Service	86,261	2,007,851	2,094,112	-
Cemetery	96,474	-	96,474	-
Capital Projects	3,648,703	-	3,648,703	-
Fire Protection	13,333	-	13,333	-
Other	1,132,900	-	1,132,900	32,679
Unrestricted	<u>3,792,379</u>	<u>12,449,310</u>	<u>16,241,689</u>	<u>95,956</u>
Total Net Assets	<u>\$45,532,025</u>	<u>\$46,861,166</u>	<u>\$92,393,191</u>	<u>\$ 128,635</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year Ended September 30, 2010

PROGRAM REVENUE			NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS					OXFORD
FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS		CAPITAL GRANTS & CONTRIBUTIONS	CHANGES IN NET ASSETS		TOURISM COUNCIL
			GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES		GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
<u>GOVERNMENTAL ACTIVITIES</u>								
General Government	\$ 4,206,489	\$ 1,031,303	\$ -	\$ -	\$ (3,175,186)	\$ -	\$ (3,175,186)	\$ -
Public Safety	7,138,828	492,449	196,717	-	(6,449,662)	-	(6,449,662)	-
Public Works	4,355,850	2,911,600	-	1,382,981	(61,269)	-	(61,269)	-
Tourism	973,512	-	-	-	(973,512)	-	(973,512)	(1,034,793)
Culture & Recreation	2,755,418	483,314	237,446	-	(2,034,658)	-	(2,034,658)	-
Miscellaneous	5,362,125	1,150,756	-	1,124,196	(3,087,173)	-	(3,087,173)	1,037,646
Interest on Long-term Debt	948,910	-	-	-	(948,910)	-	(948,910)	-
TOTAL GOVERNMENTAL ACTIVITIES	25,741,132	6,069,422	434,163	2,507,177	(16,730,370)	-	(16,730,370)	2,853
<u>BUSINESS-TYPE ACTIVITIES</u>								
Water & Sewer Service	6,076,521	7,216,789	-	13,699	-	1,153,967	1,153,967	-
Electric Service	18,529,059	20,597,901	-	-	-	2,068,842	2,068,842	-
TOTAL BUSINESS-TYPE ACTIVITIES	24,605,580	27,814,690	-	13,699	-	3,222,809	3,222,809	-
TOTAL PRIMARY GOVERNMENT	\$50,346,712	\$33,884,112	\$ 434,163	\$2,520,876	\$ 16,730,370	\$ 3,222,809	\$13,507,561	\$ -

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

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS					OXFORD TOURISM COUNCIL		
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL			
<u>GENERAL REVENUES</u>								
Loss on Replacement of Plant	\$	(1,846)	\$	(916,343)	\$	(918,189)	\$	-
Property Taxes		6,959,283		-		6,959,283		-
Other Taxes		504,551		-		504,551		-
Intergovernmental		9,460,289		-		9,460,289		-
Unrestricted Interest Earned		498,658		625,215		1,123,873		-
Transfers		<u>1,049,981</u>		<u>(1,049,981)</u>		-		-
TOTAL GENERAL REVENUES		<u>18,470,916</u>		<u>(1,341,109)</u>		<u>17,129,807</u>		-
Change in Net Assets		1,740,546		1,881,700		3,622,246		-
Net Assets - Beginning		<u>43,791,479</u>		<u>44,979,466</u>		<u>88,770,945</u>		<u>125,782</u>
Net Assets - Ending		<u>\$45,532,025</u>		<u>\$46,861,166</u>		<u>\$92,393,191</u>		<u>\$ 128,635</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

FUND FINANCIAL STATEMENTS

CITY OF OXFORD, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

	MAJOR FUNDS				TOTAL 2010
	GENERAL FUND	3.8M G.O. BOND ISSUE 2010	OTHER GOVERNMENTAL FUNDS		
ASSETS					
Cash and Cash Equivalents	\$ 3,500,976	\$ 2,989,661	\$ 3,725,330		\$ 10,215,967
Due from Other Governments	-	-	812,649		812,649
Due from Other Funds	582,824	-	-		582,824
Taxes Receivable	21,840,517	-	-		21,840,517
TOTAL ASSETS	<u>\$25,924,317</u>	<u>\$ 2,989,661</u>	<u>\$ 4,537,979</u>		<u>\$ 33,451,957</u>

LIABILITIES AND FUND BALANCES

Liabilities:					
Bank Overdraft	\$ -	\$ -	\$ 919,358		\$ 919,358
Accounts Payable	71,462	-	63,489		134,951
Due to Lienholders	-	-	90,049		90,049
Due to Water Department	-	-	-		-
Due to Other Funds	-	-	-		-
Deferred Revenue	21,840,517	-	-		21,840,517
TOTAL LIABILITIES	<u>21,911,979</u>	<u>-</u>	<u>1,072,896</u>		<u>22,984,875</u>

Fund Balances:

Reserved for:					
Unemployment	-	-	52,171		52,171
Cemetery	-	-	96,474		96,474
Fire Protection	-	-	13,333		13,333
Tourism	-	-	1,424,902		1,424,902
Other	-	-	1,132,900		1,132,900
Debt Service	-	-	86,261		86,261
Capital Projects	-	2,989,661	659,042		3,648,703
Unreserved	4,012,338	-	-		4,012,338
TOTAL FUND BALANCES	<u>4,012,338</u>	<u>2,989,661</u>	<u>3,465,083</u>		<u>10,467,082</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$25,924,317</u>	<u>\$ 2,989,661</u>	<u>\$ 4,537,979</u>		<u>\$ 33,451,957</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, 2010

Total Fund Balance-Governmental Funds		\$ 10,467,082
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 10-1-09	57,010,537	
Plus capital outlay expenditures made during year	3,529,619	
Less capital assets deleted during the year Net of depreciation	(1,846)	
Less depreciation expense recorded during year	<u>(1,883,986)</u>	58,654,324
Loan Costs		118,472
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 10-1-09	25,278,519	
Issuances during year	-	
Less payments during year	<u>(1,909,097)</u>	
	23,369,422	
Add interest accrued for year	<u>338,431</u>	(23,707,853)
Total Net Assets-Governmental-Wide Statement		\$ <u>45,532,025</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
September 30, 2010

	MAJOR FUNDS				TOTAL 2010
	GENERAL FUND	3.8M G.O. BOND ISSUE 2010	OTHER GOVERNMENTAL FUNDS		
<u>REVENUES</u>					
Ad Valorem Taxes	\$ 4,474,861	\$ -	\$ 1,695,176	\$	6,170,037
Other Taxes	1,293,799	-	1,609,439		2,903,238
Licenses and Permits	925,686	-	-		925,686
Intergovernmental	6,658,319	-	1,236,197		7,894,516
Charges for Services	2,804,957	-	-		2,804,957
Fines and Forfeits	411,720	-	80,729		492,449
Miscellaneous	379,706	-	812,671		1,192,377
Reimbursements	63,425	-	-		63,425
Rental Fees	-	-	14,995		14,995
Interest	277,698	37,748	183,212		498,658
Local Contributions	-	-	200,000		200,000
Federal and State Awards	-	-	2,329,625		2,329,625
Sale of Cemetery Lots	-	-	49,550		49,550
Recreation	483,315	-	-		483,315
Donations	-	-	411,715		411,715
<u>REVENUES</u>	<u>17,773,486</u>	<u>37,748</u>	<u>8,623,309</u>		<u>26,434,543</u>
<u>EXPENDITURES</u>					
Legislative	113,762	-	-		113,762
Judicial	200,518	-	-		200,518
Executive	89,502	-	-		89,502
Financial Administration	234,875	-	-		234,875
Human Resources	166,426	-	-		166,426
Law	182,988	-	332,960		515,948
Department of Planning	189,276	-	-		189,276
Building Code Enforcement	232,251	-	-		232,251
Buildings and Grounds	422,065	-	-		422,065

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

- Continued -

	MAJOR FUNDS			OTHER		TOTAL
	GENERAL	3.8M G.O. BOND ISSUE	GOVERNMENTAL	FUNDS	2010	
EXPENDITURES - Continued	FUND	2010				
General Government	\$ 1,951,157	\$ -	\$ -		\$ 1,951,157	
Community Promotions	46,800	-	-		46,800	
Police Department	3,624,875	-	-		3,624,875	
Fire Department	3,094,376	-	-		3,094,376	
Emergency Mgmt.	62,811	-	-		62,811	
Highways and Streets	1,434,023	-	-		1,434,023	
Sanitation Administration	243,852	-	-		243,852	
Tourism Promotion	-	-	933,955		933,955	
Capital Outlay	1,208,686	695,071	1,625,862		3,529,619	
Street Cleaning	79,998	-	-		79,998	
Waste Collection	994,223	-	-		994,223	
Waste Disposal	558,022	-	-		558,022	
Weed and Grass Control	195,127	-	-		195,127	
Cemetery Maintenance	106,011	-	-		106,011	
Family Crisis	7,200	-	-		7,200	
Parks and Recreation	931,483	-	-		931,483	
Swimming Pool	163,476	-	-		163,476	
RSVP	131,582	-	-		131,582	
FNC Park	896,104	-	-		896,104	
Library	271,806	-	-		271,806	
City Garage	789,971	-	-		789,971	
Miscellaneous	-	-	3,799,697		3,799,697	
Airport	15,000	-	-		15,000	

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

- Continued -

	MAJOR FUNDS				
	GENERAL	3.8M G.O. BOND ISSUE	OTHER GOVERNMENTAL	TOTAL	
	FUND	2010	FUNDS	2010	
EXPENDITURES - Continued	\$ 118,793	\$ -	\$ -	\$ 118,793	
Humane Society	427,328	-	-	427,328	
Recycling					
Debt Service:					
Principal Retirement	89,097	-	1,695,000	1,784,097	
Interest & Fiscal Charges	30,513	-	921,036	951,549	
TOTAL EXPENDITURES	19,303,977	695,071	9,308,510	29,307,558	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,530,491)	(657,323)	(685,201)	(2,873,015)	
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	1,049,981	-	1,217,753	2,267,734	
Operating Transfers Out	(302,006)	-	(916,747)	(1,218,753)	
TOTAL OTHER FINANCING SOURCES (USES)	747,975	-	301,006	1,048,981	
NET CHANGES IN FUND BALANCES	(782,516)	(657,323)	(384,195)	(1,824,034)	
FUND BALANCES					
Beginning of Year	4,794,854	3,646,984	3,849,278	12,291,116	
End of Year	\$ 4,012,338	\$ 2,989,661	\$ 3,465,083	\$ 10,467,082	

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, 2010

Net Change in Fund Balances-Governmental Funds	\$(1,824,034)
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Amounts reported for Governmental Activities
in the Statement of Activities are different
because:

Capital outlays are reported as expenditures in Governmental Funds but are not reported as expenses in the Statement of Activities. Instead, costs associated with Capital Assets are capitalized in the Statement of Net Assets.	3,529,619
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Depreciation is not an expenditure in Governmental Funds but is an expense of allocating the cost of Capital Assets over their estimated useful lives in the Statement of Activities.	(1,883,986)
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Amortization of loan costs is not an expenditure in the Governmental funds, but is an expense of allocating the cost over the life of the debt issue.	(8,874)
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Loss on Disposal of Equipment	(1,846)
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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.	1,909,097
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CITY OF OXFORD, MISSISSIPPI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
- Continued -

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

Accrued Interest on Bonds Decreased	<u>20,570</u>
Change in Net Assets-Government-Wide	<u>\$ 1,740,546</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 9,023,281	\$ 5,289,746	\$ 14,313,027
Debt Service Sinking Funds	1,654,608	353,243	2,007,851
Receivables:			
Consumer	-	2,948,262	2,948,262
Other	83,911	-	83,911
Due from State	13,699	-	13,699
Utility Plant	47,787,217	29,913,319	77,700,536
Accumulated Depreciation	(11,801,921)	(6,815,715)	(18,617,636)
Inventory	15,000	470,357	485,357
Due from Other Funds	1,440,849	-	1,440,849
Prepayments	-	60,099	60,099
Deferred Debits	204,958	164,476	369,434
 TOTAL ASSETS	 48,421,602	 32,383,787	 80,805,389
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Vouchers Payable	16,479	2,611,449	2,627,928
Due to Other Funds	-	2,023,673	2,023,673
Bonds Payable	11,770,000	5,835,000	17,605,000
Notes Payable	9,073,895	-	9,073,895
Customer Deposits	-	2,370,951	2,370,951
Other	-	190,741	190,741
Deferred Credits	-	52,035	52,035
 TOTAL LIABILITIES	 20,860,374	 13,083,849	 33,944,223
 <u>NET ASSETS</u>			
Invested in Fixed Assets, Net of Related Debt	14,919,689	17,262,604	32,182,293
Reserved for Debt Service	1,654,608	353,243	2,007,851
Fund Equity-Unrestricted	10,986,931	1,684,091	12,671,022
 TOTAL NET ASSETS	 \$ 27,561,228	 \$ 19,299,938	 \$ 46,861,166

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, 2010

	WATER AND SEWER	ELECTRIC FUND	TOTAL ENTERPRISE FUNDS
<u>REVENUES</u>			
Charges for Services	\$ 6,974,566	\$20,513,304	\$27,487,870
Other	242,223	84,597	326,820
TOTAL REVENUES	<u>7,216,789</u>	<u>20,597,901</u>	<u>27,814,690</u>
<u>EXPENDITURES</u>			
Purchased Power	-	15,449,379	15,449,379
Admin, General & Sales	773,754	695,843	1,469,597
Computer Technology	170,536	-	170,536
Financial & Customer Acct. Exp.	434,428	511,715	946,143
Transmission & Distribution	606,468	769,290	1,375,758
Treatment & Purification	755,834	-	755,834
Source of Supply	430,537	-	430,537
Sanitation Sewer Line	488,584	-	488,584
Depreciation & Amortization	1,477,260	679,647	2,156,907
TOTAL EXPENDITURES	<u>5,137,401</u>	<u>18,105,874</u>	<u>23,243,275</u>
NET INCOME FROM OPERATIONS	2,079,388	2,492,027	4,571,415
<u>DEBT EXPENSE</u>			
Interest on Long-term Debt	<u>939,120</u>	<u>423,185</u>	<u>1,362,305</u>
NET INCOME BEFORE NONOPERATING REVENUES (EXPENDITURES)	<u>1,140,268</u>	<u>2,068,842</u>	<u>3,209,110</u>
<u>NONOPERATING REVENUES (EXPENDITURES)</u>			
Loss on Replacement of Plant	(916,343)	-	(916,343)
Investment Income	453,250	171,965	625,215
Grants	13,699	-	13,699
TOTAL NONOPERATING	<u>(449,394)</u>	<u>171,965</u>	<u>(277,429)</u>
NET INCOME BEFORE TRANSFERS	690,874	2,240,807	2,931,681
TRANSFERS OUT	<u>(375,000)</u>	<u>(674,981)</u>	<u>(1,049,981)</u>
CHANGE IN NET ASSETS	315,874	1,565,826	1,881,700
<u>NET ASSETS</u>			
Beginning of Year	27,245,354	17,734,112	44,979,466
End of Year	<u>\$ 27,561,228</u>	<u>\$19,299,938</u>	<u>\$46,861,166</u>
SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.			

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended September 30, 2010

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING ACTIVITIES</u>			
Received from Customers	\$ 6,780,481	\$ 20,620,511	\$ 27,400,992
Purchased Power	-	(15,160,609)	(15,160,609)
Salaries	(1,588,737)	(806,355)	(2,395,092)
Payroll Taxes	(117,349)	(99,514)	(216,863)
Retirement	(184,210)	(142,694)	(326,904)
Health & Life Insurance	(152,884)	(149,833)	(302,717)
Fuel, Oil & Lubricants	(36,550)	(40,752)	(77,302)
Utilities	(457,741)	(24,752)	(482,493)
Other	(948,671)	(511,081)	(1,459,752)
NET CASH PROVIDED	<u>3,294,339</u>	<u>3,684,921</u>	<u>6,979,260</u>
<u>NON-CAPITAL FINANCING</u>			
Transfer to Other Funds	(375,000)	(674,981)	(1,049,981)
NET CASH USED	<u>(375,000)</u>	<u>(674,981)</u>	<u>(1,049,981)</u>
<u>CAPITAL AND RELATING FINANCING</u>			
Interest Paid on Principal	(920,103)	(423,185)	(1,343,288)
Principal Paid on Notes	(535,437)	(3,000,000)	(3,535,437)
Principal Paid on Bonds	(680,000)	(4,045,000)	(4,725,000)
Bonds Issued	-	5,835,000	5,835,000
Purchase of Capital Assets	(3,970,671)	(616,116)	(4,586,787)
(Increase)/Decrease in Debt			
Service Sinking Funds	(336,295)	350,364	14,069
Grant Received	13,699	-	13,699
Conservation Advances from TVA	-	6,522	6,522
NET CASH PROVIDED (USED)	<u>(6,428,807)</u>	<u>(1,892,415)</u>	<u>(8,321,222)</u>
<u>INVESTING ACTIVITIES</u>			
Interest Earned	453,250	171,965	625,215
NET CASH PROVIDED	<u>453,250</u>	<u>171,965</u>	<u>625,215</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,056,218)	1,289,490	(1,766,728)
<u>CASH AND CASH EQUIVALENTS</u>			
Beginning of Year	12,079,499	4,000,256	16,079,755
End of Year	\$ <u>9,023,281</u>	\$ <u>5,289,746</u>	\$ <u>14,313,027</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

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

	WATER AND SEWER	ELECTRIC FUND	TOTAL PROPRIETARY FUNDS
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating Profit	\$ <u>2,079,388</u>	\$ <u>2,492,027</u>	\$ <u>4,571,415</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	1,477,260	863,910	2,341,170
(Increase) Decrease in Accounts Receivable	(194,085)	(22,610)	(216,695)
(Increase) Decrease in Inventory	-	2,067	2,067
(Increase) Decrease in Prepayments and Other Current Assets	-	5,128	5,128
(Increase) Decrease in Deferred Charges	-	28,199	28,199
Increase (Decrease) in Accounts Payable	(68,224)	288,770	220,546
Increase (Decrease) in Consumer Deposits	-	194,355	194,355
Increase (Decrease) in Other Accrued Liabilities	-	(174,422)	(174,422)
Increase (Decrease) in Deferred Credits	<u>-</u>	<u>7,497</u>	<u>7,497</u>
TOTAL ADJUSTMENTS	<u>1,214,951</u>	<u>1,192,894</u>	<u>2,407,845</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>3,294,339</u>	\$ <u>3,684,921</u>	\$ <u>6,979,260</u>

SEE THE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT.

CITY OF OXFORD, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. The City has three component units. Two blended component units are the Oxford Park Commission Activity Fund and RSVP, which are included in the City's financial statements. The Oxford Tourism Council is a component unit and is presented in this audit report.

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	30 years

D. Basis of Accounting

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

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

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

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

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

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

E. Budgets and Budgetary Accounting

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

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

All annual appropriations lapse at fiscal year end.

F. Encumbrance System

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

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

G. Cash and Investments

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

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

Cash

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

Investments

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

Investments are stated at cost.

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

H. Advances To/From Other Funds

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

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

I. Prepaid Expenses

Payments made for services that will benefit periods beyond September 30, 2010, 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 financial statements of the City shows deposits with financial institutions of \$26,758,557, and the balances shown by the banks were \$26,660,042.

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, 2010, \$-0- of the municipality's bank balance of \$29,275,295 was exposed to custodial credit risk.

Investments

As of September 30, 2010, 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	\$ 559,311	\$ 559,311

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 10-1-09	ADDITIONS	DELETIONS	RECLASSI- FICATIONS	BALANCE 9-30-10
<u>Non-depreciable Assets</u>					
Land	\$ 3,111,688	\$ -	\$ -	\$ -	\$ 3,111,688
Construction in Progress	-	-	-	-	-
Total	<u>3,111,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,111,688</u>
<u>Depreciable Assets</u>					
Improvements Other Than Buildings	6,080,778	195,374	-	-	6,276,152
Buildings	14,028,241	723,558	-	-	14,751,799
Equipment and Furniture	9,274,628	959,882	18,462	-	10,216,048
Infrastructure	<u>36,289,384</u>	<u>1,650,805</u>	<u>-</u>	<u>-</u>	<u>37,940,189</u>
Total	<u>65,673,031</u>	<u>3,529,619</u>	<u>18,462</u>	<u>-</u>	<u>69,184,188</u>
Total Capital Assets	<u>68,784,719</u>	<u>3,529,619</u>	<u>18,462</u>	<u>-</u>	<u>72,295,876</u>
<u>Accumulated Depreciation</u>					
Improvements Other Than Buildings	1,075,151	161,785	-	-	1,236,936
Buildings	1,844,975	273,706	-	-	2,118,681
Equipment and Furniture	4,462,830	915,751	16,616	-	5,361,965
Infrastructure	<u>4,391,226</u>	<u>532,744</u>	<u>-</u>	<u>-</u>	<u>4,923,970</u>
Total	<u>11,774,182</u>	<u>1,883,986</u>	<u>16,616</u>	<u>-</u>	<u>13,641,552</u>
<u>Governmental Activities</u>					
Capital Assets-					
Net	\$ <u>57,010,537</u>	\$ <u>1,645,633</u>	\$ <u>1,846</u>	\$ <u>-</u>	\$ <u>58,654,324</u>

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

Depreciation expense of \$1,833,986 was charged to the governmental activities expense accounts as follows:

General Government	\$ 5,124
Public Safety	358,539
Public Works	990,298
Miscellaneous	14,412
Culture, Recreation and Tourism	<u>515,613</u>
Total	\$ <u>1,883,986</u>

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

	BALANCE 10-1-09	ADDITIONS	DELETIONS	REIMBURSEMENTS	BALANCE 9-30-10
<u>Non-depreciable Assets</u>					
Land	\$ 1,108,463	\$ -	\$ -	\$ -	\$ 1,108,463
Construction in Progress	<u>15,126,531</u>	<u>2,373,159</u>	<u>-</u>	<u>(13,209,386)</u>	<u>4,290,304</u>
Total	<u>16,234,994</u>	<u>2,373,159</u>	<u>-</u>	<u>(13,209,386)</u>	<u>5,398,767</u>
<u>Depreciable Assets</u>					
Electric Plant	22,319,698	425,894	276,913	3,814,142	26,282,821
Sewer System & Water System	36,367,101	1,100,345	4,951,306	9,216,485	41,732,625
Equipment and Furniture	<u>3,759,395</u>	<u>527,296</u>	<u>179,127</u>	<u>178,759*</u>	<u>4,286,323</u>
Total	<u>62,446,194</u>	<u>2,053,535</u>	<u>5,407,346</u>	<u>13,209,386</u>	<u>72,301,769</u>
Total Capital Assets	<u>78,681,188</u>	<u>4,426,694</u>	<u>5,407,346</u>	<u>-</u>	<u>77,700,536</u>
<u>Accumulated Depreciation</u>					
Electric Plant	4,956,056	720,602	361,916	-	5,314,742
Sewer System & Water System	13,957,073	1,326,333	4,050,557	(611,882)*	10,620,967
Equipment and Furniture	<u>2,014,432</u>	<u>216,564</u>	<u>160,951</u>	<u>611,882*</u>	<u>2,681,927</u>
Total	<u>20,927,561</u>	<u>2,263,499</u>	<u>4,573,424</u>	<u>-</u>	<u>18,617,636</u>
Business Activities Capital Assets-Net	\$ <u>57,753,627</u>	\$ <u>2,163,195</u>	\$ <u>833,922</u>	\$ <u>-</u>	\$ <u>59,082,900</u>

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

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

Depreciation expense of \$2,263,499 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, 2010:

	<u>OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds Payable at			
October 1, 2009	\$23,125,000	\$16,495,000	\$ 39,620,000
Bonds Issued	-	5,835,000	5,835,000
Bonds Retired	<u>1,695,000</u>	<u>4,725,000</u>	<u>6,420,000</u>
Bonds Payable at			
September 30, 2010	<u>\$21,430,000</u>	<u>\$17,605,000</u>	<u>\$ 39,035,000</u>

General obligation bonds include General City Bonds.

The General Obligation Bonds, Series 1995, 2004, 2005, and 2010 were issued for the purpose of street improvement.

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

The 2009 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, 2009, and 2010 for the purpose of installing new systems in certain parts of the City.

The Electric System Revenue Bonds, Series 2010, were issued for the purpose redeeming the Series 1999 bonds. These bonds do not constitute indebtedness of the City of Oxford within the meaning of any constitutional, statutory or charter limitation of indebtedness. The taxing power of the City is not pledged to the payment thereof, either as to principal or interest.

The General Obligation Bonds, Series 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 are as follows:

FISCAL YEAR ENDED	MATURITIES		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 3,774,376	\$ 2,330,000	\$ 1,444,376
2012	3,873,793	2,470,000	1,403,793
2013	3,711,468	2,400,000	1,311,468
2014	6,227,215	5,015,000	1,212,215
2015	3,541,745	2,495,000	1,046,745
2016-2020	16,349,099	12,590,000	3,759,099
2021-2025	10,534,989	9,015,000	1,519,989
2026-2030	2,861,238	2,720,000	141,238
	<u>\$ 50,873,923</u>	<u>\$39,035,000</u>	<u>\$11,838,923</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, 2010, is as follows:

	<u>TOTALS</u>
Balance at October 1, 2009	\$11,762,851
New Notes Issued	-
Notes Retired	749,534
Balance at September 30, 2010	<u>\$11,013,317</u>

Certain Urban Renewal Notes, having balances of approximately \$1,564,054 at September 30, 2010, 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	TOTAL	MATURITIES	
		PRINCIPAL	INTEREST
2011	\$ 1,099,629	\$ 804,824	\$ 294,805
2012	1,099,950	830,883	269,067
2013	954,545	710,626	243,919
2014	850,552	624,989	225,563
2015	700,332	492,603	207,729
2016-2020	3,442,199	2,604,286	837,913
2021-2025	3,207,138	2,718,326	488,812
2026-2030	2,341,913	2,226,780	115,133
	<u>\$ 13,696,258</u>	<u>\$11,013,317</u>	<u>\$ 2,682,941</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 \$ 16,774 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, 2010.

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 2010, 2009, and 2008 were \$1,311,583, \$1,268,992 and \$1,180,966, 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 2010, no costs accrued to the employer under the Plan.

NOTE 12 - RISK MANAGEMENT

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

NOTE 13 - ESTIMATES

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

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

NOTE 14 - INTERFUND TRANSACTIONS

TRANSFERS IN/OUT	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Major Funds:		
General Fund	\$ 1,049,981	\$ 302,006
Electric Fund	-	674,981
Water Department	-	375,000
Non-Major Fund	302,006	-
TOTALS	<u>\$ 1,351,987</u>	<u>\$ 1,351,987</u>
	<u>DUE FROM</u>	<u>DUE TO</u>
	<u>OTHER FUNDS</u>	<u>OTHER FUNDS</u>
Electric Department	\$ -	\$ 2,023,673
Water and Sewer Department	1,440,849	-
General Fund	582,824	-
TOTALS	<u>\$ 2,023,673</u>	<u>\$ 2,023,673</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.

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, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET- FAVORABLE (UNFAVORABLE)</u>
REVENUE				
<u>TAXES:</u>				
Ad Valorem Tax	\$ 4,362,333	\$ 4,362,333	\$ 4,474,861	\$ 112,528
Park Comm Tax Levy	519,657	519,657	517,440	(2,217)
Library Tax Levy	272,820	272,820	271,806	(1,014)
Over 65 Reimbursement	65,000	65,000	90,844	25,844
In Lieu of Taxes	150,000	150,000	142,889	(7,111)
Penalties and Interest	135,000	135,000	209,064	74,064
Utility Tax	<u>85,000</u>	<u>85,000</u>	<u>61,754</u>	<u>(23,246)</u>
TOTAL TAXES	<u>5,589,810</u>	<u>5,589,810</u>	<u>5,768,658</u>	<u>178,848</u>
<u>LICENSES AND PERMITS:</u>				
Privilege License	50,000	50,000	51,530	1,530
Franchise Charges	520,000	584,681	666,991	82,310
Building and Zoning	195,000	195,000	198,614	3,614
Plumbing	25,000	25,000	5,098	(19,902)
Taxi Permits	200	200	1,205	1,005
Dog Licenses	<u>2,000</u>	<u>2,000</u>	<u>2,250</u>	<u>250</u>
TOTAL LICENSES AND PERMITS	<u>792,200</u>	<u>856,881</u>	<u>925,688</u>	<u>68,807</u>
<u>INTERGOVERNMENTAL:</u>				
Municipal Aid	20,000	20,000	19,462	(538)
Reimb-Transfer Station	40,000	52,000	60,425	8,425
Police Training	20,000	20,000	3,000	(17,000)
Sales Tax-Rental Car Settlement	17,500	17,500	-	(17,500)
Sales Tax-Revenue	5,536,000	5,824,149	5,464,500	(359,649)
ABC Licenses	115,000	115,000	116,200	1,200
Fire Protection	63,000	63,000	64,028	1,028
Hospital	8,000	8,000	3,927	(4,073)
County Ad Valorem Tax	292,451	304,000	328,368	24,368
Univ of Miss Fire Protection	369,888	369,888	369,888	-
Oxford Housing Authority	50,000	50,000	50,000	-
School Resource Officer Reimb	<u>215,000</u>	<u>215,000</u>	<u>216,780</u>	<u>1,780</u>
TOTAL INTERGOVERNMENTAL	<u>6,746,839</u>	<u>7,058,537</u>	<u>6,696,578</u>	<u>(361,959)</u>

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

- Continued -

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
<u>GOVERNMENTAL SERVICES:</u>				
FNC Parking Lease	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Sanitation Charges	2,710,000	2,710,000	2,793,860	83,860
Waste Disposal	20,000	20,000	11,097	(8,903)
Income from Police Dept Fees	5,000	5,000	6,984	1,984
Income from Swim Pool	17,000	17,000	20,113	3,113
Income from Recycling	100,000	118,000	57,093	(60,907)
Income from Dumpsters	7,500	7,500	-	(7,500)
School Collections	65,000	65,000	65,000	-
TOTAL GOVERNMENTAL SERVICES	<u>2,939,500</u>	<u>2,957,500</u>	<u>2,969,147</u>	<u>11,647</u>
<u>FINES AND FORFEITS:</u>				
Court Fines and Forfeits	425,000	425,000	404,736	(20,264)
State Fuel Tax	-	-	25,167	25,167
State Fines T&A	16,000	16,000	-	(16,000)
TOTAL FINES AND FORFEITS	<u>441,000</u>	<u>441,000</u>	<u>429,903</u>	<u>(11,097)</u>
<u>MISCELLANEOUS:</u>				
Donation of Land	-	-	-	-
Miscellaneous	100,000	100,000	231,993	131,993
RSVP	-	-	23,587	23,587
FNC Sponsorships	474,000	474,000	287,331	(186,669)
FNC OPC Concessions	35,000	35,000	137,283	102,283
Fuel Reimbursements	36,000	36,000	-	(36,000)
Admim Salaries	-	-	25,620	25,620
Interest Earned	150,000	180,000	277,698	97,698
TOTAL MISCELLANEOUS	<u>795,000</u>	<u>825,000</u>	<u>983,512</u>	<u>158,512</u>
<u>INTERFUND TRANSFERS:</u>				
Transfer-Cemetery T/A	20,000	20,000	-	(20,000)
Transfer-Water/Sewer-General	375,000	375,000	375,000	-
Transfer-Reimb Electric	40,000	40,000	-	(40,000)
Transfers	260,460	260,460	-	(260,460)
Tax Equivalent-E/D	615,000	615,000	674,981	59,981
Transfer-RSVP	30,000	30,000	-	(30,000)
TOTAL INTERFUND TRANS	<u>1,340,460</u>	<u>1,340,460</u>	<u>1,049,981</u>	<u>(290,479)</u>
TOTAL REVENUE	<u>18,644,809</u>	<u>19,069,188</u>	<u>18,823,467</u>	<u>(245,721)</u>

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

		<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
		<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET-</u>
					<u>FAVORABLE</u>
					<u>(UNFAVORABLE)</u>
EXPENDITURES					
Legislative	\$	124,257	\$ 124,257	\$ 114,297	\$ 9,960
Judicial		206,024	206,024	200,518	5,506
Executive		91,105	91,105	89,502	1,603
Elections		3,000	3,000	-	3,000
Financial Administration		284,710	284,710	236,242	48,468
Human Resources		169,724	169,724	167,828	1,896
Law		164,839	174,839	182,988	(8,149)
Dept. of Planning		436,400	436,400	424,028	12,372
Building and Code Enforcement		270,505	270,505	235,005	35,500
Buildings and Grounds		444,553	451,553	431,549	20,004
General Government		1,960,795	2,088,340	1,954,932	133,408
Community Promotions		45,000	45,000	46,800	(1,800)
Police Department		4,036,633	4,036,633	3,725,836	310,797
Fire Department		3,264,939	3,284,939	3,098,930	186,009
Emergency Mgmt		102,706	102,706	71,460	31,246
Highway and Street		2,526,308	2,476,308	2,397,001	79,307
Sanitation Administration		256,368	256,368	243,852	12,516
Street Cleaning		87,820	87,820	79,998	7,822
Waste Collection		999,915	1,037,915	994,223	43,692
Waste Disposal		543,837	563,837	558,022	5,815
Weed and Grass Control		232,126	232,126	196,327	35,799
Cemetery Maintenance		127,148	127,148	121,438	5,710
Family Crisis Services		7,200	7,200	7,200	-
FNC Park		969,260	982,760	977,930	4,830
Parks and Recreation		972,671	969,671	978,873	(9,202)
Swimming Pool		176,335	181,635	163,476	18,159
RSVP		134,396	134,396	132,812	1,584
Library		296,180	296,180	271,806	24,374
City Garage		819,972	819,972	793,722	26,250
Airport		15,000	15,000	15,000	-
Humane Society		118,793	118,793	118,793	-
Recycling		434,534	459,934	455,985	3,949
Principal Retirement		-	-	89,097	(89,097)
Interest and Fiscal Charges		-	-	30,513	(30,513)
Operating Transfers Out		-	-	-	-
TOTAL EXPENDITURES		<u>20,323,053</u>	<u>20,536,798</u>	<u>19,605,983</u>	<u>930,815</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	\$ (1,678,244)	\$ (1,467,610)	\$ (782,516)	\$ 685,094
FUND BALANCE - BEGINNING	<u>4,794,854</u>	<u>4,794,854</u>	<u>4,794,854</u>	<u>-</u>
FUND BALANCE - ENDING	\$ <u>3,116,610</u>	\$ <u>3,327,244</u>	\$ <u>4,012,338</u>	\$ <u>685,094</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

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

	<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				
Interest Income	\$ -	\$ -	\$ 37,748	\$ 37,748
TOTAL REVENUE	-	-	37,748	37,748
EXPENDITURES				
Capital Outlay	-	-	695,071	(695,071)
TOTAL EXPENDITURES	-	-	695,071	(695,071)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(657,323)	(657,323)
FUND BALANCE - BEGINNING	-	-	3,646,984	3,646,984
FUND BALANCE - ENDING	\$ -	\$ -	\$ 2,989,661	\$ 2,989,661

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REPORT

CITY OF OXFORD, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Year ended September 30, 2010

BUDGETARY COMPARISON SCHEDULE

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

SUPPLEMENTARY INFORMATION

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 OTHER GOVERNMENTAL FUNDS (NON-MAJOR FUNDS)
 September 30, 2010

	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
ASSETS					
Cash and Cash Equivalents	\$ 659,042	\$ 236,968	\$ 2,730,760	\$ 98,560	\$ 3,725,330
Due from Other Governments	-	-	812,649	-	812,649
TOTAL ASSETS	<u>\$ 659,042</u>	<u>\$ 236,968</u>	<u>\$ 3,543,409</u>	<u>\$ 98,560</u>	<u>\$ 4,537,979</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Bank Overdraft	\$ -	\$ -	\$ 907,059	\$ 12,299	\$ 919,358
Accounts Payable	-	31,660	31,829	-	63,489
Due to Lienholder	-	90,049	-	-	90,049
TOTAL LIABILITIES	<u>-</u>	<u>121,709</u>	<u>938,888</u>	<u>12,299</u>	<u>1,072,896</u>
Fund Balances:					
Reserved For:					
Unemployment	-	-	52,171	-	52,171
Cemetery	-	96,474	-	-	96,474
Fire Protection	-	13,333	-	-	13,333
Tourism	-	-	1,424,902	-	1,424,902
Other	-	5,452	1,127,448	-	1,132,900
Debt Service	-	-	-	86,261	86,261
Capital Projects	659,042	-	-	-	659,042
TOTAL FUND BALANCES	<u>659,042</u>	<u>115,259</u>	<u>2,604,521</u>	<u>86,261</u>	<u>3,465,083</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 659,042</u>	<u>\$ 236,968</u>	<u>\$ 3,543,409</u>	<u>\$ 98,560</u>	<u>\$ 4,537,979</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, 2010

REVENUES	CAPITAL PROJECTS FUNDS	FIDUCIARY FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTALS
Ad Valorem	\$ -	\$ -	\$ -	\$ 1,695,176	\$ 1,695,176
Tourism Tax	-	-	1,609,439	-	1,609,439
Interest Income	32,119	12,677	130,839	7,577	183,212
Federal & State Awards	155,131	-	2,174,494	-	2,329,625
Sale of Cemetery Lots	-	49,550	-	-	49,550
Local Matching Funds	-	-	200,000	-	200,000
Donations	-	-	411,715	-	411,715
Fines and Seizures	-	-	80,729	-	80,729
Rental Fees	-	-	14,995	-	14,995
Intergovernmental	-	-	1,236,197	-	1,236,197
Miscellaneous	-	-	812,671	-	812,671
TOTAL REVENUES	187,250	62,227	6,671,079	1,702,753	8,623,309
EXPENDITURES					
Capital Projects	743,689	-	882,173	-	1,625,862
Drug and Traffic Enforcement	-	-	332,960	-	332,960
Miscellaneous	-	35,032	3,764,665	-	3,799,697
Bond Maturities	-	-	235,000	1,460,000	1,695,000
Interest Paid and Agent Fees	-	-	168,500	752,536	921,036
Tourism Promotion	-	-	933,955	-	933,955
TOTAL EXPENDITURES	743,689	35,032	6,317,253	2,212,536	9,308,510
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(556,439)	27,195	353,826	(509,783)	(685,201)

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
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	\$ 423,651	\$ -	\$ 427,131	\$ 366,971	\$ 1,217,753
Operating Transfers Out	(548,330)	-	(368,417)	-	(916,747)
Loan Proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(124,679)	-	58,714	366,971	301,006
NET CHANGE IN FUND BALANCE	(681,118)	27,195	412,540	(142,812)	(384,195)
FUND BALANCE					
Beginning of Year	1,340,160	88,064	2,191,981	229,073	3,849,278
End of Year	\$ 659,042	\$ 115,259	\$ 2,604,521	\$ 86,261	\$ 3,465,083

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
September 30, 2010

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	G.O. NOTE SERIES 2009	\$1,500,000 G.O. BONDS	2007 OPC BALLFIELD PROJECT	BUSINESS INCUBATOR PHASE II/III	TOTALS
ASSETS								
Cash and Cash Equivalents	\$ 417,922	\$ 110,801	\$ 54,783	\$ 74,413	\$ -	\$ -	\$ 1,123	\$ 659,042
Due from Other Government	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 417,922	\$ 110,801	\$ 54,783	\$ 74,413	\$ -	\$ -	\$ 1,123	\$ 659,042
LIABILITIES AND FUND BALANCES								
Liabilities:								
Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
Fund Balances:								
Reserved for Capital Projects	417,922	110,801	54,783	74,413	-	-	1,123	659,042
TOTAL LIABILITIES AND FUND BALANCES	\$ 417,922	\$ 110,801	\$ 54,783	\$ 74,413	\$ -	\$ -	\$ 1,123	\$ 659,042

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
Year Ended September 30, 2010

	\$9M G.O. BOND 2007	JACKSON AVENUE PROJECT	PATHWAY GRANT	G.O. NOTE SERIES 2009	\$1,500,000 G.O. BONDS	2007 OPC BALLFIELD PROJECT	BUSINESS INCUBATOR PHASE II/III	TOTALS
<u>REVENUES</u>								
Interest Income	\$ 32,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,119
Federal & State Awards	-	-	-	-	-	-	155,131	155,131
TOTAL REVENUES	<u>32,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,131</u>	<u>187,250</u>
<u>EXPENDITURES</u>								
Capital Projects	589,681	-	-	-	-	-	154,008	743,689
Miscellaneous	-	-	-	-	-	-	-	-
Loan Costs	-	-	-	-	-	-	-	-
TOTAL	<u>589,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,008</u>	<u>743,689</u>
EXPENDITURES								
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(557,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,123</u>	<u>(556,439)</u>
<u>OTHER FINANCING SOURCES (USES)</u>								
Transfers In	206,700	-	-	-	-	216,951	-	423,651
Transfer Out	<u>(208,097)</u>	<u>-</u>	<u>-</u>	<u>(332,825)</u>	<u>(7,408)</u>	<u>-</u>	<u>-</u>	<u>(548,330)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,397)</u>	<u>-</u>	<u>-</u>	<u>(332,825)</u>	<u>(7,408)</u>	<u>216,951</u>	<u>-</u>	<u>(124,679)</u>
NET CHANGE IN FUND BALANCES	(558,959)	-	-	(332,825)	(7,408)	216,951	1,123	(681,118)
<u>FUND BALANCE</u>								
Beginning of Year	976,881	110,801	54,783	407,238	7,408	(216,951)	-	1,340,160
End of Year	<u>\$ 417,922</u>	<u>\$ 110,801</u>	<u>\$ 54,783</u>	<u>\$ 74,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,123</u>	<u>\$ 659,042</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
September 30, 2010

	EXPENDABLE TRUST FUNDS	AGENCY FUNDS	TOTAL
<u>ASSETS</u>			
Cash	\$ 96,474	\$ 140,494	\$ 236,968
TOTAL ASSETS	\$ 96,474	\$ 140,494	\$ 236,968
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts Payable	\$ -	\$ 31,660	\$ 31,660
Due to Lienholders	-	90,049	90,049
TOTAL LIABILITIES	-	121,709	121,709
Fund Balance:			
Cemetery Maintenance	96,474	-	96,474
Fire Protection	-	13,333	13,333
Youth Court	-	5,452	5,452
TOTAL FUND BALANCE	96,474	18,785	115,259
TOTAL LIABILITIES AND FUND BALANCE	\$ 96,474	\$ 140,494	\$ 236,968

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FIDUCIARY FUNDS
 Year Ended September 30, 2010

	EXPENDABLE TRUST FUND	AGENCY FUND	TOTAL
<u>REVENUES</u>			
Interest	\$ -	\$ 12,677	\$ 12,677
Sale of Cemetery Lots	<u>49,550</u>	<u>-</u>	<u>49,550</u>
TOTAL REVENUES	<u>49,550</u>	<u>12,677</u>	<u>62,227</u>
<u>EXPENDITURES</u>			
Miscellaneous Expenses	<u>22,355</u>	<u>12,677</u>	<u>35,032</u>
TOTAL EXPENDITURES	<u>22,355</u>	<u>12,677</u>	<u>35,032</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>27,195</u>	<u>-</u>	<u>27,195</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	27,195	-	27,195
FUND BALANCE Beginning of Year	<u>69,279</u>	<u>18,785</u>	<u>88,064</u>
End of Year	\$ <u>96,474</u>	\$ <u>18,785</u>	\$ <u>115,259</u>

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUND
September 30, 2010

	CEMETERY TRUST FUND
<u>ASSETS</u>	
Cash	\$ <u>96,474</u>
TOTAL ASSETS	\$ <u>96,474</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Fund Balance:	
Reserved for Cemetery Maintenance	\$ <u>96,474</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>96,474</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 EXPENDABLE TRUST FUND
 Year Ended September 30, 2010

	CEMETERY TRUST FUND
<u>REVENUES</u>	
Sales of Cemetery Lots	\$ 49,550
TOTAL REVENUES	<u>49,550</u>
<u>EXPENDITURES</u>	<u>22,355</u>
TOTAL EXPENDITURES	<u>22,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>27,195</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Operating Transfers Out	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>
NET CHANGE IN FUND BALANCE	27,195
<u>FUND BALANCE</u>	
Beginning of Year	<u>69,279</u>
End of Year	\$ <u>96,474</u>

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 AGENCY FUNDS
 September 30, 2010

	FSA CLEARING	PAYROLL CLEARING	YOUTH COURT	FIRE PROTECTION	TAX COLLECTOR CLEARING	TOTAL
ASSETS						
Cash	\$ 3,825	\$ 27,835	\$ 5,452	\$ 13,333	\$ 90,049	\$ 140,494
TOTAL ASSETS	\$ 3,825	\$ 27,835	\$ 5,452	\$ 13,333	\$ 90,049	\$ 140,494
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts Payable	\$ 3,825	\$ 27,835	\$ -	\$ -	\$ -	\$ 31,660
Due to Lienholders	-	-	-	-	90,049	90,049
TOTAL LIABILITIES	3,825	27,835	-	-	90,049	121,709
Fund Balance:						
Reserved for:						
Fire Protection	-	-	-	13,333	-	13,333
Others	-	-	5,452	-	-	5,452
TOTAL FUND BALANCE	-	-	5,452	13,333	-	18,785
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,825	\$ 27,835	\$ 5,452	\$ 13,333	\$ 90,049	\$ 140,494

CITY OF OXFORD, MISSISSIPPI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 AGENCY FUNDS
 September 30, 2010

	FFA CLEARING	PAYROLL CLEARING	YOUTH COURT	FIRE PROTECTION	TAX COLLECTOR CLEARING	TOTAL
<u>REVENUES</u>						
Interest	\$ 4	\$ 9,798	\$ -	\$ -	\$ 2,875	\$ 12,677
TOTAL REVENUES	4	9,798	-	-	2,875	12,677
<u>EXPENDITURES</u>						
	-	-	-	-	-	-
TOTAL EXPENDITURES	4	9,798	-	-	2,875	12,677
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	-	-	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-
<u>FUND BALANCE</u>						
Beginning of Year	-	-	5,452	13,333	-	18,785
End of Year	\$ -	\$ -	\$ 5,452	\$ 13,333	\$ -	\$ 18,785

CITY OF OXFORD, MISSISSIPPI
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 September 30, 2010

	2 & TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	MDJ UNIT	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
Cash and Cash Equivalents	\$ 1,424,902	\$ 19,915	\$ 159,448	\$ 76,955	\$ 52,171	\$ 997,369	\$ 2,730,760
Due from Other Governments	-	-	-	-	-	812,649	812,649
TOTAL ASSETS	\$ 1,424,902	\$ 19,915	\$ 159,448	\$ 76,955	\$ 52,171	\$ 1,810,018	\$ 3,543,409

ASSETS

Cash and Cash Equivalents
 Due from Other Governments

TOTAL ASSETS

LIABILITIES AND FUND BALANCES

Liabilities:

Bank Overdraft
 Accounts Payable

TOTAL LIABILITIES

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 907,059	\$ 907,059
-	-	-	-	-	-	30,029	31,829
-	-	-	-	-	-	937,088	938,888

Fund Balance:

Reserved for:

Tourism
 Unemployment
 Other

TOTAL FUND BALANCES

1,424,902	-	-	-	-	-	-	1,424,902
-	-	-	-	-	52,171	-	52,171
-	19,915	159,448	75,155	-	-	872,930	1,127,448
1,424,902	19,915	159,448	75,155	-	52,171	872,930	2,604,521

TOTAL LIABILITIES AND FUND BALANCES

\$ 1,424,902	\$ 19,915	\$ 159,448	\$ 76,955	\$ 52,171	\$ 1,810,018	\$ 3,543,409
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CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
Year Ended September 30, 2010

	2 & TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	MDJ UNIT	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
REVENUES							
Tourism Tax	\$ 1,609,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,609,439
Federal & State Awards	-	83,100	-	-	-	2,091,394	2,174,494
Local Matching Funds	200,000	-	-	-	-	-	200,000
Donations	6,000	-	300,000	-	-	105,715	411,715
Interest on Investments	91,317	-	-	5,587	-	33,935	130,839
Fines and Seizures	-	-	-	14,418	-	66,311	80,729
Rental Fees	-	-	-	-	-	14,995	14,995
Intergovernmental	-	-	-	168,631	-	1,067,566	1,236,197
Miscellaneous	-	-	-	-	-	812,671	812,671
TOTAL REVENUES	1,906,756	83,100	300,000	188,636	-	4,192,587	6,671,079
EXPENDITURES							
Capital Outlay	11,145	-	360,322	41,545	-	469,161	882,173
Tourism Promotion	756,944	-	-	-	-	177,011	933,955
Drug and Traffic Enforcement	-	-	-	332,960	-	-	332,960
Bond Maturities	235,000	-	-	-	-	-	235,000
Interest Paid and Agent Fees	168,500	-	-	-	-	-	168,500
Miscellaneous	400,000	63,977	-	-	-	3,300,688	3,764,665
TOTAL EXPENDITURES	1,571,589	63,977	360,322	374,505	-	3,946,860	6,317,233
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	335,167	19,123	(60,322)	(185,869)	-	245,727	353,826
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	75,000	-	352,131	427,131
Operating Transfers Out	(366,971)	-	-	-	-	(1,446)	(368,417)
TOTAL OTHER FINANCIAL SOURCES (USES)	(366,971)	-	-	75,000	-	350,685	58,714
NET CHANGE IN FUND BALANCE	(31,804)	19,123	(60,322)	(110,869)	-	596,412	412,540

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

	2½ TAX FUND	DUI GRANT FUNDS	HUMANE SOCIETY	MDJ UNIT	UNEMPLOYMENT COMPENSATION FUND	OTHER	TOTAL
FUND BALANCE							
Beginning of Year	\$ 1,456,706	\$ 792	\$ 219,770	\$ 186,024	\$ 52,171	\$ 276,518	\$ 2,191,981
End of Year	\$ 1,424,902	\$ 19,915	\$ 159,448	\$ 75,155	\$ 52,171	\$ 872,930	\$ 2,604,521

CITY OF OXFORD, MISSISSIPPI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
September 30, 2010

	2009	2007	2005	2004	2002	2000	1995	TOTAL
	G.O.	G.O.	G.O.	G.O.	G.O.	G.O.	G.O.	
ASSETS								
Cash	\$ -	\$ -	\$ 16,044	\$ 21,729	\$ 9,801	\$ 50,986	\$ -	\$ 98,560
	\$ -	\$ -	\$ 16,044	\$ 21,729	\$ 9,801	\$ 50,986	\$ -	\$ 98,560
TOTAL ASSETS								

LIABILITIES AND FUND BALANCE

Liability-Bank Overdraft	\$ 1,639	\$ 10,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,299
Fund Balance-Restricted	(1,639)	(10,660)	16,044	21,729	9,801	50,986	-	86,261
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ 16,044	\$ 21,729	\$ 9,801	\$ 50,986	\$ -	\$ 98,560

CITY OF OXFORD, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
Year Ended September 30, 2010

	2009	2007	2005	2004	2002	2000	1995	
	G.O.	G.O.	G.O.	G.O.	G.O.	G.O.	G.O.	TOTAL
REVENUES								
Ad Valorem and Other Taxes	\$ 306,105	\$ 282,824	\$ 173,909	\$ 240,968	\$ 155,087	\$ 305,391	\$ 230,892	\$ 1,695,176
Investment Income	1,468	303	1,062	1,254	227	1,922	1,341	7,577
TOTAL REVENUES	<u>307,573</u>	<u>283,127</u>	<u>174,971</u>	<u>242,222</u>	<u>155,314</u>	<u>307,313</u>	<u>232,233</u>	<u>1,702,753</u>
EXPENDITURES								
Bond Principal Maturities	180,000	310,000	145,000	220,000	145,000	220,000	240,000	1,460,000
Interest Paid	127,450	340,913	30,291	63,660	14,822	152,688	13,483	743,307
Agent Fees	1,762	1,050	781	2,613	800	1,940	283	9,229
TOTAL EXPENDITURES	<u>309,212</u>	<u>651,963</u>	<u>176,072</u>	<u>286,273</u>	<u>160,622</u>	<u>374,628</u>	<u>253,766</u>	<u>2,212,536</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,639)</u>	<u>(368,836)</u>	<u>(1,101)</u>	<u>(44,051)</u>	<u>(5,308)</u>	<u>(67,315)</u>	<u>(21,533)</u>	<u>(509,783)</u>
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	366,971	-	-	-	-	-	366,971
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>-</u>	<u>366,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366,971</u>
NET CHANGE IN FUND BALANCE (1,639)		(1,865)	(1,101)	(44,051)	(5,308)	(67,315)	(21,533)	(142,812)
FUND BALANCE								
Beginning of Year	-	(8,795)	17,145	65,780	15,109	118,301	21,533	229,073
End of Year	<u>\$ (1,639)</u>	<u>\$ (10,660)</u>	<u>\$ 16,044</u>	<u>\$ 21,729</u>	<u>\$ 9,801</u>	<u>\$ 50,986</u>	<u>\$ -</u>	<u>\$ 86,261</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2010

	<u>COST</u>	<u>AND</u>
	<u>MARKET</u>	<u>VALUE</u>
<u>INVESTMENTS</u>		
Certificates of Deposit:		
First National Bank	\$	336,295
Mechanics Bank		34,289
Southbank		<u>196,881</u>
 TOTAL INVESTMENTS	 \$	 <u>567,465</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF SURETY BONDS
September 30, 2010

<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, 2010

DEFINITION AND PURPOSE	INTEREST RATE	BALANCE		ADDITIONS	REDEMPTIONS	BALANCE	
		OCTOBER 1, 2009	SEPTEMBER 30, 2010				
REVENUE BONDS							
1996 Combination Water & Sewer	6.5%	\$	290,000	\$	140,000	\$	150,000
1999 Electric System Revenue	4.6-6.25%		4,045,000	-	4,045,000		-
2003 Combination Water & Sewer	3.8-4.5%		1,555,000	-	80,000		1,475,000
2004 Water & Sewer Revenue Bond			1,565,000	-	135,000		1,430,000
2006 Water & Sewer Revenue Bond			3,070,000	-	120,000		2,950,000
2008 Water & Sewer Revenue Bond			2,625,000	-	95,000		2,530,000
2009 Water & Sewer Revenue Bond			3,345,000	-	110,000		3,235,000
2010 Electric System Revenue	2.00-3.25%			3,335,000	-		3,335,000
TVA Loan A-9001				2,500,000	-		2,500,000
GENERAL OBLIGATION BONDS							
1995 General Obligation	4.9-7.0%		240,000	-	240,000		-
2000 General Obligation - Jackson Avenue	4.375-6.25%		3,600,000	-	220,000		3,380,000
2001 Special Obligation - Conference Center	4.6%		3,625,000	-	235,000		3,390,000
2002 General Obligation - Police Dept. Equipment	3.875-5.5%		455,000	-	145,000		310,000
2004 General Obligation	3-3.8%		2,015,000	-	220,000		1,795,000
2005 General Obligation	3.375-3.79%		970,000	-	145,000		825,000
2007 General Obligation	5.00-4.125%		8,420,000	-	310,000		8,110,000
2010 General Obligation	3.000-3.75%		3,800,000	-	180,000		3,620,000
			39,620,000	5,835,000	6,420,000		39,035,000
NOTES PAYABLE							
General Obligation Note	3.6%		675,000	-	125,000		550,000
State Revolving Fund - Water & Sewer	4.0%		795,523	-	221,712		573,811
MS Development 569			533,477	-	49,236		484,241
State Revolving Fund - Water & Sewer			8,813,809	-	313,725		8,500,084
MS Development 515			945,042	-	39,861		905,181
			11,762,851	-	749,534		11,013,317
TOTAL			\$ 51,382,851	\$ 5,835,000	\$ 7,169,534		\$ 50,048,317

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

YEAR	1996 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 157,800	\$ 150,000	\$ 7,800
	<u>\$ 157,800</u>	<u>\$ 150,000</u>	<u>\$ 7,800</u>

YEAR	2010 ELECTRIC SYSTEM REVENUE		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 325,712	\$ 240,000	\$ 85,712
2012	431,013	355,000	76,013
2013	428,412	360,000	68,412
2014	430,200	370,000	60,200
2015	436,706	385,000	51,706
2016-2020	<u>1,726,750</u>	<u>1,625,000</u>	<u>101,750</u>
	<u>\$ 3,778,793</u>	<u>\$ 3,335,000</u>	<u>\$ 443,793</u>

YEAR	2003 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 137,677	\$ 80,000	\$ 57,677
2012	139,377	85,000	54,377
2013	135,861	85,000	50,861
2014	137,265	90,000	47,265
2015	138,660	95,000	43,660
2016-2020	<u>698,730</u>	<u>530,000</u>	<u>158,730</u>
2021-2025	<u>544,245</u>	<u>510,000</u>	<u>34,245</u>
	<u>\$ 1,921,815</u>	<u>\$ 1,475,000</u>	<u>\$ 446,815</u>

YEAR	2004 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ -	\$ -	\$ -
2012	132,234	75,000	57,234
2013	129,421	75,000	54,421
2014	131,415	80,000	51,415
2015	133,115	85,000	48,115
2016-2020	<u>675,473</u>	<u>490,000</u>	<u>185,473</u>
2021-2025	<u>695,547</u>	<u>625,000</u>	<u>70,547</u>
	<u>\$ 1,897,205</u>	<u>\$ 1,430,000</u>	<u>\$ 467,205</u>

YEAR	2006 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 250,113	\$ 125,000	\$ 125,113
2012	248,550	130,000	118,550
2013	246,725	135,000	111,725
2014	249,975	145,000	104,975
2015	247,725	150,000	97,725
2016-2020	<u>1,266,200</u>	<u>880,000</u>	<u>386,200</u>
2020-2025	<u>1,316,000</u>	<u>1,125,000</u>	<u>191,000</u>
2026-2030	<u>270,400</u>	<u>260,000</u>	<u>10,400</u>
	<u>\$ 4,095,688</u>	<u>\$ 2,950,000</u>	<u>\$ 1,145,688</u>

YEAR	2008 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 226,555	\$ 100,000	\$ 126,555
2012	225,555	105,000	120,555
2013	224,255	110,000	114,255
2014	222,655	115,000	107,655
2015	222,480	120,000	102,480
2016-2020	<u>1,117,243</u>	<u>695,000</u>	<u>422,243</u>
2021-2025	<u>1,111,361</u>	<u>875,000</u>	<u>236,361</u>
2026-2030	<u>441,000</u>	<u>410,000</u>	<u>31,000</u>
	<u>\$ 3,791,104</u>	<u>\$ 2,530,000</u>	<u>\$ 1,261,104</u>

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

YEAR	2009 COMBINATION WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 239,650	\$ 115,000	\$ 124,650
2012	239,950	120,000	119,950
2013	240,050	125,000	115,050
2014	249,750	140,000	109,750
2015	244,150	140,000	104,150
2016-2020	1,242,687	810,000	432,687
2020-2025	1,292,018	1,035,000	257,018
2026-2030	795,800	750,000	45,800
	<u>\$ 4,544,055</u>	<u>\$ 3,235,000</u>	<u>\$ 1,309,055</u>

TVA LOAN A-9001		
YEAR	TOTAL	PRINCIPAL
2011	\$ 77,500	\$ -
2012	77,500	-
2013	77,500	-
2014	2,577,500	2,500,000
	<u>\$ 2,810,000</u>	<u>\$ 2,500,000</u>
		<u>\$ 310,000</u>

YEAR	2000 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 372,844	\$ 230,000	\$ 142,844
2012	377,453	245,000	132,453
2013	387,092	260,000	127,092
2014	379,813	270,000	109,813
2015	388,906	285,000	103,906
2016-2020	2,011,532	1,695,000	316,532
2021-2025	412,282	395,000	17,282
	<u>\$ 4,329,922</u>	<u>\$ 3,380,000</u>	<u>\$ 949,922</u>

YEAR	2001 SPECIAL OBLIGATION-CONFEECE CNTR		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 400,940	\$ 245,000	\$ 155,940
2012	399,670	255,000	144,670
2013	391,845	265,000	126,845
2014	394,310	280,000	114,310
2015	391,200	290,000	101,200
2016-2020	1,961,925	1,675,000	286,925
2021-2025	388,740	380,000	8,740
	<u>\$ 4,328,630</u>	<u>\$ 3,390,000</u>	<u>\$ 938,630</u>

YEAR	2002 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 159,106	\$ 150,000	\$ 9,106
2012	163,100	160,000	3,100
	<u>\$ 322,206</u>	<u>\$ 310,000</u>	<u>\$ 12,206</u>

YEAR	2004 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 287,191	\$ 230,000	\$ 57,191
2012	290,285	240,000	50,285
2013	292,685	250,000	42,685
2014	299,313	265,000	34,313
2015	177,315	150,000	27,315
2016-2020	711,215	660,000	51,215
	<u>\$ 2,058,004</u>	<u>\$ 1,795,000</u>	<u>\$ 263,004</u>

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

YEAR	2005 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 175,313	\$ 150,000	\$ 25,313
2012	180,081	160,000	20,081
2013	179,597	165,000	14,597
2014	178,944	170,000	8,944
2015	183,038	180,000	3,038
	<u>\$ 896,973</u>	<u>\$ 825,000</u>	<u>\$ 71,973</u>

YEAR	2007 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 652,825	\$ 325,000	\$ 327,825
2012	654,525	340,000	314,525
2013	660,525	360,000	300,525
2014	655,925	370,000	285,925
2015	660,725	390,000	270,725
2016-2020	3,292,025	2,225,000	1,067,025
2021-2025	3,358,125	2,800,000	558,125
2026-2030	<u>1,354,038</u>	<u>1,300,000</u>	<u>54,038</u>
	<u>\$11,288,713</u>	<u>\$ 8,110,000</u>	<u>\$ 3,178,713</u>

YEAR	2010 GENERAL OBLIGATION		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 311,150	\$ 190,000	\$ 121,150
2012	314,500	200,000	114,500
2013	317,500	210,000	107,500
2014	320,150	220,000	100,150
2015	317,725	225,000	92,725
2016-2020	1,655,319	1,305,000	350,319
2021-2025	<u>1,386,781</u>	<u>1,270,000</u>	<u>116,781</u>
	<u>\$ 4,623,125</u>	<u>\$ 3,620,000</u>	<u>\$ 1,003,125</u>

YEAR	2008 GENERAL OBLIGATION NOTE		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 149,800	\$ 130,000	\$ 19,800
2012	150,120	135,000	15,120
2013	150,260	140,000	10,260
2014	<u>150,220</u>	<u>145,000</u>	<u>5,220</u>
	<u>\$ 600,400</u>	<u>\$ 550,000</u>	<u>\$ 50,400</u>

YEAR	MS DEVELOPMENT 515 NOTE		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 60,706	\$ 43,042	\$ 17,664
2012	60,706	43,911	16,795
2013	60,706	44,797	15,909
2014	60,706	45,701	15,005
2015	60,706	46,624	14,082
2016-2020	303,530	247,621	55,909
2021-2025	303,530	273,640	29,890
2026-2030	<u>161,875</u>	<u>159,845</u>	<u>2,030</u>
	<u>\$ 1,072,465</u>	<u>\$ 905,181</u>	<u>\$ 167,284</u>

YEAR	STATE REVOLVING FUND NOTE-WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST
2011	\$ 249,497	\$ 230,744	\$ 18,753
2012	249,497	240,145	9,352
2013	<u>103,953</u>	<u>102,922</u>	<u>1,031</u>
	<u>\$ 602,947</u>	<u>\$ 573,811</u>	<u>\$ 29,136</u>

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

YEAR	MS DEVELOPMENT 569 NOTE			YEAR	STATE REVELOLIVING FUND NOTE-WATER & SEWER		
	TOTAL	PRINCIPAL	INTEREST		TOTAL	PRINCIPAL	INTEREST
2011	\$ 58,904	\$ 49,662	\$ 9,242	2011	\$ 580,722	\$ 351,376	\$ 229,346
2012	58,905	50,665	8,240	2012	580,722	361,162	219,560
2013	58,904	51,687	7,217	2013	580,722	371,220	209,502
2014	58,904	52,730	6,174	2014	580,722	381,558	199,164
2015	58,904	53,795	5,109	2015	580,722	392,184	188,538
2016-2020	235,618	225,702	9,359	2016-2020	2,903,608	2,130,963	772,645
	<u>530,132</u>	<u>484,241</u>	<u>45,341</u>	2021-2025	2,903,608	2,444,686	458,922
				2026-2030	<u>2,177,708</u>	<u>2,066,935</u>	<u>110,773</u>
					<u>\$10,888,534</u>	<u>\$ 8,500,084</u>	<u>\$ 2,388,450</u>

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FEDERAL AWARDS
September 30, 2010

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	RECEIPTS/ REVENUES	EXPENDITURES
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Passed through the Governor's Office of Federal-State Programs:					
Justice Assistance Grant	16.727	06NM2251	\$ 83,100	\$ 83,100	\$ 83,100
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through the Mississippi Emergency Management Agency:					
ODP Homeland Security Grant Program	97.067	4DPG	113,617	113,617	113,617
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Urban & Community Forestry Assistance Grant	10.664		13,569	13,569	13,569
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through the Mississippi Dept. of Transportation:					
Surface Transportation Program	20.205		966,966	966,966	966,966
Pathway Grant	20.205		39,373	39,373	39,373
Public Transportation for Nonurbanized Areas	20.509		403,739	403,739	403,739
			1,410,078	1,410,078	1,410,078
<u>U.S. NATIONAL PARK SERVICE</u>					
Preserve America Grant	15.904		23,877	23,877	23,877
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>					
Community Development Block Grant	14.228		191,573	191,573	191,573
Neighborhood Initiative	14.251		201,018	201,018	201,018
			392,591	392,591	392,591
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
BISC Grant	93.243		308,745	308,745	308,745
TOTAL AWARDS			\$ 2,345,577	\$ 2,345,577	\$ 2,345,577

INTERNAL CONTROL AND COMPLIANCE REPORTS

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

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

Dwight L. Young, Jr., C.P.A.
Patricia A. Bynum, C.P.A.



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, 2010, and have issued our report thereon dated April 20, 2011. 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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oxford's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Oxford's internal control over financial reporting.

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

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

Compliance and Other Matters

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

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

The Dwight L. Young Group

April 20, 2011

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

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

COMPLIANCE

We have audited the compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Oxford's major federal programs for the year ended September 30, 2010. 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. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Oxford's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Oxford's compliance with those requirements.

In our opinion, the City of Oxford complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

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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, 2010, and have issued our report dated April 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

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

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

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

The Dwight L. Young Group

April 20, 2011

CITY OF OXFORD, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2010

Section 1: Summary of Auditor's Results

1. Unqualified opinion was issued on the financial statements of the City of Oxford, Mississippi.
2. The audit of the financial statements did not disclose any material weaknesses in internal control.
3. The audit did not disclose any noncompliance which is material to the general purpose financial statements.
4. The audit did not disclose any material weaknesses in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any audit findings which are required to be reported under section _____.510(a) of OMB Circular A-133.
7. Federal programs identified as major programs:
 - a. U.S. Department of Transportation
CFDA #20.205
CFDA #20.209
8. The dollar threshold used to distinguish between the type A and the type B programs was \$300,000.
9. The auditee qualified as a low-risk auditee.

Section 2: Findings Relating to the Financial Statements

No findings were noted.

Section 3: Findings and Questioned Costs for Federal Awards

No findings were noted.