City of Oxford, Georgia

Financial Statements
For the Fiscal Year Ended
December 31, 2010

City of Oxford, Georgia
Financial Report
For the Year Ended December 31, 2010

TABLE OF CONTENTS

	Exhibit No.	Page No.
INTRODUCTORY SECTION		
Principal Officials		
FINANCIAL SECTION		
Independent Auditor's Report		
Basic Financial Statements:		
Statement of Net Assets	1	1
Statement of Activities	2	2
Balance Sheet - Governmental Funds	3	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	3.1	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities	4.1	6
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	5	7
Statement of Net Assets - Proprietary Funds	6	8
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	7	9
Statement of Cash Flows - Proprietary Funds	8	10
Notes to the Financial Statements		11-25
Required Supplementary Information:		
Retirement Plan - Schedule of Funding Progress		26
Major Funds		
Governmental Funds - Capital Projects Fund - Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance Fund Balance - Budget and Actual	A	27
Nonmajor Governmental Funds:		
Nonmajor Governmental Funds - Special Revenue Fund Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance	B	28

City of Oxford, Georgia
Financial Report
For the Year Ended December 31, 2010

TABLE OF CONTENTS

Supplemental Schedules:	**Schedule No.**	**Page No.**
General Fund - Schedule of Revenues - Budget and Actual	1	29
General Fund - Schedule of Operating Expenditures - Budget and Actual	2	30-31
CDBG Source and Application of Funds	3	32
CDBG Project Cost Schedule	4	33

	Page No.
COMPLIANCE SECTION	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	34-35
Schedule of Findings and Responses	36-37
Schedule of Projects Constructed with Special Purpose Sales Tax	38

Introductory Section

City of Oxford, Georgia
Principal Officials

Council Members
2010

Jerry D. Roseberry	Mayor
James H. Windham	Council member/ Mayor Pro-Tem
Frank J. Davis	Council member
Sue Dale	Council member
George R. Holt	Council member
Hoyt P. Oliver	Council member
Terry A. Smith	Council member

Financial Section

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650
Ph: (706) 342-1040

2470 Daniell's Bridge Rd, Ste 151103
Athens, Georgia 30606
Ph: (706) 353-3120

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of the
City of Oxford, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Oxford, Georgia, as of and for the year ended December 31, 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, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of Oxford, Georgia, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2011, on our consideration of the City of Oxford, Georgia'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 important for assessing the results of our audit.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Retirement Plan-Schedule of Funding Progress on 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford, Georgia's basic financial statements. The introductory section, combining nonmajor fund financial statements, other supplementary information and the schedule of projects constructed with special sales tax proceeds, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Braswell, Tamplin & Co.

Madison, Georgia
June 24, 2011

Basic Financial Statements

City of Oxford, Georgia
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 500,427	$ 2,199,964	$ 2,700,391
Investments	11,667	1,398,956	1,410,623
Receivables	18,663	377,207	395,870
Due from other governments	171,232	39,906	211,138
Inventories	-	37,554	37,554
Restricted assets-noncurrent	-	1,927,588	1,927,588
Other assets	8,847	10,243	19,090
Capital assets			
Capital assets, not being depreciated	460,127	-	460,127
Capital assets, net of accumulated depreciation	2,168,618	5,695,318	7,863,936
Total capital assets	2,628,745	5,695,318	8,324,063
Total assets	3,339,581	11,686,736	15,026,317
LIABILITIES			
Accounts payable and accrued expenses	22,927	206,209	229,136
Due from other governmental agencies	-	5,092	5,092
Long-term liabilities			
Portion due or payable within one year:			
Bonds, capital leases and contracts	51,339	98,346	149,685
Compensated absences	728	404	1,132
Portion due or payable after one year:			
Bonds, capital leases and contracts	499,455	531,552	1,031,007
Compensated absences	5,214	3,640	8,854
Total liabilities	579,663	845,243	1,424,906
NET ASSETS			
Invested in capital assets, net of related debt	2,077,951	5,065,430	7,143,381
Restricted for:			
Capital projects	88,797	-	88,797
Special revenue-confiscated assets	2,199	-	2,199
Unrestricted	590,971	5,776,063	6,367,034
Total net assets	$ 2,759,918	$ 10,841,493	$ 13,601,411

The accompanying notes are an integral part of these financial statements.

EXHIBIT 2

City of Oxford, Georgia
Statement of Activities
For the Year Ended December 31, 2010

Activities:	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental:							
General government	$ 499,667	$ 6,747	$ -	$ 70,666	$ (422,254)	$ -	$ (422,254)
Judicial	10,650	-	-	-	(10,650)	-	(10,650)
Public safety	321,192	58,109	-	-	(263,083)	-	(263,083)
Public works	254,043	-	76,532	306	(177,205)	-	(177,205)
Culture and recreation	835	-	-	-	(835)	-	(835)
Interest and fiscal charges	24,549	-	-	-	(24,549)		(24,549)
Total governmental activities	1,110,936	64,856	76,532	70,972	(898,576)	-	(898,576)
Business-type activities:							
Water & Sewer Fund	504,258	657,154	-	479,665	-	632,561	632,561
Electric Fund	1,464,063	2,038,063	-	-	-	574,000	574,000
Solid Waste Fund	248,302	141,730	-	-	-	(106,572)	(106,572)
Total business-type activities	2,216,623	2,836,947	-	479,665	-	1,099,989	1,099,989
Total primary government	$ 3,327,559	$ 2,901,803	$ 76,532	$ 550,637	$ (898,576)	$ 1,099,989	$ 201,413
General revenues:							
Taxes							
Property taxes, levied for general purposes					150,268	-	150,268
Sales tax					304,072	-	304,072
Franchise fees					154,686	-	154,686
Investment earnings					2,402	54,108	56,510
Gain on the sale of capital assets					-	280	280
Transfers					1,383,388	(1,383,388)	-
Total general revenues, special items & transfers					1,994,816	(1,329,000)	665,816
Change in net assets					1,096,240	(229,011)	867,229
Net assets - beginning					1,663,678	11,070,504	12,734,182
Net assets - ending					$ 2,759,918	$ 10,841,493	$ 13,601,411

The accompanying notes are an integral part of these financial statements.

City of Oxford, Georgia
Balance Sheet
Governmental Funds
December 31, 2010

	General Fund	SPLOST Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 498,228	$ -	$ 2,199	$ 500,427
Investments	11,667	-	-	11,667
Taxes receivable, net	13,670	-	-	13,670
Due from other governments	63,658	107,574	-	171,232
Prepaid	13,840	-	-	13,840
Total assets	$ 601,063	$ 107,574	$ 2,199	$ 710,836
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 4,149	$ 18,777	$ -	$ 22,926
Deferred revenue	9,480	-	-	9,480
Other accrued expenses	728	-	-	728
Total liabilities	14,357	18,777	-	33,134
Fund balances:				
Reserved for:				
Capital outlay	-	88,797	-	88,797
Prepaid items	13,840	-	-	13,840
Unreserved	572,866	-	-	572,866
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	2,199	2,199
Total fund balances	586,706	88,797	2,199	677,702
Total liabilities and fund balances	$ 601,063	$ 107,574	$ 2,199	$ 710,836

The accompanying notes are an integral part of these financial statements.

City of Oxford, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2010

Total *fund* balances for governmental funds (Exhibit 3)	$ 677,702
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities Statement of Net Assets.	2,628,745
Some liabilites, (such as Notes Payable, Capital Lease Contract Payable, Long-tern Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.	(556,009)
Some of the City's taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	9,480
Total net assets of governmental activities (Exhibit 2)	$ 2,759,918

The accompanying notes are an integral part of these financial statements.

City of Oxford, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General Fund	SPLOST Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 150,268	$ -	$ -	$ 150,268
Sales and miscellaneous taxes	453,433	-	-	453,433
Fees and fines	58,109	-	-	58,109
Licenses and permits	5,325	-	-	5,325
Intergovernmental	76,532	70,666	-	147,198
Charges for services	6,347	-	-	6,347
Investment income	2,402	306	-	2,708
Miscellaneous	400	-	-	400
Total revenues	752,816	70,972	-	823,788
Expenditures				
Current:				
General government	471,823	-	-	471,823
Judicial	10,650	-	-	10,650
Public safety	338,344	-	-	338,344
Public works	202,956	42,358	-	245,314
Capital outlay	-	1,712,479	-	1,712,479
Debt service	73,755	-	-	73,755
Total expenditures	1,097,528	1,754,837	-	2,852,365
Deficiency of revenues under expenditures	(344,712)	(1,683,865)	-	(2,028,577)
Other financing sources (uses):				
Transfers in	1,363,987	1,142,040	-	2,506,027
Transfers (out)	(1,122,641)	-	-	(1,122,641)
Total other financing sources (uses)	241,346	1,142,040	-	1,383,386
Net changes in fund balance	(103,366)	(541,825)	-	(645,191)
Fund balance - beginning	690,072	630,622	2,199	1,322,893
Fund balance - ending	$ 586,706	$ 88,797	$ 2,199	$ 677,702

The accompanying notes are an integral part of these financial statements.

City of Oxford, Georgia
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Net Activities
For the Year Ended December 31, 2010

Net change in *fund* balances - total governmental funds (Exhibit 4)	$	(645,191)
The change in *net assets* reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($1,739,304) exceeded depreciation ($47,080) in the current period.		1,692,224
Debt payments are reported as expenditures in the governmental funds, but reduces the liability in the statement of net assets.		49,207
Change in net assets of governmental activities (Exhibit 2)	$	1,096,240

The accompanying notes to the financial statements are an integral part of these statements.

City of Oxford, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	$ 155,700	$ 144,400	$ 150,268	$ 5,868
Sales and miscellaneous taxes	445,300	440,855	453,433	12,578
Fees and fines	86,050	62,000	58,109	(3,891)
Licenses and permits	6,000	5,000	5,325	325
Intergovernmental	-	6,168	76,532	70,364
Charges for services	6,250	6,300	6,347	47
Investment income	2,200	500	2,402	1,902
Miscellaneous	1,000	600	400	(200)
Total revenues	702,500	665,823	752,816	86,993
Expenditures				
Current:				
General government	455,180	512,365	471,823	40,542
Judicial	12,200	11,800	10,650	1,150
Public safety	430,400	394,075	338,344	55,731
Public works	230,425	234,100	202,956	31,144
Debt service	-	73,755	73,755	-
Total expenditures	1,128,205	1,226,095	1,097,528	128,567
Deficiency of revenues under expenditures	(425,705)	(560,272)	(344,712)	(41,574)
Other financing sources:				
Transfers in (out)	-	935,864	241,346	(694,518)
Total other financing sources	-	935,864	241,346	(694,518)
Net changes in fund balance	$ (425,705)	$ 375,592	(103,366)	$ (736,092)
Fund balance - beginning			690,072	
Fund balance - ending			$ 586,706	

The accompanying notes are an integral part of these financial statements.

City of Oxford, Georgia
Statement of Net Assets
Proprietary Funds
December 31, 2010

	Business-Type Activities			
	Major		Nonmajor	
	Water & Sewer Fund	Electric Fund	Solid Waste Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 360,447	$ 1,836,821	$ 2,696	$ 2,199,964
Investments	171,793	1,227,163	-	1,398,956
Accounts receivable, net	91,438	259,413	16,737	367,588
Due from other funds	42,457	-	-	42,457
Receivables from other governments	12,499	27,407	-	39,906
Other receivables	-	9,619	-	9,619
Inventories	-	37,554	-	37,554
Prepaid expenses	1,929	3,806	4,508	10,243
Total current assets	680,563	3,401,783	23,941	4,106,287
Non-current assets:				
Restricted assets:				
Cash	-	133,681	-	133,681
Investments	-	1,793,907	-	1,793,907
Capital Assets:				
Infrastructure	5,908,309	901,946	-	6,810,255
Buildings	-	1,122,394	-	1,122,394
Equipment and furniture	20,843	192,290	239,781	452,914
Less Accumulated depreciation	(1,712,072)	(798,150)	(180,023)	(2,690,245)
Total non-current assets	4,217,080	3,346,068	59,758	7,622,906
Total assets	4,897,643	6,747,851	83,699	11,729,193
LIABILITIES				
Current liabilities:				
Accounts payable	65,052	8,110	1,767	74,929
Utility deposits payable from restricted	42,457	88,823	-	131,280
Due to other funds	-	42,457	-	42,457
Payable to other governments	-	5,092	-	5,092
Compensated absences	111	60	233	404
Bonds, notes and loans payable	27,349	70,997	-	98,346
Total current liabilities	134,969	215,539	2,000	352,508
Non-current liabilities:				
Compensated absences	1,003	544	2,093	3,640
Bonds, notes and loans payable	190,000	341,552	-	531,552
Total non-current liabilities	191,003	342,096	2,093	535,192
Total liabilities	325,972	557,635	4,093	887,700
NET ASSETS				
Invested in capital assets, net of related debt	3,999,741	1,005,931	59,758	5,065,430
Restricted - capital projects	-	-	-	-
Unrestricted	571,930	5,184,285	19,848	5,776,063
Total net assets	$ 4,571,671	$ 6,190,216	$ 79,606	$ 10,841,493

The accompanying notes are an integral part of these financial statements.

City of Oxford, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-Type Activities			
	Major		Nonmajor	
	Water & Sewer Fund	Electric Fund	Solid Waste Fund	Total
REVENUES				
Charges for services	$ 648,533	$ 2,037,648	$ 141,730	$ 2,827,911
Tap fees	8,621	-	-	8,621
Miscellaneous	-	-	-	-
Total operating revenues	657,154	2,037,648	141,730	2,836,532
OPERATING EXPENSES				
Cost of sales and services	232,109	1,134,409	-	1,366,518
Personal services	68,254	128,971	174,902	372,127
Contractual services	7,911	37,517	28,321	73,749
Repairs and maintenance	15,899	4,343	2,143	22,385
Other supplies and expenses	21,866	34,389	10,793	67,048
Insurance claims and expenses	8,411	15,367	18,158	41,936
Depreciation	139,522	87,455	14,587	241,564
Total operating expenses	493,972	1,442,451	248,904	2,185,327
Operating income (loss)	163,182	595,197	(107,174)	651,205
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	9,835	44,270	-	54,108
Grant income	479,662	-	-	479,665
Miscellaneous revenue	-	415	602	1,017
Gain (loss) on sale of asset	-	280	-	280
Interest expense	(10,286)	(21,612)	-	(31,898)
Total non-operating revenue (expenses)	479,211	23,353	602	503,172
Income (loss) before transfers	642,393	618,550	(106,572)	1,154,377
Transfers in	-	21,771	88,349	110,117
Transfers (out)	(484,530)	(1,008,975)	-	(1,493,505)
Change in net assets	157,863	(368,654)	(18,223)	(229,011)
Total net assets - beginning	4,413,810	6,558,870	97,829	11,070,509
Total net assets - ending	$ 4,571,671	$ 6,190,216	$ 79,606	$ 10,841,493

The accompanying notes are an integral part of these financial statments.

City of Oxford, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Major		Nonmajor	
	Water and Sewer Fund	**Electric Fund**	**Solid Waste Fund**	**Totals**
Cash flows from operating activities:				
Cash received from customers	$ 655,712	$ 2,022,414	$ 144,790	$ 2,822,916
Cash payments to employees for services	(68,322)	(130,188)	(174,935)	(373,445)
Cash payments to suppliers	(255,967)	(1,215,346)	(55,509)	(1,526,822)
Net cash provided (used) by operating activities	331,423	676,880	(85,654)	922,649
Cash flows from noncapital financing activities:				
Transfer (to) from other funds	(484,530)	(987,204)	88,349	(1,383,385)
Net cash provided (used) by noncapital financing activities	(484,530)	(987,204)	88,349	(1,383,385)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(659,595)	(8,555)	-	(668,150)
Principal paid on notes payable	(62,291)	(67,258)	-	(129,549)
Interest paid on notes payable	(10,298)	(21,519)	-	(31,817)
Grants	479,662	-	-	479,662
Net cash used by capital and related financing activities	(252,522)	(97,332)	-	(349,854)
Cash flows from investing activities				
Proceeds from sale of investments	**(171,793)**	(673,558)	-	(845,351)
Net investment income	9,835	44,270	-	54,105
Net cash provided by investing activities	(161,958)	(629,288)	-	(791,246)
Net increase (decrease) in cash and cash equivalents	(567,587)	(1,036,944)	2,695	(1,601,836)
Cash and cash equivalents - beginning	928,034	3,007,446	-	3,935,480
Cash and cash equivalents - ending	$ 360,447	$ 1,970,502	$ 2,695	$ 2,333,644
Unrestricted cash	360,447	1,836,821	2,695	$ 2,199,963
Restricted cash	-	133,681	-	133,681
Total cash	$ 360,447	$ 1,970,502	$ 2,695	$ 2,333,644
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	$ 163,182	$ 595,197	$ (107,174)	$ 651,205
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	139,522	87,455	14,587	241,564
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,437)	(15,379)	2,458	(14,358)
(Increase) decrease in prepaid expenses	2,623	3,946	4,635	11,204
Increase (decrease) in compensated absences	(68)	(1,217)	(33)	(1,318)
Increase (decrease) in accounts payable	40,100	7,306	(729)	46,677
Increase (decrease) in intergovernmental payable	(12,499)	(428)	-	(12,927)
Net cash provided (used) by operating activities	$ 331,423	$ 676,880	$ (86,256)	$ 922,047

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Oxford was incorporated under the laws of the State of Georgia on December 23, 1839 and operates under a mayor-council form of government. The Mayor and a six-member council govern the City and are elected for four-year terms. The Mayor and the Council all serve on a part-time basis. The Mayor and Council appoint a City Clerk who is responsible for the daily operations of the City.

The financial statements of City of Oxford, Georgia (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the financial statements of the reporting entity include those of City of Oxford (the primary government) and its component units. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in its own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

Discretely Presented Component Units –Based on the GASB criteria, the City has no entities that qualify as discretely presented component units.

Blended Component Units - Based on the GASB criteria, the City has no entities that qualify as blended component units.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Fiduciary funds nor component units that are fiduciary in nature are included in the government-wide statements.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The City 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.

Note 1: Summary of Significant Accounting Policies, continued

B. Basis of Presentation, Basis of Accounting, continued

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. Nonoperating expenses include, but are not limited to, interest payments and transfers.

The City reports the following major governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SPLOST Fund – The city cooperates with the County in a Special Purpose Local Option Sales Tax. This fund is used to maintain the projects to be completed under the SPLOST referendum.

The City reports the following non-major governmental fund:

Confiscated Assets Fund – This fund accounts for the funds and costs acquired with confiscated monies.

The City reports the following major enterprise funds:

Electric Fund – This fund accounts for the operation, maintenance and development of the City's electrical system.

Water and Sewer Fund – This fund accounts for the operation, maintenance and development of the City's water and sewer system.

The City reports the following non-major enterprise funds:

Solid Waste Fund – This fund accounts for the operation and maintenance of the City's sanitation system.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting, and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions are transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange. Nonexchange transactions include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, insurance premium tax, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1: Summary of Significant Accounting Policies, continued

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

C. Budgets and Budgetary Accounting

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

1. Prior to January 1, the Treasurer and the Council Budget Committee prepare a proposed budget for the fiscal year commencing January 1.

2. The Treasurer and Council Budget Committee submit the proposed budget to the Mayor and Council.

3. Public hearings are held to obtain taxpayers' comments.

4. The budget is legally enacted through the passage of a resolution.

5. All revisions to the budget must be submitted to the City Council for approval.

6. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the General Fund and Special Revenue Funds, of which the legal level of budgetary control is the department level. An operating budget is prepared for each Enterprise Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into the Enterprise Fund general ledgers.

7. Budgetary appropriations lapse at the end of the fiscal year.

D. Encumbrances

The City does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.

E. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. In lieu of a surety bond, a depository of public funds may pledge as collateral any one or more of the following securities as enumerated in OCGA 50-17-59:

- Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the United States or of the State of Georgia;
- Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the counties or municipalities of the State of Georgia;
- Bonds of any public authority created by Georgia law, if the statute authorizes such use of the bonds and they have been duly validated and there has been no default in the payment of either principal or interest
- Industrial revenue bonds or bonds of development authorities, created by Georgia law that have been duly validated and for which there has been no default in the payment of either principal or interest; or
- Bonds, bills, certificates of indebtedness, notes, or other obligations of a subsidiary corporation of the U.S. government that are fully guaranteed by the U.S. government both as to principal and interest; and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association.

Note 1: Summary of Significant Accounting Policies, continued

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments consist of certificates of deposit and are recorded at cost, which approximates market value.

Restricted assets consist of cash and/or investments that are only internally restricted for future use.

F. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles, when material.

G. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. City property tax revenues are recognized when levied to the extent that they result in current receivables. The County bills and collects property taxes for the City.

Property taxes are levied by July 15 of each year. The assessed values are an approximation of market value as determined by the Newton County Tax Commissioner. Tax bills are mailed and are due in two equal payments, September 20 and December 20. All payments are delinquent and subject to collection efforts pursuant to the O.C.G.A. on December 21.

Taxes receivable at December 31, 2010 amounted to $13,670 while deferred property tax revenue totaled $9,480.

H. Inventory and Prepaid Items

Inventory is valued at cost. Inventory in the electric fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment, except for infrastructure, with individual costs that equal or exceed $5,000 are recorded as capital assets. Infrastructure with an individual cost that is equal to or exceeds $100,000 is recorded as a capital asset. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives	Asset Class	Estimated Useful Lives
Infrastructure	15-99	Heavy machinery & vehicles	3-15
Building and improvements	20-50	Equip, furniture & fixtures	5-10
Water & sewer distribution	20-50	Computer equipment	5-7

Note 1: Summary of Significant Accounting Policies, continued

Pursuant to GASB Statement No. 34, Phase 3 governments are not required to report major general infrastructure assets retroactively. As a result, the governmental activities column in the government-wide financial statements does not reflect those infrastructure asset projects completed before December 31, 2003. However, they do reflect those assets that were either completed during the fiscal year or considered construction in progress at year end.

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and compensated time accrued. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. It is the City's policy to permit employees to accumulate vacation benefits of 160 hours to be used the next calendar.

K. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent management plans that are subject to change.

Note 2: Stewardship, Compliance and Accountability

A. Excess of expenditures over appropriations in individual departments:

The City had no departments that reported expenditures over appropriations.

B. Deficit fund balance

There were no funds that reported a deficit fund balance at December 31, 2010.

Note 3: Deposits and Investments

The City maintains a cash pool that is available by all funds. Each fund's portion of this pool is displayed on the statement of net assets. In addition, investments, both restricted and unrestricted, are held by several of the City's funds.

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. All the City's deposits are covered by a combination of federal depository insurance and securities pledged by the financial institution as collateral to protect the deposits of the City as required under state law. Therefore, the City has no custodial credit risk for its deposits. The City does not have a deposit policy for custodial credit risk.

Custodial Credit Risk – Investments. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no policy on custodial credit risk on investments. The risk factors for the Municipal Competitive Trust and the Flexible Trust Account are discussed below.

Municipal Competitive Trust – MEAG Power formed a trust known as the "Municipal Competitive Trust" for the benefit of its Participants (which includes the City of Oxford, Georgia along with 46 other cities and counties) and has funded the Competitive Trust with certain monies which had been accumulated in MEAG Power reserves, including certain rate stabilization monies and sums from the debt service reserves which were released following a successful effort to obtain bondholder consent to amend the Project One and General Resolution Projects Resolutions. Surety bonds were substituted for the debt service reserves to preserve the security of the Funds in the bondholders, thus allowing the accumulated debt service reserves to be transferred to the Competitive Trust. Funds in the Competitive Trust will be invested and reinvested, and will be available to reduce future power supply costs of the Participants to meet retail competition.

Note 3: Deposits and Investments, continued

Discretionary funds from the Participants were deposited in the Flexible Trust Account, which is part of the Municipal Competitive Trust established by MEAG and represents an involuntary participation external investment pool that is not registered with the S.E.C. as an investment company. The City of Oxford, Georgia has recorded investments in the Trust as investments in the Electric Fund at fair market value, which consisted of unrestricted investments of $306,317 and restricted investments of $1,793,907 at the balance sheet date. Fair market value is determined based on the fair value of the underlying portfolio calculated daily with earnings distributed monthly. The fair value of the position in the external investment pool is the daily value of the pool shares. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, certain government agencies if guaranteed by the United States Government, direct and general obligations of states, certain Federal Agency discount notes and repurchase agreements collateralized by securities which would otherwise be permissible under the laws of the State of Georgia.

Under the above parameters, investments are made in mortgage and derivative securities. These securities principally include agency-issued mortgages, collateralized mortgage obligations, principal-only strips and interest only securities that are required to repay 100% of their principal investment at maturity. The yield on derivative securities is based on cash flows received as determined by a specified formula or index, and/or cash flows from principal repayments on underlying mortgages. Therefore, the rate of return and market value of these securities may be sensitive to changes in their respective index or formula and /or in prepayment on mortgages, which may result from changing interest rates. At December 31, 2010, the average remaining terms of the investments in collateralized mortgage obligations is approximately three years.

MEAG Power and therefore the City of Oxford, Georgia to the extent of its portion of the Trust Accounts, is exposed to credit and market risk relating to its investments. Credit risk arises when an entity is unable to recover its investments either by an inability to withdraw the funds through nonperformance of a counterparty or an inability to recover collateral. Market risk could affect the investments adversely when either the value of items purchased or the value of underlying collateral declines. As of December 31, 2010, MEAG Power and the City of Oxford, Georgia were not exposed to any known economic losses due to these risks, nor were these investments rated.

Derivative Financial Instruments. Derivative financial instruments are used principally in the management of interest rate exposure and include interest rate swap transactions. Derivative financial instruments are not held or issued for trading purposes. The counterparties to derivative transactions are major financial institutions with either high investment grade credit ratings or agreements to collateralize their note position.

Swap transactions are accrued to interest expense for the difference between the agreed upon fixed and floating rates. Options are recorded at fair value based on the estimated amount that would be received or paid to terminate the options at the reporting date based on broker quotes. Options are revalued and marked to market.

MEAG Power and the City's portion of the Trust Accounts will be exposed to less variable rate exposure if the counterparty to the swap transaction defaults or if the swap is terminated. Any termination of the swap agreements may also result in MEAG Power through the appropriate trust account making or receiving a settlement payment.

Note 4: Receivables

Receivables as of year end for the government's individual major funds and the nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

Receivables:	General Fund	SPLOST Fund	Electric Fund	Water & Sewer Fund	Nonmajor Solid Waste Fund	Total
Accounts	$ -	$ -	$ 287,668	$ 101,250	$ 19,066	$ 407,984
Taxes	13,670	-	-	-	-	13,670
Intergovernmental	63,658	107,574	27,407	12,499	-	211,138
Other	-	-	9,619	-	-	9,619
Gross receivables	77,328	107,574	324,694	113,749	19,066	642,411
Less: allowance for uncollectibles	-	-	(28,255)	(9,812)	(2,329)	(40,396)
Net total receivables	$ 77,328	$ 107,574	$ 296,439	$ 103,937	$ 16,737	$ 602,015

Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

Governmental Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Construction in progress	$ 166,510	$ 1,712,479	$ 1,878,989	$ -
Land	460,127		-	460,127
Total capital assets not being depreciated	626,637	1,712,479	1,878,989	460,127
Capital assets being depreciated:				
Site improvements	109,098	-	-	109,098
Buildings	230,038	1,878,989		2,109,027
Equipment	300,630	-		300,630
Vehicles	143,466	26,824	73,808	96,482
Total capital assets being depreciated	783,232	1,905,813	73,808	2,615,237
Less accumulated depreciation for:				
Site improvements	30,329	6,931	-	37,260
Buildings	105,344	16,942	-	122,286
Equipment	209,551	16,141	-	225,692
Vehicles	128,123	7,066	73,808	61,381
Total accumulated depreciation	473,347	47,080	73,808	446,619
Total capital assets being depreciated, net	309,885	1,858,733	-	2,168,618
Governmental activities capital assets, net	$ 936,522	$ 3,571,212	$ 1,878,989	$ 2,628,745

Depreciation expense for governmental activities was charged to functions as follows:

General government	$ 27,844
Public safety	9,672
Public works	8,729
Culture & recreation	835
Total government activities depreciation expense	$ 47,080

Business type Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Electric Fund:				
Capital assets being depreciated:				
Infrastructure	$ 901,946	$ -	$ -	$ 901,946
Buildings	1,122,395	-	-	1,122,395
Equipment	32,869	8,555	-	41,424
Vehicles	150,866	-	-	150,866
Total capital assets being depreciated	2,208,076	8,555	-	2,216,631
Less accumulated depreciation for:				
Infrastructure	375,503	14,271	-	389,774
Buildings	198,429	56,120	-	254,549
Equipment	29,930	5,026	-	34,956
Vehicles	106,834	12,037	-	118,871
Total accumulated depreciation	710,696	87,454	-	798,150
Total electric assets being depreciated, net	$ 1,497,380	$ (78,899)	$ -	$ 1,418,481

Note 5: Capital Assets, continued

Water & Sewer Fund:	**Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Construction in progress	$ 22,000	$ 659,595	$ 681,595	$ -
Total capital assets not being depreciated	22,000	659,595	681,595	-
Capital assets being depreciated:				
Infrastructure	5,226,714	681,595		5,908,309
Vehicles	20,843	-	-	20,843
Total capital assets being depreciated	5,247,557	681,595	-	5,929,152
Less accumulated depreciation for:				
Infrastructure	1,563,172	137,439	-	1,700,611
Vehicles	9,378	2,085	-	11,463
Total accumulated depreciation	1,572,550	139,524	-	1,712,074
Total water/sewer assets being depreciated, net	3,675,007	542,071	-	4,217,078
Total water/sewer capital assets, net	$ 3,697,007	$ 1,201,666	$ 681,595	$ 4,217,078

Solid Waste Fund:	**Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets being depreciated:				
Equipment	$ 76,407	$ -	$ -	$ 76,407
Vehicles	163,374		-	163,374
Total capital assets being depreciated	239,781	-	-	239,781
Less accumulated depreciation for:				
Equipment	64,570	3,222	-	67,792
Vehicles	100,866	11,365	-	112,231
Total accumulated depreciation	165,436	14,587	-	180,023
Total Solid Waste being depreciated, net	74,345	(14,587)	-	59,758
Total Business type activities capital assets, net	$ 5,268,732	$ 1,108,180	$ 681,595	$ 5,695,317

Note 6: Interfund Balances and Activity

Due to/from Other Funds

	Due From	
Due To	**Electric Fund**	**Total**
Enterprise Funds:		
Water & sewer	$ 42,457	$ 42,457
	$ 42,457	$ 42,457

Note 6: Interfund Balances and Activity, continued
Transfers to/from Other Funds

	Transfers In				
Transfers Out	General Fund	SPLOST Fund	Electric Fund	Nonmajor Solid Waste Fund	Total
Governmental Funds:					
General	$ -	$ 1,122,641	$ -	$ -	$ 1,122,641
	-	1,122,641	-	-	1,122,641
Enterprise Funds:					
Electric	922,946	19,399	-	66,630	1,008,975
Water & sewer	441,041		21,771	21,718	484,530
	1,363,987	19,399	21,771	88,348	1,493,505
	$ 1,363,987	$ 1,142,040	$ 21,771	$ 88,348	$ 2,616,146

The City has a pooled cash account which results in interfund payables and transfers between funds (excluding SPLOST funds). Monies from enterprise funds were transferred to the SPLOST fund to cover the costs of the approved projects.

Note 7: Claims, Judgments and Other Commitments

Grants: The City receives grant funds for various programs. Expenditures from these grants are subject to audit and the City is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of City officials, no material refunds will be required as a result of expenditures disallowed by the grantors.

Litigation: Based on the advice of the City attorney, there were no material claims outstanding against the City at December 31, 2010.

Commitments: Municipal Electrical Authority of Georgia-The City of Oxford, Georgia is one of approximately 50 participants who have entered into Power Sales Contract with the Municipal Electrical Authority of Georgia (MEAG). Under these contracts, the Authority has agreed to provide to the participants, and the participants have agreed to take from the Authority, such output and services from the various projects of the Authority as may be available for the useful life thereof. The participants are required to make payments therefore according to rates and charges established by the Authority to produce revenues sufficient to pay the Authority's cost attributable to such projects. In general, the Power Sales Contract provide that if, at any time, (i) a project is terminated prior to completion, or (ii) a project is declared by the Authority to be totally and permanently retired from service, or (iii) a project is totally, but not permanently, out of service and the Authority is unable to provide service from alternative sources, then each participant will remain liable to pay a fixed percentage referred to as an "Obligation share", of the Authority's costs attributable to such projects. In case of default by a participant under its Contracts relating to any of the various projects, such participant would remain liable to pay the greater of its obligation share of the Authority's costs attributable to such project of the amount determined to be due under the rates and charges established by the Authority.

Payments under the Power Sales Contracts are not subject to reduction whether by offset or otherwise, and will not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever. Each Power Sales Contract will continue in full force and effect at least until such time, not to exceed 50 years, as all bonds issued for the purpose of financing the costs of acquisition and construction of the applicable project, and notes issued for such purpose in anticipation of the bonds, have been paid or provision has been made for their payment.

City of Oxford's guarantee varies by individual projects undertaken by the Authority and approximates $5,718,925 at December 31, 2010.

In late 2009, the City began the construction on a new city hall/community building. The City completed construction in the fall of 2010.

Note 8: Long-term Obligations

Notes Payable

The SPLOST Fund is obligated to BB&T Bank under a note in the original amount of $600,000 for additional funding of the new city hall/community center. The note bears interest at 4.25% and is payable in 120 monthly installments of $6,146 beginning January 2010 and ending December 2019.

The Water and Sewer Fund is obligated to the Georgia Environmental Facilities Authority under a note in the original amount of $300,000 for improvements to the sewer system. The note bears interest at 4.8% and is payable in 60 quarterly installments of $7,042 and a final installment on January 2011 of $7,043.

The Water and Sewer Fund is obligated to the Georgia Environmental Facilities Authority under a note in the original amount of $100,311 for improvements to sewer system. The note bears interest at 2.0% and is payable in 40 quarterly installments of $2,773 and a final installment on November 2010 of $2,773.

The Water and Sewer Fund is obligated to Newton County Water and Sewerage Authority under an agreement for increased sewer capacity. This 3.9% note, in the amount of $375,000 for a period of 13 years with principal due annually and interest due bi-annually, requires varying payments ranging from $26,532 to $36,365, beginning May 2005 and ending November 2017.

The Electric Fund is obligated to BB&T Trust under a note in the original amount of $704,661 for construction of a maintenance facility. The note bears interest at 4.73% and is payable in 120 monthly installments of $7,406.

Long-term Obligation Activity

Changes in long-term obligations for the year ended December 31, 2010 are as follows:

	Beginning	Increases	Decreases	Ending	Due within one year
Governmental activities:					
Notes payable	$ 600,000	$ -	$ 49,206	$ 550,794	$ 51,339
Compensated absences	5,953	317	328	5,942	728
	$ 605,953	$ 317	$ 49,534	$ 556,736	$ 52,067
Business-type activities:					
Water & sewer fund:					
Notes payable-GEFA	$ 39,640	$ -	$ 37,291	$ 2,349	$ 2,349
Notes payable-NCWSA	240,000	-	25,000	215,000	25,000
Compensated absences	1,182	152	220	1,114	111
	$ 280,822	$ 152	$ 62,511	$ 218,463	$ 27,460
Electric Fund:					
Notes payable	$ 479,808	-	67,258	412,549	70,997
Compensated absences	1,821	187	1,404	604	60
	$ 481,629	$ 187	$ 68,662	$ 413,153	$ 71,057
Solid Waste Fund:					
Compensated absences	$ 1,912	$ 541	$ 127	$ 2,326	$ 236

Compensated absences have typically been liquidated in prior years by the fund reporting such balance, General Fund, Water & Sewer Fund or Electric Fund. The total interest incurred for the year ended December 31, 2010 was $ 56,447, none of which was capitalized.

Note 8: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at December 31, 2010 are as follows:

	Governmental Funds		Enterprise Funds					
			Water Fund				Electric Fund	
Year Ending	BB&T		Newton County Water & Sewer Authority		GEFA		BB&T	
December 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 51,339	$ 22,416	$ 25,000	$ 8,385	$ 2,349	$ 10	$ 70,997	$ 17,875
2012	53,564	20,191	30,000	7,410	-	-	74,428	14,443
2013	55,884	17,870	30,000	6,240	-	-	78,026	10,845
2014	58,307	15,448	30,000	3,900	-	-	81,798	7,073
2015	60,834	12,921	30,000	2,730	-	-	85,752	3,119
2016-2019	270,866	24,153	70,000	1,365	-	-	21,548	140
	$ 550,794	$ 112,999	$ 215,000	$ 30,030	$ 2,349	$ 10	$ 412,549	$ 53,495

Note 9: Retirement Benefits

Defined Benefit Pension Plan

The City established defined benefit pension plan for full-time employees employed at least one year. The City's defined benefit pension plan, the City of Oxford Retirement Plan, provides retirement and disability benefits to plan members and beneficiaries. The plan is reported on a fiscal year ending July 1, 2010. Since the prior valuation, the valuation date was changed from October 1 to July 1. In addition, there have been changes in actuarial methods or assumptions since the last valuation.

Plan Description

The City contributes to the City of Oxford Retirement Plan, which is a participating member in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employer plan. O.C.G.A. Section 47-5-1 et. Seq. assigns the authority to establish and amend the benefit provisions of the plans that participate in the GMEBS to the respective employer entities. For the City of Oxford Retirement Plan, that authority rests with the City of Oxford, Georgia. It is the responsibility of GMEBS to function as the investment and administrative agent for the City of Oxford, Georgia with respect to the pension plan. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employee Benefits System, 201 Pryor Street, SW, Atlanta, GA 30303, or calling (404) 688-0472. The total payroll for employees participating in the Plan as of July 1, 2010 (the most recent actuarial valuation date) was $544,021.

All employees who work twenty hours or more per week are eligible to participate after one year of service. Elected officials are not eligible to participate. The pension benefits are fully vested after 5 years in the plan. Participants become eligible to retire at age 65 with 5 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount 1.0 to 1.75% of his final average earnings in excess of a breakpoint that is determined based on age. An employee may elect early retirement at age 55 provided that he has a minimum of 10 years total credited service. Participants who have completed 5 years of credited service are eligible to designate a beneficiary to receive death benefits.

City employees are not permitted to contribute to the Plan. The City contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Plan Asset Matter and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in cash value of death benefits.

Investments in securities are valued at current market prices. Plan assets do not include any loans, notes, bonds, or other instruments or securities of the City or related parties.

Plan Membership

Retirees and beneficiaries receiving benefits	4
Terminated plan members entitled to, but not receiving benefits	5
Active plan members	16
Total	25

Note 9: Retirement Benefits – Defined Benefit Pension Plan, continued

Contributions

The plan is subject to the minimum funding standards of the Public Retirement System Standards Law (O.C.G.A. Section 47-20-10). The estimated minimum annual contribution under those standards is $ 64,616, which is 11.88% of covered payroll. The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuation in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. The GMEBS funding policy is to contribute an amount equal to the recommended contribution each year. The recommended contribution of $84,595, which is 15.28% of covered payroll, meets the guidelines for calculating an annual required contribution as set forth in GASB 27. Administrative expenses are based on the total covered payroll of plan members and are added to the annual funding requirement.

Annual Pension Cost

The City's required and actual employer contribution was $84,595 for the plan year ended July 1, 2010.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of July 1, 2010. Additional information as of the latest actuarial valuation follows.

Valuation date	July 1, 2010
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar (Closed)
Remaining amortization period	10 years
Asset valuation method	Market value adjusted
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases:	
Inflation at	3.50% per year
Merit or seniority	Yes
Cost of living adjustments	N/A

Net Pension Obligation

During the 1997 Plan Year, the City implemented GASB Statements 25 and 27. The pension liability was determined at the time of transition to these new standards in accordance with Statement No. 27. Historically, the City has always made the actuarially determined employer contribution, so that the City had no pension liability or asset.

Three Year Trend Information

Fiscal Year Beginning	Annual Pension Cost	Net of APC Contributed	Net Pension Obligation
7/1/2010	$ 84,595	100%	-
10/1/2009	80,789	100%	-
11/1/2008	68,179	100%	-

Funded Status and Funding Progress

The funded status of the plan as of October 1, 2009, the most recent actuarial valuation date, is as follows:

Date		(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
7/1/2010	**	$ 753,874	$ 984,247	$ 230,373	76.6%	$ 544,021	42.3%

Note 9: Retirement Benefits – Defined Benefit Pension Plan, continued

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 10: Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these various risks with a deductible of $1,000.

The city participates in the Georgia Municipal Association Worker's Compensation Self Insurance Fund. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for Workers' Compensation Self-Insurance Fund (WCSIF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association operates both risk pools.

As a part of this risk pool, the city is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in any investigation, settlement discussions and all levels of litigation arising out of any claim made against the city within the scope of protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverage.

Note 11: Joint Ventures

Northeast Georgia Regional Commission: The City of Oxford, Georgia, in conjunction with cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the Chief elected official (or a designated government official) of each county, the chief elected official (or a designated government official) of each municipality, one elected or appointed municipal government official from each county (or a designee of the municipalities of the county), not less than 10 or more than 20 nonpublic members, and shall include a minority representation, the percentage of which is at least equal to the minority population of the geographic region served by the Board. Financial statements can be obtained from the Northeast Georgia Regional Commission, 305 Research Drive, Athens, GA 30601.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines RCs as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (OCGA 50-8-39.1)

Note 12: Municipal Electric Authority of Georgia (MEAG) Trust

On May 3, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust").

The Trust was created by MEAG in anticipation of future deregulation of the electric industry, which will provide customers with a choice among electric suppliers for their retail electric power supply. This is expected to include customers assigned to electric systems of political subdivisions, which are wholesale power customers of MEAG, such as City of Oxford. MEAG expects that after such legislation is effective, market rates for power will result

Note 12: Municipal Electric Authority of Georgia (MEAG) Trust, continued

which will likely be lower for some period of time than the costs of power generated by MEAG facilities. The purpose of the Trust is to provide a means for MEAG and its wholesale customers who elect to become beneficiaries of the Trust to deposit funds to be invested at the best prudent rates of return and be applied, in accordance with the provisions of the Trust, to mitigate the change to full competition as a result of anticipated deregulation.

The Trust creates an account for the City of Oxford, and within the account creates the following three subaccounts in which the City of Oxford participates:

1. Flexible Operating Trust Account – This type of subaccount may be funded from contributions by the City, from the City's Discretionary Reserve Fund with MEAG, or from other available funds.

According to Trust provisions, the City has the following withdrawal rights with respect to this fund:
The City has, at any time, the right to withdraw part or all funds from the Flexible Operating Trust Account.

The balance of the account on December 31, 2010 is $ 306,317.

2. Credit Support Operating Trust Account – This type of subaccount may be funded from the funds allocated to the City's account in MEAG's Rate Stabilization Reserve Fund or the City's Discretionary Reserve with MEAG, or from any other available funds. The City also has the right to borrow, if certain conditions are met, part or all of the funds in the Credit Support Operating Trust Account for the purpose of paying the cost of a capital expenditure, provided that the City executes and delivers to the Trustee a promissory note and such other documents reasonably satisfactory to MEAG in which the City agrees to repay the withdrawn amount to the Trustee.

The balance of the account on December 31, 2010 is $ 1,429,500.

3. Reserve Funded Debt Trust – This type of subaccount may be funded from contributions by MEAG from any funds it has available for such purposes.

The balance of the account on December 31, 2010 is $ 364,407.

According to the original Trust provisions, the City had no right to withdraw amounts from the Reserve Funded Debt Trust Account unless MEAG consented in writing thereto, and in the event MEAG should consent to a withdrawal, the withdrawn funds must be applied to the outstanding balance of the City's current monthly billing on account of its entitlement or obligation share(s) under its Power Sales Contract(s) of MEAG's Annual Project Generation Fixed Charges. Prior to the anticipated actual deregulation date, the City shall have the right to cause the Trustee to use funds from the Credit Support Operating Trust Account to reduce, or as credit against, its monthly billings (i) to mitigate wholesale rate increases which have an impact of greater than 20% on the City's wholesale cost in any year (ii) to mitigate the adverse impact of any wholesale cost increase which results from the phase-out of special rates in any year, and (iii) to mitigate the impact of wholesale costs which exceed the system average wholesale cost by more than 20% in any year, all as set forth in a certificate of the City and MEAG.

Amendments were passed as of January 1, 2009, that allowed subsequent limited access to the Credit Support and Reserve Funded accounts.

Note 13: Major Customer

Oxford College of Emory University accounts for 35.5%, 16.7%, and 26.2% of the revenues of the electric, water and solid waste funds respectively.

Note 14: Subsequent Event

In 2011, the City has elected to change their current calendar year end to a new fiscal year end of June 30. Therefore, another report will be issued for the six months ended June 30, 2011.

Required Supplemental Information

City of Oxford, Georgia
Required Supplementary Information
December 31, 2010

RETIREMENT PLAN
Schedule of Funding Progress

Date		(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
7/1/2010	**	$ 753,874	$ 984,247	$ 230,373	76.6%	$ 544,021	42.3%
10/1/2009	*	683,224	934,941	251,717	73.1%	509,284	49.4%
11/1/2008		665,654	870,597	204,943	76.5%	456,873	44.9%
11/1/2007		609,378	831,986	222,608	73.2%	510,444	43.6%
11/1/2006		550,137	772,804	222,667	71.2%	467,055	47.7%
11/1/2005		507,245	731,358	224,113	69.4%	463,397	48.4%
11/1/2004		457,689	640,452	182,763	71.5%	435,883	41.9%
11/1/2003		385,909	564,728	178,819	68.3%	337,556	53.0%
11/1/2002		307,388	519,706	212,318	59.1%	369,571	57.4%
11/1/2001		253,058	413,214	160,156	61.2%	410,838	39.0%

* Per the City of Oxford Retirement Plan Valuation Report prepared by Georgia Municipal Association, the valuation date changed from November 1 in all previous years to October 1 in current fiscal year.

**Per the City of Oxford Retirement Plan Valuation Report prepared by Georgia Municipal Association, the valuation date changed from October 1 in the immediate past year to July 1 in the current fiscal year.

Combining and Individual Fund Statements and Schedules

Major Funds

City of Oxford, Georgia
Balance Sheet
Capital Projects Fund
December 31, 2010

	SPLOST Fund
ASSETS	
Receivable from other governments	$ 107,574
Total assets	$ 107,574
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 18,777
Total liabilities	18,777
Fund balances:	
Unreserved	88,797
Total fund balances	88,797
Total liabilities and fund balances	$ 107,574

Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Capital Projects Fund
December 31, 2010

	SPLOST Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget**
REVENUES				
Intergovernmental	$ 193,171	$ 79,048	$ 70,666	$ (8,382)
Investment earnings	-	-	306	306
Total Revenues	193,171	79,048	70,972	(8,076)
EXPENDITURES				
General Government	49,447	1,740,861	1,712,479	28,382
Public Works	86,239	15,000	42,358	(27,358)
Total Expenditures	135,686	1,755,861	1,754,837	1,024
Excess (deficiency) of revenues over (under) expenditures	57,485	(1,676,813)	(1,683,865)	(9,100)
OTHER FINANCING SOURCES				
Debt proceeds	-	600,306	-	(600,306)
Transfers in	-	281,055	1,142,040	860,985
Total other financing sources	-	881,361	1,142,040	860,985
Net change in fund balance	$ 57,485	$ (795,452)	(541,825)	$ 851,885
Fund balance - beginning			630,622	
Fund balance -ending			$ 88,797	

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government.

Confiscated Assets Fund - This fund accounts for funds that have been confiscated by law enforcement. The monies is this fund are used for law enforcement purposes.

City of Oxford, Georgia
Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Confiscated Assets
ASSETS	
Cash and cash equivalents	$ 2,199
Total assets	$ 2,199
LIABILITIES AND FUND BALANCES	
Fund balances:	
Unreserved	$ 2,199
Total fund balances	2,199
Total liabilities and fund balances	$ 2,199

Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
December 31, 2010

	Confiscated Assets			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment earnings	$ 1	$ 1	$ -	$ 1
Total Revenues	1	1	-	1
Excess (deficiency) of revenues over expenditures	1	1	-	1
Net change in fund balance	$ 1	$ 1	-	$ 1
Fund balance - beginning			2,199	
Fund balance - ending			$ 2,199	

Supplemental Schedules

City of Oxford, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2010

Revenues:	Original Budget	Final Budget	Actual	Variance with Final Budget
Taxes:				
Property taxes	$ 155,000	$ 143,000	$ 150,268	$ 7,268
Local option sales tax	293,000	293,000	304,072	11,072
Insurance premium tax	105,000	101,850	103,200	1,350
Franchise tax	47,300	46,005	44,792	(1,213)
Pen & int on delinquent tax	700	1,400	1,369	(31)
Total	601,000	585,255	603,701	18,477
Licenses and permits:				
Business licenses	6,000	5,000	5,325	325
Total	6,000	5,000	5,325	325
Fines and forfeitures	86,050	62,000	58,109	(3,891)
Charges for services:				
Cemetery lot sales	3,500	3,000	2,910	(90)
Other	2,750	3,300	3,437	137
Total	6,250	6,300	6,347	47
Intergovernmental revenues:				
State grants	-	6,168	76,532	70,364
Total	-	6,168	76,532	70,364
Interest income:				
Investments	2,200	500	2,402	1,902
Miscellaneous revenues:	1,000	600	400	(200)
Total Revenues	$ 702,500	$ 665,823	$ 752,816	$ 87,024

City of Oxford, Georgia
General Fund
Schedule of Operating Expenditures - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Executive Administration				
Personal services	$ 19,920	$ 19,920	$ 19,915	$ 5
Purchased/contracted services	22,660.00	26,550	26,466	84
Total executive administration	42,580	46,470	46,381	89
General Administration				
Personal services	140,500	131,695	110,775	20,920
Purchased/contracted services	223,500	233,600	211,023	22,577
Supplies	48,600	100,600	103,592	(2,992)
Other costs	-	73,755	73,807	(52)
Total general administration	412,600	539,650	499,197	40,453
Total General Government	455,180	586,120	545,578	40,542
JUDICIAL				
Probate Court				
Personal services	12,200	11,800	10,650	1,150
Total probate court	12,200	11,800	10,650	1,150
Total Judicial	12,200	11,800	10,650	1,150
PUBLIC SAFETY				
Police				
Personal services	254,800	260,100	234,592	25,508
Purchased/contracted services	50,100	43,375	32,914	10,461
Supplies	43,500	39,500	25,872	13,628
Other costs	26,000	18,000	16,083	1,917
Total police	405,400	391,975	336,285	55,690
Emergency services				
Purchased/contracted services	25,000	2,100	2,059	41
Total Emergency services	25,000	2,100	2,059	41
Total Public Safety	$ 430,400	$ 394,075	$ 338,344	$ 55,731

City of Oxford, Georgia
General Fund
Schedule of Operating Expenditures - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS				
Highways and Streets				
Personal services	$ 70,925	$ 71,000	$ 62,452	$ 8,548
Purchased/contracted services	108,200	120,100	117,440	2,660
Supplies	51,300	43,000	23,064	19,936
Total highways and streets	230,425	234,100	202,956	31,144
Total Public Works	230,425	234,100	202,956	31,144
Total Expenditures	$ 1,128,205	$ 1,226,095	$ 1,097,528	$ 128,567

SCHEDULE 3

City of Oxford, Georgia
Community Development Block Grant
CDBG No. 09-CR-5113
Source and Application of Funds
For the Year Ended December 31, 2010

Source of funds:		
CDBG funds revenue recognized for the year ended December 31, 2010	$	479,662
Application of funds:		
Water facilities/lines		479,662
Source of funds in excess of (less than) Application	$	-

City of Oxford, Georgia
Community Development Block Grant
CDBG No. 09-CR-5113
Project Cost Schedule
For the Year Ended December 31, 2010

Project	Adjusted Budget Project Costs	Other Funding Sources	Expenditures			(Over) Under Budget
			Prior Years	Current Year	Total	
Water facilities/lines	$ 479,663	$ 203,208	$22,000	$ 660,871	$ 682,871	$ -

Compliance Section

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership

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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*

Mayor and Council
City of Oxford, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City of Oxford, Georgia as of and for the year ended December 31, 2010, which collectively comprise the City of Oxford, Georgia's basic financial statements and have issued our report thereon dated June 24, 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, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oxford, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Oxford, Georgia's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting to be material weaknesses and other deficiencies that we consider to be significant deficiencies

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 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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2007-1 and 2010-1

A *significant deficiency*, is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies. 2009-2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oxford, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

The City of Oxford, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City of Oxford, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Mayor and Council, management, others within the entity, the State of Georgia, 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.

Treadwell, Tamplin & Co.

Madison, Georgia
June 24, 2011

City of Oxford, Georgia
Schedule of Findings and Responses
For the Year Ended December 31, 2010

Material Weaknesses:

2007-1

Criteria: Management is responsible for the financial statements, including the preparation of such statements. A system of internal control over financial reporting does not stop at the general ledger. It includes controls over financial statement preparation, including footnote disclosure.

Condition: At present, management are not preparing the financial statements, they are being assisted by auditors. The intent of SAS 112 is not to prevent auditors from preparing the client's financial statements. Instead, the issue to be considered when determining if a significant deficiency or material weakness exists is whether the client is capable of preparing the financial statements and has the skills and competencies necessary to prevent, detect, and correct a material misstatement.

Cause: The size of the City's accounting staff prevents them from having the time and level of competence to prepare the financial statements. This is a condition found in most small governments in Georgia.

Effect: A control deficiency exists when the client does not have controls over preparation of the financial statements which would prevent or detect a misstatement in the financial statements.

Management Response: Management concurs with finding and agrees that due to the size of the City and current staffing, Oxford does have to rely on assistance from the auditors.

2010-1

Criteria: In the General, SPLOST, and Enterprise funds, there were adjusting entries required to correct revenue and expenditure balances at year end, mainly connected with new construction/unique transactions.

Condition: Management is responsible for the proper recoding of all items that could have a material effect on the financial statements of the City.

Cause: Controls were not in place to capture or properly record all necessary year end adjustments.

Effect: A control deficiency exists when the City does not have controls over the preparation of the financial statements that could detect a misstatement in the financial statements.

Management Response: Management will investigate possible further training opportunities.

City of Oxford, Georgia
Schedule of Findings and Responses
For the Year Ended December 31, 2010

Significant Deficiency:

2009-2

Criteria: All software modules that are not integrated into the general ledger should be properly reviewed and recorded in accounting system.

Condition: Separate module for utility billings in generating reports that are only partially being reconciled to general ledger.

Cause: Incomplete understanding of the billing module in relation to general ledger system.

Effect: Improper reporting of sales and receivables.

Management Response: Management has and will gain a better understanding of the utility module for proper reporting in the general ledger.

Supplemental Information

City of Oxford, Georgia
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Year Ended December 31, 2010

Project	Total Estimated Project Costs	Other Funding Sources	Expenditures		Total
			Prior Years	Current Year	
2005 SPLOST					
Maintenance Facility	$ 344,910	$ -	$ 253,683	$ 38,891	$ 292,574
City Hall Annex	140,000	1,616,334	166,511	1,712,479	1,878,990
Fire Station	90,000	-	-	-	-
Water System Update	30,258	-	22,252	3,467	25,719