

CITY OF OXFORD, OHIO

Independent Auditors' Report on
Internal Controls and Compliance

December 31, 2005



**Auditor of State
Betty Montgomery**

City Council
City of Oxford
101 East High Street
Oxford, Ohio 45056

We have reviewed the *Independent Auditors' Report* of the City of Oxford, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2005, through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Oxford is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 18, 2006

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

**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***

To the City Council
City of Oxford, Ohio:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Ohio as of and for the year ended December 31, 2005, which collectively comprise the City of Oxford, Ohio's basic financial statements and have issued our report thereon dated June 9, 2006 wherein we noted that the City of Oxford, Ohio implemented Governmental Accounting Standards Board Statement No. 40. 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, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oxford, Ohio'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 for the information and use of management and City Council and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 9, 2006

THE CITY OF OXFORD, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2005

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CITY OF OXFORD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

**ISSUED BY:
DEPARTMENT OF FINANCE**

Harlita H. Robinson, Finance Director
Heidi Hill, Interim Finance Director/Accounting Manager

**CITY OF OXFORD, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2005**

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The Citizens of Oxford, Ohio,
Honorable Mayor and Members of City Council,

June 9, 2006

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

We are pleased to present our 2005 Comprehensive Annual Financial Report (CAFR) for the City of Oxford for your review. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and is audited in accordance with generally accepted auditing standards. State law requires that every general purpose local government publish a complete set of financial statements. This report is published to fulfill that requirement for the year ended December 31, 2005. This report contains the basic financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the City of Oxford. The report information is presented in three major sections:

1. **The Introductory Section** includes the table of contents, this letter of transmittal which presents the City's organization, operational structure and accomplishments, a list of elected officials and key administrative personnel, an organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting.
2. **The Financial Section** contains the Independent Auditors Report, Management's Discussion and Analysis, and the City's General Purpose Financial Statements, which include explanatory notes thereto. This section also includes additional supplementary information including the combining financial schedules and the individual fund budget-versus-actual schedules.
3. **The Statistical Section** presents social, economic, and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

A complete CAFR is not required to be prepared, but by doing so it represents a commitment by the City of Oxford (the City) to achieve the highest nationally recognized standards of excellence in financial reporting as established by the Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

This report consists of management's representations concerning the finances of the City of Oxford. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Clark, Schaefer, Hackett, and Co., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2005, are fairly

presented in conformity with GAAP. The independent auditor's opinion is presented as the first component of the financial section of this report.

GAAP require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Oxford is located southwest of Dayton and north of Cincinnati in a primarily rural area in the Miami Valley Region of Southwestern Ohio. The City lies approximately 6 miles east of the Indiana state line in the northwest corner of Butler County. The City has a population of 21,943 (2000 census) and covers an area of approximately 6.19 square miles. Oxford was organized as a municipality in 1830 as a direct result of the growing prominence of Miami University, which was founded in 1809 as a state university and plays a significant role in the community. Oxford possesses a college-town environment in a beautiful rural setting. The University, with a student population of approximately 16,900, is both a direct and indirect source of many jobs in the City. Because of its prestigious reputation, Miami University has a freshman applicant-to-acceptance ratio of 4:1. This assures continuing financial stability for the University and hence of the community. The University also contributes substantially to the social and cultural environment.

The City of Oxford is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The Charter, which provides for a Council-Manager form of government, was adopted in 1960. The governing Council is responsible for the enactment of ordinances and resolutions to establish policies and to conduct City business, including the annual budget ordinances, and resolutions approving the expenditure of money. The seven-member Council is elected by its citizens as follows: Four members are elected in an odd-numbered year with the remaining three elected in the following odd-numbered year. Council members serve four-year terms and are limited to two consecutive terms. The Mayor and Vice Mayor are chosen by Council from among its members to serve a two-year term. The City Council appoints a City Manager, a Law Director, and Finance Director/City Auditor. The City Manager is responsible for appointing the Department Heads and City staff. The City Manager is also responsible for the implementation of the Council's policies and other day-to-day administration and service delivery to its constituents. The City provides numerous services, including, among others, police, fire, and emergency services protection; the construction and maintenance of highways and streets; parks and recreational program services; and water, sewer, stormwater management, and refuse services.

The annual budget is the foundation for the City's financial planning and control. The budget process begins in the summer with the preparation of the 5-year Capital Improvement Plan (CIP). The City Manager typically presents her proposed CIP to the Council the fourth Tuesday in August. The approved capital projects for the forthcoming year are then incorporated into next year's annual operating budget. The operational budget preparation for the coming year begins in August. Department heads submit their budget requests in September, and meetings are held with the City Manager to discuss their requests. The City Manager's proposed budget is published in early October, and budget hearings with Council are held in mid-to-late October. The budget is then approved by ordinance in November.

The legal level of budgetary control, that is, the level at which transfers cannot be made without legislative approval, is established at the department level. The City Manager with the approval of the Finance Director can make transfers of appropriations for an unlimited amount within a department. Transfers may also be made for up to \$10,000 between departments within a division (or, in government accounting terms, a 'function') by the City Manager with the concurrence of the Finance Director. Budget-to-actual comparisons are provided in this report beginning on page 20 for the General, Parking and Capital Improvement funds, and beginning on page 65 for all other governmental funds for which an appropriation has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local economy. The local Oxford economy grew modestly during the year, mostly due to the fact that the primary employer, Miami University, is not subject to significant cyclical fluctuations. As the largest employer in Oxford, Miami University generally provides stable employment despite any changes in the national or regional economy. Therefore, the City has a stable employment base providing a consistent income tax revenue stream as shown in the ten-year table of income tax collections on page 86. This provides for financial stability and a solid basis for management and long-term planning decisions.

At December 31, 2005, the City's net asset and fund balances are in strong financial condition as shown in the government-wide and fund financial statements beginning on page 14. The General fund has an unreserved fund balance of \$4,262,013, or 41% of the total governmental funds expenditures of \$10,266,292. The Capital Improvement fund has an unreserved fund balance of \$4,210,409. For the utility funds, the Water and Sewer funds have unrestricted net assets of \$4,757,634 and \$7,520,055 each representing 79% and 125%, respectively, of annual operating and non-operating expenses. While the fund balances as a percentage of operating costs appear significant, fund reserves have been accumulated to fund both working capital and to fund a portion of the total future capital improvements. Refer to the discussion of future proposed capital project costs in the City's 5-year capital plan found later in this report.

Future Long-term financial factors. Management is confident it will continue to financially manage the government in order to continue the strong financial condition of the City. Planning for capital outlays and increased costs for utilities and healthcare in the 2006 operating budget the City increased from the 2005 original budget by 21.0%. Fund balance reserves will provide adequate working capital, and are sufficient to fund a number of capital improvement projects as planned under the Council's five-year improvement plan. Over the long-term, the next ten years, management is positive regarding the economic outlook of the City, but is aware of greater financial challenges. The State continues to experience a shortfall in revenues as a result of the economic slowdown. This past spring, Governor Taft proposed in his 2005-2007 budget that the expiring 1% sales tax be replaced with a 0.5% sales tax, and that local government revenue funding to cities (including Oxford) be reduced 20% effective January 1, 2006. Fortunately, the final bill that passed did not include a cut to the local government funding. But the message was clear that local governments should not rely on this funding to support local services. The looming threat to cut funding exists with every new biennial budget year for the State of Ohio. Anticipating a continual reduction in local government revenue sharing, the City has continued to eliminate its reliance upon local government revenue sharing to support City services.

Additionally, State budget funding to Miami University could also be reduced. Because the University is the City's largest employer and is reliant upon the State for funding assistance, any reduction of funding by the State to the University could have an impact on its employment growth, and hence City income tax revenues. However, as mentioned before, the University has a 4:1 ratio of student applicants to acceptances. Any reduction in State funding is expected to be offset by tuition increases to maintain their revenue stream, unless such increases are capped by the State (which presently is a 6% annual cap). And with a 4:1 applicant-to-acceptance ratio, the demand for Miami enrollment would seem to support the ability to increase tuition. Therefore, we anticipate little impact to employment levels at the University, and hence to City income tax revenue withheld from their employees paychecks.

Senate Bill 108 of the 123rd General Assembly of the State of Ohio resulted in significant tax cuts to the Ohio estate tax. The City conservatively has not relied on estate tax revenue to materially fund annual operating costs, budgeting only \$30,000 in 2005. For 2006's budget, the City continues to phase-out its reliance on this tax to fund General Fund operating costs, budgeting only \$15,000. In the late 1990s and early 2000s, the City received roughly \$400,000 - \$500,000 of estate taxes annually, although for 2003 and 2004 the amount of the revenue collected was \$422,307 and \$130,896 respectively. In past years, the actual estate tax in excess of the budget historically has been used by Council to fund capital improvements. Therefore, a future elimination and the current reduction in the estate tax by the Ohio legislature will have a substantial impact on future funding of capital improvement for the City.

In 2005, the City earned \$828,575 of investment earnings compared to \$339,477, \$321,965, and \$663,627 in 2004, 2003, and 2002, respectively. The increase is reflective of the market recovery and stabilization that occurred during fiscal year 2005. Fortunately, the City does not budget to spend the full investment earnings to fund operations. Instead, a portion of the earnings have historically been used to fund capital expenditures. Therefore, the consequence of an increase or decrease in investment earnings has been an increase or decrease in money transferred to capital funds. Currently it appears that with interest rates will continue to stabilize over the three to five year maturities which will afford the City

more opportunity to interest and earn higher yields. Considering the City's 5-year proposed capital expenditure plan, the City will have to plan for future capital expenditures in the near-term, two to five years, to control spending to eliminate or minimize the use of cash reserves as a source of funding.

The City has been experiencing a significant increase in its employee health care costs in the last several years. In 2002, the City completed a study of its employee health care program and implemented changes effective January 1, 2003 to manage the cost of benefits provided, and to provide adequate funding of the costs. Primary changes include raising deductible and co-pay levels and initiating monthly employee contributions, where formerly the plan was non-contributory. The City also raised the amount by which it funds the benefit plan from \$600 per month in 2003 to \$650 for 2004, \$700 for 2005, and \$750 for 2006. Results show that the changes were effective in controlling costs and funding the benefit program for 2003 and beyond. During 2005, revenues of \$1,023,084 exceeded expenses of \$945,909 by \$77,175 and the overall change in net assets was \$83,955 which increased fund balance of \$47,838 last year to \$131,793 by year-end 2005. The City continues to be vigilant in monitoring and controlling health care costs for the future.

The potential future economic factors above are presented to enable the reader to understand factors which may have an influence on the City's long-term finances. To summarize, the City expects to experience for two-to-three years a period of limited growth or no revenue growth to some revenue streams in its General fund. To accommodate this, the City has established a controlled spending approach, whereby every expenditure is evaluated as to its appropriateness and necessity to be performed this fiscal year. The delicate balance of revenue to expenditures are monitored and managed at all levels to not incur extreme fluctuations where costs can be controlled. As a result of conservative financial management, the City has successfully minimized the impact of the tightening of the past couple of years and looks forward to continual progress to improve its financial condition while maintaining both its existing services and its strong financial position. Management is confident from past performance that it will be able to recognize and respond effectively to future changes in economic conditions. The City will continue to carefully monitor these proposals and continue to be conservative in its management philosophy.

CITY-WIDE INITIATIVES

Improved productivity and efficiency continues to drive the management function in the City of Oxford.

Economic Development – Several new commercial initiatives have occurred in 2005. Stewart Square is a re-use project transitioning an older school property to a large mixed use development providing an expanded commercial base with new housing infrastructure.

The City has also partnered with private sector to initiate a technology park in the southeastern region of the City. The partnership has provided the ability to install a water line replacement, the right-of-way required for a connector road between US 27 & SR 73 and the initiation of a revenue sharing partnership between the City and Oxford Township.

Five-Year Capital Improvement Plan (CIP) – The City's capital plan includes an aggressive infrastructure replacement component based on a continuous improvement philosophy. Every year the City invests in improvements in equipment, utility replacement and infrastructure improvements. In addition, the City is in the planning process for development of a new municipal facilities building and a new aquatic center.

The North West Butler County regions transportation improvement needs are being addresses through a partnership of the regions townships, the City, Miami University, County, State and Federal governments. Currently, 22 million dollars have been appropriated via the Federal government to implement six safety improvement projects. Four intersections are scheduled for safety upgrades; a new connector road is planned for construction and US 27 south of Oxford will be upgraded. While many of these improvements are outside the corporation limits of the City, the City is acting in the capacity of technical and financial coordinator.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oxford, Ohio for its CAFR for the fiscal year ended December 31, 2004. The Certificate of Achievement is a prestigious national award-recognizing presentation in accordance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The 2004 CAFR satisfied both GAAP and applicable legal standards.

The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment by a governmental unit. The publication of this CAFR is indicative of the City's commitment to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City management, and investors.

A Certificate of Achievement is valid for a period of one year only. The City of Oxford has received a Certificate of Achievement for the last twenty-one consecutive years (years ended 1984-2004). We believe this report conforms to the reporting standards set forth by the GFOA, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

This report is the culmination of months of hard work by many individuals. I want to thank Accounting Manager Heidi Hill, Accounting Specialist LeAnn Isenhardt, Payroll and Benefits Specialist Katrina Bockover, Accounting Assistant Rosemary Frazee. I also wish to thank Faye Harsh, Utility Billing and Collections Supervisor, Joanna Murray, Utility Collections Specialist, and Joanne McDonough, Accounting Assistant, for their assistance with this CAFR and their continued high-quality work in diligently carrying out their responsibilities within the finance department. Additional thanks is also due to the staff of the accrual conversion and CAFR preparation CPA firm, Rea and Associates. Additionally, we wish to thank the independent accounting firm of Clark, Schaefer, Hackett, and Co., Certified Public Accountants. Members of the staff of both firms contributed greatly working with City finance department staff toward the preparation and audit of these financial statements.

Finally, a special word of thanks is necessary to recognize the efforts of members of City Council and the City Administration past and present whose conservative fiscal management and solid decision-making are reflected in the sound financial position of the City of Oxford. As a result of their hard work, under the GASB 34 reporting model format, this report presents information in an organized manner to provide greater insight regarding the City's finances. We hope readers of this financial report will find the report beneficial in understanding the City's financial organization, financial position and condition, net assets and results of operations.

Respectfully,

Harlita H. Robinson, CPA
Finance Director

Heidi Hill
Interim Finance Director &
Accounting Manager

CITY OF OXFORD, OHIO
CITY OFFICIALS AS OF DECEMBER 31, 2005

City Council (Elected Officials)

Jerome Conley	Mayor
Ken Bogard	Council Member
Prue Dana	Vice-Mayor
Alysia Fischer	Council Member
Alan Kyger	Council Member
Dave Prows	Council Member
Doug Ross	Council Member

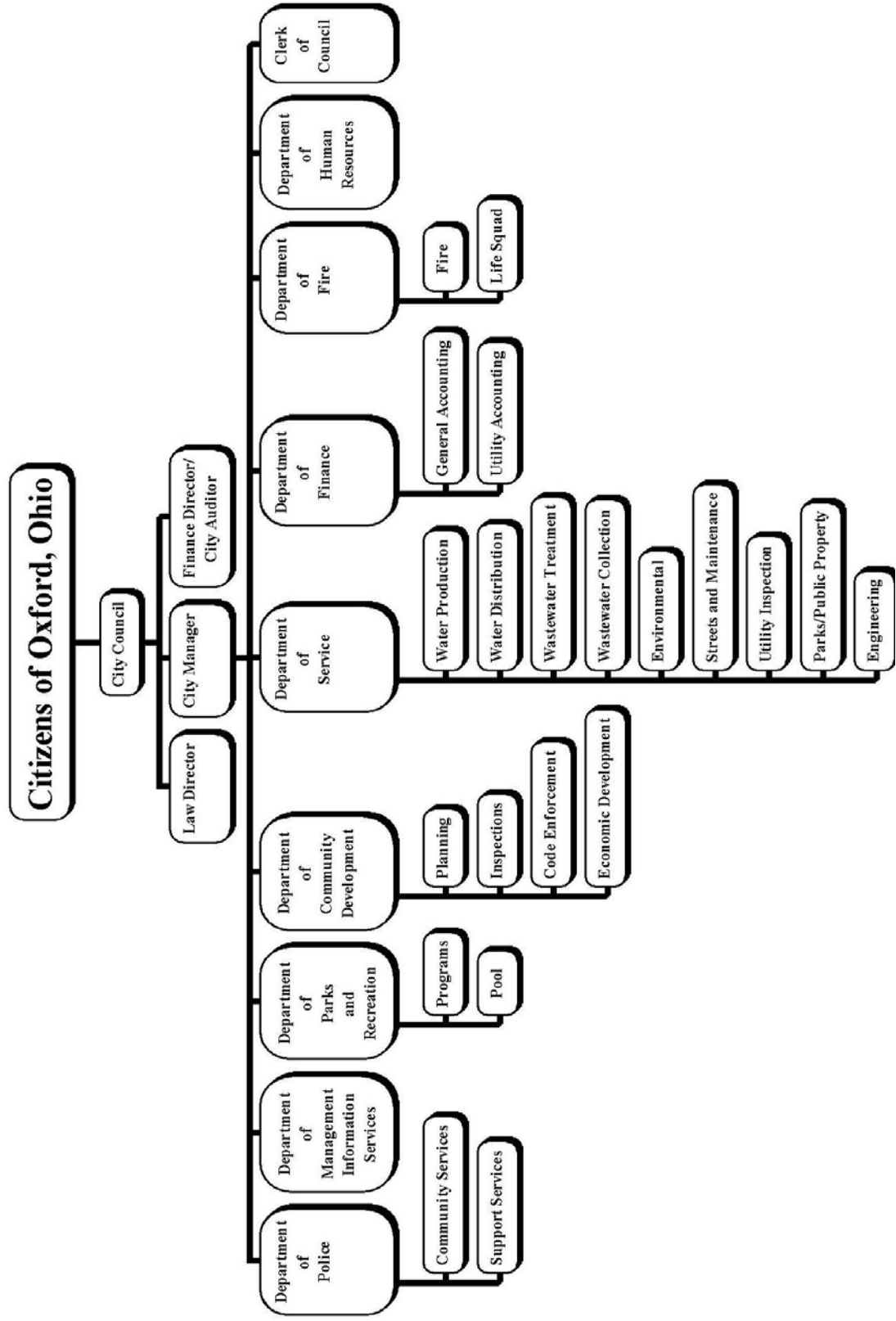
Administration

Jane Howington	City Manager
Gail Brahier	Parks & Recreation Director
Mike Dreisbach	Service Director
Jung-Han Chen	Community Development Director
Len Endress	Fire Chief
Donna Heck	Human Resources Director/ Clerk of Council
Steve McHugh	Law Director
Heidi Hill	Interim Finance Director
Steve Schwein	Police Chief

Department of Finance

Heidi Hill	Interim Finance Director/ Accounting Manager
Faye Harsh	Utility Billing and Collections Supervisor
Katrina Bockover	Payroll and Benefits Specialist
Rose Frazee	Accounting Assistant
LeAnn Isenhardt	Accounting Specialist
Joanne McDonough	Accounting Assistant
Joanna Murray	Utility Collections Specialist

City of Oxford Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oxford,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Emery

Executive Director



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Oxford, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Ohio as of and for the year ended December 31, 2005, which collectively comprise the City of Oxford, Ohio's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oxford, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Ohio as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Parking Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City of Oxford, Ohio has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposits and Investment Risk Disclosures* for the year ended December 31, 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2006, on our consideration of the City of Oxford, Ohio's internal control over financial reporting and 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 on pages 3-13 is not a required part of the basic financial statements but is 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, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
June 9, 2006



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the City of Oxford for the year ended December 31, 2005. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter on page i, and the City's financial statements, which begin on page 14.

I. USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Basic Financial Statements

- Financial Statements for the City as Whole. The Statement of Net Assets and the Statement of Activities (on pages 14 and 15) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.
- Individual Fund Financial Statements. Fund financial statements also reflect the City's operations in more detail than the government-wide financial statements by providing information about the City's major funds. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. These statements begin on page 16.
- Fiduciary Financial Statement. The fiduciary financial statement (page 27) provides financial information about activities for which the City acts solely as agent for the benefit of those outside the government.
- Notes to the Basic Financial Statements. The Notes (beginning on page 28) provide helpful information explaining the City's significant accounting procedures and provide greater detail regarding financial statement components.
- Schedules of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. Schedules (pages 20 to 22) are presented for the General Fund and major special revenue funds that compare actual results to the original and final budgets for those funds.

Supplementary Information

- Combining Financial Statements. These statements (starting on page 56) provide financial information regarding non-major individual funds, which have been aggregated in the basic financial statements.
- Schedules of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. These schedules compare actual results to the original and final budgets for the non-major governmental funds. These schedules begin on page 56.

A. Reporting the City as a Whole

Government-wide statements

Our analysis of the City as a whole begins on page 3. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities 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.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets – the difference between assets and liabilities - as one way to measure the City's financial health, or *financial position*.

Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will want to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire and life squad, parking, parks and recreation departments, and general administration. Income taxes, property taxes, and state and federal grants finance most of these activities.
- Business-type activities - The City provides water, sewer, and refuse utility services to customers and charges a fee to cover the cost of those operations.

B. Reporting the City's Most Significant Funds

Fund financial statements

The City accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the fund financial statements that begin on page 16. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage money for particular purposes, like parking, water, sewer, and refuse activities. City Council may also establish separate funds to show that it is meeting legal responsibilities for using certain taxes, grants, or other money. The City's two kinds of funds –*governmental and proprietary* - use different accounting methods.

- Governmental funds - Most of the City's basic services are reported in governmental funds. The fund statements present how cash flows into and out of those funds, and show the balances remaining at year-end that are available for future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. *Information in governmental fund statements 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.* The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The government-wide financials, as previously described, present the government funds on the whole using the full accrual accounting basis. The differences between governmental activities as reported in the government-wide financial statements and as reported in the fund statements are presented in reconciliation on the right-hand side of the fund financial statements.
- Proprietary funds – There are two types of proprietary funds, enterprise funds and internal service funds. Proprietary funds are reported using the full accrual accounting basis. When the City charges customers for the services it provides with the intention that the charges will fully cover the cost of the services, these activities are reported in enterprise funds. Enterprise funds are generally reported in the same way that all activities are reported in the government-wide Statements of Net Assets and Statement of Activities. In fact, the City's three enterprise funds (water, sewer, and refuse funds) are the same as we report in the combined business-type activities column in the government-wide statements. The individual fund statements for water, sewer, and refuse operations provide more detail and additional information, such as cash flows. Internal service funds are used to report activities within the government that are centralized for efficiency in separate funds in order to provide supplies and services to the other City programs and activities. The City has two separate funds: for fuel and postage services; and for employee health insurance. These internal service funds are combined and shown in a separate column in the proprietary funds statements. In the government-wide financials, their activities are consolidated into the governmental and business-type activities.

C. The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is responsible in a fiduciary capacity for other assets that can only be used for designated beneficiaries. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City acts as the collection agent for three different activities, accounting for the proceeds collected in three agency funds and eventually forwarding the collections to the designated beneficiaries. The combined financial statement for the three funds is reported on page 27.

II. THE CITY AS A WHOLE

A. Net assets at year-end

The following table presents a condensed summary of the City's overall financial position at December 31, 2005 and 2004:

Table 1
Net Assets (in thousands)

	<u>Governmental</u>		<u>Business-</u>		<u>Total *</u>	
	<u>Activities</u>		<u>Type</u>			
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 15,615	\$ 14,726	\$ 16,074	\$ 14,923	\$ 31,689	\$ 29,649
Capital assets	15,307	14,063	27,315	28,245	42,623	42,308
Total assets	<u>30,922</u>	<u>28,789</u>	<u>43,389</u>	<u>43,168</u>	<u>74,311</u>	<u>71,958</u>
Long-term debt outstanding						
Due Within One Year	394	606	1,628	1,719	2,022	2,325
Due in More Than One Year	3,232	3,144	15,575	16,793	18,807	19,937
Other liabilities	1,380	1,376	233	199	1,613	1,575
Total liabilities	<u>5,006</u>	<u>5,126</u>	<u>17,436</u>	<u>18,711</u>	<u>22,442</u>	<u>23,837</u>
Net assets:						
Invested in capital assets, net of debt	12,164	10,764	13,960	13,623	26,123	24,386
Restricted:						
Capital Outlay	8,961	-	-	-	8,961	-
Other purposes	937	812	618	618	1,556	1,430
Unrestricted	3,854	12,088	11,375	10,216	15,229	22,304
Total net assets	<u>25,916</u>	<u>23,663</u>	<u>25,953</u>	<u>24,458</u>	<u>51,869</u>	<u>48,121</u>
Beginning net assets	23,664	22,390	24,457	22,866	48,121	45,256
Net increase	2,252	1,273	1,496	1,592	3,748	2,865
Ending net assets	<u>\$ 25,916</u>	<u>\$ 23,663</u>	<u>\$ 25,953</u>	<u>\$ 24,458</u>	<u>\$ 51,869</u>	<u>\$ 48,121</u>

*Crossfooted totals reflect rounding.

The City deliberately utilizes a conservative budgeting and spending practices. Actual 2005 revenues exceeded estimates, and expenses were lower than budgeted. The result was an increase in cash reserves both restricted and unrestricted as well as in total net assets. The growth in current assets, mostly cash and cash equivalents, is a reflection of the overall progression in net assets. In 2005, the improvement in net assets, unrestricted cash specifically, invoked a change in planning for future capital expenditures. The City began to restrict cash for specific future capital expenditures in the hope that less debt or no debt would be issued to perform specific infrastructure projects and to construct future public facilities. Net capital assets increased in 2005 the details of changes are discussed in Note 10 on page 42. Long-term debt decreased as a result principal payments during 2005.

B. Governmental and Business-type Activities

The following table presents a condensed summary of the City's activities during 2005 and the resulting change in net assets.

Table 2
Changes in Net Assets (in thousands)

	Governmental		Business-		Total	
	Activities		Type			
	2005	2004	2005	2004	2005	2004
Revenues						
<u>Program revenues:</u>						
Charges for services	\$ 1,734	\$ 1,507	\$ 7,334	\$ 7,228	\$ 9,068	\$ 8,735
Operating grants and contributions	542	662	-	-	542	662
Capital grants and contributions	41	221	140	409	181	629
Total program revenues	<u>2,317</u>	<u>2,389</u>	<u>7,474</u>	<u>7,637</u>	<u>9,791</u>	<u>10,026</u>
<u>General revenues:</u>						
Property taxes	905	841	-	-	905	841
Income taxes	6,441	5,884	-	-	6,441	5,884
Grants and entitlements not restricted					-	-
to specific programs	990	1,124	-	-	990	1,124
Unrestricted Contributions	0	-	-	-	0	-
Investment earnings	345	168	484	171	829	339
Miscellaneous	121	46	6	4	126	49
Total general revenues	<u>8,801</u>	<u>8,063</u>	<u>490</u>	<u>175</u>	<u>9,291</u>	<u>8,238</u>
Total revenues	<u>11,118</u>	<u>10,452</u>	<u>7,964</u>	<u>7,812</u>	<u>19,083</u>	<u>18,264</u>
Program expenses						
General government	1,556	1,459	-	-	1,556	1,459
Security of persons and property	3,983	4,002	-	-	3,983	4,002
Public health services	144	117	-	-	144	117
Leisure time activities	1,445	1,282	-	-	1,445	1,282
Community environment	487	904	-	-	487	904
Transportation	1,076	1,230	-	-	1,076	1,230
Interest on long-term debt	176	183	-	-	176	183
Water utility operations	-	-	2,102	2,148	2,102	2,148
Sewer utility operations	-	-	2,944	2,975	2,944	2,975
Refuse utility operations	-	-	1,422	1,098	1,422	1,098
Total program expenses	<u>8,866</u>	<u>9,179</u>	<u>6,468</u>	<u>6,220</u>	<u>15,334</u>	<u>15,399</u>
Increase in net assets	<u>\$ 2,252</u>	<u>\$ 1,273</u>	<u>\$ 1,496</u>	<u>\$ 1,592</u>	<u>\$ 3,748</u>	<u>\$ 2,865</u>

Revenue from charges for services reflects the addition of a new revenue stream from billing for emergency medical service transports and a rise in parking violation citations that are both reflected in the program revenues from the public safety enforcement. For Governmental Activities, income tax revenue rebounded with a substantial growth of 12.98% after two years of minimal growth. This substantial growth in income tax is a direct reflection of the construction that is taking place within the city limits by Miami University and the City. Grants and entitlement revenue reflects another year of declining revenue due the recent tax phase-out of personal property tax and the elimination of a portion of the estate tax and the corporate franchise tax. Miscellaneous revenue increased because of a large contribution from Miami University for the street resurfacing program. The City of Oxford also received a FEMA grant reimbursement for the winter snow storm that occurred during the 2004-2005 winter season. Program expenses are discussed in the following section.

1) Governmental activities

Table 3 presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 26% of the cost of the general governmental activities was recouped in program revenues in 2005 compared with 26% in 2004 (23% in 2003, and 17% in 2002).

Cost of Services

Expenditures in general government increased due to additional community assistance expenses, the rising cost of fuel and Workers' Compensation expenses.

Expenditures for leisure time services were higher than the prior year as the municipal pool incurred some unexpected repairs which resulted in significant costs. Expenditures in transportation declined due to the elimination of a mechanic position in the Service Department.

The community and economic development expenditures decreased significantly due to the program revenues declining. We contract with an Inspection Company who bills us as a percentage of the total amount of revenue booked. Inspection fees were decreased due to less construction, therefore the cost of service was decreased.

Table 3
Governmental Activities (in thousands)

	<u>Total Cost of Services</u>		<u>Program Revenues</u>		<u>Net Cost of Services *</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General government	1,556	1,459	142	180	\$ 1,413	\$ 1,279
Security of persons and property	3,983	4,002	789	363	3,194	3,640
Public health	144	117	2	0	143	117
Leisure time services	1,445	1,282	260	285	1,185	998
Community and economic development	487	904	353	631	133	273
Transportation	1,076	1,230	771	931	305	299
Interest and fiscal charges	176	183	-	-	176	183
					.	
Total	<u>\$ 8,866</u>	<u>\$ 9,179</u>	<u>\$ 2,317</u>	<u>\$ 2,389</u>	<u>\$ 6,549</u>	<u>\$ 6,789</u>

*Crossfooted totals reflect rounding

Program revenues

Revenues for security of persons and property remained consistent for 2005 when compared to 2004. The major factor contributing to this increase was the implementation of billing for EMS services. Increases for immobilization fees and impound fees also played a part in the increase of revenues in this service area.

Revenues for leisure time services declined in 2005 due to a summer of poor weather conditions for many of the outdoor activities.

Building permit fees decreased in 2005 from prior year fees. 2004 had a spike in permit fees due to a significant commercial development. 2006 will experience similar spikes due to additional major commercial developments in the corporate limits. This category of services also saw a reduction in revenues due to a re-allocation of CDBG funds to other services.

Revenues in the transportation services area declined in 2005 due to reduction in the amount of parking meter fines and park ticket citations collected as charges for services. There was a decline in the amount of grant funds received for 2005 as compared to 2004..

2) Business-type activities

The City's water and sewer operations generated revenues in excess of the cost of services in 2005 and 2004. In 2005 the City's refuse utility operation reflects a deficit. For water and sewer operations the funds will be used to fund capital expenditures planned under the City's Five-year Capital Improvement Plan. For the Refuse utility, the services are contracted out to a private hauler and the contract costs increased in 2005 without increased refuse rates. Revenues and expenses for the individual Business-type activities are discussed in greater detail in the following section. The following table (rounded to nearest thousand) summarizes the business-type activities:

Table 4
Business-type Activities (in thousands)

	<u>Total Cost of Services</u>		<u>Program Revenues</u>		<u>Net Revenue from Operations *</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Water utility operations	\$ 2,102	\$ 2,148	\$ 2,760	\$ 2,830	\$ 658	\$ 683
Sewer utility operations	2,944	2,975	3,319	3,475	375	500
Refuse utility operations	<u>1,422</u>	<u>1,098</u>	<u>1,395</u>	<u>1,332</u>	<u>(27)</u>	<u>234</u>
Total	<u>\$ 6,468</u>	<u>\$ 6,220</u>	<u>\$ 7,474</u>	<u>\$ 7,637</u>	<u>\$ 1,006</u>	<u>\$ 1,417</u>

* Crossfooted totals reflect rounding.

III. THE CITY'S INDIVIDUAL FUNDS

A. Governmental funds

The financial statements for the City's governmental funds, accounted for under the modified accrual basis of accounting, are presented beginning on page 16. The City has fifteen governmental funds, three of which are considered major funds: the General Fund, the Parking Fund, and the Capital Improvement Fund. Assets of these three funds at December 31, 2005 comprise \$15,512,744 (87%) of the total \$17,772,360 governmental funds assets. The following provides an analysis of these major funds.

Table 5
Financial Highlights
Government Funds (in thousands)

	<u>General</u>		<u>Parking</u>		<u>Improvement</u>	
	<u>Fund</u>		<u>Fund</u>		<u>Fund</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Total assets	\$ 6,760	\$ 5,859	\$ 783	\$ 682	\$ 7,970	\$ 8,515
Total liabilities	<u>2,185</u>	<u>2,180</u>	<u>2,262</u>	<u>2,382</u>	<u>57</u>	<u>115</u>
Fund balance	<u>4,575</u>	<u>3,679</u>	<u>(1,479)</u>	<u>(1,700)</u>	<u>7,913</u>	<u>8,401</u>
Total reservations of fund balance	<u>312</u>	<u>408</u>	<u>7</u>	<u>19</u>	<u>3,702</u>	<u>2,872</u>
Unreserved, undesignated fund balance	<u>\$ 4,262</u>	<u>\$ 3,271</u>	<u>\$ (1,486)</u>	<u>\$ (1,720)</u>	<u>\$ 4,210</u>	<u>\$ 5,529</u>
Revenues	\$ 10,026	\$ 9,212	\$ 505	\$ 461	\$ 150	\$ 27
Expenditures	<u>6,946</u>	<u>6,975</u>	<u>282</u>	<u>190</u>	<u>1,638</u>	<u>543</u>
Excess of revenues over (under) expenditures	<u>3,080</u>	<u>2,237</u>	<u>224</u>	<u>271</u>	<u>(1,488)</u>	<u>(516)</u>
Other financing sources (uses)	<u>(2,183)</u>	<u>(2,087)</u>	<u>(3)</u>	<u>-</u>	<u>1,000</u>	<u>859</u>
Net change in fund balance	<u>\$ 898</u>	<u>\$ 150</u>	<u>\$ 221</u>	<u>\$ 271</u>	<u>\$ (488)</u>	<u>\$ 343</u>

* Crossfooted totals reflect rounding.

General Fund. Total assets in 2005 show a moderate increase over 2004, the result of revenues exceeding expenditures and other financing uses. Total liabilities increased due to additional transfers made from the general fund to subsidize the City's capital improvement and equipment funds for future capital outlays. The fund balance at the end of 2005 was \$4,574,505 including \$4,262,013 of undesignated, unreserved fund balance. The undesignated unreserved fund balance represents 42% of annual governmental activities expenditures and other financing uses of \$10,266,292, an increase over last year's percentage of 33%.

Revenues increased from \$9,212,433 in 2004 to \$10,026,067 in 2005. Revenue items saw little change for 2005 versus 2004 with the overall economic slowdown still having limited impact on revenue streams. Expenditures declined slightly about .43% from \$6,975,457 to \$6,945,601, generally the reduction was due to the administrations philosophy of projecting revenues low and expenses high. The increase in revenues combined with a decrease in expenses resulted in an increase in the excess of revenues over expenditures from \$2,236,976 in 2004 to \$3,080,466 in 2005.

Parking Fund. Total assets increased from \$681,697 to \$782,740 as a result of higher revenues and spending less in 2004 than in the previous years. The expenditure level in 2004 declined as a result of lowered capital outlays. The level of spending was restored in 2005. Liabilities reflect a no-interest interfund loan, originally \$2,700,312 in 2001, from the Capital Improvement Fund. The funds were used in 2001 to construct a four-story parking garage with 224 spaces in uptown Oxford. The garage opened in October, 2001. The loan balance at year-end net of repayment in 2005 was \$2,255,312. Future revenues from parking meter fees and fines and leased garage spaces will be the source for repayment of the interfund loan to the Capital Improvement Fund, anticipated to be over a 20-25 year period. The Parking Fund shows a fund deficit because the capital asset (the parking garage) is not reflected as an asset under modified accrual accounting, which would otherwise offset the interfund loan payable.

Total Parking revenues increased from \$460,888 in 2004 to \$505,149 in 2005 (9.6%). The increase in revenue can be attributed to increases in fines and fees however; the primary factor in the revenue growth has been a more aggressive enforcement and collection process. The City organized a parking task force in 2005 to review the

parking program for the City and to make recommendations on the potential development of a separate parking authority. The task forces report and recommendations will be incorporated on the 2006 work program.

Expenditures jumped from \$190,338 in 2004 to \$281,501 in 2005. due to the restoration of the capital expenditures and capital plans to establish a parking authority to operate the parking program, administration has been working to designate costs to the appropriate cost centers. To this end, the salaries and benefits for the parking fund have increased as the proportion of the administrative personnel that work on parking functions are now being billed to that function.

Capital Improvement Fund. Total assets of \$7,970,100 for 2005 is the product of a decrease in cash from \$6,119,129 in 2004 to \$5,674,453. Revenues and other financing sources reflect the transfer-in during 2005 from the General Fund of \$1,000,000. Expenditures in 2005 were \$1,637,565, hence the additional capital expenditures contributed to the decrease in cash and the corresponding decline in fund balance. Total fund balance at December 31, 2005 is \$7,912,899 compared to \$8,400,760 at the prior year-end. Unreserved, undesignated fund balance totals \$4,210,409 for 2005.

B. Proprietary funds

1) Enterprise funds

The following table provides financial highlights regarding the City's three enterprise funds for its water, sewer and refuse utility operations. The information differs slightly from the government-wide proprietary fund information shown in section II. B. 2 in that the information below does not include the consolidation of internal service fund activity. For greater detail, please refer to the financial statements for the City's proprietary funds, which are presented beginning on page 23.

Table 6
Financial Highlights
Enterprise Funds (in thousands)

	<u>Water</u> <u>Fund</u>		<u>Sewer</u> <u>Fund</u>		<u>Refuse</u> <u>Fund</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Total assets	\$ 16,874	\$ 16,712	\$ 23,690	\$ 23,639	\$ 2,764	\$ 2,777
Total liabilities	6,968	7,606	6,780	7,354	3,688	3,750
Total net assets	<u>9,906</u>	<u>9,106</u>	<u>16,910</u>	<u>16,284</u>	<u>(924)</u>	<u>(973)</u>
Restricted net assets	<u>5,148</u>	<u>4,821</u>	<u>9,390</u>	<u>9,379</u>	<u>40</u>	<u>41</u>
Unrestricted net assets	<u>\$ 4,758</u>	<u>\$ 4,285</u>	<u>\$ 7,520</u>	<u>\$ 6,905</u>	<u>\$ (963)</u>	<u>\$ (1,015)</u>
Operating revenues	\$ 2,678	\$ 2,624	\$ 3,267	\$ 3,276	\$ 1,395	\$ 1,332
Operating expenses	1,837	1,862	2,614	2,613	1,315	982
Net non-operating rev (exp)	(123)	(242)	(84)	(273)	(31)	(90)
Capital contributions	<u>82</u>	<u>210</u>	<u>58</u>	<u>199</u>	<u>-</u>	<u>-</u>
Net change in net assets	<u>\$ 800</u>	<u>\$ 730</u>	<u>\$ 626</u>	<u>\$ 589</u>	<u>\$ 50</u>	<u>\$ 259</u>

Water Fund. Total assets showed a slight increase in 2005. While the rate increase approved in October of 2004 assisted the revenue increase, some of its impact was offset by the high cost of electricity and natural gas. The City implemented a source protection study for both well fields. This work provides a basis for protection of the City's water resources in the years to come.

Sewer Fund. The sewer fund was stable in 2005 with a solid operating margin. The Phase II capital improvements required by Ohio EPA are being implemented through a phased approach using funds set aside for this purpose in the capital improvement fund. The City has set monies aside in anticipation of the Phase II required improvements to avoid the necessity of issuing debt.

Refuse Fund. The City contracts with a private vendor for refuse service provided to its customers. The City is currently in the second year of a three year Contract with two additional options for one year extensions. The Fund also serves to fund annual operating and debt service costs for the landfill post-closure requirements. The City has met all post-closure requirements with no findings from Ohio EPA.

2) Internal service funds

Net assets at year-end and activity for the year for the City's two internal service funds is reported in a combined column in the proprietary fund statements beginning on page 23. The major impact to these funds pertains to the large increase in energy costs. Due to the cost of gasoline, the City authorized a supplemental appropriation in the amount of \$33,000 to cover this unexpected increase.

IV. BUDGETED ACTIVITY AND ACTUAL RESULTS

The statements comparing the City's original and final budgets and actual results are for the General, Parking and Capital Improvement funds beginning on page 20. Other governmental funds with adopted budgets are presented in schedules beginning on page 65. During the year, the City made the following significant changes to its original General Fund budget:

- An appropriation of \$300,000 to the capital improvement fund and \$200,000 to the capital equipment fund due to higher than expected income tax collection.
- An appropriation of \$33,000 to the internal service fund for higher than anticipated gasoline costs.

V. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

At the end of 2005, the City had \$67,897,136 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, a parking garage, and water and sewer lines and related plant facilities. The capital assets do not reflect the investment in general government infrastructure made prior to 2001. (The City has not implemented the retroactive capitalization of general government infrastructure as part of the conversion to GASB Statement 34, but plans to do so for the 2006 financial statements.) More detailed information regarding the City's capital assets is presented in Notes 10 to the financial statements.

Table 7
Capital Assets at Year-End (in thousands)
(Net of Depreciation)

	Governmental		Business-		Total	
	Activities		Type			
	2005	2004	2005	2004	2005	2004
Land	\$ 1,623	\$ 1,623	\$ 369	\$ 369	\$ 1,991	\$ 1,991
Construction in progress	841	600	-	-	841	600
Buildings	4,273	4,363	5,133	5,343	9,405	9,706
Improvements	4,801	4,726	787	1,012	5,588	5,738
Equipment	2,361	1,913	1,122	1,129	3,483	3,042
Infrastructure	1,409	838	19,905	20,393	21,314	21,231
Total	\$ 15,307	\$ 14,063	\$ 27,315	\$ 28,245	\$ 42,623	\$ 42,308

The City's 2005 capital improvement program included expenditures for the construction of soccer fields in the Community Park, the right of way acquisition for improvements to US27 from Locust Street to Melanee Lane, the design and engineering for Phase II of the mandated waste water plant and the completion of the Contreras Road sidewalk. The City budgets annually for programs including a comprehensive street resurfacing program, normal replacement of major equipment and revolving replacements for public safety equipment including vehicles.

B. Debt

Debt activity for 2005 consisted of scheduled principal and interest payments on existing debt. There were no debt issuances during the year. Total long term debt outstanding at year-end was \$20,673,827. There were no debt notes issued during the year, and no note balances were outstanding at year-end. The City has a total of seven individual long-term debt issuances outstanding, with two being general obligation debts. The Parks Improvement Bonds issued in 1999, with principal outstanding at year-end of \$3,135,000, are paid from the General fund revenues. The 2002 Water refunding bonds are general obligation bonds with an outstanding balance of \$7,015,000 at year-end, but are paid by Water Utility revenues. The City has four individual debts borrowed by the Sewer fund (year end balance \$6,575,000) and one by the Refuse fund (year-end balance \$2,313,000). Both are paid from their respective utility revenues. These five borrowings were issued by the Ohio Water Development Authority for capital improvements between 1987 and 1998. Refer to Note 14 for additional debt information.

The City's most recent general obligation bond rating was received in the fall of 2002 in conjunction with the issuance of the \$9 million 12-year Water refunding bonds. The City's general obligation credit rating was upgraded by Moody's Investor Services, Inc., from A1 to Aa3.

VI. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Governmental funds

Sound financial budgeting and conservative cost management continued in 2005 to increase the governmental fund balances. The national economic climate assisted in increasing interest income; a trend lacking in the last several years. Miami University's large capital construction campaign continued to provide a large increase in the area of income tax, though the City is not incorporating the majority of this revenue upswing to ongoing operations due to the potential for this being a non-recurring revenue source.

In 2004, the City completed a succession planning study for the Fire/EMS functions in anticipation of having to look toward some form of paid department. The primary finding of this study was to initiate billing for emergency service runs. 2005 was the first year such fees were in place thus creating a revenue source to begin offsetting additional paid functions in this department.

Enterprise funds

Miami University's large capital construction campaign will have an impact on the enterprise funds. Connections of new buildings will have an initial impact while use of City utilities will be modified due to the new facilities. The City is also cognizant of Miami's aggressive water conservation program so will not realize the full impact of the new facilities until they've been in operation.

The City is active in its efforts to reduce storm water infiltration into the City's sanitary sewer system. These efforts have increased the efficiency and effectiveness of the waste water utility which, in turn, has aided in compliance with EPA regulations as we move into Phase II mandated upgrades.

Energy costs have impacted many of the services provided by the City including the utilities funded through the enterprise funds. The trend in the high cost of energy is projected to continue for the foreseeable future.

Development pressures in the area surrounding the City of Oxford are increasing the interest in tying onto City water and sewer. This in turn, is creating an increasing demand for "edge" properties to request being annexed into the City. This trend will continue over the next several decades as the population in the region is expected to more than double. Capacity of City utilities is monitored closely and will have a direct impact on these annexation requests.

Employee benefits (health insurance) fund

During a number of years since 2000, the Employee Benefits (health insurance) internal service fund has experienced health care cost increases in excess of amounts billed to the interfund departments, funding them with carryover balances in the Employee Benefits fund. A study was completed during 2002 using an outside consultant to determine appropriate changes to the funding levels and benefits of the plan. These changes were implemented effective in January, 2003, resulting in restricting cost growth for that year. The City has increased its funding to the internal service fund from the operating funds in 2003 from \$500 per employee per month to \$600, to \$650 for 2004, and to \$700 for 2005. Revenues of the affected funds (General, Parking, Street, Water, Sewer, and Refuse funds) have been sufficient to absorb these increases in cost. The City's stop loss level was increased from \$25,000 to \$35,000 in 2003 and maintained at that level in 2004. Insurance premiums from various health insurance stop loss carriers have been solicited annually to obtain the most cost-effective choice. Employee contributions were also implemented with the plan changes and the increases in City funding. At 2005 year end this fund has a balance of \$131,793.

VII. REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at the City of Oxford, 101 East High Street, Oxford, OH, 45056.

Harlita H. Robinson, CPA
Finance Director

Heidi Hill
Interim Finance Director &
Accounting Manager

June 9, 2006

City of Oxford, Ohio
Statement of Net Assets
December 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 12,864,285	\$ 15,117,805	\$ 27,982,090
Taxes Receivable	1,769,136	0	1,769,136
Accounts Receivable	87,381	502,534	589,915
Special Assessments Receivable	4,164	0	4,164
Loans Receivable	28,583	0	28,583
Accrued Interest Receivable	86,917	154,983	241,900
Intergovernmental Receivable	724,228	0	724,228
Prepaid Items	30,930	11,911	42,841
Materials and Supplies Inventory	80,164	180,765	260,929
Internal Balances	(60,822)	60,822	0
Deferred Charges	0	45,057	45,057
Non-Depreciable Capital Assets	2,463,684	368,605	2,832,289
Depreciable Capital Assets, net	12,843,692	26,946,662	39,790,354
<i>Total Assets</i>	<u>30,922,342</u>	<u>43,389,144</u>	<u>74,311,486</u>
Liabilities			
Accounts Payable	242,737	155,908	398,645
Accrued Wages	35,761	1,020	36,781
Intergovernmental Payable	226,485	56,336	282,821
Accrued Interest Payable	14,055	19,846	33,901
Claims Payable	112,482	0	112,482
Unearned Revenue	748,798	0	748,798
Long-Term Liabilities:			
Due Within One Year	394,005	1,628,073	2,022,078
Due in More Than One Year	3,232,057	15,574,640	18,806,697
<i>Total Liabilities</i>	<u>5,006,380</u>	<u>17,435,823</u>	<u>22,442,203</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	12,163,584	13,959,553	26,123,137
Restricted for Capital Outlay	8,961,180	0	8,961,180
Restricted for Other Purposes	937,362	618,471	1,555,833
Unrestricted	3,853,836	11,375,297	15,229,133
<i>Total Net Assets</i>	<u>\$ 25,915,962</u>	<u>\$ 25,953,321</u>	<u>\$ 51,869,283</u>

See accompanying notes.

City of Oxford, Ohio
Statement of Activities
Year Ended December 31, 2005

	Program Revenues				Net(Expense)Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 1,555,665	\$ 142,209	\$ 0	\$ 0	\$ (1,413,456)	\$ 0	\$ (1,413,456)
Security of Persons and Property	3,982,613	620,433	168,570	0	(3,193,610)	0	(3,193,610)
Public Health	144,446	1,550	0	0	(142,896)	0	(142,896)
Leisure Time Services	1,444,845	251,780	8,078	0	(1,184,987)	0	(1,184,987)
Community and Economic Development	486,504	224,228	87,832	41,009	(133,435)	0	(133,435)
Transportation	1,075,809	493,716	277,542	0	(304,551)	0	(304,551)
Interest and Fiscal Charges	175,948	0	0	0	(175,948)	0	(175,948)
<i>Total Governmental Activities</i>	<u>8,865,830</u>	<u>1,733,916</u>	<u>542,022</u>	<u>41,009</u>	<u>(6,548,883)</u>	<u>0</u>	<u>(6,548,883)</u>
Business-Type Activities							
Water	2,101,610	2,677,808	0	82,200	0	658,398	658,398
Sewer	2,944,496	3,261,053	0	58,000	0	374,557	374,557
Refuse	1,422,302	1,395,392	0	0	0	(26,910)	(26,910)
<i>Total Business-Type Activities</i>	<u>6,468,408</u>	<u>7,334,253</u>	<u>0</u>	<u>140,200</u>	<u>0</u>	<u>1,006,045</u>	<u>1,006,045</u>
<i>Totals</i>	<u>\$ 15,334,238</u>	<u>\$ 9,068,169</u>	<u>\$ 542,022</u>	<u>\$ 181,209</u>	<u>\$ (6,548,883)</u>	<u>\$ 1,006,045</u>	<u>\$ (5,542,838)</u>
General Revenues							
Property and Other Local Taxes Levied for General Purposes					904,765	0	904,765
Income Taxes Levied for General Purposes					6,441,179	0	6,441,179
Grants and Entitlements not Restricted to Specific Programs					990,269	0	990,269
Unrestricted Contributions					100	0	100
Investment Earnings					344,521	484,054	828,575
Miscellaneous					120,532	5,696	126,228
<i>Total General Revenues</i>					<u>8,801,366</u>	<u>489,750</u>	<u>9,291,116</u>
<i>Change in Net Assets</i>					<u>2,252,483</u>	<u>1,495,795</u>	<u>3,748,278</u>
<i>Net Assets Beginning of Year</i>					<u>23,663,479</u>	<u>24,457,526</u>	<u>48,121,005</u>
<i>Net Assets End of Year</i>					<u>\$ 25,915,962</u>	<u>\$ 25,953,321</u>	<u>\$ 51,869,283</u>

See accompanying notes.

City of Oxford, Ohio
Balance Sheet
Governmental Funds
December 31, 2005

	General Fund	Parking Fund	Capital Improvement Fund	All Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 4,117,196	\$ 773,511	\$ 5,674,453	\$ 2,021,568	\$ 12,586,728
Taxes Receivable	1,769,136	0	0	0	1,769,136
Accounts Receivable	85,481	0	0	1,000	86,481
Special Assessments Receivable	0	0	4,164	0	4,164
Loans Receivable	0	0	0	28,583	28,583
Accrued Interest Receivable	65,163	8,799	0	9,454	83,416
Intergovernmental Receivable	552,252	0	36,171	135,805	724,228
Prepaid Items	17,672	430	0	0	18,102
Materials and Supplies Inventory	3,004	0	0	63,206	66,210
Advances to Other Funds	150,000	0	2,255,312	0	2,405,312
<i>Total Assets</i>	<u>\$ 6,759,904</u>	<u>\$ 782,740</u>	<u>\$ 7,970,100</u>	<u>\$ 2,259,616</u>	<u>\$ 17,772,360</u>
Liabilities					
Accounts Payable	154,356	0	53,037	26,293	233,686
Accrued Wages	35,334	133	0	294	35,761
Intergovernmental Payable	204,960	6,427	0	15,098	226,485
Unearned Revenue	1,790,749	0	4,164	146,376	1,941,289
Advances From Other Funds	0	2,255,312	0	150,000	2,405,312
<i>Total Liabilities</i>	<u>2,185,399</u>	<u>2,261,872</u>	<u>57,201</u>	<u>338,061</u>	<u>4,842,533</u>
Fund Balances					
Reserved for Encumbrances	159,488	7,318	1,447,178	96,153	1,710,137
Reserved for Inventory	3,004	0	0	63,206	66,210
Reserved for Advances	150,000	0	2,255,312	0	2,405,312
Unreserved, Undesignated, Reported in:					
General Fund	4,262,013	0	0	0	4,262,013
Special Revenue Funds	0	(1,486,450)	0	759,257	(727,193)
Capital Projects Funds	0	0	4,210,409	1,002,939	5,213,348
<i>Total Fund Balances (Deficit)</i>	<u>4,574,505</u>	<u>(1,479,132)</u>	<u>7,912,899</u>	<u>1,921,555</u>	<u>12,929,827</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 6,759,904</u>	<u>\$ 782,740</u>	<u>\$ 7,970,100</u>	<u>\$ 2,259,616</u>	<u>\$ 17,772,360</u>

See accompanying notes.

City of Oxford, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2005*

Total Governmental Fund Balances	\$	12,929,827
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*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 funds.		15,303,385
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Income Tax	\$	389,346
Intergovernmental and Other Receivables		<u>803,145</u>

Total		1,192,491
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Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		130,376
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(14,055)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds		(3,135,000)
Capital Leases		(8,792)
Compensated Absences		<u>(482,270)</u>

Total		<u>(3,626,062)</u>
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<i>Net Assets of Governmental Activities</i>	\$	<u><u>25,915,962</u></u>
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See accompanying notes.

City of Oxford, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General Fund	Parking Fund	Capital Improvement Fund	All Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	\$ 904,765	\$ 0	\$ 0	\$ 0	\$ 904,765
Income Taxes	6,473,251	0	0	0	6,473,251
Special Assessments	0		6,726	0	6,726
Charges for Services	559,845	361,918	0	16,134	937,897
Licenses and Permits	357,915	0	0	0	357,915
Fines and Forfeitures	297,898	118,064	0	3,765	419,727
Intergovernmental	1,135,910	0	38,236	593,511	1,767,657
Interest	243,263	23,844	0	25,640	292,747
Contributions and Donations	38,241	0	2,773	37,994	79,008
Other	14,979	1,323	101,969	14,391	132,662
<i>Total Revenues</i>	<u>10,026,067</u>	<u>505,149</u>	<u>149,704</u>	<u>691,435</u>	<u>11,372,355</u>
Expenditures					
Current:					
General Government	1,439,754	0	0	0	1,439,754
Security of Persons and Property	3,677,235	0	0	31,691	3,708,926
Public Health	144,446	0	0	0	144,446
Leisure Time Services	1,055,704	0	0	0	1,055,704
Community and Economic Development	621,956	0	0	47,207	669,163
Transportation	0	281,501	0	692,402	973,903
Capital Outlay	0	0	1,637,565	304,687	1,942,252
Debt Service:					
Principal Retirements	5,615	0	0	150,000	155,615
Interest and Fiscal Charges	891	0	0	175,638	176,529
<i>Total Expenditures</i>	<u>6,945,601</u>	<u>281,501</u>	<u>1,637,565</u>	<u>1,401,625</u>	<u>10,266,292</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>3,080,466</u>	<u>223,648</u>	<u>(1,487,861)</u>	<u>(710,190)</u>	<u>1,106,063</u>
Other Financing Sources (Uses)					
Transfers In	0	0	1,000,000	1,224,385	2,224,385
Transfers Out	(2,182,638)	(2,500)	0	(39,247)	(2,224,385)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,182,638)</u>	<u>(2,500)</u>	<u>1,000,000</u>	<u>1,185,138</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	897,828	221,148	(487,861)	474,948	1,106,063
<i>Fund Balances (Deficit) Beginning of Year</i>	3,679,053	(1,700,280)	8,400,760	1,459,814	11,839,347
(Decrease) in Reserve for Inventory	(2,376)	0	0	(13,207)	(15,583)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 4,574,505</u>	<u>\$ (1,479,132)</u>	<u>\$ 7,912,899</u>	<u>\$ 1,921,555</u>	<u>\$ 12,929,827</u>

See accompanying notes.

City of Oxford, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
December 31, 2005*

Net Change in Fund Balances - Total Governmental Funds \$ 1,106,063

Amounts reported for governmental activities in the statement of activities are 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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions	\$	1,840,439	
Current Year Depreciation		<u>(587,078)</u>	
Total			1,253,361

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (8,927)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income Tax		(32,072)	
Intergovernmental and Other Receivables		<u>(221,970)</u>	
Total			(254,042)

Repayment of bond principal and capital lease payments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 155,615

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 581

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

Compensated Absences		(31,937)	
Change in Inventory		<u>(15,583)</u>	
Total			(47,520)

The internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 47,352

Change in Net Assets of Governmental Activities \$ 2,252,483

See accompanying notes.

City of Oxford
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$ 831,726	\$ 926,851	\$ 904,091	\$ (22,760)
Income Taxes	5,689,351	5,514,951	6,561,051	1,046,100
Charges for Services	455,000	526,405	568,620	42,215
Licenses and Permits	322,900	322,900	354,926	32,026
Fines and Forfeitures	260,000	260,000	299,688	39,688
Intergovernmental	885,419	919,865	1,206,678	286,813
Interest	252,379	252,379	228,516	(23,863)
Contributions and Donations	41,000	41,000	38,241	(2,759)
Other	2,000	10,100	14,979	4,879
<i>Total Revenues</i>	<u>8,739,775</u>	<u>8,774,451</u>	<u>10,176,790</u>	<u>1,402,339</u>
Expenditures				
General Government	1,444,892	1,500,812	1,488,326	12,486
Security of Persons and Property	3,811,245	3,813,745	3,811,039	2,706
Public Health	87,800	145,376	152,064	(6,688)
Leisure Time Services	1,077,650	1,078,010	1,085,043	(7,033)
Community and Economic Development	635,007	663,007	638,478	24,529
<i>Total Expenditures</i>	<u>7,056,594</u>	<u>7,200,950</u>	<u>7,174,950</u>	<u>26,000</u>
Excess of Revenues Over Expenditures	<u>1,683,181</u>	<u>1,573,501</u>	<u>3,001,840</u>	<u>1,428,339</u>
Other Financing Sources and Uses				
Transfers Out	<u>(1,682,638)</u>	<u>(2,182,638)</u>	<u>(2,182,638)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>(1,682,638)</u>	<u>(2,182,638)</u>	<u>(2,182,638)</u>	<u>0</u>
Net Change in Fund Balance	543	(609,137)	819,202	1,428,339
Fund Balance Beginning of Year	2,791,549	2,791,549	2,791,549	0
Prior Year Encumbrances Appropriated	<u>305,426</u>	<u>305,426</u>	<u>305,426</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 3,097,518</u>	<u>\$ 2,487,838</u>	<u>\$ 3,916,177</u>	<u>\$ 1,428,339</u>

See accompanying notes.

City of Oxford
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis
Parking Fund
For the Year Ended December 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Charges for Services	\$ 350,409	\$ 350,409	\$ 357,733	\$ 7,324
Fines and Forfeitures	100,000	100,000	118,064	18,064
Interest	15,412	15,412	15,107	(305)
Other	<u>0</u>	<u>0</u>	<u>1,323</u>	<u>1,323</u>
Total Revenues	<u>465,821</u>	<u>465,821</u>	<u>492,227</u>	<u>26,406</u>
Expenditures				
Transportation	<u>345,709</u>	<u>345,709</u>	<u>290,169</u>	<u>55,540</u>
Total Expenditures	<u>345,709</u>	<u>345,709</u>	<u>290,169</u>	<u>55,540</u>
Excess of Revenues Over Expenditures	<u>120,112</u>	<u>120,112</u>	<u>202,058</u>	<u>81,946</u>
Other Financing Sources and Uses				
Transfers Out	(2,500)	(2,500)	(2,500)	0
Advances Out	<u>(115,000)</u>	<u>(115,000)</u>	<u>(115,000)</u>	<u>0</u>
Total Other Financing Sources and (Uses)	<u>(117,500)</u>	<u>(117,500)</u>	<u>(117,500)</u>	<u>0</u>
Net Change in Fund Balance	2,612	2,612	84,558	81,946
Fund Balance Beginning of Year	661,578	661,578	661,578	0
Prior Year Encumbrances Appropriated	<u>22,656</u>	<u>22,656</u>	<u>22,656</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 686,846</u>	<u>\$ 686,846</u>	<u>\$ 768,792</u>	<u>\$ 81,946</u>

See accompanying notes.

City of Oxford, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2005

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Refuse	Totals	
Assets					
<i>Current Assets</i>					
Equity in Pooled Cash and Investments	\$ 4,848,967	\$ 7,576,458	\$ 2,692,380	\$ 15,117,805	\$ 277,557
Accounts Receivable	213,201	272,840	16,493	502,534	900
Accrued Interest Receivable	59,286	88,947	6,750	154,983	3,501
Prepaid Items	1,770	1,227	8,914	11,911	12,828
Materials and Supplies Inventory	133,901	46,864	0	180,765	13,954
<i>Total Current Assets</i>	<u>5,257,125</u>	<u>7,986,336</u>	<u>2,724,537</u>	<u>15,967,998</u>	<u>308,740</u>
<i>Non-Current Assets</i>					
Deferred Charges	45,057	0	0	45,057	0
Non-Depreciable Capital Assets	334,735	16,870	17,000	368,605	0
Depreciable Capital Assets, net	11,236,941	15,687,183	22,538	26,946,662	3,991
<i>Total Non-Current Assets</i>	<u>11,616,733</u>	<u>15,704,053</u>	<u>39,538</u>	<u>27,360,324</u>	<u>3,991</u>
<i>Total Assets</i>	<u>16,873,858</u>	<u>23,690,389</u>	<u>2,764,075</u>	<u>43,328,322</u>	<u>312,731</u>
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	28,507	42,730	84,671	155,908	9,051
Accrued Wages	727	293	0	1,020	0
Intergovernmental Payable	25,154	28,330	2,852	56,336	0
Accrued Interest Payable	19,846	0	0	19,846	0
Claims Payable	0	0	0	0	112,482
Compensated Absences Payable	37,691	41,277	3,997	82,965	0
General Obligation Bonds Payable	695,000	0	0	695,000	0
OWDA Loans Payable	0	648,715	201,393	850,108	0
<i>Total Current Liabilities</i>	<u>806,925</u>	<u>761,345</u>	<u>292,913</u>	<u>1,861,183</u>	<u>121,533</u>
<i>Long-Term Liabilities</i>					
Compensated Absences Payable - Net of Current Portion	75,102	92,700	6,504	174,306	0
General Obligation Bonds Payable - Net of Current Portion	6,085,699	0	0	6,085,699	0
OWDA Loans Payable - Net of Current Portion	0	5,926,301	2,111,647	8,037,948	0
Landfill Postclosure Care Payable	0	0	1,276,687	1,276,687	0
<i>Total Long-Term Liabilities</i>	<u>6,160,801</u>	<u>6,019,001</u>	<u>3,394,838</u>	<u>15,574,640</u>	<u>0</u>
<i>Total Liabilities</i>	<u>6,967,726</u>	<u>6,780,346</u>	<u>3,687,751</u>	<u>17,435,823</u>	<u>121,533</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	4,790,977	9,129,038	39,538	13,959,553	3,991
Restricted for Other Purposes	357,521	260,950	0	618,471	0
Unrestricted	4,757,634	7,520,055	(963,214)	11,314,475	187,207
<i>Total Net Assets</i>	<u>\$ 9,906,132</u>	<u>\$ 16,910,043</u>	<u>\$ (923,676)</u>	<u>\$ 25,892,499</u>	<u>\$ 191,198</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				\$ 60,822	
Total net assets from above				<u>25,892,499</u>	
Net assets of business-type activities				<u>\$ 25,953,321</u>	

See accompanying notes.

City of Oxford, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2005

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Refuse	Totals	
Operating Revenues					
Charges for Services	\$ 2,677,808	\$ 3,261,053	\$ 1,395,392	\$ 7,334,253	\$ 1,174,802
Other	0	5,696	0	5,696	0
<i>Total Operating Revenues</i>	<u>2,677,808</u>	<u>3,266,749</u>	<u>1,395,392</u>	<u>7,339,949</u>	<u>1,174,802</u>
Operating Expenses					
Personal Services	888,495	1,030,365	103,148	2,022,008	0
Contractual Services	433,328	622,968	1,155,371	2,211,667	80,561
Materials and Supplies	111,455	168,436	7,684	287,575	163,109
Claims	0	0	0	0	871,754
Depreciation	399,645	792,666	1,959	1,194,270	0
Other	4,515	0	47,207	51,722	0
<i>Total Operating Expenses</i>	<u>1,837,438</u>	<u>2,614,435</u>	<u>1,315,369</u>	<u>5,767,242</u>	<u>1,115,424</u>
<i>Operating Income</i>	<u>840,370</u>	<u>652,314</u>	<u>80,023</u>	<u>1,572,707</u>	<u>59,378</u>
Non-Operating Revenues (Expenses)					
Interest Revenue	162,023	245,619	76,412	484,054	8,575
Interest and Fiscal Charges	(284,773)	(330,061)	(106,933)	(721,767)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(122,750)</u>	<u>(84,442)</u>	<u>(30,521)</u>	<u>(237,713)</u>	<u>8,575</u>
<i>Income Before Contributions</i>	717,620	567,872	49,502	1,334,994	67,953
Capital Contributions	82,200	58,000	0	140,200	0
<i>Change in Net Assets</i>	799,820	625,872	49,502	1,475,194	67,953
<i>Net Assets Beginning of Year</i>	<u>9,106,312</u>	<u>16,284,171</u>	<u>(973,178)</u>	24,417,305	<u>123,245</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 9,906,132</u>	<u>\$ 16,910,043</u>	<u>\$ (923,676)</u>		<u>\$ 191,198</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>20,601</u>	
Changes in net assets of business-type activities:				<u>\$ 1,495,795</u>	

See accompanying notes.

City of Oxford, Ohio
Statement of Cash Flows
All Proprietary Funds
For the Year Ended December 31, 2005

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Refuse	Totals	
<i>Increase (Decrease) in Cash and Cash Equivalents</i>					
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 2,679,506	\$ 3,263,455	\$ 1,387,917	\$ 7,330,878	\$ 151,718
Cash Received from Interfund Services Provided	0	0	0	0	1,055,268
Other Operating Receipts	0	12,554	0	12,554	0
Cash Payments to Suppliers for Goods and Services	(144,953)	(169,317)	(6,016)	(320,286)	(161,569)
Cash Payments to Employees	(873,730)	(1,014,493)	(104,663)	(1,992,886)	0
Cash Payments for Employee Medical Claims	0	0	0	0	(818,193)
Cash Payments for Contractual Services	(427,503)	(600,947)	(1,013,955)	(2,042,405)	(63,365)
Cash Payments for Other Operating Expenses	(4,515)	0	(47,207)	(51,722)	0
<i>Net Cash Provided by Operating Activities</i>	<u>1,228,805</u>	<u>1,491,252</u>	<u>216,076</u>	<u>2,936,133</u>	<u>163,859</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(73,172)	(191,053)	0	(264,225)	0
Principal Payments on Debt	(680,000)	(612,861)	(192,910)	(1,485,771)	0
Interest Payments	(255,150)	(330,061)	(106,933)	(692,144)	0
Capital Contributions	82,200	58,000	0	140,200	0
<i>Net Cash Used For Capital and Related Financing Activities</i>	<u>(926,122)</u>	<u>(1,075,975)</u>	<u>(299,843)</u>	<u>(2,301,940)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest	139,578	211,742	73,977	425,297	6,470
<i>Net Cash Provided by Investing Activities</i>	<u>139,578</u>	<u>211,742</u>	<u>73,977</u>	<u>425,297</u>	<u>6,470</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	442,261	627,019	(9,790)	1,059,490	170,329
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,406,706</u>	<u>6,949,439</u>	<u>2,702,170</u>	<u>14,058,315</u>	<u>107,228</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 4,848,967</u>	<u>\$ 7,576,458</u>	<u>\$ 2,692,380</u>	<u>\$ 15,117,805</u>	<u>\$ 277,557</u>

(continued)

City of Oxford, Ohio
Statement of Cash Flows
All Proprietary Funds
For the Year Ended December 31, 2005

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Refuse	Totals	
Reconciliation of Operating loss to Net Cash Provided by (Used for) Operating Activities					
<i>Operating Income</i>	\$ 840,370	\$ 652,314	\$ 80,023	1,572,707	\$ 59,378
Adjustments:					
Depreciation	399,645	792,666	1,959	1,194,270	0
(Increase) Decrease in Assets:					
Accounts Receivable	1,698	2,402	(7,475)	(3,375)	42,664
Materials and Supplies Inventory	(30,143)	(1,721)	0	(31,864)	1,540
Prepaid Items	(74)	(73)	11,380	11,233	310
Special Assessments	0	6,858	0	6,858	0
Increase (Decrease) in Liabilities:					
Accounts Payable	2,544	22,934	5,446	30,924	6,406
Claims Payable	0	0	0	0	53,561
Accrued Wages	(77)	65	0	(12)	0
Compensated Absences Payable	13,404	12,843	(1,833)	24,414	0
Intergovernmental Payable	1,438	2,964	318	4,720	0
Landfill Post-Closure Payable	0	0	126,258	126,258	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 1,228,805</u>	<u>\$ 1,491,252</u>	<u>\$ 216,076</u>	<u>\$ 2,936,133</u>	<u>\$ 163,859</u>

See accompanying notes.

City of Oxford, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2005

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Investments	\$ 11,904
Accrued Interest Receivable	178
Taxes Receivable	<u>8,138</u>
<i>Total Assets</i>	<u><u>20,220</u></u>
Liabilities	
Accounts Payable	3,242
Undistributed Monies	<u>16,978</u>
<i>Total Liabilities</i>	<u><u>\$ 20,220</u></u>

See accompanying notes.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Oxford are prepared in conformity with generally accepted accounting principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City follows Financial Accounting Standards Board (FASB) standards of accounting and financial reporting issued on or before November 30, 1989 in its government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict GASB guidance. Governments also have the option of following subsequent FASB guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent FASB guidance. The significant accounting policies used in the preparation of these financial statements are summarized below.

A. Reporting Entity

The City of Oxford (the "City") is a home rule municipal corporation organized under the laws of the State of Ohio that operates under its own charter. The City was organized as a village in 1830 and the municipal charter was adopted in 1960. The municipal government provided by the charter is known as a council-manager form of government. A seven-member council is elected and the council selects one of its members to serve as a mayor. The council appoints a city manager, an auditor/finance director, and a law director who executes the laws and administers the government of the City. The city manager appoints all other employees of the City.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are fairly presented. The City follows the guidelines of GASB Statement No. 14, "The Financial Reporting Entity." The primary government of the City consists of all funds and departments that comprise the legal entity of the City. They provide various services including police and fire protection, parks and recreation, planning, street maintenance and repair, community development, water, sewer and refuse collection.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City is associated with McCullough-Hyde Hospital, Inc., which is defined as a related organization (Note 17).

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

Government-wide Financial Statements

The Statement of net assets and the statement of activities display information about the City as a whole. The statements distinguish between those activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type activities, which rely to a significant extent upon fees and charges for support. Interfund and internal service fund activities are generally eliminated to avoid the “doubling-up” effect on revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of expenses with program revenues identifies the extent to which each governmental function or business-type segment is self-financing or relies upon general revenue of the City.

The caption “capital assets, net of related debt” consists of capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net assets are reported as restricted when constraints placed upon their use are either: 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restriction on their net asset use. When both restricted and non-restricted resources are available for use, it is the City’s policy to use non-restricted resources first, and then restricted resources as they are needed.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other funds are aggregated and reported as non-major governmental or non-major proprietary funds.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and 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.

Governmental Funds are those through which most governmental functions typically are financed. The following are the City's major governmental funds:

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Parking Fund – To account for operation of parking control activities within the City funded by revenues from meter collections, garage fees and fines.

Capital Improvement Fund – To account for financial resources for the acquisition or construction of major capital facilities.

Proprietary Funds are used to account for the City's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The following are the City's major proprietary funds:

Water Fund – Accounts for the provision of water service to the City and surrounding areas.

Sewer Fund – Accounts for the provision of sanitary sewer service to the City and surrounding areas.

Refuse Fund – Accounts for the provision of refuse collection and disposal to the City as well as costs associated with the municipal landfill post-closure monitoring.

Additionally, the City reports the following fund types:

Internal Service Funds – To account for medical self-insurance and supplies provided to other departments of the City on a cost-reimbursement basis.

Agency Funds – To account for assets held in a fiduciary capacity on behalf of others.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Governmental Funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources.

All governmental fund types are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the City is thirty-one days after year-end. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest earnings, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, grants, and municipal income tax.

The City reports deferred revenues on its governmental funds’ balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resource, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Current and delinquent property taxes measurable as of December 31, 2005, whose availability is indeterminable and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside the available period, the entire amount has been deferred.

Since governmental funds’ financial statements use a different measurement focus and basis of accounting than the government-wide statements, governmental funds’ financial statements include reconciliations to the government-wide statements.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds. All proprietary funds – enterprise funds and internal service funds – are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Fiduciary Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting.

D. Pooled Cash and Investments

Cash balances of the City's funds, except restricted cash held by a trustee or fiscal agent, are pooled and invested to improve cash management. For purposes of the statement of cash flows, investments with original maturities of three months or less are considered to be cash equivalents. GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," requires that investments be recorded at their fair value and that changes in the fair value be reported in the operating statement. Interest earned by the City is distributed to the funds according to City Ordinance. Interest earned during 2005 amounted to \$828,575.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

F. Supplies Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Also included in capital assets are infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, drainage systems and similar items) constructed or acquired on or after January 1, 2001. Pursuant to GASB Statement No. 34, for all fiscal years beginning after June 15, 2006, the City must retroactively report all infrastructure assets acquired before January 1, 2001. The City expects to accomplish retroactive reporting of infrastructure prior to that deadline.

The City defines capital assets as those with an individual cost of more than \$2,500 and an estimated useful life in excess of one year. All capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. Interest on constructed capital assets is capitalized. When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Depreciation is calculated using the straight line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	20-60 years
Equipment	5-20 years
Improvements	20-60 years
Sewer lines/water lines	50 years
Infrastructure	50 years

H. Deferred Charges

Bond issuance costs for proprietary fund types are deferred and amortized over the terms of the bonds using the straight-line method.

I. Compensated Absences

The City follows the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave termination benefits are accrued using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees for whom it is probable that they will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested vacation and sick leave is recorded as an expense in the government-wide statements for the period in which the leave was earned. For governmental funds, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations or retirements.

Payment of vacation and sick leave recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payments is not readily determinable. Management believes that sufficient resources will be available when payment is due.

J. Reservations of Fund Balances

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure, or the portion of fund balance that is legally segregated for specific future use. Fund balances have been reserved for encumbrances, advances, and inventories of materials and supplies.

K. Accounting Estimates

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

L. Grants and Other Intergovernmental Revenues

Grants made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred.

M. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than fiduciary funds, are legally required to be budgeted and appropriated.

The legal level of budgetary control (the level at which transfers of budget amounts cannot be made without legislative approval) is established at the department level. Budget transfers over \$10,000 made between departments within a function require council approval. Transfers of any amount from one function to another, or increases in budget, require legal approval. For budgetary presentation, all funds only have one department except for the General Fund.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Budget

A tax budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all of the previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources that states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance. On or before January 31, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates.

Appropriations

The annual appropriation ordinance must be passed no later than April 1 of each year for the period January 1 to December 31. A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The appropriation ordinance fixes spending authority at the fund and department level. The appropriation ordinance may be amended during the year, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and functions within a fund may be modified with approval of both the city manager and finance director for those up to \$10,000 made between departments, which are within a function. All other modifications may only be made by resolution of City Council.

NOTE 2: FUND DEFICITS

At December 31, 2005, the Refuse Fund had deficit net assets of \$923,676. The Refuse Fund deficit reflects the expense to operations in previous years to properly account for the landfill closure and post-closure liability in accordance with GASB 18. This fund deficit will be eliminated over time by increased rates charged for solid waste removal. Also, the Parking Meter Fund has a deficit fund balance of \$1,479,132 which is due to interfund borrowing for the construction of the new parking garage.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLE

Change in Accounting Principles For fiscal year 2005, the City has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

The implementation of GASB Statement No. 40 did not have a significant effect on the financial statements of the City. Refer to Note 5 for additional documentation concerning GASB Statement No. 40.

NOTE 4: BUDGETARY BASIS OF ACCOUNTING

While the City reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principals (GAAP), the budgetary basis, as provided by law, requires accounting for certain transactions according to cash receipts, disbursements, appropriations, and encumbrances. The Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budget (Non-GAAP) Basis, are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
4. Proceeds from the principal payments on debt obligations are reported on the operating statement (budget basis) rather than a balance sheet transaction (GAAP basis).

The adjustments necessary to convert the results of operations for the year ended December 31, 2005, on the GAAP basis to the budget basis are as follows:

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 4: BUDGETARY BASIS OF ACCOUNTING (Continued)

Net Change in Fund Balance - <i>GAAP Basis</i>	\$ 897,828	\$ 221,148
Increase / (Decrease):		
Due to Revenue Accruals	150,723	(12,922)
Due to Expenditure Accruals	10,969	(1,350)
Due to Encumbrances	(240,318)	(7,318)
Due to Other Sources (Uses)	0	(115,000)
Excess of Revenues and Other Sources Over (Under)		
Expenditures and Other Uses - <i>Budget Basis</i>	\$ 819,202	\$ 84,558

NOTE 5: POOLED CASH AND INVESTMENTS

The City maintains a cash deposit and investment pool for all funds. Each fund's share of cash deposits and investments is shown separately on the statement of net assets and balance sheet as "Pooled Cash and Investments."

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the City has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 5: POOLED CASH AND INVESTMENTS (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in any amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the City's name. During 2005, the City and public depositories complied with the provisions of these statutes.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 5: POOLED CASH AND INVESTMENTS (Continued)

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City.

At fiscal year-end, the carrying amount of the City's deposits was \$2,905,668. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2005, \$3,467,061 of the City's bank balance of \$3,590,975 was exposed to custodial risk as discussed above, while \$123,914 was covered by Federal Deposit Insurance Corporation. However, the State of Ohio has established by statute a collateral pooling system for financial institutions acting as public depositories. At year end, the City had deposits of \$3,467,061 covered by collateral pools.

As of December 31, 2005, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			
		6 Months or Less	7 to 12 Months	13 to 18 Months	19 to 24 Months
U.S. Treasury Notes	\$ 2,828,402	\$ 1,827,713	\$ 1,000,689	\$ 0	\$ 0
Federal National Mortgage Assoc. Notes	10,476,043	3,929,340	1,952,319	2,415,736	2,178,648
Federal Home Loan Bank Notes	4,336,863	1,748,320	1,470,544	0	1,117,999
Federal Home Loan Mortgage Corp. Notes	7,025,479	3,803,649	3,221,830	0	0
Treasury Mutual Funds	421,539	421,539	0	0	0
Total Investments	<u>\$ 25,088,326</u>	<u>\$ 11,730,561</u>	<u>\$ 7,645,382</u>	<u>\$ 2,415,736</u>	<u>\$ 3,296,647</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the City's investment policy limits investment portfolio maturities to five years or less unless related to a bond indenture.

Credit Risk. The Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes and the Treasury Mutual Funds all carry a credit risk rating of AAA as assigned by Standard & Poor's. The US Treasury Notes have no credit risk.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 5: POOLED CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk. The City places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type held by the City at December 31, 2005:

<u>Investment Type</u>	<u>Value</u>	<u>of Total</u>
U.S. Treasury Notes	\$ 2,828,402	11%
Federal National Mortgage Assoc. Notes	10,476,043	42%
Federal Home Loan Bank Notes	4,336,863	17%
Federal Home Loan Mortgage Corp. Notes	7,025,479	28%
Treasury Mutal Funds	421,539	2%
Total Investments	<u>\$ 25,088,326</u>	<u>100%</u>

NOTE 6: LOANS RECEIVABLE

Loans receivable consist of low-interest loans for development projects granted to eligible businesses under the Community Development Block Grant (CDBG) program. The amount of loans outstanding at December 31, 2005 is \$28,583 and is considered fully collectible.

NOTE 7: PROPERTY TAXES

Property taxes are levied against all real, public utility and tangible (used in business) property located in the City. Real property and public utility taxes collected during 2005 were levied on December 31, 2004 on assessed values listed as of January 1, 2004, the lien date. One-half of these taxes were due on February 15, 2005 with the remaining balance due on July 20, 2005. Tangible personal property taxes collected during 2005 had a levy date of December 31, 2004. One-half of these taxes were due between February 15, 2005 and April 30, 2005, with the remaining balance due on October 20, 2005.

Assessed values of real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years with equalization adjustments in the third year following the reappraisal. The most recent revaluation was completed in 2004. Public utility property taxes are assessed on tangible personal property as well as land improvements at true value (50% of cost). Tangible personal property assessments are 25% of true value.

The Butler County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Oxford. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2005 was \$3.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property Assessed Valuation	\$ 237,167,700
Public Utility Real Property Assessed Valuation	6,952,660
Tangible Personal Property Assessed Valuation	<u>10,176,919</u>
Total	<u>\$ 254,297,279</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 8: INCOME TAX

The City levies a municipal income tax of 1.75% on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are used for general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by the Council. In 2005 the proceeds were receipted to the General Fund.

NOTE 9: INTERFUND ASSETS/LIABILITIES

	Receivables	Payables
General Fund	\$ 150,000	\$ 0
Parking Fund	0	2,255,312
Capital Improvement Fund	2,255,312	0
Non-major Governmental Fund	0	150,000
	\$ 2,405,312	\$ 2,405,312

The General Fund advanced \$150,000 to the Community Development Block Grant Fund to provide operating capital for projects since the federal program is funded on a reimbursement basis. The Parking Fund originally borrowed \$2,700,312 from the Capital Improvement Fund to construct a parking garage. Neither of these interfund loans is expected to be repaid within one year.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 10: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2005 was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,622,731	\$ 0	\$ 0	\$ 1,622,731
Construction in progress	599,934	822,353	(581,334)	840,953
Subtotal	<u>2,222,665</u>	<u>822,353</u>	<u>(581,334)</u>	<u>2,463,684</u>
<i>Capital assets being depreciated:</i>				
Buildings	5,689,076	0	0	5,689,076
Improvements	5,350,183	180,536	0	5,530,719
Equipment	4,689,849	816,510	(76,191)	5,430,168
General infrastructure	867,014	602,374	(8,927)	1,460,461
Subtotal	<u>16,596,122</u>	<u>1,599,420</u>	<u>(85,118)</u>	<u>18,110,424</u>
Totals at historical cost	18,818,787	2,421,773	(666,452)	20,574,108
<i>Less: accumulated depreciation:</i>				
Buildings	(1,326,186)	(90,389)	0	(1,416,575)
Improvements	(624,637)	(104,641)	0	(729,278)
Equipment	(2,776,367)	(369,237)	76,191	(3,069,413)
General infrastructure	(28,655)	(22,811)	0	(51,466)
Total accumulated depreciation	<u>(4,755,845)</u>	<u>(587,078)</u>	<u>76,191</u>	<u>(5,266,732)</u>
Capital assets, net	<u>\$ 14,062,942</u>	<u>\$ 1,834,695</u>	<u>\$ (590,261)</u>	<u>\$ 15,307,376</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 60,661
Security of Persons and Property	210,136
Leisure Time Services	165,611
Community Environment	10,312
Transportation	<u>140,358</u>
Total Depreciation Expense	<u>\$ 587,078</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 10: CAPITAL ASSETS (Continued)

Business-Type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 368,605	\$ 0	\$ 0	\$ 368,605
Construction in progress	0	0	0	0
Subtotal	368,605	0	0	368,605
<i>Capital assets being depreciated:</i>				
Buildings	8,414,706	0	0	8,414,706
Improvements	7,969,581	10,755	0	7,980,336
Equipment	3,906,624	210,427	0	4,117,051
Infrastructure	26,767,892	43,043	0	26,810,935
Subtotal	47,058,803	264,225	0	47,323,028
Totals at historical cost	47,427,408	264,225	0	47,691,633
<i>Less: accumulated depreciation:</i>				
Buildings	(3,071,810)	(210,208)	0	(3,282,018)
Improvements	(6,957,194)	(236,214)	0	(7,193,408)
Equipment	(2,778,058)	(216,598)	0	(2,994,656)
Infrastructure	(6,375,034)	(531,250)	0	(6,906,284)
Total accumulated depreciation	(19,182,096)	(1,194,270)	0	(20,376,366)
Capital assets, net	<u>\$ 28,245,312</u>	<u>\$ (930,045)</u>	<u>\$ 0</u>	<u>\$ 27,315,267</u>

Depreciation expense was charged to segments as follows:

Water	\$ 399,645
Sewer	792,666
Refuse	1,959
Total Depreciation Expense	<u>\$ 1,194,270</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 11: DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The City of Oxford participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004 and 2003 were \$546,759, \$560,150 and \$527,000, respectively; 88.6 percent has been contributed for 2005 and 100 percent for 2004 and 2003.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee deferred benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164. Plan members are required to contribute 10 percent of their annual covered salary, while the City is required to contribute 19.5 percent for police officers and 24 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$309,895 for the year ended December 31, 2005, \$316,589 for the year ended December 31, 2004, and \$314,000 for the year ended December 31, 2003. The full amount has been contributed for 2005, 2004 and 2003.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 12: POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advanced-funded using the age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 percent and 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. The City's actual contributions for 2005 which were used to fund postemployment benefits were \$161,403. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2005, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 12: POSTEMPLOYMENT BENEFITS (Continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contribution for 2005 that was used to fund postemployment benefits was \$123,028. The OP&F's total health care expenses for the year ended December 31, 2004 (the latest information available) were \$102,173,796 which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004 was 13,812 for police and 10,528 for firefighters.

Deferred Compensation Plans

City employees and elected officials have the option to participate in two independently-managed deferred compensation plans, both created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseen emergency.

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. They may earn compensatory time at one and one-half times their regular rate of pay in lieu of overtime pay for all hours worked in excess of the 40-hour work week. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation and compensatory time for the City as a whole amounted to \$437,898 at December 31, 2005.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 10 hours a month. Sick leave is cumulative without limit. In the event of death or separation, a non-police employee (or their estate) is paid one-third of their accumulated sick leave up to a maximum of 1,200 hours. Police officers grandfathered per the contract beginning January 1, 1992 may convert their first 600 hours at one-half and an additional 600 hours at one-to-one ratio. During the month of April, all other employees have the option to convert a maximum of 1,200 hours of sick leave to cash at a five-to-one ratio. This payout option requires an employee to retain a 240 hour sick leave balance. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$301,643 at December 31, 2005.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 13: RISK MANAGEMENT

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicle, property and general liability insurance, property and general liability for the closed municipal landfill, police professional liability, and public official's errors and omissions insurance. Vehicle policies include liability coverage for bodily injury and property damage. Claim payments have not exceeded coverage in the past three years. There was no decline in the level of coverage from the prior year.

The City has established a medical self-insurance fund. The purpose of this fund is to pay medical claims of employees and their covered dependents and minimize the total cost of annual medical insurance to the City. Medical claims exceeding \$35,000 per individual or \$759,368 in the aggregate in a given year are covered through a private insurance carrier.

The claims liability of \$112,482 reported in the fund at December 31, 2005 is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that the liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes to the fund's claims liability amount for the past two years were:

	2005	2004
Unpaid claims, beginning of year	\$ 58,921	\$ 75,677
Incurred claims (including (IBNR)	871,754	862,806
Claim payments	(818,193)	(879,562)
Unpaid claims, end of year	\$ 112,482	\$ 58,921

NOTE 14: LONG-TERM LIABILITIES

The following is a summary of changes during 2005 and balances for long-term liabilities of the City as of December 31, 2005:

	Balance 01/01/05	Additions	Reductions	Balance 12/31/05	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
1999 Park Improvement,					
1999-2019, 3.9% to 5.55%	\$ 3,285,000	\$ 0	\$ (150,000)	\$ 3,135,000	\$ 160,000
Capital lease obligations	14,407	0	(5,615)	8,792	5,825
Compensated absences	450,333	637,143	(605,206)	482,270	228,180
Total	\$ 3,749,740	\$ 637,143	\$ (760,821)	\$ 3,626,062	\$ 394,005

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 14: LONG-TERM LIABILITIES (Continued)

City Council authorized the issuance of Park Improvement Bonds dated October 1, 1999 in the amount of \$3,915,000 for the purpose of design and construction of municipal parks. The bonds have a final maturity date of December 1, 2019 and are backed by the full faith and credit of the City and will be repaid from the Debt Service Fund.

For the governmental activities, compensated absences are liquidated by the fund which pays the employee's salary.

	Balance 01/01/05	Additions	Reductions	Balance 12/31/05	Due Within One Year
Business-type activities:					
Water Fund:					
Mortgage Revenue Bonds					
2002 Water Supply System					
2003-2014, 1.75% to 3.9%	\$ 7,695,000	\$ 0	\$ (680,000)	\$ 7,015,000	\$ 695,000
Less: deferred amount on refunding	(260,335)	0	26,034	(234,301)	0
Subtotal	7,434,665	0	(653,966)	6,780,699	695,000
Sewer Fund:					
1987 ODWA Loan 7.73%	1,303,636	0	(290,447)	1,013,189	312,899
1997 OWDA Loan 4.12%	487,971	0	(30,548)	457,423	31,820
1997 OWDA Loan 4.12%	5,151,772	0	(278,518)	4,873,254	290,111
1998 OWDA Loan 3.98%	244,498	0	(13,348)	231,150	13,885
Subtotal	7,187,877	0	(612,861)	6,575,016	648,715
Refuse Fund:					
1995 OWDA Loan 4.35%	2,505,950	0	(192,910)	2,313,040	201,393
Landfill post-closure payable	1,150,429	306,206	(179,948)	1,276,687	0
Subtotal	3,656,379	306,206	(372,858)	3,589,727	201,393
Compensated absences	232,857	206,278	(181,864)	257,271	82,965
Total	<u>\$ 18,511,778</u>	<u>\$ 512,484</u>	<u>\$ (1,821,549)</u>	<u>\$ 17,202,713</u>	<u>\$ 1,628,073</u>

The mortgage revenue bonds are paid from operating revenues of the Water Fund. The 1995 Ohio Works Development Authority (OWDA) loans payable, representing amounts borrowed from the OWDA for closure costs for the landfill, are paid from Refuse Fund revenue. The remaining OWDA loans were for sewer plant and collection system construction and will be paid from Sewer Fund revenue.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 14: LONG-TERM LIABILITIES (Continued)

As of December 31, 2005, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$23,566,214. Principal and interest requirements to retire the City's outstanding obligations at December 31, 2005 were:

	Government Activities		Business-Type Activities			
	Park Improvement Bonds		Mortgage Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 160,000	\$ 168,663	\$ 695,000	\$ 238,150	\$ 850,108	\$ 385,778
2007	165,000	161,063	710,000	220,775	897,106	350,062
2008	175,000	153,060	730,000	201,250	947,015	302,617
2009	180,000	144,397	750,000	179,350	608,601	252,462
2010	190,000	135,397	770,000	153,100	634,450	226,615
2011-2015	1,120,000	511,156	3,360,000	325,200	3,450,186	697,212
2016-2019	1,145,000	163,169	0	0	1,500,590	107,557
Total	<u>\$ 3,135,000</u>	<u>\$ 1,436,905</u>	<u>\$ 7,015,000</u>	<u>\$ 1,317,825</u>	<u>\$ 8,888,056</u>	<u>\$ 2,322,303</u>

NOTE 15: CAPITALIZED LEASES

The City has leased copier and postage machine under capital leases. The assets under capital lease were recorded at \$26,058, which represented the present value of the future minimum lease payments at acquisition. The following is a schedule of future minimum lease payments under the capital leases and net present value of the minimum lease payments as of December 31, 2005:

	<u>Year Ending December 31</u>
	2006
	\$ 6,290
	2007
	<u>3,028</u>
Minimum Lease Payments	9,318
Less: Amount Representing Interest	<u>(526)</u>
Present Value of Minimum Lease Payments	<u>\$ 8,792</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 16: TRANSFERS

The City made the following transfers during 2005:

Transfer To	Transfer From			
	General	FEMA Grant	Parking	Total
Major Funds				
Capital Improvement Fund	1,000,000	0	0	1,000,000
Nonmajor Funds				
Capital Replacement	500,000	0	0	500,000
Street	357,000	39,247	0	396,247
Parking Lot Improvement Fund	0	0	2,500	2,500
Debt Service Fund	325,638	0	0	325,638
	<u>\$ 2,182,638</u>	<u>\$ 39,247</u>	<u>\$ 2,500</u>	<u>\$2,224,385</u>

The General Fund transfers money to the Debt Service Fund for general obligation bond retirement and to the Street Fund for operating costs associated with street maintenance. The General Fund also transferred money to the Capital Improvement and Capital Replacement funds each for capital projects and equipment purchases. The FEMA Grant Fund transferred money to the Street Fund for closure of the FEMA Grant Fund. The Parking Fund transferred money to the Parking Lot Improvement fund for improvements.

NOTE 17: LANDFILL POST-CLOSURE CARE

During 1986 the City stopped receiving refuse in its public landfill. State and federal laws and regulations require the City to permanently close the landfill and to perform certain maintenance and monitoring functions at the site for thirty years after closure. This amount is based on what it would cost to perform all future post-closure care in 1996. The Ohio Environmental Protection Agency officially certified the closure of the landfill in May 1996. The remaining post-closure liability recorded in the Refuse Fund is \$1,276,687. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. This liability will be paid from the Refuse Fund revenue. The reporting of the landfill closure and post-closure liability in the refuse fund follows the guidelines set by GASB Statement No. 18.

NOTE 18: CONDUIT DEBT

In 1996 the City issued \$6,300,000 of First Mortgage Hospital Facilities Revenue Bonds under a lease-purchase agreement between a bank, the City, and McCullough-Hyde Memorial Hospital. The bonds are to be repaid in varying monthly amounts through January 1, 2013. In 1998 the City issued \$3,658,000 of First Mortgage Hospital Facilities Revenue Bonds under a lease-purchase agreement between a bank, the City and McCullough Hyde Memorial Hospital for current and future equipment purchases. The total outstanding at December 31, 2005 is \$3,269,197. Under the terms of the debt agreements, the Hospital is responsible for all principal and interest payments. The rights to debt service payments on the hospital revenue bonds have been assigned to a third-party financial institution as trustee. The City does not act as agent in any capacity to collect or disburse debt service payments. The City has no liability for repayment of these bonds and, therefore, they are not included in these financial statements. The Hospital property acts as security for the indebtedness.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 18: CONDUIT DEBT (Continued)

The City issued \$6,250,000 of Industrial Development Revenue Bonds on September 14, 2001 under an agreement between UHI Acquisition Corp., a bank and the City for the acquisition of Utility Holdings, Inc. The bonds are to be repaid over fifteen years at a variable interest rate. The amount outstanding at December 31, 2005 was \$5,435,000.

Under the terms of the debt agreements, UHI Acquisition Corp. is responsible for all principal and interest payments. The City does not act as agent in any capacity to collect or disburse debt service payments. The City has no liability for repayment of these bonds and, therefore, they are not included in these financial statements.

NOTE 19: RELATED ORGANIZATIONS

The Mayor of Oxford, with approval of City Council, appoints the Board of Trustees of McCullough-Hyde Hospital, Inc. The City's accountability for the Hospital does not extend beyond making the appointments. During 2005, the City made no contributions to the Hospital.

NOTE 20: CONTINGENT LIABILITIES

Litigation

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect on the financial condition of the City.

Federal and State Grants

The City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The City believes all expenditures meet grant qualifications.

SUPPLEMENTAL SECTION

Combining Statements and Individual Fund Statements

LISTING OF CITY FUNDS

During 2005, the City had 23 funds for reporting purposes, as follows:

GENERAL FUND (1)

The General Fund is used to account for all financial resources traditionally associated with governments, except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS (9)

Special Revenue Funds are used to account for financial resources for which specific uses are mandated by City ordinances or Federal and State statutes.

Major Special Revenue Fund:

Parking Fund – To account for operation of parking control activities within the City, funded by revenues from meter collections, garage fees and fines.

Non-major Special Revenue Funds:

Street Fund – Required by State law to account for that portion of the gasoline tax and motor vehicle license fees designated for maintenance of streets within the City.

State Highway Fund – Required by State law to account for that portion of the gasoline tax and motor vehicle license fees designated for maintenance of state highways within the City.

Community Development Block Grant Fund – To account for monies received from the federal government under the Community Development Block Grant Program.

Community Development Block Grant Loan Fund – To account for monies received from the federal government under the Community Development Block Grant Program. The monies are used for economic development loans.

Law Enforcement Fund – To account for monies received from the State for purposes of drug enforcement.

Enforcement and Education Fund – To account for monies received from the State for purposes of law enforcement and education.

Life Squad Fund – To account for contributions from private sources for the purpose of improving life squad services in the City and surrounding area.

Federal Emergency Management Agency Grant Fund – To account for federal grant monies used for snow emergency assistance. The financials reflect the grant receivable and a payable for the related transfer to the Street fund. There were no receipts or expenditures in 2004, and therefore no budget was adopted. As a result, a budget-versus-actual statement is not included.

DEBT SERVICE FUND (1)

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUNDS (4)

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

Major Capital Projects Fund:

Capital Improvement Fund – To account for financial resources for the acquisition or construction of various capital projects.

Non-major Capital Projects Funds:

Capital Equipment Fund – To account for financial resources used for the acquisition of equipment.

Parking Improvement Fund – To account for financial resources used for the acquisition, construction, or improvement to municipal parking lots and garage.

Parks and Open Spaces Fund – To account for financial resources used for the acquisition of or improvements to parks and open spaces.

ENTERPRISE FUNDS (3)

Enterprise Funds are established to account for operations where the intent of the City is that the costs of providing goods or services on a continuing basis be recovered primarily through user charges.

Major Enterprise Funds:

Water Fund – To account for the provision of water service to the City and surrounding areas.

Sewer Fund – To account for the provision of sanitary sewer service to the City and surrounding areas.

Refuse Fund – To account for the provision of refuse collection and disposal services to the City as well as costs associated with the municipal landfill post-closure monitoring.

INTERNAL SERVICE FUNDS (2)

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the City, on a cost-reimbursement basis.

Employee Benefits Fund – To accumulate monies for the payment of employee health insurance, life insurance and medical claims under a self-insured plan. The City charges departments for insurance and pays actual claims, administrative costs, and insurance premiums from this fund.

Internal Service Fund – To account for financing of services provided by one department to another department for postage, gasoline and copies.

AGENCY FUNDS (3)

Agency funds are used to account for assets held in a custodial capacity.

Hotel Tax Fund – Used as a clearing fund for guest tax revenues collected by the City from hotels within the City for the benefit of the Oxford Visitors and Convention Bureau.

Board of Building Standards Fund – To account for monies received on building permits which will be disbursed to the State of Ohio.

Oxford Natural Gas Refund Fund – To account for monies to be refunded to City residents from the Oxford Natural Gas Company.

City of Oxford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 969,869	\$ -	\$ 1,051,699	\$ 2,021,568
Accounts Receivable	1,000	-	-	1,000
Loans Receivable	28,583	-	-	28,583
Accrued Interest Receivable	9,454	-	-	9,454
Intergovernmental Receivable	135,805	-	-	135,805
Materials and Supplies Inventory	63,206	-	-	63,206
<i>Total Assets</i>	<u>\$ 1,207,917</u>	<u>\$ -</u>	<u>\$ 1,051,699</u>	<u>\$ 2,259,616</u>
Liabilities				
Accounts Payable	\$ 18,711	\$ -	\$ 7,582	\$ 26,293
Accrued Wages	294	-	-	294
Intergovernmental Payable	15,098	-	-	15,098
Deferred Revenue	146,376	-	-	146,376
Advances From Other Funds	150,000	-	-	150,000
<i>Total Liabilities</i>	<u>330,479</u>	<u>-</u>	<u>7,582</u>	<u>338,061</u>
Fund Balances				
Reserved for Encumbrances	54,975	-	41,178	96,153
Reserved for Inventory	63,206	-	-	63,206
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	759,257	-	-	759,257
Capital Projects Funds	0	-	1,002,939	1,002,939
<i>Total Fund Balances</i>	<u>877,438</u>	<u>-</u>	<u>1,044,117</u>	<u>1,921,555</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,207,917</u>	<u>\$ -</u>	<u>\$ 1,051,699</u>	<u>\$ 2,259,616</u>

City of Oxford, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Charges for Services	\$ 16,134	\$ -	\$ -	\$ 16,134
Fines and Forfeitures	3,765	-	-	3,765
Intergovernmental	393,023	-	200,488	593,511
Interest	25,632	-	8	25,640
Contributions and Donations	37,994	-	-	37,994
Other	14,391	-	-	14,391
<i>Total Revenues</i>	<u>490,939</u>	<u>-</u>	<u>200,496</u>	<u>691,435</u>
Expenditures				
Current:				
Security of Persons and Property	31,691	-	-	31,691
Community and Economic Development	45,650	-	1,557	47,207
Transportation	692,402	-	-	692,402
Capital Outlay	0	-	304,687	304,687
Debt Service:				
Principal Retirements	0	150,000	-	150,000
Interest and Fiscal Charges	0	175,638	-	175,638
<i>Total Expenditures</i>	<u>769,743</u>	<u>325,638</u>	<u>306,244</u>	<u>1,401,625</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(278,804)</u>	<u>(325,638)</u>	<u>(105,748)</u>	<u>(710,190)</u>
Other Financing Sources (Uses)				
Transfers In	396,247	325,638	502,500	1,224,385
Transfers Out	(39,247)	-	-	(39,247)
<i>Total Other Financing Sources (Uses)</i>	<u>357,000</u>	<u>325,638</u>	<u>502,500</u>	<u>1,185,138</u>
<i>Net Change in Fund Balances</i>	78,196	-	396,752	474,948
<i>Fund Balances (Deficit) Beginning of Year</i>	812,449	-	647,365	1,459,814
Decrease in Reserve for Inventory	(68)	-	-	(13,207)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 890,577</u>	<u>\$ -</u>	<u>\$ 1,044,117</u>	<u>\$ 1,921,555</u>

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City of Oxford, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Street	State Highway	FEMA Grant	Community Development Block Grant
Assets				
Equity in Pooled Cash and Investments	\$ 125,341	\$ 29,515	\$ -	\$ 150,000
Accounts Receivable	-	-	-	-
Loans Receivable	-	-	-	-
Accrued Interest Receivable	1,512	303	-	-
Intergovernmental Receivable	114,412	9,275	-	12,118
Materials and Supplies Inventory	63,206	-	-	-
<i>Total Assets</i>	<u>\$ 304,471</u>	<u>\$ 39,093</u>	<u>\$ 0</u>	<u>\$ 162,118</u>
Liabilities				
Accounts Payable	\$ 1,059	\$ 11,092	\$ -	\$ -
Accrued Wages	294	-	-	-
Intergovernmental Payable	15,098	-	-	-
Deferred Revenue	97,751	7,924	-	12,118
Advances From Other Funds	0	-	-	150,000
<i>Total Liabilities</i>	<u>114,202</u>	<u>19,016</u>	<u>0</u>	<u>162,118</u>
Fund Balances				
Reserved for Encumbrances	8,513	5,436	-	19,739
Reserved for Inventory	63,206	-	-	-
Unreserved, Undesignated, Reported in: Special Revenue Funds	118,550	14,641	-	(19,739)
<i>Total Fund Balances</i>	<u>190,269</u>	<u>20,077</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 304,471</u>	<u>\$ 39,093</u>	<u>\$ -</u>	<u>\$ 162,118</u>

Community Development Block Loan	Law Enforcement	Enforcement and Education	Life Squad	Total Nonmajor Special Revenue Funds
\$ 528,695	\$ 79,372	\$ 10,141	\$ 46,805	\$ 969,869
-	-	-	1,000	1,000
28,583	-	-	-	28,583
6,115	913	109	502	9,454
-	-	-	-	135,805
-	-	-	-	63,206
<u>\$ 563,393</u>	<u>\$ 80,285</u>	<u>\$ 10,250</u>	<u>\$ 48,307</u>	<u>\$ 1,207,917</u>
\$ -	\$ -	\$ 6,560	\$ -	\$ 18,711
-	-	-	-	294
-	-	-	-	15,098
28,583	-	-	-	146,376
-	-	-	-	150,000
<u>28,583</u>	<u>0</u>	<u>6,560</u>	<u>0</u>	<u>330,479</u>
-	12,010	-	9,277	54,975
-	-	-	-	63,206
<u>534,810</u>	<u>68,275</u>	<u>3,690</u>	<u>39,030</u>	<u>759,257</u>
<u>534,810</u>	<u>80,285</u>	<u>3,690</u>	<u>48,307</u>	<u>877,438</u>
<u>\$ 563,393</u>	<u>\$ 80,285</u>	<u>\$ 10,250</u>	<u>\$ 48,307</u>	<u>\$ 1,207,917</u>

City of Oxford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Street	State Highway	FEMA Grant	Community Development Block Grant
Revenues				
Charges for Services	\$ 13,734	\$ 0	\$ 0	\$ -
Fines and Forfeitures	0	0	0	-
Intergovernmental	279,953	19,172	39,247	45,651
Interest	3,874	740	0	-
Contributions and Donations	0	0	0	-
Other	15	0	0	-
<i>Total Revenues</i>	<u>297,576</u>	<u>19,912</u>	<u>39,247</u>	<u>45,651</u>
Expenditures				
Current:				
Security of Persons and Property	0	0	0	-
Community and Economic Development	0	0	0	45,650
Transportation	676,250	16,152	0	-
<i>Total Expenditures</i>	<u>676,250</u>	<u>16,152</u>	<u>0</u>	<u>45,650</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(378,674)</u>	<u>3,760</u>	<u>39,247</u>	<u>1</u>
Other Financing Sources				
Transfers In	396,247	0	0	-
Transfers Out	0	0	(39,247)	-
<i>Total Other Financing Sources</i>	<u>396,247</u>	<u>0</u>	<u>(39,247)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	17,573	3,760	0	1
<i>Fund Balances (Deficit) Beginning of Year</i>	185,903	16,317	0	(1)
Decrease in Reserve for Inventory	(13,207)	0	0	-
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 190,269</u>	<u>\$ 20,077</u>	<u>\$ 0</u>	<u>\$ -</u>

Community Development Block Loan	Law Enforcement	Enforcement and Education	Life Squad	Total Nonmajor Special Revenue Funds
\$ -	\$ 2,400	\$ -	\$ -	\$ 16,134
-	1,305	2,460	-	3,765
-	-	-	9,000	393,023
17,026	2,406	286	1,300	25,632
-	33,016	-	4,978	37,994
13,186	1,190	-	-	14,391
30,212	40,317	2,746	15,278	490,939
-	22,861	6,560	2,270	31,691
-	-	-	-	45,650
-	-	-	-	692,402
-	22,861	6,560	2,270	769,743
30,212	17,456	(3,814)	13,008	(278,804)
-	-	-	-	396,247
-	-	-	-	(39,247)
-	-	-	-	357,000
30,212	17,456	(3,814)	13,008	78,196
504,598	62,829	7,504	35,299	812,449
-	-	-	-	(13,207)
<u>\$ 534,810</u>	<u>\$ 80,285</u>	<u>\$ 3,690</u>	<u>\$ 48,307</u>	<u>\$ 877,438</u>

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City of Oxford, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005

	Capital Equipment	Parking Improvement	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,050,385	\$ 1,314	\$ 1,051,699
<i>Total Assets</i>	<u>\$ 1,050,385</u>	<u>\$ 1,314</u>	<u>\$ 1,051,699</u>
Liabilities			
Accounts Payable	\$ 7,582	\$ -	\$ 7,582
<i>Total Liabilities</i>	<u>7,582</u>	<u>-</u>	<u>7,582</u>
Fund Balances			
Reserved for Encumbrances	41,178	-	41,178
Unreserved, Undesignated, Reported in: Capital Projects Funds	<u>1,001,625</u>	<u>1,314</u>	<u>1,002,939</u>
<i>Total Fund Balances</i>	<u>1,042,803</u>	<u>1,314</u>	<u>1,044,117</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,050,385</u>	<u>\$ 1,314</u>	<u>\$ 1,051,699</u>

City of Oxford, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005

	Capital Equipment	Parking Improvement	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$ 200,488	\$ -	\$ 200,488
Interest	-	8	8
<i>Total Revenues</i>	<u>200,488</u>	<u>8</u>	<u>200,496</u>
Expenditures			
Current:			
Community and Economic Development	-	1,557	1,557
Capital Outlay	304,687	-	304,687
<i>Total Expenditures</i>	<u>304,687</u>	<u>1,557</u>	<u>306,244</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(104,199)</u>	<u>(1,549)</u>	<u>(105,748)</u>
Other Financing Sources (Uses)			
Transfers In	500,000	2,500	502,500
<i>Total Other Financing Sources (Uses)</i>	<u>500,000</u>	<u>2,500</u>	<u>502,500</u>
<i>Net Change in Fund Balances</i>	395,801	951	396,752
<i>Fund Balances Beginning of Year</i>	<u>647,002</u>	<u>363</u>	<u>647,365</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,042,803</u>	<u>\$ 1,314</u>	<u>\$ 1,044,117</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Taxes	\$ 831,726	\$ 926,851	\$ 904,091	\$ (22,760)
Municipal Income Taxes	5,689,351	5,514,951	6,561,051	1,046,100
Charges for Services	455,000	455,000	568,620	113,620
Licenses and Permits	322,900	322,900	354,926	32,026
Fines and Forfeitures	260,000	260,000	299,688	39,688
Intergovernmental	885,419	991,270	1,206,678	215,408
Interest	252,379	252,379	228,516	(23,863)
Contributions and Donations	41,000	41,000	38,241	(2,759)
Other	2,000	10,100	14,979	4,879
<i>Total Revenues</i>	<u>8,739,775</u>	<u>8,774,451</u>	<u>10,176,790</u>	<u>1,402,339</u>
Expenditures				
Current:				
General Government				
Management Information Systems	69,290	70,040	67,927	2,113
City Manager	139,648	145,898	141,270	4,628
Administrative Support	53,000	65,600	60,431	5,169
Finance Department	237,099	245,844	234,981	10,863
Income Tax Collections	129,125	152,885	152,884	1
Law	118,135	152,685	152,468	217
Civil Service and Personnel	45,965	49,635	46,747	2,888
Clerk of Council	104,187	104,237	104,230	7
Legislative	39,227	39,227	33,308	5,919
Municipal Building	104,964	104,964	116,001	(11,037)
City Garage	98,384	98,384	94,951	3,433
Court House	30,090	30,090	23,948	6,142
Engineering	94,321	94,321	99,951	(5,630)
Insurance	151,457	143,552	159,229	(15,677)
Other	30,000	3,450	0	3,450
<i>Total General Government</i>	<u>1,444,892</u>	<u>1,500,812</u>	<u>1,488,326</u>	<u>12,486</u>
Security of Persons and Property				
Police Law Enforcement	2,738,746	2,727,846	2,653,148	74,698
Traffic Control	59,244	59,244	63,731	(4,487)
Animal Control	40,198	46,098	42,188	3,910
Communications	582,556	587,556	648,080	(60,524)
Firefighting and Training	220,708	223,208	228,431	(5,223)
Life Squad	98,343	98,343	106,790	(8,447)
Emergency Management	9,450	9,450	8,805	645
Street Lighting	62,000	62,000	59,866	2,134
<i>Total Security of Persons and Property</i>	<u>3,811,245</u>	<u>3,813,745</u>	<u>3,811,039</u>	<u>2,706</u>

(Continued)

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Health Services				
Cemeteries	11,000	11,000	18,379	(7,379)
Public Health	6,200	6,200	5,609	591
Community Assistance	70,600	128,176	128,076	100
<i>Total Public Health Services</i>	<u>87,800</u>	<u>145,376</u>	<u>152,064</u>	<u>(6,688)</u>
Leisure Time Services				
Senior Citizens and Community Center	40,940	42,690	41,814	876
Swimming Pool	95,160	97,620	96,739	881
Recreation Programs	537,518	528,148	513,474	14,674
Parks Maintenance	281,734	281,734	306,025	(24,291)
Recreation Administration	122,298	127,818	126,991	827
<i>Total Leisure Time Services</i>	<u>1,077,650</u>	<u>1,078,010</u>	<u>1,085,043</u>	<u>(7,033)</u>
Community and Economic Development				
Planning Department	223,804	223,804	206,062	17,742
Inspections	302,610	330,610	318,132	12,478
Affordable Housing	15,800	15,800	15,800	0
Urban Forestry	20,000	20,000	19,986	14
Economic Development	72,793	72,793	78,498	(5,705)
<i>Total Community and Economic Development</i>	<u>635,007</u>	<u>663,007</u>	<u>638,478</u>	<u>24,529</u>
<i>Total Expenditures</i>	<u>7,056,594</u>	<u>7,200,950</u>	<u>7,174,950</u>	<u>26,000</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>1,683,181</u>	<u>1,573,501</u>	<u>3,001,840</u>	<u>1,428,339</u>
Other Financing Sources (Uses)				
Transfers Out	(1,682,638)	(2,182,638)	(2,182,638)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,682,638)</u>	<u>(2,182,638)</u>	<u>(2,182,638)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	543	(609,137)	819,202	1,428,339
<i>Fund Balances Beginning of Year</i>	2,791,549	2,791,549	2,791,549	0
Prior Year Encumbrances Appropriated	305,426	305,426	305,426	0
<i>Fund Balances End of Year</i>	<u>\$ 3,097,518</u>	<u>\$ 2,487,838</u>	<u>\$ 3,916,177</u>	<u>\$ 1,428,339</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ -	\$ -	\$ 13,734	\$ 13,734
Intergovernmental	298,281	298,281	282,204	(16,077)
Interest	3,070	3,070	2,375	(695)
Other	-	-	15	15
<i>Total Revenues</i>	<u>301,351</u>	<u>301,351</u>	<u>298,328</u>	<u>(3,023)</u>
Expenditures				
Current:				
Transportation	<u>657,192</u>	<u>706,439</u>	<u>707,178</u>	<u>(739)</u>
<i>Total Expenditures</i>	<u>657,192</u>	<u>706,439</u>	<u>707,178</u>	<u>(739)</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(355,841)</u>	<u>(405,088)</u>	<u>(408,850)</u>	<u>(3,762)</u>
Other Financing Sources (Uses)				
Transfers In	<u>357,300</u>	<u>396,247</u>	<u>396,247</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>357,300</u>	<u>396,247</u>	<u>396,247</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	1,459	(8,841)	(12,603)	(3,762)
<i>Fund Balances Beginning of Year</i>	108,721	108,721	108,721	-
Prior Year Encumbrances Appropriated	<u>20,098</u>	<u>20,098</u>	<u>20,098</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 130,278</u>	<u>\$ 119,978</u>	<u>\$ 116,216</u>	<u>\$ (3,762)</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 20,229	\$ 20,229	\$ 19,354	\$ (875)
Interest	307	307	459	152
<i>Total Revenues</i>	<u>20,536</u>	<u>20,536</u>	<u>19,813</u>	<u>(723)</u>
Expenditures				
Current:				
Transportation	20,000	20,000	21,588	(1,588)
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>21,588</u>	<u>(1,588)</u>
<i>Net Change in Fund Balances</i>	536	536	(1,775)	(2,311)
<i>Fund Balances Beginning of Year</i>	13,247	13,247	13,247	-
Prior Year Encumbrances Appropriated	<u>1,603</u>	<u>1,603</u>	<u>1,603</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 15,386</u>	<u>\$ 15,386</u>	<u>\$ 13,075</u>	<u>\$ (2,311)</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 144,220	\$ 144,220	\$ 91,117	\$ (53,103)
<i>Total Revenues</i>	<u>144,220</u>	<u>144,220</u>	<u>91,117</u>	<u>(53,103)</u>
Expenditures				
Current:				
Community and Economic Development	130,000	131,256	99,697	31,559
<i>Total Expenditures</i>	<u>130,000</u>	<u>131,256</u>	<u>99,697</u>	<u>31,559</u>
<i>Net Change in Fund Balances</i>	14,220	12,964	(8,580)	(21,544)
<i>Fund Balances Beginning of Year</i>	89,631	89,631	89,631	-
Prior Year Encumbrances Appropriated	<u>49,210</u>	<u>49,210</u>	<u>49,210</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 153,061</u>	<u>\$ 151,805</u>	<u>\$ 130,261</u>	<u>\$ (21,544)</u>

City of Oxford, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Loan Fund
For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$ 15,423	\$ 15,423	\$ 10,698	\$ (4,725)
Other	13,436	13,436	13,186	250
<i>Total Revenues</i>	<u>28,859</u>	<u>28,859</u>	<u>23,884</u>	<u>(4,475)</u>
Expenditures				
Current:				
Community and Economic Development	450,000	450,000	-	450,000
<i>Total Expenditures</i>	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
<i>Net Change in Fund Balances</i>	(421,141)	(421,141)	23,884	445,525
<i>Fund Balances Beginning of Year</i>	<u>506,617</u>	<u>506,617</u>	<u>506,617</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 85,476</u>	<u>\$ 85,476</u>	<u>\$ 530,501</u>	<u>\$ 445,525</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 0	\$ 0	\$ 2,400	\$ 2,400
Fines and Forfeitures	1,000	1,000	1,305	305
Interest	921	921	1,528	607
Contributions and Donations	10,000	10,000	33,016	23,016
Other	-	-	1,190	1,190
<i>Total Revenues</i>	<u>11,921</u>	<u>11,921</u>	<u>39,439</u>	<u>27,518</u>
Expenditures				
Current:				
Security of Persons and Property	31,310	35,060	34,871	189
<i>Total Expenditures</i>	<u>31,310</u>	<u>35,060</u>	<u>34,871</u>	<u>189</u>
<i>Net Change in Fund Balances</i>	(19,389)	(23,139)	4,568	27,707
<i>Fund Balances Beginning of Year</i>	59,314	59,314	59,314	-
Prior Year Encumbrances Appropriated	3,750	3,750	3,750	-
<i>Fund Balances End of Year</i>	<u>\$ 43,675</u>	<u>\$ 39,925</u>	<u>\$ 67,632</u>	<u>\$ 27,707</u>

City of Oxford, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 2,460	\$ 2,460
Interest	153	153	180	27
<i>Total Revenues</i>	<u>153</u>	<u>153</u>	<u>2,640</u>	<u>2,487</u>
Expenditures				
Current:				
Security of Persons and Property	7,000	7,000	6,560	440
<i>Total Expenditures</i>	<u>7,000</u>	<u>7,000</u>	<u>6,560</u>	<u>440</u>
<i>Net Change in Fund Balances</i>	(6,847)	(6,847)	(3,920)	2,927
<i>Fund Balances Beginning of Year</i>	<u>7,533</u>	<u>7,533</u>	<u>7,533</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 686</u>	<u>\$ 686</u>	<u>\$ 3,613</u>	<u>\$ 2,927</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Life Squad Budget
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 2,000	\$ 11,000	\$ 9,000	\$ (2,000)
Interest	460	460	825	365
Contributions and Donations	4,000	4,000	3,978	(22)
<i>Total Revenues</i>	<u>6,460</u>	<u>15,460</u>	<u>13,803</u>	<u>(1,657)</u>
Expenditures				
Current:				
Security of Persons and Property	13,000	22,000	11,547	10,453
<i>Total Expenditures</i>	<u>13,000</u>	<u>22,000</u>	<u>11,547</u>	<u>10,453</u>
<i>Net Change in Fund Balances</i>	(6,540)	(6,540)	2,256	8,796
<i>Fund Balances Beginning of Year</i>	<u>35,420</u>	<u>35,420</u>	<u>35,420</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 28,880</u>	<u>\$ 28,880</u>	<u>\$ 37,676</u>	<u>\$ 8,796</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fema Grant
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 39,247	\$ 39,247	\$ 39,247	\$ -
<i>Total Revenues</i>	<u>39,247</u>	<u>39,247</u>	<u>39,247</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers Out	(39,247)	(39,247)	(39,247)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(39,247)</u>	<u>(39,247)</u>	<u>(39,247)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	-	-	-
<i>Fund Balances Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
Debt Service:				
Principal Retirements	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Interest and Fiscal Charges	<u>175,637</u>	<u>175,637</u>	<u>175,638</u>	<u>(1)</u>
<i>Total Expenditures</i>	<u>325,637</u>	<u>325,637</u>	<u>325,638</u>	<u>(1)</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(325,637)</u>	<u>(325,637)</u>	<u>(325,638)</u>	<u>(1)</u>
Other Financing Sources (Uses)				
Transfers In	<u>325,637</u>	<u>325,637</u>	<u>325,638</u>	<u>1</u>
<i>Total Other Financing Sources (Uses)</i>	<u>325,637</u>	<u>325,637</u>	<u>325,638</u>	<u>1</u>
<i>Net Change in Fund Balances</i>	-	-	-	-
<i>Fund Balances Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$ 6,000	\$ 6,000	\$ 6,726	\$ 726
Intergovernmental	30,000	30,000	17,065	(12,935)
Contributions and Donations	-	-	2,773	2,773
Other	-	-	101,969	101,969
<i>Total Revenues</i>	<u>36,000</u>	<u>36,000</u>	<u>128,533</u>	<u>92,533</u>
Expenditures				
Capital Outlay	6,035,479	6,053,979	3,188,424	2,865,555
<i>Total Expenditures</i>	<u>6,035,479</u>	<u>6,053,979</u>	<u>3,188,424</u>	<u>2,865,555</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(5,999,479)</u>	<u>(6,017,979)</u>	<u>(3,059,891)</u>	<u>2,958,088</u>
Other Financing Sources (Uses)				
Transfers In	700,000	1,000,000	1,000,000	-
Advances In	115,000	115,000	115,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>815,000</u>	<u>1,115,000</u>	<u>1,115,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(5,184,479)	(4,902,979)	(1,944,891)	2,958,088
<i>Fund Balances Beginning of Year</i>	5,513,674	5,513,674	5,513,674	-
Prior Year Encumbrances Appropriated	605,454	605,454	605,454	-
<i>Fund Balances End of Year</i>	<u>\$ 934,649</u>	<u>\$ 1,216,149</u>	<u>\$ 4,174,237</u>	<u>\$ 2,958,088</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Improvement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures				
Current:				
Community and Economic Development	\$ 2,500	\$ 2,500	\$ 1,557	\$ 943
<i>Total Expenditures</i>	<u>2,500</u>	<u>2,500</u>	<u>1,557</u>	<u>943</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(1,557)</u>	<u>943</u>
Other Financing Sources (Uses)				
Transfers In	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	-	-	943	943
<i>Fund Balances Beginning of Year</i>	<u>371</u>	<u>371</u>	<u>371</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 371</u>	<u>\$ 371</u>	<u>\$ 1,314</u>	<u>\$ 943</u>

City of Oxford, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Equipment Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 196,000	\$ 196,000	\$ 200,488	4,488
Contributions and Donations	392,000	392,000	-	(392,000)
<i>Total Revenues</i>	<u>588,000</u>	<u>588,000</u>	<u>200,488</u>	<u>(387,512)</u>
Expenditures				
Capital Outlay	\$ 220,200	\$ 220,200	\$ 345,865	\$ (125,665)
<i>Total Expenditures</i>	<u>220,200</u>	<u>220,200</u>	<u>345,865</u>	<u>(125,665)</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>367,800</u>	<u>367,800</u>	<u>(145,377)</u>	<u>(513,177)</u>
Other Financing Sources (Uses)				
Transfers In	300,000	500,000	500,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>300,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	667,800	867,800	354,623	(513,177)
<i>Fund Balances Beginning of Year</i>	(183,420)	(183,420)	(183,420)	-
Prior Year Encumbrances Appropriated	130,422	130,422	130,422	-
<i>Fund Balances End of Year</i>	<u>\$ 614,802</u>	<u>\$ 814,802</u>	<u>\$ 301,625</u>	<u>\$ (513,177)</u>

City of Oxford, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2005

	Employee Benefits	Internal Service	Total Internal Service Funds
Assets			
Equity in Pooled Cash and Investments	\$ 227,673	\$ 49,884	\$ 277,557
Accounts Receivable	900	-	900
Accrued Interest Receivable	2,874	627	3,501
Prepaid Items	12,828	-	12,828
Materials and Supplies Inventory	-	13,954	13,954
Depreciable Capital Assets	-	3,991	3,991
<i>Total Assets</i>	<u>244,275</u>	<u>68,456</u>	<u>\$ 312,731</u>
Liabilities			
Accounts Payable	-	9,051	9,051
Claims Payable	112,482	-	112,482
<i>Total Liabilities</i>	<u>112,482</u>	<u>9,051</u>	<u>121,533</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	-	3,991	3,991
Unrestricted	131,793	55,414	187,207
<i>Total Net Assets</i>	<u>\$ 131,793</u>	<u>\$ 59,405</u>	<u>\$ 191,198</u>

City of Oxford, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
December 31, 2005

	Employee Benefits	Internal Service	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$ 1,023,084	\$ 151,718	\$ 1,174,802
<i>Total Operating Revenues</i>	<u>1,023,084</u>	<u>151,718</u>	<u>1,174,802</u>
Operating Expenses			
Contractual Services	74,155	6,406	80,561
Materials and Supplies	-	163,109	163,109
Claims	871,754	-	871,754
<i>Total Operating Expenses</i>	<u>945,909</u>	<u>169,515</u>	<u>1,115,424</u>
<i>Operating Income (Loss)</i>	<u>77,175</u>	<u>(17,797)</u>	<u>59,378</u>
Non-Operating Revenues			
Interest Revenue	6,780	1,795	8,575
<i>Total Non-Operating Revenues</i>	<u>6,780</u>	<u>1,795</u>	<u>8,575</u>
<i>Change in Net Assets</i>	83,955	(16,002)	67,953
<i>Net Assets Beginning of Year</i>	<u>47,838</u>	<u>75,407</u>	<u>123,245</u>
<i>Net Assets End of Year</i>	<u>\$ 131,793</u>	<u>\$ 59,405</u>	<u>\$ 191,198</u>

City of Oxford, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2005

	Employee Benefits	Internal Service	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 1,055,268	\$ 151,718	\$ 1,206,986
Cash Payments to Suppliers for Goods and Services	-	(161,569)	(161,569)
Cash Payments for Contractual Services	(63,365)	-	(63,365)
Cash Payments for Employee Medical Claims	(818,193)	-	(818,193)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>173,710</u>	<u>(9,851)</u>	<u>163,859</u>
Cash Flows from Investing Activities			
Interest	4,853	1,617	6,470
<i>Net Cash Provided by Investing Activities</i>	<u>4,853</u>	<u>1,617</u>	<u>6,470</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	178,563	(8,234)	170,329
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>49,110</u>	<u>58,118</u>	<u>107,228</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 227,673</u>	<u>\$ 49,884</u>	<u>\$ 277,557</u>
Reconciliation of Operating loss to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ 77,175	\$ (17,797)	\$ 59,378
Adjustments:			
(Increase) Decrease in Assets:			
Accounts Receivable	42,664	-	42,664
Materials and Supplies Inventory	-	1,540	1,540
Prepaid Items	310	-	310
Increase (Decrease) in Liabilities:			
Accounts Payable	-	6,406	6,406
Claims Payable	53,561	-	53,561
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 173,710</u>	<u>\$ (9,851)</u>	<u>\$ 163,859</u>

City of Oxford, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2005

	Hotel Tax Fund	Board of Building Standards Fund	Oxford Natural Gas Refund Fund	Total Agency Funds
Assets				
Equity in Pooled Cash and Investments	\$ 0	\$ 38	\$ 11,866	\$ 11,904
Taxes Receivable	8,138	-	-	8,138
Accrued Interest Receivable	-	-	178	178
<i>Total Assets</i>	<u>\$ 8,138</u>	<u>\$ 38</u>	<u>\$ 12,044</u>	<u>\$ 20,220</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ 3,242	\$ 3,242
Undistributed Monies	8,138	38	8,802	16,978
<i>Total Liabilities</i>	<u>\$ 8,138</u>	<u>\$ 38</u>	<u>\$ 12,044</u>	<u>\$ 20,220</u>

City of Oxford, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2005

	Balance 1/1/2005	Additions	Deductions	Balance 12/31/2005
Hotel Tax Fund				
Assets				
Taxes Receivable	\$ 6,753	\$ 8,138	\$ 6,753	\$ 8,138
Liabilities				
Accounts Payable	\$ 6,753	\$ -	\$ 6,753	\$ -
Undistributed Monies	-	14,891	6,753	8,138
<i>Total Liabilities</i>	\$ 6,753	\$ 14,891	\$ 13,506	\$ 8,138
Board of Building Standards Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 39	\$ 14	\$ 15	\$ 38
Liabilities				
Undistributed Monies	\$ 39	\$ 14	\$ 15	\$ 38
Oxford Natural Gas Refund Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 17,781	\$ 213	\$ 6,128	\$ 11,866
Accrued Interest Receivable	142	178	142	178
<i>Total Assets</i>	\$ 17,923	\$ 391	\$ 6,270	\$ 12,044
Liabilities				
Accounts Payable	\$ -	\$ 3,242	\$ -	\$ 3,242
Undistributed Monies	17,923	391	9,512	8,802
<i>Total Liabilities</i>	\$ 17,923	\$ 3,633	\$ 9,512	\$ 12,044
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 17,820	\$ 227	\$ 6,143	\$ 11,904
Taxes Receivable	6,753	8,138	6,753	8,138
Accrued Interest Receivable	142	178	142	178
<i>Total Assets</i>	\$ 24,715	\$ 8,543	\$ 13,038	\$ 20,220
Liabilities				
Accounts Payable	\$ 6,753	\$ 3,242	\$ 6,753	\$ 3,242
Undistributed Monies	17,962	15,296	16,280	16,978
<i>Total Liabilities</i>	\$ 24,715	\$ 18,538	\$ 23,033	\$ 20,220

STATISTICAL SECTION

**CITY OF OXFORD, OHIO
GENERAL GOVERNMENT REVENUES BY SOURCE
LAST TEN YEARS**

Year	Income and Property Taxes	Inter- Governmental	Charges for Services	Fines, Costs and Forfeitures	Interest	Miscellaneous	Total
1996	4,546,037	1,317,148	448,760	154,772	265,004	411,039	7,142,760
1997	5,261,661	1,619,888	451,166	345,327	258,330	346,592	8,282,964
1998	5,360,319	2,283,539	536,202	326,554	349,681	509,541	9,365,836
1999	5,704,553	1,797,751	519,316	211,638	387,415	380,395	9,001,068
2000	6,112,025	1,777,536	575,533	266,803	806,230	594,957	10,133,084
2001	6,224,989	1,824,656	590,228	252,287	718,038	505,177	10,115,375
2002	6,354,693	1,930,985	677,582	311,089	297,911	510,261	10,082,521
2003	6,820,439	1,908,992	887,628	335,960	130,781	1,019,819	11,103,619
2004	6,699,932	1,767,729	718,848	359,125	204,342	513,144	10,263,120
2005	7,378,016	1,767,657	937,897	419,727	292,747	576,311	11,372,355

NOTES: Information includes all Governmental Fund types.
Prepared using the modified accrual basis of accounting.
Miscellaneous revenue include Licenses and Permits, Special Assessments, Contributions and donations,
and Other.

Source: City of Oxford Finance Department

**CITY OF OXFORD, OHIO
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN YEARS**

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Year	General Government	Public Health Services	Leisure Time Activities	Community Environment	Transportation	Security of Persons and Property	Capital Outlay	Debt Service	Total
1996	1,162,220	181,164	514,932	617,428	528,460	2,674,983	1,241,857	24,928	6,945,972
1997	1,182,371	63,870	533,122	823,971	483,715	2,469,600	967,221	12,201	6,536,071
1998	1,176,293	74,364	562,200	975,852	576,046	2,712,829	2,065,350	1,270	8,144,204
1999	1,234,501	65,820	703,067	811,216	645,045	2,921,136	1,214,492	1,203	7,596,480
2000	1,329,800	79,450	733,136	606,858	710,463	3,060,053	3,223,963	331,056	10,074,779
2001	1,251,747	93,150	794,010	713,293	680,714	3,037,664	3,772,896	324,243	10,667,717
2002	1,360,079	129,143	883,344	1,219,167	849,020	3,438,323	3,757,645	324,054	11,960,775
2003	1,420,844	119,514	1,001,366	709,028	894,284	3,655,200	1,934,721	341,543	10,076,500
2004	1,422,888	111,157	1,087,593	1,287,121	834,048	3,688,519	983,771	339,262	9,754,359
2005	1,439,754	144,446	1,055,704	669,163	973,903	3,708,926	1,942,252	332,144	10,266,292

NOTE: Information includes all Governmental Fund types.
Prepared using the modified accrual basis of accounting.

Source: City of Oxford Finance Department

**CITY OF OXFORD, OHIO
INCOME TAX REVENUES
LAST TEN YEARS**

Year	Amount	% of Change
1996	3,935,038 -	
1997	4,562,889	16.0
1998	4,769,853	4.5
1999	5,093,693	6.8
2000	5,412,771	6.3
2001	5,535,437	2.3
2002	5,649,198	2.1
2003	6,035,339	6.8
2004	5,858,965	-2.9
2005	6,473,251	10.5

Prepared using the modified accrual basis of accounting.

Source: City of Oxford Finance Department

**CITY OF OXFORD, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Year	Current Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
1996	477,058	412,176	86	9,412	421,588	88	66,064	13.9
1997	482,023	474,506	98	12,277	486,783	101.0	61,304	12.7
1998	542,976	535,143	99	12,170	547,313	101	56,967	10.4
1999	571,315	554,900	97	14,712	569,612	100	58,670	10.3
2000	647,975	646,301	100	9,538	655,839	101	50,806	7.8
2001	707,705	641,337	91	9,811	651,148	92.0	107,363	15.2
2002	700,176	661,680	95	15,741	677,421	97	130,118	18.5
2003	767,840	737,389	96	15,901	753,290	98	140,668	18.3
2004	757,070	742,134	98	19,794	761,928	101	135,810	17.9
2005	812,195	767,481	94.5	15,542	783,023	96.4	164,982	20.3

Source: Butler County Auditor's Office

CITY OF OXFORD, OHIO
ASSESSED AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

	ASSESSED VALUATIONS				ESTIMATED TRUE VALUES		
	Year	Real Property	Public Utility Property	Personal Property	Total	(1) Real Property	(1) Personal Property
∞	1996	139,414,540	9,346,080	9,857,804	158,618,424	398,725,584	39,431,216
	1997	143,924,230	8,933,890	12,468,584	165,326,704	411,212,086	49,874,336
	1998	147,573,240	8,951,300	10,372,048	166,896,588	421,637,829	41,488,192
	1999	172,268,090	8,882,460	11,324,795	192,475,345	492,194,543	45,299,180
	2000	174,752,420	7,815,440	11,323,978	193,891,838	499,292,629	45,295,912
	2001	174,924,750	6,939,160	9,965,115	191,829,025	499,785,000	39,860,460
	2002	195,537,850	7,056,880	7,772,421	210,367,151	559,238,251	31,089,684
	2003	200,360,510	7,055,870	11,081,358	218,497,738	572,458,600	44,325,432
	2004	204,730,900	7,385,770	10,402,590	222,519,260	584,945,429	41,610,360
	2005	237,167,700	6,952,660	10,176,919	254,297,279	677,622,000	40,707,676

Source: Butler County Auditor's Office

(1) Does not include Public Utility Property

CITY OF OXFORD, OHIO
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Year	Oxford City	Butler County	Oxford Township	Talawanda School	Butler County Vocational School	Total Rate
1996	3.65	8.44	0.24	46.30	1.93	60.56
1997	3.65	8.45	0.24	43.80	1.93	58.07
1998	3.65	8.45	0.24	43.80	1.93	58.07
1999	3.65	8.45	0.24	43.80	1.93	58.07
2000	3.65	8.45	0.24	50.30	1.93	64.57
2001	3.65	8.75	0.24	50.30	1.93	64.87
2002	3.65	8.75	0.24	50.30	1.93	64.87
2003	3.65	8.74	0.24	51.49	1.93	66.05
2004	3.65	8.74	0.24	51.49	1.93	66.05
2005	3.65	9.44	0.24	51.47	1.93	66.73
percentage	5.5 %	14.1 %	0.4 %	77.1 %	2.9 %	100.0 %

Source: Butler County Treasurer's Office

**CITY OF OXFORD, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

Year	Total Assessments Due	Total Assessments Collected	Total Outstanding Assessments	Ratio of Collections To Amount Due
1996	52,093	24,399	27,694	47.0
1997	50,449	39,970	10,479	79.2
1998	29,516	19,033	10,483	64.5
1999	20,476	19,629	847	95.9
2000	18,810	16,991	1819	90.3
2001	17,377	17,264	113	99.3
2002	20,206	17,521	2,685	86.7
2003	20,113	16,670	3,443	82.8
2004	17,278	16,989	389	98.3
2005	18,319	17,426	1,282	95.12

Source: Butler County Auditor's Office

**CITY OF OXFORD, OHIO
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS**

Year	Population	Assessed Value	Net General Obligation Bonded Debt Outstanding	Bonded Debt Per Capita	Ratio of Bonded Debt To Assessed Value
1996	19,455	158,618,424	-	-	-
1997	19,455	165,326,704	-	-	-
1998	19,455	166,896,588	-	-	-
1999	19,455	192,475,345	\$3,915,000	201.23	2.0340
2000	21,943	193,891,838	3,825,000	174.32	1.9727
2001	21,943	191,829,025	3,700,000	168.62	1.9288
2002	21,943	210,367,151	3,570,000	162.69	1.6970
2003	21,943	218,497,738	3,430,000	156.31	1.5698
2004	21,943	222,519,260	3,285,000	149.71	1.4763
2005	21,943	254,297,279	3,135,000	142.87	1.2328

Source: 1990 and 2000 U.S. Census Bureau
Butler County Auditor's Office
City of Oxford Finance Department

**CITY OF OXFORD, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION BONDED DEBT
 31-Dec-05**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Oxford	Amount Applicable to City of Oxford
DIRECT:			
City of Oxford	\$3,135,000	100.00 %	\$3,135,000
OVERLAPPING:			
Talawanda School District	8,865,000	42.66	3,781,809
Butler County Career Center School District	195,000	3.45	6,728
Butler County	74,780,000	3.02	2,258,356
Total Overlapping Debt	<u>83,840,000</u>		<u>6,046,893</u>
Total	<u>\$86,975,000</u>	10.56 %	<u>\$9,181,893</u>

Source: Ohio Municipal Advisory Council

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**CITY OF OXFORD, OHIO
LEGAL DEBT MARGIN**

Total Assessed Property Value

10-1/2% limitation

Overall Debt Limitations - 10-1/2% of
Assessed Valuation

Total outstanding bonded debt \$19,038,056

Less Debt Outside Limitations 15,903,056

Debt Within 10-1/2% Limitation 3,135,000

Less Debt Service Fund Balance Available 0

Net Debt Within 10-1/2% Limitation

Legal Debt Margin Within 10-1/2% Limitation

5-1/2% limitation

Unvoted Debt Limitation - 5-1/2% of
Assessed Valuation

Total outstanding bonded debt \$19,038,056

Less Debt Outside Limitations 15,903,056

Debt Within 5-1/2% Limitation 3,135,000

Less Debt Service Fund Balance Available 0

Net Debt Within 5-1/2% Limitation

Legal Debt Margin Within 5-1/2% Limitation

Source: City of Oxford Finance Department

\$254,297,279

26,701,214

3,135,000

\$23,566,214

\$13,986,350

3,135,000

\$10,851,350

**CITY OF OXFORD, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO
TOTAL GENERAL GOVERNMENT EXPENDITURES
LAST TEN YEARS**

Year	Debt Principal	Interest	Debt Service Expenditures	Governmental Expenditures	Ratio of Debt Service Expenditures to Total General Governmental Expenditures
1996	-	-	-	6,945,972	-
1997	-	-	-	6,536,071	-
1998	-	-	-	8,144,204	-
1999	-	-	-	7,596,480	-
2000	90,000	236,680	326,680	10,074,779	3.24
2001	125,000	199,243	324,243	10,667,717	3.04
2002	130,000	194,054	324,054	11,960,775	2.71
2003	140,000	188,465	328,465	10,076,500	3.26
2004	145,000	182,235	327,235	9,754,359	3.35
2005	150,000	175,638	325,638	10,266,292	3.17

Source: City of Oxford Finance Department

**CITY OF OXFORD, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN YEARS**

Year	Population	School Enrollment (Public)	Unemployment Rate
1996	19,455	3,636	4.1
1997	19,455	3,636	3.5
1998	19,455	3,478	3.0
1999	19,455	3,392	2.6
2000	21,943	3,348	2.6
2001	21,943	3,334	3.2
2002	21,943	3,183	3.7
2003	21,943	3,096	4.0
2004	21,943	3,021	5.9
2005	21,943	3,050	5.3

Source: 1990 and 2000 U.S. Census Bureau
 Talawanda City School District
 Ohio Bureau of Employment Services; rates are for Butler County

**CITY OF OXFORD, OHIO
 CONSTRUCTION, PROPERTY VALUE AND BANK DEPOSITS
 LAST TEN YEARS**

Year	Number of Permits	Construction Value	Property Value (1)	Bank Deposits in Thousands
1996	332	9,940,278	139,414,540	783,398
1997	419	21,185,042	143,924,230	815,435
1998	414	11,490,976	147,573,240	864,105
1999	364	11,099,146	172,268,090	913,169
2000	342	17,613,230	174,752,420	1,152,810
2001	237	17,662,139	174,924,750	1,136,994
2002	402	20,233,645	195,537,850	1,257,078
2003	481	15,280,882	200,360,510	1,355,739
2004	501	22,910,248	204,730,900	1,466,791
2005	529	15,018,883	237,167,700	3,053,270

Source: City of Oxford Finance Department
 Federal Reserve Bank of Cleveland for Butler County, Ohio Banks

(1) Real Property Assessed Valuation

**CITY OF OXFORD, OHIO
2005 PRINCIPAL TAXPAYERS**

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Cincinnati Gas & Electric	Utility	\$5,095,970	2.15 %
D & B Family Ltd Prt	Real Estate	4,635,070	1.95
Southwestern Ohio	Banking	3,535,190	1.49
Ogden Investments Prt	Real Estate	3,484,500	1.47
University Commons Prt	Real Estate	2,965,440	1.25
Brookside at Chestnut LLC	Real Estate	2,339,400	0.99
Red Brick Pride	Real Estate	1,807,520	0.76
Square D Company	Manufacturing	1,692,460	0.71
Rodbro, Christopher M.	Real Estate	1,758,330	0.74
Redskin LTD	Real Estate	1,638,070	0.69
	SUB-TOTAL	<u>28,951,950</u>	<u>12.21</u>
	ALL OTHERS	<u>208,215,750</u>	<u>87.79</u>
	TOTAL	<u><u>\$237,167,700</u></u>	<u><u>100.00 %</u></u>

CITY OF OXFORD, OHIO
MISCELLANEOUS STATISTICS
12/31/2005 and 2004

	2005	2004
Date of incorporation	1830	1830
Date of municipal charter adoption	1960	1960
Form of government	Council-Manager	Council-Manager
Area	6.19 Square Miles	6.19 Square Miles
Miles of streets	50.91	50.25
Population (2000 U.S. Census)	21,943	21,943
 EMPLOYEES		
Number of authorized full-time employees	113	112
 FIRE AND EMS PROTECTION		
Fire chief (full-time)	1	1
Assistant fire chief (part-time)	1	1
Number of fire fighters (part-time)	30	30
Number of life squad members (part-time)	40	40
Number of stations	1	1
 POLICE PROTECTION		
Police Chief (full-time)	1	1
Additional authorized police officers (full-time)	25	25
Authorized civilian employees (full-time)	14	14
Number of stations	1	1
 RECREATION		
Number of parks	11	11
Number of swimming pools	1	1
 WATER SERVICE		
Number of consumers	4,368	4,337
Annual production (in million gallons)	878.1	858.93
Miles of water mains	71.49	70.83
 SEWER SERVICE		
Number of consumers	4,067	4,036
Annual treatment (in million gallons)	889	870
Miles of sanitary sewers	64.51	63.84
 PARKING METERS		
	733	733
 EDUCATION		
Number of schools	4	4
Number of teachers	373	250
Number of students	3050	3021
Miami University Enrollment	16,019	17,151
 HOSPITAL		
	60 beds	60 beds
 LIBRARY		
	110,213 volumes	112,852 volumes



**Auditor of State
Betty Montgomery**

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CITY OF OXFORD

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 31, 2006**