

CITY OF OXFORD

**Independent Auditors' Report on
Compliance and Internal Controls**

December 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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

We have reviewed the Independent Auditor's Report of the City of Oxford, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2001 through December 31, 2001. 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 black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 12, 2002

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

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 basic financial statements of the City of Oxford, Ohio, as of and for the year ended December 31, 2001, and have issued our report thereon dated April 25, 2002. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Oxford's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance 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 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 in amounts that would be material in relation to the basic 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.

This report is intended solely for the information and use of management, others within the organization, 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
April 25, 2002

THE CITY OF OXFORD, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2001

CITY OF OXFORD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

PREPARED BY:

FINANCE DEPARTMENT

Thomas R. Peterson, CPA, CPFO, CGFM, Director

**CITY OF OXFORD, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2001**

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

April 25, 2002

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

State law requires that the City of Oxford annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This report meets the state requirements for the auditor's opinion and the minimum basic financial statements, and it goes a step further by providing this Comprehensive Annual Financial Report (CAFR). This CAFR provides the reader additional information regarding the City's finances. The report is comprised of the following 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 Report of Independent Auditors, Management's Discussion and Analysis, and the City's basic 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).

Additionally, these financial statements have been prepared adopting the GASB's new reporting model a full two years early than required, thus demonstrating our further commitment to full reporting and disclosure our stakeholders. *GASB 34, Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments*, was developed to provide better, more understandable information about the government's finances. Except for the requirement to retroactively report general infrastructure assets, this report meets all requirements of Statement 34. The City's deadline for retroactively reporting general infrastructure assets is no later than fiscal year 2007, and it is our plan to meet this requirement in our 2002 CAFR. This CAFR now includes new information for the reader. A Statement of Net Assets and a Statement of Activities shows the entire City as a whole on one page for each statement (pages 14 and 15). The Statement of Net Assets shows all assets, liabilities and net assets of the City, on a full accrual basis, classified as either government-type funds or business-type funds. The Statement of Activities shows the costs of providing services to citizens and the sources of revenue that the City uses to pay those costs. Expanded disclosure in the Notes to Financial Statements, and improved schedules regarding the actual expenditures in comparison with the original and final appropriation budgets are also included. Additionally, a new narrative analysis specifically regarding the City's financial statements and financial condition provides greater insight into the City's finances. Readers are encouraged to refer to this new report, entitled Management's Discussion and Analysis, beginning on page 3.

This report consists of management's representations concerning the finances of the City. 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. Management asserts 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 year ended December 31, 2001 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 year ended December 31, 2001, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires management to 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 of the Miami Valley Region of Southwestern Ohio. The City lies approximately 6 miles from 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 5.8 square miles. Oxford was initially organized as a village in 1830 as a direct result of the influence of Miami University, which was founded in 1809 as a State university and plays a vital role in virtually all aspects of the community. The University, with a student population of approximately 16,000, is both a direct and indirect source of many jobs in the City. Miami University also contributes substantially to the social and cultural environment and financial stability of the community. Oxford possesses a college-town environment in a beautiful rural setting.

The City 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, among other things, 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 the citizens. 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 on the fourth Tuesday in August. The approved capital projects for the forthcoming year are then incorporated into the annual operating budget. The operational budget preparation begins in August. Department heads submit their budget requests in September, and meetings are held with the City Manager to discuss their requests. The proposed budget is published in early October, and Council budget hearings 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 of budget amounts 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 66 for each individual government fund for which an appropriation has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local economy. Despite the fact that the nation was affected by an economic slowdown during 2001, the local Oxford economy was less impacted, mostly due to the fact that the primary employer, Miami University, is not subject to significant cyclical fluctuations. Income tax collections, the City's primary general revenue source, grew 2.2% in 2001. 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 88. This provides for financial stability and a solid basis for management and long-term planning decisions.

At December 31, 2001, the City's net asset and fund balances are in strong financial condition. The General Fund has an unreserved fund balance of approximately \$3,778,000, or 50% of 2001's expenditures and other financing uses of approximately \$7,629,000, as shown on page 18. The Capital Improvement Fund has an unreserved fund balance of about \$2,373,000. The Parks and Open Spaces Fund has an unreserved fund balance of about \$3,634,000, approximately \$3,000,000 of which was committed in April, 2002 under a contract to construct Phase I of the new Community Park. The Water Fund and Sewer Fund have unrestricted net assets of approximately \$4,103,000 and, \$4,857,000, respectively, which represent 239% and 236% of annual operating expenses, respectively.

Long-term financial factors. Management continues to financially manage the government in a manner to continue the positive financial condition of the City. For 2002, the City anticipates income tax revenues will increase 3%, and has held its operating budget for 2002 to a 2.89% increase. 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 CIP. Over the next ten years, management is positive regarding the outlook but is aware of greater financial challenges for a number of reasons. First, the State of Ohio is facing financial pressure to revise its funding for primary and secondary education (K-12th grade) as a result of an Ohio Supreme Court decision. The State is also experiencing a financial shortfall in tax revenues as a result of the economic slowdown. As a result, the State legislature considered a reduction of the amount of revenue assistance provided to local governments in the adoption of its biennial budget during 2001. Essentially, they froze the amount provided. Depending upon the impact to the State regarding school funding, future revenue assistance provided by the State to local governments, including the City, could be affected if the State needs to retain funds to balance its budget. The City received approximately \$900,000 in state revenue assistance in 2001. Additionally, local funding provided by the State to Miami University was reduced by approximately \$9,000,000. 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.

Secondly, the Federal government adopted a provision to phase-out inheritance taxes by the year 2011. There has been discussion by the State legislature to consider an elimination of the tax at the State level. Historically, the inheritance tax has been used by Council to fund capital improvements. In recent years, the City has received roughly \$400,000-\$500,000 per year of estate taxes, thus an elimination of this tax could have an impact on capital improvement funding. In an effort to be conservative, the City has not relied on state inheritance tax revenue to materially fund annual operating costs, and budgeted only \$75,000 in 2001. For 2002, the City began phasing out its reliance on this tax for operations, budgeting only \$65,000.

The local school district is in need of upgrading its facilities and has proposed constructing new schools with a \$54 million tax levy on the May 2002 ballot. Under the proposed facilities plan to be funded by this levy, a new high school and an elementary school would be constructed. Sites being examined include areas outside of the current City limits. While a site may be chosen for the schools near enough to permit annexation by the City, it may not be, resulting in the possible loss of employee income tax revenue. If the levy fails, this issue will probably continue to be examined by the School District in a revised format, and therefore the potential exists for this to affect future City tax revenues.

In 2001 the City earned \$1,731,993 of interest income and capital appreciation as a result of investments made in 2000 yielding 6% or more, and as a result of balances accumulated to fund major projects in the five-year CIP. The earnings have been used to some extent to fund annual operating and capital expenditures, and provide reserves for future capital improvements. The 6% investments will mature during 2002 and are expected to be reinvested in the current lower interest environment. Additionally, a portion of the reserves will be spent in 2002 and beyond to fund capital improvements. As a result, both the interest yields and balances may decrease in future years, thus affecting interest income revenues available to fund future operations and capital improvements.

The City is facing a decline in 2002 in its water and sewer revenues, primarily as the result of a conservation program implemented by the largest customer, Miami University. The last time the water utility rates were increased was 1990. A covenant in the 1992 Water Bond indenture may be impacted in 2002 if the decline in revenue continues. Due to the strong financial condition of the Sewer Fund, the impact is less of a concern than to the Water Fund. The City has begun a study in 2002 to address the options for obtaining operating and cost efficiencies, and the potential need for a water rate increase. For a more detailed discussion, please refer to the MD&A.

The City has also been experiencing a significant increase in its employee health care costs in the last several years. The City currently does not require employees to contribute to funding the plan. In 2002, the City hired a benefits consultant and began a study of its employee health care program to address options for managing the benefits provided and for funding the costs. Please refer to the MD&A for a more detailed discussion.

The City opened its new 224-space parking garage in Uptown Oxford in October 2001 (as discussed later under City-Wide Initiatives). Funding for the \$2.7 million garage came from an interfund loan from the Capital Improvement Fund to the Parking Fund (which was ultimately transferred to the Parking Improvement Fund for the expenditure). Initial revenues from the garage have not achieved expected levels because the new Holiday Inn hotel across the street from the garage is not scheduled to open until June 2002. The hotel will lease 60 spaces on the top floor of the garage for its guests. It is expected that with the opening of the hotel, two restaurants and a pub contained therein, that the parking revenues from the garage and from uptown parking meters will increase. Revenues may be sufficient to fund repayment of the loan, over time, to the Capital Improvement Fund. If not, the funds returned to the Capital Improvement Fund may be less than planned, hence impacting the funding for future capital projects.

The economic factors above are presented to enable the reader to understand factors that may have an influence on the City's long-term finances. Management is confident it will be able to recognize and respond effectively to future changes in economic conditions. The City will continue to carefully monitor these issues and continue to be conservative in its management philosophy.

CITY-WIDE INITIATIVES

Under the leadership of City Manager Jane Howington, the City continued its progress toward improved productivity and efficiency during 2001 in delivering services and capital improvements to its citizens. During the year the City tackled a wide and diverse range of issues and programs, many of which continue into 2002. Some of the key projects include:

The Oxford Community Park – In 1998 the City purchased a 113-acre undeveloped property just west of the City limits for just under \$700,000 to develop the City's new primary recreational community park. The need for a community park was identified in both the recently completed Parks Master Plan and the Comprehensive Plan. During the last several years, the City evaluated design proposals for the new park and adopted a multiple-phase approach to be implemented over approximately ten years, subject to funding availability. The plan calls for an investment of approximately \$3.5 million for Phase I engineering design and construction. Phase I includes significant infrastructure development including grading and preparation of the northern portion of the park land, and installation of water, sewer, road and lighting improvements. Most importantly, Phase I also includes the development of softball/baseball fields, soccer fields, and a shelter/restroom facility. Engineering design work occurred during 2000 and 2001. Bids were accepted in early 2002 and in April 2002, Council approved a construction contract for approximately \$3 million (Note 21). Construction will begin in May and will be completed in Spring, 2003. Funding for the Phase I construction comes from \$2,550,000 of the total of \$3,915,000 of general obligation bonds issued in October 1999. The remainder of Phase I costs will be funded from Parks and Open Spaces Fund capital reserves, interest earned on bond proceeds, and State grants. Phase II of the Community Park development includes a family picnic area, basketball court, amphitheater, children's play area, and a nature center. Phase III includes basketball, tennis, volleyball, horseshoes, shuffleboard court areas, and a family shelter at the southern end of the park. Phases II and III will be constructed as grants and other funding become available.

U.S. 27 North Project– A construction contract was awarded by the City in December, 2000 for construction of Phase I of a multi-year development of the U.S. 27 corridor heading two miles northwest to the City limits from the Locust Street and U.S. Route 27 intersection. Phase I included water and sewer improvements totaling \$2.2 million, of which \$1,168,000 was funded by a grant of Ohio Issue II money. The remainder was funded by water and sewer capital reserves. The project was completed on time and under budget in the summer of 2001. Future construction includes Phase II, with an estimated cost of \$2,530,000, and will consist of roadway improvements from Locust Street northwest to Melanee Lane. The improvements will include widening the existing roadway to provide a center turn lane, the addition of curbs & gutters, an enclosed storm sewer system, an underground duct bank for future telecommunications networks, and sidewalks on both sides of the street. The City has been awarded state grant funding of \$1,771,000 for Phase II and expects to undertake the project in 2004 or 2005. Longer-term, Phase III will consist of the roadway improvements on U.S. 27 from Melanee Lane to the northern corporate limits at Ringwood Road. The improvements will include widening the existing roadway to provide a center turn lane, the addition of curbs & gutters, an enclosed storm sewer system, an underground duct bank for future telecommunications networks, sidewalks on both sides of the street, and a ten-foot wide multi-use path along the north side of the roadway. The City plans to undertake Phase III when it qualifies for grant funding. The grant application cycle would occur in 2003 and the grant award might occur in 2007-2008. The total cost of the U.S. 27N project is projected at \$7,500,000.

Five-Year Capital Improvement Plan (CIP) – In the summer of 2001, City Manager Jane Howington provided her proposed five-year CIP to City Council and the plan was adopted with minor revisions for a total of \$31,217,450 for the next five years, through 2006. The plan can be classified into three components: 1) Planned equipment purchases (\$2,207,850), including various vehicle replacements, equipment for the new community park, and an aerial fire pumper truck; 2) Annual improvement projects including annual water and sewer line improvements; street and alley resurfacing; and sidewalk, curb and gutter programs, and 3) Major new construction projects, dependent upon future grant, debt, or other capital reserves or available funding. These include the U.S. 27 North project, Phase II; Community Park Phases II and III; Wastewater treatment plant improvements; and renovating North Locust Street between Spring and Church Streets to straighten out the 90-degree turn. These potential projects demonstrate the Council and City Manager's vision for the future. As mentioned, the projects will be approved in the future as capital reserves, debt, or grant funding are obtained.

Parking Garage – In October 2001 the new four-story municipal garage opened, which was built on the existing municipal parking lot at the corner of Main and Walnut Streets. The garage is one-half block from of the center of town and the uptown parks, which were remodeled in 2000 and have now become a focal point for residents and visitors. The 224-space garage has already helped to address long-standing parking congestion problems in the Uptown area. Separately, a private developer is building a four-story Holiday Inn hotel directly across from the parking garage on Main Street. The hotel will have 60 guest rooms, and will house a number of convention meeting rooms and two restaurants and a pub. The City assisted one of the restaurants, a Buffalo Wild Wings, with an economic development loan of \$50,000, which was approved in 2002. The new hotel and parking garage will provide a major economic development boost to the area and in particular, to the uptown business district.

CASH MANAGEMENT AND INVESTMENTS

Cash and investments are managed under the goals of safety, liquidity, and yield in that order, as stipulated by the City's legally adopted investment policy. City cash (except that which is restricted) is pooled in order to maximize investment return. Amounts above a minimum level are swept daily from the general checking account to an SEC-regulated U. S. Treasury money market fund. The City's investment in the money market fund is 100% liquid, accessible on a daily basis. In 2000, the City contracted with two professional public funds money management firms to manage the City's investments. The decisions on investments are made by the managers based on the City's investment policy and the forecasted cash flow needs provided by the finance department. Investment oversight is provided by regular monitoring by the finance department and by semiannual meetings of the Investment Review Committee. During 2001 the City was in compliance with its investment policy and the Ohio Revised Code with regard to its investments and collateralization.

At December 31, 2001, the City has set aside funds in a restricted trust account with a trustee, maintained in accordance with requirement of the 1992 Water Revenue Bond indenture. Prior to 2001 the City also maintained funds with a trustee in a Landfill Post-Closure Trust pertaining to the 1996 environmental closure of the municipal landfill. These funds were maintained in the trust to comply with Ohio EPA 'Financial Assurance' regulations. As of March 28, 2000, the Ohio EPA approved the application by the City to meet the financial assurance requirements based on fund balances and related debt-to-equity ratios. As of that date, the OEPA terminated the landfill trust agreement, releasing the funds to the City. Annual submission to the OEPA of compliance with the fund balance and debt-to-equity ratios is required, and the City expects to continue to meet requirements in the future. The City invested the funds in accordance with its investment policy to be used to fund Refuse Fund operating costs and debt service. See Note 4 to the financial statements for additional information on deposits and investments.

RISK MANAGEMENT

The City has contracted with national insurance carriers for the provision of underlying bodily injury, personal injury, property damage, and general liability coverages. In addition, the City maintains excess general liability and public officials' coverage, vehicle liability coverage, municipal landfill property and liability, and police professional liability coverage. An annual review of the scope of the City's activities and insurance coverages is conducted with the help of the insurance carrier's representatives and the City's insurance agents. Annually, the City also hires an outside insurance consultant to perform a study to review the changes in the insurance coverages and improve the insurance coverage. The adequacy of insurance coverage is reviewed to determine appropriate coverage on a cost-benefit basis. Regarding claims management, when a notice of material claim arises, it is referred to the insurance company, and claims monitoring is reviewed both by the administration and by the City's legal counsel where appropriate to assure that the City's interests are protected.

For cost-efficiencies, historically the City's risk insurance services were generally contracted out for a period of three years. In 2000 and 2001, the City received bids for its insurance services for the period beginning January 2001 and 2002, respectively. In insurance terms the proposals were received during a 'hard market', and therefore the proposals were only offered for a one-year period. The City plans to seek competitive insurance proposals again in the fall of 2002. Premium costs and insurance coverages were generally unchanged, except that despite additional efforts, the City was unable to find cost-effective flood insurance for 2001. No flood damage was incurred during 2001, and the City was successful in securing flood coverage for 2002. Prior to 1998, the City had not carried flood insurance, but proposals received in that year provided cost savings to enable the purchase of such insurance.

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 year ended December 31, 2000. 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 2000 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 seventeen consecutive years (years ended 1984-2000). 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.

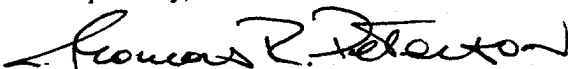
Acknowledgments

This report is the culmination of months of hard work by many individuals. It was made more challenging than usual because of the required adoption of GASB statements 33 and 36 (Note 2). Additionally, as discussed, this report is presented using the new reporting model and related requirements contained in GASB statements 34, 37, and 38 (Note 2), implemented two years earlier than required. This required a substantial commitment of additional time and effort. I wish to thank Payroll and Benefits Specialist Heidi Alexander, and Accounting Specialist LeAnn Isenhardt. They took on the extra burdens of learning the applicable sections of the new requirements and determining how to complete the more difficult work required, all while continuing to complete their regular duties and project responsibilities. I also wish to thank Faye Harsh, Utility Billing and Collections Supervisor, and Joanna Murray, Utility Collections Specialist, Mary Ann Eaton, Accounting Assistant, and Katrina Bockover, Accounting Assistant, for their continued quality work and diligence in carrying out their responsibilities. Additional thanks is also due to the staff of the independent accounting firm of Clark, Schaefer, Hackett, and Co., Certified Public Accountants, who worked side-by-side with City staff toward the preparation and independent examination of these financial statements. And a very special thanks is due to Accounting Manager, Joe Reigelsperger, and Kerry Roe, partner of Clark, Schaefer, Hackett, and Co., Certified Public Accountants, whose skills and highly professional commitment helped make this difficult GASB conversion a reality.

As a result of their hard work, this report contains new and additional information presented in an organized manner to provide greater insight regarding the City's finances. We hope readers of this financial report will find the changes beneficial in understanding the City's financial organization, financial position and condition, net assets and results of operations.

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.

Respectfully,



Thomas R. Peterson, CPA, CPFO, CGFM
Finance Director

CITY OF OXFORD, OHIO

CITY OFFICIALS AS OF DECEMBER 31, 2001

City Council (Elected Officials)

Ken Bogard	Mayor
Ted Beerman	Vice-Mayor
Jerome Conley	Council Member
Steve Flee	Council Member
Dave Prows	Council Member
Doug Ross	Council Member
Prue Zimmerman	Council Member

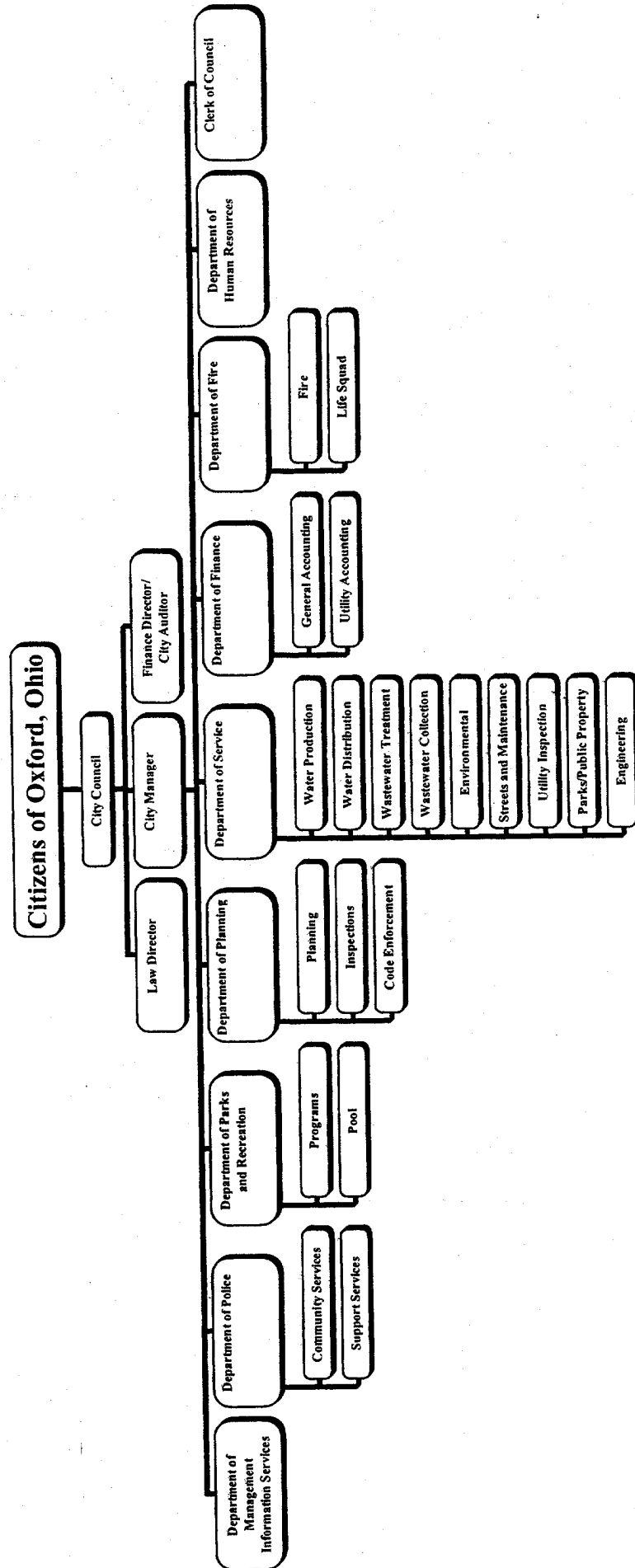
Administration

Jane Howington	City Manager
Gail Brahier	Parks & Recreation Director
Mike Dreisbach	Service Director
Len Endress	Fire Chief
Donna Heck	Human Resources Director and Clerk of Council
Steve McHugh	Law Director
Tom Peterson	Finance Director
Mike Ritcher	MIS Director
Steve Schwein	Police Chief
Bernadette Unger	Planning Director

Department of Finance

Tom Peterson	Finance Director
Joe Reigelsperger	Accounting Manager
Faye Harsh	Utility Billing and Collections Supervisor
Heidi Alexander	Payroll and Benefits Specialist
Joanna Murray	Utility Collections Specialist
LeAnn Isenhardt	Accounting Specialist
Mary Ann Eaton	Accounting Assistant
Vacant	Accounting Assistant

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, 2000

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.



Thomas A. Drew
President

Jeffrey L. Esser
Executive Director

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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 basic financial statements of the City of Oxford, Ohio as of and for the year ended December 31, 2001, as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Oxford as of December 31, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*; Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*; Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2001. This results in a change to the City's method of accounting for certain nonexchange revenues and a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2002, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

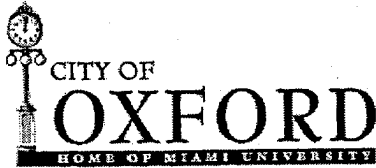
The Management's Discussion and Analysis and the budgetary information on pages 3-13 and 50-53, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Oxford, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion on it.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
April 25, 2002



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, 2001. 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 Statements. The fiduciary statements (pages 23 and 24) provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.
- Notes to the Basic Financial Statements. The Notes (beginning on page 25) provide helpful information explaining the City's significant accounting procedures and providing greater detail regarding financial statement components.

Required Supplementary Information

- Schedules of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. Schedules (pages 50 to 53) 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 60) 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 66.
- Capital Asset Schedules. These schedules (pages 83 and 84) show information regarding the City's investment in capital assets.

A. Reporting the City as a Whole

Government-wide statements

Our analysis of the City as a whole begins on page 5. 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 and by bond covenants. 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, like grants received for community and economic development. 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 a 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 funds 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, postage, and copier 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. The financial statements for these funds are reported beginning on page 23. The City has three agency funds and one private-purpose trust fund. The City acts as the collection agent for three separate activities, accounting for the proceeds collected in three agency funds and eventually forwarding the collections to the designated beneficiaries. In 1977 the City was appointed trustee of a private-purpose trust fund, the Tricentennial fund. This money is to be held in trust until the Nation's tricentennial, in 2076, to fund an appropriate celebration. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations.

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, 2001 (rounded to nearest thousand):

	Governmental Activities	Business- Type Activities	Total
Current and other assets	\$ 15,169,000	13,460,000	28,629,000
Capital assets	<u>9,785,000</u>	<u>30,552,000</u>	<u>40,337,000</u>
Total assets	<u>24,954,000</u>	<u>44,012,000</u>	<u>68,966,000</u>
Long-term debt outstanding	4,000,000	22,706,000	26,706,000
Other liabilities	<u>1,341,000</u>	<u>1,557,000</u>	<u>2,898,000</u>
Total liabilities	<u>5,341,000</u>	<u>24,263,000</u>	<u>29,604,000</u>
Net assets:			
Invested in capital assets, net of debt	9,768,000	11,120,000	20,888,000
Restricted:			
For capital purposes	3,664,000	-	3,664,000
Other purposes	838,000	1,287,000	2,125,000
Unrestricted	5,344,000	7,342,000	12,686,000
Rounding	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>
Total net assets	<u>19,613,000</u>	<u>19,749,000</u>	<u>39,362,000</u>
Beginning net assets	16,837,000	16,669,000	33,506,000
Net increase	<u>2,776,000</u>	<u>3,080,000</u>	<u>5,856,000</u>
Ending net assets	\$ <u>19,613,000</u>	<u>19,749,000</u>	<u>39,362,000</u>

Because this is the first year to report all activities using the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current- and prior-year assets, liabilities, and changes in net assets. Refer to the following section for discussion of the reasons for the change in net assets during the year.

B. Governmental and Business-type Activities during 2001

The following table (rounded to nearest thousand) presents a condensed summary of the City's activities during 2001 and the resulting change in net assets. Of the total General Government revenues of \$10,055,000, \$1,390,000 (14%) is from program revenue. This means that the government relies on general tax revenues to fund the majority of the cost of services (\$8,665,000, 86%) provided to the citizens, including police, fire, life squad, and other services. Of those General revenues, \$851,000 (8% of total revenues) is generated from investment income. This substantial amount of income was the fortunate result of funds invested during 2000 carrying into 2001 at interest rates yielding 6+%, and from the significant balances in the capital reserve accounts. The City has a 5-year Capital Improvement Plan totaling over \$31,000,000. As capital reserves are spent, and as the 6%-7% investments mature during 2001 and 2002 and are reinvested at lower rates, investment income will decrease.

Table 2
Changes in Net Assets

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Revenues			
<u>Program revenues:</u>			
Charges for services	\$ 986,000	7,018,000	8,004,000
Operating grants and contributions	357,000	-	357,000
Capital grants and contributions	<u>47,000</u>	<u>1,309,000</u>	<u>1,356,000</u>
Total program revenues	<u>1,390,000</u>	<u>8,327,000</u>	<u>9,717,000</u>
<u>General revenues:</u>			
Income taxes	5,538,000	-	5,538,000
Property taxes	690,000	-	690,000
Other taxes	1,254,000	-	1,254,000
Grants and contributions not restricted to specific programs	171,000	-	171,000
Investment earnings	851,000	881,000	1,732,000
Miscellaneous (and rounding)	<u>161,000</u>	<u>127,000</u>	<u>288,000</u>
Total general revenues	<u>8,665,000</u>	<u>1,008,000</u>	<u>9,673,000</u>
Total revenues	<u>10,055,000</u>	<u>9,335,000</u>	<u>19,390,000</u>
Expenses			
Security of persons and property	3,311,000	-	3,311,000
Public health services	93,000	-	93,000
Leisure time activities	1,002,000	-	1,002,000
Community environment	237,000	-	237,000
Transportation	1,072,000	-	1,072,000
General government	1,364,000	-	1,364,000
Interest on long-term debt	199,000	-	199,000
Water utility operations	-	2,419,000	2,419,000
Sewer utility operations	-	2,545,000	2,545,000
Refuse utility operations	-	1,291,000	1,291,000
Rounding	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenses	<u>7,279,000</u>	<u>6,255,000</u>	<u>13,534,000</u>
Increase in net assets	<u>\$ 2,776,000</u>	<u>3,080,000</u>	<u>5,856,000</u>

As previously mentioned, because this is the first year to report all activities using the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current- and prior-year assets, liabilities, and changes in net assets.

1) Governmental activities during 2001

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 19% of the cost of the general government programs was recouped in program revenues. Leisure time activity costs were \$1,002,000. Recreation program revenue contributed to fund 29% of the cost of Leisure Time activities. Hence general revenues of \$709,000 (71%) were used to support of remainder of the Leisure time costs. Fees for planning, permits, and inspection services as well as grants and contributions within the Community Environment function contributed 80% of the cost of those services. General revenues were used to fund the remaining costs. Transportation activities, principally parking services and street maintenance, incurred total costs of \$1,072,000, of which \$598,000, or 56%, was funded by parking revenues. The remaining costs were funded by general revenues.

Table 3
Governmental Activities

	<u>Total Cost</u>	<u>Program</u>	<u>Revenues</u>	<u>Net Cost</u>
	<u>of Services</u>	<u>Revenues</u>	<u>as a % of</u>	<u>of Services</u>
			<u>Total Costs</u>	
Security of persons and property	\$ 3,311,000	288,000	9%	3,023,000
Public health services	93,000	-	0%	93,000
Leisure time activities	1,002,000	293,000	29%	709,000
Community environment	237,000	189,000	80%	48,000
Transportation	1,072,000	598,000	56%	474,000
General government	1,364,000	22,000	2%	1,342,000
Interest on long-term debt	199,000	-	0%	199,000
Rounding	1,000	-		1,000
Total	\$ 7,279,000	1,390,000	19%	5,889,000

2) Business-type activities during 2001

The following table (rounded to nearest thousand) summarizes the business-type activities:

Table 4
Business-type Activities

	<u>Total Cost</u>	<u>Program</u>	<u>Revenues</u>	<u>Net Revenue</u>
	<u>of Services</u>	<u>Revenues</u>	<u>as a % of</u>	<u>from</u>
			<u>Total Costs</u>	<u>Operations</u>
Water utility operations	\$ 2,419,000	3,063,000	127%	644,000
Sewer utility operations	2,545,000	4,054,000	159%	1,509,000
Refuse utility operations	<u>1,291,000</u>	<u>1,210,000</u>	94%	<u>(81,000)</u>
Total	\$ 6,255,000	8,327,000	133%	2,072,000

The City's water and sewer utilities generated revenues in excess of operating expenditures in 2001. However, included in the revenues for 2001 were capital grants of \$562,000 and \$747,000 respectively, from the State for Issue II funds for the improvements to U.S. Route 27 North. The remaining water and sewer revenues in excess of expenses will be used to fund capital expenditures planned under the City's five-year Capital Improvement Plan. The Refuse fund deficit was the result of an increase by \$190,000 in the remaining estimated post-closure liability for the City's municipal landfill. The increase was the consequence of increases in cost estimates for annual maintenance of the closed landfill. This liability represents the estimated cost in today's dollars for the remaining 25 years of post-closure monitoring required under Ohio EPA-mandated rules.

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, five of which are considered major funds: General Fund, Parking Meter Fund, Capital Improvement Fund, Parking Improvement Fund, and Parks and Open Spaces Fund. Assets of these five funds comprise \$16,221,000 (91%) of the total \$17,781,000 governmental funds assets. The following provides an analysis of these major funds (rounded to nearest thousand).

Table 5
Financial Highlights
Major Governmental Funds

	General Fund	Parking Fund	Capital Improvement Fund	Parking Improvement Fund	Parks & Open Spaces Fund
Total assets	\$ 6,515,000	560,000	5,388,000	6,000	3,753,000
Total liabilities	2,353,000	2,706,000	98,000	-	84,000
Rounding	-	(1,000)	-	-	(1,000)
Fund balance	<u>4,162,000</u>	<u>(2,147,000)</u>	<u>5,290,000</u>	<u>6,000</u>	<u>3,668,000</u>
Unreserved fund balance	<u>3,778,000</u>	<u>(2,159,000)</u>	<u>2,373,000</u>	<u>5,000</u>	<u>3,634,000</u>
Revenues	9,161,000	289,000	10,000	-	209,000
Expenditures	5,684,000	144,000	447,000	2,703,000	217,000
Other financing sources (uses)	(1,935,000)	(2,795,000)	1,200,000	2,700,000	-
Rounding	-	-	1,000	-	(1,000)
Net change in fund balance	\$ <u>1,542,000</u>	<u>(2,650,000)</u>	<u>764,000</u>	<u>(3,000)</u>	<u>(9,000)</u>

General Fund. Fund balance at the end of 2001 was \$4,162,000, including \$3,778,000 of unreserved balance, which represents 55% of expenditures and other financing uses for 2001. Other financing uses represent primarily operating and capital transfers, including \$1,200,000 to the Capital Improvement Fund plus other transfers to the Street and Capital Equipment funds. The net remaining unexpended funds for the year of \$1,542,000 increased the General Fund balance. The unexpended amount was the result of two factors: conservative spending, whereby the unspent appropriations for 2001 totaled \$488,000; and from revenues in excess of estimated revenues budgeted, including \$576,000 of estate taxes. Historically, reserve increases have been used to fund future capital projects.

Parking Fund. An interfund loan of \$2,700,000 was provided to the Parking Fund from the Capital Improvement Fund in 2001. These funds were transferred from the Parking Fund to the Parking Improvement Fund and used to construct a four-story parking garage with 224 spaces in Uptown Oxford (the transfer is shown as an Other Financing Use). Revenues from future parking fees will be the source for repayment of the interfund loan to the Capital Improvement Fund. The Parking Fund shows a fund deficit because the capital asset (parking garage) is not reflected as an asset under modified accrual accounting, which would otherwise offset the interfund loan payable.

Capital Improvement Fund. Total unreserved fund balance of \$2,373,000 includes the interfund loan receivable from the Parking Fund of \$2,700,000. Other financing sources reflect the operating transfer from the General Fund. Most of the \$446,000 of expenditures was for the annual street repaving program.

Parking Improvement Fund. Expenditures reflect the cost of the parking garage. Other financing sources reflect the interfund loan from the Capital Improvement Fund.

Parks and Open Spaces Fund. Assets of \$3,753,000 consist primarily of pooled cash and investments. These funds are from Parks Bonds issued in 1999 (plus interest earned) for the purpose of constructing the Oxford Community Park. The contract for the Park was approved by City Council in April 2002 for approximately \$3,000,000 (see Note 21 to the financial statements). The remaining funds will be retained for potential additional park improvements, including possibly the construction 'alternatives' which were received as part of the contractor's construction bid.

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 20.

**Table 6
Financial Highlights
Enterprise Funds**

	Water	Sewer	Refuse
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Total assets	\$ 18,201,000	22,934,000	2,799,000
Total liabilities	10,811,000	9,004,000	4,448,000
Rounding	-	(1,000)	-
Total net assets	<u>7,390,000</u>	<u>13,929,000</u>	<u>(1,649,000)</u>
Unrestricted net assets	<u>4,103,000</u>	<u>4,857,000</u>	<u>(1,696,000)</u>
Operating revenues	2,557,000	3,377,000	1,212,000
Operating expenses	1,714,000	2,056,000	1,151,000
Net nonoperating revenues	153,000	511,000	105,000
Capital contributions	72,000	69,000	-
Rounding	<u>(1,000)</u>	-	-
Net change in net assets	<u>\$ 1,067,000</u>	<u>1,901,000</u>	<u>166,000</u>

Water Fund. Equity in pooled cash and investments reflects the accumulation of net assets for funding working capital purposes and future capital improvements. Restricted assets represent one year's bond payments restricted under the 1992 Water revenue bond indenture. Net capital assets make up the majority of the other assets. Net change in net assets of \$1,067,000 reflects a healthy margin, but a portion of this was used to fund the \$535,000 principal payment on the water bond. In addition, \$1,218,000 was used for capital improvements. Historically, net asset increases have been used to fund future capital projects.

During 2001, and as further reflected in the utility billings of January-April, 2002, the fund experienced a decline in revenues. Operating revenues declined \$75,000, or 3% from 2000 to 2001. Billings for the January - April period (4 months) in 2002 showed an additional 3% decrease from the comparable 2001 period. Billings to Miami University, which constitute approximately one-third of both water and sewer revenue, have decreased 9%. This decline is principally the result of a conservation program instituted by the University. Initial investigation has confirmed with the University that for the near-term, the new lower level of consumption is expected to remain and revenues may continue to decrease as conservation measures continue. This will have a significant impact on the water fund financial condition for 2002 and beyond, although the full degree of the impact can not be estimated at this time.

The City's 1992 Water revenue bond indenture contains a covenant that states that the debt coverage ratio must equal or exceed 120%. This means that the excess of revenues, less expenses before debt service, must equal or exceed 120% of that period's debt service. For 2001, the debt coverage ratio declined to 128%. The covenant states that in the event that the ratio drops below 120%, the City must hire an independent engineering firm to perform a study to recommend measures to restore and maintain the ratio. The City has not raised its water utility rates since 1990. In 2002, the City began a study of its water operations and cost efficiencies as well as rates. As a result, the City will address measures in 2002 regarding the financial condition of the Water Fund to maintain the required ratio, either through operating and cost efficiencies, or in combination with a water utility rate increase.

Non-operating revenues include interest income of \$343,000 and proceeds of \$490,000 from a capital grant from the State for U.S. Route 27 North road construction. Non-operating expenses of \$680,000 consist of interest paid on mortgage revenue bonds.

Sewer Fund. Equity in pooled cash and investments reflects the accumulation of net assets for funding working capital purposes and future capital improvements. Net capital assets make up the majority of the other assets. The net change in net assets of \$1,901,000 reflects a solid margin, but much of this is used to fund principal payments on outstanding debt. Principal payments totaled \$490,000 in 2001. Also, \$1,836,000 was used for capital improvements. The net change in net assets increases the total accumulated unrestricted net assets of \$4,857,000. Much of this will be used for capital improvements. The City's five-year capital improvement plan includes projected costs of \$7,152,000 for phase II of sewer plant and collection system improvements (and for equipment), as determined under a plan designed under the direction of the Ohio EPA.

Because sewer revenues are calculated based on water consumption, the Sewer Fund is also affected by the decrease in consumption discussed above. However, it is expected that the Sewer Fund's net margin [revenues less expenses and other revenues sources (uses)] is sufficient to absorb the decrease without requiring a change in current sewer billing rates.

Non-operating revenues include interest income of \$296,000, proceeds of \$678,000 from a capital grant from the state for U.S. Route 27 North road construction. Non-operating expenses of \$463,000 consist of interest paid on outstanding debt.

Refuse Fund. The City contracts with a private vendor for refuse service provided to its customers. Equity in pooled cash and investments reflects the accumulation of net assets for funding working capital purposes. It also includes \$2,233,000 resulting from the release in 2000 by the Ohio EPA of landfill post-closure trust funds. In 1996 the City 'environmentally' closed the municipal landfill, and at the time was required to set aside into a trust the current estimated cost for the next 30 years of post-closure landfill monitoring. The State released the trust funds in 2000 as a result of the City's ability to demonstrate sufficient equity and net asset reserves. These funds will be used over the next 14 years to fund annual operating and debt service costs. The City has outstanding debt of \$3,037,000, borrowed to fund the cost of the landfill closure in 1996. The final year of payment of this debt is 2015. The net assets deficit of \$1,649,000 is the result of the closing of the landfill. In 1996 the City incurred costs of \$4

million to meet Ohio EPA regulation standards for the environmental closing of the municipal landfill. In accordance with GASB 18, these costs were expensed, hence resulting in the deficit in net assets. The long-term debt borrowed to fund the closure, payable through the year 2015, is reflected in the liabilities. The annual debt service is being funded through the refuse utility rates.

The net change in net assets of \$166,000 for 2001 reflects a healthy margin (14% of operating costs). Refuse rates were last increased in 2000 as a consequence of accepting a new bid from the contractor providing refuse service. That contract provides for three option years beyond 2001, with a 3% increase in 2002 rates for non-residential customers. The City Council increased billing rates to its non-residential customers effective January 2002 to pass-through the contract cost increase.

Non-operating revenues include investment income of \$242,000 earned on invested cash, including the landfill post-closure funds. Non-operating expenses of \$137,000 consist of interest paid on outstanding debt.

2) Internal service funds

Net assets at year-end and activity for the year for the City's two internal service funds, are reported in a combined column in the proprietary fund statements beginning on page 20. The financial condition of one of the internal service funds, the Employee benefits (health insurance) Fund, deserves additional mention. During 2001, costs of \$762,000 exceeded revenues of \$569,000 by \$193,000. This operating loss was funded by reserves in the beginning net asset balance. The operating loss is the result of increasing health care costs, which exceeded amounts billed to operating funds. The City billed the departments that have employees at a rate of \$450 per employee per month. Actual costs incurred averaged \$606 per employee per month. Ending net assets were \$171,000. For 2002, the City increased the monthly employee interfund billing rate to \$500, and budgeted costs at an average of \$626, a 3% increase over 2001. The difference is expected to be funded by the net asset reserves at December 31, 2001 and, where necessary, additional interfund transfers. In April 2002 the City hired a consultant with expertise in employee health care plans to assist in conducting an analysis of its employee health care benefit program. A study is currently underway using the consultant to determine appropriate changes to the funding levels and benefits of the plan to be implemented in 2002 to address this issue. To make adjustments necessary for annual revenues to fund expenses, the City may need to implement benefit changes, employee contributions, or perhaps both. If the trend of increasing health care costs continues, interfund billings could increase. This could have a fiscal impact on the funds that bear the costs of the program (the General, Street, Parking, Water, Sewer funds) from interfund billing charges.

IV. BUDGETED ACTIVITY AND ACTUAL RESULTS

The schedules comparing the City's original and final budgets and actual results are included in the required supplementary information for the General and Parking funds beginning on page 50. Other governmental funds with adopted budgets are presented in schedules on pages 66-78. The City underspent its appropriations in all funds in 2001. There was only one significant change from the original to the final budget during 2001. Supplemental appropriations of \$2,701,000 in both the Capital Improvement Fund and Parking Improvement Fund were approved for the interfund loan and the related expenditure for the construction of a parking garage, as discussed above in Section III.

V. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

At the end of 2001, the City had \$40,337,000 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, a parking garage, and water and sewer plant facilities and water and sewer lines. The net capital assets do not reflect the investment in general government infrastructure made prior to 2001. (The City did not implement the retroactive capitalization of general government infrastructure as part of the conversion to GASB Statement 34, but plans to do so for the 2002 financial statements.) More detailed information regarding the City's capital assets is presented in Notes 1 and 7 to the financial statements, and in the Supplementary Information schedules.

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Land	\$ 1,623,000	369,000	1,992,000
Construction in progress	385,000	4,000	389,000
Buildings and improvements	5,577,000	7,629,000	13,206,000
Equipment	2,034,000	1,505,000	3,539,000
Infrastructure	167,000	21,046,000	21,213,000
Rounding	(1,000)	(1,000)	(2,000)
Total	\$ 9,785,000	30,552,000	40,337,000

This year's major additions included a four-story parking garage (224 spaces) totaling \$2,700,000, and U.S. Route 27 North water and sewer line improvements \$2,220,000 (funded in part by a State grant of \$1,168,000).

During 2001, the City updated its prior year five-year capital improvement plan (CIP). The CIP serves as a planning document to provide general priorities for future capital investment in general, water, and sewer infrastructure, land, buildings, and equipment. The CIP serves as a general planning tool, to be updated annually to reflect current priority needs as determined by City Council. As updated in 2001, the total cost of planned investments in the CIP for the five years beginning 2002 was \$31,217,000. The plan represents the current 'wish list' for the next five years, and not necessarily all projects will be funded. Projects will be funded to the degree that cash and debt capacity are available at the planned date of implementation.

The City's fiscal year 2002 budget calls for it to spend another \$5,880,000 for capital projects. The projects include the construction of the new community park on the west side of the City for which a contract for \$2,991,000 was entered into in April 2002 (Note 21 to the financial statements). Additionally, the City has budgeted \$644,000 for improving the water and sewer lines under Talawanda Lane. Miami University will provide \$200,000 of funding for this project. The City has also budgeted \$300,000 for its annual street resurfacing program.

B. Debt

The City issued no new debt during 2001, and activity consisted of making the required annual debt service payments on its outstanding debt. Total debt outstanding at year-end was \$26,169,408. The City has one general obligation issuance outstanding, the Parks Improvement Bonds issued in 1999, with principal outstanding at year-end of \$3,700,000. Water, Sewer, and Refuse fund debt outstanding at year-end totaled \$22,469,408. The landfill post-closure liability, as required for the maintenance costs for the remaining 25-year post-closure period under GASB 18, was \$1,323,909 at year-end. Refer to Note 17 for additional information. The last bond rating obtained by the City was provided by Moody's Investor Services, Inc. in 1999 pertaining to the issuance of the general obligation \$3.9 million Parks Improvement bonds. The rating for those bonds was A1, the third highest rating possible, and comparable to cities with similar size and economic base, which have a university.

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

While the national economy endured a mild recession during 2001, the City was shielded somewhat from the effects because the primary employer, Miami University, is less subject to economic downturns because of its stable enrollment. Nonetheless, the City budgeted conservatively for 2002, increasing income tax revenue estimates by only 3% rather than 4% as had been used in several previous years. Operating costs were conservatively held to a 2.89% increase. No new major operating programs were initiated, although minor changes were made so that City

staff may continue seek ways to improve service delivery and operating and cost efficiencies. A study of police and fire communications (dispatch) operations will be conducted to determine whether current staffing levels are appropriate. Major capital improvements budgeted for 2002 were discussed in Section V. As previously mentioned, water operations and utility rates will be studied. If the declining trend continues in water revenue, to the degree cost efficiencies are not obtained, utility rates may require an increase in order to meet bond debt covenant ratio requirements. Refuse rates for non-residential customers were increased in January, 2002, passing through the 3% increase in costs under the private contractor's contract.

Economic factors could have a significant impact on the future financial condition of two other funds. As previously mentioned, the Employee Benefits (health insurance) internal service fund continues to experience health care cost increases in excess of amounts billed to the interfund departments. A study is currently underway using an outside consultant to determine appropriate changes to the funding levels and benefits of the plan to be implemented in 2002 to address this issue. To obtain annual revenues sufficient to fund annual expenses, the City may need to implement benefit changes, employee contributions, or perhaps both. The parking garage opened in October 2001. Construction on the new hotel across the street from the garage will not be completed until June 2002, and the new restaurants inside the hotel will open at that time. Because the garage is new, expected monthly revenue levels have not yet been achieved. To the degree that these levels are not fully attained, funds for repayment of the interfund loan of \$2,700,000 to the Capital Improvement fund may not be realized, thus affecting funding levels for future capital improvements.

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.



Thomas R. Peterson, CPA, CPFO, CGFM
Finance Director
April 25, 2002

CITY OF OXFORD, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2001

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Pooled cash and investments	\$ 12,225,257	11,116,698	23,341,955
Receivables:			
Taxes	1,687,856	-	1,687,856
Accounts	87,559	493,777	581,336
Special assessments	32,039	38,629	70,668
Interest	113,194	138,423	251,617
Other	-	37,148	37,148
Due from other governments	998,104	-	998,104
Prepaid items	12,400	3,711	16,111
Supplies inventory	89,589	155,804	245,393
Internal balances	(77,750)	77,750	-
Deferred charges	-	111,602	111,602
Restricted assets	-	1,286,587	1,286,587
Capital assets, net	9,785,393	30,551,864	40,337,257
Total assets	<u>24,953,641</u>	<u>44,011,993</u>	<u>68,965,634</u>
Liabilities			
Accounts payable	263,888	182,547	446,435
Accrued salaries and benefits	214,801	68,086	282,887
Due to other governments	36,447	6,913	43,360
Deferred revenue	672,973	-	672,973
Accrued interest payable	16,171	53,000	69,171
Noncurrent liabilities:			
Due within one year	136,484	1,247,184	1,383,668
Due in more than one year	3,999,768	22,705,644	26,705,412
Total liabilities	<u>5,340,532</u>	<u>24,263,374</u>	<u>29,603,906</u>
Net Assets			
Invested in capital assets, net of related debt	9,767,590	11,119,735	20,887,325
Restricted for:			
Capital projects	3,663,577	-	3,663,577
Other purposes	838,078	1,286,587	2,124,665
Unrestricted	5,343,864	7,342,297	12,686,161
Total net assets	<u>\$ 19,613,109</u>	<u>19,748,619</u>	<u>39,361,728</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Security of persons and property	\$ 3,311,140	203,498	84,994	-	(3,022,648)		(3,022,648)
Public health services	93,150	350	-	-	(92,800)		(92,800)
Leisure time activities	1,002,380	230,553	25,724	36,938	(709,165)		(709,165)
Community environment	236,937	172,557	6,166	9,800	(48,414)		(48,414)
Transportation	1,072,392	357,410	240,475	-	(474,507)		(474,507)
General government	1,364,191	22,002	-	-	(1,342,189)		(1,342,189)
Interest on long-term debt	198,810	-	-	-	(198,810)		(198,810)
Total governmental activities	7,279,000	986,370	357,359	46,738	(5,888,533)		(5,888,533)
Business-type activities:							
Water	2,419,327	2,500,785	-	561,736	643,194		643,194
Sewer	2,544,675	3,306,904	-	746,774	1,509,003		1,509,003
Refuse	1,290,757	1,210,076	-	-	(80,681)		(80,681)
Total business-type activities	6,254,759	7,017,765	-	1,308,510	2,071,516		2,071,516
Total	\$ 13,533,759	8,004,135	357,359	1,355,248	(5,888,533)	2,071,516	(3,817,017)
General revenues:							
Taxes:							
Income taxes					5,537,896		5,537,896
Property taxes					690,027		690,027
Other taxes					1,253,510		1,253,510
Grants and contributions not restricted to specific programs					170,807		170,807
Investment earnings					851,077	880,916	1,731,993
Miscellaneous					161,628	127,656	289,284
Total general revenues					8,664,945	1,008,572	9,673,517
Change in net assets					2,776,412	3,080,088	5,856,500
Net assets beginning of year					16,836,697	16,668,531	33,505,228
Net assets end of year					\$ 19,613,109	19,748,619	39,361,728

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2001

	General Fund	Parking Fund	Capital Improvement Fund	Parking Improvement Fund	Parks and Open Spaces Fund
Assets					
Pooled cash and investments	\$ 3,715,758	559,569	2,625,826	5,785	3,722,898
Receivables:					
Taxes	1,687,856	-	-	-	-
Accounts	57,304	-	-	-	30,000
Special assessments	-	-	32,039	-	-
Interest	113,194	-	-	-	-
Due from other governments	790,934	-	30,000	-	-
Supplies inventory	-	-	-	-	-
Advances to other funds	150,000	-	2,700,312	-	-
Total assets	<u>6,515,046</u>	<u>559,569</u>	<u>5,388,177</u>	<u>5,785</u>	<u>3,752,898</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	49,695	612	36,243	-	54,493
Accrued salaries and benefits	193,330	4,944	-	-	-
Due to other governments	34,183	503	-	-	-
Advances from other funds	-	2,700,312	-	-	-
Deferred revenue	2,076,088	-	62,039	-	30,000
Total liabilities	<u>2,353,296</u>	<u>2,706,371</u>	<u>98,282</u>	<u>-</u>	<u>84,493</u>
Fund balances:					
Reserved for:					
Encumbrances	234,071	12,397	217,008	500	34,828
Advance	150,000	-	2,700,312	-	-
Inventory	-	-	-	-	-
Unreserved, reported in:					
General Fund	3,777,679	-	-	-	-
Special Revenue Funds	-	(2,159,199)	-	-	-
Debt Service Fund	-	-	-	-	-
Capital Projects Funds	-	-	2,372,575	5,285	3,633,577
Total fund balances	<u>4,161,750</u>	<u>(2,146,802)</u>	<u>5,289,895</u>	<u>5,785</u>	<u>3,668,405</u>
Total liabilities and fund balances	<u>\$ 6,515,046</u>	<u>559,569</u>	<u>5,388,177</u>	<u>5,785</u>	<u>3,752,898</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities

December 31, 2001

Non-major Governmental Funds	Total Governmental Funds		
		Total governmental fund balances	\$ 12,161,506
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
1,304,485	11,934,321		
-	1,687,856	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	9,778,473
255	87,559		
-	32,039		
-	113,194	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
177,170	998,104	Income taxes receivable	531,889
77,636	77,636	Intergovernmental and other receivables	1,125,443
-	2,850,312		
<u>1,559,546</u>	<u>17,781,021</u>	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.	166,750
46,606	187,649		
16,527	214,801	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
1,761	36,447	General obligation bonds	(3,700,000)
150,000	2,850,312	Capital lease obligations	(16,333)
162,179	2,330,306	Compensated absences	(418,448)
<u>377,073</u>	<u>5,619,515</u>	Accrued interest on long-term debt	<u>(16,171)</u>
		Net assets of governmental activities	\$ <u>19,613,109</u>
137,564	636,368		
-	2,850,312		
77,636	77,636		
-	3,777,679		
560,159	(1,599,040)		
757	757		
406,357	6,417,794		
<u>1,182,473</u>	<u>12,161,506</u>		
<u>1,559,546</u>	<u>17,781,021</u>		

CITY OF OXFORD, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	General Fund	Parking Fund	Capital Improvement Fund	Parking Improvement Fund	Parks and Open Spaces Fund
Revenues:					
Property and other taxes	\$ 689,552	-	-	-	-
Municipal income taxes	5,535,437	-	-	-	-
Intergovernmental	1,481,102	-	-	-	-
Charges for services	387,882	197,348	160	-	-
Fines, costs and forfeitures	188,778	59,409	-	-	-
Licenses, permits and inspections	294,155	-	-	-	-
Special assessments	-	-	7,519	-	-
Interest	449,051	30,229	(3,934)	3	201,624
Contributions	31,656	-	-	-	6,938
Other	103,503	2,466	6,699	-	-
Total revenues	9,161,116	289,452	10,444	3	208,562
Expenditures:					
Current:					
Security of persons and property	3,003,048	-	-	-	-
Public health services	93,150	-	-	-	-
Leisure time activities	794,010	-	-	-	-
Community environment	542,240	-	-	-	-
Transportation	-	143,639	-	-	-
General government	1,251,747	-	-	-	-
Capital outlay	-	-	446,543	2,703,210	217,169
Debt Service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	5,684,195	143,639	446,543	2,703,210	217,169
Excess of revenues over (under) expenditures	3,476,921	145,813	(436,099)	(2,703,207)	(8,607)
Other financing sources (uses):					
Operating transfers in	-	-	1,200,000	2,700,312	-
Operating transfers out	(1,945,000)	(2,795,312)	-	-	-
Proceeds from capital lease	9,930	-	-	-	-
Total other financing sources (uses)	(1,935,070)	(2,795,312)	1,200,000	2,700,312	-
Net change in fund balances	1,541,851	(2,649,499)	763,901	(2,895)	(8,607)
Fund balance, beginning of year, restated	2,619,899	502,697	4,525,994	8,680	3,677,012
Increase (decrease) in reserve for inventory	-	-	-	-	-
Fund balance, end of year	\$ 4,161,750	(2,146,802)	5,289,895	5,785	3,668,405

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

December 31, 2001

Non-major Governmental Funds	Total Governmental Funds		
		Net change in fund balances - total governmental funds	\$ (542,412)
-	689,552	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
-	5,535,437		
343,554	1,824,656		
4,838	590,228	Governmental funds report capital outlays as expenditures.	
4,100	252,287	However, in the statement of activities, the cost of those	
-	294,155	assets is allocated over their estimated useful lives as	
-	7,519	depreciation expense. This is the amount by which capital	
41,065	718,038	outlays exceeded depreciation in the current period.	3,361,892
22,950	61,544		
29,291	141,959	Revenue in the statement of activities that do not provide current	
<u>445,798</u>	<u>10,115,375</u>	financial resources are not reported as revenues in the funds	
		Income taxes	116,064
		Intergovernmental and other revenue	(308,266)
		Interest	113,194
34,616	3,037,664		
-	93,150	Repayment of bond principal is an expenditure in the governmental	
-	794,010	funds, but the payment reduces long-term liabilities in the	
171,053	713,293	statement of net assets.	125,000
537,075	680,714		
-	1,251,747	Repayment of capital lease principal is an expenditure in the governmental	
405,974	3,772,896	funds, but the payment reduces long-term liabilities in the statement	
		of net assets	2,600
125,000	125,000		
199,243	199,243	In the statement of activities, interest is accrued on	
<u>1,472,961</u>	<u>10,667,717</u>	outstanding bonds, whereas in governmental funds,	
		an interest expenditure is reported when due.	433
<u>(1,027,163)</u>	<u>(552,342)</u>		
840,000	4,740,312	Some expenses reported in the statement of activities,	
-	(4,740,312)	such as compensated absences do not require the use	
-	9,930	current financial resources and therefore are not	
<u>840,000</u>	<u>9,930</u>	reported as expenditures in governmental funds.	23,435
(187,163)	(542,412)	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.	(115,528)
1,354,219	12,688,501	Change in net assets of governmental activities	\$ <u>2,776,412</u>
15,417	15,417		
<u>1,182,473</u>	<u>12,161,506</u>		

CITY OF OXFORD, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2001

	Business-type Activities				Governmental
	Water	Sewer	Refuse	Totals	Activities - Internal Service Funds
Assets					
Current assets:					
Equity in pooled cash and investments	\$ 3,750,102	4,640,351	2,726,245	11,116,698	290,936
Receivables:					
Accounts	203,395	287,904	2,478	493,777	-
Special assessments	-	38,629	-	38,629	-
Interest	72,220	42,965	23,238	138,423	-
Other	37,148	-	-	37,148	-
Prepaid items	3,711	-	-	3,711	12,400
Materials and supplies inventory	136,104	19,700	-	155,804	11,953
Deferred charges	111,602	-	-	111,602	-
Total current assets	4,314,282	5,029,549	2,751,961	12,095,792	315,289
Restricted assets:					
Cash and cash equivalents	66,088	-	-	66,088	-
Investments	1,220,499	-	-	1,220,499	-
Total restricted assets	1,286,587	-	-	1,286,587	-
Noncurrent assets:					
Capital assets, net	12,600,366	17,904,124	47,374	30,551,864	6,920
Total non-current assets	12,600,366	17,904,124	47,374	30,551,864	6,920
Total assets	18,201,235	22,933,673	2,799,335	43,934,243	322,209
Liabilities					
Current liabilities:					
Accounts payable	47,118	61,409	74,020	182,547	5,087
Accrued salaries and benefits	30,908	33,872	3,306	68,086	-
Due to other governments	3,211	3,382	320	6,913	-
Claims payable	-	-	-	-	71,152
Accrued interest payable	53,000	-	-	53,000	-
Current portion of long term debt	560,000	517,639	169,545	1,247,184	-
Total current liabilities	694,237	616,302	247,191	1,557,730	76,239
Noncurrent liabilities:					
Long term debt	10,040,000	8,314,489	2,867,735	21,222,224	1,470
Landfill post-closure care payable	-	-	1,323,909	1,323,909	-
Compensated absences payable	76,653	73,496	9,362	159,511	-
Total noncurrent liabilities	10,116,653	8,387,985	4,201,006	22,705,644	1,470
Total liabilities	10,810,890	9,004,287	4,448,197	24,263,374	77,709
Net Assets					
Invested in capital assets, net of related debt	2,000,367	9,071,996	47,372	11,119,735	-
Restricted for other purposes	1,286,587	-	-	1,286,587	-
Unrestricted	4,103,391	4,857,390	(1,696,234)	7,264,547	244,500
Total net assets	\$ 7,390,345	13,929,386	(1,648,862)	19,670,869	244,500
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				77,750	
Total net assets from above				19,670,869	
Net assets of business-type activities				\$ 19,748,619	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Business-type Activities				Governmental
	Water	Sewer	Refuse	Totals	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 2,500,785	3,306,904	1,210,076	7,017,765	660,515
Other	56,016	70,147	1,493	127,656	-
Total operating revenues	<u>2,556,801</u>	<u>3,377,051</u>	<u>1,211,569</u>	<u>7,145,421</u>	<u>660,515</u>
Operating expenses:					
Personnel services	817,795	847,365	81,610	1,746,770	-
Contractual services	301,817	305,661	864,962	1,472,440	186,890
Supplies and materials	93,276	143,484	11,592	248,352	84,471
Other	121,390	-	190,681	312,071	-
Claims	-	-	-	-	574,755
Depreciation	379,653	759,364	1,959	1,140,976	2,204
Total operating expenses	<u>1,713,931</u>	<u>2,055,874</u>	<u>1,150,804</u>	<u>4,920,609</u>	<u>848,320</u>
Operating income (loss)	842,870	1,321,177	60,765	2,224,812	(187,805)
Non-operating revenues (expenses):					
Interest revenue	343,161	295,508	242,247	880,916	19,845
Intergovernmental	490,126	678,174	-	1,168,300	-
Interest expense and fiscal charges	(680,360)	(462,855)	(137,439)	(1,280,654)	(264)
Total non-operating revenues (expenses)	<u>152,927</u>	<u>510,827</u>	<u>104,808</u>	<u>768,562</u>	<u>19,581</u>
Income (loss) before contributions	995,797	1,832,004	165,573	2,993,374	(168,224)
Capital contributions	71,610	68,600	-	140,210	-
Change in net assets	1,067,407	1,900,604	165,573	3,133,584	(168,224)
Net assets, beginning of year	<u>6,322,938</u>	<u>12,028,782</u>	<u>(1,814,435)</u>		<u>412,724</u>
Net assets, end of year	\$ <u>7,390,345</u>	<u>13,929,386</u>	<u>(1,648,862)</u>		<u>244,500</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(52,696)	
Changes in net assets of business-type activities				\$ <u>3,080,888</u>	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Business-type Activities				Governmental
	Water	Sewer	Refuse	Totals	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 2,513,712	3,307,599	1,208,666	7,029,977	3,394
Cash receipts from quasi-external operating transactions with other funds	-	-	-	-	657,121
Cash payments for employee services and benefits	(807,297)	(846,607)	(80,302)	(1,734,206)	-
Cash payments to suppliers for goods and services	(459,441)	(570,969)	(863,781)	(1,894,191)	(283,308)
Cash payments for employee medical claims	-	-	-	-	(550,709)
Cash payments for landfill post-closure	-	-	(47,990)	(47,990)	-
Cash payments for other operating expenses	(104,383)	-	(1,108)	(105,491)	-
Cash received from other operating revenue	18,868	17,717	1,493	38,078	-
Net cash provided (used) by operating activities	<u>1,161,459</u>	<u>1,907,740</u>	<u>216,978</u>	<u>3,286,177</u>	<u>(173,502)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,217,506)	(1,835,584)	-	(3,053,090)	-
Advances in	200,000	-	-	200,000	-
Advances out	-	(200,000)	-	(200,000)	-
Intergovernmental	490,126	678,174	-	-	-
Principal paid on capital lease	-	-	-	-	(3,331)
Interest paid on capital lease	-	-	-	-	(264)
Principal payments	(535,000)	(489,584)	(162,404)	(1,186,988)	-
Interest paid	(664,890)	(462,855)	(137,439)	(1,265,184)	-
Capital contribution for capacity	71,610	68,600	-	140,210	-
Capital contributed by special assessments	-	13,801	-	13,801	-
Net cash used by capital and related financing activities	<u>(1,655,660)</u>	<u>(2,227,448)</u>	<u>(299,843)</u>	<u>(5,351,251)</u>	<u>(3,595)</u>
Cash flows from investing activities:					
Interest	283,074	230,787	168,023	681,884	20,559
Net unrealized gain on investments	31,391	29,248	69,946	130,585	-
Net cash used by investing activities	<u>314,465</u>	<u>260,035</u>	<u>237,969</u>	<u>812,469</u>	<u>20,559</u>
Net change	(179,736)	(59,673)	155,104	(1,252,605)	(156,538)
Cash and pooled investments beginning of year	5,216,425	4,700,024	2,571,141	12,487,590	447,474
Cash and pooled investments end of year	<u>5,036,689</u>	<u>4,640,351</u>	<u>2,726,245</u>	<u>11,234,985</u>	<u>290,936</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:					
Operating income (loss)	842,870	1,321,177	60,765	2,224,812	(187,805)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	379,653	759,364	1,959	1,140,976	2,204
Changes in assets and liabilities					
Receivables	(24,221)	(51,735)	(1,410)	(77,366)	-
Prepaid items	337	-	7,092	7,429	(12,400)
Materials and supplies inventory	(52,452)	284	-	(52,168)	(4,634)
Accounts payable	16,012	(124,481)	5,213	(103,256)	5,087
Claims payable	-	-	-	-	24,046
Accrued salaries and benefits	8,428	12,470	1,079	21,977	-
Due to other governments	(8,620)	(8,789)	(727)	(18,136)	-
Compensated absences payable	(548)	(550)	1,424	326	-
Landfill post-closure liability	-	-	141,583	141,583	-
Net cash provided (used) by operating activities	<u>\$ 1,161,459</u>	<u>1,907,740</u>	<u>216,978</u>	<u>3,286,177</u>	<u>(173,502)</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2001

		<u>Agency Funds</u>	<u>Private- Purpose Trust Fund</u>	<u>Total</u>
<i>Assets</i>				
Pooled cash and investments	\$	409,841	6,948	416,789
Receivables:				
Taxes		<u>5,179</u>	-	<u>5,179</u>
Total assets		<u>415,020</u>	<u>6,948</u>	<u>421,968</u>
<i>Liabilities</i>				
Due to others		<u>415,020</u>	-	<u>415,020</u>
Total liabilities		<u>415,020</u>	<u>-</u>	<u>415,020</u>
<i>Net Assets</i>				
Held in trust	\$	<u>-</u>	<u>6,948</u>	<u>6,948</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2001

		<u>Private- Purpose Trust Fund</u>
<i>Additions:</i>		
Interest	\$	<u>372</u>
Total additions		<u>372</u>
Net assets, beginning of year		<u>6,576</u>
Net assets, end of year	\$	<u><u>6,948</u></u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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. 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 mayor. The council appoints a city manager, an auditor/finance director, and a law director who execute the laws and administer the government of the City. The city manager appoints all other department managers 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. and the Oxford Community Improvement Corporation, which are defined as related organizations (Note 19).

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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 revenues 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.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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.

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 acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. 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.

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

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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.

Private-Purpose Trust Fund - to account for a trust agreement under which principal and income will be used by the Oxford Tricentennial Committee to celebrate the United State's tricentennial in 2076.

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. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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 resources, 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, 2001, 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.

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

D. 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 (that is, 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.

Tax Budget

A tax budget of estimated revenues and expenditures for all funds 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.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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. During the year a number of supplemental appropriation measures were passed but were not material in relation to the original appropriations.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for governmental funds since they do not constitute expenditures or liabilities.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation lapses and is restored to the respective fund from which it was appropriated and becomes subject to future appropriation. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

E. 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 2001 amounted to approximately \$1,730,000.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001 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.

G. 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.

H. Restricted Assets

Restricted assets in the Water Fund represents cash and cash equivalents and investments which have been set aside for 1992 Water Bond indenture requirements for current and future debt payments and the replacement and improvement of fixed assets originally acquired with revenue bond proceeds.

I. 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.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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 years
Equipment	5 - 15 years
Improvements	20 - 50 years
Sewer lines/water lines	50 years
Infrastructure	50 years

J. Deferred Charges

Bond issuance costs for proprietary fund types are deferred and amortized over the terms of the bonds using methods that approximate the effective interest method.

K. 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.

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, an expenditure is recorded only for the portion of unpaid compensated absences that is expected to be paid using current expendable available resources.

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.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

L. 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.

M. 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.

N. 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.

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLES

For 2001, the City implemented the following:

- GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.
- GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments*.
- GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*.
- GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*.
- GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.
- GASB Interpretation No. 6, *Recognition and Measurements of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

The impact of these changes result in restatements of governmental funds as follows:

	General <u>Fund</u>	Parking Meter <u>Fund</u>	Street <u>Fund</u>
Fund balance at beginning of year	\$ 2,746,630	504,443	166,951
Adjustments	<u>(126,731)</u>	<u>(1,746)</u>	<u>(6,562)</u>
Fund balance at beginning of year, restated	\$ <u>2,619,899</u>	<u>502,697</u>	<u>160,389</u>

In addition, the Tri-Centennial Fund, which was previously reported as a special revenue fund, was reclassified as a private-purpose trust fund.

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. The government-wide financial statements split the City's programs between business-type and governmental activities. The beginning net asset amount for governmental programs reflects the change in fund balance at December 31, 2000 caused by the conversion to the accrual basis of accounting.

Fund balance - all governmental funds - December 31, 2000	\$ 12,695,077
GASB 34 adjustments:	
Capital assets	6,406,651
Long-term liabilities	(4,283,650)
Receivables	1,737,141
Internal service funds	<u>281,478</u>
Governmental activities net assets - December 31, 2000	\$ <u>16,836,697</u>

NOTE 3 – FUND DEFICITS

At December 31, 2001, the Refuse Fund had deficit net assets of \$1,648,862. 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 Fund has a deficit fund balance of \$2,146,802 is due to interfund borrowing for the construction of the new parking garage. Finally, the Community Development Block Grant Fund had a deficit fund balance of \$84,415, which was created by the application of generally accepted accounting principles in regards to the advance from the General Fund.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - 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 sheets as "Pooled Cash and Investments".

Cash Deposits - At year-end, the carrying amount of the City's deposits was \$1,523,263 and the bank balance was \$1,711,837. Of the bank balance, \$119,520 was covered by federal depository insurance. The remaining amounts are considered uninsured and uncollateralized as defined by GASB 3. However, the State of Ohio has established by statute a collateral pooling system for financial institutions acting as public depositories. Public depositories must pledge qualified securities with fair values greater than the total amount of all public deposits to be secured by the collateral pool. At year-end, the City had deposits of \$1,592,317 covered by collateral pools.

Investments - In accordance with State statutes and City ordinance, the City may invest in the State Treasury Asset Reserve of Ohio (STAROhio), certificates of deposit, repurchase agreements, U.S. Treasury bills and notes, U.S. Government Agency securities, bonds and other obligations of the State of Ohio, bankers acceptances and commercial paper of the highest rating. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of debt 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. Investments may only be made through eligible dealers and institutions as approved by City Council.

GASB 3 requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. Mutual Funds are not required to be categorized by GASB 3.

	<u>Fair Value</u>	<u>Risk Category</u>
U.S. Treasury Notes	\$ 10,011,237	Category 2
Federal National Mortgage Assoc. Notes	2,515,282	Category 2
Federal Home Loan Bank Notes	5,647,826	Category 2
Federal Home Loan Mortgage Corp. Notes	5,015,213	Category 2
Treasury Mutual Funds	<u>332,510</u>	Unclassified
	\$ <u>23,522,068</u>	

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 5 - 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 2001 were levied on December 31, 2000 on assessed values listed as of January 1, 2000, the lien date. One-half of these taxes were due on February 15, 2001 with the remaining balance due on July 20, 2001.

Tangible personal property taxes collected during 2001 had a levy date of December 31, 2000. One-half of these taxes were due between February 15, 2001 and April 30, 2001, with the remaining balance due on October 20, 2001.

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 reappraisal. The most recent revaluation was completed in 1996. 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, 2001, was \$3.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real Property Assessed Valuation	\$	174,924,750
Public Utility Real Property Assessed Valuation		6,939,160
Tangible Personal Property Assessed Valuation		<u>9,965,115</u>
 Total	 \$	 <u>191,829,025</u>

NOTE 6 - 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 2001, the proceeds were received to the General Fund.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2001 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,615,446	7,285	-	1,622,731
Construction in progress	-	384,528	-	384,528
Subtotal	<u>1,615,446</u>	<u>391,813</u>	<u>-</u>	<u>2,007,259</u>
<i>Capital assets being depreciated:</i>				
Buildings	2,360,481	2,795,781	(3,903)	5,152,359
Improvements	1,764,148	79,685	-	1,843,833
Equipment	3,519,504	447,286	(135,110)	3,831,680
General infrastructure	-	168,876	-	168,876
Subtotal	<u>7,644,133</u>	<u>3,491,628</u>	<u>(139,013)</u>	<u>10,996,748</u>
Totals at historical cost	<u>9,259,579</u>	<u>3,883,441</u>	<u>(139,013)</u>	<u>13,004,007</u>
<i>Less accumulated depreciation:</i>				
Buildings	994,764	71,124	-	1,065,888
Improvements	267,355	85,601	-	352,956
Equipment	1,579,699	355,409	(137,027)	1,798,081
General infrastructure	-	1,689	-	1,689
Total accumulated depreciation	<u>2,841,818</u>	<u>513,823</u>	<u>(137,027)</u>	<u>3,218,614</u>
Capital assets, net	<u>\$ 6,417,761</u>	<u>3,369,618</u>	<u>(1,986)</u>	<u>9,785,393</u>

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$ 219,267
Leisure time activities	32,071
Community environment	94,963
Transportation	94,039
General government	<u>73,483</u>
Total depreciation expense:	<u>\$ 513,823</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

Business-type Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 368,605	-	-	368,605
Construction in progress	<u>3,692</u>	-	-	<u>3,692</u>
Subtotal	<u>372,297</u>	-	-	<u>372,297</u>
<i>Capital assets being depreciated:</i>				
Buildings	8,195,457	181,697	-	8,377,154
Improvements	7,949,921	-	-	7,949,921
Equipment	3,705,072	146,788	(109,210)	3,742,650
Infrastructure	<u>23,118,203</u>	<u>2,724,605</u>	-	<u>25,842,808</u>
Subtotal	<u>42,968,653</u>	<u>3,053,090</u>	<u>(109,210)</u>	<u>45,912,533</u>
Totals at historical cost	<u>43,340,950</u>	<u>3,053,090</u>	<u>(109,210)</u>	<u>46,284,830</u>
 <i>Less accumulated depreciation:</i>				
Buildings	2,230,678	215,601	-	2,446,279
Improvements	6,023,857	227,874	-	6,251,731
Equipment	2,152,063	195,099	(109,210)	2,237,952
Infrastructure	<u>4,294,602</u>	<u>502,402</u>	-	<u>4,797,004</u>
Total accumulated depreciation	<u>14,701,200</u>	<u>1,140,976</u>	<u>(109,210)</u>	<u>15,732,966</u>
Capital assets, net	\$ <u>28,639,750</u>	<u>1,912,114</u>	<u>-</u>	<u>30,551,864</u>

Depreciation expense was charged to governmental functions as follows:

Water	\$ 379,653
Sewer	759,364
Refuse	<u>1,959</u>
Total depreciation expense	\$ <u>1,140,976</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 8 - DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

The City contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members, other than law enforcement employees, are required to contribute 8.5% of their annual covered salary. In January 2001, House Bill 416 divided the PERS law enforcement programs into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%. The City was required to contribute 13.55% of covered payroll for employees and 16.70% for employees engaged in law enforcement and public safety. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were approximately \$460,000, \$355,000, and \$435,000, respectively, equal to the required contributions for each year.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary while the City is required to contribute 19.5% and 24%, respectively for police officers and firefighters. The City's required contributions to the Fund for the years ended December 31, 2001, 2000, and 1999 were approximately \$270,000, \$269,000, and \$235,000, respectively, equal to the required contributions for each year.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 9 - POSTEMPLOYMENT BENEFITS

Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability 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 PERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2001 employer contribution rate was 13.55% of covered payroll for employees not engaged in law enforcement; 4.3% was the portion that was used to fund health care for the year. The 2001 employer contribution rate was 16.70% and 4.30% was used to fund health care for both the law enforcement and public safety divisions.

Actuarial Review. The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2000.

Funding Method. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

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

Investment Return. The investment assumption rate for 2000 was 7.75%.

Active Employee Total Payroll. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%.

Health Care. Health care costs were assumed to increase 4.75% annually.

The OPEB's are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The portion of the City's contributions that were used to fund postemployment benefits was approximately \$140,000. At December 31, 2000, the actuarial value of the Retirement System's net assets available for OPEB was \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

Ohio Police and Fire Pension Fund

The Ohio and Police Fire Pension Fund (OP&F) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly 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. 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 that that health care costs paid from the funds of OP&F 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 rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.5% of covered payroll was applied to the postemployment health care program in 2001.

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. The number of participants eligible to receive health care benefits as of December 31, 2000, (the latest information available) was 12,853 for police and 10,037 for firefighters. The Fund's total health care expenses for the year ended December 31, 2000 were \$106,160,054, which was net of member contributions of \$5,657,431. The City's actual contributions for 2001 that were used to fund OPEB were approximately \$102,000.

NOTE 10 – OTHER EMPLOYEE BENEFITS

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 workweek. 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 \$315,147 at December 31, 2001.

CITY OF OXFORD, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2001

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 a 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 \$262,812 at December 31, 2001.

NOTE 11 - 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 officials 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 except that the City was unable to obtain flood insurance.

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 \$20,000 per individual or \$351,232 in the aggregate in a given year are covered through a private insurance carrier.

The claims liability of \$71,152 reported in the fund at December 31, 2001 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 a 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 in the fund's claims liability amount for the past two years were:

	<u>2001</u>	<u>2000</u>
Unpaid claims, beginning of year	\$ 47,106	46,882
Incurred claims (including IBNR)	574,755	476,096
Claim payments	<u>(550,709)</u>	<u>(475,872)</u>
Unpaid claims, end of year	\$ <u>71,152</u>	<u>47,106</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - INTERFUND ASSETS/LIABILITIES

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 150,000	
Parking Fund	-	2,700,312
Capital Improvement Fund	2,700,312	
Non-major governmental fund	<u>-</u>	<u>150,000</u>
	\$ <u>2,850,312</u>	<u>2,850,312</u>

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 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.

NOTE 13 - CAPITALIZED LEASES

The City has leased three copiers under capital leases. The assets under capital lease were recorded at \$35,363, 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, together with the net present value of the minimum lease payments as of December 31, 2001:

Year Ending December 31	
2002	\$ 8,285
2003	6,787
2004	5,738
2005	<u>216</u>
Minimum lease payments	21,026
Less amount representing interest	<u>3,223</u>
Present value of minimum lease payments	\$ <u>17,803</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 14 - LONG-TERM LIABILITIES

The following is a summary of changes during 2001 and balances for long-term liabilities of the City as of December 31, 2001:

	Balance January 1, 2001	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2001	Due Within <u>One Year</u>
Governmental activities:					
General Obligation Bonds					
1999 Park Improvement, 1999-2019, 3.9% to 5.55%	\$ 3,825,000	-	125,000	3,700,000	130,000
Capital lease obligations	13,804	9,930	5,931	17,803	6,484
Compensated absences	<u>441,884</u>	<u>455,059</u>	<u>478,494</u>	<u>418,449</u>	<u>-</u>
Total	\$ <u>4,280,688</u>	<u>464,989</u>	<u>609,425</u>	<u>4,136,252</u>	<u>136,484</u>
Business-type activities:					
Water Fund:					
Mortgage Revenue Bonds					
1992 Water Supply System 1992-2014, 3.25% to 6%	\$ <u>11,135,000</u>	<u>-</u>	<u>535,000</u>	<u>10,600,000</u>	<u>560,000</u>
Sewer Fund:					
1987 OWDA Loan 7.73%	2,271,442	-	215,635	2,055,807	232,304
1997 OWDA Loan 4.12%	598,434	-	25,950	572,484	27,030
1997 OWDA Loan 4.12%	6,158,906	-	236,597	5,922,309	246,445
1998 OWDA Loan 3.98%	<u>292,930</u>	<u>-</u>	<u>11,402</u>	<u>281,528</u>	<u>11,860</u>
Subtotal	<u>9,321,712</u>	<u>-</u>	<u>489,584</u>	<u>8,832,128</u>	<u>517,639</u>
Refuse Fund:					
1995 OWDA Loan 4.35%	3,199,684	-	162,404	3,037,280	169,545
Landfill post-closure payable	<u>1,182,326</u>	<u>189,573</u>	<u>47,990</u>	<u>1,323,909</u>	<u>-</u>
Subtotal	<u>4,382,010</u>	<u>189,573</u>	<u>210,394</u>	<u>4,361,189</u>	<u>169,545</u>
Compensated absences	<u>159,185</u>	<u>174,178</u>	<u>173,852</u>	<u>159,511</u>	<u>-</u>
Total	\$ <u>24,997,907</u>	<u>363,751</u>	<u>1,408,830</u>	<u>23,952,828</u>	<u>1,247,184</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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. Unused proceeds from these bonds are included in net assets restricted for capital projects.

The mortgage revenue bonds payable 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.

The mortgage revenue bonds are callable at the option of the City at the following redemption premiums on the dates indicated:

<u>Redemption Dates</u>	<u>Premium - % of Par Value</u>
December 1, 2002 and June 1, 2003	102%
December 1, 2003 and June 1, 2004	101%
December 1, 2004 and thereafter	100%

As of December 31, 2001, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$16,442,805. Principal and interest requirements to retire the City's outstanding obligations at December 31, 2001 were:

	<u>Government Activities</u>		<u>Business-type Activities</u>			
	<u>Park Improvement Bonds</u>		<u>Mortgage Revenue Bonds</u>		<u>OWDA Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 130,000	194,739	560,000	636,000	687,184	565,098
2003	140,000	189,099	595,000	602,400	724,458	527,824
2004	145,000	182,811	630,000	566,700	763,939	488,343
2005	150,000	176,151	670,000	528,900	805,771	446,511
2006	160,000	169,108	710,000	488,700	850,107	402,175
2007-2011	710,000	720,586	4,235,000	1,752,300	3,748,557	1,339,199
2012-2016	-	628,540	3,200,000	391,500	3,293,426	562,129
2017-2019	<u>2,265,000</u>	<u>377,124</u>	<u>-</u>	<u>-</u>	<u>995,966</u>	<u>50,964</u>
Total	\$ <u>3,700,000</u>	<u>2,638,158</u>	<u>10,600,000</u>	<u>4,966,500</u>	<u>11,869,408</u>	<u>4,382,243</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 15 – OPERATING TRANSFERS

The City made the following operating transfers during 2001:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	1,945,000
Parking Fund	-	2,795,312
Capital Improvement Fund	1,200,000	-
Parking Improvement Fund	2,700,312	-
Non-major governmental funds	<u>840,000</u>	<u>-</u>
	<u>\$ 4,740,312</u>	<u>4,740,312</u>

The General Fund transferred \$325,000 to the Debt Service Fund for general obligation bond retirement and \$220,000 to the Street Fund for operating costs associated with street maintenance. The General Fund also transferred \$1,200,000 and \$200,000, respectively, to the Capital Improvement and Capital Replacement funds for capital projects and equipment purchases.

The Parking Fund transferred \$2,700,312 to the Parking Improvement Fund for the construction costs of the new parking garage and \$95,000 to the Street Fund for operating costs related to street maintenance.

NOTE 16 – DEFEASANCE OF MORTGAGE REVENUE BONDS

On September 8, 1992, the City issued \$14,965,000 1992 Series Mortgage Revenue Bonds with an interest rate range of 3.25% to 6% to defease the \$13,255,000 1988 Series Mortgage Revenue Bonds. Proceeds from the 1992 Series Mortgage Revenue Bonds were deposited in an escrow fund used to purchase U.S. Treasury securities, and other direct issuances of federal government agencies or instrumentalities which, together with the earnings thereon, will pay the remaining principal, interest, and call premium when due. Neither the assets of the escrow fund nor the unpaid principal on the defeased bonds are included in the accompanying balance sheet. At December 31, 2001, no defeased debt remained outstanding as it was completely retired in 2001.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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 \$1,323,909. 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 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 bonds are to be repaid in equal monthly installments through October 2003. The total outstanding at December 31, 2001 is \$6,061,478.

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.

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, 2001 is \$6,207,018.

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.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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 2001, the City made no contributions to the Hospital.

The City Council appoints four members of the Board of Trustees of the Oxford Community Improvement Corporation (CIC). The City's accountability for this organization does not extend beyond making the appointments. During 2001, the City contributed \$50,000 to the CIC.

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.

NOTE 21 – SUBSEQUENT EVENT

In April 2002, City Council authorized the City Manager to enter into a contract for \$2,991,189 for construction of Phase I of the community park. The project will be paid for out of funds in the Parks and Open Spaces Fund.

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2001

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Property and other taxes	\$ 706,900	706,900	689,550	(17,350)
Municipal income taxes	5,317,400	5,317,400	5,555,280	237,880
Intergovernmental	1,109,170	1,109,170	1,584,767	475,597
Charges for services	264,780	294,450	304,630	10,180
Fines, costs and forfeitures	155,000	155,000	188,356	33,356
Licenses, permits and inspections	271,800	271,800	277,502	5,702
Interest	375,000	375,000	418,834	43,834
Contributions	26,700	33,200	31,881	(1,319)
Other	6,000	6,000	100,335	94,335
Total revenues	<u>8,232,750</u>	<u>8,268,920</u>	<u>9,151,135</u>	<u>882,215</u>
Expenditures:				
Current:				
Security of persons and property				
Police law enforcement	2,416,650	2,416,650	2,262,465	154,185
Traffic control	55,600	55,600	55,434	166
Animal control	30,434	30,434	30,154	280
Communications	490,117	503,117	496,528	6,589
Firefighting and training	205,611	231,181	219,143	12,038
Life squad	80,500	80,500	76,133	4,367
Civil defense	9,465	9,465	6,274	3,191
Street lighting	66,500	66,500	65,682	818
Total security of persons and property	<u>3,354,877</u>	<u>3,393,447</u>	<u>3,211,813</u>	<u>181,634</u>
Public health services				
Cemeteries	13,500	13,500	12,107	1,393
Public health	6,300	6,300	6,197	103
Community assistance	86,500	86,500	78,000	8,500
Total public health services	<u>106,300</u>	<u>106,300</u>	<u>96,304</u>	<u>9,996</u>
Leisure time activities				
Senior citizens and community center	41,800	42,700	37,021	5,679
Senior citizens programming	3,000	3,000	3,000	-
Swimming pool	97,115	97,115	92,996	4,119
Recreation programs	449,708	464,108	433,600	30,508
Parks maintenance	138,311	138,311	134,055	4,256
Recreation administration	105,015	105,015	101,592	3,423
Total leisure time activities	<u>834,949</u>	<u>850,249</u>	<u>802,264</u>	<u>47,985</u>

(Continued)

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2001

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Community environment				
Planning department	235,938	235,938	196,521	39,417
Inspections	272,319	272,319	252,038	20,281
Affordable housing	33,500	33,500	26,000	7,500
Urban forestry	39,700	39,700	38,552	1,148
Economic development	50,000	50,000	50,000	-
Help van	11,000	11,000	11,000	-
Total community environment	<u>642,457</u>	<u>642,457</u>	<u>574,111</u>	<u>68,346</u>
General government:				
Public information	108,566	108,566	95,509	13,057
City manager	132,620	132,620	121,527	11,093
Administrative support	38,460	38,460	35,758	2,702
Finance department	225,303	225,303	210,952	14,351
Income tax collections	131,000	131,000	127,923	3,077
Law	119,700	119,700	109,252	10,448
Civil service and personnel	49,192	49,192	43,846	5,346
Auditing	-	-	-	-
Clerk of council	85,050	85,050	74,129	10,921
Legislative	44,105	44,105	35,631	8,474
Municipal building	104,460	107,560	97,096	10,464
City garage	112,550	115,550	108,201	7,349
Court house	51,500	55,200	50,166	5,034
Engineering	121,009	121,009	95,793	25,216
Insurance	99,200	99,200	91,189	8,011
Contingency	48,640	48,640	-	48,640
Total general government	<u>1,471,355</u>	<u>1,481,155</u>	<u>1,296,972</u>	<u>184,183</u>
Total expenditures	<u>6,409,938</u>	<u>6,473,608</u>	<u>5,981,464</u>	<u>492,144</u>
Excess of revenues over expenditures	<u>1,822,812</u>	<u>1,795,312</u>	<u>3,169,671</u>	<u>1,374,359</u>
Other uses:				
Operating transfers out	<u>(1,945,000)</u>	<u>(2,045,000)</u>	<u>(2,045,000)</u>	<u>-</u>
Total other financing uses	<u>(1,945,000)</u>	<u>(2,045,000)</u>	<u>(2,045,000)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other uses	(122,188)	(249,688)	1,124,671	1,374,359
Fund balance, beginning of year	2,112,546	2,112,546	2,112,546	
Prior year encumbrances appropriated	170,127	170,127	170,127	
Fund balance, end of year	<u>\$ 2,160,485</u>	<u>2,032,985</u>	<u>3,407,344</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
PARKING FUND
YEAR ENDED DECEMBER 31, 2001

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Charges for services	\$ 160,000	160,000	203,266	43,266
Fines, costs, and forfeitures	64,000	64,000	59,409	(4,591)
Interest	22,500	22,500	27,072	4,572
Total revenues	<u>246,500</u>	<u>246,500</u>	<u>289,747</u>	<u>43,247</u>
Expenditures:				
Current:				
Transportation	167,288	167,288	157,296	9,992
Total expenditures	<u>167,288</u>	<u>167,288</u>	<u>157,296</u>	<u>9,992</u>
Excess of revenues over expenditures	<u>79,212</u>	<u>79,212</u>	<u>132,451</u>	<u>53,239</u>
Other financing uses:				
Operating transfers out	(95,000)	(95,000)	(95,000)	-
Total other financing uses	<u>(95,000)</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other uses	(15,788)	(15,788)	37,451	53,239
Fund balance, beginning of year	476,627	476,627	476,627	
Prior year encumbrances appropriated	25,520	25,520	25,520	
Fund balance, end of year	<u>\$ 486,359</u>	<u>486,359</u>	<u>539,598</u>	

CITY OF OXFORD, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2001

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 principles (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 and 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, 2001, on the GAAP basis to the budget basis are as follows:

	<u>General Fund</u>	<u>Parking Fund</u>
Net change in fund balance - <i>GAAP Basis</i>	\$ 1,541,851	(2,649,499)
Increase / (decrease:		
Due to revenues	(9,981)	295
Due to expenditures	(39,162)	(1,260)
Due to encumbrances	(258,107)	(12,397)
Due to other sources (uses)	<u>(109,930)</u>	<u>2,700,312</u>
Excess of revenues and other sources over (under) expenditures and other uses - <i>Budget Basis</i>	\$ <u>1,124,671</u>	<u>37,451</u>

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SUPPLEMENTAL SECTION

GENERAL FUND

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

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.

Non-major Special Revenue Funds (continued):

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

Recreation Gift Fund - To account for contributions from private sources to benefit the parks and recreation facilities of the City.

DEBT SERVICE FUND

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

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

Major Capital Projects Funds:

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

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.

Non-major Capital Projects Fund:

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

ENTERPRISE FUNDS

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

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.

PRIVATE-PURPOSE TRUST FUND

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Tricentennial Fund - To account for contributions and investments to be given to the Oxford Tricentennial celebration committee.

AGENCY FUNDS

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, 2001**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 833,068	757	470,660	1,304,485
Receivables:				
Accounts	255	-	-	255
Due from other governments	177,170	-	-	177,170
Supplies inventory	77,636	-	-	77,636
Total assets	<u>1,088,129</u>	<u>757</u>	<u>470,660</u>	<u>1,559,546</u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	41,042	-	5,564	46,606
Accrued salaries payable	16,527	-	-	16,527
Due to other governments	1,761	-	-	1,761
Compensated absences payable	162,179	-	-	162,179
Advances from other funds	150,000	-	-	150,000
Total liabilities	<u>371,509</u>	<u>-</u>	<u>5,564</u>	<u>377,073</u>
 Fund balances:				
Reserved for:				
Encumbrances	78,825	-	58,739	137,564
Inventory	77,636	-	-	77,636
Unreserved	560,159	757	406,357	967,273
Total fund balances	<u>716,620</u>	<u>757</u>	<u>465,096</u>	<u>1,182,473</u>
Total liabilities and fund equity	<u>\$ 1,088,129</u>	<u>757</u>	<u>470,660</u>	<u>1,559,546</u>

**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ 343,554	-	-	343,554
Charges for services	4,838	-	-	4,838
Fines, costs and forfeitures	4,100	-	-	4,100
Interest	40,336	-	729	41,065
Contributions	13,150	-	9,800	22,950
Other	14,291	-	15,000	29,291
Total revenues	<u>420,269</u>	<u>-</u>	<u>25,529</u>	<u>445,798</u>
Expenditures:				
Current:				
Security of persons and property	34,616	-	-	34,616
Community environment	171,053	-	-	171,053
Transportation	537,075	-	-	537,075
Capital outlay	-	-	405,974	405,974
Debt service:				
Principal retirement	-	125,000	-	125,000
Interest and fiscal charges	-	199,243	-	199,243
Total expenditures	<u>742,744</u>	<u>324,243</u>	<u>405,974</u>	<u>1,472,961</u>
Excess of revenues over (under) expenditures	<u>(322,475)</u>	<u>(324,243)</u>	<u>(380,445)</u>	<u>(1,027,163)</u>
Other financing sources:				
Operating transfers in	<u>315,000</u>	<u>325,000</u>	<u>200,000</u>	<u>840,000</u>
Total other financing sources	<u>315,000</u>	<u>325,000</u>	<u>200,000</u>	<u>840,000</u>
Excess of revenues and other sources over (under) expenditures	(7,475)	757	(180,445)	(187,163)
Fund balance at beginning of year	708,678	-	645,541	1,354,219
Increase in reserve for inventory	<u>15,417</u>	<u>-</u>	<u>-</u>	<u>15,417</u>
Fund balance at end of year	<u>\$ 716,620</u>	<u>757</u>	<u>465,096</u>	<u>1,182,473</u>

**CITY OF OXFORD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2001**

	<u>Street</u>	<u>State Highway</u>	<u>Community Development Block Grant</u>
<i>Assets:</i>			
Equity in pooled cash and investments	\$ 147,624	13,417	105,054
Receivables:			
Accounts	-	-	-
Due from other governments	84,483	6,850	85,837
Supplies inventory	<u>77,636</u>	<u>-</u>	<u>-</u>
Total assets	<u>309,743</u>	<u>20,267</u>	<u>190,891</u>
<i>Liabilities and Fund Equity:</i>			
<i>Liabilities:</i>			
Accounts payable	1,573	-	39,469
Accrued salaries and benefits	16,527	-	-
Due to other governments	1,761	-	-
Deferred revenue	70,616	5,726	85,837
Advances from other funds	<u>-</u>	<u>-</u>	<u>150,000</u>
Total liabilities	<u>90,477</u>	<u>5,726</u>	<u>275,306</u>
<i>Fund Balances:</i>			
Reserved for:			
Encumbrances	6,534	7,688	19,603
Inventory	77,636	-	-
Unreserved	<u>135,096</u>	<u>6,853</u>	<u>(104,018)</u>
Total fund balances	<u>219,266</u>	<u>14,541</u>	<u>(84,415)</u>
Total liabilities and fund equity	<u>\$ 309,743</u>	<u>20,267</u>	<u>190,891</u>

<u>Community Development Block Grant Loan</u>	<u>Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Life Squad</u>	<u>Recreation Gift</u>	<u>TOTAL</u>
514,728	13,758	8,064	28,558	1,865	833,068
-	-	255	-	-	255
-	-	-	-	-	177,170
-	-	-	-	-	77,636
<u>514,728</u>	<u>13,758</u>	<u>8,319</u>	<u>28,558</u>	<u>1,865</u>	<u>1,088,129</u>
-	-	-	-	-	41,042
-	-	-	-	-	16,527
-	-	-	-	-	1,761
-	-	-	-	-	162,179
-	-	-	-	-	150,000
-	-	-	-	-	371,509
45,000	-	-	-	-	78,825
-	-	-	-	-	77,636
<u>469,728</u>	<u>13,758</u>	<u>8,319</u>	<u>28,558</u>	<u>1,865</u>	<u>560,159</u>
<u>514,728</u>	<u>13,758</u>	<u>8,319</u>	<u>28,558</u>	<u>1,865</u>	<u>716,620</u>
<u>514,728</u>	<u>13,758</u>	<u>8,319</u>	<u>28,558</u>	<u>1,865</u>	<u>1,088,129</u>

**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Street</u>	<u>State Highway</u>	<u>Community Development Block Grant</u>
Revenues:			
Intergovernmental	\$ 232,489	14,794	88,824
Charges for services	4,838	-	-
Fines, costs and forfeitures	-	-	-
Interest	7,502	625	1,008
Contributions	-	-	-
Other	13,844	-	-
Total revenues	<u>258,673</u>	<u>15,419</u>	<u>89,832</u>
Expenditures:			
Current:			
Security of persons and property	-	-	-
Community environment	-	-	171,053
Transportation	530,213	6,862	-
Total expenditures	<u>530,213</u>	<u>6,862</u>	<u>171,053</u>
Excess of revenues over (under) expenditures	<u>(271,540)</u>	<u>8,557</u>	<u>(81,221)</u>
Other financing sources (uses)			
Operating transfers in	315,000	-	-
Total other financing sources (uses)	<u>315,000</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	43,460	8,557	(81,221)
Fund balance at beginning of year	160,389	5,984	(3,194)
Increase in reserve for inventory	15,417	-	-
Fund balance at end of year	<u>\$ 219,266</u>	<u>14,541</u>	<u>(84,415)</u>

Community Development Block Grant Loan	Law Enforcement	Enforcement and Education	Life Squad	Recreation Gift	<i>TOTAL</i>
-	-	-	7,447	-	343,554
-	-	-	-	-	4,838
-	1,852	2,248	-	-	4,100
27,754	847	540	1,964	96	40,336
-	-	-	12,916	234	13,150
-	447	-	-	-	14,291
<u>27,754</u>	<u>3,146</u>	<u>2,788</u>	<u>22,327</u>	<u>330</u>	<u>420,269</u>
-	4,022	4,022	26,572	-	34,616
-	-	-	-	-	171,053
-	-	-	-	-	537,075
<u>-</u>	<u>4,022</u>	<u>4,022</u>	<u>26,572</u>	<u>-</u>	<u>742,744</u>
<u>27,754</u>	<u>(876)</u>	<u>(1,234)</u>	<u>(4,245)</u>	<u>330</u>	<u>(322,475)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,000</u>
27,754	(876)	(1,234)	(4,245)	330	(7,475)
486,974	14,634	9,553	32,803	1,535	708,678
-	-	-	-	-	15,417
<u>514,728</u>	<u>13,758</u>	<u>8,319</u>	<u>28,558</u>	<u>1,865</u>	<u>716,620</u>

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
STREET FUND
YEAR ENDED DECEMBER 31, 2001

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental	\$ 232,000	232,000	232,285	285
Charges for services	1,200	1,200	4,838	3,638
Interest	5,000	5,000	6,547	1,547
Other	-	-	13,844	13,844
Total revenues	<u>238,200</u>	<u>238,200</u>	<u>257,514</u>	<u>19,314</u>
Expenditures:				
Current:				
Transportation	<u>566,443</u>	<u>566,443</u>	<u>553,631</u>	<u>12,812</u>
Total expenditures	<u>566,443</u>	<u>566,443</u>	<u>553,631</u>	<u>12,812</u>
Excess of revenues over (under) expenditures	<u>(328,243)</u>	<u>(328,243)</u>	<u>(296,117)</u>	<u>32,126</u>
Other financing sources:				
Operating transfers in	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>	<u>-</u>
Total other financing sources	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	(13,243)	(13,243)	18,883	32,126
Fund balance, beginning of year	103,742	103,742	103,742	
Prior year encumbrances appropriated	<u>14,893</u>	<u>14,893</u>	<u>14,893</u>	
Fund balance, end of year	<u>\$ 105,392</u>	<u>105,392</u>	<u>137,518</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
STATE HIGHWAY FUND
YEAR ENDED DECEMBER 31, 2001**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental	\$ 15,100	15,100	14,778	(322)
Interest	100	100	507	407
Total revenues	<u>15,200</u>	<u>15,200</u>	<u>15,285</u>	<u>85</u>
Expenditures:				
Current:				
Transportation	17,500	17,500	17,051	449
Total expenditures	<u>17,500</u>	<u>17,500</u>	<u>17,051</u>	<u>449</u>
Excess of revenues over expenditures	(2,300)	(2,300)	(1,766)	534
Fund balance, beginning of year	4,812	4,812	4,812	
Prior year encumbrances appropriated	2,500	2,500	2,500	
Fund balance, end of year	<u>\$ 5,012</u>	<u>5,012</u>	<u>5,546</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED DECEMBER 31, 2001

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Intergovernmental	\$ 186,500	192,456	91,800	(100,656)
Total revenues	<u>186,500</u>	<u>192,456</u>	<u>91,800</u>	<u>(100,656)</u>
Expenditures:				
Current:				
Community environment	194,312	200,268	194,263	6,005
Total expenditures	<u>194,312</u>	<u>200,268</u>	<u>194,263</u>	<u>6,005</u>
Excess of revenues over (under) expenditures	<u>(7,812)</u>	<u>(7,812)</u>	<u>(102,463)</u>	<u>(94,651)</u>
Other financing sources:				
Operating transfers in	100,000	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	92,188	92,188	(2,463)	(94,651)
Fund balance, beginning of year	39,212	39,212	39,212	
Prior year encumbrances appropriated	<u>7,812</u>	<u>7,812</u>	<u>7,812</u>	
Fund balance, end of year	\$ <u>139,212</u>	<u>139,212</u>	<u>44,561</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
COMMUNITY DEVELOPMENT BLOCK GRANT LOAN FUND
YEAR ENDED DECEMBER 31, 2001

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Interest	\$ 15,000	15,000	24,785	9,785
Other	-	-	250	250
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>25,035</u>	<u>10,035</u>
Expenditures:				
Current:				
Community environment	<u>452,000</u>	<u>452,000</u>	<u>45,000</u>	<u>407,000</u>
Total expenditures	<u>452,000</u>	<u>452,000</u>	<u>45,000</u>	<u>407,000</u>
Excess of revenues over (under) expenditures	(437,000)	(437,000)	(19,965)	417,035
Fund balance, beginning of year	482,724	482,724	482,724	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 45,724</u>	<u>45,724</u>	<u>462,759</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
LAW ENFORCEMENT FUND
YEAR ENDED DECEMBER 31, 2001

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines, costs, and forfeitures	\$ 1,000	1,000	1,852	852
Interest	350	350	789	439
Other	175	175	447	272
Total revenues	<u>1,525</u>	<u>1,525</u>	<u>3,088</u>	<u>1,563</u>
Expenditures:				
Current:				
Security of persons and property	6,000	6,000	4,022	1,978
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>4,022</u>	<u>1,978</u>
Excess of revenues over (under) expenditures	(4,475)	(4,475)	(934)	3,541
Fund balance, beginning of year	14,505	14,505	14,505	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 10,030</u>	<u>10,030</u>	<u>13,571</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
ENFORCEMENT AND EDUCATION FUND
YEAR ENDED DECEMBER 31, 2001**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Fines, costs, and forfeitures	\$ 2,000	2,000	2,113	113
Interest	200	200	513	313
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>2,626</u>	<u>426</u>
Expenditures:				
Current:				
Security of persons and property	6,000	6,000	4,022	1,978
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>4,022</u>	<u>1,978</u>
Excess of revenues over (under) expenditures	(3,800)	(3,800)	(1,396)	2,404
Fund balance, beginning of year	9,351	9,351	9,351	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 5,551</u>	<u>5,551</u>	<u>7,955</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
LIFE SQUAD FUND
YEAR ENDED DECEMBER 31, 2001**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Intergovernmental	\$ 2,500	2,500	7,447	4,947
Interest	1,000	1,000	1,893	893
Contributions	12,500	12,500	9,466	(3,034)
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>18,806</u>	<u>2,806</u>
Expenditures:				
Current:				
Security of persons and property	28,000	28,000	26,571	1,429
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>26,571</u>	<u>1,429</u>
Excess of revenues over (under) expenditures	(12,000)	(12,000)	(7,765)	4,235
Fund balance, beginning of year	35,937	35,937	35,937	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 23,937</u>	<u>23,937</u>	<u>28,172</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
RECREATION GIFT FUND
YEAR ENDED DECEMBER 31, 2001**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest	\$ 50	50	84	34
Contributions	-	-	234	234
Total revenues	<u>50</u>	<u>50</u>	<u>318</u>	<u>268</u>
Expenditures:				
Current:				
Security of persons and property	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	50	50	318	268
Fund balance, beginning of year	1,522	1,522	1,522	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 1,572</u>	<u>1,572</u>	<u>1,840</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2001

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Other	\$ -	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service:				
Principal	125,000	125,000	125,000	
Interest	200,000	200,000	199,243	757
Total expenditures	<u>325,000</u>	<u>325,000</u>	<u>324,243</u>	<u>757</u>
Excess of revenues over (under) expenditures	<u>(325,000)</u>	<u>(325,000)</u>	<u>(324,243)</u>	<u>757</u>
Other financing sources (uses):				
Operating transfers in	325,000	325,000	325,000	-
Total other financing sources	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	-	-	757	757
Fund balance, beginning of year	-	-	-	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>757</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2001

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 6,500	6,500	7,519	1,019
Intergovernmental	30,000	30,000	-	(30,000)
Other	-	-	6,859	6,859
Total revenues	<u>36,500</u>	<u>36,500</u>	<u>14,378</u>	<u>(22,122)</u>
Expenditures:				
Capital outlay	<u>2,606,944</u>	<u>2,606,944</u>	<u>663,551</u>	<u>1,943,393</u>
Total expenditures	<u>2,606,944</u>	<u>2,606,944</u>	<u>663,551</u>	<u>1,943,393</u>
Excess of revenues over (under) expenditures	<u>(2,570,444)</u>	<u>(2,570,444)</u>	<u>(649,173)</u>	<u>1,921,271</u>
Other financing sources (uses):				
Operating transfers in	1,200,000	1,200,000	1,200,000	-
Operating transfers out	-	(2,700,312)	(2,700,312)	-
Total other financing sources	<u>1,200,000</u>	<u>(1,500,312)</u>	<u>(1,500,312)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	<u>(1,370,444)</u>	<u>(4,070,756)</u>	<u>(2,149,485)</u>	<u>1,921,271</u>
Fund balance, beginning of year	4,327,566	4,327,566	4,327,566	
Prior year encumbrances appropriated	<u>158,942</u>	<u>158,942</u>	<u>158,942</u>	
Fund balance, end of year	<u>\$ 3,116,064</u>	<u>415,752</u>	<u>2,337,023</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
PARKING IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2001

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Total revenues	\$ -	-	-	-
Expenditures:				
Capital outlay	3,500	2,703,812	2,703,710	102
Total expenditures	3,500	2,703,812	2,703,710	102
Excess of revenues over (under) expenditures	(3,500)	(2,703,812)	(2,703,710)	102
Other financing sources:				
Operating transfers in	-	2,700,312	2,700,312	-
Total other financing sources	-	2,700,312	2,700,312	-
Excess of revenues and other sources over (under) expenditures	(3,500)	(3,500)	(3,398)	102
Fund balance, beginning of year	8,104	8,104	8,104	
Prior year encumbrances appropriated	500	500	500	
Fund balance, end of year	\$ 5,104	5,104	5,206	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
CAPITAL EQUIPMENT FUND
YEAR ENDED DECEMBER 31, 2001

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Contributions	\$ -	-	24,800	24,800
Total revenues	-	-	24,800	24,800
Expenditures:				
Capital outlay	569,616	569,616	465,386	104,230
Total expenditures	569,616	569,616	465,386	104,230
Excess of revenues over (under) expenditures	(569,616)	(569,616)	(440,586)	129,030
Other financing sources:				
Operating transfers in	200,000	200,000	200,000	-
Total other financing sources	200,000	200,000	200,000	-
Excess of revenues and other sources over (under) expenditures	(369,616)	(369,616)	(240,586)	129,030
Fund balance, beginning of year	415,467	415,467	415,467	
Prior year encumbrances appropriated	225,683	225,683	225,683	
Fund balance, end of year	\$ 271,534	271,534	400,564	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
PARKS AND OPEN SPACES FUND
YEAR ENDED DECEMBER 31, 2001**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Interest	\$ 100,000	100,000	183,494	83,494
Contributions	<u>125,979</u>	<u>125,979</u>	<u>11,678</u>	<u>(114,301)</u>
Total revenues	<u>225,979</u>	<u>225,979</u>	<u>195,172</u>	<u>(30,807)</u>
Expenditures:				
Capital outlay	<u>3,206,460</u>	<u>3,274,089</u>	<u>279,082</u>	<u>2,995,007</u>
Total expenditures	<u>3,206,460</u>	<u>3,274,089</u>	<u>279,082</u>	<u>2,995,007</u>
Excess of revenues over (under) expenditures	(2,980,481)	(3,048,110)	(83,910)	2,964,200
Fund balance, beginning of year	3,474,689	3,474,689	3,474,689	
Prior year encumbrances appropriated	<u>192,396</u>	<u>192,396</u>	<u>192,396</u>	
Fund balance, end of year	\$ <u>686,604</u>	<u>618,975</u>	<u>3,583,175</u>	

**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2001**

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
<i>Assets</i>			
Equity in pooled cash and investments	\$ 229,803	61,133	290,936
Prepays	12,400	-	12,400
Materials and supplies inventory	-	11,953	11,953
Capital assets, net	-	<u>6,920</u>	<u>6,920</u>
Total assets	<u>242,203</u>	<u>80,006</u>	<u>322,209</u>
<i>Liabilities</i>			
Accounts payable	-	5,087	5,087
Claims payable	71,152	-	71,152
Capital lease payable	-	1,470	1,470
Total liabilities	<u>71,152</u>	<u>6,557</u>	<u>77,709</u>
<i>Net Assets</i>			
Unrestricted	\$ <u>171,051</u>	<u>73,449</u>	<u>244,500</u>

**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 568,899	91,616	660,515
Total operating revenues	<u>568,899</u>	<u>91,616</u>	<u>660,515</u>
Operating expenses:			
Contractual services	186,890	-	186,890
Supplies and materials	-	84,471	84,471
Claims	574,755	-	574,755
Depreciation	-	2,204	2,204
Total operating expenses	<u>761,645</u>	<u>86,675</u>	<u>848,320</u>
Operating income (loss)	<u>(192,746)</u>	<u>4,941</u>	<u>(187,805)</u>
Non-operating revenues (expenses):			
Interest revenue	16,552	3,293	19,845
Interest and fiscal charges	-	(264)	(264)
Total non-operating revenues (expenses)	<u>16,552</u>	<u>3,029</u>	<u>19,581</u>
Change in net assets	(176,194)	7,970	(168,224)
Net assets, beginning of year	<u>347,245</u>	<u>65,479</u>	<u>412,724</u>
Net assets, end of year	\$ <u><u>171,051</u></u>	<u><u>73,449</u></u>	<u><u>244,500</u></u>

**CITY OF OXFORD, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Employee Benefits	Internal Service	Total
Cash flows from operating activities:			
Cash received from customers	\$ -	3,394	3,394
Cash received from quasi-external operating transactions with other funds	568,899	88,222	657,121
Cash payments to suppliers for goods and services	(199,290)	(84,018)	(283,308)
Cash payments for employee medical claims	(550,709)	-	(550,709)
Net cash provided (used) by operating activities	<u>(181,100)</u>	<u>7,598</u>	<u>(173,502)</u>
Cash flows from capital and related financing activities:			
Principal payments on capital lease	-	(3,331)	(3,331)
Interest payments on capital lease	-	(264)	(264)
Net cash used for capital and related financing activities	<u>-</u>	<u>(3,595)</u>	<u>(3,595)</u>
Cash flows from investing activities:			
Interest	<u>17,180</u>	<u>3,379</u>	<u>20,559</u>
Net cash used by investing activities	<u>17,180</u>	<u>3,379</u>	<u>20,559</u>
Net change in cash and investments	(163,920)	7,382	(156,538)
Cash and investments beginning of year	<u>393,723</u>	<u>53,751</u>	<u>447,474</u>
Cash and investments end of year	\$ <u>229,803</u>	<u>61,133</u>	<u>290,936</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (192,746)	4,941	(187,805)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	-	2,204	2,204
Changes in assets and liabilities:			
Prepaid items	(12,400)	-	(12,400)
Materials and supplies inventory	-	(4,634)	(4,634)
Accounts payable	-	5,087	5,087
Claims payable	<u>24,046</u>	<u>-</u>	<u>24,046</u>
Net cash provided (used) by operating activities	\$ <u>(181,100)</u>	<u>7,598</u>	<u>(173,502)</u>

CITY OF OXFORD, OHIO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2001

		Hotel Tax Fund	Board of Building Standards Fund	Oxford Natural Gas Refund Fund	Total Agency Funds
<i>Assets</i>					
Pooled cash and investments	\$	-	1	409,840	409,841
Receivables:					
Taxes		5,179	-	-	5,179
Total assets		<u>5,179</u>	<u>1</u>	<u>409,840</u>	<u>415,020</u>
<i>Liabilities</i>					
Due to others		5,179	1	409,840	415,020
Total liabilities	\$	<u>5,179</u>	<u>1</u>	<u>409,840</u>	<u>415,020</u>

**CITY OF OXFORD, OHIO
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2001**

	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
SECURITY OF PERSONS AND PROPERTY:							
Police department	\$ -	226,962	-	733,709	-	5,000	965,671
Fire and life squad	121,003	314,663	100,843	967,163	-	-	1,503,672
Civil defense	-	-	54,494	12,970	-	-	67,464
Street lighting	-	-	-	-	13,163	-	13,163
Communications	-	18,733	-	337,999	-	-	356,732
Total	<u>121,003</u>	<u>560,358</u>	<u>155,337</u>	<u>2,051,841</u>	<u>13,163</u>	<u>5,000</u>	<u>2,906,702</u>
LEISURE TIME ACTIVITIES:							
Recreation and parks administration	8,000	414,695	37,658	155,993	-	-	616,346
Senior citizens	45,000	787,145	-	10,279	-	-	842,424
Total	<u>53,000</u>	<u>1,201,840</u>	<u>37,658</u>	<u>166,272</u>	<u>-</u>	<u>-</u>	<u>1,458,770</u>
COMMUNITY ENVIRONMENT:							
Planning	-	-	-	30,032	-	-	30,032
Building inspection	-	-	-	24,943	-	-	24,943
Housing inspection	-	-	3,431	7,050	-	-	10,481
Parks and public property	726,579	78,555	1,596,246	96,227	-	379,528	2,877,135
Recycling center	-	16,450	-	-	-	-	16,450
Total	<u>726,579</u>	<u>95,005</u>	<u>1,599,677</u>	<u>158,252</u>	<u>-</u>	<u>379,528</u>	<u>2,959,041</u>
TRANSPORTATION:							
Parking control	709,864	2,650,000	18,894	89,091	-	-	3,467,849
Street maintenance and repair	7,285	-	-	663,801	155,713	-	826,799
Total	<u>717,149</u>	<u>2,650,000</u>	<u>18,894</u>	<u>752,892</u>	<u>155,713</u>	<u>-</u>	<u>4,294,648</u>
GENERAL GOVERNMENT:							
City Manager	-	-	-	31,196	-	-	31,196
MIS	-	-	-	104,932	-	-	104,932
Finance	-	-	-	168,287	-	-	168,287
Municipal building	5,000	287,147	32,267	188,258	-	-	512,672
Courthouse	-	239,480	-	9,992	-	-	249,472
Engineering	-	-	-	110,257	-	-	110,257
Service	-	-	-	24,657	-	-	24,657
Garage	-	118,529	-	35,552	-	-	154,081
Total	<u>5,000</u>	<u>645,156</u>	<u>32,267</u>	<u>673,131</u>	<u>-</u>	<u>-</u>	<u>1,355,554</u>
INTERNAL SERVICE							
	-	-	-	29,292	-	-	29,292
TOTAL GOVERNMENTAL CAPITAL ASSETS							
\$	<u>1,622,731</u>	<u>5,152,359</u>	<u>1,843,833</u>	<u>3,831,680</u>	<u>168,876</u>	<u>384,528</u>	<u>13,004,007</u>

CITY OF OXFORD, OHIO
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
SECURITY OF PERSONS AND PROPERTY:				
Police department	\$ 962,588	131,843	128,760	965,671
Fire and life squad	1,475,439	28,233	-	1,503,672
Civil defense	67,464	-	-	67,464
Street lighting	-	13,163	-	13,163
Communications	339,432	27,553	10,253	356,732
Total	<u>2,844,923</u>	<u>200,792</u>	<u>139,013</u>	<u>2,906,702</u>
LEISURE TIME ACTIVITIES:				
Recreation and parks administration	550,251	66,095	-	616,346
Senior citizens	842,424	-	-	842,424
Total	<u>1,392,675</u>	<u>66,095</u>	<u>-</u>	<u>1,458,770</u>
COMMUNITY ENVIRONMENT:				
Planning	30,032	-	-	30,032
Building inspection	24,943	-	-	24,943
Housing inspection	15,031	-	4,550	10,481
Parks and public property	2,297,537	579,598	-	2,877,135
Recycling center	16,450	-	-	16,450
Total	<u>2,383,993</u>	<u>579,598</u>	<u>4,550</u>	<u>2,959,041</u>
TRANSPORTATION:				
Parking control	767,537	2,700,312	-	3,467,849
Street maintenance and repair	663,801	162,998	-	826,799
Total	<u>1,431,338</u>	<u>2,863,310</u>	<u>-</u>	<u>4,294,648</u>
GENERAL GOVERNMENT:				
City Manager	31,196	-	-	31,196
MIS	96,535	8,397	-	104,932
Finance	122,574	45,713	-	168,287
Municipal building	505,284	7,388	-	512,672
Courthouse	249,472	-	-	249,472
Engineering	78,822	31,435	-	110,257
Service	-	24,657	-	24,657
Garage	93,475	60,606	-	154,081
Total	<u>1,177,358</u>	<u>178,196</u>	<u>-</u>	<u>1,355,554</u>
INTERNAL SERVICE	<u>29,292</u>	<u>-</u>	<u>-</u>	<u>29,292</u>
TOTAL GOVERNMENTAL CAPITAL ASSETS	<u>\$ 9,259,579</u>	<u>3,887,991</u>	<u>143,563</u>	<u>13,004,007</u>

STATISTICAL SECTION

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

Year	Income and Property Taxes	Inter-Governmental	Charges for				Total
			Governmental	Services	Fines, Costs and Forfeitures	Interest	
1992	2,070,879	885,304	327,527	193,021	84,320	269,733	3,830,784
1993	2,682,962	786,916	394,855	189,241	57,619	120,564	4,232,157
1994	4,251,870	1,117,429	408,153	196,914	88,109	431,009	6,493,484
1995	4,871,314	1,348,535	426,349	158,075	194,138	299,512	7,297,923
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

NOTES: Information includes all Governmental Fund types.

Reflects increase in income tax rate from 1.0% to 1.75% effective January 1, 1994.

Miscellaneous revenue include Licenses, Permits and Inspections, Special Assessments, Contributions and Other.

Source: City of Oxford Finance Department

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

Year	Security of Persons and Property	Public Health Services	Leisure Time Activities	Community Environment	Transportation	General Government	Capital Outlay	Debt Service	Total
1992	\$1,807,824	\$27,526	\$469,395	\$306,905	\$423,048	\$869,759	\$560,616	\$31,343	\$4,496,416
1993	1,810,079	24,756	432,121	337,223	436,252	957,066	294,199	46,194	4,337,890
1994	2,008,646	38,654	452,965	484,339	470,026	1,047,783	911,481	69,321	5,483,215
1995	2,189,567	42,929	500,586	632,344	413,010	1,414,345	917,964	42,294	6,153,039
1996	2,674,983	181,164	514,932	617,428	528,460	1,162,220	1,241,857	24,928	6,945,972
1997	2,469,600	63,870	533,122	823,971	483,715	1,182,371	967,221	12,201	6,536,071
1998	2,712,829	74,364	562,200	975,852	576,046	1,176,293	2,065,350	1,270	8,144,204
1999	2,921,136	65,820	703,067	811,216	645,045	1,234,501	1,214,492	1,203	7,596,480
2000	3,060,053	79,450	733,136	606,858	710,463	1,329,800	3,223,963	331,056	10,074,779
2001	3,037,664	93,150	794,010	713,293	680,714	1,251,747	3,772,896	324,243	10,667,717

NOTE: Information includes all Governmental Fund types.

Source: City of Oxford Finance Department

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

Year	Amount	% of Change
1992	\$1,641,548	-
1993	2,065,877	25.8 %
1994	3,707,877	79.5
1995	4,050,556	9.2
1996	3,935,038	-2.9
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

NOTE: Reflects increase in income tax rate from 1.0% to 1.75%
effective January 1, 1994.

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 Outstanding Delinquent Taxes to Tax Levy
1992	\$ 391,183	\$ 381,765	97.6 %	\$ 13,015	\$ 394,780	100.9 %	\$ 16,693	4.3 %
1993	400,534	390,849	97.6	11,361	402,210	100.4	15,017	3.7
1994	443,835	432,501	97.4	11,403	443,904	100.1	14,948	3.4
1995	451,419	439,326	97.3	16,447	455,773	101.0	10,594	2.3
1996	477,058	412,176	86.4	9,412	421,588	88.37	66,064	13.9
1997	482,023	474,506	98.4	12,277	486,783	101.0	61,304	12.7
1998	542,976	535,143	98.5	12,170	547,313	100.7	56,967	10.4
1999	571,315	554,900	97.1	14,712	569,612	99.7	58,670	10.3
2000	647,975	646,301	99.7	9,538	655,839	101.2	50,806	7.8
2001	707,705	641,337	90.6	9,811	651,148	92.0	107,363	15.2

Source: Butler County Auditor's Office

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

Year	ASSESSED VALUATIONS			ESTIMATED TRUE VALUES		
	Real Property	Public Utility Property	Personal Property	Total	(1) Real Property	(1) Personal Property
1992	\$99,561,950	\$7,424,690	\$8,989,748	\$115,976,388	\$284,462,714	\$33,295,363
1993	101,113,060	7,960,160	8,749,081	117,822,301	288,894,457	32,404,003
1994	112,840,290	8,441,600	8,260,417	129,542,307	322,400,829	33,041,668
1995	114,597,730	8,780,890	8,248,280	131,626,900	327,422,086	32,993,120
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

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	City	County	Township	School	Vocational School	Total Rate
1992	\$3.65	\$7.45	\$0.24	\$51.80	\$1.97	\$65.11
1993	3.65	7.45	0.24	51.80	1.97	65.11
1994	3.65	7.45	0.24	51.80	1.93	65.07
1995	3.65	7.44	0.24	51.80	1.93	65.06
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

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
1992	\$14,248	\$8,889	\$5,359	62.4 %
1993	9,456	7,727	1,729	81.7
1994	26,436	23,043	3,393	87.1
1995	50,286	43,061	7,225	85.6
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	1,819	90.3
2001	17,377	17,264	113	99.3

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
1992	18,937	\$115,976,388	\$51,200	\$2.70	0.0441 %
1993	18,937	117,822,301	32,700	1.73	0.0278
1994	* 19,455	129,542,307	12,800	0.66	0.0099
1995	19,455	131,626,900	-	-	-
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

Source: 1990 and 2000 U.S. Census Bureau

* Federal Census Bureau Division of Population Estimate
 Butler County Auditor's Office
 City of Oxford Finance Department

**CITY OF OXFORD, OHIO
 LEGAL DEBT MARGIN
 DECEMBER 31, 2001**

Total Assessed Property Value \$191,829,025

10-1/2% limitation

Overall Debt Limitations - 10-1/2% of Assessed Valuation 20,142,048

Gross Indebtedness \$26,169,407

Less Debt Outside Limitations -22,469,407

Debt Within 10-1/2% Limitation 3,700,000

Less Debt Service Fund Balance Available -757

Net Debt Within 10-1/2% Limitation 3,699,243

Legal Debt Margin Within 10-1/2% Limitation \$16,442,805

5-1/2% limitation

Unvoted Debt Limitation - 5-1/2% of Assessed Valuation \$10,550,596

Gross Indebtedness Authorized by Council \$26,169,407

Less Debt Outside Limitations -22,469,407

Debt Within 5-1/2% Limitation 3,700,000

Less Debt Service Fund Balance Available -757

Net Debt Within 5-1/2% Limitation 3,699,243

Legal Debt Margin Within 5-1/2% Limitation \$6,851,353

Source: City of Oxford Finance Department

**CITY OF OXFORD, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION BONDED DEBT
 DECEMBER 31, 2001**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Oxford	Amount Applicable to City of Oxford
DIRECT:			
City of Oxford	\$3,700,000	100.00 %	\$3,700,000
OVERLAPPING:			
Talawanda School District	215,000	43.38	93,267
Butler County Career Center School District	5,095,000	4.52	230,294
Butler County	42,737,500	3.19	1,363,326
Total Overlapping Debt	48,047,500		1,686,887
Total	\$51,747,500		\$5,386,887

Source: Ohio Municipal Advisory Council

**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
1992	\$17,400	\$4,509	\$21,909	\$4,496,416	0.49 %
1993	18,500	3,358	21,858	4,337,890	0.50
1994	19,900	2,082	21,982	5,483,215	0.40
1995	12,800	238	13,038	6,153,039	0.21
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

Source: City of Oxford Finance Department

**CITY OF OXFORD, OHIO
REVENUE BOND COVERAGE
WATER FUND
LAST TEN YEARS**

Year	Gross Revenues	Operating Expenditures	Net Revenue Available for Debt Service	Annual Debt Service			Debt Coverage Ratio
				Principal	Interest	Total	
1992*	\$2,479,612	\$944,200	\$1,535,412	\$365,000	\$277,741	642,741	239 %
1993	2,482,015	906,966	1,575,049	375,000	822,273	1,197,273	132
1994	2,619,621	987,370	1,632,251	385,000	810,085	1,195,085	137
1995	2,639,853	1,117,652	1,522,201	400,000	795,455	1,195,455	127
1996	2,640,607	1,097,988	1,542,619	420,000	778,255	1,198,255	129
1997	2,706,526	1,110,086	1,596,440	440,000	759,355	1,199,355	133
1998	2,898,443	1,161,645	1,736,798	460,000	738,675	1,198,675	145
1999	3,176,608	1,224,256	1,952,352	480,000	716,135	1,196,135	163
2000	2,861,227	1,274,434	1,586,793	505,000	691,655	1,196,655	133
2001	2,810,045	1,272,751	1,537,294	535,000	664,890	1,199,890	128

The information is presented using the budgetary basis of accounting.

Data is for the twelve-month period ended December 1, in accordance with the Water Mortgage Revenue Bond indenture dated August 1, 1992.

The debt coverage ratio required by the bond indenture is 120%.

* 1992 data reflects debt service for only one semiannual payment because the debt was not issued until August, 1992.

Source: City of Oxford Finance Department

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

Year	Population	School Enrollment (Public)	Unemployment Rate
1992	18,937	3,429	6.6 %
1993	18,937	3,478	6.5
1994 *	19,455	3,575	5.3
1995	19,455	3,609	4.0
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

Source: 1990 and 2000 U.S. Census Bureau

* Federal Census Bureau Division of Population Estimate

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
1992	240	\$7,500,229	\$99,561,950	\$724,213
1993	328	12,571,855	101,113,060	711,686
1994	266	15,279,523	112,840,290	737,683
1995	332	10,458,176	114,597,730	800,556
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

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
2001 PRINCIPAL TAXPAYERS**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Square D Company	Manufacturing	\$5,108,350	2.66 %
Cincinnati Gas & Electric	Utility	4,646,370	2.42
D & B Family Ltd Prt	Real Estate	3,465,880	1.81
First National Bank	Banking	3,241,140	1.69
Ray & Mary Day	Real Estate	2,768,000	1.44
University Commons Prt	Real Estate	2,672,440	1.39
Ogden Investments Prt	Real Estate	2,313,480	1.21
Brookside at Chestnut LLC	Real Estate	2,302,480	1.20
Edward Redpath	Utility	1,870,570	0.98
Ned & Vickie Hoelzer	Real Estate	1,823,220	0.95
	SUB-TOTAL	<u>30,211,930</u>	<u>15.75</u>
	ALL OTHERS	<u>161,617,095</u>	<u>84.25</u>
	TOTAL	<u><u>\$191,829,025</u></u>	<u><u>100.00 %</u></u>

**CITY OF OXFORD, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2001**

Date of incorporation	1830
Date of municipal charter adoption	1960
Form of government	Council-Manager
Area	6.00 Square Miles
Miles of streets	48.9
EMPLOYEES	
Number of authorized full-time employees	108
FIRE AND EMS PROTECTION	
Fire chief (full-time)	1
Assistant fire chief (part-time)	1
Number of fire fighters (part-time)	25
Number of life squad members (part-time)	40
Number of stations	1
POLICE PROTECTION	
Police Chief (full-time)	1
Additional authorized police officers (full-time)	25
Authorized civilian employees (full-time)	10
Number of stations	1
RECREATION	
Number of parks	11
Number of swimming pools	1
WATER SERVICE	
Number of consumers	4,225
Annual production	846.44 million gallons
Miles of water mains	70
SEWER SERVICE	
Number of consumers	3,933
Annual treatment	1,141.90 million gallons
Miles of sanitary sewers	62
PARKING METERS	
	502
EDUCATION	
Number of schools	5
Number of teachers	252
Number of students	3,334
HOSPITAL	
	54 beds
LIBRARY	
	113,594 volumes

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 6, 2002**