CITY OF OXFORD, ALABAMA

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Kemp & Associates, CPA PC

Certified Public Accountants
303 East 11th Street • P.O. Box 2309
Anniston, Alabama 36202
(256) 237-5102 • FAX (256) 237-8185

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

CITY OF OXFORD, ALABAMA

SEPTEMBER 30, 2025

ELECTED OFFICIALS

Mayor	Alton Craft
Council Member/Council President	Chris Spurlin
Council Member/Council Vice President	Steven Waits
Council Member	Phil Gardner
Council Member	Mike Henderson
Council Member	Charlotte Hubbard

OTHER OFFICIALS

City Clerk	Alan Atkinson
Finance Director/Treasurer	Aimee Birchfield

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Oxford, Alabama

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Alabama as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Oxford, Alabama's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the report of the other auditor on the financial statements of the Oxford City Board of Education and on our reports on the financial statements of the Oxford Water Works and Sewer Board and the financial statements of the Health Care Authority of the City of Oxford, Alabama, the financial statements referred to the above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oxford, Alabama, as of September 30, 2025, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Oxford, Alabama and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Oxford, Alabama's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. We did not audit the financial statements of the Oxford City Board of Education, a discretely presented component unit, whose statements reflect total assets and deferred outflows of $169,909,482 as of September 30, 2025, and total revenues of $71,192,104 for the year then ended. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oxford City Board of Education solely on the report of the other auditor. We audited the financial statements of the Oxford

Water Works and Sewer Board, the discretely presented component units, as part of separate audit engagements, and issued our report thereon dated December 11, 2025. Our opinions, insofar as it relates to the amounts included in the Oxford Water Works and Sewer Board is based solely on the report dated December 11, 2025. We audited the financial statements of the Health Care Authority of the City of Oxford, Alabama, the discretely presented component units, as part of separate audit engagements, and issued our report thereon dated June 29, 2026. Our opinions, insofar as it relates to amounts included in the Health Care Authority of the City of Oxford, Alabama is based solely on the report dated June 25, 2026. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Oxford, Alabama's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Oxford, Alabama's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-14), budgetary comparison information (pages 90-92), pension related schedule (pages 74-88) and other postemployment benefit schedules (page 89), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Oxford, Alabama's basic financial statements. The introductory section, the combining and comparative fund statements and the detailed budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying introductory section, the combining and comparative fund statements, the detailed budgetary comparison schedules, the individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U. S. Code of Federal Regulations Parat 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual nonmajor financial fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The comparative financial fund statements are for further analysis purposes based on our audit of the basic financial statements as of September 30, 2025 and 2024 and for the years then ended. In our opinion, based on our prior year audit, the comparative financial fund statements present fairly, in all material respects, comparative financial fund statements of the City of Oxford, Alabama, as of September 30, 2025 and 2024, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the City of Oxford, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Oxford, Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Oxford, Alabama's internal control over financial reporting and compliance.

Kemp & Associates, CPA PC

Kemp & Associates, CPA PC
Anniston, Alabama
June 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

The City of Oxford, Alabama (the City's) discussion and analysis is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34. This discussion and analysis of the financial performance of the City is designed to provide an overview of the City's financial activities for the fiscal year ended September 30, 2025, in addition to providing a comparison to the fiscal year ended September 30, 2024. This report should read in conjunction with the City's basic audited financial statements, which begin on page 15.

Financial Highlights

1. Key financial highlights of the 2025 fiscal year include the following:

- The total net position of the City's primary government was $90,882,276, at the close of the fiscal year ended September 30, 2025.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $110,779,156, an increase of $10,868,631 in comparison with the prior year. The total unassigned fund balance for governmental funds balance was $75,717,916 the restricted fund balance was $34,808,914, and the non-spendable fund balance was $252,326.
- The City again supported its school system with an appropriation of $9,196,075, an increase of $242,922 over prior year for the year ended September 30, 2025. Over the past 30 years the City has appropriated more than $100,000,000, making the school system the recipient of the City's most substantial appropriation.
- The City 's total bonded indebtedness increased by $13,454,809 during the current fiscal year. The City issued two bonds issue during the year. The City paid $17,620,000 in bond principal payment, including payoff of Series 2016-A bonds in the amount of $12,745,000.

Overview of the Financial Statements

The annual financial report consists of four parts: The Basic Financial Statements (including notes), Supplemental Information, Required Supplementary Information (which includes the MD&A), and Other Supplementary Information. The Basic Financial Statements include statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as public safety, parks and recreation, and public utilities were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the City's finances in a manner to resemble private-sector business. In these statements only governmental activities are reflected due to the nature of operations of the City's primary government.

The Statement of Net Position presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term debt. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information focused on both gross and net costs and shows how the City's net position changed during the most recent fiscal year. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidies to various charges for related services. Revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to typically recover all or a significant portion of the cost of operation, including depreciation, through user fees and charges for services. The governmental activities of the City include general government, public safety, public works health and welfare, civil service, and parks and recreation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. This focus is on Major Funds, rather than fund types, as reflected in the previous model's statements prior to the implementation of GASB Statement No. 34. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. Governmental, proprietary, and fiduciary are three fund types that are used in these financial statements.

The *Fund Financial Statement* allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Governmental Major Funds are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows, outflows, and balances of spendable resources.

The City maintains four types of governmental funds – the general fund, the debt service fund, the capital projects fund and the remaining non-major funds. Information is presented as "major funds" or as "non-major funds". Based on criteria set forth by Generally Accepted Accounting Principles (GAAP), the general fund and the debt service fund qualify as major funds. The remaining funds are presented as "non-major governmental funds" in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The City adopts an annual appropriated budget for its general, debt service, and capital projects funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with the budget applicable to each respective fund.

Proprietary Funds

The City has no proprietary funds; however, the City has two proprietary component unit (Oxford Water Works and Sewer Board and The Healthcare Authority of the City of Oxford, Alabama). The component unit reports the same functions presented as *business-type activities* in the government-wide financial statements.

Infrastructure Assets

Until the implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, the City's general fund assets were not reported nor depreciated in the governmental financial statements. The City elected to depreciate these assets over their useful lives. The infrastructure portion related to general governmental activities, as stated in GASB Statement No. 34, requires that these assets (infrastructure – roads, bridges, traffic signals, underground pipes [not associated with the proprietary funds], etc.) be valued and reported within the Governmental column of the Government-wide Statement.

Notes to the Financial Statements

The notes provided in this report convey additional essential information that will magnify the understanding of data in the government-wide and fund financial statements.

Additional Information

In addition to the basic financial statements and accompanying notes, this report also presents *Required Supplementary Information* concerning the City's progress in funding obligations to provide pension benefits to its employees and on other postemployment benefits. This information also gives a detail of budget and actual comparison and other useful information.

The *Supplementary Information* includes combining schedules of the Non-Major Funds (comparative), Major Fund Comparison to prior year and Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP basis) and actual-General Fund in Detail.

Financial Analysis of the City as a Whole

The City's net position of the primary government decreased by $5,431,320. Management will continue to monitor this amount because the variance is a useful indicator of the City's financial position.

The largest portion of the City's net position reflects the total investment in capital assets (e.g., land, building, machinery and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay for or liquidate these liabilities. The City also maintains restricted fund balances that may only be used for a specified purpose. Net position that is categorized as restricted includes: gas tax monies that are restricted for street repairs, special projects, debt service cash, law enforcement and municipal court funds. The remaining balance of the City's net position is unrestricted. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Financial Analysis of the City as a Whole (Continued)

Normal Impacts Affecting the Statement of Net Position

There are six basic/normal transactions that will affect the comparability of the Statement of Net Position summary presentation.

1. Net results of activities – which will either increase or decrease current assets and unrestricted net position.

2. Borrowing for capital – which will either increase or decrease current assets and unrestricted net position.

3. Spending borrowed proceeds on new capital assets – which will reduce current assets and increase capital assets. There is a second impact, however, the invested net position – in capital assets, net of debt will not change.

4. Spending of non-borrowed current assets on new capital – which will:

    a. Reduce current assets and increase capital assets and
    b. Reduce unrestricted net position and increase net investment in capital assets.

5. Principal payment on debt – which will:

    a. Reduce current assets and reduce long-term debt and
    b. Reduce unrestricted net position and increase invested – in capital assets, net of debt.

6. Reduction of capital assets through depreciation – which will reduce capital assets and invested in capital assets net of debt.

The reduction in the fund balance was due to transfers to the capital projects fund for payment of ongoing capital projects in the City.

Our analysis on the next page focuses on the net position of the City's governmental activities.

While the results of operations are a significant measure of the City's activities, the explanation of changes in unrestricted net position provides a clear measure of change in the City's financial position.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Financial Analysis of the City as a Whole (Continued)

Governmental Activities	Fiscal Year 2025	Fiscal Year 2024	Change
Current and Other Assets	$ 99,213,477	$ 93,345,867	$ 5,867,610
Capital Assets & Other Non Current Assets	165,076,847	163,057,955	2,018,892
Construction in Progress	24,670,122	21,322,716	3,347,406
Total Assets	288,960,446	277,726,538	11,233,908
Total Deferred Outflows of Resources	11,935,917	15,719,231	(3,783,314)
	300,896,364	293,445,769	7,450,594
Long Term Debt Liabilities	192,359,494	184,489,874	7,868,681
Current Liabilities	11,062,811	9,315,677	1,748,073
Total Liabilities	203,422,305	193,805,551	9,616,754
Total Deferred Inflows of Resources	6,591,783	3,326,622	3,265,161
Net Position:			
Net Investment in Capital Assets	20,124,116	34,125,309	(14,001,193)
Restricted	34,808,914	25,906,843	8,828,082
Unrestricted	35,949,246	36,281,444	(207,556)
Total Net Position	$ 90,882,276	$ 96,313,596	$ (5,380,667)

Statement of Activities

Total revenues increased by $6,016,381.

- The City experienced a $3,084,702 increase in gross receipts tax revenue which totaled $46,499,692 for the fiscal year 2025. This increase was due in part to overall improvements in the general economy.
- The City experienced a $840,585 increase in Parks & Recreation revenues for fiscal year 2025, which totaled $16,227,663. The increase was due to the most events at Choccolocco Park and the Oxford Performing Arts Center (OPAC) returning to pre-pandemic levels.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $110,829,809 an increase of $10,819,284 when compared with the prior year. Of this total fund balance, $75,717,916 constitutes the unassigned fund balance for all governmental funds, which is available for spending at the government's discretion. Prepaid expenses and inventories have a non-spendable fund balance of $252,326. The remainder of the fund balance is restricted to indicate the amount not available for new spending because of previous contractual commitments for the prior period. Law enforcement has a reserved fund balance of $312,977 and the restricted fund balance for construction projects is $31,130,008 fund balance reserved for debt service is $75,900. Also, the fund balance reserved for the municipal court is $169,376 for the Commercial Development Authority is $1,403,404 and for Public Building Authority is $1,717,177.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Financial Analysis of the City as a Whole (Continued)

The general fund is the primary operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $75,717,916 while the total general fund balance reached $76,116,448. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. This is relevant in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a measure of a government's net resources available for spending at the end of the fiscal year. The unassigned fund balance for the general fund exceeds total general fund expenditures by $1,065,626.

Governmental Activities	Fiscal Year 2025	Fiscal Year 2024	Difference
Revenues			
Program Revenues			
Charges for Services	$ 7,455,131	$ 6,665,225	$ 789,906
Operating Grants and Contributions	1,703,711	650,533	1,053,178
Capital Grants and Contributions	333,532	328,496	5,036
Total Program Revenues	9,492,374	7,644,254	1,848,120
General Revenue			
Sales and Use Tax	46,499,692	43,414,990	3,084,702
Property Tax	5,376,401	5,339,667	36,734
Licenses and Permits	5,129,196	4,554,574	574,622
Miscellaneous Tax	3,588,639	3,545,744	42,895
Services, Sales, and Recoveries	601,939	302,101	299,838
Intergovernmental	1,052,194	886,411	165,783
Interest Income	3,535,854	4,045,595	(509,741)
Gain on Sale of Fixed Assets	681,753	277,270	404,483
Other Income	273,321	255,033	18,288
Total General Revenue	66,738,989	62,621,381	4,117,608
Total Revenues	76,231,363	70,265,635	5,965,728
Expenses			
General Government	10,381,577	10,259,516	122,061
Building Services	449,515	517,305	(67,790)
Police Department	13,902,907	12,780,451	1,122,456
Fire Department	5,669,957	5,323,597	346,360
Fleet Management Department	1,256,774	1,204,339	52,435
Maintenance Department	250,462	263,765	(13,303)
Cemetery Department	232,583	202,215	30,368
Street Department	5,619,937	5,458,041	161,896
Sanitation Department	1,324,340	1,272,454	51,886
Park and Recreation Department	16,227,663	15,387,078	840,585
Civil Service Department	105,484	90,388	15,096
Education	9,196,075	8,953,153	242,922
Information Technology	531,725	556,325	(24,600)
Marketing Department	403,562	380,652	22,910
Municipal Court	21,021	288,244	(267,223)
Library Department	1,074,977	1,058,998	15,979
Board and Other Agencies	7,538,122	4,321,780	3,216,342
Interest and Bond Issue Cost	7,476,002	6,287,854	1,188,148
Total Expense	81,662,683	74,606,155	7,056,528
Change in Net Position	(5,431,320)	(4,340,520)	(1,090,800)
Beginning Net Position	96,313,596	100,654,116	(4,340,520)
Ending Net Position	$ 90,882,276	$ 96,313,596	$ (5,431,320)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Financial Analysis of the City as a Whole (Continued)

Budgetary Highlights

General Budget Fund
For the Years Ended September 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance From Final Budget
Revenues	$ 69,612,200	$ 69,612,200	$ 73,179,194	$ 3,566,994
Expenditures	(62,751,734)	(72,280,562)	(74,652,290)	(2,371,728)
Other Sources (Uses)	750,000	750,000	3,430,860	2,680,860
Total	$ 7,610,466	$ (1,918,362)	$ 1,957,764	$ 3,876,126

Debt Service Fund
For the Years Ended September 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance From Final Budget
Revenues	$ -	$ -	$ 2,925	$ 2,925
Expenditures	(6,083,389)	(8,077,432)	(21,798,185)	(13,720,753)
Other Sources (Uses)	7,541,458	9,535,501	21,798,186	12,262,685
Total	$ 1,458,069	$ 1,458,069	$ 2,926	$ (1,455,143)

Capital Project Fund
For the Years Ended September 30, 2025

	Original Budget	Final Budget	Actual Amount	Variance From Final Budget
Revenues	$ 70,000	$ 70,000	$ 786,911	$ 716,911
Expenditures	(2,320,000)	(14,037,575)	(177,970)	13,859,605
Other Sources (Uses)	-	-	7,589,637	7,589,637
Total	$ (2,250,000)	$ (13,967,575)	$ 8,198,578	$ 22,166,154

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Financial Analysis of the City as a Whole (Continued)

Budgetary Highlights (Continued)

The budget for the City has historically remained relatively constant as to the revenues and expenditures for each fund. Some highlights of significant variances are discussed below:

- Budgeted expenditures in the General Fund allocated for increase in salaries and related benefits. The increase comes from cost-of-living adjustments and additional personnel.
- City amended its budget as necessary during the year.
- The City increased expenditures in the information technology department and the marketing department.
- The Performing Arts Center (OPAC) had an increase of $478,533 in expenditures to total expenditures of $5,258,614 and the revenues generated by OPAC increased $221,583 TO $3,234,722 during the fiscal year.
- The Choccolocco Park 's expenditures were $1,726,730 compared to $1,828,413 for fiscal year 2024. Revenues during the current fiscal year were $972,355 compared to $779,516 in fiscal year 2024; however, the revenues do not reflect sales, lodging and other taxes generated by the park's operations.
- In November and December of 2024, the City presented the Magic of Lights Christmas event. The event generated revenues of $500,938 compared to $704,771 for fiscal year ended September 30, 2024. This does not reflect sales taxes generated by restaurant and other purchases as well as other taxes.
- The City had an increase in appropriation to the Oxford City Board of Education School Board from $8,953,153 for fiscal year 2024 to $9,196,075 for fiscal year 2025.
- The City had capital outlay in fiscal year 2025 of $10,035,104 compared to $10,163,531 for fiscal year 2024.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

CAPITAL ASSETS

At the end of the fiscal year 2025, the City had $173,111,422 (cost less accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, and vehicles. This was a decrease in capital assets of $534,896 over fiscal year 2024.

	Balance 9/30/2024	Transfers/ Additions	Transfers/ Deductions	Balance 9/30/2025
Non-depreciable Capital Assets				
Land	$ 35,058,394	$ -	$ -	$ 35,058,394
Construction in Progress	21,322,716	3,347,406	-	24,670,122
Total Non-depreciable Capital Assets	56,381,110	3,347,406	-	59,728,516
Capital Assets, Being Depreciated				
Buildings and Improvements	110,357,051	209,170		110,566,221
Equipment	31,806,236	2,489,561	(57,530)	34,238,267
Vehicles	18,996,161	3,988,967	(1,598,149)	21,386,979
Other Equipment	137,333	-	-	137,333
Infrastructure:				
Streets	39,083,252	-	-	39,083,252
Sidewalks	197,114	-	-	197,114
Bridges	18,600,000	-	-	18,600,000
Total Capital Assets, Being Depreciated	219,177,147	6,687,698	(1,655,679)	224,209,166
Less Accumulated Depreciation				
Depreciable Assets	(101,911,939)	(9,999,319)	1,084,998	(110,826,260)
Total Capital Assets, Being Depreciated, Net	117,265,208	(3,311,621)	(570,681)	113,382,906
Total Governmental Activities Capital Assets, Net	$ 173,646,318	$ 35,785	$ (570,681)	$ 173,111,422

FOR THE YEAR ENDED SEPTEMBER 30, 2025

DEBT OUTSTANDING

As of the fiscal year end, the City had $179,634,512 in gross bonded debt outstanding compared to $166,179,703 last fiscal year end. The total gross bond debt increased $13,454,809. Additional information on the City's long-term debt can be found in Note E – Long Term Debt of this report.

Governmental Activities	Balance 09/30/24	Additions	Reductions	Balance 09/30/25
Bonds:				
Series 2012-B General Oblig. Bonds	$ 1,195,000	$ -	$ (695,000)	$ 500,000
Series 2014-B General Oblig. Bonds	435,000	-	-	435,000
Series 2015-A General Oblig. Bonds	2,850,000	-	(1,425,000	1,425,000
Series 2016-A Tax-Exempt G.O. Bonds	12,745,000	-	(12,745,000)	-
Series 2017-A General. Oblig. Bonds	12,710,000	-	-	12,710,000
Series 2018-A General Oblig. Bonds	6,725,000	-	-	6,725,000
Series 2020-A Taxable Gen Oblig Bonds	10,615,000	-	(300,000)	10,315,000
Series 2020-B Taxable Gen Oblig Bonds	42,020,000	-	(900,000)	41,120,000
Series 2020-C Tax Exempt GO Bonds	5,925,000	-	(160,000)	5,765,000
Series 2021-A Taxable Gen Oblig Bonds	19,790,000	-	(140,000)	19,650,000
Series 2021-B General Oblig Bonds	5,220,000	-	-	5,220,000
Series 2022-A General Oblig Bonds	29,745,000	-	-	29,745,000
Series 2022-B General Oblig Bonds	3,950,000	-	-	3,950,000
Series 2025-A General Oblig Bonds	-	10,620,000	-	10,620,000
Series 2025-B General Oblig Bonds	-	21,050,000	-	21,050,000
CDA 2011-A Bonds	715,000	-	(715,000)	-
PBA 2015-A Revenue Bonds	8,970,000	-	(540,000)	8,430,000
Total Bonds Payable:	163,610,000	31,670,000	(17,620,000)	177,660,000
Deferred Amounts:				
Plus: Unamortized Bond Premiums	2,803,703	403,861	(377,917)	2,829,647
Less: Unamortized Bond Discounts	(234,000)	(740,453)	119,318	(855,135)
Net Bonds Payable	166,179,703	31,333,408	(17,878,599)	179,634,512
Leases:				
PNC Equipment Financial LLC	733,801	-	(363,736)	370,065
PNC Equipment Financial LLC	-	1,342,663	(238,422)	1,104,241
Dell Finance Services	76,348	-	(36,844)	39,504
Total Leases Payable	810,149	1,342,663	(639,002)	1,513,810
Total	$166,989,851	$ 32,676,071	$ (18,517,601)	$ 181,148,322
Deferred Amounts (other):				
Less: Deferred Refunding Loss	$(8,200,592)	$ (287,079)	$ 1,450,439	$(7,037,232)
Other Long-Term Debt:				
Note Payable – Zoll Medical Corp.	$ 28,340	$ -	$ (28,340)	$ -
Note Payable-Arrow Capital Solutions	252,111	-	(60,404)	191,707
Note Payable- First Ala Bank	218,709	-	(21,421)	197,288
	$ 499,160	$ -	(110,165)	$ 388,995

FOR THE YEAR ENDED SEPTEMBER 30, 2025

ECONOMIC FACTORS AND FUTURE EXPECTATIONS

The City relies on taxes (sales, gross, receipts, rental, gasoline, and etc.) fees (licenses, permits, and etc.) and fines (public safety) for their governmental activities. The primary source of revenue is gross receipts taxes. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both state and federal governments.

The levels of taxes, fees, and charges for services have a direct bearing on the City's ability to (a) annex additional land into its corporate limits and (b) encourage development (office, retail, residential and commercial) to locate in the jurisdiction. The City places significant emphasis on encouraging both annexation and economic development.

As a result of the spread of the coronavirus, the United States has caused business disruption through mandatory and voluntary closures or significant cut backs of multiple retail stores, restaurants, and business establishments. In response to the pandemic, at a special called meeting on March 17, 2020, the City Council passed resolution number 2020-28, declaring a local state of emergency, which allows the Mayor, in accordance with Alabama Code 31-9-10 (1975) to waive the procedures and formalities otherwise required of political subdivision by law, including but limited to: performance of public work to ensure health, safety, and welfare of the community entering contracts, incurring obligations, employment of temporary workers, rental of equipment, acquisition and distribution, with or without compensation, of supplies, materials and facilities, and appropriation of public funds. See Note P to the financial statements for more detail.

FINANCIAL INFORMATION CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability.

If you have any questions about the report or need additional information, contact the City's Finance Director, Aimee Birchfield, at 145 Hamric Drive East, Oxford, AL 36203.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

	Primary Government	Discretely Presented Component Units		
	Governmental Activities	Governmental Activities	Business-Type Activities	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents - Unrestricted	$ 48,649,220	$ 24,936,783	$ 4,804,986	$ 29,741,769
Cash and Cash Equivalents - Restricted	26,506,851	414,579	1,044,753	1,459,332
Investments	15,766,776	575,418	1,160,572	1,735,990
Receivables:				
Due from Other Governmental Units	6,614,865	4,505,173	-	4,505,173
Accrued Interest on Investments	46,756	-	-	-
Municipal Court, Net of Allowance	962,119	-	-	-
Other Receivables	49,980	2,739	2,614,668	2,617,407
Inventories	80,769	93,616	-	93,616
Prepaid Expenses	171,557	19,792	-	19,792
Right of Use Assets	145,233	-	39,551	39,551
Lease Receivable	219,351	-	-	-
Other Assets	-	-	765,754	765,754
Total Current Assets	99,213,477	30,548,100	10,430,284	40,978,384
Non-Current Assets				
Investments	16,350,045	-	-	-
Right of Use Assets	283,140	-	163,354	163,354
Lease Receivable	2,362	-	-	-
Capital Assets				
Non-Depreciable Assets	59,728,516	6,721,866	2,365,448	9,087,314
Depreciable Assets, Net of Accumulated Depreciation	113,382,906	88,954,936	39,375,138	128,330,074
Total Non-Current Assets	189,746,969	95,676,802	41,903,940	137,580,742
TOTAL ASSETS	288,960,446	126,224,902	52,334,224	178,559,126
DEFERRED OUTFLOWS OF RESOURCES				
Bond Discounts	-	241,792	-	241,792
Deferred Loss on Refunding of Debt	7,037,232	1,365,865	138,716	1,504,581
Deferred Outflows as Related to OPEB	1,482,579	30,329,089	-	-
Deferred Outflows as Related to Pensions	3,416,106	11,747,834	439,347	12,187,181
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,935,917	43,684,580	578,063	13,933,554
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 300,896,364	$ 169,909,482	$ 52,912,287	$ 192,492,680

See accompanying notes to the basic financial statements

SEPTEMBER 30, 2025

	Primary Government	Discretely Presented Component Units		
	Governmental Activities	Governmental Activities	Business-Type Activities	Total
LIABILITIES				
Current Liabilities				
Accounts Payable	$ 2,449,630	$ 786,214	$ 492,382	$ 1,278,596
Accrued Salaries	576,575	485,373	-	485,373
Accrued and Withheld Expenses	115,824	735,844	337,883	1,073,727
Accrued Employees Benefits	613,991	-	-	-
Accrued Expenses	194,242	-	-	-
Other Payables - Cash Bonds	72,217	-	-	-
Accrued Interest	1,091,379	-	-	-
Lease-Operating Liabilities current	145,233	1,064,494	6,354	1,070,848
Lease Oblig. - Current Portion	662,176	-	-	-
Bonds Payable-Current Portion Net Discount & Premiums	5,058,523	1,295,000	-	1,295,000
State Leveraged Bonds, Current Portion	-	637,812	-	637,812
Other Current Liabilities	83,021	-	681,875	681,875
Total Current Liabilities	11,062,811	5,004,737	1,518,494	6,523,231
Long-Term Liabilities				
Leases-Operating Liability	283,140	-	16,351	16,351
Leases Obligations (Net of Current Portion)	851,634	-	-	-
Salaries and Benefits Payable	1,130,749	8,190,804	-	8,190,804
Other Post Employment Benefits Obligations	7,505,404	33,330,558	-	33,330,558
Net Pension Liability	7,706,604	48,052,000	1,251,248	49,303,248
Other Long Term Debt	305,974	-	2,437,806	2,437,806
Bonds Payable (Net of Current Portion)	174,575,989	47,375,000	8,246,666	55,621,666
State Leveraged Bonds (Net of Current Portion)	-	4,438,075	-	4,438,075
Total Long-Term Liabilities	192,359,494	141,386,437	11,952,071	153,338,508
TOTAL LIABILITIES	203,422,305	146,391,174	13,470,565	159,861,739
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources as Related to Pensions	3,573,100	8,258,000	440,724	8,698,724
Deferred Inflows of Resources as Related to OPEB	2,399,666	16,415,605	-	16,415,605
Bond Premiums	-	2,311,514	-	2,311,514
Deferred Revenues	397,304	27,538	-	27,538
Future Lease Income	221,713	-	186,554	186,554
TOTAL DEFERRED INFLOWS OF RESOURCES	6,591,783	27,012,657	627,278	27,639,935
	210,014,088	173,403,831	14,097,843	187,501,674
NET POSITION				
Net Investment in Capital Assets, Net of Related Debt	20,124,116	39,426,720	30,727,176	70,153,896
Restricted for:				
Municipal Court	169,376	-	-	-
Law Enforcement	312,977	-	-	-
Capital Projects	31,130,080	4,188,319	-	4,188,319
Commercial Development Authority	1,403,404	-	-	-
Public Building Authority	1,717,177	-	-	-
Debt Service	75,900	4,069	785,424	789,493
Special Revenues	-	1,841,887	-	1,841,887
Customer Water & Sewer Deposit	-	-	78,258	78,258
Unrestricted	35,949,246	(48,955,344)	7,223,586	(41,731,758)
TOTAL NET POSITION	90,882,276	(3,494,349)	38,814,444	35,320,095
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITIONS	$ 300,896,364	$ 169,909,482	$ 52,912,287	$ 222,821,769

See accompanying notes to the basic financial statements

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Expenses	Program Revenues: Charges for Services, Sales and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities				
General Government	$ (10,381,577)	$ 1,186,049	$ 1,586,792	$ -
Building Services	(449,515)	-	-	-
Police Department	(13,902,907)	677,628	-	-
Fire Department	(5,669,957)	-	-	-
Fleet Management Department	(1,256,774)	27,579	-	-
Maintenance Department	(250,462)	-	-	-
Cemetery Department	(232,583)	6,600	-	-
Streets Department	(5,619,937)	-	-	333,532
Sanitation Department	(1,324,340)	-	-	-
Park and Recreation Department	(16,227,663)	4,622,507	116,919	-
Civil Service Department	(105,484)	-	-	-
Information Technology	(531,725)	-	-	-
Marketing Department	(403,562)	25,675	-	-
Municipal Court	(21,021)	-	-	-
Boards and Other Agencies	(17,809,174)	909,093	-	-
Interest and Bond Issue Cost	(7,476,002)	-	-	-
Total Governmental Activities	(81,662,683)	7,455,131	1,703,711	333,532
DISCRETELY PRESENTED COMPONENT UNITS				
Oxford City Board of Education	(70,650,218)	1,026,600	44,181,479	1,547,541
Business - Type Activities				
Oxford Water Works and Sewer Board and Health Care Authority of the City of Oxford, Alabama	(17,407,398)	12,491,496	-	202,440
Total Business - Type Activities	(17,407,398)	12,491,496	-	202,440
Total Discretely Presented Component Units	$ (88,057,616)	$ 13,518,096	$ 44,181,479	$ 1,749,981

See accompanying notes to the basic financial statements

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government	Discretely Presented Component Units		
	Governmental Activities	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:				
Governmental Activities				
General Government	$ (7,608,736)	$ -	$ -	$ -
Building Services	(449,515)	-	-	-
Police Department	(13,225,279)	-	-	-
Fire Department	(5,669,957)	-	-	-
Fleet Management Department	(1,229,195)	-	-	-
Maintenance Department	(250,462)	-	-	-
Cemetery Department	(225,983)	-	-	-
Streets Department	(5,286,405)	-	-	-
Sanitation Department	(1,324,340)	-	-	-
Park and Recreation Department	(11,488,237)	-	-	-
Civil Service Department	(105,484)	-	-	-
Information Technology	(531,725)	-	-	-
Marketing Department	(377,887)	-	-	-
Municipal Court	(21,021)	-	-	-
Boards and Other Agencies	(16,900,081)	-	-	-
Interest and Bond Issue Cost	(7,476,002)	-	-	-
Total Governmental Activities	(72,170,309)	-	-	-
DISCRETELY PRESENTED COMPONENT UNITS				
Oxford City Board of Education	-	(23,894,598)	-	(23,894,598)
Business - Type Activities				
Oxford Water Works and Sewer Board and Health Care Authority of the City of Oxford, Alabama	-	-	(4,713,462)	(4,713,462)
Total Business - Type Activities	-	-	(4,713,462)	(4,713,462)
Total Discretely Presented Component Units		(23,894,598)	(4,713,462)	(28,608,060)
GENERAL REVENUES:				
Local City Appropriation	-	9,038,450	6,502,148	15,540,598
Property Taxes	5,376,401	8,652,939	-	8,652,939
Sales and Use Tax	46,499,692	4,751,245	-	4,751,245
Lodging Taxes	2,383,742	-	-	-
Gasoline Taxes	293,323	-	-	-
Other Local Taxes	911,574	183,989	-	183,989
Licenses and Permits	5,129,196	-	-	-
Services, Sales and Recoveries	601,939	-	-	-
Intergovernmental	1,052,194	-	-	-
Gain (Loss) from Sale of Capital Assets	681,753	23,813	21,697	45,510
Investment Earnings	3,535,854	207,136	156,683	363,819
Rental Income	234,900	-	-	-
Miscellaneous	38,421	1,578,912	15,498	1,594,410
Total General Revenues	66,738,989	24,436,484	6,696,026	31,132,510
Change in Net Position	(5,431,320)	541,886	1,982,564	2,524,450
NET POSITION, BEGINNING	96,313,596	(4,036,235)	36,831,880	32,795,645
NET POSITION, END	$ 90,882,276	$ (3,494,349)	$ 38,814,444	$ 35,320,095

See accompanying notes to the basic financial statements

FUND FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents - Unrestricted	$ 48,649,220	$ -	$ -	$ -	$ 48,649,220
Cash and Cash Equivalents - Restricted	185,936	75,900	21,901,775	4,343,240	26,506,851
Investments	32,116,821	-	-		32,116,821
Receivables:					
Due from Other Governmental Units	6,584,223	-	-	30,642	6,614,865
Due from Other Funds	-	-	7,124,244	1,146,906	8,271,150
Accrued Interest on Investments	46,756	-	-	-	46,756
Municipal Court, Net of Allowance	916,323	-	-	45,796	962,119
Other Receivables	49,980	-	-	-	49,980
Inventories	80,769	-	-	-	80,769
Prepaid Expenses	171,557	-	-	-	171,557
TOTAL ASSETS	88,801,585	75,900	29,026,019	5,566,584	123,470,088
LIABILITIES					
Accounts Payable	2,448,835	-	-	795	2,449,630
Accrued Salaries	576,575	-	-	-	576,575
Accrued and Withheld Expenses	115,824	-	-	-	115,824
Accrued Employees Benefits	613,991	-	-	-	613,991
Accrued Expenses	194,242	-	-	-	194,242
Other Payables - Cash Bonds	72,217	-	-	-	72,217
Due to Other Funds	8,266,150	-	-	5,000	8,271,150
TOTAL LIABILITIES	12,287,834	-	-	5,795	12,293,629
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	397,303	-	-	-	397,303
FUND BALANCES					
Nonspendable					
Prepaid Items and Inventories	252,326	-	-	-	252,326
Restricted for:					
Municipal Court	72,217	-	-	97,159	169,376
Law Enforcement	71,387	-	-	241,590	312,977
Capital Projects	2,602	-	29,026,019	2,101,459	31,130,080
Commercial Development Authority	-	-	-	1,403,404	1,403,404
Public Building Authority	-	-	-	1,717,177	1,717,177
Debt Service	-	75,900	-	-	75,900
Unassigned	75,717,916	-	-	-	75,717,916
TOTAL FUND BALANCES	76,116,448	75,900	29,026,019	5,560,789	110,779,156
TOTAL	$ 88,801,585	$ 75,900	$ 29,026,019	$ 5,566,584	$ 123,470,088

See accompanying notes to the basic financial statements

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

CITY OF OXFORD, ALABAMA

SEPTEMBER 30, 2025

TOTAL GOVERNMENTAL FUND BALANCES			$ 110,779,156
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds:			
	Cost	283,937,683	
	Less: Accumulated Depreciation	(110,826,261)	173,111,422
Right of Use Assets			428,373
Lease Receivable			221,713
Net other post employment benefits obligations are not due and payable in the current period and; therefore, are not reported in the funds.			(8,422,491)
Net pension liabilities are not due and payable in the current period and; therefore, are not reported in the funds- net of deferred outflows and inflows related to pensions.			(7,863,598)
Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the fund statements.			
	Bonds Payable - Net of Amortization of Bonds/Premiums/Deferred Loss from Refunding	(177,660,000)	
	Capital Leases	(1,705,517)	
	Note Payable	(197,288)	
	Unamortized Deferred Loss on Refunding	7,037,232	
	Unamortized Premiums	(2,829,647)	
	Unamortized Bond Discounts	855,135	
	Accrued Interest	(1,091,379)	
	Lease Obligations- Operating Leases	(428,373)	
	Future Lease Income	(221,713)	
	Compensated Absences	(1,130,749)	(177,372,299)
NET POSITION -TOTAL GOVERNMENTAL ACTIVITIES			$ 90,882,276

See accompanying notes to the basic financial statements

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	Debt Service Fund	Capital Project Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property Taxes	$ 5,376,401	$ -	$ -	$ -	$ 5,376,401
Sales and Use	46,499,692	-	-	-	46,499,692
Lodging	2,383,742	-	-	-	2,383,742
Gasoline	293,323	-	-	-	293,323
Other Local Taxes	911,574	-	-	-	911,574
Licenses, Permits and Fines	5,806,824	-	-	-	5,806,824
Service, Sales and Recoveries	1,842,567	-	-	909,093	2,751,660
Park and Recreation	4,953,926	-	-	-	4,953,926
Intergovernmental	2,453,986	-	-	518,532	2,972,518
Investment Earnings	2,630,944	2,925	786,911	115,074	3,535,854
Other Revenues	26,215	-	-	37,881	64,096
TOTAL REVENUES	73,179,194	2,925	786,911	1,580,580	75,549,610
EXPENDITURES					
General Government	9,187,028	-	2,610	33,830	9,223,468
Building Services	449,515	-	-	-	449,515
Police Department	12,109,662	-	-	-	12,109,662
Fire Department	4,756,544	-	-	-	4,756,544
Fleet Management Department	1,091,005	-	-	-	1,091,005
Maintenance Department	249,642	-	-	-	249,642
Cemetery Department	229,489	-	-	-	229,489
Public Works Department	3,607,783	-	-	28,274	3,636,057
Sanitation Department	1,324,340	-	-	-	1,324,340
Park and Recreation Department	12,326,551	-	-	-	12,326,551
Civil Service Department	105,484	-	-	-	105,484
Information Technology	531,725	-	-	-	531,725
Marketing Department	403,562	-	-	-	403,562
Municipal Court Fund	-	-	-	21,021	21,021
Other Boards and Agencies	17,368,038	-	-	-	17,368,038
Debt Service:					
Principal	749,244	16,365,000	-	1,255,000	18,369,244
Interest and Other Charges	127,574	5,381,270	-	326,214	5,835,058
Bond Issuance Costs and Fees	-	51,915	175,360	-	227,275
Capital Outlay	10,035,104	-	-	-	10,035,104
TOTAL EXPENDITURES	74,652,290	21,798,185	177,970	1,664,339	98,292,784
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,473,096)	(21,795,260)	608,941	(83,760)	(22,743,174)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Assets	1,252,434	-	-	-	1,252,434
Proceeds from Long Term Debt	1,342,663	-	31,016,709	-	32,359,372
Transfers In	9,195,702	21,798,186	-	793,123	31,787,011
Transfers Out	(8,359,939)	-	(23,427,072)	-	(31,787,011)
TOTAL OTHER FINANCING SOURCES (USES)	3,430,860	21,798,186	7,589,637	793,123	33,611,806
NET CHANGE IN FUND BALANCES	1,957,764	2,926	8,198,578	709,364	10,868,631
FUND BALANCES BEGINNING	74,158,684	72,974	20,827,441	4,851,426	99,910,525
FUND BALANCES, END	$ 76,116,448	$ 75,900	$ 29,026,019	$ 5,560,789	$ 110,779,156

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

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENT		$ 10,868,631
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.		
Capital Outlay	10,035,104	
Depreciation Expense	(9,999,319)	
Net Cost of Capital Assets Disposed	(570,681)	(534,896)
The receipt and repayment of bonds, notes payable and capital lease principal is a revenue and expenditure in the governmental funds, but the activity increases and decreases long-term liabilities in the statement of net position.		
Bond Principal Payment	17,620,000	
Amortization of Discounts/Premiums	258,599	
Amortization of Refunding Losses on bonds Refinancing	(1,450,439)	
New debt- capital lease and note payable	(32,388,991)	
Capital Lease Principal Payment and other note payments	749,166	(15,211,665)
Some expenses reported in the statement of activities, such as accrued interest, pension and OPEB obligations do not require the use of current financial resources and; therefore, are not reported as expenditures in the governmental funds.		
Change in Compensated Absences	(118,047)	
Change in Accrued Interest	(192,130)	
Change in Pension Expensee	118,088	
Change in OPEB Obligations	(361,301)	(553,390)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (5,431,320)

See accompanying notes to the basic financial statements

SEPTEMBER 30, 2025

	Health Care Authority	Oxford Water and Sewer Board	Total Proprietary Funds
ASSETS			
Current Assets			
Cash & Cash Equivalents - Unrestricted	$ 625,248	$ 4,179,738	$ 4,804,986
Cash & Cash Equivalents - Restricted	-	1,044,753	1,044,753
Certificates of Deposit	-	1,160,572	1,160,572
Accounts Receivables-Net Allowance of Bad Debt	1,581,377	1,033,291	2,614,668
Operating Leases- Right of Use	-	39,551	39,551
Other Assets	276,011	489,743	765,754
Total Current Assets	2,482,636	7,947,648	10,430,284
Noncurrent Assets:			
Operating Leases- Right of Use	16,351	147,003	163,354
Non-Depreciable Capital Assets	94,729	2,270,719	2,365,448
Property, Plant and Equipment - Net	3,609,001	35,766,137	39,375,138
Total Noncurrent Assets	3,720,081	38,183,859	41,903,940
TOTAL ASSETS	6,202,717	46,131,507	52,334,224
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources as Related to Pension	-	439,347	439,347
Deferred Loss on Early Retirement of Debt	-	138,716	138,716
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	578,063	578,063
TOTAL	6,202,717	46,709,570	52,912,287
LIABILITIES			
Current Liabilities			
Accounts Payable	116,162	376,220	492,382
Payroll Payable and Related Payables	144,229	193,654	337,883
Lease Liability-Current	6,354	-	6,354
Other Current Liabilities	-	676,071	676,071
Finance Lease-Current	5,804	-	5,804
Total Current Liabilities	272,549	1,245,945	1,518,494
Noncurrent Liabilities			
Lease Liability-Long Term	16,351	-	16,351
Notes Payable	2,433,022	-	2,433,022
Bonds Payable, Noncurrent	-	8,246,666	8,246,666
Net Pension Liability, Noncurrent	-	1,251,248	1,251,248
Finance Lease-Long Term	4,784	-	4,784
Total Noncurrent Liabilities	2,454,157	9,497,914	11,952,071
TOTAL LIABILITIES	2,726,706	10,743,859	13,470,565
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources as Related to Pension	-	440,724	440,724
Future Lease Income	-	186,554	186,554
TOTAL DEFERRED INFLOWS OF RESOURCES	-	627,278	627,278
NET POSITION			
Investment in Capital Assets	1,260,120	29,467,056	30,727,176
Restricted	-	863,682	863,682
Unrestricted	2,215,891	5,007,695	7,223,586
TOTAL NET POSITION	3,476,011	35,338,433	38,814,444
TOTAL	$ 6,202,717	$ 46,709,570	$ 52,912,287

See accompanying notes to the basic financial statements

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Health Care Authority	Oxford Water and Sewer Board	Total Proprietary Funds
OPERATING REVENUES			
Operating Revenues	$ 2,755,328	$ 9,736,168	$ 12,491,496
TOTAL OPERATING REVENUES	2,755,328	9,736,168	12,491,496
OPERATING EXPENSES			
Operating Expenses	8,246,466	8,055,153	16,301,619
TOTAL OPERATING EXPENSES	8,246,466	8,055,153	16,301,619
Operating Income (Loss)	(5,491,138)	1,681,015	(3,810,123)
NONOPERATING REVENUES (EXPENSES)			
City's Appropriations	6,502,148	-	6,502,148
Gain on Sale of Fixed Assets	21,697	-	21,697
Amortization of Prepaid Bond Insurance	-	(7,735)	(7,735)
Bond Issue Cost	-	(134,358)	(134,358)
Interest - Operating Funds	1,407	155,276	156,683
Loss on Disposal of Assets	-	(614,333)	(614,333)
Trustee Fees	-	(3,825)	(3,825)
Miscellaneous	15,498	-	15,498
Interest on Bonded Debt & Notes	(69,873)	(275,655)	(345,528)
Total Nonoperating Revenues (Expenses)	6,470,877	(880,630)	5,590,247
Increase (Decrease) in Net Position Before Other Items	979,739	800,385	1,780,124
OTHER FINANCING SOURCES (USES)			
Developer Contributions of Utility System & Donations	-	202,440	202,440
	-	202,440	202,440
CHANGE IN NET POSITION	979,739	1,002,825	1,982,564
NET POSITION - BEGINNING OF YEAR	2,496,272	34,335,608	36,831,880
NET POSITION - END OF YEAR	$ 3,476,011	$ 35,338,433	$ 38,814,444

See accompanying notes to the basic financial statements

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - COMPONENT UNIT

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Health Care Authority	Oxford Water and Sewer Board	Total Proprietary Funds
Cash Flows from Operating Activities			
Cash Received from Customers	$ 2,969,094	$ 9,637,010	$ 12,606,104
Cash Paid to Suppliers and Employees	(7,435,703)	(6,434,077)	(13,869,780)
Interest Paid on Debt	(69,873)	-	(69,873)
Lease Paid	(31,950)	-	(31,950)
Net Cash Provided by Operating Activities	(4,568,432)	3,202,933	(1,365,499)
Cash Flows from Noncapital Financing and Non operating Activities			
New Debt Incurred	1,576,324	5,655,000	7,231,324
Principle Payments of Debt	(293,539)	(2,600,000)	(2,893,539)
Deferred Inflows from Financing Activities	-	189,895	189,895
Deferred Outflows from Financing Activities	-	78,042	78,042
Interest Paid	-	(220,342)	(220,342)
City's Appropriations	6,195,400	-	6,195,400
Miscellaneous	38,602	-	38,602
Extraordinary Expense	-	(134,358)	(134,358)
Net Cash (Used in) Noncapital Financing Activities	7,516,787	2,968,237	10,485,024
Cash Flows from Capital and Related Financing Activities			
Capital Expenditures	(2,361,090)	(4,896,549)	(7,257,639)
Funds from Disposal of Assets	21,697	(614,333)	(592,636)
Funds Provided by City of Oxford	-	240,000	240,000
Contributed Capital	-	202,440	202,440
Net Cash (Used in) Capital and Related Financing Activities	(2,339,393)	(5,068,442)	(7,407,835)
Cash Flows from Investing Activities			
Funds Provided by Trusteed and Restricted Accounts	-	210,218	210,218
Funds Provided by Certificate of Deposits	-	(60,572)	(60,572)
Amortization of Prepaid Bond Insurance	-	7,735	7,735
Interest Received	-	155,276	155,276
Trustee Fees Paid	-	(3,825)	(3,825)
Net Cash Provided by Investing Activities	-	308,832	308,832
Net Increase (Decrease) in Cash and Cash Equivalents	608,962	1,411,560	2,020,522
Cash and Cash Equivalents - Beginning of Year	16,286	2,768,178	2,784,464
Cash and Cash Equivalents - End of Year	$ 625,248	$ 4,179,738	$ 4,804,986
Reconciliation of Net Income to Net Cash Provided By (Used in) Operating Activities			
Net Income (Loss)-Operating	$ (5,491,138)	$ 1,681,015	$ (3,810,123)
Interest Paid on Debt	(69,873)	-	(69,873)
Depreciation	807,331	1,641,070	2,448,401
(Increase) Decrease in Accounts Receivable	213,766	(99,158)	114,608
(Increase) Decrease in Inventory	(96,341)	(27,953)	(124,294)
(Increase) Decrease in Prepaid Expenses	(22,235)	(18,389)	(40,624)
(Increase) Decrease in Deferred Outflows - Pension	-	213,270	213,270
Increase (Decrease) in Accounts Payables	43,586	174,864	218,450
Increase (Decrease) in Other Liabilities	46,472	(2,572)	43,900
Increase (Decrease) in Net Pension Liability	-	(772,997)	(772,997)
Increase (Decrease) in Deferred Inflows-Pension	-	413,783	413,783
Net Cash Provided by Operating Activities	$ (4,568,432)	$ 3,202,933	$ (1,365,499)

See accompanying notes to the basic financial statements

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Oxford, Alabama (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (the "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

1. Reporting Entity

The City of Oxford, Alabama (the City) was originally incorporated in 1852. In 1860, Benton County, Alabama became Calhoun County, Alabama and the City was reincorporated. The form of government for the City is a Council / Mayor form, where the legislative functions of the City are exercised by the council. The City is governed by an elected mayor and five-member council who are elected at large for concurrent terms of four years from the City. The City complies with accounting principles generally accepted in the United States of America (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Accounting principles generally accepted in the United States of America require that the City report the entire reporting entity which consists of the City, Alabama (the primary government) and its component units, entities for which the City is considered to be financially accountable. The City has six blended component units, which are part of the government's operations and are included with the City's primary government. The City has two discretely presented component units, which are presented in separate columns in the basic financial statements to emphasize the fact that they are legally separate from the City. The component units discussed below are included in the City's reporting entity because of the significance of their operation or financial relationships with the City. All presented component units have a September 30 year end.

Blended Component Units

The blended component units include the Oxford Civil Service Board, the Oxford Public Library, the Oxford Planning Commission, Cider Ridge Golf Club, the Public Building Authority, and the Commercial Development Authority. These component units are financially dependent upon the City since (a) the governing boards of these component units are selected by the City Council, (b) the City must approve key management designations by the governing boards, (c) the annual operating budgets, if applicable, of these component units require approval of the City prior to adoption, and (d) the City has absolute authority over all funds of these component units.

Discretely Presented Component Units

The discretely presented component units include the Oxford City Board of Education, the Oxford Water Works and Sewer Board and the Health Care Authority of the City, Alabama. The discretely presented component unit columns in the government-wide financial statements include financial data of these component units. These component units are reported in a separate column to emphasize they are legally separate from the City.

The Oxford City Board of Education – The Oxford City Board of Education's governing body is appointed by the City. The City has issued bonds for the Board of Education and is obligated for the debt. The City also provides annual appropriations to the Board.

Oxford Water Works and Sewer Board – The City appoints the members of the governing board and the City has the ability to modify or approve water rates. The City has built, by bond indebtedness, a water and sewer facility from which the Board receives all revenues. The City pays debt service for the bond issues. The City has issued bonds to upgrade the sewer facilities. At the end of the construction period, these assets were transferred to the City. The City provided annual appropriations to assist with the daily operations of the Board.

The Health Care Authority of the City of Oxford, Alabama – The Health Care Authority's (HCA)governing body is appointed by the City. All assets and properties shall be vested in the name of the Authority and upon the Authority's dissolution title and assets shall then vest in the City. The City will support and back HCA in the event the HCA needs financial support for payments.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-wide Financial Statements and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and it's discretely presented component units. For the most part, the effect of any interfund activity has been removed from these statements. *Governmental Activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *discretely presented component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are combined in a column in the fund financial statements and are detailed in the combining section. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The City's primary government currently has no proprietary or fiduciary funds to report.

The government-wide financial statements are reported in the *economic resources' measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds

Governmental funds are used to account for the City's general government activities. Governmental fund financial statements use the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. For this purpose, the City considers revenues to be available if, they are collected within sixty days of the end the fiscal period. Expenditures generally are recorded when the related fund liability is incurred, as in accrual accounting. However, debt service expenditures are recognized only when payment is due. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Property taxes collected by the county on behalf of the City are recorded as earned since they are measurable and available, and recorded as receivables when their amount becomes known.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental column of the government-wide presentation.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus Basis of Accounting and Financial Statement Presentation

Major Funds

The City reports the following major governmental funds:

General Fund – The General Fund is a major fund and is the principal fund of the City and is used to account for all revenues and expenditures applicable to the general operations of the City government, which are not properly accounted for in another fund.

Debt Service Funds – The Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt, including principal, interest, and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for and demonstrate compliance with legal and contractual provisions and to compile cost data related to financial resources designed to construct or acquire general fixed assets and major improvements.

Nonmajor Funds

The City reports the following governmental types in the "Nonmajor Funds" column:

Gasoline Tax Revenue Fund – This Special Revenue Fund is used to account for the proceeds of gasoline tax revenue sources that are legally restricted or designated by outside sources to expenditures for road improvements.

Police Fund – This Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted or designated by outside sources to expenditures for the police department.

Public Building Authority – The Public Building Authority is a blended component unit of the City. It was established to provide rental property to the City.

Commercial Development Authority – The Commercial Development Authority is a blended component unit of the City.

Municipal Court Fund- This Special Revenue Fund accounts for funds received from specific fines collected to be used for municipal court administration purposes. The City set up this special revenue fund for the year ended September 30, 2025.

Federal Funded Capital Projects- The City received federal funding to assist the City with major road projects.

The activities in these funds are reported as governmental activities in the governments-wide financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB).

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the course of normal operations, the City has numerous transactions between funds to provide services, to pay debt, etc. These transactions are generally reflected as operating transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. These transactions are recorded as expenditures in the reimbursing fund and as reductions of the expenditures in the fund reimbursed. As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements.

4. Assets, Liabilities, and Net position or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, or short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, State of Alabama, Alabama counties, or the general obligations of Alabama municipalities. Cash in excess of current City requirements are invested in various savings accounts or certificates of deposit.

Investments for the City are certificates of deposit from local banks with varying maturities and interest rates. They are stated at the face value of the certificate. Accrued interest income on investments is reported separately on the financial statements.

Receivables

All trade and notes receivable are shown net of an allowance for uncollectible amounts.

Property Tax

All property taxes levied by the state, county, and any local municipality in Calhoun and Talladega counties are assessed by the Tax Assessors and collected by the Tax Collectors of the respective counties. These counties' property tax calendars specify the following actions and rates:

- Levy (assessment) Date — September 30
- Lien Date — September 30
- Due Date — October 1
- Collection Dates — October 1 – December 31
- Delinquent Date — January 1

Tax collections received by the Tax Collectors of Calhoun and Talladega counties are remitted to the City on a monthly basis. All amounts remitted to the City within the bill paying period are included in revenue. Taxes collected by the Tax Collectors of Calhoun and Talladega counties within the fiscal year, but remitted to the City after the fiscal year end is accrued.

Inventories and Prepaid Expenses

Inventories consist of various supplies held for consumption. Inventories are carried at the lower of cost or market using the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements.

The cost of inventory and prepaid items are equally offset by a net position / fund balance reserve which indicates that they do not constitute "available, spendable resources" even though they are a component of assets.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activity

Interfund activity is reported as either "Due to / from Other Funds" in the fund level Balance Sheet – Governmental Funds or "Transfer to / from Other City Funds" in the fund level Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. These items represent loans, services provided, reimbursements, or transfers between governmental funds. All interfund transactions between governmental funds are eliminated as part of the reconciliation to the government-wide financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, vehicles, and infrastructure (i.e. roads, sidewalks, and bridges) are reported in the governmental activities' column in the government-wide financial statements. Capital assets are recorded at historical stated cost if purchased or constructed, or estimated historical cost if inadequate records were available to determine the actual cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and land improvements are not subject to depreciation.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
• Building and Building Improvements	25-40 years
• Machinery and Equipment	5-10 years
• Vehicles	5-10 years
• Infrastructure	25-40 years

The City has a collection of artifacts and books presented for public exhibition and education that is being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other acquisitions. The collections are not capitalized or depreciated as part of capital assets.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet – governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so on will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One item is deferred charges on refunding reported on the government-wide statement of net position. A deferred charge on refunded debt results from the difference in carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two items that qualify for reporting in this category are the contributions to the pension plan subsequent to the plan measurement date and the net difference between projected and actual earnings on plan investments, and is reported only in the governmental activities statement of net position. No deferred outflows of resources affect the governmental fund financial statements.

In addition to liabilities, the statement of net position and/or balance sheet – governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item that qualifies for reporting this category. The item is related to pensions and OPEB obligations. No deferred inflows of resources affect the governmental fund financial statements.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net position or Equity (Continued)

Compensated Absences

Accrued Vacation: City employees earn vacation leave at graduated rates based on the employee's years of service. All accrued vacation must be used or bought out by December 31 of the following calendar year end, and all accrued vacation balances will be paid upon termination or retirement. A current liability of $613,991 as of September 30, 2025, has been accrued, which represents vacation leave earned by employees for services rendered in the current year.

Accrued Sick: City employees earn sick leave at a rate as follows: eight hours per month for employees who work an eight-hour day, twelve hours per month for employees who work a twelve-hour day, and twenty-four hours per month for employees who work a twenty-four-hour day. When an employee terminates his/her employment in good standing, he/she will be entitled to be paid for accumulated sick leave on a graduated scale based the employees' years of service and as a percentage of a 1,200-hour base. No accumulated sick leave was accrued as of September 30, 2025. A long-term liability of $1,130,749 has been recorded in the government-wide statement.

Pensions

The Employees' Retirement System of Alabama (the Plan or ERS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported as fair value. Financial statements are prepared in accordance with the requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included on the State's Comprehensive Annual Financial Report.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of applicable bond premium or discount. Bond issuance costs are expensed as interest costs as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications

Government-wide statements – Equity is classified as net position, and displayed in the following three components:

- *Net investments in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- *Restricted net position* – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- *Unrestricted net position* – all other net position that does not meet the definition of restricted or net investment in capital assets are reported in this category.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net position or Equity (Continued)

Fund Financial Statements

Government fund equity is classified as fund balance. GASB Statement No. 54 distinguishes fund balance between:

Amounts that are considered nonspendable because they are not available for current use (such as fund balance associated with inventories, long-term receivables, and permanent fund principal), and amounts that are available for use but are classified based on the relative strength of the constraints that control the purpose for which specific amounts can be spent. Beginning with the most binding constraints, these classifications are:

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned

Nonspendable Fund Balance

Amounts that cannot be spent because they are either (1) not in spendable form (e.g., inventories, prepaid amounts, long-term loans and notes receivable, or property held for resale) or (2) legally or contractually required to be maintained intact (e.g., the corpus or principal of a permanent fund).

Restricted Fund Balance

Amounts that are constrained for a specific purpose through restrictions of external parties (e.g., creditors, grantors, contributors, or laws and regulations of other governments), or by constitutional provisions or enabling legislation, pursuant to the definition of "restricted" in paragraph 34 of GASB Statement No. 34, as amended by GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation.*

Committed Fund Balance

Amounts that are constrained for specific purposes imposed by formal action of the government's highest level of decision-making authority (e.g., amounts that have been committed by the governing body legislation, ordinances, or resolutions for a specific purpose, such as an amount from specific park and recreation revenues committed by governing body resolution to be used only for park maintenance).

Assigned Fund Balance

Assigned fund balance consists of amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Intent should be expressed by (1) the governing body itself or (2) a body (e.g., a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes (i.e., the amounts are intended to be used by the government for specific purpose but do not meet the criteria to be classified as restricted or committed, such as amounts set aside by management to fund a projected deficit in a subsequent year's budget.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net position or Equity (Continued)

Fund Financial Statements (Continued)

Unassigned Fund Balance

Unassigned fund balance is the residual classification for the government's general fund; it includes all amounts that are not constrained as reported in the other classifications.

Restricted or unrestricted amounts are considered as spent when an expenditure is incurred for the purpose for which both restricted and unrestricted fund balances are available. The City's policy is to use restricted funds first, before committed, then assigned and finally unassigned when all of the above funds are unavailable.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed, except in the case of grant monies which are used for their required purpose. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the best practice of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

Use of Estimates in the Preparation of Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

GASB 87, *Leases*

In June 2017, the GASB issued GASB 87, *Leases*. The purpose of GASB 87 is to increase transparency and comparability amount organizations by recognizing leases assets and lease liabilities on the balance sheets and disclosing key information about leasing arrangements. The Statement require that lessees recognize the rights and obligations resulting from leases as assets and liabilities on their balance sheets, initially measured at the present value of the lease payments over the term of the lease, including payments to be made in optional periods to extend the lease and payments to purchase the underlying assets if the lease is reasonably certain of exercising those options. GASB 87 requires recognition of lease assets and lease liability by lessees for those leases classified as operating leases under previous generally accepted accounting principles (GAAP).

The City adopted the requirements of the guidance effective October 1, 2021 and has elected to apply the provisions of this standard to the beginning of the period of adoption. The lease standards will only affect the financial statement presentation for year ended September 30, 2022 and forward; the prior year financial statements will not be restated.

The City has elected to adopt the package of practical expedients available in the year of implementation to reduce cost and ease the transition process. These practical expedients must be elected as a package and applied consistently to all leases that commenced before the effective date of the standard.

- The entity doesn't need to reassess existing or expired contracts for lease classification (i.e., a lease that was classified as an operating lease under GASB 87 does not need to be reassessed for classification under GASB 87 and can carry forward the operating classification under the new standard).
- The entity doesn't need to reassess existing or expired contracts for the existence of embedded leases.
- Initial direct costs for existing leases don't need to be reassessed under the new definition.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 87, *Leases (continued)*

Operating Lease

An operating lease is a lease that has an original term of more than 12 months, including periods from any renewal or extension options that the lessee is reasonably certain to exercise and does not meet the criteria below for a finance lease. Operating leases will be recorded through a right of use asset and lease liability on the balance sheet. The lease liability will be recorded at a present value with an incremental borrowing rate (or rate implicit in the lease). The lease liability will be reduced as lease payments are made throughout the life of the lease. The right of use asset will be reduced as lease expense is recognized on a straight-line basis throughout the life of the lease. The total lease expense will be equal to the total lease component payments made for the lease.

Finance Lease

A finance lease is a lease that has an original term of more than 12 months, including periods from any renewal or extension options that the lessee is reasonably certain to exercise and meets one of the criteria below for a finance lease:

- Ownership Transfers- Ownership of the underlying asset transfers to the lessee at the end of the lease term.
- Written Option- Lessee has an option to purchase the underlying asset that the lessee is reasonably certain to exercise.
- Net Present Value- Net present value of the sum of the lease payments and any residual value guaranteed by the lessee (that is not otherwise included in the lease payments) is a substantial percentage of the value of the underlying asset.
- Economic Life- Lease term is for a major part of the remaining economic life of the underlying asset.
- Specialized Nature- Underlying asset is specialized enough in nature that it is expected to have no alternative use to the lessor at the end of the lease term.

Finance leases will be recorded through a right of use asset and lease liability on the balance sheet (same as operating leases). The lease liability will be recorded at a present value with an incremental borrowing rate (or rate implicit in the lease). The lease liability will be reduced as lease payments are made throughout the life of the lease. The initial right of use asset value will be amortized over the life of the lease on a straight-line basis. Interest expense will also be recognized based on the lease liability and the rate used. The sum of the right of use amortization and the lease expense will equal the total lease component payments made for the lease.

Short-Term Lease

A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. The City has elected not to apply the recognition requirements of GASB 87 to short-term leases. Instead, short-term leases are recognized as rent expense on the Statement of Income on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The City legally adopts an annual budget for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund.

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

- Prior to October 1, the Mayor submits to the City Council, the proposed operating budgets for the fiscal year commencing October 1.
- Public hearings are conducted at City Hall to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through action of the Council.
- All unencumbered appropriations lapse automatically at September 30.
- State law prohibits any municipality from making expenditures in excess of budgeted amounts unless the actual revenue is more than the budged amount.
- Budgets for all funds are prepared in accordance with the modified accrual basis of accounting.
- Budget amounts are presented as originally adopted by the City Council for the year ended September 30, and budget amendments are approved by the City Council for various items throughout the year.

Excess of Expenditures over Appropriations

The City maintains a level of control at the department level and at the fund level. The following departments and funds had expenditures exceeding appropriations as of September 30, 2025:

Department	Final Budget	Actual	Expenditures (Over) Under Appropriations
Cemetery Dept	$ 204,527	$ 229,489	$ (24,962)
Sanitation Dept	$ 1,275,000	$ 1,324,340	$ (49,340)
Other Boards & Agencies	$ 17,219,343	$ 17,368,038	$ (148,695)
Debt Service	$ -	$ 876,818	$ (876,818)
Capital Outlay	$ 6,030,987	$ 10,035,104	$ (4,004,117)

The City's general fund total expenditures were over total revenues by $1,473,096.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Deposits and Investments

At September 30, 2025, the carrying amount of the City's deposits with four financial institutions was as follows:

	Carrying Amount
Demand Deposit Account	$ 75,156,071
Certificates of Deposit	32,116,821
Total	$ 107,272,892

	Certificates Deposits
Current	$ 15,766,776
Noncurrent	16,350,045
Total	$ 32,116,821

Deposits at year-end were held by financial institutions in the State of Alabama's Security of Alabama Funds Enhancement (SAFE) Program. The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the Code of Alabama 1974, Sections 41 – 14A-1 through 41 – 14A-14. Under the SAFE Program all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of a failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance. All deposits of the City as of September 30, 2025, are held by financial institutions in the SAFE Program.

Certificate of Deposits in the amount of $4,000,000 have been issued through Certificate of Deposit Account Registry (CDARS) by one or more FDIC insured depository institutions. CDARS are eligible for pass through FDIC insurance. The Certificates of Deposit issued by the depository institutions are less than or equal to $250,000 and, therefore, covered by FDIC insurance.

Interest Rate Risk - The City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk - State statutes limit the City's investments to U.S. Treasury obligations, State of Alabama and Alabama County obligations, and general obligations of Alabama municipalities. At September 30, 2020, the City's short-term investments consisted of Dreyfus Corporation Treasury Securities and Fidelity Investments Money Market Treasury Only funds. These funds are comprised of U.S. Treasury Bills and are rated AAA by Standard & Poor's Rating Group.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

GASB Statement No. 72 was effective for the City for the year ended September 30, 2018. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement also provides guidance for applying fair value to certain investments and disclosures related to fair value measurements. An investment for this Statement is defined as a security of other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. The asset must meet both criteria to be classified as an investment. The U. S. Treasury obligation listed above is not considered an investment under GASB 72 definition.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Deposits and Investments

Restricted Cash

Police Department - Special Revenue Fund	$ 234,740
Police Department - General Fund	71,387
Capital Projects - Special Revenue Fund	21,901,775
Capital Projects - General Fund	2,602
Municipal Court – Special Revenue Fund	52,158
Municipal Court- General Fund	39,730
Debt Service - Special Revenue Fund	75,900
Commercial Development Authority	1,258,744
Cash Bond-General Fund	72,217
Public Building Authority	726,781
Street Improvements	2,070,817
Total Restricted Cash	$ 26,506,851

Receivables

Receivables as of September 30, 2025, for the City's individual major and nonmajor funds are as follows:

	General Fund	Gas Tax Fund	Total
Amounts Due from Other Governmental Units:			
Federal	$ 936,331	$ -	$ 936,331
State of Alabama	5,468,722	30,642	5,499,364
County	76,623	-	76,623
Local	102,547	-	102,547
Total Due from Other Governmental Units	$ 6,584,223	$ 30,642	$ 6,614,865

Municipal Court receivables consist of uncollected police fines, totaling $1,241,512 less an allowance of doubtful accounts of $279,393 for a net of $962,119.

Other Receivables consist of:

Franchise Fees	$ 15,331
Performing Arts Center	34,649
Total Other Receivables	$ 49,980

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE C – CAPITAL ASSETS

The following is a summary of changes in the City's Governmental Activities capital asset activity for the fiscal year ended September 30, 2025:

	Balance 9/30/2024	Transfers/ Additions	Transfers/ Deductions	Balance 9/30/2025
Non-depreciable Capital Assets				
Land	$ 35,058,394	$ -	$ -	$ 35,058,394
Construction in Progress	21,322,716	3,347,406	-	24,670,122
Total Non-depreciable Capital Assets	56,381,107	3,347,406	-	59,728,516
Capital Assets, Being Depreciated				
Buildings and Improvements	110,357,051	209,170	-	110,566,221
Equipment	31,806,238	2,489,561	(57,530)	34,238,269
Vehicles	18,996,160	3,988,967	(1,598,149)	21,386,978
Other Equipment	137,333	-	-	137,333
Infrastructure:				
Streets	39,083,252	-	-	39,083,252
Sidewalks	197,114	-	-	197,114
Bridges	18,600,000	-	-	18,600,000
Total Capital Assets, Being Depreciated	219,177,148	6,687,698	(1,655,679)	224,209,167
Less Accumulated Depreciation				
Depreciable Assets	(101,911,940)	(9,999,319)	1,084,998	(110,826,261)
Total Capital Assets, Being Depreciated, Net	117,265,209	(3,311,621)	(570,681)	113,382,906
Total Governmental Activities Capital Assets,	$ 173,646,316	$ 35,785	$ (570,681)	$ 173,111,422

During fiscal year ended September 30, 2025, the City spent $10,035,104 for additions to capital assets. The City disposed of additional capital assets with costs of $1,655,679 and accumulated depreciation of $1,084,998 a net of $570,681. Sales proceeds from these disposals were $1,252,434 for a gain on sale of assets of $681,753.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE C – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	$	796,850
Parks and Recreation Department		3,901,112
Fire Department		913,413
Police Department		1,793,245
Street Department		1,984,700
Garage Department		165,769
Cemetery Department		3,094
Maintenance Department		58,284
Other Boards and Agencies		382,851
Total Depreciation Expense – Governmental Activities	$	9,999,319

CONSTRUCTION IN PROGRESS

Construction in progress as of September 30, 2025, totaled $24,670,122 and consists of the following projects:

- Total costs incurred for the improvements of Leon Smith Parkway in the amount of $21,893,141. The project was not completed by September 30, 2025
- Total cost incurred for the improvements of Boiling Springs Road in the amount of $421,733. The project not completed by September 30, 2025.
- Total cost incurred for the improvements of Friendship Road and bridge over Choccolocco Creek in the amount of $772,914. The project was not completed by September 30, 2025.
- Total cost incurred for improvement of Highway 78 intersection $235,901. The project was not completed by September 30, 2025.
- Total cost incurred for improvement of McIntosh Road in the amount of $676,086. The project was not completed by September 30, 2025.
- Various other road projects not completed by September 30, 2025, were $670,347.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE C – CAPITAL ASSETS (Continued)

Activity for the discretely presented component unit, the Oxford City Board of Education, for the fiscal year ended September 30, 2025, was as follows:

Component Unit - Oxford City Board of Education	Balance 09/30/2024	Additions	Deductions	Balance 9/30/2025
Capital Assets, Not Being Depreciated:				
Land	$ 3,918,663	$ -	$ -	$ 3,918,663
Construction in Progress	22,199,156	3,112,807	(22,508,760)	2,803,203
Total Non-depreciable Capital Assets	26,117,819	3,112,807	(22,508,760)	6,721,866
Capital Assets, Being Depreciated				
Land Improvements	4,779,829	-	-	4,779,829
Buildings	82,912,415	22,508,760	-	105,421,175
Building Improvements	17,526,989	15,895	-	17,542,884
Vehicles and Equipment	9,686,597	497,798	(745,723)	9,438,672
Total Capital Assets, Being Depreciated	114,905,830	23,022,453	(745,723)	137,182,560
Less Accumulated Depreciation				
Depreciable Assets	45,388,883	3,584,464	(745,723)	48,227,624
Total Capital Assets, Being Depreciated, Net	69,516,947	19,437,989	-	88,954,936
Total Oxford City Board of Education Capital Assets, Net	$ 95,634,766	$ 22,550,796	$ (22,508,760)	$ 95,676,802

Depreciation expense is charged to functions of the component unit as follows:

Component Unit – Oxford City Board of Education	
Instructional Services	$ 1,502,805
Instructional Support Services	603,034
Operation and Maintenance Services	395,619
Auxiliary Services	799,728
General Administrative Services	283,278
Total Depreciation Expense - Oxford City Board of Education	$ 3,584,464

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE C – CAPITAL ASSETS (Continued)

Activity for the discretely presented component unit, the Oxford Water Works and Sewer Board, for the fiscal year ended September 30, 2025, was as follows:

Component Unit - Oxford Water Works and Sewer Board	Balance 10/01/24	Additions	Deductions	Balance 9/30/25
Capital Assets, Not Being Depreciated:				
Land	$ 2,270,719	$ -	$ -	$ 2,270,719
Construction in Progress	2,816,280	5,445,662	(1,650,023)	6,611,919
Total Non-depreciable Capital Assets	5,086,999	5,445,662	(1,650,023)	8,882,638
Capital Assets, Being Depreciated				
Buildings	799,691	-	(915)	798,776
Office Furniture and Equipment	1,176,617	423,853	(448,866)	1,151,604
Vehicles and Equipment	2,796,354	225,363	(513,613)	2,508,104
Water Distribution Systems	24,498,707	466,049	(633,527)	24,331,229
Water Treatment Plant	7,657,222	292,015		7,949,237
Sewer Systems and Plant	23,927,695	294,197		24,221,892
Total Capital Assets, Being Depreciated	60,856,286	1,701,477	(1,596,921)	60,960,842
Less Accumulated Depreciation:	31,143,861	1,644,350	(981,587)	31,806,624
Total Capital Assets, Being Depreciated, Net	29,712,425	57,127	(615,334)	29,154,218
Total Oxford Water Works and Sewer Board Capital Assets, Net	$ 34,799,424	$ 5,502,789	$ (2,265,357)	$ 38,036,856

Total depreciation expenses were $1,641,070 for the year ended September 30, 2025.

Activity for the discretely presented component unit, The Healthcare Authority of the City of Oxford, Alabama, for the fiscal year ended September 30, 2025, was as follows:

Component Unit - Healthcare Authority	Balance 10/01/24	Additions	Deductions	Balance 9/30/25
Capital Assets, Not Being Depreciated				
Land	$ -	$ 94,729	$ -	$ 94,729
Capital Assets, Being Depreciated				
Equipment	1,221,499	513,120	-	1,734,619
Vehicles	1,712,607	2,085,096	(87,606)	3,710,097
Total Capital Assets, Being Depreciated	2,934,106	2,598,216	(87,606)	5,444,716
Less Accumulated Depreciation:	(1,069,187)	(807,331)	40,803	(1,835,715)
Total Healthcare Authority Capital Assets, Net	$ 1,864,919	$ 1,885,614	$ (46,803)	$ 3,703,730

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE D – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund receivables and payables balance as of September 30, 2025, are as follows:

Payable Fund		Receivable Fund	
General Fund	$ 7,119,244	Capital Projects Fund	$ 7,124,244
General Fund	1,146,906	Nonmajor Funds	1,146,906
Nonmajor Funds	5,000		
Total Payable Fund	$ 8,271,150	Total Receivable Fund	$ 8,271,150

The composition of interfund transfers in (out) for the years ended September 30, 2025, are as follows:

Transfer From	Transfer To	
General Fund	Debt Service Fund	$ 7,566,816
Nonmajor Fund	General Fund	787,717
General Fund	Municipal Court Fund	5,406
Capital Project Fund	Debt Service	14,231,370
Capital Project Fund	General Fund	9,195,702
Total		$ 31,787,011

Transfers are used to: (1) move revenues from the fund that collects them, as required by statute or budget, to the fund that exceeds them, as required by statute or budget, (2) move receipts restricted to debt services from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds, including capital projects, in accordance with budgetary operations.

In the government-wide financial statements, the interfund receivables, payables, and transfers are eliminated so that the Statement of Net Position reflects a more structuralized focus on the sustainability of the City as an entity.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT

The government issues general obligation warrants to provide funds for the acquisition and construction of major capital facilities. General obligation warrants have been issued for general government activities. In addition, general obligation warrants have been issued to refund general obligation warrants. The City has no outstanding notes from direct borrowing or direct placement.

General obligation warrants are direct obligations which pledge the full faith and credit of the government.

Changes in the government activities long-term obligations for the year ended September 30, 2025, were as follows:

Governmental Activities:		Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2012-B Warrants	2.00% - 5.00%	$ 1,195,000	-	$ (695,000)	$ 500,000	$ 500,000
Series 2014-B Warrants	3.25% - 4.00%	435,000	-	-	435,000	-
Series 2015-A Warrants	1.00% - 5.00%	2,850,000	-	(1,425,000)	1,425,000	-
Series 2016-A Warrants	Variable	12,745,000	-	(12,745,000)	-	-
Series 2017-A Warrants	4.00% - 4.50%	12,710,000	-	-	12,710,000	-
Series 2018-A Warrants	3.75% - 5.00%	6,725,000	-	-	6,725,000	-
Series 2020-A Warrants	1.25%-2.35%	10,615,000	-	(300,000)	10,315,000	-
Series 2020-B Warrants	0.433-2.734%	42,020,000	-	(900,000)	41,120,000	2,605,000
Series 2020-C Warrants	2.00%-4.00%	5,925,000	-	(160,000)	5,765,000	165,000
Series 2021-A Warrants	.510%-2.510%	19,790,000	-	(140,000)	19,650,000	145,000
Series 2021-B Warrants	4%	5,220,000	-	-	5,220,000	780,000
Series 2022-A Warrants	4% to 5%	29,745,000	-	-	29,745,000	-
Series 2022-B Warrants	4% to 5%	3,950,000	-	-	3,950,000	-
Series 2025-A Warrants		-	10,620,000		10,620,000	
Series 2025-B Warrants		-	21,050,000		21,050,000	
CDA 2011-A Warrants	1.00% - 5.00%	715,000	-	(715,000)	-	-
PBA 2015-A Warrants	3.00% - 5.00%	8,970,000	-	(540,000)	8,430,000	565,000
Total General Obligations		163,610,000	31,670,000	(17,620,000)	177,660,000	4,760,000
Deferred Amounts:						
Plus: Unamortized Bond Premiums		2,803,703	403,861	(377,917)	2,829,647	349,473
Less: Unamortized Bond Discounts		(234,000)	(740,453)	119,318	(855,135)	(50,950)
Total Deferred Amounts		2,569,703	(336,592)	(258,599)	1,974,512	298,523
Total Long-Term Liabilities		$ 166,179,703	$ 31,333,408	$ (17,878,599)	$ 179,634,512	$ 5,058,523
Deferred Amounts Other:						
Less: Unamortized Deferred Charges		$ 8,200,592	$ 287,079	$ (1,450,439)	$ 7,037,232	$ (1,459,364)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

Annual Debt service requirements to maturity for general obligation bonds and other long-term debt are as follows:

Year Ending September 30:	Principal	Interest	Total
2026	$ 4,760,000	$ 5,874,885	$ 10,634,885
2027	5,085,000	5,758,045	10,843,045
2028	5,245,000	5,638,080	10,883,080
2029	5,405,000	5,511,324	10,916,324
2030	5,570,000	5,391,456	10,961,456
2031-2035	28,895,000	24,727,840	53,622,840
2036-2040	30,870,000	20,758,496	51,628,496
2041-2045	29,020,000	16,067,142	45,087,142
2046-2050	27,990,000	11,428,205	39,238,205
2051-2055	34,820,000	4,421,689	39,241,689
Total	$ 177,660,000	$ 105,397,162	$ 283,057,162

Constitutional Debt Limit

Constitutional Debt Limit—General. The city's present constitutional debt limit is based on two provisions of the Alabama Constitution of 1901, namely, section 225 of the Alabama Constitution of 1901 and Amendment No. 772 to the Alabama Constitution of 1901. Obligations chargeable against debt limit for purposes of section 225 of the Alabama Constitution of 1901 are not chargeable against debt limit for purposes of Amendment No. 772 to the Alabama Constitution of 1901, and obligations chargeable against debt limit for purposes of Amendment No. 772 to the Alabama Constitution of 1901 are not chargeable against debt limit for purposes of section 225 of the Alabama Constitution of 1901.

Constitutional Debt Limit—Section 225. Under section 225 of the Alabama Constitution of 1901, the City's present constitutional debt limit is an amount equal to 20% of the assessed value of the taxable property located within its corporate limits; however, under existing law, the following are not chargeable against the City's constitutional debt limit: (1) obligations chargeable against debt limit for purposes of Amendment No. 772 to the Alabama Constitution of 1901; (2) obligations issued for the purpose of acquiring, providing or constructing schools, water works or sewers; (3) obligations incurred for street or sidewalk improvements where the costs thereof, in whole or in part, are to be assessed against the property abutting such improvements; (4) tax anticipation notes not exceeding one-fourth of general revenues; (5) revenue securities payable solely from the revenues of water, sewer, gas or electric systems; and (6) capitalized lease obligations that are funded on a "year-to-year basis".

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The following statement reflects the City's legal debt margin under the Section 225 of the Alabama Constitution of 1901 after the issuance of the Series 2025A and Series 2025B Warrants:

Statement of Legal Debt Margin—Section 225

Assessed value of taxable property (including motor vehicles) (as of September 30, 2024)	$ 462,850,220
Basic debt limit (20% of assessed value)	92,570,044
Total indebtedness:	
General obligation indebetedness[1]	180,090,000
Less: Non-chargeable indebtedness[2]	(110,063,018)
Total indebtedness chargeable against debt limit	70,026,982
Legal debt margin	$ 22,543,062

(1) See "Outstanding Indebtedness".

(2) The following indebtedness (in the amounts noted in parentheses) is not chargeable against debt limit: (a) General Obligation Warrants, Series 2012B ($337663), CDA Funding Agreement (2011) ($2,075,000); (b) General Obligation School Warrants, Series 2012B ($870,294); (c) General Obligation Warrants, Series 2015A ($2,850,000),(d)PBA Lease Agreement (2015) ($8,430,000); (e) General Obligation Warrants, Series 2017A ($10,402,300); (f), Taxable General Obligation Warrants, Series 2020B ($22,808,055), (g) Taxable General Obligation Warrants, Series 2021A (19,650,000), (h) General Obligation Warrants, Series 2021B ($ 5,220,000) and (i) General Obligation Warrants, Series 2022A ($ 29,745,000: and (i) General Obligation Warrants, Series 2025A ($10,620,000). See "Outstanding Indebtedness".

Constitutional Debt Limit—Amendment No. 772. Under Amendment No. 772 to the Alabama Constitution of 2022, the City may become indebted and issue bonds, warrants which may be payable from funds to be realized in future years, notes, or other obligations, or evidences of indebtedness to a principal amount not exceeding 50% of the assessed value of the taxable property located within its corporate limits in order to secure funds for any of the economic and industrial development powers or authorities granted in such amendment; however, under existing law, obligations chargeable against debt limit for purposes of Section 225 of the Alabama Constitution of 2022 are not chargeable against the City's constitutional debt limit.

The following statement reflects the City's legal debt margin under Amendment No. 772 to the Alabama Constitution of 2022 after the issuance of the Series 2025A and Series 2025B Warrants:

Statement of Legal Debt Margin—Amendment No. 772

Assessed value of taxable property (including motor vehicles) (as of September 30, 2024)	$ 462,850,220
Basic debt limit (50% of assessed value)	231,425,110
Total indebtedness chargeable against debt limit[1]	(74,515,000)
Legal debt margin	$ 156,910,110

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

City Warrants / Bonds – City of Oxford, Alabama

On June 1, 2012, the City issued the Series 2012-B General Obligation Warrants in the amount of $9,245,000. The proceeds of these warrants were used for the advanced refunding of Series 2004 General Obligation Recreation Warrants, the partial advanced refunding of Series 2005 General Obligation Refunding Warrants, and the retirement of the Series 1999 General Obligation Warrants. Interest is payable semi-annually each May 1 and November 1, with principal due May 1 of each year until maturity on May 1, 2025. Interest rates range from 2.00% to 5.00%. The outstanding balance was $500,000 as of September 30, 2025.

On July 2, 2014, the City issued the Series 2014-B General Obligation Warrants in the amount of $3,130,000. The proceeds from the bonds were issued for various improvements of the City, including a fire department and maintenance building. The Series 2014-B General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable semi-annually each June 1 and December 1. The bonds were partially refunded ($2,695,000) during the current year, with the issuance of Series 2020-B Taxable General Obligation warrants, which were placed in an irrevocable trust with an escrow agent for future debt services of the 2014B Warrants. The outstanding balance was $435,000

On January 1, 2015, the City issued the Series 2015-A General Obligation Warrants in the amount of $22,925,000, of which $21,865,000 were used to partially advance refund 2007-A General Obligation Warrants. The remaining portion is to be used for capital projects in the City. Interest is payable semi-annually each March 1 and September1, with principal due on September 1 of each year until maturity on September 1, 2035. Interest rates range from 1.00% to 5.00%. The bonds were partially refunded $ 695,000) during the current year, with the issuance of Series 2020-B Taxable General Obligation warrants, which were placed in an irrevocable trust with an escrow agent for future debt services of the 2015A Warrants. The outstanding balance was $1,425,000 as of September 30, 2025.

On April 1, 2016, the City issued the Series 2016-A Tax-Exempt General Obligation Warrants in the amount of $12,745,000. The proceeds from the bonds were issued for the acquisition and construction of certain municipal facilities of the City. The Series 2016-A General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable quarterly each January 1, April 1, July 1, and October1, with principal payments due and maturing in 2040 and 2041. Interest rates are based on variable weekly rates, with an assumed average interest rate of 2.00%. The outstanding balance of $12,745,000 was paid off with the 2025-B bonds; therefore, the balance was $ 0 as of September 30, 2025.

On June 15, 2017, the City issued the Series 2017-A General Obligation Warrants in the amount of $20,305,000, of which $285,000 were used to currently refund 2005-A General Obligation Warrants with maturities scheduled for 2020 through 2025, $16,245,000 were used to currently refund 2007-A General Obligation Warrants with maturities scheduled for 2020 through 2037, and $3,880,000 were used to currently refund 2016-B General Obligation Warrants with maturities scheduled for 2020 through 2028. Interest is payable semi-annually each March 1 and September 1, with principal due each September beginning in 2032 until maturity on September 1, 2043. Interest rates range from 4.00% to 4.50%. The City pledged gross receipt tax revenue as security and is required to deposit these collections in a special debt service fund. The deferred refunding loss in the amount of $211,524 is being amortized over 135 months. The City had an economic gain on refunding in the amount of $468,851. The bonds were partially refunded ($7,595,000) during the current year, with the issuance of Series 2020-B Taxable General Obligation warrants, which were placed in an irrevocable trust with an escrow agent for future debt services of the 2017A Warrants, the balance of the defeased bonds was $7,595,000 as of September 30, 2023. The outstanding balance was $12,710,000 as of September 30, 2025.

On June 28, 2020, the City issued the Series 2018-A General Obligation Warrants in the amount of $11,725,000. The proceeds from the bonds were issued for the acquisition and construction of certain municipal facilities of the City. The Series 2018-A General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable semi-annually each February 1and August 1, with principal payments due and maturing in 2044, 2045, 2046 and 2047. Interest rates are based on applicable per annum rates with interest rate of 3.75% to 5.00%. The bonds were partially refunded ($5,000,000) during the current year, with the issuance of Series 2020-B Taxable General Obligation warrants, which were placed in an irrevocable trust with an escrow agent for future debt services of the 2018B Warrants. The balance of the defeased bonds were $5,000,000. The outstanding balance was $6,725,000 as of September 30, 2025.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

On September 1, 2011, the Commercial Development Authority issued commercial development bonds in the amount of $7,725,000. The proceeds from the bonds were issued for the construction of public improvements to assist in the development of a retail facility in the City, Alabama. Interest is payable semi-annually each April 1 and October 1, with principal due on October 1 of each year until maturity on October 1, 2025. Interest rates range from 1.00% to 5.00%. The bonds were paid off during the year ended September 30, 2025.

On September 1, 2006, the Public Building Authority authorized the issue of Series 2006-A Revenue Bonds in the amount of $16,920,000 for the construction of a new library and judicial building for the City. This warrant was fully advanced refunded in the amount of $12,905,000 with proceeds from the issuance of Series 2015-A revenue Bonds dated January 1, 2015 issued in the total amount of $12,905,000. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments related to the defeased Series 2006 warrants. The 2015-A Revenue Bonds are secured by a pledge of revenues. Interest is payable semi-annually each April 1 and October 1, with principal due on October 1 of each year until maturity on October 1, 2036. Interest rates range from 3.00% to 5.00%. The outstanding balance was $8,430,000 as of September 30, 2025. All general obligation warrants, revenue bonds, and the funding agreement with the Commercial Development Authority and the Public Building Authority are guaranteed by the full faith, credit, and taxing powers of the City.

On March 24, 2020, the City issued the Series 2020-A Taxable General Obligation Warrants in the amount of $11,180,000. The proceeds of these warrants which were placed in an irrevocable trust with an escrow agent for future debt services of the 2012C General Obligation Warrants in the amount of $9,875,000. Interest is payable semi-annually each April 1 and October 1, with principal due on October 1 of each year until maturity on October 1, 2022. Interest rates range from 1.25% to 2.30%. The deferred refunding loss in the amount of $1,782,244 is being amortized over 198 months. The City had an economic gain on refunding in the amount of $557,243. The outstanding balance was $10,315,000 as of September 30, 2025. The balance of the defeased bonds, which are to be paid by the escrow fund, was $9,875,000 as of September 30, 2025.

On September 14, 2020, the City issued the Series 2020-B Taxable General Obligation Warrants in the amount of $43,605,000. The proceeds of these warrants which were placed in an irrevocable trust with an escrow agent for future debt services of the 2013A General Obligation Warrants in the amount of $8,610,000, the 2014B General Obligation Warrants in the amount of $2,695,000, the 2015A General Obligation Warrants in the amount of $12,395,000, the 2017A General Obligation Warrants in the amount of $7,595,000 and the 2018A General Obligation Warrants in the amount of $5,000,000. Interest is payable semi-annually each January 1 and July 1, with principal due on January 1 of each year until maturity on January 1, 2022. Interest rates range from 0.433% to 2.734%. The deferred refunding loss in the amount of $7,959,418 is being amortized over 95 months. The City had an economic gain on refunding in the amount of $2,431,663. The outstanding balance was $41,120,000 as of September 30, 2025. The balance of the defeased bonds, which are to be paid by the escrow fund, was $36,295,000 as of September 30, 2025.

On September 14, 2020, the City issued the Series 2020-C Tax-Exempt General Obligation Warrants in the amount of $6,520,000. The proceeds from the bonds were issued for the financing of various capital improvements. The Series 2020-C General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable semi-annually each March 1and September 1, with principal payments due and maturing in 2022. Interest rates are based on applicable per annum rates with interest rate of 2.00% to 4.00%. The outstanding balance was $5,765,000 as of September 30, 2025.

On January 7, 2021, the City issued the Series 2021-A Taxable General Obligation Warrants in the amount of $20,210,000. The proceeds of these warrants which were placed in an irrevocable trust with an escrow agent for future debt services of the 2014-A General Obligation Warrants in the amount of $17,570,000. Interest is payable semi-annually each January 1 and July 1, with principal due on January 1 of each year starting on January 1, 2023. Interest rates range from 0.510% to 2.51%. The economic gain to the City was $1,407,761. The balance of the defeased bonds, which are to be paid by the escrow fund, was $17,570,000 as of September 30, 2023. The outstanding balance was $19,650,000 as of September 30, 2025.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

On August 25, 2021, the City issued the Series 2021-B General Obligation Warrants in the amount of $5,220,000 and bond premiums in the amount of $1,096,231. The proceeds of these warrants which were used to refund the entire debt services of the 2017-B General Obligation Warrants in the amount of $6,185,000. Interest is payable semi-annually each March 1and September 1, with principal due on September 1 of each year starting on September 1, 2026. Interest rates range was 4%. The economic gain to the City was $714,714. The outstanding balance was $5,220,000 as of September 30, 2025.

On August 10, 2022, the City issued the Series 2022-A General Obligation Warrants in the amount of $29,745,000. The proceeds from the bonds were issued for the financing various capital improvements ($25,850,000), financing capitalized interest ($3,608,907), and paying the cost of issuing Series 2022A warrants ($521,641). The City, however, has the reserved right under the Series 2022A Warrant Ordinance to use the proceeds of the Series 2022A Warrants for other legally permissible purposes. The Series 2022A General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable semi-annually each January 1and July 1, with principal payments due and maturing on July 1 in 2044 through 2052. Interest rates are based on applicable per annum rates with interest rate of 4.00% to 5.00%. The outstanding balance was $29,745,000 as of September 30, 2025.

On August 10, 2022, the City issued the Series 2022-B General Obligation Warrants in the amount of $3,950,000. The proceeds from the bonds were issued for the financing various capital improvements ($3,576,000), financing capitalized interest ($518,635), and paying the cost of issuing Series 2022A warrants ($78,154). The City, however, has the reserved right under the Series 2022B Warrant Ordinance to use the proceeds of the Series 2022B Warrants for other legally permissible purposes. The Series 2022B General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable semi-annually each January 1and July 1, with principal payments due and maturing on July 1 in 2044 through 2052. Interest rates are based on applicable per annum rates with interest rate of 4.00% to 5.00%. The outstanding balance was $3,950,000 as of September 30, 2025.

On March 20, 2025, the City issued the Series 2025-A General Obligation Warrants in the amount of $10,620,000. The proceeds from the bonds were issued for the financing various capital improvements for the Public Works Department, Performing Arts Center, Park and Recreation Department, Oxford City Board of Education's CREATE Facility and Quintard Mall. The Series 2025A General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable semi-annually each March 1 and September 1, with principal payments due beginning March 1, 2040, and maturing on March 1, 2055. Interest rates are based on applicable per annum rates with interest rate of 4.000% to 4.820%. The outstanding balance was $10,620,000 as of September 30, 2025.

On March 20, 2025, the City issued the Series 2025-B General Obligation Warrants in the amount of $21,050,000. The proceeds from the bonds were issued for the financing various capital improvements for the Health Care Authority of The City of Oxford, Police Department, Public Works Department, and the Park and Recreation Department. A portion of the 2025B Warrants will be used to refund, on a current basis, Series 2016A Warrants in the amount of $12,745,000. The Series 2025B General Obligation Warrants are secured by revenues from the gross receipts tax levied by the City. Interest is payable semi-annually each March 1 and September 1, with principal payments due beginning on March 1, 2040, and maturing on March 1, 2055. Interest rates are based on applicable per annum rates with interest rate of 4.15% to 5.00%. The outstanding balance was $21,050,000 as of September 30, 2025.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Bond Issuance Premiums, Discounts, and Deferred Charges on Advanced Refunding

	Deferred Charges On Advanced Refunding	Bond Premiums	Bond Discounts
Total Deferred Charges, Premiums and Discounts	$ 17,447,532	$ 7,529,537	$ 945,188
Accumulated Amortization	(9,246,940)	(4,725,834)	(711,188)
Balance of Deferred Charges, Premiums and Discounts - Balance as of 09/30/2024	8,200,592	2,803,703	234,000
Current Year Additions	287,079	403,861	740,453
Current Year Amortization/Reduction	(1,450,439)	(377,917)	(119,318)
Balance of Deferred Charges, Premiums and Discounts - Balance as of 09/30/2025	$ 7,037,232	$ 2,829,647	$ 855,135
Amortization Due Within One Year	$ 1,459,364	$ 349,473	$ 50,950

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The following is annual debt service requirements to maturity for general obligation bonds and other long-term debt as of September 30, 2025:

Maturity	Series 2012-B General Obligation Warrants		Series 2014-B General Obligation Warrants		Series 2015-B General Obligation Warrants	
Date	Principal	Interest	Principal	Interest	Principal	Interest
2026	500,000	15,625	-	13,625	-	45,600
2027	-	-	90,000	13,625	-	45,600
2028	-	-	115,000	10,925	-	45,600
2029	-	-	230,000	7,475	-	45,600
2030	-	-	-	-	1,425,000	45,600
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
2047	-	-	-	-	-	-
2048	-	-	-	-	-	-
2049	-	-	-	-	-	-
2050	-	-	-	-	-	-
2051	-	-	-	-	-	-
2052	-	-	-	-	-	-
2053	-	-	-	-	-	-
2054	-	-	-	-	-	-
2055	-	-	-	-	-	-
	$ 500,000	$ 15,625	$ 435,000	$ 45,650	$ 1,425,000	$ 228,000

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The following is annual debt service requirements to maturity for general obligation bonds and other long-term debt as of September 30, 2025:

Maturity	Series 2017-A General Obligation Warrants		Series 2018-A General Obligation Warrants		Series 2020-A General Obligation Warrants		Series 2020-B General Obligation Warrants	
Date	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	-	470,000	-	252,188	-	213,035	2,605,000	838,695
2027	-	470,000	-	252,188	150,000	210,560	3,115,000	804,978
2028	-	470,000	-	252,188	1,430,000	195,595	1,905,000	771,205
2029	-	470,000	-	252,188	1,455,000	167,680	1,865,000	742,582
2030	-	470,000	-	252,188	1,490,000	138,818	735,000	721,818
2031	-	470,000	-	252,188	1,515,000	108,461	2,280,000	695,517
2032	575,000	470,000	-	252,188	1,555,000	77,231	2,385,000	653,063
2033	555,000	447,000	-	252,188	615,000	54,854	3,445,000	596,859
2034	-	424,800	-	252,188	70,000	47,258	3,755,000	524,098
2035	520,000	424,800	-	252,188	665,000	39,173	2,610,000	457,599
2036	1,755,000	404,000	-	252,188	675,000	24,095	1,365,000	414,802
2037	1,625,000	333,800	-	252,188	695,000	8,166	1,395,000	383,482
2038	-	268,800	-	252,188	-	-	250,000	364,114
2039	-	268,800	-	252,188	-	-	255,000	357,666
2040	-	268,800	-	252,188	-	-	195,000	351,919
2041	855,000	268,800	-	252,188	-	-	195,000	346,812
2042	6,825,000	238,875	-	252,188	-	-	205,000	341,444
2043	-	-	-	252,188	-	-	7,365,000	239,855
2044	-	-	1,220,000	229,313	-	-	1,010,000	127,462
2045	-	-	1,280,000	182,438	-	-	1,020,000	100,220
2046	-	-	1,340,000	133,313	-	-	1,040,000	72,314
2047	-	-	1,410,000	81,750	-	-	1,055,000	43,676
2048	-	-	1,475,000	27,656	-	-	1,070,000	14,627
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-	-
	$ 12,710,000	$ 6,638,475	$ 6,725,000	$ 5,193,854	$ 10,315,000	$ 1,284,926	$ 41,120,000	$ 9,964,807

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The following is annual debt service requirements to maturity for general obligation bonds and other long-term debt as of September 30, 2025:

Maturity	Series 2015-A General Obligation Warrants		Series 2020-C General Obligation Warrants		Series 2021-A General Obligation Warrants	
Date	Principal	Interest	Principal	Interest	Principal	Interest
2026	565,000	287,864	165,000	145,033	145,000	456,581
2027	595,000	258,864	170,000	141,733	145,000	455,058
2028	625,000	228,364	170,000	138,333	145,000	453,231
2029	645,000	203,064	175,000	133,233	150,000	451,063
2030	670,000	183,339	180,000	127,983	150,000	448,671
2031	690,000	162,938	185,000	122,583	155,000	446,048
2032	710,000	141,495	195,000	117,033	155,000	443,234
2033	735,000	118,641	200,000	111,183	160,000	440,226
2034	760,000	94,530	205,000	103,183	1,055,000	428,201
2035	785,000	68,934	215,000	94,983	1,185,000	405,380
2036	810,000	42,019	225,000	86,383	1,335,000	378,304
2037	840,000	14,172	230,000	81,883	1,555,000	345,592
2038	-	-	235,000	77,283	6,575,000	248,403
2039	-	-	240,000	72,583	6,740,000	84,587
2040	-	-	240,000	67,783	-	-
2041	-	-	245,000	62,983	-	-
2042	-	-	250,000	57,470	-	-
2043	-	-	260,000	51,845	-	-
2044	-	-	265,000	45,995	-	-
2045	-	-	270,000	40,033	-	-
2046	-	-	275,000	33,958	-	-
2047	-	-	280,000	27,495	-	-
2048	-	-	290,000	20,915	-	-
2049	-	-	295,000	14,100	-	-
2050	-	-	305,000	7,168	-	-
2051	-	-	-	-	-	-
2052	-	-	-	-	-	-
2053	-	-	-	-	-	-
2054	-	-	-	-	-	-
2055	-	-	-	-	-	-
	$ 8,430,000	$ 1,804,224	$ 5,765,000	$ 1,983,157	$ 19,650,000	$ 5,484,579

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The following is annual debt service requirements to maturity for general obligation bonds and other long-term debt as of September 30, 2025:

Maturity	Series 2021-B General Obligation Warrants		Series 2022-A General Obligation Warrants		Series 2022-B General Obligation Warrants	
Date	Principal	Interest	Principal	Interest	Principal	Interest
2026	780,000	208,800	-	1,265,050	-	181,800
2027	820,000	177,600	-	1,265,050	-	181,800
2028	855,000	144,800	-	1,265,050	-	181,800
2029	885,000	110,600	-	1,265,050	-	181,800
2030	920,000	75,200	-	1,265,050	-	181,800
2031	960,000	38,400	-	1,265,050	-	181,800
2032	-	-	-	1,265,050	-	181,800
2033	-	-	-	1,265,050	-	181,800
2034	-	-	-	1,265,050	-	181,800
2035	-	-	-	1,265,050	-	181,800
2036	-	-	-	1,265,050	-	181,800
2037	-	-	-	1,265,050	-	181,800
2038	-	-	-	1,265,050	-	181,800
2039	-	-	-	1,265,050	-	181,800
2040	-	-	-	1,265,050	-	181,800
2041	-	-	-	1,265,050	-	181,800
2042	-	-	-	1,265,050	-	181,800
2043	-	-	-	1,265,050	-	181,800
2044	-	-	1,700,000	1,265,050	370,000	181,800
2045	-	-	1,770,000	1,197,050	385,000	167,000
2046	-	-	1,840,000	1,126,050	400,000	151,600
2047	-	-	1,910,000	1,052,650	415,000	135,600
2048	-	-	1,990,000	976,250	430,000	119,000
2049	-	-	4,665,000	889,950	450,000	97,500
2050	-	-	4,865,000	687,750	475,000	75,000
2051	-	-	5,385,000	476,900	500,000	51,250
2052	-	-	5,620,000	243,550	525,000	26,250
2053	-	-	-	-	-	-
2054	-	-	-	-	-	-
2055	-	-	-	-	-	-
	$ 5,220,000	$ 755,400	$ 29,745,000	$ 30,686,100	$ 3,950,000	$ 4,277,400

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The following is annual debt service requirements to maturity for general obligation bonds and other long-term debt as of September 30, 2025:

Maturity Date	Series 2025-A General Obligation Warrants Principal	Series 2025-A General Obligation Warrants Interest	Series 2025-B General Obligation Warrants Principal	Series 2025-B General Obligation Warrants Interest	Total Debt Service
2026	-	488,109	-	992,880	10,634,885
2027	-	488,109	-	992,880	10,843,045
2028	-	488,109	-	992,880	10,883,080
2029	-	488,109	-	992,880	10,916,324
2030	-	488,109	-	992,880	10,961,456
2031	-	488,109	-	992,880	11,008,974
2032	-	488,109	-	992,880	10,657,083
2033	-	488,109	-	992,880	10,658,790
2034	-	488,109	-	992,880	10,647,097
2035	-	488,109	-	992,880	10,650,896
2036	-	488,109	-	992,880	10,694,630
2037	-	488,109	-	992,880	10,687,122
2038	-	488,109	-	992,880	11,198,627
2039	-	488,109	-	992,880	11,198,663
2040	360,000	480,909	3,275,000	911,005	7,849,454
2041	-	473,709	2,945,000	755,505	7,846,847
2042	-	473,709	-	681,880	10,772,416
2043	-	473,709	-	681,880	10,771,327
2044	-	473,709	285,000	675,468	7,848,797
2045	-	473,709	300,000	662,305	7,847,755
2046	-	473,709	315,000	648,468	7,849,412
2047	-	473,709	330,000	633,955	7,848,835
2048	-	473,709	340,000	618,880	7,846,037
2049	-	473,709	360,000	603,130	7,848,389
2050	-	473,709	370,000	586,705	7,845,332
2051	-	473,709	390,000	569,410	7,846,269
2052	-	473,709	410,000	551,010	7,849,519
2053	3,265,000	398,614	3,730,000	455,790	7,849,404
2054	3,415,000	244,547	3,910,000	279,581	7,849,128
2055	3,580,000	82,788	4,090,000	94,581	7,847,369
	$ 10,620,000	$ 13,724,892	$ 21,050,000	$ 23,309,873	$ 283,056,962

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

The following is annual debt service requirements to maturity for general obligation bonds and other long-term debt as of September 30, 2025:

Capital Leases Payable

The following is the schedule of maturities of the outstanding capital lease obligations of the City, Alabama at September 30, 2025:

Maturity	PNC Equipment Financial Pierce Enforcer Hazmat		PNC Equipment Financial 3-Pierce Enforcer		Dell Finance Services		Total	
Date	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	252,608	65,702	370,065	6,439	39,503	2,851	662,176	74,992
2027	267,638	50,672	-	-	-	-	267,638	50,672
2028	283,562	34,748	-	-	-	-	283,562	34,748
2029	300,434	17,876	-	-	-	-	300,434	17,876
Total	1,104,242	168,998	370,065	6,439	39,503	2,851	1,513,810	178,288

A capital lease with PNC Equipment Finance LLC in the amount of $1,788,109 originated on February 10, 2021. The lease is due in five annual payments $376,504 and an interest rate of 2.30%. The lease was issued for and secured by 3-2021 Pierce Enforcer 107ft ascendant ladder. Interest expense for the year ended September 30, 2025. The carrying value of the 3-fire engines were $715,244 as of September 30, 2025.

A capital lease with PNC Equipment Finance LLC in the amount of $1,342,663 originated on September 11, 2024. The lease is due in five annual payments $318,310 and an interest rate of 5.95%. The lease was issued for and secured by 2025 Pierce Enforcer Hazmat. Interest expense for the year ended September 30, 2025. The carrying value was $1,342,663 as of September 30, 2025. The vehicle is in the process of being built and has not been received.

A capital lease with Dell Finance Services in the amount of $153,065 originated on March 27, 2023. The lease has a down payment of $42,355 and three additional payments of $42,355 and an interest rate of 7.20%. The lease was issued for and secured by 115 Dell computers and monitors at a cost of $1,331 each, which is less than capitalization policy; therefore, the computers and monitor were not capitalized.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

Long-Term Operating Leases

The City is a party to an operating lease for the parking lot for the Oxford Performing Arts Center (OPAC). On August 27, 2019, the City entered into a lease with the terms from September 1, 2019 through September 1, 2026 with a monthly amount of $500.00 per month paid once a year. The City intends to renew the lease; therefore, used a five-year period. The City is party to an operating lease for land for its tower. The lease began January 1, 1996 and renewable in five-year period. The current five-year term began January 1, 2022 and ends December 31, 2026, with an annual payment of $2,160.00 The City intends to renew the lease; therefore, used a five-year period. The City entered into a five-year lease beginning November 1, 2023 through November 1, 2028, for Tasers and software for the Police Department with annual payments of $55,323. The City entered into a five-year lease beginning December 5, 2023 through December 5, 2028, for Cameras and software for the Police Department with annual payments of $89,009.
The total lease obligations as of September 30, 2025, was $547,115, with amortization as follows:

Year	Minimum Annual Lease Payments	Amortization of NPV of Lease Liability	Lease Liability
2026	152,492	7,259	283,140
2027	152,492	14,182	144,829
2028	152,492	20,769	13,107
2029	8,160	1,477	6,394
2030	8,160	1,766	-

The carrying value of the related right-to-use asset as of September 30, 2025 was:

	09/30/25
Accumulated Basis	$ 473,796
Less – Accumulated Amortization	(45,423)
Right-of-Use Asset	$ 428,373

Reconciliation of Commitments to lease Liability as of September 30, 2025 was:

	09/30/25
Operating lease obligation – beginning of year	$ 618,128
New operating lease obligations	8,160
Lease payments expensed	(152,492)
Undiscounted Lease Liabilities	473,796
Less – Discounting for NPV	(45,423)
Lease Liability	$ 428,373

The carrying value of the related right-to-use asset as of September 30, 2025 was $473,796. The net present value of the lease liability as of September 30, 2025 was $428,373. Net present value was calculating using 5% discount rate, based on the City's borrowing rate on bonds. The rent expense related to long-term operating leases was $152,492 for the year ended September 30, 2025.

City-Owned Properties

On February 23, 2021, the City leased the City-owned Cider Ridge Golf Course to Cory Etter. The terms of the lease are $1 per year for a term of April 1, 2021 through March 31, 2026. Mr. Etter is responsible for total operational costs of the golf course.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE E – LONG-TERM DEBT (Continued)

Other Long-Term Debt

On August 27, 2020, the City issued Resolution 2020-88, authorizing the purchase of 6 manual defibrillators from Zoll Medical Corporation through the National Purchasing Partners (NPPGov). The cost of the defibrillators of $188,933 was financed after a 20% down of $37,786 by the City. The lease was paid off during the year ended September 30, 2025.

On June 28, 2023, the City issued Resolution 2023-77, authorizing the purchase of a Steinway Spirio Concert Grand Piano in the amount of $274,500. The City borrowed $244,500 with a ten-year payback with interest rate of $ 3.75%. Monthly payments are $2,447. The loan is secured by a certificate of deposit. The balance as of September 30, 2025, was $197,208. Debt services is as follows:

Year Ended	Principal Amount
2026	$ 22,343
2027	$ 23,196
2028	$ 24,082
2029	$ 22,954
2030	$ 25,805
2031-2033	$ 78,828

On October 24, 2023, the City issued Resolution 2023-120, authorizing the purchase of PowerScale OneFS operating system, a proprietary file system for the East Metro Area Crime Center in the total amount of $303,340. The City financed the purchase through Arrow Capital Solutions with a 60-month payback with interest rate of 8.15%. Monthly payments are $6,173. The balance as of September 30, 2025, was $191,708. Debt service is as follows:

Year Ended	Principal Amount
2026	$ 60,678
2027	$ 65,815
2028	$ 65,215

Total debt service on Other Long-Term Debt is as follows:

Year Ended	Principal Amount
2026	$ 83,021
2027	$ 89,011
2028	$ 89,297
2029	$ 22,954
2030-2033	$104 633
Total	$388,916

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE F – EMPLOYEE RETIREMENT PLAN

The City provides the employees of the City and of the Oxford Water Works and Sewer Board (a discretely presented component unit) with pension through the pension plan as described below.

Plan Description

The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established October 1, 1945 pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945) The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control Effective Ocboer1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). *The Code of Alabama 1975, Title 36-Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

The ERS Board of Control consists of 15 trustees as follows:

1) The Governor, ex officio.
2) The State Treasurer, ex officio.
3) The State Personnel Director, ex officio.
4) The State Director of Finance, ex officio.
5) Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6) Eight members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
    a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
    b. Two vested active state employees.
    c. One full time employee of an participating municipality or city in ERS pursuant to *Code of Alabama 1975, § 36-27-6.*
    d. One vested active employee of a participating county in ERS pursuant to *Code of Alabama 1975, § 36-27-6.*
    e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975 Section 36-27-6*
    f. One vested active employee of a participating employer other than a municipality, city or county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*

Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in post-retirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE L – PENSION PLAN (CONTINUED)

minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation. State Police are allowed 2.375% for each year of state police service in computing the formula method.

Act 351 of the Legislature of 2022 provides that any Tier 2 member who withdraw from service after the completion of at least 30 years of service is entitled to an annual retirement benefit.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Pre-retirement death benefits equal to the annual earnable compensation of the members as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to Code of Alabama 1975, Section 36-27-6 to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 628 employers adopted Act 2019-132 as September 30, 2024. Act 2019-132 was amended by Act 348 of the Legislature of 2022. Act 2022-348 amended Act 2019-132 by removing the date limitation for any local participation employer to submit its resolution electing to provide its Tier 2 members with the same retirement benefits provided to its Tier 1 members. Act 2022-348 also amended Act 2019-132 by removing the date limitation for local participating employer to petition the ERS Board of Control for a reconsideration if the ERS Board of Control denied its election to provide its Tier 2 members with the same retirement benefits provided to its Tier 2 members.

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution. as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the members could receive. This option may be selected in addition to the election of another retirement allowance option at the reduced amount based upon the amount of partial lump sum distribution selected.

The ERS serves approximately 890 local participating employers. The ERS membership includes approximately 117,309 participants. As of September 30, 2024, membership consisted of: City of Oxford:

	City	Total
Retirees and beneficiaries currently receiving benefits	94	32,477
Terminated employees entitled to but not yet receiving benefits	4	2,425
Terminated employees not entitled to a benefit	95	22,097
Post-DROP participants who are still in active service	1	31
Active Members	319	60,279
Total	513	117,309

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE L – PENSION PLAN (CONTINUED)

Contributions

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation.

Employers participating in the ERS pursuant to Code of Alabama 1975, Section 36-27-6 were not required by statue to increase covered member contribution rates but were provided the opportunity to do so through Act 2011-676. By adopting Act 2011-676 Tier 1 regular members contribution rates increased from 5% to 7.5% of earnable compensation and Tier 1 firefighters and law enforcement officers increased from 6% to 8.5% of earnable compensation.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2025, the Board's active employee contribution rate was 5% (7.5% if hired after January 1, 2013) of covered employee payroll, and the Board's average contribution rate to fund the normal and accrued liability costs was 7.3% of covered employee payroll.

The Board's contractually required contribution rate for the year ended September 30, 2025, was 8.91% of pensionable pay for Tier 1 employees, and 7.37% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2024, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the Board were $1,517,621 for the year ended September 30, 2025.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE L – PENSION PLAN (CONTINUED)

Net Pension Liability

The Board's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2023 rolled forward to September 30, 2024 using standard roll-forward techniques as shown in the following table:

Total Pension Liability as of September 30, 2023 (a)	$	53,646,820
Entry Age Normal Cost for October 1, 2023 – September 30, 2024 (b)	$	1,708,882
Transfers Among Employers	$	75,779
Actual Benefit Payments and Refunds for October 1, 2023 – September 30, 2024 (c)	$	2,315,346)
Total Pension Liability as of September 30, 2024[(a) x (1.0745)] + (b) – [(c) x (1.03725)]	$	57,266,389

Actuarial Assumptions

The total pension liability in the September 30, 2024 was determined based on the annual actuarial funding valuation report prepared as of September 30, 2023. The key actuarial assumptions are summarized below.

Inflation	2.5%
Salary increases	3.25% -6.00% for State and Local Employees and 4000% - 7.75% for state Police, including inflation
Investment rate of return*	7.45%, including inflation

Mortality rates for ERS were based on the RP-2010 Below-Median Tables, projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with the 2019.

Group	Membership Table	Set Forward (+) Set Back (-)	Adjustment to Rates
Non-FLC Service Retirees	General Healthy Below Median	Male: +2, Female: +2	Male 90% ages<65, 96% ages>=65 Female: 96% all ages
FLC Retirees/State Police	Service Public Safety Healthy Below Median	Male: +1, Female: None	None
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: +2	None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC Retirees/State Police	Disabled Public Safet Disability	Male: +7, Female: none	None

NOTE L – PENSION PLAN (CONTINUED)

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	15.00%	2.8%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Emerging Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	9.0%
Real Estate	10.00%	6.5%
Cash	5.00%	1.50%
Total	**100.00%**	

*Includes assumed rate of inflation of 2.00%.

Discount rate

The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE L – PENSION PLAN (CONTINUED)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 9/30/2023	$ 53,646,820	$ 40,368,248	$ 13,278,572
Changes for the year:			
Service cost	1,708,882	-	1,708,882
Interest	4,083,943	-	4,083,943
Changes of Assumptions	-	-	-
Differences between expected and actual Experience	66,311	-	66,311
Contributions – employer	-	1,218,361	(1.218.361)
Contributions – employee	-	1,302,891	(1.302.891)
Net investment income	-	8,909,852	(8.909.852)
Benefit payments, including refunds of employee contributions	(2,315,346)	(2,315,346)	-
Transfer Among Employers	75,779	75,779	-
Net changes	3,619,569	9,191,537	(5.571.968)
Balances at 9/30/2024	$ 57,266389	$ 49,559,785	$ 7,706,604

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Board's net pension liability calculated using the discount rate of 7.45%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Rate (7.45%)	1% Increase (8.45%)
Board's net pension liability	15,199,027	$ 7,706,604	$ 1,463,097

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2024. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2024. The auditor's report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes detail by the employer and in aggregate additional information needed to comply with GASB68. The additional financial and actuarial information is available at http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/www.rsa-al.gov.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE L – PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the Board recognized pension expense of $1,517,620. At September 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 957,571	$ 115,509
Changes of assumptions	940,915	-
Net difference between projected and actual earnings on pension plan investments	-	3,457,591
Employer contributions subsequent to the measurement date	1,517,620	-
Total	$ 3,416,106	$ 3,573,100

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2026	$ (216,071
2027	755,040
2028	(1,190,931)
2029	(1,026,066)
2030	(831)
Thereafter	4,146
Total	$ (1,674,713)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE G – POST EMPLOYMENT BENEFITS

Plan Description

The City provides medical/dental benefits to eligible retirees to age 65. The retiree pays a fixed dollar amount of the current monthly contribution rate for individual coverage based on the age and the years of credited service at the date of retirement. All active employees who retire directly from the City and meet the eligibility criteria may participate. For age 65 and over a Medicare supplement option is available with the City reimbursing the cost of coverage up to $150 per month. No dependent coverage is available to retirees.

All OPEB benefits are administered by City personnel. At September 30, 2025, the actuarial valuation date, the City's OPEB plan had 43 retired members and 291 active members. There are no separate financial statements published or available for the plan.

The City does not administer the OPEB benefit through a qualified trust and pays the OPEB expense annually. The cost for the year ended September 30, 2025, was $237,556.

Plan Provisions

Medical Benefits: To be eligible for medical benefits must retire with a) 25 years of service, b) age 59 ½ and 10 years of service, or c) age 65 with 10 years of service. Retirees age 59 ½ through age 64 pay $231 per month for individual medical/dental coverage with 25 years of service or more at retirement or $331 per month if at least 10 years of service at retirement but less than 25. At age 65 the retiree has a choice of Medicare supplement plans if enrolled in Medicare Parts A and B. The city will reimburse up to $150 per month of the cost of the plan chosen. The medical/dental benefits are provided through a self-insured plan. The Medicare supplement benefits are provided through plans administered by Blue Cross Blue Shield of Alabama

Other Benefits: Dental coverage is included in the active employee plan and is not elective. The regular plan is replaced with an optional Medicare supplement plan that does not include dental once the retiree reaches age 65 or retires at age 65 or older.

Change in Plan Provisions: None

Methods and Assumptions

Actuarial Method: Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary

Service Cost: Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

Total OPEB Liability: The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.

Discount Rate: 4.50% (2.50% real rate of return plus 2.50% inflation)

Average per Capita Claim Cost: Range from Age 50 ($12,898) to Age 64 ($18,225)

Health Care Cost Trend: Level 4.50%

Effect of ACA: The excess coverage excise tax penalty of the Affordable Care Act was repealed in December 2019 and is not reflected otherwise in this valuation.

Mortality: RPH-2014 Total Table with Projection MP-2021.

Turnover: Termination rates are based on the termination rates in the latest actuarial valuation report for the Retirement System of Alabama ("RSA").

Retirement Rates: Same source for termination rates was used for retirement rates.

Salary Scale: 3.50%

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE G – POST EMPLOYMENT BENEFITS (continued)

Data Assumptions: 100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives who currently have individual healthcare coverage will continue with individual only coverage upon eligible retirement.

Valuation Methodology and Terminology: Used GASB accounting methodology to determine the postretirement medical benefits obligations. Valuation & Measurement Date is September 30, 2025.

Net OPEB Liability (NOL)

GASB 75 standard sets the method for determining the City's Total OPEB Liability and Net OPEB Liability.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Total OPEB Liability 10/1/2024	$ 7,876,855	$ -	$ 7,876,855
Service Cost	337,361	-	337,361
Interest Cost	314,978	-	314,978
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience	(260,293)		(260,293)
Changes in Assumptions	(525,941)	-	(525,941)
Other Changes	-	-	-
Contributions-Employer	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(237,556)	-	(237,556)
Administrative Expense	-	-	-
Net Change in Total OPEB Liability	(371,451)	-	(371,451)
Total OPEB Liability 9/30/2025	$ 7,505,404	$ -	$ 7,505,404

Total OPEB Expense

This expense includes the service cost, interest cost and the amortized amount of each basis required by GASB 75.

Total OPEB Expense	FY 2025
Service Cost	$ 337,361
Interest Cost (including interest on Service Cost)	314,978
Changes of Benefit Terms	-
Current Recognized Deferred Outflows/Inflows	-
Difference between Expected & Actual Experience	(36,995)
Changes in Assumptions or Other Inputs	(16,487)
Difference of Projected Investment Earnings	-
Total OPEB Expense as of September 30, 2025	$ 598,857

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE G – POST EMPLOYMENT BENEFITS (continued)

Schedule of Deferred Inflows/Outflows

GASB 75 requires disclosure of the deferred inflows/outflows resulting from the changes in the Total OPEB liability each year.

Schedule of Deferred Inflows/Outflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 177,913	$ (374,622)
Changes of assumptions/inputs	1,304,666	(2,025,044)
Net difference between projected and actual investments	-	-
Total	$ 1,482,579	$ (2,399,666)

Projection of Net Inflows (Outflows)

	Net Outflows Inflows
Year ended September 30:	
2026	$(64,682)
2027	(161,778)
2028	(429,844)
2029	(198,585)
2030	23,538
2031+	(85,736)

Sensitivity Analysis of the Trend and Discount Rate

GASB 75 requires that a sensitivity analysis of the trend and discount rates be used in the valuation. The sensitivity is plus or minus 1% from the base rates used in the valuation. The values shown are as of September 30, 2025.

1% Decrease (3.50%)	6,408,942	-14.6%
Current Trend (4.50%)	7,505,404	
1% Increase (5.50%)	8,913,902	18.8%

Discount Rate	Total OPEB Liability	% Difference
1% Increase (5.50%)	648,952	-13.5%
Current Discount rate 4.50%	7,505,404	
1% Decrease (3.50%)	8,784,961	17.0%

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE H – RESTRICTED NET POSITION AND FUND BALANCE CLASSIFICATION

The statement of net position shows certain amounts as restricted net position. These amounts are restricted in their use by parties outside the City (such as creditors, grantors, and contributors) or restricted by law or regulation. Components of restricted net position include:

Governmental Activities Net Position	Restricted By	Amount
Capital Projects	Bonds	$ 31,130,080
Debt Service	General Obligation Warrants	$ 75,900
Law Enforcement	Grants	$ 312,977
Municipal Court	Cash Bonds	$ 169,376
Special Revenue Funds	Council Resolution, Grants	$ 3,120,581

NOTE I - LEASE AGREEMENTS

The City entered into a lease agreement with the Public Building Authority on September 1, 2006. In the Lease, the Authority agrees to construct, acquire, install and equip the Project, and to carry out all other Project Development Work to completion, in accordance with plans, specifications and directions to be provided by the City. During each Renewal Term of the lease, the City is obligated to pay installments of basic rent for the use and occupancy of the Project during each term. Each installment of basic rent is to be paid with immediately available funds and is required to be in an amount equal to (a) on or before the 25th day of each month, 1/6 of the aggregate amount of interest on the Series 2015-A Revenue Bonds (advanced refunded the 2006-A Revenue bonds during 2015) becoming due and payable on the next interest payment date; (b) on or before the 25th day of each month, 1/12 of the aggregate amount of principal on the Series 2015-A Revenue Bonds becoming due and payable on the next principal payment date or mandatory redemption date.

On February 9, 2021, the City passed Resolution No. 2021-36 to enter into a lease agreement with Cory Etter for the City owned Cider Ridge Golf Course

NOTE J – LEASE INCOME –GASB STATEMENT NO. 87

The City adopted GASB Statement No. 87, which changes the accounting and reporting of lease income. The new guidance requires the City to recognize a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

The City has long term leases with three different lessees and the lease receivable and the corresponding deferred inflows of resources as follows:

Lease Receivable-current portion	$ 219,351
Lease Receivable-Other Assets	$ 2,362
Deferred Inflows of Resources	$ 221,713

Future lease income at its present value is as follows:

For the Year Ended September 30, 2025	$ 221,713

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE K – LEASE INCOME –GASB STATEMENT NO. 87

The Authority has three long term leases with the present value as of September 30:

	Unexpired Lease	Present Value
1. 24-month lease, January 3, 2025 through February 2, 2027		
Monthly payments of $1,700. Rent of office space inside EMACC	$ 25,500	$ 23,395
2. 24-month lease, July 14, 2023 through July 14,2026.		
Weekly payments of $4,125. Weekly rental of Civic Center	214,500	198,318
	$ 240,000	$ 221,713

The book value of buildings being leased as of September 30, 2025, is not listed since it is only a portion of buildings.

NOTE J - DEFERRED COMPENSATION PLAN

Employees of the City may participate in a deferred compensation plan adopted under the provisions on Internal Revenue Code Section 457 (Deferred Compensation Plans with respect to Service for State and Local Governments). The plan (RSA-1) is administered by the Retirement Systems of Alabama. The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to contribute an additional portion of their salaries to the RSA-1 plan and defer taxes on the contributions until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or an unforeseeable emergency. The value of the plan assets and liabilities are the property of the participants and will not be reported on the financial statements of the City.

NOTE K - CLAIMS AND JUDGEMENTS

The City participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government.

As of September 30, 2025, various lawsuits are pending against the City; however, in the opinion of the City Attorney, the potential adverse impact of these suits would not have a material effect on the financial position of the City as insurance coverage should be adequate to cover any claims and judgments.

NOTE L - RISK MANAGEMENT

The City is a member of the Alabama Municipal Insurance Corporation (AMIC), a mutual insurance company organized pursuant to Alabama law governing such companies. The City currently purchases liability insurance from AMIC. The AMIC has approximately 116 cities that are participants of the company. The City also carries property and equipment coverage, and fiduciary bonds with commercial insurance companies. Each covered employee additionally receives a $20,000 life and accidental death and dismemberment insurance through a commercial carrier.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE M - TAX ABATEMENT

The State of Alabama under the Tax Incentive Reform Act of 1992, Section 40-9B-1, Code of Alabama 1975, gives cities, counties, and public authorities the ability to abate the following for new and expanding qualifying projects:

- State sales and use taxes
- Non-educational county and city sales and use taxes
- Non-educational state, county, city property taxes (ad valorem taxes) - up to 20 years
- Mortgage and recording taxes to which property is conveyed into or out of a public authority, city or government

For the fiscal year ended September 30, 2025, the City abated all allowable taxes, as applicable, as listed above totaling $3,069,885 in accordance with the Tax Incentive Reform Act of 1992 as follows:

- On April 12, 2016, the City abated non-educational ad valorem taxes for a period of ten years and mortgage and recording and all non-educational sales and use taxes for amounts spent on capital improvements in the year to an automotive supplier company. The company made or will make capital improvements at an estimated amount of $2,243,000 and create approximately 137 jobs with payroll of approximately $4,443,520. Current year tax abated equals $5,000.

- On June 17, 2016, the City abated non-educational ad valorem taxes for a period of ten years and mortgage and recording and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a paper manufacturing company. The company made or will make capital improvements at an estimated amount of $26,000,000 and create approximately 14 jobs with payroll of approximately $3,000,000. Current year tax abated equals $87,610.

- On June 28, 2016, the City abated non-educational ad valorem taxes for a period of ten years and mortgage and recording and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a floor manufacturing company. The company made or will make capital improvements at an estimated amount of $362,000,000 and create approximately 320 jobs with payroll of approximately $14,643,000. First year of tax abatement in fiscal year 2020 was approximately $ 2,407,600.

- On June 12, 2018, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $3,081,807 and create approximately 18 jobs with payroll of approximately $630,000/year for 4 years. First year of tax abatement in fiscal year 2020 was approximately $82,671 and then $6,613 annually for nine years,

- On December 17, 2018, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $4,685,000 and create approximately 50 jobs with payroll of approximately $2,625,000. First year of tax abatement of approximately $118,062 occur in fiscal year 2020 and then $24,362 annually for nine years.

- On December 17, 2019, the City will abate non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $5,130,000 and create approximately 58 jobs with payroll of approximately $5,145,199. First year of tax abatement of approximately $144,576 occur in fiscal year 2023 and then $36,176 annually for nine years.

- On October 1, 2020, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $12,500,000 and create approximately 360 jobs with payroll of approximately $14,590,000. First year of tax abatement of approximately $383,000 will occur in fiscal year 2024, and then $ 65,000 annually for nine years.

NOTE M-TAX ABATEMENT (continued)

- On August 1, 2022, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $31,500,000 and create approximately 5 jobs with payroll of approximately $1,645,000. First year of tax abatement of approximately $883,800 occur in fiscal year 2024, and then $163,800 for nine years.

- On March 1, 2022, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $15,000,000 and create approximately 5 jobs with payroll of approximately $723,800. First year of tax abatement of approximately $378,000 occur in fiscal year 2024 and then $78,000 annually for nine years.

- On September 1, 2022, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $45,000,000 and create approximately 3 jobs with payroll of approximately $1,000,000. First year of tax abatement of approximately $300,000 occur in fiscal year 2024.

- On September 1, 2023, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational ales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $9,465,572. First year of tax abatement of approximately $321,290 occur in fiscal year 2024 and then $43,000 annually for nine years.

- On February 14, 2023, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $4,660,057 and create approximately 50 jobs with payroll of approximately $2,549,021. First year of tax abatement of approximately $153,600 occur in fiscal year 2024 and then $14,800 annually for nine years.

- On March 28, 2023, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $1,350,000 and create approximately 20 jobs with payroll of approximately $2,549,021. First year of tax abatement of approximately $34,020 occur in fiscal year 2024 and the $7,020 annually for nine years.

- On May 25, 2023, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $ 350,000,000 and create approximately 375 jobs with payroll of approximately $18,525,000. First year of tax abatement of approximately $1,900,000 occur in fiscal year 2024 and ad valorem taxes in amount of $434,250 per year starting in fiscal year ended 09/30/27.

- On October 1, 2024, the City abated non-educational ad valorem taxes for a period of five years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $1,494,584 and create approximately 3 jobs with payroll of approximately $1,282,000. First year of tax abatement of approximately $37,664 occur in fiscal year 2025 and then $7,772 annually for four years.

- On October 1, 2024, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $3,400,000 and create 20 jobs with a payroll of approximately $2,014,000. First year of tax abatement of approximately $193,805 occur in fiscal year 2025 and then $16,805 annually for nine years.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE M-TAX ABATEMENT (continued

- On October 1, 2024, the City abated non-educational ad valorem taxes for a period of ten years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $686,212. First year of tax abatement of approximately $26,120 occur in fiscal year 2025 and then $3,568 annually for nine years.

- On May 25, 2023, the City abated non-educational ad valorem taxes for a period of twenty years and all non-educational sales and use taxes for amounts spent on capital improvements in the year to a manufacturing company. The company made or will make capital improvements at an estimated amount of $350,000,000 and create 375 jobs with a payroll of approximately $18,525,000. First year of tax abatement of approximately $6,184,250 occur in fiscal year 2028 and then $434,250 annually for nine years.

The State of Alabama under the Sales Tax Holiday of 2020, Section 40-23-210 through Section 40-23-213, Code of Alabama 1975, and provisions of Act 2017-120, gives cities and counties the ability to declare a sales tax-free weekend for clothes not to exceed $100 per article, certain school supplies and equipment not exceeding a cost of $750. The taxes abated are for non-educational sales taxes. The City declared a sales tax-free weekend for the dates of July 19, 2025 through July 21, 2025. Non-educational sales taxes abated was approximately $120,000.

The City had other abatements not listed above; however, the information was not readily available.

NOTE N - RELATED PARTY

The Oxford Performing Arts Center (OPAC) is often contractually obligated to provide artist hospitality (meals, beverages, refreshments, etc.) for numerous events. To provide these meals, OPAC solicits quotes from a number of different restaurants, one of which is owned by a City Council member. During the year, OPAC paid the restaurant $12,737. There were no amounts due to the restaurant as of September 30, 2025. The City purchases concrete from Webb Concrete & Materials Company, Inc., which employs Councilmen Phil Gardner, Chief of Sales. During the year, the City purchases totaled $22,682. There were no amounts due to the company as of September 30, 2025. Contacts were consummated on terms equivalent to those that prevail in arm's-length transactions.

NOTE O – CORONAVIRUS (COVID 19) PANDEMIC

As a result of the spread of the coronavirus, the United States has caused business disruption through mandatory and voluntary closures or significant cut backs of multiple retail stores, restaurants, and business establishments. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings or cut backs. The City receives a significant amount of its revenues from the collection of sales taxes and lodging taxes, which during this economic downturn will be much lower and will have a negative impact the City's financial situation. The City only invested in money market and certificate of deposits which will experience little or no decrease in fair market value. Though the City is financially sound, the City expects to expend additional unanticipated funds to assist businesses and citizens during this economic downturn. The City has not evaluated the long-term impact on its financial statements.

At a special called meeting on March 17, 2020, the City Council passed resolution number 2020-28, declaring a local state of emergency, which allows the Mayor, in accordance with Alabama Code 31-9-10 (1975) to waive the procedures and formalities otherwise required of political subdivision by law, including but not limited to: performance of public work to ensure health, safety, and welfare of the community entering contracts, incurring obligations, employment of temporary workers, rental of equipment, acquisition and distribution (with or without compensation) of supplies, materials and facilities, and appropriation of public funds.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE P-OPIOID LITIGATION AND SETTLEMENT

The State of Alabama and some Alabama local governments (including the City of Oxford) filed lawsuits against opioid manufactures, distributors, and retailers. The State of Alabama entered into various Settlement Agreements and is likely enter into additional agreement in the future. The City has agreed to participate in the various Opioid Settlements, Settlement Agreement and Sign-On Agreement, which is in the best interest of the City and its citizens. In accordance with these settlements, the City has agreed the funds received will be expended in these agreements. During the year ended September 30, 2025, the City received $ 111,981.

NOTE Q-SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Management has evaluated subsequent through June 29, 2026, which is the date the financial statements were available to be issued. Management has determined that no subsequent events have occurred that require additional disclosures in the Notes to the Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Actuarial Valuation As of September 30	Total Pension Liabilty	Plan Net Position	Net Pension Liability	Plan Net as a % of Total Pension Liability	Covered Employee Payroll	Net Pension Liability as a % of Covered Employee Payroll
Oxford City	$ 24,491,249	$ 19,838,935	$ 4,652,314	81.00%	$ 9,487,008	49.04%
Oxford Water	5,363,056	4,122,135	1,240,921	76.86%	1,811,380	68.51%
2015 Total	$ 29,854,305	$ 23,961,070	$ 5,893,235	80.26%	$ 11,298,388	52.16%
Oxford City	$ 28,711,274	$ 22,183,878	$ 6,527,396	77.27%	$ 10,290,375	63.43%
Oxford Water	6,060,415	4,567,825	1,492,590	75.37%	1,925,148	77.53%
2016 Total	$ 34,771,689	$ 26,751,703	$ 8,019,986	76.94%	$ 12,215,523	65.65%
Oxford City	$ 30,717,172	$ 25,347,833	$ 5,369,339	82.52%	$ 11,775,667	45.60%
Oxford Water	6,399,163	5,151,574	1,247,589	80.50%	1,925,142	64.81%
2017 Total	$ 37,116,335	$ 30,499,407	$ 6,616,928	82.17%	$ 13,700,809	48.30%
Oxford City	$ 33,146,209	$ 28,610,328	$ 4,535,881	86.32%	$ 13,129,891	34.55%
Oxford Water	6,686,426	5,605,774	1,080,652	83.84%	2,047,735	52.77%
2018 Total	$ 39,832,635	$ 34,216,102	$ 5,616,533	85.90%	$ 15,177,626	37.01%
Oxford City	$ 36,000,691	$ 29,725,801	$ 6,274,890	82.57%	$ 13,983,495	44.87%
Oxford Water	7,130,999	5,790,661	1,340,338	81.20%	2,045,414	65.53%
2019 Total	$ 43,131,690	$ 35,516,462	$ 7,615,228	82.34%	$ 16,028,909	47.51%
Oxford City	$ 41,070,127	$ 32,279,783	$ 8,790,344	78.60%	$ 13,885,559	63.31%
Oxford Water	7,689,614	6,141,212	1,548,402	79.86%	2,073,624	74.67%
2020 Total	$ 48,759,741	$ 38,420,995	$ 10,338,746	78.80%	$ 15,959,183	64.78%
Oxford City	$ 46,270,954	$ 40,301,141	$ 5,969,813	87.10%	$ 15,724,071	37.97%
Oxford Water	8,370,614	7,189,381	1,181,233	85.89%	2,073,624	56.96%
2021 Total	$ 54,641,568	$ 47,490,522	$ 7,151,046	86.91%	$ 17,797,695	40.18%
Oxford City	$ 50,463,875	$ 35,458,924	$ 15,004,951	70.27%	$ 16,242,436	92.38%
Oxford Water	8,974,754	6,690,615	2,284,139	74.55%	1,958,536	116.62%
2022 Total	$ 59,438,629	$ 42,149,539	$ 17,289,090	70.91%	$ 18,200,972	94.99%
Oxford City	$ 53,646,820	$ 40,368,248	$ 13,278,572	75.25%	$ 17,458,609	76.06%
Oxford Water	9,435,296	7,411,051	2,024,245	78.55%	2,143,611	94.43%
2023 Total	$ 63,082,116	$ 47,779,299	$ 15,302,817	75.74%	$ 19,602,220	78.07%
Oxford City	$ 57,266,389	$ 49,559,785	$ 7,706,604	86.54%	$ 19,618,886	39.28%
Oxford Water	9,806,194	8,554,946	1,251,248	87.24%	2,271,982	55.07%
2024 Total	$ 67,072,583	$ 58,114,731	$ 8,957,852	86.64%	$ 21,890,868	40.92%

Notes to Schedule

*Schedule is intended to show information for 10 years.

*Additional years will be displayed as they become available.

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 1,708,882	$ 195,801	$ 1,904,683
Interest	4,083,943	516,071	4,600,014
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	66,311	7,598	73,909
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,315,346)	(358,572)	(2,673,918)
Transfers Among Employers	75,779	10,000	85,779
Net Change in Total Pension Liability	3,619,569	370,898	3,990,467
Total Pension Liability - Beginning	53,646,820	9,435,296	63,082,116
Total Pension Liability - Ending (a)	$ 57,266,389	$ 9,806,194	$ 67,072,583
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,218,361	$ 165,880	$ 1,384,241
Contributions - Member	1,302,891	123,100	1,425,991
Net Investment Income	8,909,852	1,203,487	10,113,339
Benefit Payments, Including Refunds of Employee Contributions	(2,315,346)	(358,572)	(2,673,918)
Transfers Among Employers	75,779	10,000	85,779
Net Change in Plan Fiduciary Net Position	9,191,537	1,143,895	10,335,432
Plan Net Position - Beginning	40,368,248	7,411,051	47,779,299
Plan Net Position - Ending (b)	$ 49,559,785	$ 8,554,946	$ 58,114,731
Net Pension Liability (a) - Plan Net Position (b)	$ 7,706,604	$ 1,251,248	$ 8,957,852
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.54%	87.24%	86.64%
Covered Payroll*	$ 19,618,886	$ 2,271,982	$ 21,890,868
Net Pension Liability as a Percentage of Covered Payroll	39.28%	55.07%	40.92%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2021 the measurement period is October 1, 2020 - September 30, 2021.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 1,580,636	$ 184,255	$ 1,764,891
Interest	3,690,388	658,530	4,348,918
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(46,132)	(91,333)	(137,465)
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,836,869)	(290,910)	(2,127,779)
Transfers Among Employers	(205,078)	-	(205,078)
Net Change in Total Pension Liability	3,182,945	460,542	3,643,487
Total Pension Liability - Beginning	50,463,875	8,974,754	59,438,629
Total Pension Liability - Ending (a)	$ 53,646,820	$ 9,435,296	$ 63,082,116
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,123,409	$ 149,987	$ 1,273,396
Contributions - Member	1,098,625	108,948	1,207,573
Net Investment Income	4,729,237	752,411	5,481,648
Benefit Payments, Including Refunds of Employee Contributions	(1,836,869)	(290,910)	(2,127,779)
Transfers Among Employers	(205,078)	-	(205,078)
Net Change in Plan Fiduciary Net Position	4,909,324	720,436	5,629,760
Plan Net Position - Beginning	35,458,924	6,690,615	42,149,539
Plan Net Position - Ending (b)	$ 40,368,248	$ 7,411,051	$ 47,779,299
Net Pension Liability (a) - Plan Net Position (b)	$ 13,278,572	$ 2,024,245	$ 15,302,817
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.25%	78.55%	75.74%
Covered Payroll*	$ 17,458,609	$ 2,143,611	$ 19,602,220
Net Pension Liability as a Percentage of Covered Payroll	76.06%	94.43%	78.07%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2021 the measurement period is October 1, 2020 - September 30, 2021.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 1,530,095	$ 170,200	$ 1,700,295
Interest	3,444,162	550,395	3,994,557
Changes in Benefit Terms	51,498	5,728	57,226
Differences Between Expected and Actual Experience	653,495	72,691	726,186
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,841,827)	(204,874)	(2,046,701)
Transfers Among Employers	355,498	10,000	365,498
Net Change in Total Pension Liability	4,192,921	604,140	4,797,061
Total Pension Liability - Beginning	46,270,954	8,370,614	54,641,568
Total Pension Liability - Ending (a)	$ 50,463,875	$ 8,974,754	$ 59,438,629
Plan Fiduciary Net Position			
Contributions - Employer	$ 994,643	$ 156,026	$ 1,150,669
Contributions - Member	1,041,681	109,040	1,150,721
Net Investment Income	7,596,627	989,073	8,585,700
Benefit Payments, Including Refunds of Employee Contributions	(1,581,965)	(205,970)	(1,787,935)
Transfers Among Employers	(29,628)	-	(29,628)
Net Change in Plan Fiduciary Net Position	8,021,358	1,048,169	9,069,527
Plan Net Position - Beginning	32,279,783	6,141,212	38,420,995
Plan Net Position - Ending (b)	$ 40,301,141	$ 7,189,381	$ 47,490,522
Net Pension Liability (a) - Plan Net Position (b)	$ 10,162,734	$ 1,785,373	$ 11,948,107
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.86%	80.11%	79.90%
Covered Payroll*	$ 16,242,436	$ 2,073,624	$ 18,316,060
Net Pension Liability as a Percentage of Covered Payroll	62.57%	86.10%	65.23%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2021 the measurement period is October 1, 2020 - September 30, 2021.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 1,269,271	$ 165,258	$ 1,434,529
Interest	3,261,076	424,589	3,685,665
Changes in Benefit Terms	-		-
Differences Between Expected and Actual Experience	193,972	25,255	219,227
Changes in Assumptions	2,088,101	271,868	2,359,969
Benefit Payments, Including Refunds of Employee Contributions	(1,581,965)	(205,970)	(1,787,935)
Transfers Among Employers	(29,628)	-	(29,628)
Net Change in Total Pension Liability	5,200,827	681,000	5,881,827
Total Pension Liability - Beginning	41,070,127	7,689,614	48,759,741
Total Pension Liability - Ending (a)	$ 46,270,954	$ 8,370,614	$ 54,641,568
Plan Fiduciary Net Position			
Contributions - Employer	$ 994,643	$ 156,026	$ 1,150,669
Contributions - Member	1,041,681	109,040	1,150,721
Net Investment Income	7,596,627	989,073	8,585,700
Benefit Payments, Including Refunds of Employee Contributions	(1,581,965)	(205,970)	(1,787,935)
Transfers Among Employers	(29,628)	-	(29,628)
Net Change in Plan Fiduciary Net Position	8,021,358	1,048,169	9,069,527
Plan Net Position - Beginning	32,279,783	6,141,212	38,420,995
Plan Net Position - Ending (b)	$ 40,301,141	$ 7,189,381	$ 47,490,522
Net Pension Liability (a) - Plan Net Position (b)	$ 5,969,813	$ 1,181,233	$ 7,151,046
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.10%	85.89%	86.91%
Covered Payroll*	$ 15,724,071	$ 2,073,624	$ 17,797,695
Net Pension Liability as a Percentage of Covered Payroll	37.97%	56.96%	40.18%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2021 the measurement period is October 1, 2020 - September 30, 2021.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 1,098,447	$ 163,606	$ 1,262,053
Interest	2,953,760	307,814	3,261,574
Changes in Benefit Terms	768,407	114,449	882,856
Differences Between Expected and Actual Experience	1,163,261	173,260	1,336,521
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,346,659)	(200,514)	(1,547,173)
Transfers Among Employers	432,220	-	432,220
Net Change in Total Pension Liability	5,069,436	558,615	5,628,051
Total Pension Liability - Beginning	36,000,691	7,130,999	43,131,690
Total Pension Liability - Ending (a)	$ 41,070,127	$ 7,689,614	$ 48,759,741
Plan Fiduciary Net Position			
Contributions - Employer	$ 865,080	$ 150,384	$ 1,015,464
Contributions - Member	845,769	104,435	950,204
Net Investment Income	1,757,572	296,246	2,053,818
Benefit Payments, Including Refunds of Employee Contributions	(1,346,659)	(200,514)	(1,547,173)
Transfers Among Employers	432,220	-	432,220
Net Change in Plan Fiduciary Net Position	2,553,982	350,551	2,904,533
Plan Net Position - Beginning	29,725,801	5,790,661	35,516,462
Plan Net Position - Ending (b)	$ 32,279,783	$ 6,141,212	$ 38,420,995
Net Pension Liability (a) - Plan Net Position (b)	$ 8,790,344	$ 1,548,402	$ 10,338,746
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.60%	79.86%	78.80%
Covered Payroll*	$ 13,885,559	$ 2,073,624	$ 15,959,183
Net Pension Liability as a Percentage of Covered Payroll	63.31%	74.67%	64.78%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2020 the measurement period is October 1, 2019 - September 30, 2020.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 1,061,630	$ 109,237	$ 1,170,867
Interest	2,503,637	507,201	3,010,838
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	610,836	26,925	637,761
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,262,901)	(198,790)	(1,461,691)
Transfers Among Employers	(58,720)	-	(58,720)
Net Change in Total Pension Liability	2,854,482	444,573	3,299,055
Total Pension Liability - Beginning	33,146,209	6,686,426	39,832,635
Total Pension Liability - Ending (a)	$ 36,000,691	$ 7,130,999	$ 43,131,690
Plan Fiduciary Net Position			
Contributions - Employer	$ 871,502	$ 159,578	$ 1,031,080
Contributions - Member	801,875	103,865	905,740
Net Investment Income	763,717	120,234	883,951
Benefit Payments, Including Refunds of Employee Contributions	(1,262,901)	(198,790)	(1,461,691)
Transfers Among Employers	(58,720)	-	(58,720)
Net Change in Plan Fiduciary Net Position	1,115,473	184,887	1,300,360
Plan Net Position - Beginning	28,610,328	5,605,774	34,216,102
Plan Net Position - Ending (b)	$ 29,725,801	$ 5,790,661	$ 35,516,462
Net Pension Liability (a) - Plan Net Position (b)	$ 6,274,890	$ 1,340,338	$ 7,615,228
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.57%	81.20%	82.34%
Covered Payroll*	$ 13,983,495	$ 2,045,414	$ 16,028,909
Net Pension Liability as a Percentage of Covered Payroll	44.87%	65.53%	47.51%

* Employer's covered payroll during the measurement period is the total covered payroll
For year ended 2019 the measurement period is October 1, 2018 - September 30, 2019.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 908,803	$ 149,545	$ 1,058,348
Interest	2,424,380	398,934	2,823,314
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(413,320)	(105,579)	(518,899)
Changes in Assumptions	186,465	38,360	224,825
Benefit Payments, Including Refunds of Employee Contributions	(1,178,947)	(193,997)	(1,372,944)
Transfers Among Employers	501,656	-	501,656
Net Change in Total Pension Liability	2,429,037	287,263	2,716,300
Total Pension Liability - Beginning	30,717,172	6,399,163	37,116,335
Total Pension Liability - Ending (a)	$ 33,146,209	$ 6,686,426	$ 39,832,635
Plan Fiduciary Net Position			
Contributions - Employer	$ 792,426	$ 144,905	$ 937,331
Contributions - Member	689,607	98,867	788,474
Net Investment Income	2,457,753	404,425	2,862,178
Benefit Payments, Including Refunds of Employee Contributions	(1,178,947)	(193,997)	(1,372,944)
Transfers Among Employers	501,656	-	501,656
Net Change in Plan Fiduciary Net Position	3,262,495	454,200	3,716,695
Plan Net Position - Beginning	25,347,833	5,151,574	30,499,407
Plan Net Position - Ending (b)	$ 28,610,328	$ 5,605,774	$ 34,216,102
Net Pension Liability (a) - Plan Net Position (b)	$ 4,535,881	$ 1,080,652	$ 5,616,533
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.32%	83.84%	85.90%
Covered Payroll*	$ 13,129,891	$ 2,047,735	$ 15,177,626
Net Pension Liability as a Percentage of Covered Payroll	34.55%	52.77%	37.01%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2019 the measurement period is October 1, 2017 - September 30, 2018.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2017

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 849,057	$ 153,845	$ 1,002,902
Interest	2,184,521	462,325	2,646,846
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	77,666	(87,562)	(9,896)
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,047,824)	(189,860)	(1,237,684)
Transfers Among Employers	(57,522)	-	(57,522)
Net Change in Total Pension Liability	2,005,898	338,748	2,344,646
Total Pension Liability - Beginning	28,711,274	6,060,415	34,771,689
Total Pension Liability - Ending (a)	$ 30,717,172	$ 6,399,163	$ 37,116,335
Plan Fiduciary Net Position			
Contributions - Employer	$ 738,737	$ 148,040	$ 886,777
Contributions - Member	614,274	97,151	711,425
Net Investment Income	2,916,290	528,418	3,444,708
Benefit Payments, Including Refunds of Employee Contributions	(1,047,824)	(189,860)	(1,237,684)
Transfers Among Employers	(57,522)	-	(57,522)
Net Change in Plan Fiduciary Net Position	3,163,955	583,749	3,747,704
Plan Net Position - Beginning	22,183,878	4,567,825	26,751,703
Plan Net Position - Ending (b)	$ 25,347,833	$ 5,151,574	$ 30,499,407
Net Pension Liability (a) - Plan Net Position (b)	$ 5,369,339	$ 1,247,589	$ 6,616,928
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.52%	80.50%	82.17%
Covered Payroll*	$ 11,775,667	$ 1,925,142	$ 13,700,809
Net Pension Liability as a Percentage of Covered Payroll	45.60%	64.81%	48.30%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2018 the measurement period is October 1, 2015 - September 30, 2017.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Total Pension Liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 800,163	$ 150,262	$ 950,425
Interest	1,917,864	421,266	2,339,130
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,252,941	264,451	1,517,392
Changes in Assumptions	1,313,768	55,899	1,369,667
Benefit Payments, Including Refunds of Employee Contributions	(1,035,837)	(194,519)	(1,230,356)
Transfers Among Employers	(28,874)	-	(28,874)
Net Change in Total Pension Liability	4,220,025	697,359	4,917,384
Total Pension Liability - Beginning	24,491,249	5,363,056	29,854,305
Total Pension Liability - Ending (a)	$ 28,711,274	$ 6,060,415	$ 34,771,689
Plan Fiduciary Net Position			
Contributions - Employer	$ 818,309	$ 157,218	$ 975,527
Contributions - Member	566,815	94,507	661,322
Net Investment Income	2,024,530	388,484	2,413,014
Benefit Payments, Including Refunds of Employee Contributions	(1,035,837)	(194,519)	(1,230,356)
Transfers Among Employers	(28,874)	-	(28,874)
Net Change in Plan Fiduciary Net Position	2,344,943	445,690	2,790,633
Plan Net Position - Beginning	19,838,935	4,122,135	23,961,070
Plan Net Position - Ending (b)	$ 22,183,878	$ 4,567,825	$ 26,751,703
Net Pension Liability (a) - Plan Net Position (b)	$ 6,527,396	$ 1,492,590	$ 8,019,986
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.27%	75.37%	76.94%
Covered Payroll*	$ 9,579,901	$ 2,909,297	$ 12,489,198
Net Pension Liability as a Percentage of Covered Payroll	68.14%	51.30%	64.22%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2017 the measurement period is October 1, 2015 - September 30, 2016.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2017.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Total pension liability	City of Oxford	Oxford Water Works & Sewer Board	Total
Service Cost	$ 710,542	$ 131,432	$ 841,974
Interest	1,734,297	380,410	2,114,707
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	834,555	182,451	1,017,006
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(933,721)	(172,715)	(1,106,436)
Transfers Among Employers	-	-	-
Net Change in Total Pension Liability	2,345,673	521,578	2,867,251
Total Pension Liability - Beginning	22,145,576	4,841,478	26,987,054
Total Pension Liability - Ending (a)	$ 24,491,249	$ 5,363,056	$ 29,854,305
Plan Fiduciary Net Position			
Contributions - Employer	$ 693,647	$ 140,567	$ 834,214
Contributions - Member	557,800	91,064	648,864
Net Investment Income	232,778	43,058	275,836
Benefit Payments, Including Refunds of Employee Contributions	(933,721)	(172,715)	(1,106,436)
Transfers Among Employers	493,395	-	493,395
Net Change in Plan Fiduciary Net Position	1,043,899	101,974	1,145,873
Plan Net Position - Beginning	18,795,036	4,020,161	22,815,197
Plan Net Position - Ending (b)	$ 19,838,935	$ 4,122,135	$ 23,961,070
Net Pension Liability (a) - Plan Net Position (b)	$ 4,652,314	$ 1,240,921	$ 5,893,235
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.00%	76.86%	80.26%
Covered Payroll*	$ 9,487,008	$ 1,811,380	$ 11,298,388
Net Pension Liability as a Percentage of Covered Payroll	49.04%	68.51%	52.16%

* Employer's covered payroll during the measurement period is the total covered payroll.
For year ended 2016 the measurement period is October 1, 2014 - September 30, 2015.
GASB issued a statement "Pension Issues" in March, 2016 to redefine covered payroll for year ended 2016.

Oxford Water Works and Sewer Board is a discretely presented component unit.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actuarial Valuation as of September 30, 2025		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 1,517,621	$ 190,379	$ 1,708,000
Contributions in Relation to the Actuarially Determined Contribution	1,517,621	190,379	1,708,000
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	18,842,035	1,293,605	20,135,640
Contributions as a Percentage of Covered Employee Payroll	8.05%	14.72%	8.48%

	Actuarial Valuation as of September 30, 2024		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 1,279,256	$ 165,878	$ 1,445,134
Contributions in Relation to the Actuarially Determined Contribution	1,279,256	165,878	1,445,134
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	19,618,886	2,160,278	21,779,164
Contributions as a Percentage of Covered Employee Payroll	6.52%	7.68%	6.64%

	Actuarial Valuation as of September 30, 2023.		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 1,123,409	$ 149,987	$ 1,273,396
Contributions in Relation to the Actuarially Determined Contribution	1,123,409	149,987	1,273,396
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	17,458,609	2,143,611	19,602,220
Contributions as a Percentage of Covered Employee Payroll	6.43%	7.00%	6.50%

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actuarial Valuation as of September 30, 2022		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 1,126,303	$ 146,165	$ 1,272,468
Contributions in Relation to the Actuarially Determined Contribution	1,126,303	146,165	1,272,468
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	16,242,436	1,958,536	18,200,972
Contributions as a Percentage of Covered Employee Payroll	6.93%	7.46%	6.99%

	Actuarial Valuation as of September 30, 2021		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 996,643	$ 156,026	$ 1,152,669
Contributions in Relation to the Actuarially Determined Contribution	996,643	156,026	1,152,669
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	14,844,822	2,073,624	16,918,446
Contributions as a Percentage of Covered Employee Payroll	6.71%	7.52%	6.81%

	Actuarial Valuation as of September 30, 2020		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 865,080	$ 150,384	$ 1,015,464
Contributions in Relation to the Actuarially Determined Contribution	865,080	150,384	1,015,464
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	13,885,559	2,073,625	15,959,184
Contributions as a Percentage of Covered Employee Payroll	6.23%	7.25%	6.36%

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Actuarial Valuation as of September 30, 2019		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 871,502	$ 159,578	$ 1,031,080
Contributions in Relation to the Actuarially Determined Contribution	871,502	159,578	1,031,080
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	13,983,495	2,045,414	16,028,909
Contributions as a Percentage of Covered Employee Payroll	6.23%	7.80%	6.43%

	Actuarial Valuation as of September 30, 2018		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 792,426	$ 144,905	$ 937,331
Contributions in Relation to the Actuarially Determined Contribution	792,426	144,905	937,331
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	13,129,891	2,047,735	15,177,626
Contributions as a Percentage of Covered Employee Payroll	6.04%	7.08%	6.18%

	Actuarial Valuation as of September 30, 2017		
	City of Oxford	Oxford Water Works and Sewer Board	Total
Actuarially Determined Contribution	$ 693,647	$ 140,567	$ 834,214
Contributions in Relation to the Actuarially Determined Contribution	693,647	140,567	834,214
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered - Employee Payroll	9,487,008	1,811,380	11,298,388
Contributions as a Percentage of Covered Employee Payroll	7.31%	7.76%	7.38%

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Notes to the Schedule:

Actuarially determined contribution rates as of September 30, are three years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year 2025 were based on the September 30, 2023 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2024 to September 30, 2025:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent Closed
Remaining Amortization Period	18.4 years
Asset Valuation Method	Five Year Smoothed Market
Inflation	2.50%
Salary Increases	3.25% – 6.00%, Including Inflation
Investment Rate of Return	7.45%, Net of Pension Plan Investment Expense, Including Inflation

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SEPTEMBER 30,

Last 8 Fiscal Years Ending September 30

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 337,361	$ 270,004	$ 284,359	$ 509,666	$ 528,144	$ 358,009	$ 284,317	$ 273,224
Interest	314,978	309,334	294,991	196,675	192,999	150,616	197,599	195,790
Changes of benefit terms	-	-	-	-	-	-	-	-
Experience (Gain)/Loss	(260,293)	164,443	(99,925)	89,166	(253,360)	55,443	24,590	-
Changes of assumptions	(525,941)	897,312	(95,264)	(3,113,244)	(156,622)	2,530,511	462,003	-
Other Changes	-	-	-	-	-	-	-	-
Contributions - Employer	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-
Benefit Payments	(237,556)	(232,148)	(201,108)	(199,677)	(173,222)	(184,991)	(161,492)	(140,957)
Administrative Expense	-	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	(371,451)	1,408,945	183,053	(2,517,414)	137,939	2,909,588	807,017	328,057
Total OPEB Liability - Beginning	7,876,855	6,467,910	6,284,857	8,802,271	8,664,332	5,754,744	4,947,727	4,619,670
Total OPEB Liability - Ending (a)	$ 7,505,404	$ 7,876,855	$ 6,467,910	$ 6,284,857	$ 8,802,271	$ 8,664,332	$ 5,754,744	$ 4,947,727
Plan Fiduciary Net Position								
Contributions - Employer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions - Member	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-
Benefit Payments, including Refunds of	-	-	-	-	-	-	-	-
Contributions - Employer	-	-	-	-	-	-	-	-
Transfers Among Employers	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-
Plan Net Position - Beginning	-	-	-	-	-	-	-	-
Plan Net Position - Ending (b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability (Asset) - Ending (a) - (b)	$ 7,505,404	$ 7,876,855	$ 6,467,910	$ 6,284,857	$ 8,802,271	$ 8,664,332	$ 5,754,744	$ 4,947,727
Plan Fiduciary Net Position as a Percentage of the total OPEB Liabilitiy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered - Employee Payroll*	$ 17,086,886	$ 15,565,367	$ 14,793,331	$ 14,594,870	$ 13,508,488	$ 13,240,019	$ 12,070,603	$ 11,392,531
Net OPEB Liability (Asset) as a percentage of the Covered Employee Payroll	43.92%	50.61%	43.72%	43.06%	65.16%	65.44%	47.68%	43.43%

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Taxes				
Property Taxes	$ 5,575,000	$ 5,575,000	$ 5,376,401	$ (198,599)
Sales and Use	45,400,000	45,400,000	46,499,692	1,099,692
Lodging	2,650,000	2,650,000	2,383,742	(266,258)
Gasoline	270,000	270,000	293,323	23,323
Other Local Taxes	885,000	885,000	911,574	26,574
Licenses, Permits and Fines	5,032,000	5,032,000	5,806,824	774,824
Service, Sales and Recoveries	2,134,000	2,134,000	1,842,567	(291,433)
Park and Recreation	4,697,200	4,697,200	4,953,926	256,726
Intergovernmental	925,000	925,000	2,453,986	1,528,986
Investment Earnings	2,000,000	2,000,000	2,630,944	630,944
Other Revenues	44,000	44,000	26,215	(17,785)
TOTAL REVENUES	69,612,200	69,612,200	73,179,194	3,566,994
EXPENDITURES:				
General Government	8,126,100	9,324,047	9,187,028	137,019
Building Services	616,120	616,120	449,515	166,605
Police Department	12,283,230	13,056,318	12,109,662	946,656
Fire Department	4,757,365	4,884,495	4,756,544	127,951
Fleet Management Department	1,163,793	1,163,793	1,091,005	72,788
Maintenance Department	260,257	260,257	249,642	10,615
Cemetery Department	204,527	204,527	229,489	(24,962)
Public Works Department	3,781,470	4,303,690	3,607,783	695,907
Sanitation Department	1,275,000	1,275,000	1,324,340	(49,340)
Park and Recreation Department	11,999,498	12,706,860	12,326,551	380,309
Civil Service Department	124,679	124,679	105,484	19,195
Information Technology	600,733	600,733	531,725	69,008
Marketing Department	509,713	509,713	403,562	106,151
Other Boards and Agencies	14,996,136	17,219,343	17,368,038	(148,695)
Debt Service				-
Principal	-	-	749,244	(749,244)
Interest and Other Charges	-	-	127,574	(127,574)
Capital Outlay	2,053,114	6,030,987	10,035,104	(4,004,116)
TOTAL EXPENDITURES	62,751,734	72,280,562	74,652,290	(2,371,728)
OVER (UNDER) EXPENDITURES	6,860,465	(2,668,362)	(1,473,096)	1,195,266
OTHER FINANCING SOURCES AND (USES):				
Proceeds from Sale of Capital Assets	750,000	750,000	1,252,434	502,434
Proceeds from Long Term Debt	-	-	1,342,663	1,342,663
Transfers In	-	-	9,195,702	9,195,702
Transfers Out	-	-	(8,359,939)	(8,359,939)
TOTAL OTHER FINANCING SOURCES (USES)	750,000	750,000	3,430,860	2,680,860
NET CHANGE IN FUND BALANCE	7,610,465	(1,918,362)	1,957,764	3,876,126
FUND BALANCE, BEGINNING	74,158,684	74,158,684	74,158,684	-
FUND BALANCES (DEFICIT), END	$ 81,769,149	$ 72,240,322	$ 76,116,448	$ 3,876,126

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - DEBT SERVICE FUND

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Interest	$ -	$ -	$ 2,925	$ 2,925
TOTAL REVENUES	-	-	2,925	2,925
EXPENDITURES				
Principal	2,775,000	2,775,000	16,365,000	(13,590,000)
Interest and Other Charges	3,243,389	5,237,432	5,381,270	(143,838)
Bond Issue Cost & Fees	65,000	65,000	51,915	13,085
TOTAL EXPENDITURES	6,083,389	8,077,432	21,798,185	(13,720,753)
OTHER FINANCING SOURCES AND (USES):				
Transfers In	7,541,458	9,535,501	21,798,186	12,262,685
TOTAL OTHER FINANCING SOURCES (USES)	7,541,458	9,535,501	21,798,186	12,262,685
NET CHANGE IN FUND BALANCE	1,458,069	1,458,069	2,926	(1,455,143)
NET FUND, BEGINNING	72,974	72,974	72,974	-
NET FUND, ENDING	$ 1,531,043	$ 1,531,043	$ 75,900	$ (1,455,143)

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL PROJECT FUND

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Interest	$ 70,000	$ 70,000	$ 786,911	$ 716,911
TOTAL REVENUES	70,000	70,000	786,911	716,911
EXPENDITURES				
General Government	70,000	70,000	2,610	67,390
Bond Issuance Cost	-	-	175,360	(175,360)
Capital Outlay	2,250,000	13,967,575	-	13,967,575
TOTAL EXPENDITURES	2,320,000	14,037,575	177,970	13,859,605
OTHER FINANCING SOURCES AND (USES):				
Bond Proceeds	-	-	31,016,709	31,016,709
Transfers Out	-	-	(23,427,072)	(23,427,072)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	7,589,637	7,589,637
NET CHANGE IN FUND BALANCE	(2,250,000)	(13,967,575)	8,198,578	22,166,153
NET FUND, BEGINNING	13,075,477	13,075,477	20,827,441	(7,751,964)
NET FUND, ENDING	$ 10,825,477	$ (892,098)	$ 29,026,019	$ 14,414,189

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE A – GASB 68 Pension Related Schedules

In accordance with GASB No. 68 – *Accounting and Financial Reporting for Pensions,* the City is required to disclose historical data for each of the prior ten years within the following schedules:

- Schedule of the Changes in Net Pension Liability
- Schedule of Employer Contributions

The information presented in the Schedule of the Net Pension Liability is determined as of the measurement date of the collective net pension liability. The Schedule of Employer Contributions actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2025 were based on the September 30, 2023, actuarial valuation. Subsequent year's information will be added as it becomes available until the ten year requirement is met.

NOTE B – GASB 75 Retiree Health Plan Schedules

Effective, October 1, 2017, the City adopted GASB No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).* Statement No. 75 supersedes Statement No. 45 and establishes uniform accounting and financial reporting standards for local governmental entities to postemployment benefits other than pension. The following is required to be disclosed in the notes to financial statements: (1) plan description, (2) sources of changes in net OPEB liability and (3) significant assumption used to calculate the total OPEB liability. The following information is to be included as Required Supplementary Information (RSI): (1) a ten year schedule of changes in the net OPEB liability that separately presents the information required for each year, (2) a ten year schedule presenting the components of the net OPEB liability and related ratios and (3) actuarially-determined contributions, if applicable, with notes showing significant methods and assumptions used in the determination of contribution valuations.

NOTE C – Budgetary Information

An annual budget is prepared to the City's general fund and adopted on the modified accrual basis. All annual appropriations lapse at fiscal year end. Accounting principles generally accepted in the United States of America require that budget comparisons be presented for special revenue funds if a budget is legally adopted. Such a presentation has not been made because the City does not adopt budgets for these funds. The Mayor and City Council approve, by ordinance, total general fund budget appropriations only. The City is authorized to transfer budget amounts between departments within any funds; however, any revisions that alter the total appropriations of any fund must be approved by the Council. There was a favorable variance between the general fund budgeted and revenues, actual expenditures/transfers of $3,926,779. Also, there was an unfavorable variance between the debt service fund budgeted and revenues, actual expenditures/transfers of ($1,455,143). There was a favorable variance between the capital project fund budgeted and revenues, actual expenditures/transfers of $22,166,153.

SUPPLEMENTARY INFORMATION

COMBINING AND COMPARATIVE FUND STATEMENTS

COMBINING BALANCE SHEET - CITY OF OXFORD, ALABAMA

NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS (COMPARATIVE IN SUMMARY)

SEPTEMBER 30, 2025

	Federally Funded Capital Projects	Commerical Development Authority	Public Building Authority	Police Authority	State Gasoline Tax Fund	Municipal Court Fund	2025	2024
ASSETS								
Cash and Cash Equivalents - Restricted	$ -	$ 1,258,744	$ 726,781	$ 234,740	$ 2,070,817	$ 52,158	$ 4,343,240	$ 3,630,533
Due from Other Funds	-	149,660	990,396	6,850	-	-	1,146,906	1,146,906
Due from Other Governmental Units	-	-	-	-	30,642	-	30,642	31,132
Municipal Court Receivable	-	-	-	-	-	45,796	45,796	49,131
TOTAL ASSETS	-	1,408,404	1,717,177	241,590	2,101,459	97,954	5,566,584	4,857,702
LIABILITIES								
Accounts Payable	-	-	-	-	-	795	795	1,275
Due to Other Funds	-	5,000	-	-	-	-	5,000	5,000
TOTAL LIABILITIES	-	5,000	-	-	-	795	5,795	6,275
								-
DEFERRED INFLOWS OF RESOURCES								
Unearned Revenues								
FUND BALANCES								
Restricted for:								
Law Enforcement	-	-	-	241,590	-	-	241,590	14,267
Capital Project	-	-	-	-	2,101,459	-	2,101,459	1,707,340
Commerical Development	-	1,403,404	-	-	-	-	1,403,404	1,366,817
Public Building Authority	-	-	1,717,177	-	-	-	1,717,177	1,650,228
Municipal Court Fund	-	-	-	-	-	97,159	97,159	112,774
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	-	1,403,404	1,717,177	241,590	2,101,459	97,159	5,560,789	4,851,426
TOTAL	$ -	$ 1,408,404	$ 1,717,177	$ 241,590	$ 2,101,459	$ 97,954	$ 5,566,584	$ 4,857,702

See accompanying notes to the basic financial statements

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES -

NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS (COMPARATIVE IN SUMMARY)

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Federally Funded Capital Projects	Commercial Development Authority	Public Building Authority	Police Authority	State Gasoline Tax Fund	Municipal Court Fund	2025	2024
REVENUES								
Intergovernmental Revenues:								
State and County Gasoline Taxes	$ -	$ -	$ -	$ -	$ 333,532	$ -	$ 333,532	$ 328,496
Federal Grants	-	-	-	185,000	-	-	185,000	57,470
Other Operating Revenues:							-	
Rental Income	-	-	909,093	-	-	-	909,093	866,058
Municipal Police Fines						-	-	63,935
Miscellenous	-	-	-	37,881	-	-	37,881	16,483
Investment Earnings	-	36,586	13,346	4,442	60,700	-	115,074	112,112
TOTAL REVENUES	-	36,586	922,439	227,323	394,232	-	1,580,580	1,444,554
EXPENDITURES								
General Government	33,718	-	-	-	112	-	33,830	(168)
Public Works Department					28,274		28,274	-
Municipal Court	-	-	-	-	-	21,021	21,021	11,372
Principal Payments - Debt Service	-	715,000	540,000	-	-	-	1,255,000	1,205,000
Interest Payments - Debt Service	-	10,725	315,489	-	-	-	326,214	373,614
Capital Outlay	-			-	-	-	-	131,371
TOTAL EXPENDITURES	33,718	725,725	855,489	-	28,386	21,021	1,664,339	1,721,189
OVER EXPENDITURES	(33,718)	(689,139)	66,950	227,323	365,846	(21,021)	(83,760)	(276,635)
OTHER FINANCING SOURCES (USES)								
Transfers In	33,718	725,725	-	-	28,274	5,406	793,123	860,987
Transfers Out	-	-	-	-	-	-	-	(155,754)
TOTAL OTHER FINANCING SOURCES (USES)	33,718	725,725	-	-	28,274	5,406	793,123	705,233
NET CHANGE IN FUND BALANCES	-	36,586	66,950	227,323	394,120	(15,615)	709,364	428,598
FUND BALANCES (DEFICIT) BEGINNING	-	1,366,818	1,650,227	14,267	1,707,339	112,774	4,851,426	4,422,828
FUND BALANCES (DEFICIT), END	$ -	$ 1,403,404	$ 1,717,177	$ 241,590	$ 2,101,459	$ 97,159	$ 5,560,789	$ 4,851,426

See accompanying notes to the basic financial statements

BALANCE SHEET - GENERAL FUND
(COMPARATIVE)

CITY OF OXFORD, ALABAMA

SEPTEMBER 30, 2025 AND 2024

	2025	2024	CHANGE
ASSETS			
Cash and Cash Equivalents - Unrestricted	$ 48,649,220	$ 48,307,071	$ 342,150
Cash and Cash Equivalents - Restricted	185,936	155,003	30,933
Investments	32,116,821	31,435,059	681,762
Receivables:			
Due from Other Governmental Units	6,584,223	4,465,070	2,119,153
Accrued Interest on Investments	46,756	56,155	(9,399)
Municipal Court, Net of Allowance	916,323	883,417	32,906
Other Receivables	49,980	100,234	(50,254)
Inventories	80,769	76,160	4,609
Prepaid Expenses	171,557	177,177	(5,620)
TOTAL ASSETS	88,801,585	85,655,346	3,146,239
LIABILITIES			
Accounts Payable	2,448,835	1,327,197	1,121,638
Accrued Salaries	576,575	479,989	96,586
Accrued and Withheld Expenses	115,824	143,996	(28,172)
Accrued Employees Benefits	613,991	524,460	89,531
Accrued Expenses	194,242	155,828	38,414
Other Payables - Cash Bonds	72,217	69,303	2,914
Due to Other Funds	8,266,150	8,266,150	-
TOTAL LIABILITIES	12,287,834	10,966,923	1,320,911
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	397,303	529,739	(132,436)
FUND BALANCES			
Nonspendable			
Prepaid Items, Inventories	252,326	253,337	(1,011)
Restricted for:			
Municipal Court	72,217	69,303	2,914
Law Enforcement	71,387	82,397	(11,010)
Capital Projects	2,602	3,302	(700)
Unassigned	75,717,916	73,750,345	1,967,571
TOTAL FUND BALANCES (DEFICIT)	76,116,448	74,158,684	1,957,764
TOTAL	$ 88,801,585	$ 85,655,346	$ 3,146,239

See accompanying notes to the basic financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-GENERAL FUND (COMPARATIVE)

CITY OF OXFORD, ALABAMA

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024	CHANGE
REVENUES			
Taxes			
Property Taxes	$ 5,376,401	$ 5,339,667	$ 36,734
Sales and Use	46,499,692	43,414,990	3,084,702
Lodging	2,383,742	2,320,195	63,547
Gasoline	293,323	280,261	13,062
Other Local Taxes	911,574	945,284	(33,710)
Licenses and Permits	5,806,824	4,729,217	1,077,607
Service, Sales and Recoveries	1,842,567	1,592,356	250,211
Park and Recreation	4,953,926	4,654,728	299,198
Intergovernmental	2,453,986	1,304,863	1,149,123
Investment Earnings	2,630,944	3,004,864	(373,920)
Other Revenues	26,215	28,767	(2,552)
TOTAL REVENUES	73,179,194	67,615,192	5,564,002
EXPENDITURES			
General Government	9,187,028	8,644,941	542,087
Building Services	449,515	517,305	(67,789)
Police Department	12,109,662	11,578,045	531,617
Fire Department	4,756,544	4,426,739	329,805
Fleet Management Department	1,091,005	1,103,537	(12,532)
Maintenance Department	249,642	263,765	(14,123)
Cemetery Department	229,489	198,561	30,928
Streets Department	3,607,783	3,696,805	(89,023)
Sanitation Department	1,324,340	1,272,454	51,886
Park and Recreation Department	12,326,551	11,743,674	582,878
Civil Service Department	105,484	90,388	15,096
Information Technology	531,725	479,045	52,680
Marketing Department	403,562	380,652	22,910
Other Boards and Agencies	17,368,038	13,961,338	3,406,700
Debt Service:			
Principal	749,244	494,071	255,173
Interest and Other Charges	127,574	60,710	66,863
Capital Outlay	10,035,104	10,032,159	2,944
TOTAL EXPENDITURES	74,652,290	68,944,190	5,708,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,473,096)	(1,328,998)	(144,098)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Assets	1,252,434	920,308	332,126
Proceeds from Long Term Debt	1,342,663	303,340	1,039,323
Transfers In	9,195,702	6,357,171	2,838,531
Transfers Out	(8,359,939)	(7,758,285)	(601,654)
TOTAL OTHER FINANCING SOURCES (USES)	3,430,860	(177,466)	3,608,326
NET CHANGE IN FUND BALANCES	1,957,764	(1,506,464)	3,464,228
FUND BALANCES (DEFICIT) BEGINNING	74,158,684	75,665,148	(1,506,464)
FUND BALANCES (DEFICIT), END	$ 76,116,448	$ 74,158,684	$ 1,957,764

See accompanying notes to the basic financial statements

BALANCE SHEET - DEBT SERVICE FUND
(COMPARATIVE)

CITY OF OXFORD, ALABAMA

SEPTEMBER 30, 2025 AND 2024

	2025	2024	CHANGE
ASSETS			
Cash and Cash Equivalents - Restricted	$ 75,900	$ 72,974	$ 2,926
TOTAL ASSETS	75,900	72,974	2,926
LIABILITIES	-	-	-
FUND BALANCES			
Restricted for:			
Debt Service	75,900	$ 72,974	2,926
TOTAL FUND BALANCES	75,900	72,974	2,926
TOTAL	$ 75,900	$ 72,974	$ 2,926

See accompanying notes to the basic financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-DEBT SERVICE FUND (COMPARATIVE)

CITY OF OXFORD, ALABAMA

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024	CHANGE
REVENUES			
Investment Earnings	$ 2,925	$ 3,392	$ (467)
TOTAL REVENUES	2,925	3,392	(467)
EXPENDITURES			
Principal	16,365,000	3,425,000	12,940,000
Interest and Other Charges	5,381,270	4,875,386	505,884
Bond Issue Cost & Fees	51,915	43,762	8,153
TOTAL EXPENDITURES	21,798,185	8,344,148	13,454,037
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,795,260)	(8,340,756)	(13,454,505)
OTHER FINANCING SOURCES (USES)			
Transfers In	21,798,186	8,344,148	13,454,038
TOTAL OTHER FINANCING SOURCES (USES)	21,798,186	8,344,148	13,454,038
NET CHANGE IN FUND BALANCES	2,926	3,392	-
FUND BALANCES , BEGINNING	72,974	69,582	3,392
FUND BALANCES, END	$ 75,900	$ 72,974	$ 3,392

See accompanying notes to the basic financial statements

SEPTEMBER 30, 2025 AND 2024

	2025	2024	CHANGE
ASSETS			
Cash and Cash Equivalents - Restricted	$ 21,901,775	$ 13,703,197	$ 8,198,578
Receivables:			
Due from Other Funds	7,124,244	7,124,244	-
TOTAL ASSETS	29,026,019	20,827,441	8,198,578
LIABILITIES	-	-	-
FUND BALANCES			
Restricted for:			
Capital Projects	29,026,019	20,827,441	8,198,578
TOTAL FUND BALANCES (DEFICIT)	29,026,019	20,827,441	8,198,578
TOTAL	$ 29,026,019	$ 20,827,441	$ 8,198,578

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-CAPITAL PROJECTS FUND (COMPARATIVE)

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024	CHANGE
REVENUES			
Investment Earnings	$ 786,911	$ 925,226	$ (138,315)
TOTAL REVENUES	786,911	925,226	(138,315)
EXPENDITURES			
General Government	2,610	2,498	112
Bond Issuance Cost	175,360	-	175,360
TOTAL EXPENDITURES	177,970	2,498	175,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	608,941	922,728	(313,787)
OTHER FINANCING SOURCES (USES)			
Proceeds from Bonds	31,016,709	-	31,016,709
Transfers Out	(23,427,072)	(7,648,267)	(15,778,805)
TOTAL OTHER FINANCING SOURCES (USES)	7,589,637	(7,648,267)	15,237,904
NET CHANGE IN FUND BALANCES	8,198,578	(6,725,539)	14,924,117
FUND BALANCES, BEGINNING	20,827,441	27,552,980	(6,725,539)
FUND BALANCES, END	$ 29,026,019	$ 20,827,441	$ 8,198,578

See accompanying notes to the basic financial statements

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND IN DETAIL

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Property Taxes	$ 5,575,000	$ 5,575,000	$ 5,376,401	$ (198,599)
Sales and Use	43,500,000	43,500,000	44,434,868	934,868
Simplified Seller Use	1,900,000	1,900,000	2,064,824	164,824
Lodging Taxes	2,650,000	2,650,000	2,383,742	(266,258)
Gasoline Taxes	270,000	270,000	293,323	23,323
Other Local Taxes				
Tobacco Taxes	65,000	65,000	58,939	(6,061)
Liquor and Wine Taxes	775,000	775,000	811,342	36,342
Beer Taxes	45,000	45,000	41,293	(3,707)
	54,780,000	54,780,000	55,464,732	684,732
Licenses, Permits and Fines				
Police Fines and Other Charges	372,000	372,000	677,628	305,628
Motor Vehicles Licenses	90,000	90,000	239,713	149,713
Business License	4,400,000	4,400,000	4,444,993	44,993
Building Permits	170,000	170,000	444,490	274,490
	5,032,000	5,032,000	5,806,824	774,824
Investment Income	2,000,000	2,000,000	2,630,944	630,944
Intergovernmental				
Rental Tax	425,000	425,000	481,510	56,510
State Motor Vehicle License	-	-	5,141	5,141
Federal and State Monies and Grants	-	-	1,586,792	1,586,792
Financial Institution Tax	500,000	500,000	380,543	(119,457)
	925,000	925,000	2,453,986	1,528,986
Services, Sales and Recoveries				
Garage Labor Income	1,000	1,000	27,579	26,579
Cemetery Receipts	5,000	5,000	6,600	1,600
Water Department Retirement	300,000	300,000	334,665	34,665
Retiree Insurance	45,000	45,000	57,467	12,467
Miscellaneous Income	762,000	762,000	486,565	(275,435)
Christmas Light Show revenue	625,000	625,000	500,938	(124,062)
Main Street Festival	-	-	23,630	23,630
Sale of Gas, Oil and Repairs	321,000	321,000	264,611	(56,389)
Abatement/Liens	15,000	15,000	2,486	(12,514)
Insurance Recoveries	25,000	25,000	109,658	84,658
Rental Income	35,000	35,000	28,368	(6,632)
	2,134,000	2,134,000	1,842,567	(291,433)
Park and Recreation				
Library Rent	2,500	2,500	2,806	306
Library Fees and Fines	11,000	11,000	13,076	2,076
Library Donations	500	500	584	84
Library State Funds	26,000	26,000	30,474	4,474
East Alabama Reimbursement	15,000	15,000	18,890	3,890
League of Our Own	1,000	1,000	15,086	14,086
Friendship Community Center Rent	6,000	6,000	6,560	560
Preschool Friendship	14,000	14,000	15,620	1,620
Civic Center Rent and Gate	370,000	370,000	273,383	(96,617)
Ball Field Rent	13,500	13,500	8,850	(4,650)
Bynum Community Center Rent	8,000	8,000	7,018	(982)

See accompanying notes to the basic financial statements

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND IN DETAIL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES-(CONTINUED)				
Park and Recreation (Continued)				
Choccolocco Park Rentals	$ 425,000	$ 425,000	$ 540,791	$ 115,791
Cheaha Clubhouse Rent	7,000	7,000	8,260	1,260
Day Camp Receipts	45,000	45,000	58,298	13,298
Swimming Receipts	12,000	12,000	14,058	2,058
Concessions Choccolocco Park	395,000	395,000	431,564	36,564
Exercise Classes/Gym/Karate/Aerobics/Yoga/Zumba	10,800	10,800	9,730	(1,070)
Baseball for Youth	4,100	4,100	15,730	11,630
Football/Cheerleading Registration	10,000	10,000	17,613	7,613
Softball Registration	15,000	15,000	13,330	(1,670)
Soccer Registration	4,000	4,000	8,775	4,775
Basketball Registration	12,000	12,000	9,805	(2,195)
Art and Craft Classes	250	250	-	(250)
Senior Citizens Program	7,500	7,500	7,692	192
Tennis Classes	4,000	4,000	2,740	(1,260)
Dance and Baton Classes	100	100	-	(100)
Vending Commissions	15,000	15,000	6,758	(8,242)
Facility Rentals	-	-	1,164	1,164
Rent Pavilion	100	100	-	(100)
Cheer Classes	8,500	8,500	3,740	(4,760)
Weight Room/Volleyball/Frisbee	1,800	1,800	25,898	24,098
Sponsorships-Vipers	-	-	(2,500)	(2,500)
Entry Fees	-	-	1,050	1,050
Concessions	60,000	60,000	64,524	4,524
Batting Cages	12,000	12,000	11,096	(904)
Kayak	4,000	4,000	2,106	(1,894)
Mardi Gras Run	300	300	994	694
Halloween Carnival	1,250	1,250	757	(493)
Christmas in the Park- Sponsorships	-	-	70,775	70,775
Miscellaneous	10,000	10,000	2,109	(7,891)
	1,532,200	1,532,200	1,719,204	187,004
Performing Arts Center				
Ticket Sales	2,300,000	2,300,000	2,474,829	174,829
Sponsorships	700,000	700,000	550,692	(149,308)
Foundation Revenue	-	-	100,000	100,000
Facility rental & Theatre Camp Program OPAC	10,000	10,000	-	(10,000)
Concessions/Merchandise Sales/Theatre Camp	155,000	155,000	109,201	(45,799)
	3,165,000	3,165,000	3,234,722	69,722
Total Park and Recreation	4,697,200	4,697,200	4,953,926	256,726
Marketing Revenues				
Marketing Advertising	25,000	25,000	25,675	675
	25,000	25,000	25,675	675
Main Street				
Sponsorships	15,000	15,000	-	(15,000)
Monopoly Game	4,000	4,000	540	(3,460)
	19,000	19,000	540	(18,460)
Total Revenues	69,612,200	69,612,200	73,179,194	3,566,994

See accompanying notes to the basic financial statements

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND IN DETAIL

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
General Government				
Salaries				
Elected Officials	$ 173,000	$ 173,000	$ 173,482	$ (482)
Other	930,000	930,000	793,901	136,099
	1,103,000	1,103,000	967,383	135,617
Employee Benefits				
Insurance	4,200,000	4,200,000	4,658,677	(458,677)
Payroll Taxes	73,000	73,000	29,553	43,447
Retirement	55,000	55,000	49,051	5,949
Unemployment Insurance	-	-	1,197	(1,197)
Workers' Compensation Insurance	350,000	350,000	284,077	65,923
	4,678,000	4,678,000	5,022,555	(344,555)
Pre Employment & Random Testing	-	-	1,955	(1,955)
Main Street Program	-	-	487	(487)
Professional Fees	500,000	1,696,222	1,358,813	337,409
General Insurance	650,000	650,000	695,914	(45,914)
Dues, Publications and Legal Advertising	250,000	250,000	61,561	188,439
City Physcian	100	100	-	100
City Attorney	135,000	135,000	127,408	7,592
Repairs and Maintenance	67,000	67,000	93,047	(26,047)
Utilities	50,000	50,000	47,603	2,397
Election Expense	40,000	40,625	-	40,625
Office Supplies	50,000	50,000	56,627	(6,627)
Travel	10,000	10,000	6,358	3,642
Telephone	15,000	15,000	12,029	2,971
Computer Software and Hardware	64,000	65,100	67,629	(2,529)
Supplies	50,000	50,000	31,115	18,885
Gas and Oil	2,500	2,500	5,914	(3,414)
Promotion and Goodwill	80,000	80,000	38,989	41,011
Schools, Seminars, and Conferences	10,000	10,000	5,535	4,465
RSA - 1 (Oxford Water)	300,000	300,000	334,665	(34,665)
Cafeteria Plan	-	-	8,715	(8,715)
Professional Fees	-	-	8,949	(8,949)
Lease Equipment	10,000	10,000	10,889	.(889)
Internet Fees	5,000	5,000	4,581	419
Refund of Prior Year ADECA Awards	-	-	127,032	(127,032)
Miscellaneous Expenses & Bank Fees	50,000	50,000	85,075	(35,075)
Office Equipment	1,500	1,500	6,200	(4,700)
Vison One/Robotics/Green Power	5,000	5,000	-	5,000
	2,345,100	3,543,047	3,197,090	345,957
Total General Government	**8,126,100**	**9,324,047**	**9,187,028**	**137,019**
Building Services				
Salaries	480,000	480,000	383,333	96,667
Retirement	38,400	38,400	31,160	7,240
Payroll Taxes	36,720	36,720	28,206	8,514
Gas & Oil	7,000	7,000	-	7,000
School Conference	2,000	2,000	-	2,000
Travel	2,000	2,000	-	2,000
Office Supplies	5,000	5,000	-	5,000
Telephone	8,000	8,000	5,120	2,880
Internet Service	1,000	1,000	-	1,000
Computer Software & Hardware	13,500	13,500	-	13,500
Maintenance Equipment	11,800	11,800	1,697	10,103
Maintenance Building	5,700	5,700	-	5,700
Tools	5,000	5,000	-	5,000
Total Building Services	**616,120**	**616,120**	**449,515**	**166,605**

See accompanying notes to the basic financial statements

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND IN DETAIL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Police Department				
Salaries - Police Department	7,020,100	7,020,100	6,881,872	138,228
Salaries - City Judge	65,000	65,000	52,575	12,425
Payroll Taxes	537,030	537,030	542,661	(5,631)
Retirement	561,600	561,600	545,831	15,769
Rental/Lease	455,000	455,000	601,525	(146,525)
Building Repairs and Maintenance	821,000	821,000	772,351	48,649
Gas and Oil	295,000	295,000	254,441	40,559
State General Fund	150,000	150,000	129,671	20,329
Supplies	345,000	345,000	473,345	(128,345)
Utilities	110,000	110,000	208,858	(98,858)
Police Uniforms	130,000	130,000	103,346	26,654
Telephone	170,000	170,000	178,032	(8,032)
Feed and Care of Animals	21,000	21,000	13,384	7,616
Feed and Care of Prisoners	25,000	25,000	16,083	8,917
Office Equipment	25,000	25,000	1,790	23,210
Computer Software and Equipment	725,000	813,088	587,011	226,077
Equipment- EMACC	150,000	835,000	196,681	638,319
Travel	65,000	65,000	69,035	(4,035)
Schooling/Seminars/Conferences/Training	70,000	70,000	72,696	(2,696)
Office Supplies	30,000	30,000	21,653	8,347
Professional Fees	50,000	50,000	23,007	26,993
Internet Fees	30,000	30,000	27,207	2,793
Communications Line Rental	7,500	7,500	-	7,500
Miscellaneous	50,000	50,000	3,467	46,533
Calhoun County Court Cost	7,500	7,500	4,946	2,554
Crime Victim Compensation	5,000	5,000	3,068	1,932
Calhoun County 911	75,000	75,000	-	75,000
Informant Expense	5,000	5,000	-	5,000
Driver Education Trust Fund	7,500	7,500	4,816	2,684
Fair Trial Tax	5,000	5,000	12,098	(7,098)
Dues, Publications and Advertising	40,000	40,000	14,085	25,915
EMACC Operations	230,000	230,000	1,125	228,875
EMACC Grant Expenditures	-	-	293,002	(293,002)
Total Police Department	**12,283,230**	**13,056,318**	**12,109,662**	**946,656**
Fire Department				
Salaries/Fire Calls	3,170,000	3,215,000	3,271,321	(56,321)
Payroll Taxes	253,215	256,658	241,416	15,242
Retirement	262,400	266,000	344,166	(78,166)
Repairs and Maintenance	175,000	220,471	279,716	(59,245)
EMACC Maintenance, Cleaning, Fire tax	258,000	258,000	14,976	243,024
Utilities	90,000	90,000	91,843	(1,843)
Fire Hoses/Equipment	50,000	50,000	50,461	(461)
Fire Equipment-EMS	8,000	8,000	1,922	6,078
Fire Protection	86,000	88,497	83,193	5,304
Supplies	25,000	25,000	12,936	12,064
Gas and Oil	55,250	55,250	45,252	9,998
Telephone	27,000	27,000	20,789	6,211
Schooling, Seminars & Travel	45,000	45,000	31,894	13,106
Uniforms	30,000	30,000	35,641	(5,641)
Office Supplies and Equipment	27,000	27,000	1,828	25,172
Insurance	26,000	26,000	23,739	2,261
Internet Fees	25,000	25,000	29,163	(4,163)
Miscellaneous	9,000	36,119	31,521	4,598
Professional Fees	500	500	-	500
Radio User Fees	-	-	144,767	(144,767)
Dispatch Service CC911	135,000	135,000	-	135,000
Total Fire Department	**4,757,365**	**4,884,495**	**4,756,544**	**127,951**

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND IN DETAIL

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Fleet Management Department				
Salaries	745,000	745,000	727,013	17,987
Payroll Taxes	56,993	56,993	52,551	4,442
Retirement	59,600	59,600	60,859	(1,259)
Repairs and Maintenance	90,600	90,600	83,297	7,303
Supplies	20,000	20,000	16,869	3,131
Utilities	60,000	60,000	55,296	4,704
Uniforms and Clothing	18,000	18,000	17,512	488
Mosquito and Insect Fogger	25,000	25,000	16,339	8,661
Gas and Oil	10,000	10,000	364	9,636
Tools/Replacements	30,000	30,000	25,628	4,372
Office Supplies & Equipment	5,100	5,100	8,997	(3,897)
Computer Software and Hardware	26,500	26,500	11,141	15,359
Telephone	3,000	3,000	2,738	262
Internet Fees	10,000	10,000	8,929	1,071
Miscellaneous	1,500	1,500	1,009	491
Schooling and Seminars	2,500	2,500	2,463	37
Total Fleet Management Department	**1,163,793**	**1,163,793**	**1,091,005**	**72,788**
Maintenance Department				
Salaries	178,000	178,000	176,180	1,820
Retirement	14,240	14,240	13,678	562
Payroll Taxes	13,617	13,617	13,154	463
Equipment - Lease	250	250	-	250
Gas & Oil	7,000	7,000	8,814	(1,814)
Equipment/Building	15,000	15,000	14,888	112
Tool Replacement	500	500	192	308
Maintenance Building	7,000	7,000	3,184	3,816
Uniforms	2,000	2,000	717	1,283
Training/School	250	250	-	250
Miscellaneous	250	250	-	250
Supplies	1,700	1,700	993	707
Utilities	8,000	8,000	8,000	-
Internet Services	11,000	11,000	8,867	2,133
Telephone	1,450	1,450	975	475
Total Maintenance Department	**260,257**	**260,257**	**249,642**	**10,615**
Cemetery Department				
Salaries	158,000	158,000	178,385	(20,385)
Payroll Taxes	12,087	12,087	12,784	(697)
Retirement	12,640	12,640	13,092	(452)
Utilities	4,500	4,500	4,033	467
Repairs/Maintenance/Building/Equipment	6,500	6,500	8,805	(2,305)
Telephone	1,000	1,000	960	40
Supplies	750	750	4,205	(3,455)
Miscellaneous	100	100	-	100
Gas and Oil	1,250	1,250	934	316
Uniforms	-	-	-	-
Training Expense	100	100	-	100
Internet Fees	6,500	6,500	6,090	410
Ground Improvements	1,000	1,000	201	799
Equipment Rental	100	100	-	100
Total Cemetery Department	**204,527**	**204,527**	**229,489**	**(24,962)**

See accompanying notes to the basic financial statements

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public Works Department				
Salaries	1,880,000	1,880,000	2,057,852	(177,852)
Retirement	150,400	150,400	162,836	(12,436)
Payroll Taxes	143,820	143,820	150,935	(7,115)
Street and Sidewalk Maintenance	515,000	1,037,220	232,066	805,154
Utilities - Street Lighting	435,000	435,000	427,221	7,779
Equipment Repairs and Maintenance	355,000	355,000	350,552	4,448
Gas and Oil	150,000	150,000	123,914	26,086
Office Supplies	2,000	2,000	3,000	(1,000)
Supplies	15,250	15,250	14,023	1,227
Miscellaneous	10,000	10,000	2,822	7,178
Utilities	10,000	10,000	7,808	2,192
Telephone and Internet	17,500	17,500	16,772	728
Signs	10,000	10,000	2,541	7,459
Computer Software & Hardware - Street	7,000	7,000	1,261	5,739
Uniforms and Clothing	20,000	20,000	28,345	(8,345)
School/conference/Training Expense	15,000	15,000	9,037	5,963
Ground Improvements	5,000	5,000	-	5,000
Street Pipe	10,000	10,000	-	10,000
Traffic Control	30,000	30,000	16,798	13,202
Equipment Rental and Lease	500	500	-	500
Total Public Works Department	**3,781,470**	**4,303,690**	**3,607,783**	**695,907**
Sanitation				
Contract Services Trash	1,275,000	1,275,000	1,324,340	(49,340)
Total Sanitation Department	**1,275,000**	**1,275,000**	**1,324,340**	**(49,340)**
Parks and Recreation Department				
Civic Center Operations				
Salaries	3,275,000	3,275,000	3,304,354	(29,354)
Extra Labor	300,250	300,250	252,986	47,264
Retirement	262,000	262,000	213,599	48,401
Payroll Taxes	250,538	250,538	250,660	(122)
Utilities	290,000	290,000	280,477	9,523
Repairs and Maintenance	230,000	230,000	372,538	(142,538)
Transit System	152,535	152,535	150,827	1,708
Day Camp Supplies	-	-	3,190	(3,190)
Supplies	45,000	45,000	61,401	(16,401)
Equipment Lease	5,000	5,000	924	4,076
Sports Supplies	110,000	110,000	79,118	30,882
Gas and Oil	35,000	35,000	29,447	5,553
Ground Improvement and Maintenance	145,000	145,000	150,977	(5,977)
Office Supplies & Equipment	10,000	10,000	34,897	(24,897)
Pool Supplies and Maintenance	35,000	35,000	20,570	14,430
Telephone	15,500	15,500	16,589	(1,089)
Miscellaneous	13,000	13,000	9,746	3,254
Utilities - Senior Citizens Building	10,000	10,000	9,245	755
Senior Citizens Supplies	13,000	13,000	12,976	24
Telephone - Senior Citizens	1,200	1,200	898	302
Fees	7,500	7,500	1,279	6,221
Promotion and Goodwill	25,000	25,000	40,513	(15,513)
Internet Fees	25,000	25,000	20,389	4,611
Senior Citizen & EARDC Homebound Meals	4,000	4,000	2,118	1,882
Travel/School/Conference	7,000	7,000	9,186	(2,186)
Insurance	4,000	4,000	3,984	16
Concessions	240,000	240,000	27,683	212,317
Festival of Lights	525,000	720,000	257,921	462,079
League of Their Own	15,000	15,000	18,764	(3,764)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Parks and Recreation Department (Continued)				
Civic Center Operations (Continued)				
Sports Complex Operations	625,000	657,000	291,955	365,045
Utilities -Choccolocco Park	360,000	360,000	359,452	548
Sports Complex Repairs and Maintenance	419,000	419,000	371,892	47,108
Supplies - Preschool/Afterschool/Concession BBY	6,000	6,000	128,421	(122,421)
Sports Tournaments-Dixie Youth & OVC	1,000	1,000	-	1,000
Total Civic Center Operations	**7,461,523**	**7,688,523**	**6,788,977**	**899,546**
Cider Ridge Golf Club Operations				
Supplies	-	-	278,961	(278,961)
Total Cider Ridge Golf Club Operations	**-**	**-**	**278,961**	**(278,961)**
Performing Arts Center				
Salaries	1,150,000	1,150,000	1,279,645	(129,645)
Payroll Taxes	87,975	87,975	86,201	1,774
Retirement	92,000	92,000	74,277	17,723
Concert Expense	1,820,000	1,820,000	2,137,215	(317,215)
Concessions	60,000	60,000	52,682	7,318
Computer Hardware/Software	118,000	118,000	164,129	(46,129)
Supplies	3,000	3,000	60,453	(57,453)
Dues, Publications, Advertising	90,000	90,000	136,723	(46,723)
Art Education	25,000	25,000	109,848	(84,848)
Development	-	-	67,765	(67,765)
Fees	-	450,000	89,801	360,199
Event Marketing	350,000	350,000	422,717	(72,717)
Equipment	272,000	272,000	221,418	50,582
Equipment Rental	12,000	42,362	30,362	12,000
Internet Fees	-	-	8,400	(8,400)
Event Labor-Police/Fire	205,000	205,000	53,113	151,887
Maintenance	90,000	90,000	124,695	(34,695)
Miscellaneous	10,000	10,000	80	9,920
Gas & Oil	4,000	4,000	1,990	2,010
Utilities	90,000	90,000	99,087	(9,087)
Telephone	15,000	15,000	31,860	(16,860)
Travel	44,000	44,000	6,153	37,847
Total Performing Arts Center	**4,537,975**	**5,018,337**	**5,258,614**	**(240,277)**
Total Parks and Recreation Department	**11,999,498**	**12,706,860**	**12,326,551**	**380,309**
Civil Service Department				
Salaries	79,500	79,500	77,577	1,923
Payroll Taxes	5,049	5,049	4,840	209
Retirement	5,280	5,280	5,836	(556)
Dues, Publications, and Advertisement	30,000	30,000	4,012	25,988
Professional Fees	1,200	1,200	-	1,200
Test Costs	1,200	1,200	-	1,200
Office Supplies & Equipment	1,100	1,100	13,219	(12,119)
Training	250	250	-	250
Miscellaneous	100	100	-	100
Maintenance	500	500	-	500
Telephone	500	500	-	500
Total Civil Service Department	**124,679**	**124,679**	**105,484**	**19,195**

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Information Technology Department				
Salaries	282,000	282,000	280,960	1,040
Payroll taxes	21,573	21,573	20,951	622
Retirement	22,560	22,560	24,069	(1,509)
Computer, Maintenance & Office Equipment	156,600	156,600	152,973	3,627
Office & Other Supplies	-	-	5,144	(5,144)
Miscellaneous	66,000	66,000	-	66,000
Gas and Oil	5,000	5,000	3,378	1,622
Utilities & Telephone	2,000	2,000	4,148	(2,148)
Internet	45,000	45,000	40,102	4,898
Total Information Technology Department	**600,733**	**600,733**	**531,725**	**69,008**
Marketing Department				
Salaries	225,000	225,000	164,735	60,265
Payroll Taxes	17,213	17,213	12,047	5,166
Retirement	18,000	18,000	12,207	5,793
Computer Software	20,000	20,000	30,626	(10,626)
Repairs and Maintenance	500	500	28	472
Office Supplies & Other Supplies	18,000	18,000	4,595	13,405
Miscellaneous	500	500	-	500
Dues/Publications/Advertising	101,000	101,000	94,859	6,141
School/Conference	2,500	2,500	1,068	1,432
Telephone/Utilities	1,000	1,000	842	158
Digital Presence	25,000	25,000	15,202	9,798
Develoments- Workplace, Business & Economic	11,000	11,000	500	10,500
Promotion	70,000	70,000	66,853	3,147
Total Marketing Department	**509,713**	**509,713**	**403,562**	**106,151**
Oxford Library Department				
Salaries	385,000	385,000	382,050	2,950
Payroll Taxes	29,453	29,453	26,984	2,469
Retirement	30,800	30,800	28,955	1,845
Lease	435,000	435,000	454,546	(19,546)
Utilities	70,000	70,000	49,067	20,933
Repairs and Maintenance	50,000	50,000	49,090	910
Binding/Printing/Returns	200	200	-	200
State Monies	26,000	26,000	21,632	4,368
Books/Audio/Periodicals	12,200	12,200	12,696	(496)
School/Conference/Travel	500	500	-	500
Supplies	10,000	10,000	12,260	(2,260)
Supplies - Children	7,000	7,000	-	7,000
Telephone	7,000	7,000	5,869	1,131
Office Supplies/Equipment	12,500	12,500	450	12,050
Computer Hardware and Software	7,000	7,000	10,103	(3,103)
Internet Fees	3,000	3,000	-	3,000
Miscellaneous	6,500	6,500	18,947	(12,447)
Fees	5,000	5,000	2,328	2,672
Total Oxford Library Department	**1,097,153**	**1,097,153**	**1,074,977**	**22,176**
Main Street				
Salaries	105,000	105,000	105,485	(485)
Payroll Taxes	8,033	8,033	7,987	46
Retirement	8,400	8,400	7,920	480
Advertising & Marketing	25,500	25,500	31,451	(5,951)
Signage	7,000	7,000	-	7,000
Signage-Grant	-	5,000	-	5,000
Development & Fundraisers	42,000	42,000	18,579	23,421
Festivals	20,000	20,000	17,545	2,455
Grants	45,000	63,575	76,401	(12,826)
Supplies	5,000	5,000	5,905	(905)
Total Main Street	**265,933**	**289,508**	**271,272**	**18,236**

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND IN DETAIL

CITY OF OXFORD, ALABAMA

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Oxford Planning Board				
Salaries	1,800	1,800	1,800	-
Total Oxford Planning Board	**1,800**	**1,800**	**1,800**	**-**
Health and Welfare				
Appropriations-Healthcare Authority of City of Oxford	4,150,650	6,345,650	6,504,817	(159,167)
Total Health and Welfare	**4,150,650**	**6,345,650**	**6,504,817**	**(159,167)**
Oxford City Board of Education				
Appropriations, Gas, Oil & Repairs	9,112,000	9,114,632	9,196,075	(81,443)
Total Oxford City Board of Education	**9,112,000**	**9,114,632**	**9,196,075**	**(81,443)**
Oxford Water Works and Sewer Board				
Gas and Oil	70,100	70,100	65,525	4,575
Total Oxford Water Works and Sewer Board	**70,100**	**70,100**	**65,525**	**4,575**
Appropriations				
All Saints Center of Concern	10,000	10,000	10,000	-
Arc of Calhoun County	10,000	10,000	10,000	-
Calhoun - Cleburne Mental Health Center	40,000	40,000	40,000	-
Calhoun County Health Center	23,000	23,000	-	23,000
Camp Lee	2,000	2,000	-	2,000
Center for Substance Abuse	7,000	7,000	7,000	-
Cheaha Challenge	5,000	5,000	5,000	-
Cheaha Cheer	-	2,000	2,000	-
Coosa Valley Youth Center	75,000	75,000	75,000	-
East Central AL UCP	10,000	10,000	-	10,000
Interfaith Ministries	20,000	20,000	15,000	5,000
Jacksonville State University	25,000	25,000	25,000	-
Kiwanis Club of Oxford	5,000	5,000	5,000	-
Law Enforcement Appreciation	5,000	5,000	5,000	-
Miss Oxford Volunteer	4,000	4,000	4,000	-
United Way	25,000	25,000	25,000	-
Saint Michaels Clinc	5,000	5,000	-	5,000
State Firefighter	5,000	5,000	5,000	-
YMCA	10,000	10,000	10,000	-
W. Hendrix/Country Financial	2,500	2,500	2,500	-
World Changers	10,000	10,000	8,072	1,928
Total Appropriations	**298,500**	**300,500**	**253,572**	**46,928**
Total Other Board and Agencies	**14,996,136**	**17,219,343**	**17,368,038**	**(148,695)**
Capital Lease & Note Principal			749,244	(749,244)
Capital Lease Interest			127,574	(127,574)
Capital Outlay	2,053,114	6,030,987	10,035,104	(4,004,117)
Total Expenditures	**62,751,734**	**72,280,562**	**74,652,290**	**(2,371,728)**
Excess of Revenues Over Expenditures	**6,860,465**	**(2,668,362)**	**(1,473,096)**	**1,195,266**
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Assets	750,000	750,000	1,252,434	502,434
Proceeds from Long Term Debt	-	-	1,342,663	1,342,663
Transfers In	-	-	9,195,702	9,195,702
Transfers Out	-	-	(8,359,939)	(8,359,939)
Total Other Financing Sources (Uses)	**750,000**	**750,000**	**3,430,860**	**2,680,860**
Net Changes in Fund Balances	**7,610,465**	**(1,918,362)**	**1,957,764**	**3,876,126**
Beginning Fund Balances	74,158,684	74,158,684	74,158,684	-
Ending Fund Balances	$ 81,769,149	$ 72,240,321	$ 76,116,448	$ 3,876,126

See accompanying notes to the basic financial statements

GENERAL INFORMATION

Kemp & Associates, CPA PC

Certified Public Accountants
303 East 11th Street • P.O. Box 2309
Anniston, Alabama 36202
(256) 237-5102 • FAX (256) 237-8185

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

Honorable Mayor and Members of the City Council
City of Oxford, Alabama

We have audited, in accordance with the 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the remaining fund information of City of Oxford, Alabama as of and for the year ended September 30, 2025, and the related notes to the financial statements, which comprise City of Oxford, Alabama's basic financial statements, and have issued our report thereon dated June 29, 2026. Our report includes a reference to other auditors who audited the financial statements of Oxford City Board of Education, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Oxford, Alabama's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Oxford, Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Oxford, Alabama's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Oxford, Alabama's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

City of Oxford's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Oxford's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Oxford's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemp & Associates, CPA PC

Kemp & Associates, CPA PC
Anniston, Alabama

June 29, 2026

Kemp & Associates, CPA PC

Certified Public Accountants
303 East 11th Street • P.O. Box 2309
Anniston, Alabama 36202
(256) 237-5102 • FAX (256) 237-8185

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council
City of Oxford, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Oxford, Alabama's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Oxford, Alabama's major federal programs for the year ended September 30, 2025. City of Oxford, Alabama's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Oxford, Alabama complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Oxford, Alabama and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Oxford, Alabama's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Oxford, Alabama's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Oxford, Alabama's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Oxford, Alabama's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Oxford, Alabama's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Oxford, Alabama's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Oxford, Alabama's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-01, 2025-02, and 2025-03. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Oxford, Alabama's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Oxford, Alabama's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-01, 2025-02, and 2025-03, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Oxford, Alabama's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Oxford, Alabama's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kemp & Associates, CPA PC

Kemp & Associates, CPA PC
Anniston, Alabama

June 29, 2026

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Pass-Through Program Title	Assistance Listing Number	Pass-through Entity Identification Number	Federal Expenditures
U.S. Department of Justice			
Direct Awards			
US Marshalls Fugitive Task Force		JLEO-23-0559	$ 8,480
Narcotic Task Force (NTF) Drug Enforcement Agency (DEA)			22,411
Public Safety Partnership and Community Policing Grants	16.710	15COPS-24-GGG-0425	185,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2004-SC-01-419	9,890
Total U.S. Department of Justice			225,781
U.S. Department of Transportation			
Pass through the Alabama Department of Transportation			
Cluster: Highway Planning and Construction			
Highway Planning and Construction	20.205	STPOA-0815-260	35,043
Highway Planning and Construction	20.205	STPOA-0819-251	4,061
Highway Planning and Construction	20.205	STPOA-0819-252	1,097
Highway Planning and Construction	20.205	STPOA-0819-253	6,467
Highway Planning and Construction	20.205	IAR-008-000-018	676,086
Highway Planning and Construction	20.205	STPOA-0819-253	18,559
Subtotal - Highway Planning and Construction Cluster			741,313
Passed through Franklin County			
State and Community Highway Safety	20.600	23-FP-PT-016	55,304
State and Community Highway Safety	20.600	23-FP-OP-013	228
National Priority Safety Programs	20.616	23-ID-MS-015	32,634
National Priority Safety Programs	20.616	22-ID-DS-031	4,148
Subtotal			92,314
Total U.S. Department of Transportation			833,627
U.S. Department of Health and Human Services			
Passed through the East Alabama Regional Planning and Development Commission			
Cluster: Aging			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	09-30-25-24	11,015
Special Programs for the Aging Title III, Part C Nutrition Service	93.045	09-30-25-24	128,609
Total U.S. Department of Health and Human Service			139,624
Total Expenditures of Federal Awards			$ 1,199,032

See Notes to Schedule of Expenditures of Federal Awards

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Oxford, Alabama (the "City") under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniformed Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The City did not elect to utilize the ten percent de minimis indirect cost rate allowed under the Uniform Guidance. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 PROGRAM COSTS/ MATCHING CONTRIBUTIONS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program cost, including the city's local matching share, may be more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, whereas certain types of expenditures are not allowable or limited to reimbursement.

The following schedule shows both the federal and nonfederal expenditures (matching contributions from the City and / or the pass thru entity) for the grants:

Federal Grantor/Pass Through Program Title	CFDA Number	Federal Expenditure	Non Federal Expenditure (City-Match)	Total Expenditures
US Marshalls Fugitive Task Force		$ 8,480	$ -	$ 8,480
Narcotic Task Force (NTF) Drug Enforcement Agency (DEA)		22,411	-	22,411
Public Safety Partnership and Community Policing Grants	16.710	185,000	-	185,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	9,890	-	9,890
Highway Planning and Construction	20.205	35,043	8,761	43,804
Highway Planning and Construction	20.205	4,061	1,015	5,076
Highway Planning and Construction	20.205	1,097	274	1,371
Highway Planning and Construction	20.205	6,467	1,617	8,084
Highway Planning and Construction	20.205	676,086	-	676,086
Highway Planning and Construction	20.205	18,559	-	18,559
State and Community Highway Safety	20.600	55,304	-	55,304
State and Community Highway Safety	20.600	228	-	228
National Priority Safety Programs	20.616	32,634	-	32,634
National Priority Safety Programs	20.616	4,148	-	4,148
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	11,015	-	11,015
Special Programs for the Aging Title III, Part C Nutrition Service	93.045	128,609	-	128,609
		$ 1,199,032	$ 11,667	$ 1,210,699

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ no
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal Control over major programs: Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes ____ no
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a).	____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- (Continued)

2025 - SECTION II- FINANCIAL STATEMENT FINDINGS

Reference Number: 2025-01- Failure to Follow City's Capitalization Policies
Type of Finding: Internal Control
Internal Control Impact: Significant Deficiency

Condition: When recording various purchases, the City did not follow the $7,500 capitalization policy.

Criteria: The City should capitalize all purchases of real and personal properties in the amount of $7,500 or more that have useful lives in excess of one year.

Cause: The employee(s) responsible for recording capital outlay did not follow the City's policies and expensed various equipment purchases.

Effect: The understatement of capital outlay and the under reporting of current and future depreciation expense.

Recommendation: Management should train responsible employee(s) on the City's capitalization policies.

Views of Responsible Officials and Planned Corrective Actions: See statement from The City of Oxford, Alabama regarding findings.

The City has implemented our recommendations.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- (Continued)

2025 - SECTION III – SCHEDULE FINDINGS AND QUESTIONED COST

US DEPARTMENT OF TRANSPORTATION

MAJOR PROGRAM

Reference Number:	2025-02
Compliance Requirement:	Record Retention (2 CFR 200.302)
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
CFDA Number and Titles:	20.205 Highway Planning and Construction
Federal Awarding Agency:	U.S. Department of Transportation
Pass-thru Entity:	None
Pass-through Award Number:	None
Question Cost:	None

Condition: The city did not maintain sufficient supporting documentation for the grants in a manner which the documentation was readily available upon request.

Criteria: The city should maintain adequate records supporting federal expenditures; such records should be retained and accessible in accordance with Uniform Guidance requirements.

Cause: The employee primarily responsible for grant administration was unavailable due to an extended absence. The organization transitioned responsibilities to new personnel; however, documented procedures and centralized record retention practices were not sufficient to ensure supporting documentation was maintained and readily accessible.

Effect: The lack of readily available supporting documentation increased the time and effort required to substantiate the Schedule of Expenditures of Federal Awards amounts and to test compliance with grant requirements. Additionally, it contributed to Finding 2025-03.

Recommendation: Management should ensure that supporting documentation for the Schedule of Expenditures of Federal Awards is maintained in a centralized manner and is readily available upon request. Procedures should be documented and assigned to qualified personnel to ensure continuity and compliance with federal record retention requirements.

Views of Responsible Officials and Planned Corrective Actions: See statement from The City of Oxford, Alabama regarding findings.

The City has implemented our recommendations.

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- (Continued)

2025 - SECTION III – SCHEDULE FINDINGS AND QUESTIONED COST-(Continued)

US DEPARTMENT OF TRANSPORTATION

MAJOR PROGRAM

Reference Number:	2025-03
Compliance Requirement:	Reporting
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
CFDA Number and Titles:	20.205 Highway Planning and Construction
Federal Awarding Agency:	U.S. Department of Transportation
Pass-thru Entity:	None
Pass-through Award Number:	None
Question Cost:	None

Condition: Controls over the preparation and review of the Schedule of Expenditures of Federal Awards were not operating effectively to ensure federal expenditures were reported appropriately. As a result, a current-year federal expenditure was omitted from the Schedule of Expenditures of Federal Awards.

Criteria: The city is responsible for preparing a complete and accurate Schedule of Expenditures of Federal Awards that properly reports federal expenditures for the fiscal year. Controls should be designed and operating effectively to identify, accumulate, and report all federal expenditures in the appropriate reporting period.

Cause: Procedures for identifying and reviewing federal expenditures for the year were not sufficient to ensure all expenditures incurred during the fiscal year were included on the Schedule of Expenditures of Federal Awards.

Effect: The Schedule of Expenditures of Federal Awards omitted a current-year federal expenditure, resulting in an understatement of federal expenditures reported for the fiscal year. The omission was identified and corrected during the audit.

Recommendation: Management should ensure that all federal expenditures are recorded in the fiscal year in which the expenditure occurred. Personnel responsible for maintaining the Schedule of Expenditures of Federal Awards should be trained in how to determine all federal expenditures are reported appropriately.

Views of Responsible Officials and Planned Corrective Actions: See statement from The City of Oxford, Alabama regarding findings.

The City has implemented our recommendations.

City of Oxford
145 HAMRIC DRIVE EAST
P.O. BOX 3383 • OXFORD, ALABAMA 36203
WWW.OXFORDALABAMA.ORG

AIMEE BIRCHFIELD
Finance Director

MAYOR
Alton L. Craft

CITY CLERK
Alan Atkinson

COUNCIL MEMBERS
Chris Spurlin
Phil Gardner
Mike Henderson
Charlotte Hubbard
Steven Waits

Re: Audit Findings

Reference Number 2025-01
Condition: When recording various purchases, the City did not follow the $7,500 capitalization policy.
Response: The City will receive additional continuing education on new GASB rules pertaining to capitalization of purchases

Reference Number 2025-02
Condition: The City did not maintain sufficient supporting documentation for the grants in a manner which they were readily available
Response: Staff that oversaw keeping the documentation for the grants was on vacation. In the future documentation will be kept by the departments awarded the grants.

Reference Number 2025-03
Condition: Controls over the preparation and review of the Schedule of Expenditures of Federal Awards were not operating effectively to ensure federal expenditures were not reported appropriately. As a result, a current year federal expenditure was omitted from the Schedule of Expenditures and Federal Awards.
Response: Staff will be closely monitor all expenditures for a grant paid in future fiscal years and will record them properly on the Statement of Expenditures of Federal Awards