

TOWN OF OXFORD  
OXFORD, MARYLAND  
FINANCIAL STATEMENTS WITH  
SUPPLEMENTAL INFORMATION  
JUNE 30, 2004

TOWN OF OXFORD  
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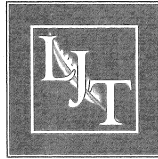
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## INDEPENDENT AUDITOR'S REPORT

HONORABLE MAYOR AND  
MEMBERS OF TOWN COMMISSION  
TOWN OF OXFORD  
OXFORD, MARYLAND

We have audited the financial statements of the governmental activities, major funds and remaining fund information, which collectively comprise the basic financial statements of the Town of Oxford, as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major funds and remaining fund information of the Town at June 30, 2004, and the changes in financial position of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Town has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as of July 1, 2003.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Town's basic financial statements. The combining and individual fund statements and schedules described in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Lank, Johnson & Tull*

Seaford, Delaware  
October 6, 2004

Members

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • PRIVATE COMPANIES PRACTICE SECTION  
DELAWARE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**TOWN OF OXFORD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2004**

This Discussion and Analysis is intended to be an easily readable analysis of the Town of Oxford's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

**Report Layout**

In addition to the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the Town's finances. Within this view, all Town operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, public works, parks and recreation, community development and general government administration. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Town.

**Basic Financial Statements**

- The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities owed and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
- The Statement of Activities focuses gross and net costs of Town programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund Financial Statements focus separately on major Governmental Funds and Proprietary Funds. Governmental Fund statements follow the more traditional presentation of Financial Statements. A budgetary comparison is presented for all funds. Statements for the Town's Proprietary Funds follow the Governmental Funds and include net assets, revenue, expenses and changes in net assets, and cash flow.
- The notes to the Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

**TOWN OF OXFORD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2004**

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

The Town's combined net assets increased by 2% from 2003 to 2004. (See table below) General fund net assets increased by 8%, while the business-type funds decreased by 2.8%.

Town of Oxford  
Net Assets  
(in millions)

	Governmental		Business-Type		Total		Total
	2004	2003	2004	2003	2004	2003	Change
Current and Other Assets	.81	.84	.55	.60	1.36	1.44	(5.6%)
Capital Assets	1.11	1.11	1.30	1.29	2.41	2.40	.4%
Total Assets	1.92	1.95	1.85	1.89	3.77	3.84	(1.8%)
Long Term Debt	.68	.69	.46	.48	1.14	1.17	(2.6%)
Other Liabilities	.02	.13	.02	0	.04	.13	(69.2%)
Total Liabilities	.70	.82	.48	.48	1.18	1.30	(9.2%)
Net Assets							
Capital Assets net of debt	.43	.42	.84	.81	1.27	1.23	3.3%
Restricted	.37	.31	0	0	.37	.31	19.4%
Unrestricted	.42	.40	.53	.60	.95	1.00	(5.0%)
Total Net Assets	1.22	1.13	1.37	1.41	2.59	2.54	2.0%

During the year ended June 30, 2004, the change to the balance of net assets was minimal. The slight increase in Governmental Fund types is primarily because certain capital projects were unable to be completed by June 30, 2004. The Business-type funds decreased slightly because of maintenance costs of the water and sewer system and additional depreciation.

**TOWN OF OXFORD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2004**

The Town's total revenues (excluding transfers) increased by 3.7% to \$1.13 million. (See table below.) Revenue from business-type activities decreased by 16.2%, to \$.31 million. This decrease is attributable to less water and sewer charges due to the transient nature of the users. Also, in 2003 the Town reported a contribution in aid of \$49,240. Governmental revenues increased by 13.9% to \$.82 million. This increase is attributable to an increase in local property tax rates and an increase in state-shared taxes.

The total cost of all programs and services increased by 5.9%, to \$1.08 million. Costs of business-type activities increased by 2.9%, to \$.35 million. The cost of governmental activities increased by 7.4% to \$.73 million. This increase is attributed to insurance, benefits and personnel costs.

Town of Oxford  
Change in Net Assets  
(in millions)

	Governmental		Business-Type		Total		Total Percentage
	2004	2003	2004	2003	2004	2003	Change
Program Revenue							
Fees, Fines, Services	.07	.06	.30	.31	.37	.37	0%
Operating Grants	.04	.02	0	0	.04	.02	100.0%
Capital Grants	0	0	0	.05	0	.05	(100.0%)
General Revenue							
Taxes	.70	.62	0	0	.70	.62	12.9%
Investment income	.01	.02	.01	.01	.02	.03	(66.7%)
Total Revenue	.82	.72	.31	.37	1.13	1.09	3.7%
Program Expenses							
General	.16	.17	0	0	.16	.17	(5.9%)
Public Safety	.16	.13	0	0	.16	.13	23.1%
Public Works	.15	.16	0	0	.15	.16	(6.25%)
Parks and Recreation	.08	.09	0	0	.08	.09	(11.1%)
Debt Service	.02	.02	0	0	.02	.02	0%
Other	.16	.11	0	0	.16	.11	45.5%
Water and Sewer	0	0	.35	.34	.35	.34	2.9%
Total Expenses	.73	.68	.35	.34	1.08	1.02	5.9%
Excess(Deficiency)	.09	.04	(.04)	.03	.05	.07	(2.9%)
Transfers	0	0	0	0	0	0	0%
Change in Net Assets	.09	.04	(.04)	.03	.05	.07	(2.9%)
Net Assets Beginning	1.13	1.09	1.41	1.38	2.54	2.47	2.8%
Net Assets Ending	1.22	1.13	1.37	1.41	2.59	2.54	2.0%

**TOWN OF OXFORD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2004**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget was not amended during the current fiscal year. General Fund revenues of \$1,128,243 exceeded budgeted revenues of \$1,075,491 by \$52,752 (4.9%). This excess was primarily the result of increased local property taxes and state shared local income taxes.

General Fund expenditures of \$749,741 were under budgeted expenditures of \$1,156,511 by \$406,770 (35.2%). Street paving was budgeted at \$75,000, but due to a lack of interest in bidding by contractors, the project was never awarded. Debt service expenditures budgeted at \$246,000 only amounted to \$35,476. The Commissioners will be re-budgeting the debt service expenditure again in 2005. Contingencies were budgeted at \$126,053 but only amounted to \$3,870.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2004 the Town had \$2.41million invested in capital assets, including police equipment, park and recreation facilities, buildings, land, vehicles, and water and sewer system improvements. This amount represents a net increase (additions, deductions, and depreciation) of \$.01 million, or .4% over last year.

Commissioners of St. Michaels  
Capital Assets Net of Depreciation  
(in millions)

	Governmental		Business-Type		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	.02	.02	0	0	.02	.02
Buildings	.99	1.00	0	0	.99	1.00
Equipment	.07	.07	0	0	.07	.07
Vehicles	.03	.02	0	0	.03	.02
Water and Sewer	0	0	1.30	1.29	1.30	1.29
Total Capital Assets	1.11	1.11	1.30	1.29	2.41	2.40

The most significant additions to capital assets were the purchase of a police vehicle, air conditioning for the townhouse, painting of water tower #2, and a lawn mower. Note 4 of the Notes to Basic Financial Statements gives further details of the Town's capital asset activity.

**TOWN OF OXFORD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2004**

Debt

At year-end, the Town had \$1.14 million in bonds and notes outstanding versus \$1.17 million last year, a decrease of \$.03 million.

Town of Oxford  
Debt  
(in millions)

	Governmental		Business-Type		Total	
	2004	2003	2004	2003	2004	2003
Town Hall Renovation	.68	.69	0	0	.68	.69
Water Tower	0	0	.37	.38	.37	.38
System Expansion	0	0	.09	.10	.09	.10
Total	.68	.69	.46	.48	1.14	1.17

There were no new borrowings during the current year. Note 5 of the Notes to Basic Financial Statements gives further details of the Town's debt activity.

Economic Factors and 2005 Budget & Rates

The Town has raised the property tax rate from twenty-eight to thirty cents per one hundred dollars of assessed value for the year ending, June 30, 2005. The intension is to amend the budget for 2005 to pay down debt originally planned to be paid in 2004. In addition, the Town plans to complete the Capital Projects (street paving) intended to be completed in 2004. The Town is in the process of reviewing the water and sewer rates. The intention is to raise the rates sufficiently to cover expenses and depreciation.

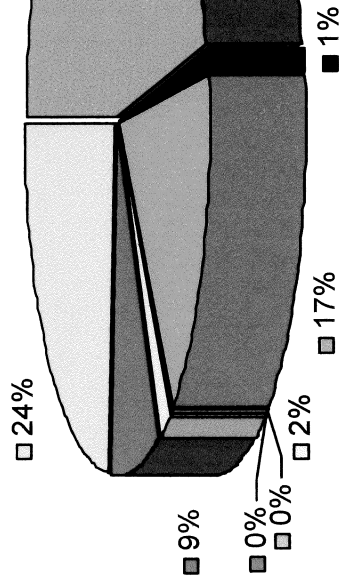
Financial Contact

The Town's Financial Statements are designed to present the users (citizens, taxpayers, customers, and creditors) with a general overview of the Town's finances and to demonstrate the town's accountability. If you have any questions about the report or need additional financial information, please put your request in writing to the attention of; Clerk of Treasurer - Town of Oxford, Oxford, Maryland 21654.



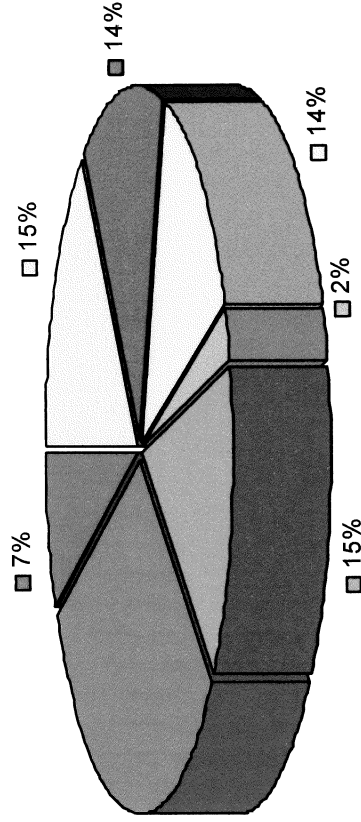
TOWN OF OXFORD  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 TOTAL REVENUE AND EXPENSES  
 GOVERNMENT-WIDE  
 June 30, 2004

Total Revenues



- Taxes
- Licenses and Permits
- Intergovernmental
- Charges for Services
- Fines
- Miscellaneous
- Interest and Rent
- Water and Sewer

Total Expenses



- General
- Public Safety
- Public Works
- Debt Service
- Miscellaneous
- Water and Sewer
- Parks and Recreation

**TOWN OF OXFORD  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
JUNE 30, 2004**

**EXHIBIT A**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 759,180	\$ 380,798	\$ 1,139,978
Accounts Receivable	(48,326)	77,561	125,887
Notes Receivable-Water and Sewer Bonds	-	89,054	89,054
Capital Assets:			
Land	20,232	-	20,232
Buildings	1,119,940	-	1,119,940
Equipment	91,223	963,327	1,054,550
Improvements	-	1,305,560	1,305,560
Vehicles	53,275	23,553	76,828
Accumulated Depreciation	(173,183)	(993,320)	(1,166,503)
<b>Total Assets</b>	<u>1,918,993</u>	<u>1,846,533</u>	<u>3,765,526</u>
<b>LIABILITIES</b>			
Accounts Payable	(18,935)	14,584	33,519
Accrued Payroll	(4,982)	2,141	7,123
Non-Current Liabilities:			
Due within one year	12,854	24,852	37,706
Due in more than one year	663,821	440,169	1,103,990
<b>Total Liabilities</b>	<u>700,592</u>	<u>481,746</u>	<u>1,182,338</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	434,812	834,099	1,268,911
Restricted	366,689	-	366,689
Unrestricted	416,900	530,688	947,588
<b>Total Net Assets</b>	<u>\$ 1,218,401</u>	<u>\$ 1,364,787</u>	<u>\$ 2,583,188</u>

416,900  
 - < 48,326 > accounts rec  
 + 18,935 accounts payable  
 + 4,982 accrued payroll  
392,491 Bal.

The accompanying notes are an integral part of these financial statements

EXHIBIT B

TOWN OF OXFORD  
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2004

Program Activities	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental activities</u>						
General Government	\$ 164,279	\$ 67,336	\$ 22,542	\$ (74,401)	\$ -	\$ (74,401)
Public Safety	157,338	2,530	16,426	(138,382)	-	(138,382)
Public Works	154,067	-	-	(154,067)	-	(154,067)
Parks and Recreation	78,689	65	1,447	(77,177)	-	(77,177)
Debt Service	25,194	-	-	(25,194)	-	(25,194)
Other Expenses	161,171	-	-	(161,171)	-	(161,171)
<u>Total Governmental Activities</u>	<u>740,738</u>	<u>69,931</u>	<u>40,415</u>	<u>(630,392)</u>	<u>-</u>	<u>(630,392)</u>
<u>Business-type activities</u>						
Water and Sewer	346,558	296,458	-	-	(50,100)	(50,100)
<u>Total Government</u>	<u>\$ 1,087,296</u>	<u>\$ 366,389</u>	<u>\$ 40,415</u>	<u>\$ (630,392)</u>	<u>\$ (50,100)</u>	<u>\$ (680,492)</u>
General revenues:						
Taxes:						
Property taxes, penalties and interest				\$ 525,630	\$ -	\$ 525,630
Local Income Tax				95,266	-	95,266
Amusement Tax				1,014	-	1,014
Franchise Tax				2,443	-	2,443
Highway Use Tax				57,983	-	57,983
Accommodations Tax				21,340	-	21,340
Interest income				10,792	6,971	17,763
Transfers				2,971	(2,971)	-
Total general revenues and transfers				717,439	4,000	721,439
Change in net assets				87,047	(46,100)	40,947
Net assets-beginning, as adjusted				1,131,354	1,410,887	2,542,241
Net assets-ending				\$ 1,218,401	\$ 1,364,787	\$ 2,583,188

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2004**

**EXHIBIT C**

<b>ASSETS</b>	<b>General Fund</b>
Cash	\$ 759,180
Accounts Receivable	<u>48,326</u>
 Total Assets	 <u>\$ 807,506</u>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>	
Accounts Payable	\$ 18,935
Accrued Payroll	<u>4,982</u>
 Total Liabilities	 <u>23,917</u>
 <b>Fund Balance:</b>	
Reserved	366,689
Unreserved	<u>416,900</u>
 Total Fund Balance	 <u>783,589</u>
 Total Liabilities and Fund Balance	 <u>\$ 807,506</u>

**Amounts Reported For Governmental Activities in The Statement of Activities Are Different Because:**

Total Fund Balance	\$ 783,589
Capital assets, and related accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	1,111,487
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(676,675)</u>
Net Assets of Governmental Activities	<u>\$ 1,218,401</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**EXHIBIT D**

	<b><u>General Fund</u></b>
Revenues:	
Taxes:	
Property Taxes	\$ 525,630
Charges for Services	1,196
Intergovernmental	195,919
Licenses and Permits	12,962
Interest and Land Rents	64,035
Fines	2,530
Miscellaneous	22,542
Total Revenues	<u>824,814</u>
Expenditures:	
Current:	
General Government	130,188
Public Safety	145,737
Public Works	150,969
Parks and Recreation	77,684
Other Expenditures	161,171
Capital Outlay	48,516
Debt Service:	
Principal Retirement	10,282
Interest	25,194
Total Expenditures	<u>749,741</u>
Excess (Deficiency) of Revenues over Expenditures	75,073
Other Financing Sources (Uses):	
Operating Transfers In (Out)	<u>2,971</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	78,044
Fund Balances at Beginning of Year	<u>705,545</u>
Fund Balances at End of Year	<u>\$ 783,589</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**EXHIBIT E**

<b>Net Change in Fund Balance-Total Governmental Funds</b>	<b>\$ 78,044</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	48,516
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(49,795)
Some expenses in the Governmental funds require the use of current financial resources but are not expenses in the statement of activities:	
Principal Retirement	<u>10,282</u>
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ <u>87,047</u></b>

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**EXHIBIT F**

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues:			
Taxes:			
Property Taxes	\$ 507,908	\$ 525,630	\$ 17,722
Charges for Services	500	1,196	696
Intergovernmental	142,117	195,919	53,802
Licenses and Permits	5,600	12,962	7,362
Interest and Land Rents	72,366	64,035	(8,331)
Fines	2,500	2,530	30
Miscellaneous	1,000	22,542	21,542
Total Revenues	<u>731,991</u>	<u>824,814</u>	<u>92,823</u>
Expenditures:			
Current:			
General Government	154,573	130,188	24,385
Public Safety	138,132	145,737	(7,605)
Public Works	238,348	150,969	87,379
Parks and Recreation	71,018	77,684	(6,666)
Other Expenditures	263,440	161,171	102,269
Capital Outlay	45,000	48,516	(3,516)
Debt Service:			
Principal Retirement	220,806	10,282	210,524
Interest	25,194	25,194	-
Total Expenditures	<u>1,156,511</u>	<u>749,741</u>	<u>406,770</u>
Excess(Deficiency) of Revenues over Expenditures	(424,520)	75,073	499,593
Other Financing Sources (Uses):			
Operating Transfers In (Out)	<u>2,971</u>	<u>2,971</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(421,549)	78,044	499,593
Fund Balances at Beginning of Year	<u>705,545</u>	<u>705,545</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 283,996</u>	<u>\$ 783,589</u>	<u>\$ 499,593</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD  
BALANCE SHEET-ENTERPRISE FUND  
JUNE 30, 2004**

**EXHIBIT G**

*Same as  
exh. A*

**ASSETS**

Current Assets

Cash	\$	380,798
Accounts Receivable		77,561
<u>Total Current Assets</u>		<u>458,359</u>

Capital assets:

Equipment		963,327
Improvements		1,305,560
Vehicles		23,553
Accumulated Depreciation		(993,320)
<u>Total Capital Assets</u>		<u>1,299,120</u>

Other Assets

Notes Receivable-Water and Sewer Bonds		<u>89,054</u>
--	--	---------------

Total Assets	\$	<u>1,846,533</u>
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**LIABILITIES**

Current Liabilities

Accounts Payable	\$	380,798
Accrued Payroll		77,561
Current Portion of Long term Debt		458,359
<u>Total Current Liabilities</u>		<u>916,718</u>

Non-current liabilities:

Long Term Debt-Net of Current Portion		963,327
		<u>1,305,560</u>
		23,553
<u>Total Liabilities</u>		<u>(993,320)</u>

**NET ASSETS**

Invested in Capital Assets, Net of Related Debt		834,099
Unrestricted		<u>530,688</u>
<u>Total Net Assets</u>		<u>1,364,787</u>

Total Liabilities and Net Assets	\$	<u>1,846,533</u>
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The accompanying notes are an integral part of these financial statements



**TOWN OF OXFORD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS**  
**BUDGET AND ACTUAL**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**EXHIBIT H**

*same as exp B*

	<u>Budget</u>	<u>Water and Sewer Actual Amounts</u>	<u>Variance with Final Budget Positive Negative</u>
<b>Revenues:</b>			
Charges for Services	\$ 299,000	\$ 258,056	\$ (40,944)
Interest and Land Rents	37,000	34,686	(2,314)
Capital Charges	6,000	9,000	3,000
Plumbing Permits	1,500	1,687	187
Total Revenues	343,500	303,429	(40,071)
<b>Expenses:</b>			
Clerk Salaries	14,077	14,701 ✓	(624)
Office Salaries	15,132	15,402 ✓	(270)
Office Supplies and Expense	4,800	4,231 ✓	569
Telephone	1,680	1,977 ✓	(297)
Auditing	1,250	2,000 ✓	(750)
Professional Fees	500	200 ✓	300
Utilities	600	- ✓	600
Repairs and Maintenance	3,000	17,890 ✓	(14,890)
Automotive Expenses	3,000	5,674 ✓	(2,674)
Shop Utilities	2,400	4,800 ✓	(2,400)
Insurance	10,000	10,185 ✓	(185)
Employee Benefits	24,937	20,719 ✓	4,218
Subcontractors	1,000	- ✓	1,000
Salaries	83,281	77,242 ✓	6,039
Materials and Equipment	27,367	8,398 ✓	18,969
Lab Supplies	22,000	15,488 ✓	6,512
Depreciation	56,000	81,897 ✓	(25,897)
Electricity	25,400	21,215 ✓	4,185
Social Security	8,605	8,048 ✓	557
Testing	6,782	10,164 ✓	(3,382)
Training	3,000	848 ✓	2,152
Interest	18,000	20,790 ✓	(2,790)
Workman's Compensation Insurance	4,689	4,689 ✓	-
Total Expenses	337,500	346,558	(9,058)
Income (Loss) Before Transfers	6,000	(43,129)	(49,129)
Operating Transfers In (Out)	(2,971)	(2,971)	-
Change in Net Assets	3,029	(46,100)	(49,129)
Net Assets at Beginning of Year, as adjusted	1,410,887	1,410,887	-
Net Assets at End of Year	\$ 1,413,916	\$ 1,364,787	\$ (49,129)

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

**EXHIBIT I**

*reg  
OGAS b*

	<b>Water and Sewer Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Customers	\$ 251,181
Interest and Land Rents	34,976
Capital Charges	9,000
Plumbing Permits	1,687
Cash Payments for Interest	(20,790)
Cash Payments to Employees for Services	(105,204)
Cash Payments to Suppliers for Goods and Services	(121,942)
Net Cash from Operating Activities	<u>48,908</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition of Capital Assets	(95,901)
Retirement of Debt	(10,820)
Payments Received on Water and Sewer Bonds	4,253
Net Cash from Capital and Related Financing Activities	<u>(102,468)</u>
Net Increase (Decrease) in Cash	(53,560)
Cash - Beginning of year	<u>434,358</u>
Cash - End of year	<u>\$ 380,798</u>
<b>Reconciliation of Income (Loss) to Net Cash from Operating Activities:</b>	
Income (Loss)	\$ (43,129)
<b>Adjustments to Reconcile Income (Loss) to Net Cash from Operating Activities:</b>	
Depreciation	81,897
Change in Accounts Receivable	(6,585)
Change in Accounts Payable	14,584
Change in Accrued Payroll	2,141
Net Cash from Operating Activities	<u>\$ 48,908</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**EXHIBIT J**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

A. General Statement

The Town of Oxford is located on the Eastern Shore of Maryland and has a population of approximately 771 people. Some of the major services provided by the Town include water and sewer, trash removal, parks and recreation, planning and zoning, improvements, and public safety.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the Town has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the Town are described below.

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Town's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements). The Town has implemented the provisions of the Statement in the current year. As a result, an entirely new financial presentation format has been implemented.

B. Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

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

Based on the aforementioned criteria, the Town of Oxford has no component units.

**TOWN OF OXFORD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**EXHIBIT J**  
**PAGE 2**

C. Basis of Presentation

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

Government-wide Financial Statements:

The statement of net assets and the statement of changes in net assets report information on all of the activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

Fund Financial Statements:

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements would normally be presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Town has presented the following major funds:

*General Fund*

The General Fund is the primary operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**TOWN OF OXFORD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**EXHIBIT J**  
**PAGE 3**

*Water and Sewer Fund*

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the Town. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

**D. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are property taxes, licenses, charges for services, and intergovernmental revenues. All other Governmental Fund revenues are recognized when received.

**E. Budgetary Control**

The Town Clerk submits an annual budget to the Commissioners in accordance with the Town Charter. At least sixty days prior to the new fiscal year, the Commissioners adopt the annual fiscal year appropriated budget for Town operating funds. These include General, Public Safety, Public Works, Parks and Recreation and Water and Sewer. Once approved, the Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. During the current year no modifications were made to the original budget.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the Commissioners. Within these control levels, management may transfer appropriations without Commissioners approval.

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

**TOWN OF OXFORD  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004**

**EXHIBIT J  
PAGE 4**

F. Cash and Investments

The Town follows the practice of segregating cash as to fund purpose or type.

The types of investments allowed are governed by Maryland Statute.

The Town considers all cash or investments with an initial maturity of one year or less to be cash.

G. Accounts Receivable

Management of the Town considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they will be charged to operations in the period of uncollectibility.

H. Property Taxes

Property taxes are billed each July 1 for the fiscal year. Full payment is due by September 30. January 1 is the delinquent and levy date for all taxes.

I. Transactions Between Funds

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of the Funds.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. The Town has elected not to retroactively report general infrastructure assets, as allowed by GASB 34. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>CLASSIFICATION</u>	<u>LIFE</u>
Buildings	15-40 Years
Equipment	5-10 Years
Vehicles	5-7 Years
Water and Sewer Assets	5-40 Years

K. Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**TOWN OF OXFORD  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004**

**EXHIBIT J  
PAGE 5**

L. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America, requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**NOTE 2 - CASH:**

The balance of cash is categorized as follows:

General Fund Checking	\$ 143,857
General Fund Petty Cash	100
Savings-Parks and Recreation	1,165
Clock Fund	2,176
Sidewalk Fund	20,547
Town House Fund	35,441
Savings-Bicentennial Account	5,104
CD-Talbot Bank	<u>550,790</u>
 <u>TOTAL GENERAL FUND</u>	 <u>759,180</u>
 Water and Sewer Checking	 57,304
CD-Bank of America	323,298
Water and Sewer Petty Cash	50
Money Market-Talbot Bank	<u>146</u>
 <u>TOTAL WATER AND SEWER FUND</u>	 <u>\$ 380,798</u>
 <u>TOTAL CASH IN BANK</u>	 <u>\$ 1,139,978</u>

All cash is maintained at three financial institutions and is either insured by the FDIC or collateralized by the financial institutions trust department, as follows:

Insured by the FDIC	\$ <u>120,547</u>
Collateralized by the financial institutions trust department with securities not in the Town's name	\$ <u>1,019,431</u>

**NOTE 3-NOTES RECEIVABLE-WATER AND SEWER BONDS**

The Town obtained financing from the Maryland Department of the Environment in 2002 to help with the extension of water and sewer lines to certain Town residents. The residents who benefited from these improvements are repaying the Town in quarterly installments of principal and interest, plus an administration fee. All of the notes mature in June of 2011 and bear interest at the rate of 2.2%.

**TOWN OF OXFORD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**EXHIBIT J**  
**PAGE 6**

**NOTE 4 – CAPITAL ASSETS:**

Following is a summary of Capital Asset changes for the current year:

	<u>ASSETS</u>			BALANCE JUNE 30, 2004
	BALANCE JULY 1, 2003	<u>ACQUISITIONS</u>	<u>RETIREMENTS</u>	
Land	\$ 20,232	\$ -	\$ -	\$ 20,232
Buildings	1,102,539	17,401	-	1,119,940
Equipment	83,023	8,200	-	91,223
Vehicles	30,360	22,915	-	53,275
Water and Sewer	<u>2,196,539</u>	<u>95,901</u>	<u>-</u>	<u>2,292,440</u>
<b><u>TOTAL</u></b>	<b><u>\$ 3,432,693</u></b>	<b><u>\$ 144,417</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,577,110</u></b>
	<u>ACCUMULATED DEPRECIATION</u>			
	BALANCE JULY 1, 2003	<u>DEPRECIATION</u>	<u>RETIREMENTS</u>	BALANCE JUNE 30, 2004
Land	\$ -	\$ -	\$ -	\$ -
Buildings	100,539	28,969	-	129,508
Equipment	8,368	10,171	-	18,539
Vehicles	14,481	10,655	-	25,136
Water and Sewer	<u>911,423</u>	<u>81,897</u>	<u>-</u>	<u>993,320</u>
<b><u>TOTAL</u></b>	<b><u>\$ 1,034,811</u></b>	<b><u>\$ 131,692</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,166,503</u></b>
<b><u>CAPITAL ASSETS</u></b>				<b><u>\$ 2,410,607</u></b>

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

Governmental activities:	
General government	\$ 34,091
Public safety	11,601
Public works	3,098
Parks and recreation	1,005
Enterprise activity	<u>81,897</u>
Total depreciation expense	<b><u>\$ 131,692</u></b>



**TOWN OF OXFORD  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004**

**EXHIBIT J  
PAGE 7**

**NOTE 5 - DEBT:**

Debt at June 30, 2004 consists of the following:

Note Payable-Town Hall Renovation-Easton Bank and Trust, unsecured, payable over a thirty year term maturing July 12, 2033 with interest currently at 3.84%. Monthly payments of interest and principal in the amount of \$3,218	\$ 676,675
Note Payable-Water Tower-Talbot Bank, unsecured, payable over a thirty year term maturing June 15, 2030 with interest currently at 4.85%. Monthly payments of interest and principal in the amount of \$3,215. The Town has made prepayments of principal on this loan.	374,886
Note Payable-Water and Sewer System Expansion-Maryland Department of the Environment, unsecured, payable over a twenty year term maturing February 1, 2022 with interest at 2.2%. Annual payments of interest and principal in the amount of \$6,716.	<u>90,135</u>
Total	<u>\$ 1,141,696</u>

Transactions for the year ended June 30, 2004 are summarized as follows:

	Balance July 1	Additions	Payments or Expenditures	Balance June 30	Due within One year
<u>Governmental Type Activities</u>					
Town Hall Renovation	\$ 686,957	\$ -	\$ 10,282	\$ 676,675	\$ 12,854
<u>Business Type Activities</u>					
Water Tower	381,477	-	6,591	374,886	20,529
System Expansion	94,364	-	4,229	90,135	4,323
<u>Total Business Type</u>	<u>475,841</u>	<u>-</u>	<u>10,820</u>	<u>465,021</u>	<u>24,852</u>
<u>Total Debt</u>	<u>\$ 1,162,798</u>	<u>\$ -</u>	<u>\$ 21,102</u>	<u>\$ 1,141,696</u>	<u>\$ 37,706</u>

Maturities of principal and interest over the next five years, and five-year increments thereafter, are as follows:

	<u>Governmental Type Activities</u>		<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
June 30, 2005	\$ 12,854	\$ 25,762	\$ 24,852	\$ 20,444
June 30, 2006	13,356	25,260	25,966	19,330
June 30, 2007	13,878	24,738	27,131	18,165
June 30, 2008	14,421	24,195	28,352	16,944
June 30, 2009	14,984	23,632	29,631	15,665
June 30, 2010-2014	84,177	108,903	169,564	56,916
June 30, 2015-2019	101,963	91,117	151,903	13,492
June 30, 2020-2024	123,508	69,572	7,622	390
June 30, 2025-2029	149,605	43,475	-	-
June 30, 2030-2034	147,929	12,268	-	-
Total	<u>\$ 676,675</u>	<u>\$ 448,922</u>	<u>\$ 465,021</u>	<u>\$ 161,346</u>

**TOWN OF OXFORD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**EXHIBIT J**  
**PAGE 8**

**NOTE 6 - RISK AND INSURANCE COVERAGE:**

The Town has exposure to various kinds of risk. As a vehicle to reduce this exposure the Town has purchased insurance policies from commercial insurance agents. These policies cover property, general liability, auto, workman's compensation, and employee bonding.

**NOTE 7 - PENSION PLAN:**

The Town maintains The Town of Oxford Deferred Compensation Plan, which is an Internal Revenue Code Section 457 plan, a defined contribution plan.

A defined contribution pension plan provides benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefit a participant will receive depends solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. The Town incurs no cost in relation to this plan. Employees contributed \$2,985 during the current fiscal year.

The Town also participates in the Maryland State Retirement System, which is a defined benefit plan. The Town's contribution is determined annually by the Retirement System based on actuarial estimates. The employees of the Town are required to contribute 2% of compensation, while the Town is required to contribute 5% of compensation. The cost to the Town for the current fiscal year was \$25,714. The System publishes an annual report reflecting all actuarial assumptions and funding status. This report is available via internet at [www.sra.sailorsite.net](http://www.sra.sailorsite.net), or by contacting The Maryland State Retirement and Pension System at 410-625-5555.

**NOTE 8-NET ASSET RESTRICTIONS/FUND BALANCE RESERVATIONS:**

The Town owns a townhouse which is occupied by two Town employees. A fund is maintained to care for and improve the townhouse. At June 30, 2004 the balance in the fund was \$35,441. Maintenance and improvement costs are paid from this fund before any other Town money is expended.

The Town Commissioners designated a capital projects fund in the amount of \$308,525 for future, non-specific improvements.

Contributions for sidewalk improvements are held in a separate account in the amount of \$20,547.

\$2,176 is held in a separate account for a Town clock.

TOWN OF OXFORD

SUPPLEMENTAL INFORMATION

JUNE 30, 2004

**TOWN OF OXFORD  
 SUPPLEMENTAL INFORMATION  
 COMPARATIVE BALANCE SHEETS  
 GOVERNMENTAL FUND  
 JUNE 30, 2004 AND 2003**

**SCHEDULE A**

	<b>General Fund</b>	
<b>ASSETS</b>	<b>2004</b>	<b>2003</b>
Cash	759,180	813,942
Accounts Receivable	48,326	24,141
Total Assets	\$ 807,506	\$ 838,083
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	18,935	132,538
Accrued Payroll	4,982	-
Total Liabilities	23,917	132,538
Fund Balance:		
Reserved	366,689	358,474
Unreserved	416,900	347,071
Total Fund Balance	783,589	705,545
Total Liabilities and Fund Balance	\$ 807,506	\$ 838,083

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD  
SUPPLEMENTAL INFORMATION  
COMPARATIVE BALANCE SHEETS-ENTERPRISE FUND  
JUNE 30, 2004 AND 2003**

**SCHEDULE B**

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
<u>Current Assets</u>		
Cash	\$ 380,798	\$ 437,330
Accounts Receivable	77,561	70,976
<u>Total Current Assets</u>	<u>458,359</u>	<u>508,306</u>
<u>Capital assets:</u>		
Equipment	963,327	963,327
Improvements	1,305,560	1,209,658
Vehicles	23,553	23,553
Accumulated Depreciation	(993,320)	(911,423)
<u>Total Capital Assets</u>	<u>1,299,120</u>	<u>1,285,115</u>
<u>Other Assets</u>		
Notes Receivable-Water and Sewer Bonds	89,054	93,307
 <u>Total Assets</u>	 <u>\$ 1,846,533</u>	 <u>\$ 1,886,728</u>
<b>LIABILITIES</b>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 14,584	\$ -
Accrued Payroll	2,141	-
Current Portion of Long term Debt	24,852	10,820
<u>Total Current Liabilities</u>	<u>41,577</u>	<u>10,820</u>
<u>Non-current liabilities:</u>		
Long Term Debt-Net of Current Portion	440,169	465,021
 <u>Total Liabilities</u>	 <u>481,746</u>	 <u>475,841</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	834,099	809,274
Unrestricted	530,688	601,613
<u>Total Net Assets</u>	<u>1,364,787</u>	<u>1,410,887</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 1,846,533</u>	 <u>\$ 1,886,728</u>

The accompanying notes are an integral part of these financial statements

**TOWN OF OXFORD**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES-BUDGET AND ACTUAL**  
**GENERAL AND ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**SCHEDULE C**

	<u>2004</u>		<b>Variance with Final Budget Positive (Negative)</b>	<u>2003</u>
	<u>Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
Taxes:				
Property Taxes	\$ 506,508	\$ 525,630	\$ 19,122	\$ 445,986
Penalty and Interest	1,400	-	(1,400)	1,574
<b>Total Taxes</b>	<u>507,908</u>	<u>525,630</u>	<u>17,722</u>	<u>447,560</u>
Charges for Services:				
Water and Sewer	299,000	258,056	(40,944)	269,279
Appeals Fees	500	1,131	631	-
Parks and Recreation	-	65	65	35
<b>Total Charges for Services</b>	<u>299,500</u>	<u>259,252</u>	<u>(40,248)</u>	<u>269,314</u>
Intergovernmental:				
Local Income Tax	53,500	95,266	41,766	64,962
Amusement Tax	100	1,014	914	4,981
Franchise	2,000	2,443	443	2,268
Highway Use Tax	51,952	57,983	6,031	76,663
Police Aid	14,565	13,811	(754)	18,580
Highway Safety	-	2,615	2,615	-
Critical Areas	-	1,447	1,447	-
Accommodations Tax	20,000	21,340	1,340	22,058
<b>Total Intergovernmental</b>	<u>142,117</u>	<u>195,919</u>	<u>53,802</u>	<u>189,512</u>
Licenses and Permits:				
Building permits	2,000	9,292	7,292	3,482
Animal Permits	100	32	(68)	20
Traders' Licenses	3,000	2,839	(161)	3,038
Port Wardens' Fees	500	799	299	1,523
Capital Charges	6,000	9,000	3,000	12,000
Plumbing Permits	1,500	1,687	187	1,016
<b>Total Licenses and Permits</b>	<u>13,100</u>	<u>23,649</u>	<u>10,549</u>	<u>21,079</u>
Interest and Land Rents	<u>109,366</u>	<u>98,721</u>	<u>(10,645)</u>	<u>110,150</u>
Police Fines	<u>2,500</u>	<u>2,530</u>	<u>30</u>	<u>1,740</u>
Miscellaneous	<u>1,000</u>	<u>22,542</u>	<u>21,542</u>	<u>144</u>
<b>Total Revenues</b>	<u>\$ 1,075,491</u>	<u>\$ 1,128,243</u>	<u>\$ 52,752</u>	<u>\$ 1,039,499</u>

See accompanying notes to financial statements

**TOWN OF OXFORD**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EXPENDITURES/EXPENSES-BUDGET AND ACTUAL**  
**GENERAL AND ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**SCHEDULE D**

	<u>2004</u>		<u>Variance with</u>	<u>2003</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
		<u>Amounts</u>	<u>Positive</u>	<u>Amounts</u>
			<u>(Negative)</u>	
<b>GENERAL GOVERNMENT:</b>				
<u>Legislative:</u>				
Salaries	\$ 10,000	6,000	\$ 4,000	\$ 6,000
Other Operating	650	8,280	(7,630)	4,787
<u>Executive:</u>				
Salaries	49,373	49,703	(330)	44,805
Supplies	4,500	3,835	665	5,082
Repairs and Maintenance	3,000	-	3,000	1,839
Telephone	1,900	3,211	(1,311)	1,978
Copier	2,000	1,174	826	1,234
Auditing	2,750	2,000	750	2,750
Memberships and Dues	3,000	2,894	106	2,836
Advertising	4,000	3,279	721	2,440
Accounting and Budgeting	2,000	2,796	(796)	1,835
<u>Total Legislative and Executive</u>	<u>83,173</u>	<u>83,172</u>	<u>1</u>	<u>75,586</u>
<u>Other General Government</u>				
Legal	35,000	25,238	9,762	29,180
Historic District	3,150	84	3,066	175
Planning	6,000	1,676	4,324	1,988
Building Maintenance	800	2,483	(1,683)	-
Board of Port Wardens	3,000	3,392	(392)	739
Business Association	6,500	6,633	(133)	5,162
Economic Development	1,000	1,000	-	1,000
<u>Total Other General Government</u>	<u>55,450</u>	<u>40,506</u>	<u>14,944</u>	<u>38,244</u>
<u>General Government Buildings</u>				
Utilities	6,200	7,614	(1,414)	5,165
Library	750	750	-	750
Town House	2,000	15,450	(13,450)	1,889
Capital Outlay	3,500	3,914	(414)	46,302
Repairs and Maintenance	7,000	3,920	3,080	5,722
Custom House	2,000	463	1,537	399
Temporary Facilities	-	-	-	55
<u>Total General Government Buildings</u>	<u>21,450</u>	<u>32,111</u>	<u>(10,661)</u>	<u>60,282</u>
<u>TOTAL GENERAL GOVERNMENT</u>	<u>160,073</u>	<u>155,789</u>	<u>4,284</u>	<u>174,112</u>
<u>PUBLIC SAFETY</u>				
Salaries	104,982	110,019	(5,037)	101,388
Uniforms and Equipment	5,050	6,325	(1,275)	4,901
Automotive	7,000	8,853	(1,853)	6,892
Capital Outlay	23,000	22,915	85	1,400
Training	3,000	2,677	323	1,775
Telephone	2,000	2,171	(171)	2,358
Signs	900	654	246	360

**TOWN OF OXFORD  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF EXPENDITURES/EXPENSES-BUDGET AND ACTUAL  
GENERAL AND ENTERPRISE FUND  
FPR THE YEAR ENDED JUNE 30, 2004**

**SCHEDULE D  
PAGE 2**

	<u>2004</u>		<b>Variance with Budget Positive (Negative)</b>	<u>2003</u>
	<u>Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
Office Supplies	700	538	162	350
Fire Department Grant	14,500	14,500	-	14,500
<b><u>TOTAL PUBLIC SAFETY</u></b>	<u>161,132</u>	<u>168,652</u>	<u>(7,520)</u>	<u>133,924</u>
<b><u>PUBLIC WORKS</u></b>				
<b><u>Roads Department</u></b>				
Subcontractors	250	-	250	-
Salaries	27,212	29,749	(2,537)	30,029
Capital Outlay	-	113	(113)	25,819
Repairs and Maintenance	8,000	12,929	(4,929)	1,786
Lighting	20,000	16,191	3,809	14,804
Repaving	75,000	-	75,000	-
Storm Drain Management	-	-	-	(2,162)
<b><u>Total Roads Department</u></b>	<u>130,462</u>	<u>58,982</u>	<u>71,480</u>	<u>70,276</u>
<b><u>Garbage Collection</u></b>				
Salaries	20,751	25,196	(4,445)	19,300
Landfill Fees	44,000	35,745	8,255	41,455
<b><u>Total Garbage Collection</u></b>	<u>64,751</u>	<u>60,941</u>	<u>3,810</u>	<u>60,755</u>
<b><u>Other Public Works</u></b>				
Snow Removal	2,000	2,409	(409)	1,200
Mosquito and Weed Control	2,000	1,613	387	1,496
Automotive	6,000	6,104	(104)	3,180
Utilities	1,300	1,200	100	1,100
Telephone	2,500	1,301	1,199	2,564
Uniforms	5,500	6,194	(694)	5,554
Salaries	14,435	5,528	8,907	7,836
Building	9,400	6,697	2,703	5,593
Capital Outlay	-	-	-	2,000
<b><u>Total Other Public Works</u></b>	<u>43,135</u>	<u>31,046</u>	<u>12,089</u>	<u>30,523</u>
<b><u>TOTAL PUBLIC WORKS</u></b>	<u>238,348</u>	<u>150,969</u>	<u>87,379</u>	<u>161,554</u>
<b><u>PARKS AND RECREATION</u></b>				
Salaries	27,968	33,103	(5,135)	26,856
Repairs and Maintenance	28,550	25,759	2,791	23,302
Supplies	1,500	1,303	197	-
Capital Outlay	16,500	10,408	6,092	32,512
Docks/Shoreline Improvements	10,000	4,875	5,125	5,288
Little League	1,000	236	764	230
Fireworks	2,000	2,000	-	2,000
<b><u>TOTAL PARKS AND RECREATION</u></b>	<u>87,518</u>	<u>77,684</u>	<u>9,834</u>	<u>90,188</u>



**TOWN OF OXFORD  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF EXPENDITURES/EXPENSES-BUDGET AND ACTUAL  
GENERAL AND ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004**

**SCHEDULE D  
PAGE 3**

	<u>2004</u>		<b>Variance with Budget Positive (Negative)</b>	<u>2003</u>
	<u>Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
<u>DEBT SERVICE</u>	246,000	35,476	210,524	17,183
<u>OTHER</u>				
Training	500	402	98	30
Miscellaneous	3,000	3,655	(655)	3,403
Insurance	36,000	41,228	(5,228)	26,914
Employee Benefits	58,185	68,685	(10,500)	46,761
Unemployment Insurance	150	188	(38)	150
Workman's Compensation Insurance	20,357	25,506	(5,149)	14,482
Social Security	19,195	17,637	1,558	16,916
Contingencies	126,053	3,870	122,183	111,633
<u>TOTAL OTHER</u>	263,440	161,171	102,269	220,289
<u>TOTAL GENERAL FUND</u>	1,156,511	749,741	406,770	797,250
<u>ENTERPRISE FUND</u>				
Clerk Salaries	14,077	14,701	(624)	13,578
Office Salaries	15,132	15,402	(270)	14,092
Office Supplies and Expense	4,800	4,231	569	4,293
Telephone	1,680	1,977	(297)	12
Auditing	1,250	2,000	(750)	1,250
Professional Fees	500	200	300	-
Utilities	600	-	600	600
Repairs and Maintenance	3,000	17,890	(14,890)	17,377
Automotive	3,000	5,674	(2,674)	2,725
Shop Utilities	2,400	4,800	(2,400)	4,300
Insurance	10,000	10,185	(185)	10,000
Employee Benefits	24,937	20,719	4,218	16,337
Subcontractors	1,000	-	1,000	500
Salaries	83,281	77,242	6,039	74,197
Materials and Equipment	27,367	8,398	18,969	7,986
Lab Supplies	22,000	15,488	6,512	16,318
Depreciation	56,000	81,897	(25,897)	89,178
Electricity	25,400	21,215	4,185	23,407
Social Security	8,605	8,048	557	7,793
Testing	6,782	10,164	(3,382)	6,699
Training	3,000	848	2,152	2,320
Interest	18,000	20,790	(2,790)	19,828
Workman's Compensation Insurance	4,689	4,689	-	4,583
<u>TOTAL ENTERPRISE FUND</u>	337,500	346,558	(9,058)	337,373
<u>TOTAL EXPENDITURES/EXPENSES</u>	\$ 1,494,011	\$ 1,096,299	\$ 397,712	\$ 1,134,623

The accompanying notes are an integral part of these financial statements