

TOWN OF OXFORD

SUPPLEMENTAL INFORMATION

JUNE 30, 2009

TOWN OF OXFORD
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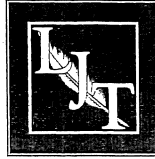
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AUDITING STANDARDS*

Robert B. Lank, C.P.A.
Terrence Johnson, C.P.A.
Richard L. Tull, C.P.A.

Gary W. Tuttle, C.P.A.
John E. Cullen, Jr., C.P.A.
Robert B. Lank, Jr., C.P.A.



LANK, JOHNSON & TULL

Certified Public Accountants

P.O. Box 418 • 521 N. Market St. Ext. • Seaford, Delaware 19973
P.O. Box 253 • 268 Milford-Harrington Highway • Milford, Delaware 19963
1475 S. Governors Avenue • Dover, Delaware 19904

Seaford Office
(302) 629-9543
Fax (302) 629-3501

Milford Office
(302) 422-3308
Fax (302) 422-4782

Dover Office
(302) 736-2618
Fax (302) 736-5522

INDEPENDENT AUDITOR'S REPORT

TO THE COMMISSIONERS
TOWN OF OXFORD, MARYLAND

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Oxford, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Oxford as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General and Enterprise Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Oxford's basic financial statements. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Oxford. Such information has been subjected to the auditing procedures applied 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.

Seaford, Delaware
October 19, 2009

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, 2009

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 supplemental 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, 2009

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's combined net assets increased by 10.43% from 2008 to 2009. (See table below)
 Governmental fund net assets increased by 14.11%, while the business-type funds increased by 4.61%.

Town of Oxford
 Net Assets
 (in millions)

	Governmental		Business-Type		Total		Total Percentage
	2009	2008	2009	2008	2009	2008	Change
Current and Other Assets	1.62	1.41	0.58	0.70	2.20	2.11	4.27%
Capital Assets	1.17	1.06	1.68	1.24	2.85	2.30	23.91%
Total Assets	2.79	2.47	2.26	1.94	5.05	4.41	14.51%
Long Term Debt	-	-	0.65	0.40	0.65	0.40	62.50%
Other Liabilities	0.04	0.06	0.02	0.02	0.06	0.08	(25.00%)
Total Liabilities	0.04	0.06	0.67	0.42	0.71	0.48	47.92%
Net Assets							
Capital Assets Net of Debt	1.17	1.06	1.03	0.84	2.20	1.90	15.79%
Restricted	0.38	0.38	-	-	0.38	0.38	-
Unrestricted	1.20	0.97	0.56	0.68	1.76	1.65	6.67%
Total Net Assets	2.75	2.41	1.59	1.52	4.34	3.93	10.43%

The increase in net assets is attributable to purchases of capital assets, payments on debt, and the allocation to capital project reserves, using surplus cash revenues.

TOWN OF OXFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

The Town's total revenues decreased by 1.12% to \$1.76 million. (See table below.) Revenue from business-type activities increased 11% to \$0.51 million. Governmental revenues decreased by 5.3% to \$1.25 million. This decrease is attributable to a decrease in state shared taxes.

The total cost of all programs and services increased by 1%, to \$1.35 million. Costs of business-type activities increased by 2.32%, to \$0.44 million. This increase is attributed to an increase in normal operating costs.

Town of Oxford
Change in Net Assets
(in millions)

	Governmental		Business-Type		Total		Total Percentage
	2009	2008	2009	2008	2009	2008	Change
Program Revenue							
Fees, Fines, Services	0.07	0.04	0.50	0.45	0.57	0.49	16.33%
Operating Grants	0.02	0.02	-	-	0.02	0.02	-
General Revenue	-						
Taxes	1.14	1.21	-	-	1.14	1.21	(5.79%)
Investment income(loss)	0.02	0.05	0.01	0.01	0.03	0.06	(50.00%)
Total Revenue	1.25	1.32	0.51	0.46	1.76	1.78	(1.12%)
Program Expenses							
General	0.26	0.26	-	-	0.26	0.26	-
Public Safety	0.18	0.20	-	-	0.18	0.20	(10.00%)
Public Works	0.23	0.19	-	-	0.23	0.19	21.05%
Parks and Recreation	0.09	0.07	-	-	0.09	0.07	28.57%
Debt Service	-	0.01	-	-	-	0.01	(100.00%)
Miscellaneous	0.15	0.18	-	-	0.15	0.18	(16.67%)
Water & Sewer	-	-	0.44	0.43	0.44	0.43	2.33%
Total Expenses	0.91	0.91	0.44	0.43	1.35	1.34	1.00%
Change in Net Assets	0.34	0.41	0.07	0.03	0.41	0.44	(6.82%)
Net Assets Beginning	2.41	2.00	1.52	1.49	3.93	3.49	12.61%
Net Assets Ending	2.75	2.41	1.59	1.52	4.34	3.93	10.43%

TOWN OF OXFORD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was not amended during the current fiscal year.

General Fund revenues of \$1,252,344 exceeded budgeted revenues of \$1,152,856 by \$99,488 (8.63%). This excess was primarily the result of unexpected local income tax revenues.

General Fund expenditures of \$1,019,378 were less than budgeted expenditures of \$1,768,471 by \$749,093 (42%). Contingencies were budgeted at \$598,292 but no significant, unforeseen expenses were incurred.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009 the Town had \$2.30 million invested in capital assets, including police equipment, park and recreation facilities, buildings, land, vehicles, and water and sewer system improvements.

Town of Oxford
Capital Assets Net of Depreciation
(in millions)

	Governmental		Business-Type		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	0.02	0.02	-	-	0.02	0.02
Buildings	0.85	0.87	-	-	0.85	0.87
Improvements	0.05	0.06	-	-	0.05	0.06
Equipment	0.21	0.06	-	-	0.21	0.06
Vehicles	0.04	0.05	-	-	0.04	0.05
Water and Sewer		-	1.68	1.24	1.68	1.24
Total Capital Assets	1.17	1.06	1.68	1.24	2.85	2.30

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, 2009

Debt

At year-end, the Town had \$0.65 million in bonds and notes outstanding versus \$0.40 million last year, an increase of \$0.25 million. The increase is attributable to a new loan for arsenic removal.

Town of Oxford
Debt
(in millions)

	Governmental		Business-Type		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Water Tower	-	-	0.34	0.34	0.34	0.34
System Expansion	-	-	0.31	0.06	0.31	0.06
Total	-	-	0.65	0.40	0.65	0.40

Note 5 of the Notes to Basic Financial Statements gives further details of the Town's debt activity.

Economic Factors and 2009 Budget & Rates

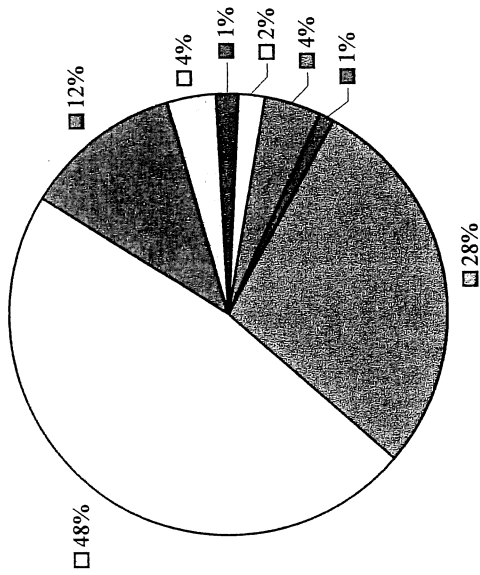
The Town faces a significant capital outlay in trying to mitigate the presence of arsenic in the water supply. This, along with upgrading the existing waste treatment facility will present significant challenges to the Town. At present the Town is financially sound, but additional funding sources will be necessary to make the aforementioned improvements feasible.

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: Town Clerk - Town of Oxford, Oxford, Maryland 21654.

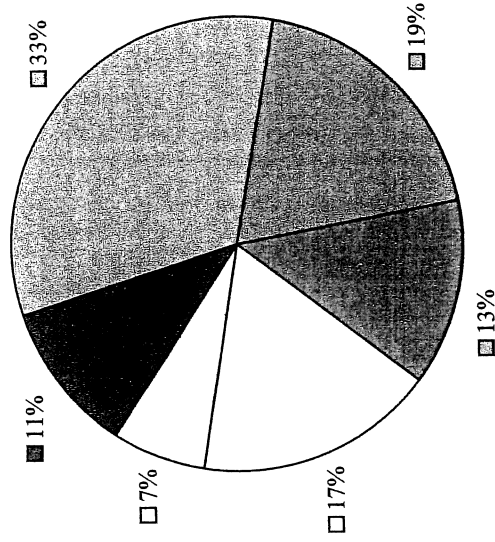
TOWN OF OXFORD
 MANAGEMENT DISCUSSION AND ANALYSIS
 TOTAL REVENUE AND EXPENSES
 GOVERNMENT-WIDE
 JUNE 30, 2009

Total Revenue



- General Government
- Public Safety
- Water and Sewer
- Property Taxes, Penalties and Interest
- Local Income Tax
- Highway Use Tax
- Accommodations Tax
- Interest Income

Total Expense



- General Government
- Public Safety
- Public Works
- Parks and Recreation
- Other Expenses
- Water and Sewer

TOWN OF OXFORD
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2009

EXHIBIT A

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 1,553,791	\$ 424,227	\$ 1,978,018
Accounts Receivable	69,470	127,245	196,715
Notes Receivable - Water and Sewer Bonds	-	26,536	26,536
Capital Assets:			
Land	20,232	-	20,232
Buildings	1,119,940	-	1,119,940
Equipment	128,672	967,579	1,096,251
Improvements	218,260	2,064,624	2,282,884
Vehicles	96,150	45,419	141,569
Accumulated Depreciation	<u>(413,307)</u>	<u>(1,394,259)</u>	<u>(1,807,566)</u>
Total Assets	<u>2,793,208</u>	<u>2,261,371</u>	<u>5,054,579</u>
LIABILITIES			
Accounts Payable	41,528	19,542	61,070
Non-Current Liabilities:			
Due within one year	-	13,690	13,690
Due in more than one year	<u>-</u>	<u>634,882</u>	<u>634,882</u>
Total Liabilities	<u>41,528</u>	<u>668,114</u>	<u>709,642</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,169,947	1,034,791	2,204,738
Restricted	374,505	-	374,505
Unrestricted	<u>1,207,228</u>	<u>558,466</u>	<u>1,765,694</u>
Total Net Assets	<u>\$ 2,751,680</u>	<u>\$ 1,593,257</u>	<u>\$ 4,344,937</u>

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

TOWN OF OXFORD
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2009

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	\$ 260,758	\$ 73,119	\$ -	\$ (187,639)	\$ -	\$ (187,639)
Public Safety	179,348	2,730	15,414	(161,204)	-	(161,204)
Public Works	235,024	-	-	(235,024)	-	(235,024)
Parks and Recreation	88,843	-	997	(87,846)	-	(87,846)
Other Expenses	147,375	-	-	(147,375)	-	(147,375)
<u>Total Governmental Activities</u>	911,348	75,849	16,411	(819,088)	-	(819,088)
<u>Business-Type Activities</u>						
Water and Sewer	445,152	500,854	-	-	55,702	55,702
<u>Total Government</u>	\$ 1,356,500	\$ 576,703	\$ 16,411	(819,088)	55,702	(763,386)
General Revenues:						
Taxes:						
Property Taxes, Penalties and Interest				819,155		819,155
Local Income Tax				208,725		208,725
Amusement Tax				13,495		13,495
Franchise Tax				4,817		4,817
Highway Use Tax				64,964		64,964
Accommodations Tax				25,898		25,898
Interest Income				23,030	13,248	36,278
Total General Revenues				1,160,084	13,248	1,173,332
Change in Net Assets				340,996	68,950	409,946
Net Assets-Beginning				2,410,684	1,524,307	3,934,991
Net Assets-Ending				\$ 2,751,680	\$ 1,593,257	\$ 4,344,937

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

**TOWN OF OXFORD
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2009**

EXHIBIT C

ASSETS	General Fund
Cash	\$ 1,553,791
Accounts Receivable	<u>69,470</u>
Total Assets	<u><u>\$ 1,623,261</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable	<u>\$ 41,528</u>
Fund Balance:	
Reserved	374,505
Unreserved	<u>1,207,228</u>
Total Fund Balance	<u>1,581,733</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,623,261</u></u>

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

Total Fund Balance	\$ 1,581,733
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.	<u>1,169,947</u>
Net Assets of Governmental Activities	<u><u>\$ 2,751,680</u></u>

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

TOWN OF OXFORD EXHIBIT D
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>General Fund</u>
Revenues:	
Property Taxes	\$ 819,155 ✓
Intergovernmental	→ 334,310 ✓
Licenses and Permits	5,499 ✓
Interest	→ 23,030 ✓
Rents	63,968 ✓
Police Fines	2,730 ✓
Miscellaneous	3,652 ✓
Total Revenues	1,252,344
Expenditures:	
Current:	
General Government	225,467
Public Safety	175,408
Public Works	226,034
Parks and Recreation	82,493
Other Expenditures	147,375
Capital Outlay	162,601
Total Expenditures	1,019,378
Net Change in Fund Balance	232,966
Fund Balances at Beginning of Year	1,348,767
Fund Balances at End of Year	\$ 1,581,733

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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, 2009

EXHIBIT E

Net Change in Fund Balance-Total Governmental Funds	\$ 232,966
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on capital assets is reported in the government-wide statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(54,278)
Some expenses in the Governmental funds require the use of current financial resources but are not expenses in the statement of activities:	
Capital Outlay	<u>162,308</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 340,996</u></u>

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, 2009

EXHIBIT F

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 815,361	\$ 815,361	\$ 819,155	\$ 3,794
Intergovernmental	249,500	249,500	334,310	84,810
Licenses and Permits	8,300	8,300	5,499	(2,801)
Interest	57,000	57,000	23,030	(33,970)
Rents	14,095	14,095	63,968	49,873
Police Fines	3,000	3,000	2,730	(270)
Miscellaneous	5,600	5,600	3,652	(1,948)
Total Revenues	<u>1,152,856</u>	<u>1,152,856</u>	<u>1,252,344</u>	<u>99,488</u>
Expenditures:				
Current:				
General Government	258,156	258,156	225,467	32,689
Public Safety	187,392	187,392	175,408	11,984
Public Works	205,737	205,737	226,034	(20,297)
Parks and Recreation	74,666	74,666	82,493	(7,827)
Other Expenditures	831,020	831,020	147,375	683,645
Capital Outlay	211,500	211,500	162,601	48,899
Total Expenditures	<u>1,768,471</u>	<u>1,768,471</u>	<u>1,019,378</u>	<u>749,093</u>
Net Change in Fund Balance	(615,615)	(615,615)	232,966	848,581
Fund Balances at Beginning of Year	<u>1,348,767</u>	<u>1,348,767</u>	<u>1,348,767</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 733,152</u>	<u>\$ 733,152</u>	<u>\$ 1,581,733</u>	<u>\$ 848,581</u>

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

**TOWN OF OXFORD
BALANCE SHEET-ENTERPRISE FUND
JUNE 30, 2009**

EXHIBIT G

ASSETS	
Current Assets:	
Cash	\$ 424,227
Accounts Receivable	127,245
Total Current Assets	<u>551,472</u>
Capital Assets:	
Equipment	967,579
Improvements	2,064,624
Vehicles	45,419
Accumulated Depreciation	(1,394,259)
Total Capital Assets	<u>1,683,363</u>
Other Assets:	
Notes Receivable-Water and Sewer Bonds	<u>26,536</u>
Total Assets	<u><u>\$ 2,261,371</u></u>

LIABILITIES AND FUND BALANCES

Current Liabilities:	
Accounts Payable	\$ 19,542
Current Portion of Long term Debt	13,690
Total Current Liabilities	<u>33,232</u>
Non-Current Liabilities:	
Long Term Debt-Net of Current Portion	<u>634,882</u>
Total Liabilities	<u>668,114</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	1,034,791
Unrestricted	558,466
Total Net Assets	<u>1,593,257</u>
Total Liabilities and Net Assets	<u><u>\$ 2,261,371</u></u>

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-ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT H

	<u>Budget</u>	<u>Water and Sewer Actual Amounts</u>	<u>Favorable (Unfavorable) Variance</u>
Operating Revenues:			
Charges for Services	\$ 493,227	\$ 462,010	\$ (31,217)
Rents	40,000	33,327	(6,673)
Capital Charges	-	3,000	3,000
Plumbing Permits	1,500	1,080	(420)
Bay Restoration Fees	-	937	937
Miscellaneous	-	500	500
Total Operating Revenues	<u>534,727</u>	<u>500,854</u>	<u>(33,873)</u>
Operating Expenses:			
Clerk Salaries	18,420	17,647	773
Office Salaries	39,624	17,316	22,308
Office Supplies and Expense	3,000	5,631	(2,631)
Telephone	1,800	2,391	(591)
Auditing	2,950	2,950	-
Financial and Computer Services	500	136	364
Utilities	1,500	1,500	-
Repairs and Maintenance	1,000	24,423	(23,423)
Backhoe Repair	4,000	4,356	(356)
Automotive	6,500	7,314	(814)
Shop Utilities	4,000	2,786	1,214
Insurance	15,000	15,000	-
Employee Benefits	48,258	24,128	24,130
Subcontractors	3,000	2,375	625
Salaries	100,249	95,233	5,016
Materials and Equipment	75,000	22,657	52,343
Lab Supplies	25,000	19,904	5,096
Depreciation	85,000	76,671	8,329
Electricity	38,000	53,274	(15,274)
Social Security	12,110	9,881	2,229
Testing	11,000	9,980	1,020
Training	4,000	2,724	1,276
Maintenance Contracts	1,000	-	1,000
Interest	25,000	18,059	6,941
Workman's Compensation Insurance	8,816	8,816	-
Total Operating Expenses	<u>534,727</u>	<u>445,152</u>	<u>89,575</u>
Net Operating Income (Loss)	<u>-</u>	<u>55,702</u>	<u>55,702</u>
Non-Operating Revenue:			
Interest	-	13,248	13,248
Total Non-Operating Revenues	<u>-</u>	<u>13,248</u>	<u>13,248</u>
Change in Net Assets	-	68,950	68,950
Net Assets at Beginning of Year	<u>1,524,307</u>	<u>1,524,307</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 1,524,307</u>	<u>\$ 1,593,257</u>	<u>\$ 68,950</u>

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

**TOWN OF OXFORD
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

EXHIBIT I

	<u>Water and Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 440,252
Rents	33,327
Capital Charges	3,000
Plumbing Permits	1,080
Miscellaneous	500
Cash Payments for Interest	(18,059)
Cash Payments to Employees for Services	(130,196)
Cash Payments to Suppliers for Goods and Services	(217,990)
Net Cash from Operating Activities	<u>111,914</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(521,957)
Proceeds from Debt	261,909
Retirement of Debt	(13,163)
Payments Received on Water and Sewer Bonds	1,898
Net Cash from Capital and Related Financing Activities	<u>(271,313)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>13,248</u>
Net Decrease in Cash	(146,151)
Cash - Beginning of year	<u>570,378</u>
Cash - End of year	<u>\$ 424,227</u>
Reconciliation of Income (Loss) to Net Cash from Operating Activities:	
Income (Loss)	\$ 55,702
Adjustments to Reconcile Income (Loss) to Net Cash from Operating Activities:	
Depreciation	76,671
Change in Accounts Receivable	(22,695)
Change in Accounts Payable	2,236
Net Cash from Operating Activities	<u>\$ 111,914</u>

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

TOWN OF OXFORD
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

EXHIBIT J
PAGE 1

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 by 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.

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, 2009

EXHIBIT J
PAGE 2

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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, 2009

EXHIBIT J
PAGE 3

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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. No amendments were adopted in the current year.

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, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 expense. 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	5-10 Years
Water and Sewer Assets	5-40 Years

Included in improvements is \$567,208 for costs incurred to implement an arsenic removal system for the water department and \$191,857 for construction of a new well. These costs have not been depreciated since the projects are not yet complete.

TOWN OF OXFORD
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

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	\$	670,806
General Fund Petty Cash		100
Savings-Parks and Recreation		1,425
Clock Fund		3,186
Sidewalk Fund		41,394
Town House Fund		57,668
Doug Hanks Memorial Fund		1,872
Savings-Bicentennial Account		5,782
CD-Talbot Bank		616,810
CD-Bank of America		373,699
Water and Sewer Petty Cash		50
Money Market-Talbot Bank		<u>214,993</u>
<u>TOTAL CASH IN BANK – PER BANK STATEMENTS</u>	\$	<u>1,987,785</u>

The balance of cash is categorized as follows:

Amount insured by the FDIC	\$	<u>1,326,320</u>
Collateralized by the financial institutions trust department with securities not in the Town's name	\$	<u>661,465</u>
Uncollateralized	\$	<u>-</u>

TOWN OF OXFORD
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

EXHIBIT J
PAGE 6

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 administrative fee. All of the notes mature in June of 2011 and bear interest at the rate of 2.2%.

NOTE 4 – CAPITAL ASSETS:

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

	<u>BALANCE</u> JULY 1, 2008	<u>ACQUISITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u> JUNE 30, 2009
			<u>ASSETS</u>	
Land	\$ 20,232	\$ -	\$ -	\$ 20,232
Buildings	1,119,940	-	-	1,119,940
Equipment	116,259	12,413	-	128,672
Improvements	68,365	149,895	-	218,260
Vehicles	96,150	-	-	96,150
Water and Sewer	<u>2,555,666</u>	<u>521,956</u>	<u>-</u>	<u>3,077,622</u>
<u>TOTAL</u>	<u>\$ 3,976,612</u>	<u>\$ 684,264</u>	<u>\$ -</u>	<u>\$ 4,660,876</u>
			<u>ACCUMULATED DEPRECIATION</u>	
	<u>BALANCE</u> JULY 1, 2008	<u>DEPRECIATION</u>	<u>RETIREMENTS</u>	<u>BALANCE</u> JUNE 30, 2009
Land	\$ -	\$ -	\$ -	\$ -
Buildings	247,703	29,549	-	277,252
Equipment	63,677	12,092	-	75,769
Improvements	3,418	4,251	-	7,669
Vehicles	44,231	8,386	-	52,617
Water and Sewer	<u>1,317,588</u>	<u>76,671</u>	<u>-</u>	<u>1,394,259</u>
<u>TOTAL</u>	<u>\$ 1,676,617</u>	<u>\$ 130,949</u>	<u>\$ -</u>	<u>\$ 1,807,566</u>
<u>CAPITAL ASSETS</u>				<u>\$ 2,853,310</u>

TOWN OF OXFORD
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

EXHIBIT J
PAGE 7

NOTE 4 – CAPITAL ASSETS (CONTINUED):

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

Governmental activities:		
General government	\$	35,291
Public safety		3,940
Public works		8,697
Parks and recreation		6,350
Enterprise activity		<u>76,671</u>
Total depreciation expense	\$	<u>130,949</u>

NOTE 5 - DEBT:

Debt at June 30, 2009 consists of the following:

Note Payable-Water Tower-Talbot Bank, \$600,000 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 \$2,083. The Town has made prepayments of principal on this loan.	\$	336,494
Note Payable-Water and Sewer System Expansion-Maryland Department of the Environment, \$102,592 unsecured, payable over a twenty year term maturing February 1, 2020 with interest at 2.2%. Annual payments of interest and principal in the amount of \$6,228.		50,169
Note Payable-Water Arsenic Removal-Maryland Department of the Environment, \$1,065,000 unsecured, payable over a twenty year term maturing February 1, 2029. Annual payments of interest and principal are to be determined upon final draw.		<u>261,909</u>
Total	\$	<u>648,572</u>

Transactions for the year ended June 30, 2009 are summarized as follows:

		<u>Balance</u>		<u>Payments or</u>		<u>Balance</u>	<u>Due within</u>
		<u>July 1</u>	<u>Additions</u>	<u>Expenditures</u>		<u>June 30</u>	<u>One year</u>
<u>Business Type Activities</u>							
Water Tower	\$	344,941	\$ -	\$ 8,447		\$ 336,494	\$ 8,870
System Expansion		54,885	-	4,716		50,169	4,820
Arsenic Removal		-	<u>261,909</u>	-		<u>261,909</u>	-
<u>Total Business Type</u>		<u>399,826</u>	<u>261,909</u>	<u>13,163</u>		<u>648,572</u>	<u>13,690</u>
<u>Total Debt</u>	\$	<u>399,826</u>	\$ <u>261,909</u>	\$ <u>13,163</u>		\$ <u>648,572</u>	\$ <u>13,690</u>

TOWN OF OXFORD
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

EXHIBIT J
PAGE 8

NOTE 5 – DEBT (CONTINUED):

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, 2010	\$ -	\$ -	\$ 13,690	\$ 17,228
June 30, 2011	-	-	14,236	16,682
June 30, 2012	-	-	14,806	16,112
June 30, 2013	-	-	15,402	16,059
June 30, 2014	-	-	16,023	15,462
June 30, 2015-2019	-	-	87,275	63,981
June 30, 2020-2024	-	-	79,554	45,511
June 30, 2025-2029	-	-	101,221	23,753
June 30, 2030-2034	-	-	44,456	5,533
Arsenic Removal	-	-	261,909	-
<u>Total</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 648,572</u>	<u>\$ 220,321</u>

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. The plan is administered by an independent plan administrator. The Town's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions. Section 457 plans require that plan assets are held in trust for the benefit of the plan participants and their beneficiaries, and will not be diverted for any other purpose. Accordingly, the financial activity of this plan is not reported in the Town's financial statements.

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.

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 5% of compensation, while the Town is required to contribute 10% of compensation. The cost to the Town for the current fiscal year was \$41,443. The System publishes an annual report reflecting all actuarial assumptions and funding status. This report is available via internet at www.sra.sailorsite.net, or by contacting The Maryland State Retirement and Pension System at 410-625-5555.

TOWN OF OXFORD
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

EXHIBIT J
PAGE 9

NOTE 8 - NET ASSET RESTRICTIONS/FUND BALANCE RESERVATIONS:

The Town owns a townhouse which is occupied by one Town employee and one tenant. A fund is maintained to care for and improve the townhouse. At June 30, 2009 the balance in the fund was \$21,760. 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 \$41,034.

\$3,186 is held in a separate account for a Town clock.

NOTE 9 – ARSENIC REMOVAL PROJECT:

The town is in the process of enhancing its water distribution system to comply with federal mandates relating to arsenic removal from drinking water. The Commissioners, on November 11, 2008, passed an ordinance to borrow up to \$1,065,000 from the Maryland Drinking Water Administration to fund this project. The project is expected to be completed in the next fiscal year.

TOWN OF OXFORD
 SUPPLEMENTAL INFORMATION
 BALANCE SHEETS
 GOVERNMENTAL FUND
 JUNE 30, 2009 AND 2008

SCHEDULE A

ASSETS	<u>General Fund</u>	
	<u>2009</u>	<u>2008</u>
Cash	\$ 1,553,791	\$ 1,302,046
Accounts Receivable	69,470	105,041
Total Assets	<u>\$ 1,623,261</u>	<u>\$ 1,407,087</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 41,528	\$ 58,320
Fund Balance:		
Reserved	374,505	379,848
Unreserved	1,207,228	968,919
Total Fund Balance	1,581,733	1,348,767
Total Liabilities and Fund Balance	<u>\$ 1,623,261</u>	<u>\$ 1,407,087</u>

Sidway
 Footnote #8

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

**TOWN OF OXFORD
SUPPLEMENTAL INFORMATION
BALANCE SHEETS - ENTERPRISE FUND
JUNE 30, 2009 AND 2008**

SCHEDULE B

Water And Sewer Fund

2009

2008

ASSETS

Current Assets:

Cash	\$ 424,227	\$ 570,378
Accounts Receivable	127,245	104,550
Total Current Assets	551,472	674,928

Capital Assets:

Equipment	967,579	967,579
Improvements	2,064,624	1,542,667
Vehicles	45,419	45,419
Accumulated Depreciation	(1,394,259)	(1,317,588)
Total Capital Assets	1,683,363	1,238,077

Other Assets

Notes Receivable-Water and Sewer Bonds	26,536	28,434
Total Assets	\$ 2,261,371	\$ 1,941,439

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 19,542	\$ 17,306
Current Portion of Long term Debt	13,690	13,066
Total Current Liabilities	33,232	30,372

Non-current Liabilities:

Long Term Debt-Net of Current Portion	634,882	386,760
Total Liabilities	668,114	417,132

NET ASSETS

Invested in Capital Assets, Net of Related Debt	1,034,791	838,251
Unrestricted	558,466	686,056
Total Net Assets	1,593,257	1,524,307
Total Liabilities and Net Assets	\$ 2,261,371	\$ 1,941,439

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

TOWN OF OXFORD
 SUPPLEMENTAL INFORMATION
 ANALYSIS OF REVENUE-BUDGET AND ACTUAL
 ALL FUND TYPES
 YEAR ENDED JUNE 30, 2009

SCHEDULE C

	2009				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/08
	Original	Final			
TAXES-LOCAL:					
<u>Real and Personal Property:</u>					
Property Taxes	\$ 820,561	\$ 820,561	\$ 825,474	\$ 4,913	\$ 818,533
<u>Intergovernmental:</u>					
Interest-Delinquent A/C	3,000	3,000	4,745	1,745	5,504
Local Income Tax	120,000	120,000	203,980	83,980	279,328
Amusement Tax	2,000	2,000	13,495	11,495	2,547
Franchise	5,500	5,500	4,817	(683)	4,515
Highway Use Tax	80,000	80,000	64,964	(15,036)	73,662
Police Aid	14,000	14,000	15,414	1,414	16,533
Critical Areas	1,000	1,000	997	(3)	764
Accommodations Tax	24,000	24,000	25,898	1,898	32,744
Total Intergovernmental	249,500	249,500	334,310	84,810	415,597
Less: Discounts and Allowances	(5,200)	(5,200)	(6,319)	(1,119)	(5,419)
NET TAXES	1,064,861	1,064,861	1,153,465	88,604	1,228,711
<u>LICENSES AND PERMITS:</u>					
Building Permits	4,000	4,000	(372)	(4,372)	(2,734)
Animal Permits	100	100	40	(60)	60
Traders' Licenses	3,000	3,000	4,831	1,831	4,269
Port Wardens' Fees	1,200	1,200	1,000	(200)	1,325
Plumbing Permits	1,500	1,500	1,080	(420)	1,408
TOTAL LICENSES AND PERMITS	9,800	9,800	6,579	(3,221)	4,328
<u>CHARGES FOR SERVICES:</u>					
Water and Sewer	493,227	493,227	462,010	(31,217)	417,761
Capital Charges	-	-	3,000	3,000	1,000
Bay Restoration Fee	-	-	937	937	1,199
Appeals Fees	600	600	90	(510)	208
Parks and Recreation	-	-	115	115	-
TOTAL CHARGES FOR SERVICES	493,827	493,827	466,152	(27,675)	420,168
<u>MISCELLANEOUS REVENUE:</u>					
Interest	57,000	57,000	36,278	(20,722)	62,245
Rents	54,095	54,095	97,295	43,200	69,548
Police Fines	3,000	3,000	2,730	(270)	2,773
Sale of Equipment	-	-	-	-	2,025
Miscellaneous	5,000	5,000	3,947	(1,053)	6,919
TOTAL MISCELLANEOUS REVENUE	119,095	119,095	140,250	21,155	143,510
TOTAL REVENUE	\$ 1,687,583	\$ 1,687,583	\$ 1,766,446	\$ 78,863	\$ 1,796,717

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TOWN OF OXFORD
 SUPPLEMENTAL INFORMATION
 ANALYSIS OF EXPENDITURES/EXPENSES-BUDGET AND ACTUAL
 ALL FUND TYPES
 YEAR ENDED JUNE 30, 2009

	2009				
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/08
	Original	Final			
GOVERNMENTAL FUNDS					
GENERAL GOVERNMENT					
<u>Legislative</u>					
Salaries & Expense	\$ 14,000	\$ 14,000	10,528	\$ 3,472	\$ 9,320
Registration and Election	250	250	207	43	222
Advertisement	500	500	331	169	368
<u>Executive</u>					
Salaries	82,606	82,606	58,493	24,113	60,083
Supplies	4,500	4,500	5,556	(1,056)	4,703
Telephone	3,500	3,500	2,245	1,255	2,105
Copier	3,500	3,500	1,578	1,922	1,571
Web Page Maintenance	1,500	1,500	352	1,148	503
Financial and Computer Service	6,000	6,000	3,250	2,750	4,372
Auditing	7,000	7,000	7,300	(300)	6,950
Memberships and Dues	4,500	4,500	5,291	(791)	4,669
Advertising	6,500	6,500	3,365	3,135	2,917
Accounting and Budgeting	500	500	410	90	300
Total Legislative and Executive	134,856	134,856	98,906	35,950	98,083
<u>Other General Government</u>					
Legal	50,000	50,000	68,971	(18,971)	81,179
Historic District	1,500	1,500	-	1,500	526
Planning & Zoning	3,000	3,000	3,110	(110)	5,927
Board of Port Wardens	3,000	3,000	913	2,087	370
Business Association	7,000	7,000	6,542	458	10,399
Appropriations to Others	11,800	11,800	11,800	-	6,800
Total Other General Government	76,300	76,300	91,336	(15,036)	105,201
<u>General Government Buildings</u>					
Building Maintenance	28,500	28,500	15,299	13,201	9,990
Capital Outlay - Office	33,000	33,000	12,413	20,587	-
Utilities	12,500	12,500	12,072	428	10,214
Town House	5,000	5,000	7,609	(2,609)	5,553
Custom House	1,000	1,000	245	755	199
Total General Government Buildings	80,000	80,000	47,638	32,362	25,956
TOTAL GENERAL GOVERNMENT	291,156	291,156	237,880	53,276	229,240
PUBLIC SAFETY					
Salaries	139,892	139,892	139,951	(59)	136,671
Uniforms and Equipment	4,000	4,000	4,938	(938)	4,478
Police School Expense	3,000	3,000	2,124	876	2,232
Automotive	13,500	13,500	11,113	2,387	9,640
Telephone	4,600	4,600	4,062	538	3,766
Signs	900	900	532	368	895
Office Supplies	500	500	188	312	494
Capital Outlay	-	-	293	(293)	3,502
Fire Hydrants	8,500	8,500	-	8,500	-
Fire Department Grant	12,500	12,500	12,500	-	24,500
TOTAL PUBLIC SAFETY	187,392	187,392	175,701	11,691	186,178
PUBLIC WORKS					
<u>Roads Department</u>					
Subcontractors	200	200	-	200	-
Salaries	32,580	32,580	31,063	1,517	28,589
Capital Outlay	176,000	176,000	149,895	26,105	-
Repairs and Maintenance	5,000	5,000	14,633	(6,633)	17,790
Storm Drain Management	-	-	19,027	(19,027)	-
Lighting	30,000	30,000	34,617	(4,617)	26,255
Total Roads Department	243,780	243,780	246,235	(2,455)	72,634
<u>Garbage Collection</u>					
Salaries	24,978	24,978	26,939	(1,961)	26,949
Landfill Fees	54,000	54,000	50,731	3,269	50,385
Total Sanitation and Waste Removal	78,978	78,978	77,670	1,308	77,334

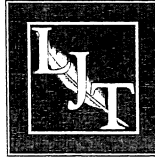
TOWN OF OXFORD
SUPPLEMENTAL INFORMATION
ANALYSIS OF EXPENDITURES/EXPENSES-BUDGET AND ACTUAL
ALL FUND TYPES
YEAR ENDED JUNE 30, 2009

SCHEDULE D
PAGE 2

2009					
	Budgeted Amounts		Actual Amounts	Favorable (Unfavorable) Variance	Prior Year 6/30/08
	Original	Final			
Other Public Works					
Snow Removal	\$ 3,500	\$ 3,500	\$ -	\$ 3,500	\$ -
Mosquito and Weed Control	2,000	2,000	695	1,305	1,060
Automotive	6,500	6,500	7,894	(1,394)	10,265
Utilities	4,000	4,000	1,200	2,800	1,200
Telephone	2,500	2,500	3,607	(1,107)	1,068
Uniforms	9,100	9,100	9,151	(51)	7,664
Salaries	17,379	17,379	14,445	2,934	11,498
Maintenance Building Expense	14,000	14,000	15,032	(1,032)	3,410
Capital Outlay	-	-	-	-	26,459
Total Other Public Works	58,979	58,979	52,024	6,955	62,624
TOTAL PUBLIC WORKS	381,737	381,737	375,929	5,808	212,592
PARKS AND RECREATION					
Salaries	33,666	33,666	40,489	(6,823)	40,303
Repairs and Maintenance	20,000	20,000	30,593	(10,593)	21,486
Supplies	3,000	3,000	146	2,854	81
Capital Outlay	2,500	2,500	-	2,500	20,135
Docks/Shoreline Improvements	15,000	15,000	8,515	6,485	3,535
Little League	1,000	1,000	750	250	382
Fireworks	2,000	2,000	2,000	-	2,000
TOTAL PARKS AND RECREATION	77,166	77,166	82,493	(5,327)	87,922
DEBT SERVICE					
	-	-	-	-	71,278
OTHER					
Training	1,000	1,000	577	423	1,457
Miscellaneous	5,000	5,000	2,362	2,638	1,901
Insurance	48,000	48,000	24,048	23,952	37,021
Employee Benefits	112,600	112,600	73,310	39,290	90,284
Unemployment Insurance	160	160	82	78	200
Workman's Compensation Insurance	40,164	40,164	21,478	18,686	26,680
Social Security	25,804	25,804	23,557	2,247	22,356
Other Expenses	-	-	1,961	(1,961)	815
Contingencies	598,292	598,292	-	598,292	-
TOTAL OTHER	831,020	831,020	147,375	683,645	180,714
TOTAL GENERAL FUND	1,768,471	1,768,471	1,019,378	749,093	967,924
ENTERPRISE FUNDS					
Clerk Salaries	18,420	18,420	17,647	773	17,460
Office Salaries	39,624	39,624	17,316	22,308	19,344
Office Supplies and Expense	3,000	3,000	5,631	(2,631)	3,548
Telephone	1,800	1,800	2,391	(591)	1,970
Auditing	2,950	2,950	2,950	-	3,000
Financial and Computer Services	500	500	136	364	138
Utilities	1,500	1,500	1,500	-	-
Repairs and Maintenance	1,000	1,000	24,423	(23,423)	37,609
Backhoe Repair	4,000	4,000	4,356	(356)	3,606
Automotive	6,500	6,500	7,314	(814)	10,004
Shop Utilities	4,000	4,000	2,786	1,214	3,300
Insurance	15,000	15,000	15,000	-	15,000
Employee Benefits	48,258	48,258	24,128	24,130	17,856
Subcontractors	3,000	3,000	2,375	625	2,540
Salaries	100,249	100,249	95,233	5,016	85,441
Materials and Equipment	75,000	75,000	22,657	52,343	17,688
Lab Supplies	25,000	25,000	19,904	5,096	24,059
Depreciation	85,000	85,000	76,671	8,329	82,813
Electricity	38,000	38,000	53,274	(15,274)	37,591
Social Security	12,110	12,110	9,881	2,229	9,352
Testing	11,000	11,000	9,980	1,020	11,319
Training	4,000	4,000	2,724	1,276	4,273
Maintenance Contracts	1,000	1,000	-	1,000	-
Miscellaneous	-	-	-	-	714
Debt Service - Interest	25,000	25,000	18,059	6,941	17,650
Workman's Compensation Insurance	8,816	8,816	8,816	-	8,070
TOTAL ENTERPRISE FUNDS	534,727	534,727	445,152	89,575	434,345
TOTAL EXPENDITURES/EXPENSES	\$ 2,303,198	\$ 2,303,198	\$ 1,464,530	\$ 838,668	\$ 1,402,269

Robert B. Lank, C.P.A.
Terrence Johnson, C.P.A.
Richard L. Tull, C.P.A.

Gary W. Tuttle, C.P.A.
John E. Cullen, Jr., C.P.A.
Robert B. Lank, Jr., C.P.A.



LANK, JOHNSON & TULL

Certified Public Accountants

P.O. Box 418 • 521 N. Market St. Ext. • Seaford, Delaware 19973
P.O. Box 253 • 268 Milford-Harrington Highway • Milford, Delaware 19963
1475 S. Governors Avenue • Dover, Delaware 19904

Seaford Office
(302) 629-9543
Fax (302) 629-3501

Milford Office
(302) 422-3308
Fax (302) 422-4782

Dover Office
(302) 736-2618
Fax (302) 736-5522

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

TO THE COMMISSIONERS
TOWN OF OXFORD, MARYLAND

We have audited the financial statements of the Town of Oxford as of and for the year ended June 30, 2009, and have issued our report thereon dated October 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Oxford's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Oxford's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Members

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, others within the entity, the Board of Directors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lank, Johnson & Tull

Seaford, Delaware
October 19, 2009