

CITY OF OXFORD, OHIO

Schedule of Expenditures of Federal Awards
And Other OMB Circular A-133 Reports

Year Ended December 31, 2003



**Auditor of State
Betty Montgomery**

Members of Council
City of Oxford

We have reviewed the Independent Auditor's Report of the City of Oxford, Butler County, prepared by Clark, Schaefer, Hackett & Co. for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY
Auditor of State

July 27, 2004

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CITY OF OXFORD, OHIO

Table of Contents

	<u>Page</u>
Schedule of Expenditures of Federal Awards	1
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2 - 3
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	4 - 5
Schedule of Findings and Questioned Costs	6
Schedule of Prior Audit Findings	7

CITY OF OXFORD, OHIO

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2003

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Butler County Department of Development:			
Community Development Block Grants/Entitlement Grants	B-03-UC-39-0008	14.218	\$ <u>120,892</u>
Total U.S. Department of Housing and Urban Development			<u>120,892</u>
<u>U.S. Department of Justice:</u>			
Bulletproof Vest Partnership Program	n/a	16.607	<u>3,469</u>
Total U.S. Department of Justice			<u>3,469</u>
<u>U.S. Department of Transportation</u>			
Passed through Ohio Department of Transportation:			
Highway Planning and Construction (ODOT Bike Path Grant)	E035(236)	20.205	43,020
Passed through Ohio Department of Natural Resources:			
Recreational Trails Program	RT0160	20.219	92,000
Passed through State of Ohio Governor's Highway Safety Office:			
Highway Planning and Construction (DUI Taskforce)	97-CMWX0527	20.205	53,403
State and Community Highway Safety	09OXFD0	20.600	<u>12,833</u>
Total U.S. Department of Transportation			<u>201,256</u>
<u>U.S. Department of Homeland Security:</u>			
Assistance to Firefighters Grants	n/a	97.044	<u>32,244</u>
Total U.S. Department of Homeland Security			<u>32,244</u>
Total Federal Awards			\$ <u><u>357,861</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - OUTSTANDING NOTES

The community development loans outstanding at December 31, 2003 totaled \$35,831 under CFDA 14.218.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards includes the federal grant activity of the City of Oxford, Ohio and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE C - PASSTHROUGH AWARDS

The City of Oxford, Ohio receives certain federal awards from the State of Ohio as pass-through awards. The amounts received are commingled by the State of Ohio with other funds and cannot be separately identified. The total amount of such pass-through awards is included on the schedule of expenditures of federal awards.



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

To the Honorable Mayor and Members of the City Council
City of Oxford, Ohio:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Ohio as of and for the year ended December 31, 2003, which collectively comprise the City of Oxford, Ohio's basic financial statements and have issued our report thereon dated April 26, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated April 26, 2004.

This report is intended for the information of management, others within the organization, the City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Harkitt & Co.

Cincinnati, Ohio
April 26, 2004

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and Members of the City Council
City of Oxford, Ohio:

Compliance

We have audited the compliance of City of Oxford, Ohio with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. City of Oxford, Ohio's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, City of Oxford, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oxford, Ohio, as of and for the year ended December 31, 2003, and have issued our report thereon dated April 26, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford, Ohio's, basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. 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.

This report is intended for the information of management, others within the organization, the City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
April 26, 2004

CITY OF OXFORD, OHIO

Schedule of Findings and Questioned Costs

Year Ended December 31, 2003

Section I - Summary of Auditors' Results

Financial Statements

Type of report issued on financial statements:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major program(s):	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	none
Identification of major program(s):	
<i>CFDA 14.218 - Community Development Block Grants/Entitlement Grants</i>	
<i>CFDA 20.219 - Recreational Trails Program</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

CITY OF OXFORD, OHIO

Schedule of Prior Audit Findings

Year Ended December 31, 2003

The prior audit disclosed no instances of noncompliance that were required to be reported in accordance with *Government Auditing Standards* or noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over financial reporting or internal controls over compliance were reported in the prior year.

CITY OF OXFORD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2003

PREPARED BY:

FINANCE DEPARTMENT

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

**CITY OF OXFORD, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2003**

TABLE OF CONTENTS

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Table of Contents	i
Letter of Transmittal	viii
City Officials	ix
Organization Chart	ix
GFOA Certificate of Achievement	x
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Statement of Fiduciary Net Assets	23
Notes to the Basic Financial Statements	24
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis - General Fund	45
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis - Parking Fund	47
Notes to Required Supplementary Information	48

TABLE OF CONTENTS

(Continued)

	<u>Page</u>
Supplemental Section:	
Fund Descriptions	52
Combining Balance Sheet - Non-major Governmental Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	57
Combining Balance Sheet - Non-major Special Revenue Funds	58
Combining Balance Sheet - Non-major Capital Projects Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Capital Projects Funds	64
Schedules of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budget Basis) for the following funds:	
Street Fund	65
State Highway Fund	66
Community Development Block Grant Fund	67
Community Development Block Grant Loan Fund	68
Law Enforcement Fund	69
Enforcement and Education Fund	70
Life Squad Fund	71
Debt Service Fund	72
Capital Improvement Fund	73
Parking Lot Improvement Fund	74
Capital Equipment Fund	75
Parks and Open Spaces Fund	76
Combining Statement of Net Assets - Internal Service Funds	77
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	78
Combining Statement of Cash Flows - Internal Service Funds	79
Combining Statement of Fiduciary Net Assets - Agency Funds	80
Combining Statement of Changes in Fiduciary Net Assets - Agency Funds	81

TABLE OF CONTENTS

(Continued)

Page

STATISTICAL SECTION

General Government Revenues by Source - Last Ten Years	84
General Government Expenditures by Function - Last Ten Years	85
Income Tax Revenues - Last Ten Years	86
Property Tax Levies and Collections - Last Ten Years	87
Assessed and Estimated True Values of Taxable Property - Last Ten Years	88
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Years	89
Special Assessments Billings and Collections - Last Ten Years	90
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Years	91
Legal Debt Margin	92
Computation of Direct and Overlapping General Obligation Bonded Debt	93
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Government Expenditures - Last Ten Years	94
Demographic Statistics - Last Ten Years	95
Construction, Property Value and Bank Deposits - Last Ten Years	96
Principal Taxpayers	97
Miscellaneous Statistics	98



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

April 26, 2004

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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

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

Additionally, these financial statements have been prepared using the GASB's new reporting model under *GASB 34, Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments*, and related GASB statements. GASB 34 was developed to provide better, more understandable information about the government's finances. Except for the requirement to retroactively report general infrastructure assets, this report meets all requirements of Statement 34. The City's deadline for retroactively reporting general infrastructure assets is fiscal year 2007, and it is our plan to meet this requirement in our 2005 CAFR. As presented in accordance with GASB 34, this CAFR includes the following information for the reader:

- A Statement of Net Assets and a Statement of Activities shows the entire City as a whole on one page for each statement (pages 14 and 15). The Statement of Net Assets shows all assets, liabilities and net assets of the City, on a full accrual basis, classified as either government-type funds or business-type funds.
- The Statement of Activities shows the costs of providing services to citizens and the sources of revenue that the City uses to pay those costs.
- Expanded disclosure in the Notes to Financial Statements and improved schedules regarding the actual expenditures in comparison with the original and final appropriation budgets are also included.
- A narrative analysis specifically regarding the City's financial statements and financial condition provides greater insight into the City's finances. Readers are encouraged to refer to this report, entitled Management's Discussion and Analysis, beginning on page 3.

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

The City's financial statements have been audited by Clark, Schaefer, Hackett, and Co., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2003 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2003, are fairly presented in conformity with GAAP. The independent auditor's opinion is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

The legal level of budgetary control, that is, the level at which transfers cannot be made without legislative approval, is established at the department level. The City Manager with the approval of the Finance Director can make transfers of appropriations for an unlimited amount within a department. Transfers may also be made for up to \$10,000 between departments within a division (or, in government accounting terms, a 'function') by the City Manager with the concurrence of the Finance Director. Budget-to-actual comparisons are provided in this report beginning on page 45 for the General and Parking funds, and beginning on page 65 for all other governmental funds for which an appropriation has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

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

At December 31, 2003, the City's net asset and fund balances are in strong financial condition. The General fund has an unreserved fund balance of \$3,173,063, or 33% of expenditures and other financing uses of \$9,742,892, as shown on page 18. The Capital Improvement fund has an unreserved fund balance of \$5,264,871. For the City's other major operating funds, the Water fund has unrestricted net assets of \$3,935,549 and the Sewer fund \$6,291,083, representing 188% and 226% of annual operating and interest expenses, respectively. The utility fund reserves have been accumulated to fund both working capital and future capital improvements.

Long-term financial factors. Management is confident it will continue to financially manage the government in order to continue the strong financial condition of the City. For 2004, the City has budgeted income tax revenues to increase 3%. Being fiscally conservative, for the 2004 budget the City limited the increase for recurring operating costs to 2.3%. Fund balance reserves will provide adequate working capital, and are sufficient to fund a number of capital improvement projects as planned under the Council's five-year improvement plan. Longer term, over the next ten years, management is positive regarding the outlook but is aware of greater financial challenges for a number of reasons. The State continues to experience a shortfall in revenues as a result of the economic slowdown. In the spring of 2003 the legislature reduced the funding it provides to local governments including Oxford by 2%. To address the State funding problem, legislators imposed a temporary two-year additional 1% sales tax, to expire June 30, 2005. There is discussion at the state legislative level of permitting the temporary additional 1% state sales tax to expire June 30, 2005 or possibly repealing it before that date. Therefore the final decision regarding the 1% sales tax coupled with weak State revenues could impact Oxford. General Fund State revenue assistance received by Oxford totaled approximately \$900,000 in 2003.

Additionally, State funding to Miami University could also be reduced. Because the University is the City's largest employer and is reliant upon the State for funding assistance, any reduction of funding by the State to the University could have an impact on its employment growth, and hence City income tax revenues. However, as mentioned before, the University has a 4:1 ratio of student applicants to acceptances. Any reduction in state funding is expected to be offset by tuition increases to maintain their revenue stream. And with a 4:1 applicant to acceptance ratio, the demand for enrollment would seem to support the ability to increase tuition.

A few years ago the Federal government adopted a provision to phase-out inheritance taxes by the year 2011. There has been discussion by the State legislature to consider an elimination of the tax at the State level after 2006. The inheritance

tax, when received, historically has been used by Council to fund capital improvements. Because the City in recent years has received roughly \$400,000 - \$500,000 of estate taxes, this elimination could have a substantial impact on capital improvement funding. Note that the City conservatively has not relied on state inheritance tax revenue to materially fund annual operating costs, budgeting only \$50,000 in 2003. For 2004's budget, the City continues to phase-out its reliance on this tax to fund General Fund operating costs, budgeting only \$40,000.

In 2003, the City earned \$317,965 of interest income and capital appreciation of fair value as a result of investments, compared to \$663,627 and \$1,731,993 in 2002 and 2001, respectively. The significant decreases are the result of two factors. First, investments which were made in 2000 and 2001 yielding 5%-6% or more, have matured. Second, fund balances accumulated to fund major projects in the five-year capital improvement plan have been spent on projects during the last two years, leaving less investment to earn interest. The earnings have historically been used mostly to fund capital expenditures, and to a lesser extent to fund annual operating expenditures. The 5%-6% investments which have matured since 2001, and funds retained for future capital expenditures, have been reinvested in the current lower interest environment. Additionally, a portion of the reserves will be spent in 2004 and beyond to fund capital improvements. As a result, if future capital expenditures exceed the rate of annual capital savings, invested balances will decline, thus impacting interest income revenues available to fund future operations and capital improvements.

The City has been experiencing a significant increase in its employee health care costs in the last several years. In 2002, the City completed a study of its employee health care program and implemented changes effective January 1, 2003 to manage the cost of benefits provided and to provide adequate funding of the costs. Primary changes include raising deductible and co-pay levels and initiating monthly employee contributions, where formerly the plan was non-contributory. Effective in 2003, the City also raised the amount by which it funds the benefit plan from \$500/month to \$600/month, per employee. Results for 2003 show that the changes have been effective in controlling costs and funding the benefit program. For 2004, the City increased its monthly funding to \$650, and through April, 2004, the funding has been adequate to cover costs and increase the reserves in the Employee Benefit (health care) internal service fund. The City's employee health care committee, together with management, will be vigilant in monitoring and controlling health care costs in the future.

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

CITY-WIDE INITIATIVES

Under the leadership of City Manager Jane Howington, the City continued its progress toward improved productivity and efficiency during 2003 in delivering services and capital improvements to its citizens. During the year the City tackled a wide and diverse range of issues and programs, many of which continue into 2004. Some of the key projects include:

The Oxford Community Park – In 1998 the City purchased a 113-acre undeveloped property just west of the City limits for just under \$700,000 to develop the City's new primary recreational community park. The need for a community park was identified in both the recently completed Parks Master Plan and the Comprehensive Plan. The City evaluated design proposals for the new park and adopted a three-phase approach for construction to be implemented over approximately ten years, subject to funding availability. Construction began during the summer of 2002 and was completed in 2003. Casual use of the Park began in the fall of 2003, with organized sports league play beginning in 2004.

Phase I included significant land and infrastructure development including grading and preparation of the northern half of the park land, and installation of water, sewer, road and lighting improvements. Phase I also included the development of softball/baseball fields, soccer fields, a concession stand with restroom facilities, a maintenance building, community gathering area with a gazebo, and basketball, shuffleboard, horseshoes, and sand volleyball areas. Total Phase I costs approximated \$5 million and included land acquisition, engineering design, and construction. Funding came from capital reserves, several grants, and from \$2,550,000 of the total of \$3,915,000 of general obligation bonds issued in October, 1999. (The remainder of the bond issue was used to fund reconstruction of the City's Uptown Park area, completed in 2001). In the future, Phase II of the Community Park development includes a family picnic area, basketball court, amphitheater, children's play area, and a nature center. Phase III includes basketball, tennis, volleyball, horseshoes, shuffleboard court areas, and a family shelter at the southern end of the park. Phases II and III will be constructed as grants and other funding become available.

Zoning code revision- During 2002 and continuing into 2003, work was completed on the comprehensive revision of the zoning code and related changes to the zoning map. The final revised plan was adopted by City Council in 2003. The zoning code is the principle legislation regulating how land is used and how it is physically developed. The new code was developed to implement goals stated in the 1998 Comprehensive Plan. Particular attention was given to revamping the standards for the original part of town known as the "Mile Square". This area contains the highest concentration of traditional homes from the late 1800 and early 1900's. Most of these homes have been converted to student rentals. As a result, the housing stock and public infrastructure has been overwhelmed and many community problems have resulted. To help address this issue, new zoning districts were created to stop the potential of subdividing single-family homes into duplexes and triplexes. New standards were added to improve parking, landscaping, and buffers between residential and non-residential uses. The new code is significantly easier to read, understand, and implement. This will assist developers, administrators, decision makers and citizens in understanding the City's expectations, and will prevent the type of uncertainty that may have lead to questions of consistent application of the code in the past.

Five-Year Capital Improvement Plan (CIP) – In the summer of 2003, City Manager Jane Howington provided her proposed five-year CIP to City Council, and the plan was adopted for a total of \$32,691,000 for the next five years, through 2008. The plan can be classified into three components: 1) Planned equipment purchases (\$3,237,000), including various police and other vehicle replacements, equipment for the new community park, and an aerial fire pumper truck, 2) Annually recurring maintenance and improvement projects including annual water and sewer line improvements; street and alley resurfacing; and sidewalk, curb and gutter programs, and 3) Major new construction projects dependent upon future grant, debt, or other capital reserves or available funding. These include the Phase II of the U.S. 27 North project; Community Park Phases II and III; Wastewater treatment plant improvements; Streetscape improvements for Uptown Oxford. These potential projects demonstrate the Council's and City Manager's vision for the future. As mentioned, the projects will be approved in the future as debt or grant funding is obtained.

CASH MANAGEMENT AND INVESTMENTS

Cash and investments are managed under the goals of safety, liquidity, and yield in that order, as stipulated by the City's legally adopted investment policy. City cash (except that which is restricted) is pooled in order to maximize investment return. The City contracts with a professional public funds money management firm to manage the bulk of the City's investments. The decisions on investments are made by the firm based on the City's investment policy and the cash flow needs schedule provided by the finance department. Investment oversight is provided by regular monitoring by the finance department and by semiannual meetings of the Investment Review Committee. During 2003 the City was in compliance with its investment policy and the Ohio Revised Code with regard to its investments and collateralization.

During 2003 the City also maintained funds in a separate investment account for the Refuse fund also managed by the investment firm. The source of the funds is as follows. The City was required by the Ohio EPA (OEPA) to environmentally seal its municipal landfill in 1996. Under requirements in place at the time, the City placed money into a separate landfill trust fund to comply with Ohio EPA 'Financial Assurance' regulations. As of March 28, 2000 the Ohio EPA approved the application by the City to meet new financial assurance requirements based on City fund balances and debt-to-equity ratios. As of that date, the OEPA terminated the landfill trust agreement, relinquishing full control of the funds to the City. The City continues to maintain tracking of the investments pertaining to the refuse funds. Annually the City must submit to the OEPA a calculation demonstrating that it meets 'Financial Assurance' tests, which include fund balance and debt-to-equity ratios. The City fully expects to meet requirements in the future. The City invests the funds in accordance with its investment policy. A portion of these investments is used annually to fund Refuse Fund operating costs and debt service. See Note 3 to the financial statements for additional information on deposits and investments.

RISK MANAGEMENT

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

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oxford, Ohio for its CAFR for the fiscal year ended December 31, 2002. The Certificate of Achievement is a prestigious national award-recognizing presentation in accordance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The 2002 CAFR satisfied both GAAP and applicable legal standards.

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

A Certificate of Achievement is valid for a period of one year only. The City of Oxford has received a Certificate of Achievement for the last nineteen consecutive years (years ended 1984-2002). We believe this report conforms to the reporting standards set forth by the GFOA, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

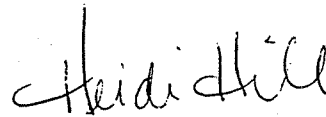
This report is the culmination of months of hard work by many individuals. I wish to thank Accounting Manager Heidi Hill, Accounting Specialist LeAnn Isenhart, Payroll and Benefits Specialist Katrina Bockover, Accounting Assistant Rosemary Frazee. I also wish to thank Faye Harsh, Utility Billing and Collections Supervisor, Joanna Murray, Utility Collections Specialist, and Mary Ann Eaton, Accounting Assistant, for their assistance with this CAFR and their continued high-quality work in diligently carrying out their responsibilities within the finance department. Additional thanks is also due to the staff of the independent accounting firm of Clark, Schaefer, Hackett, and Co., Certified Public Accountants, and in particular, Kerry Roe, who worked side-by-side with City staff toward the preparation and independent examination of these financial statements.

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

Respectfully,



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



Heidi Hill
Accounting Manager

CITY OF OXFORD, OHIO

CITY OFFICIALS AS OF DECEMBER 31, 2003

City Council (Elected Officials)

Jerome Conley	Mayor
Prue Dana	Vice-Mayor
Steve Flee	Council Member
Alan Kyger	Council Member
Fran Liu	Council Member
Dave Prows	Council Member
Doug Ross	Council Member

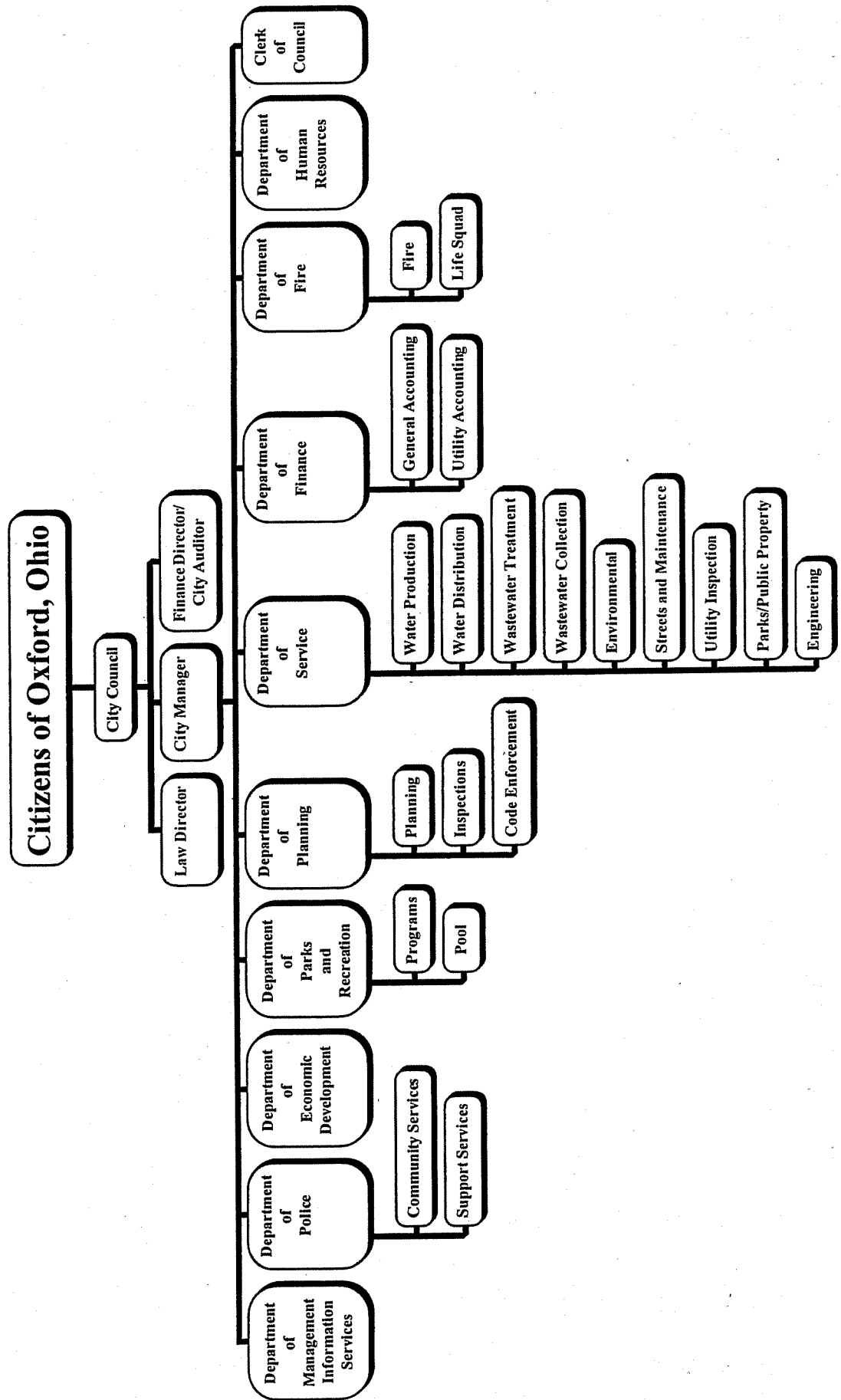
Administration

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

Department of Finance

Tom Peterson	Finance Director
Heidi Hill	Accounting Manager
Faye Harsh	Utility Billing and Collections Supervisor
Katrina Bockover	Payroll and Benefits Specialist
Joanna Murray	Utility Collections Specialist
LeAnn Isenhardt	Accounting Specialist
Mary Ann Eaton	Accounting Assistant
Rose Frazee	Accounting Assistant

City of Oxford Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oxford,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



President

Executive Director



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

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Oxford, Ohio:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Ohio as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxford, Ohio as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3-13 and 45-50, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxford, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
April 26, 2004



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the City of Oxford for the year ended December 31, 2003. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter on page i, and the City's financial statements, which begin on page 14.

I. USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Basic Financial Statements

- Financial Statements for the City as Whole. The Statement of Net Assets and the Statement of Activities (on pages 14 and 15) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.
- Individual Fund Financial Statements. Fund financial statements also reflect the City's operations in more detail than the government-wide financial statements by providing information about the City's major funds. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. These statements begin on page 16.
- Fiduciary Financial Statement. The fiduciary financial statement (page 23) provides financial information about activities for which the City acts solely as agent for the benefit of those outside the government.
- Notes to the Basic Financial Statements. The Notes (beginning on page 24) provide helpful information explaining the City's significant accounting procedures and provide greater detail regarding financial statement components.

Required Supplementary Information

- Schedules of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. Schedules (pages 45 to 50) are presented for the General Fund and major special revenue funds that compare actual results to the original and final budgets for those funds.

Supplementary Information

- Combining Financial Statements. These statements (starting on page 56) provide financial information regarding non-major individual funds, which have been aggregated in the basic financial statements.
- Schedules of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. These schedules compare actual results to the original and final budgets for the non-major governmental funds. These schedules begin on page 65.

A. Reporting the City as a Whole

Government-wide statements

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets – the difference between assets and liabilities - as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will want to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

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

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

B. Reporting the City's Most Significant Funds

Fund financial statements

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

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

C. The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is responsible in a fiduciary capacity for other assets that can only be used for designated beneficiaries. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance

its operations. The City acts as the collection agent for three different activities, accounting for the proceeds collected in three agency funds and eventually forwarding the collections to the designated beneficiaries. The combined financial statement for the three funds is reported on page 23.

II. THE CITY AS A WHOLE

A. Net assets at year-end

The following table presents a condensed summary of the City's overall financial position at December 31, 2003 and 2002:

	Governmental Activities		Business- Type Activities		Total	
	2003	2002	2003	2002	2003	2002
	Current and other assets	\$ 13,939	13,815	13,983	13,004	27,922
Capital assets	13,653	12,608	29,239	30,287	42,893	42,895
Rounding	1	-	-	-	-	-
Total assets	<u>27,593</u>	<u>26,423</u>	<u>43,222</u>	<u>43,291</u>	<u>70,815</u>	<u>69,714</u>
Long-term debt outstanding	3,299	3,455	18,403	19,787	21,702	23,242
Other liabilities	1,903	2,533	1,954	1,825	3,857	4,358
Rounding	1	-	-	-	1	-
Total liabilities	<u>5,203</u>	<u>5,988</u>	<u>20,357</u>	<u>21,612</u>	<u>25,560</u>	<u>27,600</u>
Net assets:						
Invested in capital assets, net of debt	10,198	9,003	13,389	13,260	23,587	22,263
Restricted:						
For capital purposes	175	817	-	-	175	817
Other purposes	789	838	618	539	1,407	1,377
Unrestricted	11,226	9,778	8,859	7,881	20,085	17,659
Rounding	2	(1)	-	(1)	2	(2)
Total net assets	<u>22,390</u>	<u>20,435</u>	<u>22,866</u>	<u>21,679</u>	<u>45,256</u>	<u>42,114</u>
Beginning net assets	20,435	19,613	21,679	19,749	42,114	39,362
Net increase	1,955	822	1,187	1,930	3,142	2,752
Ending net assets	\$ <u>22,390</u>	<u>20,435</u>	<u>22,866</u>	<u>21,679</u>	<u>45,256</u>	<u>42,114</u>

Net assets of Governmental Activities increased by \$1,954,770 from \$20,435,330 to \$22,390,100. The increase was the result of the City's deliberately conservative budgeting and spending practices: Actual 2003 revenues exceeded estimates, and expenditures were lower than budgeted. Other liabilities decreased because in 2002 there were additional accounts payable at year-end pertaining to the construction of the Oxford Community Park, which was completed in 2003. Capital assets increased in 2003 primarily as a result of expenditures on the new park.

Both Current assets and Net assets of Business-type Activities increased for the same reason as governmental unrestricted net assets: conservative financial practices led to actual revenues exceeding budgeted, and expenditures were less than appropriated. The increase in net assets is expected to be dedicated to investments capital assets for the Water and Sewer funds.

B. Governmental and Business-type Activities

The following table presents a condensed summary of the City's activities during 2003 and the resulting change in net assets.

Table 2
Changes in Net Assets (in thousands)

	<u>Governmental</u>		<u>Business-</u>		<u>Total</u>	
	<u>Activities</u>		<u>Type</u>			
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,264	1,128	6,976	7,361	8,240	8,489
Operating grants and contributions	494	379	-	-	494	379
Capital grants and contributions	274	83	71	298	345	381
Rounding	(1)	-	-	-	(1)	-
Total program revenues	<u>2,031</u>	<u>1,590</u>	<u>7,047</u>	<u>7,659</u>	<u>9,078</u>	<u>9,249</u>
General revenues:						
Income taxes	5,797	5,467	-	-	5,797	5,467
Property taxes	781	713	-	-	781	713
Other taxes	1,399	1,708	-	-	1,399	1,708
Grants and contributions not restricted to specific programs	105	150	-	-	105	150
Investment earnings	121	237	197	427	318	664
Miscellaneous (and rounding)	541	49	1	5	542	54
Total general revenues	<u>8,744</u>	<u>8,324</u>	<u>198</u>	<u>432</u>	<u>8,942</u>	<u>8,756</u>
Total revenues	<u>10,775</u>	<u>9,914</u>	<u>7,245</u>	<u>8,091</u>	<u>18,020</u>	<u>18,005</u>
Program expenses						
Security of persons and property	4,002	3,568	-	-	4,002	3,568
Public health services	120	129	-	-	120	129
Leisure time activities	1,002	1,149	-	-	1,002	1,149
Community environment	729	1,217	-	-	729	1,217
Transportation	1,401	1,228	-	-	1,401	1,228
General government	1,378	1,607	-	-	1,378	1,607
Interest on long-term debt	188	194	-	-	188	194
Water utility operations	-	-	2,062	2,361	2,062	2,361
Sewer utility operations	-	-	2,772	2,667	2,772	2,667
Refuse utility operations	-	-	1,224	1,133	1,224	1,133
Rounding	-	-	1	-	1	-
Total program expenses	<u>8,820</u>	<u>9,092</u>	<u>6,059</u>	<u>6,161</u>	<u>14,879</u>	<u>15,253</u>
Rounding	-	-	1	-	1	-
Increase in net assets	<u>\$ 1,955</u>	<u>822</u>	<u>1,187</u>	<u>1,930</u>	<u>3,141</u>	<u>2,752</u>

For Governmental Activities, significant changes from 2002 include additional Police operating grants for coordinating county-wide DUI checkpoints, and additional capital grants received for the construction of bike paths at the Community Park. Other taxes decreased due to a decline in estate taxes. The investment earnings decrease was the result of lower interest rates and decreased principal invested due to capital expenditures. Program expenses are discussed in the following section.

For Business-type Activities, charges for services declined due to a water conservation/expense reduction program implemented by the City's largest water/sewer utility customer, Miami University. Capital grants show a decrease because a \$200,000 capital grant was received in 2002 from Miami University for construction of water and sewer lines under Tallawanda Lane. The investment earnings decrease was the result of lower interest rates and decreased principal invested due to capital expenditures. Water utility costs declined because a debt refinancing in December 2002 resulted in an annual savings in interest expense of approximately \$200,000. Refuse costs increased because of a 4% cost increase for commercial customers, in accordance with the contract with the local refuse hauler.

1) Governmental activities

Table 3 presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 23% of the cost of the general government programs was recouped in program revenues in 2003 compared with 17% in 2002 and 19% in 2001. The increase in the percentage in 2003 is the result of some capital grants received for road and park projects. Security of Persons and Property costs increased 12% from \$3,568,000 to \$4,002,000 as a result of market-adjustment increases in salary costs under the police contract in addition to the general cost of living increase, plus increased overtime for officers and for dispatch personnel due to a general increase in calls. Community Environment activities decreased from \$1,217,000 to \$729,000. This was because in 2002 \$450,000 was provided to the Oxford Community Improvement Corporation (OCIC) for an economic development project.

Table 3
Governmental Activities (in thousands)

	<u>Total Cost of Services</u>		<u>Program Revenues</u>		<u>Net Cost of Services *</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Security of persons and property	\$ 4,002	3,568	394	284	3,608	3,284
Public health services	120	129	-	3	119	126
Leisure time activities	1,002	1,149	359	329	643	820
Community environment	729	1,217	476	227	253	990
Transportation	1,401	1,228	778	718	623	510
General government	1,378	1,607	23	29	1,355	1,578
Interest on long-term debt	188	194	-	-	188	194
Rounding	-	-	1	-	-	(1)
Total	\$ 8,820	9,092	2,031	1,590	6,789	7,502

* Crossfooted totals reflect rounding.

2) Business-type activities

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

Table 4
Business-type Activities (in thousands)

	<u>Total Cost of Services</u>		<u>Program Revenues</u>		<u>Net Revenue from Operations *</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Water utility operations	\$ 2,062	2,361	2,454	2,763	391	401
Sewer utility operations	2,772	2,667	3,319	3,660	547	994
Refuse utility operations	1,224	1,133	1,274	1,236	50	103
Rounding	1	-	-	-	-	-
Total	\$ 6,059	6,161	7,047	7,659	988	1,498

* Crossfooted totals reflect rounding.

The City's water and sewer utilities generated revenues in excess of operating expenditures in 2003 and 2002. The Net Revenue from Operations will be used to fund capital expenditures planned under the City's five-year Capital Improvement Plan. Revenues and expenses for Business-type activities are discussed in greater detail in the following section.

III. THE CITY'S INDIVIDUAL FUNDS

A. Governmental funds

The financial statements for the City's governmental funds, accounted for under the modified accrual basis of accounting, are presented beginning on page 16. The City has fourteen governmental funds, three of which are considered major funds: General Fund, Parking Fund, and the Capital Improvement Fund. Assets of these three funds at December 31, 2003 comprise \$14,341,312 (87%) of the total \$16,421,758 governmental funds assets. The following provides an analysis of these major funds.

	General Fund		Parking Fund		Capital Improvement Fund	
	2003	2002	2003	2002	2003	2002
Total assets	\$ 5,762	5,743	499	565	8,080	6,883
Total liabilities	<u>2,238</u>	<u>2,354</u>	<u>2,470</u>	<u>2,651</u>	<u>22</u>	<u>41</u>
Fund balance	<u>3,524</u>	<u>3,389</u>	<u>(1,971)</u>	<u>(2,086)</u>	<u>8,058</u>	<u>6,842</u>
Unreserved fund balance	<u>3,173</u>	<u>3,105</u>	<u>(1,978)</u>	<u>(2,105)</u>	<u>5,265</u>	<u>4,072</u>
Revenues	9,878	9,068	379	338	240	25
Expenditures	6,766	6,781	264	256	824	423
Rounding	-	(1)	-	(1)	-	-
Excess of revenues over (under) expenditures	3,112	2,286	115	81	(584)	(398)
Other financing sources (uses)	(2,977)	(3,059)	-	(20)	1,800	1,950
Rounding	-	(1)	-	(1)	-	-
Net change in fund balance	\$ <u>135</u>	<u>(773)</u>	<u>115</u>	<u>61</u>	<u>1,216</u>	<u>1,552</u>

General Fund. The fund balance at the end of 2003 was \$3,523,932, including \$3,173,063 of unreserved balance, which represents 33% of annual expenditures and other financing uses. The net remaining revenue in excess of expenditures for the year was \$3,111,529. From this, \$327,000 was transferred for annual debt service on the Parks Bonds and \$350,000 was transferred to the Street fund for funding Street fund operating expenses. Of the remaining \$2,434,529, \$1,800,000 was transferred to the Capital Improvement fund and \$500,000 was transferred to the Capital Equipment fund. For 2002, there was a total of \$2,450,000 remaining after expenditures including the debt and Street fund transfer that was transferred to the two capital funds. The \$3,111,529 unexpended amount in 2003 was the result of very conservative revenue estimates and conservative spending, recognizing the national economic slowdown. Actual revenues in excess of estimated revenues budgeted included \$372,000 of estate taxes in excess of budget. The City reduced the estate tax revenue budget, and therefore the amount it relies on funding annual expenses, to \$50,000 in 2003, anticipating the possible elimination of the estate tax by the State of Ohio. The unspent portion of appropriations for 2003 totaled \$338,193, which was comparable to last year's amount of \$384,000. Therefore, similar to 2002, conservative budgeting resulted in a large amount of capital transfers and an increase in the General fund balance in 2003.

Parking Fund. Liabilities reflect a no-interest interfund loan, originally \$2,700,312 in 2001, from the Capital Improvement Fund. The loan balance at year-end net of repayment was \$2,455,312. The funds were used in 2001 to construct a four-story parking garage with 224 spaces in uptown Oxford. The garage opened in October, 2001. Revenues increased in 2003, primarily due to increased use of the garage, while expenses increased only slightly. Revenues from future parking meter fees and fines and leased garage spaces will be the source for repayment of the interfund loan to the Capital Improvement Fund, anticipated to be over a 20-25 year period. The Parking Fund

shows a fund deficit because the capital asset (parking garage) is not reflected as an asset under modified accrual accounting, which would otherwise offset the interfund loan payable.

Capital Improvement Fund. Total fund balance at December 31, 2003 of \$8,057,844 includes the interfund loan receivable from the Parking Fund of \$2,455,312. Unreserved fund balance totals \$5,264,871. Other financing sources reflect the transfers during 2003 from the General Fund, totaling \$1,800,000. The primary expenditures during 2003 were for the annual street repaving program (\$299,069), the Fairfield Road extension (\$216,736), and the Tallawanda Lane Improvements (\$333,084).

B. Proprietary funds

1) Enterprise funds

The following table provides financial highlights regarding the City's three enterprise funds for its water, sewer and refuse utility operations. The information differs slightly from the government-wide proprietary fund information shown in section II. B. 2 in that the information below does not include the consolidation of internal service fund activity. For greater detail, please refer to the financial statements for the City's proprietary funds, which are presented beginning on page 20.

Table 6
Financial Highlights
Enterprise Funds (in thousands)

	<u>Water</u> <u>Fund</u>		<u>Sewer</u> <u>Fund</u>		<u>Refuse</u> <u>Fund</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Total assets	\$ 16,690	16,826	23,653	23,565	2,853	2,898
Total liabilities	8,314	8,890	7,957	8,489	4,085	4,233
Rounding	-	-	(1)	-	-	-
Total net assets	<u>8,376</u>	<u>7,936</u>	<u>15,695</u>	<u>15,076</u>	<u>(1,232)</u>	<u>(1,335)</u>
Unrestricted net assets	<u>3,889</u>	<u>3,804</u>	<u>6,218</u>	<u>5,455</u>	<u>(1,275)</u>	<u>(1,380)</u>
Operating revenues	2,416	2,570	3,286	3,560	1,274	1,236
Operating expenses	1,763	1,713	2,387	2,193	1,102	999
Net non-operating rev (exp)	(252)	(342)	(314)	(250)	(69)	77
Capital contributions	38	30	33	30	-	-
Rounding	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in net assets	<u>\$ 440</u>	<u>546</u>	<u>619</u>	<u>1,147</u>	<u>103</u>	<u>314</u>

Water Fund. Total assets changed marginally during the year with liabilities decreasing and net assets increasing as a result of annual debt payment and principal reduction.

Revenues declined from 2002, primarily the result of a water conservation and cost reduction program by Miami University, the largest utility customer comprising about 31% of total water sales. The University's water sales dropped 9% in 2003 from the previous year. Non-operating expenses also include \$292,000 for interest paid on mortgage revenue bonds.

Sewer Fund. The increase in net assets of \$619,542 reflects a solid margin, is also reflected in the increase of total unrestricted net assets to \$6,218,379. Much of this will be used for capital improvements. The City's five-year capital improvement plan includes projected costs of \$7,920,000 for Phase II of sewer plant and collection system engineering design and construction improvements and Phase III design costs under a plan determined under the direction of the Ohio EPA.

Revenues for sewer also declined for the same reason noted for the water revenue decline, a reduction of water usage by Miami University. Non-operating revenues included interest income of \$84,689, reflecting a decrease due to lower investment rates from \$114,000 in 2002, and from \$296,000 in 2001. Non-operating expenses of \$398,325 consist of interest paid on outstanding debt, comparable to \$434,800 in 2002.

Refuse Fund. The City contracts with a private vendor for refuse service provided to its customers. Total assets of \$2,852,954 reflect the accumulation of pooled cash and investments for funding working capital purposes. The cash and investments total of \$2,769,922 results primarily from the release in 2000 by the Ohio EPA of landfill post-closure trust funds. In 1996 the City 'environmentally' closed the municipal landfill and was required to set aside into a trust the current estimated cost for the next 30 years of post-closure landfill monitoring (which was \$1,500,000). The OEPA released the trust funds (with accumulated interest) in 2000 as a result of the City's ability to demonstrate sufficient equity and net asset reserves. These funds will be used in the future to fund annual operating and debt service costs, to be utilized over the next 12 years parallel with the remaining term of outstanding debt. At year-end, the City has outstanding debt of \$2,690,734, borrowed to fund the cost of the landfill closure in 1996. The final year of payment of this debt will be 2015. The net assets deficit of \$1,231,969 is the result of the closing of the landfill. In 1996 the City incurred costs of \$4 million to meet Ohio EPA regulation standards for the environmental closing of the municipal landfill. In accordance with GASB 18, these costs were expensed, hence resulting in the deficit in net assets. The long-term debt borrowed to fund the closure, payable through the year 2015, is reflected in the liabilities. The annual debt service is being funded through the refuse utility rates.

Operating expenses increased in 2003 compared to the prior year because of a 4% cost increase for commercial customers built into the contract with the local refuse hauler. The City raised its commercial rates by the same 4% for 2003 to pass through this cost increase. The City's contract with a vendor for refuse hauling provides for a 3% cost increase for 2002, 4% increase in 2003, and 5% for 2004 in costs billed to the City for non-residential customers. The City Council increased billing rates to its non-residential customers effective January of 2002, 2003, and 2004 to pass-through the contract cost increases.

Non-operating revenues include investment income of \$54,104 earned on invested cash, including the landfill post-closure funds. This compares with \$207,427 in 2002 and \$242,247 in 2001. The decrease was the result of the lower interest rate environment. Non-operating expenses of \$122,842 consist of interest paid on outstanding debt, comparable to \$130,298 in 2002.

2) Internal service funds

Net assets at year-end and activity for the year for the City's two internal service funds is reported in a combined column in the proprietary fund statements beginning on page 20. The financial condition of one of the internal service funds, the Employee Benefits (health insurance) Fund, deserves additional mention. The fund balance increased from a deficit of (\$74,329) to \$7,801 by year-end 2003. During 2003, revenues of \$889,329 exceeded operating expenses of \$808,033 by \$81,296. The operating income was the result of a significant changes to the employee health care program implemented effective the beginning of 2003. The City increased the monthly employee interfund billing rate from \$500 to \$600 for 2003 and made other changes to implement monthly employee health care contributions and increase employee co-payment percentages to restore the financial condition of the fund. Results through April 2004 show revenues exceeding expenses, therefore continuing to increase fund reserves.

IV. BUDGETED ACTIVITY AND ACTUAL RESULTS

The schedules comparing the City's original and final budgets and actual results are included in the required supplementary information for the General and Parking funds beginning on page 45. Other governmental funds with adopted budgets are presented in schedules on pages 65-76. The City underspent the appropriations for its funds in 2003. The City made the following significant changes to the original budget:

- An appropriation of \$320,000 from fund reserves in the Parks and Open Spaces fund for construction expenditures for the new community park.
- Transfers of accumulated General Fund reserves to the Capital Improvement fund (\$1,000,000) and to the Capital Equipment fund (\$200,000) (see further discussion under section VI, Economic Factors and Next Year's Budgets and Rates).

V. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

At the end of 2003, the City had \$42,892,791 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, a parking garage, and water and sewer lines and plant facilities. The capital assets do not reflect the investment in general government infrastructure made prior to 2001. (The City has not implemented the retroactive capitalization of general government infrastructure as part of the conversion to GASB Statement 34, but plans to do so for the 2005 financial statements.) More detailed information regarding the City's capital assets is presented in Notes 1 and 8 to the financial statements.

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

	Governmental		Business-		Total	
	Activities		Type			
	2003	2002	2003	2002	2003	2002
Land	\$ 1,623	1,623	369	369	1,992	1,992
Construction in progress	28	3,291	24	168	52	3,499
Buildings and improvements	9,238	5,442	6,770	7,194	16,008	12,636
Equipment	2,054	2,069	1,250	1,413	3,304	3,441
Infrastructure	711	184	20,826	21,143	21,537	21,327
Rounding	(1)	(1)	-		(1)	(1)
Total	\$ 13,653	12,608	29,239	30,287	42,892	42,895

This year's major additions included \$903,991 for the new community park, \$216,736 for extending the sidewalk on Fairfield Road west to connect to the Community Park, and \$333,084 for road improvements at the intersection of Tallawanda Lane and High Street.

During 2003, the City updated its prior year five-year capital improvement plan (CIP). The CIP serves as a planning document to provide general priorities for future capital investment in general, water, and sewer infrastructure, land, buildings, and equipment. The CIP serves as a general planning tool, to be updated annually to reflect current priority needs as determined by City Council. As updated in 2003, the total cost of planned investments in the CIP for the five years beginning 2004 was \$32,691,349. The plan represents the current 'wish list' for the next five years, and not necessarily all projects will be funded. Projects will be funded to the degree that cash and debt capacity are available at the planned date of implementation.

The City's 2004 operating budget calls for expenditures of \$4,482,000 for equipment and capital construction projects. The budget as prepared in the fall of 2003 included \$2,000,000 for the upgrade of North U.S. Route 27, but we have learned the related grant funding will not be received for several years and therefore this project will be deferred to 2006. The City has also budgeted \$300,000 for its annual street resurfacing program, \$625,000 for a fire pumper truck, and additional monies for normal replacement of police and other automobiles, trucks, and other major equipment.

B. Debt

Debt activity for 2003 consisted of scheduled principal and interest payments on existing debt. Total long term debt outstanding at year-end was \$23,916,148. The City has a total of seven individual debt issuances outstanding. The City has two general obligation debts outstanding. The Parks Improvement Bonds issued in 1999, with principal outstanding at year-end of \$3,430,000, are paid from the general fund revenues. The 2002 Water refunding bonds, with an outstanding balance of \$8,370,000 at year-end, are paid by Water Utility revenues. The City has individual debts borrowed by the Sewer (four) and Refuse (one) enterprise funds, payable from their respective utility

revenues. These borrowings were issued by the Ohio Water Development Authority for capital improvements between 1987 and 1998. Refer to Note 13 for additional debt information.

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

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

Governmental funds

The national economy continued to reflect the repercussions of an economic slowdown which began in 2000. Oxford was shielded from the effects of the slowdown from 2000-2002 because the primary employer, Miami University, was less subject to economic downturns because of its stable enrollment. But in 2003, the City received less income tax than budgeted by \$129,000. Fortunately, the City budgets conservatively and therefore, for most all other revenue line items actual revenues exceeded budget - in total for the General fund by \$831,647. Most of this came from estate taxes exceeding budget by \$372,307 and from the refund of \$450,000 which was given in 2002 to the OCIC for an economic development project which was not ultimately utilized. Actual expenses for the General fund came in under budget by \$340,711. The consequence of sound financial budgeting resulted in providing substantial funds remaining at year for additional transfer to capital funds. In December 2003, the City transferred an additional \$1,000,000 to the Capital Improvement fund and \$200,000 to the Capital Equipment fund. No new major operating programs were initiated in 2003, although minor changes were made so that City staff may continue seek ways to improve service delivery and operating and cost efficiencies. Major capital improvements budgeted for 2003 were discussed in Section V.

Thus far in 2004, income tax revenues continue to show little or no growth over 2003. As a result, management has begun to implement changes to increase efforts toward income tax revenue collections. The City has also seen major cost increases in gasoline and diesel fuel, property and casualty insurance, gas heat and employee health insurance costs. This made budgeting for 2004 more difficult, but the City was able to incorporate the increased costs in the 2004 budget.

Enterprise funds

Water and Sewer revenue declined in 2003 because the City's largest utility customer, Miami University, implemented a cost containment and conservation program pertaining to water usage. Meanwhile water rates, which have not increased since June 1990, were studied in the spring of 2004 with the intent to propose a rate increase in the fourth quarter of 2004. Sewer rates continue to provide adequate funding for operating and debt service costs. Additionally, sewer rates are generating sufficient revenues to continue setting aside funds for future planned wastewater treatment plant capital improvements. The current revenue and costs trends for the Sewer fund continue to generate funds for Phase II improvements, as demonstrated by the unrestricted fund balance of \$6,291,083 at year-end. Under a master plan as accepted by the Ohio EPA, and as included in its 2003 5-year capital improvement plan, the City expects to incur an estimated \$7,920,000 for Phase II of improvements to the sewer plant and for Phase II engineering design. Sewer rates were last increased in March 1997 to fund approximately \$9 million of debt borrowed to fund Phase I improvements and to generate funds for Phase II improvements. Refuse rates for non-residential customers were increased in January, 2003 and 2004, passing through the 4% and 5% (respectively) increase in costs for commercial customers from the private contractor's contract (there was no increase for residential customers). Year 2004 is the third of three option years under the existing contract with the refuse hauler. This contract will expire in December, 2004 and it is anticipated that bids received later in 2004 could possibly result in cost increases beginning in 2005. If so, it is expected that refuse billing rates will be increased to pass through the costs to the customers.

Employee benefits (health insurance) fund

In recent years, the Employee Benefits (health insurance) internal service fund had continued to experience health care cost increases in excess of amounts billed to the interfund departments, including during 2003. A study was completed during 2002 using an outside consultant to determine appropriate changes to the funding levels and benefits of the plan. These changes were implemented effective in January, 2003. The City increased its funding to the internal service fund from the operating funds in 2003 from \$500 per employee per month to \$600, and to \$650 for 2004. The 2003 and 2004 budgeted revenues of the affected funds (General, Parking, Street, Water, Sewer, and Refuse funds) were sufficient to absorb this cost increase. Medical coverage under the plan was not significantly changed, and there were no changes to coverages under the vision or dental plans. Monthly employee contributions were instituted in 2003, the deductible levels were increased from \$100 to \$200 per each family member (capped at

three family members), and co-payment levels were increased from 10% to 20% with the annual limit increased to \$2,500. The City's stop loss level was increased from \$25,000 to \$35,000 in 2003, and insurance premiums from various health insurance stop loss carriers were solicited to obtain the most cost-effective choice. As a result, actual costs on a budgetary per employee were \$664 per month. This compares favorably to City funding in 2003 on a budgetary basis of \$650 per month, plus the funding from employee contributions. During 2003 and continuing into 2004, the changes have been effective in reducing costs and increasing revenues. On the budgetary basis, the fund balance in the health insurance fund has increased from \$63,109 at December 31, 2003 to \$224,916 for April, 2004, but it is important to note that the trend has been that costs have been lower during the first half of the year.

VII. REQUESTS FOR ADDITIONAL INFORMATION

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



Thomas R. Peterson, CPA, CPFO, CGFM
Finance Director
April 26, 2004



Heidi Hill
Accounting Manager

CITY OF OXFORD, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Pooled cash and investments	\$ 10,986,174	13,199,152	24,185,326
Receivables:			
Taxes	1,782,034	-	1,782,034
Accounts	72,407	472,316	544,723
Special assessments	17,947	19,482	37,429
Loans	35,831	-	35,831
Interest	36,340	58,660	95,000
Due from other governments	926,211	-	926,211
Prepaid items	37,490	20,655	58,145
Supplies inventory	71,420	131,254	202,674
Internal balances	(26,364)	26,364	-
Deferred charges	-	55,069	55,069
Capital assets, net	13,653,338	29,239,453	42,892,791
Total assets	<u>27,592,828</u>	<u>43,222,405</u>	<u>70,815,233</u>
Liabilities			
Accounts payable	190,740	197,294	388,034
Accrued salaries and benefits	262,942	59,404	322,346
Due to other governments	98,376	26,612	124,988
Deferred revenue	771,587	-	771,587
Accrued interest payable	15,000	21,263	36,263
Noncurrent liabilities:			
Due within one year	564,604	1,649,535	2,214,139
Due in more than one year	3,299,479	18,402,530	21,702,009
Total liabilities	<u>5,202,728</u>	<u>20,356,638</u>	<u>25,559,366</u>
Net Assets			
Invested in capital assets, net of related debt	10,198,505	13,388,790	23,587,295
Restricted for:			
Capital projects	175,339	-	175,339
Other purposes	789,458	618,471	1,407,929
Unrestricted	11,226,798	8,858,506	20,085,304
Total net assets	<u>\$ 22,390,100</u>	<u>22,865,767</u>	<u>45,255,867</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental activities:							
Security of persons and property	\$ 4,001,941	271,299	122,798	-	(3,607,844)	-	(3,607,844)
Public health services	119,514	150	-	-	(119,364)	-	(119,364)
Leisure time activities	1,002,450	230,979	19,053	109,025	(643,393)	-	(643,393)
Community environment	729,345	231,190	80,769	164,500	(252,886)	-	(252,886)
Transportation	1,401,055	506,871	271,224	-	(622,960)	-	(622,960)
General government	1,378,313	23,486	-	-	(1,354,827)	-	(1,354,827)
Interest on long-term debt	187,761	-	-	-	(187,761)	-	(187,761)
Total governmental activities	8,820,379	1,263,975	493,844	273,525	(6,789,035)	-	(6,789,035)
Business-type activities:							
Water	2,062,456	2,415,535	-	38,000	-	391,079	391,079
Sewer	2,772,287	3,286,386	-	33,400	-	547,499	547,499
Refuse	1,223,886	1,273,687	-	-	-	49,801	49,801
Total business-type activities	6,058,629	6,975,608	-	71,400	-	988,379	988,379
Total	\$ 14,879,008	8,239,583	493,844	344,925	(6,789,035)	988,379	(5,800,656)
General revenues:							
Taxes:							
Income taxes					5,796,651	-	5,796,651
Property taxes					780,850	-	780,850
Other taxes					1,398,993	-	1,398,993
Grants and contributions not restricted to specific programs					104,841	-	104,841
Investment earnings					120,765	197,200	317,965
Miscellaneous					541,705	943	542,648
Total general revenues					8,743,805	198,143	8,941,948
Change in net assets					1,954,770	1,186,522	3,141,292
Net assets beginning of year					20,435,330	21,679,245	42,114,575
Net assets end of year					\$ 22,390,100	22,865,767	45,255,867

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

	General Fund	Parking Fund	Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 3,015,773	492,775	5,539,165	1,813,350	10,861,063
Receivables:					
Taxes	1,782,034	-	-	-	1,782,034
Accounts	54,569	-	-	15,750	70,319
Special assessments	-	-	17,947	-	17,947
Loans	-	-	-	35,831	35,831
Interest	36,340	-	-	-	36,340
Due from other governments	704,937	-	67,737	153,537	926,211
Prepays	18,344	6,379	-	-	24,723
Supplies inventory	-	-	-	61,978	61,978
Advances to other funds	150,000	-	2,455,312	-	2,605,312
Total assets	5,761,997	499,154	8,080,161	2,080,446	16,421,758
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	70,592	-	4,370	40,101	115,063
Accrued salaries and benefits	244,355	5,901	-	12,686	262,942
Due to other governments	89,082	2,291	-	7,003	98,376
Advances from other funds	-	2,455,312	-	150,000	2,605,312
Deferred revenue	1,834,036	6,480	17,947	170,831	2,029,294
Total liabilities	2,238,065	2,469,984	22,317	380,621	5,110,987
Fund balances:					
Reserved for:					
Encumbrances	182,525	1,144	337,661	149,339	670,669
Advance	150,000	-	2,455,312	-	2,605,312
Inventory	-	-	-	61,978	61,978
Prepays	18,344	6,379	-	-	24,723
Unreserved, reported in:					
General Fund	3,173,063	-	-	-	3,173,063
Special Revenue Funds	-	(1,978,353)	-	614,502	(1,363,851)
Capital Projects Funds	-	-	5,264,871	874,006	6,138,877
Total fund balances	3,523,932	(1,970,830)	8,057,844	1,699,825	11,310,771
Total liabilities and fund balances	\$ 5,761,997	499,154	8,080,161	2,080,446	16,421,758

See accompanying notes to the basic financial statements.

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

December 31, 2003

Total governmental fund balances	\$ 11,310,771
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,649,347
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Income taxes receivable	396,550
Intergovernmental and other receivables	861,157
Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	51,358
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
General obligation bonds	(3,430,000)
Capital lease obligations	(24,833)
Compensated absences	(409,250)
Accrued interest on long-term debt	<u>(15,000)</u>
Net assets of governmental activities	\$ <u>22,390,100</u>

CITY OF OXFORD, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2003

	General Fund	Parking Fund	Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:					
Property and other taxes	\$ 785,100	-	-	-	785,100
Municipal income taxes	6,035,339	-	-	-	6,035,339
Intergovernmental	1,286,633	-	232,237	390,122	1,908,992
Charges for services	530,825	304,420	-	52,383	887,628
Fines, costs and forfeitures	266,284	66,241	-	3,435	335,960
Licenses, permits and inspections	353,467	-	-	-	353,467
Special assessments	-	-	7,374	-	7,374
Interest	105,142	7,474	-	18,165	130,781
Contributions	53,996	-	-	139,159	193,155
Other	460,872	829	-	4,122	465,823
Total revenues	<u>9,877,658</u>	<u>378,964</u>	<u>239,611</u>	<u>607,386</u>	<u>11,103,619</u>
Expenditures:					
Current:					
Security of persons and property	3,620,767	-	-	34,433	3,655,200
Public health services	119,514	-	-	-	119,514
Leisure time activities	1,001,366	-	-	-	1,001,366
Community environment	590,561	-	-	118,467	709,028
Transportation	-	264,169	-	630,115	894,284
General government	1,420,844	-	-	-	1,420,844
Capital outlay	-	-	823,827	1,110,894	1,934,721
Debt Service:					
Principal retirement	10,354	-	-	140,000	150,354
Interest and fiscal charges	2,723	-	-	188,466	191,189
Total expenditures	<u>6,766,129</u>	<u>264,169</u>	<u>823,827</u>	<u>2,222,375</u>	<u>10,076,500</u>
Excess of revenues over (under) expenditures	<u>3,111,529</u>	<u>114,795</u>	<u>(584,216)</u>	<u>(1,614,989)</u>	<u>1,027,119</u>
Other financing sources (uses):					
Transfers in	-	-	1,800,000	1,176,763	2,976,763
Transfers out	(2,976,763)	-	-	-	(2,976,763)
Total other financing sources (uses)	<u>(2,976,763)</u>	<u>-</u>	<u>1,800,000</u>	<u>1,176,763</u>	<u>-</u>
Net change in fund balances	134,766	114,795	1,215,784	(438,226)	1,027,119
Fund balance, beginning of year	3,389,166	(2,085,625)	6,842,060	2,167,117	10,312,718
Increase (decrease) in reserve for inventory	-	-	-	(29,066)	(29,066)
Fund balance, end of year	<u>\$ 3,523,932</u>	<u>(1,970,830)</u>	<u>8,057,844</u>	<u>1,699,825</u>	<u>11,310,771</u>

See accompanying notes to the basic financial statements.

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

December 31, 2003

Net change in fund balances - total governmental funds	\$ 1,027,119
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	1,650,510
Depreciation expense	(604,381)
 Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Income taxes	(84,987)
Intergovernmental and other revenue	(175,632)
Interest	(11,754)
 Repayment of bond principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets.	
	140,000
 Repayment of capital lease principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets.	
	10,354
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	705
 Loan repayments are reported as revenues in the governmental funds but are assets in the statement of net assets.	
	(49,783)
 Some expenses reported in the statement of activities, such as compensated absences do not require the use current financial resources and therefore are not reported as expenditures in governmental funds.	
	(3,403)
 Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	
	<u>56,022</u>
 Change in net assets of governmental activities	 \$ <u>1,954,770</u>

CITY OF OXFORD, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003

	Business-type Activities				Governmental
	Water	Sewer	Refuse	Totals	Activities - Internal Service Funds
<i>Assets</i>					
Current assets:					
Equity in pooled cash and investments	\$ 4,100,244	6,328,986	2,769,922	13,199,152	125,111
Receivables:					
Accounts	195,780	272,502	4,034	472,316	2,088
Special assessments	-	19,482	-	19,482	-
Interest	13,563	20,935	24,162	58,660	-
Prepaid items	9,275	-	11,380	20,655	12,767
Materials and supplies inventory	103,560	27,694	-	131,254	9,442
Deferred charges	55,069	-	-	55,069	-
Total current assets	4,477,491	6,669,599	2,809,498	13,956,588	149,408
Noncurrent assets:					
Capital assets, net	12,212,822	16,983,175	43,456	29,239,453	3,991
Total non-current assets	12,212,822	16,983,175	43,456	29,239,453	3,991
Total assets	16,690,313	23,652,774	2,852,954	43,196,041	153,399
<i>Liabilities</i>					
Current liabilities:					
Accounts payable	71,101	47,679	78,514	197,294	-
Accrued salaries and benefits	26,850	29,652	2,902	59,404	-
Due to other governments	11,450	13,914	1,248	26,612	-
Claims payable	-	-	-	-	75,677
Accrued interest payable	21,263	-	-	21,263	-
Current portion of long term debt	675,000	579,155	184,784	1,438,939	-
Total current liabilities	805,664	670,400	267,448	1,743,512	75,677
Noncurrent liabilities:					
Long term debt	7,408,632	7,187,876	2,505,950	17,102,458	-
Landfill post-closure care payable	-	-	1,300,072	1,300,072	-
Compensated absences payable	100,118	99,025	11,453	210,596	-
Total noncurrent liabilities	7,508,750	7,286,901	3,817,475	18,613,126	-
Total liabilities	8,314,414	7,957,301	4,084,923	20,356,638	75,677
<i>Net Assets</i>					
Invested in capital assets, net of related debt	4,129,190	9,216,144	43,456	13,388,790	-
Restricted for other purposes	357,521	260,950	-	618,471	-
Unrestricted	3,889,188	6,218,379	(1,275,425)	8,832,142	77,722
Total net assets	\$ 8,375,899	15,695,473	(1,231,969)	22,839,403	77,722
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				26,364	
Total net assets from above				22,839,403	
Net assets of business-type activities				\$ 22,865,767	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2003

	Business-type Activities				Governmental
	Water	Sewer	Refuse	Totals	Activities - Internal Service Funds
Operating revenues:					
Charges for services	\$ 2,415,535	3,286,386	1,273,687	6,975,608	995,421
Other	943	-	-	943	-
Total operating revenues	<u>2,416,478</u>	<u>3,286,386</u>	<u>1,273,687</u>	<u>6,976,551</u>	<u>995,421</u>
Operating expenses:					
Personnel services	849,368	1,008,461	89,995	1,947,824	-
Contractual services	311,650	505,151	920,783	1,737,584	197,748
Supplies and materials	134,261	80,908	4,910	220,079	107,827
Other	69,947	10,469	84,526	164,942	-
Claims	-	-	-	-	610,285
Depreciation	397,361	781,619	1,959	1,180,939	726
Total operating expenses	<u>1,762,587</u>	<u>2,386,608</u>	<u>1,102,173</u>	<u>5,251,368</u>	<u>916,586</u>
Operating income (loss)	653,891	899,778	171,514	1,725,183	78,835
Non-operating revenues (expenses):					
Interest revenue	58,407	84,689	54,104	197,200	1,738
Interest expense and fiscal charges	(310,645)	(398,325)	(122,842)	(831,812)	-
Total non-operating revenues (expenses)	<u>(252,238)</u>	<u>(313,636)</u>	<u>(68,738)</u>	<u>(634,612)</u>	<u>1,738</u>
Income (loss) before contributions	401,653	586,142	102,776	1,090,571	80,573
Capital contributions	38,000	33,400	-	71,400	-
Change in net assets	439,653	619,542	102,776	1,161,971	80,573
Net assets, beginning of year	<u>7,936,246</u>	<u>15,075,931</u>	<u>(1,334,745)</u>		<u>(2,851)</u>
Net assets, end of year	\$ <u>8,375,899</u>	<u>15,695,473</u>	<u>(1,231,969)</u>		<u>77,722</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				24,551	
Changes in net assets of business-type activities			\$	<u>1,186,522</u>	

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2003

	Business-type Activities				Governmental
	Water	Sewer	Refuse	Totals	Activities - Internal Service Funds
Cash flows from operating activities:					
Cash received from customers	\$ 2,454,931	3,357,322	1,272,053	7,084,306	2,931
Cash receipts from interfund services provided	-	-	-	-	990,402
Cash payments for employee services and benefits	(838,033)	(1,005,320)	(90,250)	(1,933,603)	-
Cash payments to suppliers for goods and services	(434,517)	(570,597)	(919,041)	(1,924,155)	(309,074)
Cash payments for employee medical claims	-	-	-	-	(629,427)
Cash payments for landfill post-closure	-	-	(48,336)	(48,336)	-
Cash payments for other operating expenses	(18,907)	(19,069)	(4,744)	(42,720)	-
Cash received from other operating revenue	943	-	-	943	-
Net cash provided by operating activities	<u>1,164,417</u>	<u>1,762,336</u>	<u>209,682</u>	<u>3,136,435</u>	<u>54,832</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(80,123)	(53,350)	-	(133,473)	-
Principal payments	(655,000)	(547,458)	(177,001)	(1,379,459)	-
Interest paid	(294,134)	(398,325)	(122,842)	(815,301)	-
Capital contribution for capacity	38,000	33,400	-	71,400	-
Capital contributed by special assessments	-	8,888	-	8,888	-
Net cash used by capital and related financing activities	<u>(991,257)</u>	<u>(956,845)</u>	<u>(299,843)</u>	<u>(2,247,945)</u>	<u>-</u>
Cash flows from investing activities:					
Interest	<u>62,135</u>	<u>88,071</u>	<u>64,296</u>	<u>214,502</u>	<u>1,738</u>
Net change	235,295	893,562	(25,865)	1,102,992	56,570
Cash and pooled investments beginning of year	<u>3,864,949</u>	<u>5,435,424</u>	<u>2,795,787</u>	<u>12,096,160</u>	<u>68,541</u>
Cash and pooled investments end of year	<u>4,100,244</u>	<u>6,328,986</u>	<u>2,769,922</u>	<u>13,199,152</u>	<u>125,111</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	653,891	899,778	171,514	1,725,183	78,835
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	397,361	781,619	1,959	1,180,939	726
Changes in assets and liabilities:					
Receivables	39,396	70,936	(1,634)	108,698	3,518
Prepaid items	(4,780)	447	8,914	4,581	1,075
Materials and supplies inventory	10,556	(6,430)	-	4,126	1,658
Accounts payable	56,658	12,845	1,135	70,638	(6,232)
Claims payable	-	-	-	-	(24,748)
Accrued salaries and benefits	1,914	2,396	279	4,589	-
Due to other governments	(8,816)	(8,329)	(791)	(17,936)	-
Compensated absences payable	18,237	9,074	257	27,568	-
Landfill post-closure liability	-	-	28,049	28,049	-
Net cash provided (used) by operating activities	\$ <u>1,164,417</u>	<u>1,762,336</u>	<u>209,682</u>	<u>3,136,435</u>	<u>54,832</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2003

		<u>Agency Funds</u>
<i>Assets</i>		
Pooled cash and investments	\$	17,685
Receivables:		
Taxes		<u>6,485</u>
Total assets		<u>24,170</u>
<i>Liabilities</i>		
Due to others		<u>24,170</u>
Total liabilities	\$	<u>24,170</u>

See accompanying notes to the basic financial statements.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

The City is associated with McCullough-Hyde Hospital, Inc., which is defined as a related organization (Note 18).

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

B. Basis of Presentation

Government-wide Financial Statements

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

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

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

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

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Fund Financial Statements

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

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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

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

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

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

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

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

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

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Additionally, the City reports the following fund types:

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

Agency Funds - to account for assets held in a fiduciary capacity on behalf of others.

C. Basis of Accounting

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

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

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

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

Current and delinquent property taxes measurable as of December 31, 2003, whose availability is indeterminable and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside the available period, the entire amount has been deferred.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

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

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

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

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

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

D. Pooled Cash and Investments

Cash balances of the City's funds, except restricted cash held by a trustee or fiscal agent, are pooled and invested to improve cash management. For purposes of the statement of cash flows, investments with original maturities of three months or less are considered to be cash equivalents. GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments be recorded at their fair value and that changes in the fair value be reported in the operating statement. Interest earned by the City is distributed to the funds according to City Ordinance. Interest earned during 2003 amounted to approximately \$320,000.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

F. Supplies Inventory

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

G. Capital Assets

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

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

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

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

H. Deferred Charges

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

I. Compensated Absences

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

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

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

J. Reservations of Fund Balances

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

K. Accounting Estimates

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

L. Grants and Other Intergovernmental Revenues

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 2 – FUND DEFICITS

At December 31, 2003, the Refuse Fund had deficit net assets of \$1,231,969. The Refuse Fund deficit reflects the expense to operations in previous years to properly account for the landfill closure and post-closure liability in accordance with GASB 18. This fund deficit will be eliminated over time by increased rates charged for solid waste removal. Also, the Parking Fund has a deficit fund balance of \$1,970,830 is due to interfund borrowing for the construction of the new parking garage. Finally, the Community Development Block Grant Fund had a deficit fund balance of \$47,530, which was created by the application of generally accepted accounting principles in regards to the advance from the General Fund.

NOTE 3 - POOLED CASH AND INVESTMENTS

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

Cash Deposits - At year-end, the carrying amount of the City's deposits was \$1,800,209 and the bank balance was \$2,021,906. Of the bank balance, \$124,824 was covered by federal depository insurance. The remaining amounts are considered uninsured and uncollateralized as defined by GASB 3. However, the State of Ohio has established by statute a collateral pooling system for financial institutions acting as public depositories. Public depositories must pledge qualified securities with fair values greater than the total amount of all public deposits to be secured by the collateral pool. At year-end, the City had deposits of \$1,897,082 covered by collateral pools.

Investments - In accordance with State statutes and City ordinance, the City may invest in the State Treasury Asset Reserve of Ohio (STAROhio), certificates of deposit, repurchase agreements, U.S. Treasury bills and notes, U.S. Government Agency securities, bonds and other obligations of the State of Ohio, bankers acceptances and commercial paper of the highest rating. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of debt for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City. Investments may only be made through eligible dealers and institutions as approved by City Council.

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

	<u>Fair Value</u>	<u>Risk Category</u>
U.S. Treasury Notes	\$ 1,613,158	Category 2
Federal National Mortgage Assoc. Notes	7,620,543	Category 2
Federal Home Loan Bank Notes	7,009,122	Category 2
Federal Home Loan Mortgage Corp. Notes	6,140,673	Category 2
Treasury Mutual Funds	<u>19,306</u>	Unclassified
	\$ <u>22,402,802</u>	

NOTE 4 - LOANS RECEIVABLE

Loans receivable consist of low-interest loans for development projects granted to eligible businesses under the Community Development Block Grant (CDBG) program. The amount of loans outstanding at December 31, 2003 is \$35,831 and is considered fully collectible.

NOTE 5 - PROPERTY TAXES

Property taxes are levied against all real, public utility and tangible (used in business) property located in the City. Real property and public utility taxes collected during 2003 were levied on December 31, 2002 on assessed values listed as of January 1, 2002, the lien date. One-half of these taxes were due on February 15, 2003 with the remaining balance due on July 20, 2003. Tangible personal property taxes collected during 2003 had a levy date of December 31, 2002. One-half of these taxes were due between February 15, 2003 and April 30, 2003, with the remaining balance due on October 20, 2003.

Assessed values of real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years with equalization adjustments in the third year following reappraisal. The most recent revaluation was completed in 2002. Public utility property taxes are assessed on tangible personal property as well as land improvements at true value (50% of cost). Tangible personal property assessments are 25% of true value.

The Butler County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Oxford. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2003, was \$3.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property Assessed Valuation	\$	200,360,510
Public Utility Real Property Assessed Valuation		7,055,870
Tangible Personal Property Assessed Valuation		<u>11,081,358</u>
Total	\$	<u>218,497,738</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 6 - INCOME TAX

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

Income tax proceeds are used for general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by the Council. In 2003, the proceeds were receipted to the General Fund.

NOTE 7 - INTERFUND ASSETS/LIABILITIES

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 150,000	-
Parking Fund	-	2,455,312
Capital Improvement Fund	2,455,312	
Non-major governmental fund	<u> -</u>	<u> 150,000</u>
	<u>\$ 2,605,312</u>	<u>2,605,312</u>

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,622,731	-	-	1,622,731
Construction in progress	3,291,210	18,600	(3,282,283)	27,527
Subtotal	<u>4,913,941</u>	<u>18,600</u>	<u>(3,282,283)</u>	<u>1,650,258</u>
<i>Capital assets being depreciated:</i>				
Buildings	5,162,209	522,119	-	5,684,328
Improvements	1,871,838	3,454,634	-	5,326,472
Equipment	4,145,724	409,309	(27,676)	4,527,357
General infrastructure	189,082	536,183	-	725,265
Subtotal	<u>11,368,853</u>	<u>4,922,245</u>	<u>(27,676)</u>	<u>16,263,422</u>
Totals at historical cost	<u>16,282,794</u>	<u>4,940,845</u>	<u>(3,309,959)</u>	<u>17,913,680</u>
Less accumulated depreciation:				
Buildings	1,153,454	85,060	-	1,238,514
Improvements	440,017	93,789	-	533,806
Equipment	2,076,119	417,202	(19,624)	2,473,697
General infrastructure	5,269	9,056	-	14,325
Total accumulated depreciation	<u>3,674,859</u>	<u>605,107</u>	<u>(19,624)</u>	<u>4,260,342</u>
Capital assets, net	<u>\$ 12,607,935</u>	<u>4,335,738</u>	<u>(3,290,335)</u>	<u>13,653,338</u>

Depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$ 237,247
Leisure time activities	48,277
Community environment	110,666
Transportation	132,585
General government	76,332
Total depreciation expense	<u>\$ 605,107</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 368,605	-	-	368,605
Construction in progress	168,287	24,300	(168,287)	24,300
Subtotal	<u>536,892</u>	<u>24,300</u>	<u>(168,287)</u>	<u>392,905</u>
<i>Capital assets being depreciated:</i>				
Buildings	8,384,846	-	-	8,384,846
Improvements	7,949,921	19,660	-	7,969,581
Equipment	3,831,590	21,164	(24,986)	3,827,768
Infrastructure	26,435,767	236,636	-	26,672,403
Subtotal	<u>46,602,124</u>	<u>277,460</u>	<u>(24,986)</u>	<u>46,854,598</u>
Totals at historical cost	<u>47,139,016</u>	<u>301,760</u>	<u>(193,273)</u>	<u>47,247,503</u>
Less accumulated depreciation:				
Buildings	2,654,756	208,527	-	2,863,283
Improvements	6,486,095	235,154	-	6,721,249
Equipment	2,392,682	209,875	(24,986)	2,577,571
Infrastructure	5,318,564	527,383	-	5,845,947
Total accumulated depreciation	<u>16,852,097</u>	<u>1,180,939</u>	<u>(24,986)</u>	<u>18,008,050</u>
Capital assets, net	<u>\$ 30,286,919</u>	<u>(879,179)</u>	<u>(168,287)</u>	<u>29,239,453</u>

Depreciation expense was charged to segments as follows:

Water	\$ 397,361
Sewer	781,619
Refuse	1,959
Total depreciation expense	<u>\$ 1,180,939</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 9 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City contributes to the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans as described below:

- The Traditional Pension Plan – a cost-sharing multiple-employer defined benefit pension plan.
- The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings thereon.
- The Combined Plan – a cost sharing multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members and of the Traditional Plan and Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans discussed above. Separate divisions for law enforcement and public safety exist only within the Traditional Plan. The 2003 member contribution rates were 8.5% of their annual salary for members in classifications other than law enforcement and public safety. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs, and township police contributed at a rate of 10.1%. Public safety division members contributed at 9%. The City was required to contribute 13.55% of covered payroll for employees and 16.70% for employees engaged in law enforcement and public safety. The City's required contributions to OPERS for the years ended December 31, 2003, 2002, and 2001 were approximately \$527,000, \$491,000, and \$460,000, respectively, equal to the required contributions for each year.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 10% of their annual covered salary while the City is required to contribute 19.5% and 24%, respectively for police officers and firefighters. The City's required contributions to the Fund for the years ended December 31, 2003, 2002, and 2001 were approximately \$314,000, \$301,000, and \$270,000, respectively, equal to the required contributions for each year.

NOTE 10 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to qualifying members of both the Traditional and Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2003 employer contribution rate was 13.55% of covered payroll for employees not engaged in law enforcement; 5.0% was the portion that was used to fund health care for the year. The 2003 employer contribution rate was 16.70% and 5.0% was used to fund health care for both the law enforcement and public safety divisions.

Actuarial Review. The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2002.

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

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

Investment Return. The investment assumption rate for 2002 was 8.00%.

Active Employee Total Payroll. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care. Health care costs were assumed to increase 4.00% annually.

The OPEB's are advance-funded on an actuarially determined basis. The number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The portion of the City's contributions that were used to fund postemployment benefits was approximately \$194,000. At December 31, 2002, the actuarial value of the Retirement System's net assets available for OPEB was \$10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

Ohio Police and Fire Pension Fund

The Ohio and Police Fire Pension Fund (OP&F) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program in 2003.

In addition, retirees and survivors are required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The number of participants eligible to receive health care benefits as of December 31, 2002, (the latest information available) was 13,527 for police and 10,396 for firefighters. The Fund's total health care expenses for the year ended December 31, 2002 were \$141 million, which was net of member contributions of \$12.6 million. The City's actual contributions for 2003 that were used to fund OPEB were approximately \$125,000.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 11 – OTHER EMPLOYEE BENEFITS

Deferred Compensation Plans

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

Compensated Absences

Accumulated Unpaid Vacation and Compensatory Time

City employees earn vacation leave at varying rates based upon length of service. They may earn compensatory time at one and one-half times their regular rate of pay in lieu of overtime pay for all hours worked in excess of the 40-hour workweek. In the case of death or separation from employment, an employee (or their estate) is paid for any unused vacation or compensatory leave. The obligation for accrued unpaid vacation and compensatory time for the City as a whole amounted to \$383,559 at December 31, 2003.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 10 hours a month. Sick leave is cumulative without limit. In the event of death or separation, a non-police employee (or their estate) is paid one-third of their accumulated sick leave up to a maximum of 1,200 hours. Police officers grandfathered per the contract beginning January 1, 1992 may convert their first 600 hours at one-half and an additional 600 hours at a one-to-one ratio. During the month of April, all other employees have the option to convert a maximum of 1,200 hours of sick leave to cash at a five-to-one ratio. This payout option requires an employee to retain a 240 hour sick leave balance. The obligation for accrued unpaid sick leave for the City as a whole amounted to \$236,285 at December 31, 2003.

NOTE 12 - RISK MANAGEMENT

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

The City has established a medical self-insurance fund. The purpose of this fund is to pay medical claims of employees and their covered dependents and minimize the total cost of annual medical insurance to the City. Medical claims exceeding \$35,000 per individual or \$693,000 in the aggregate in a given year are covered through a private insurance carrier.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

The claims liability of \$75,677 reported in the fund at December 31, 2003 is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for the past two years were:

		<u>2003</u>	<u>2002</u>
Unpaid claims, beginning of year	\$	100,425	71,152
Incurred claims (including IBNR)		610,285	705,800
Claim payments		<u>(635,033)</u>	<u>(676,527)</u>
 Unpaid claims, end of year	 \$	 <u>75,677</u>	 <u>100,425</u>

NOTE 13 - LONG-TERM LIABILITIES

The following is a summary of changes during 2003 and balances for long-term liabilities of the City as of December 31, 2003:

		<u>Balance</u>		<u>Balance</u>	<u>Due</u>
		<u>January 1,</u>		<u>December</u>	<u>Within</u>
		<u>2003</u>	<u>Additions</u>	<u>31, 2003</u>	<u>One Year</u>
			<u>Reductions</u>		
Governmental activities:					
General Obligation Bonds					
1999 Park Improvement,					
1999-2019, 3.9% to 5.55%	\$	3,570,000	-	140,000	3,430,000
Capital lease obligations		35,187	-	10,354	24,833
Compensated absences		<u>434,913</u>	<u>481,338</u>	<u>507,001</u>	<u>409,250</u>
 Total	 \$	 <u>4,040,100</u>	 <u>481,338</u>	 <u>657,355</u>	 <u>3,864,083</u>
				<u>409,250</u>	<u>564,604</u>

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

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

	Balance January 1, <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2003	Due Within <u>One Year</u>
Business-type activities:					
Water Fund:					
General Obligation Bonds:					
2002 Water Supply System					
2003-2014, 1.75% to 3.9%	\$ 9,025,000	-	655,000	8,370,000	675,000
Less deferred amount on refunding	<u>(312,402)</u>	<u>-</u>	<u>26,034</u>	<u>(286,368)</u>	<u>-</u>
Subtotal	<u>8,712,598</u>	<u>-</u>	<u>681,034</u>	<u>8,083,632</u>	<u>675,000</u>
Sewer Fund:					
1987 OWDA Loan 7.73%	1,823,503	-	250,261	1,573,242	269,606
1997 OWDA Loan 4.12%	545,454	-	28,156	517,298	29,328
1997 OWDA Loan 4.12%	5,675,864	-	256,704	5,419,160	267,388
1998 OWDA Loan 3.98%	<u>269,668</u>	<u>-</u>	<u>12,337</u>	<u>257,331</u>	<u>12,833</u>
Subtotal	<u>8,314,489</u>	<u>-</u>	<u>547,458</u>	<u>7,767,031</u>	<u>579,155</u>
Refuse Fund:					
1995 OWDA Loan 4.35%	2,867,735	-	177,001	2,690,734	184,784
Landfill post-closure payable	<u>1,272,023</u>	<u>76,385</u>	<u>48,336</u>	<u>1,300,072</u>	<u>-</u>
Subtotal	<u>4,139,758</u>	<u>76,385</u>	<u>225,337</u>	<u>3,990,806</u>	<u>184,784</u>
Compensated absences	<u>183,028</u>	<u>216,969</u>	<u>189,401</u>	<u>210,596</u>	<u>210,596</u>
Total	\$ <u>21,349,873</u>	<u>293,354</u>	<u>1,643,230</u>	<u>20,052,065</u>	<u>1,649,535</u>

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

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

As of December 31, 2003, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$19,512,262. Principal and interest requirements to retire the City's outstanding obligations at December 31, 2003 were:

	<u>Government Activities</u>		<u>Business-type Activities</u>			
	Park Improvement Bonds		Mortgage Revenue Bonds		OWDA Loans	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 145,000	182,811	675,000	268,650	763,939	488,343
2005	150,000	176,151	680,000	255,150	805,771	446,511
2006	160,000	169,108	695,000	238,150	850,107	402,175
2007	165,000	161,432	710,000	220,775	897,108	355,174
2008	175,000	153,348	730,000	201,250	947,001	305,281
2009-2013	370,000	657,222	3,995,000	623,135	3,312,715	992,605
2014-2018	-	628,540	885,000	34,515	2,881,124	299,232
2019	<u>2,265,000</u>	<u>125,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>3,430,000</u>	<u>2,254,320</u>	<u>8,370,000</u>	<u>1,841,625</u>	<u>10,457,765</u>	<u>3,289,321</u>

NOTE 14 - CAPITALIZED LEASES

The City has leased copiers under capital leases. The assets under capital lease were recorded at \$46,646, which represented the present value of the future minimum lease payments at acquisition. The following is a schedule of future minimum lease payments under the capital leases and the net present value of the minimum lease payments as of December 31, 2003:

	<u>Year Ending</u> <u>December 31</u>	
	2004	\$ 12,027
	2005	6,506
	2006	6,290
	2007	<u>3,028</u>
Minimum lease payments		27,851
Less: Amount representing interest		<u>3,018</u>
Present value of minimum lease payments		\$ <u>24,833</u>

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

NOTE 15 – TRANSFERS

The City made the following transfers during 2003:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	2,976,763
Capital Improvement Fund	1,800,000	-
Non-major governmental funds	<u>1,176,763</u>	<u>-</u>
	<u>\$ 2,976,763</u>	<u>2,976,763</u>

The General Fund transferred \$326,763 to the Debt Service Fund for general obligation bond retirement and \$350,000 to the Street Fund for operating costs associated with street maintenance. The General Fund also transferred \$1,800,000 and \$500,000, respectively, to the Capital Improvement and Capital Replacement funds for capital projects and equipment purchases.

NOTE 16 – LANDFILL POST-CLOSURE CARE

During 1986, the City stopped receiving refuse in its public landfill. State and federal laws and regulations require the City to permanently close the landfill and to perform certain maintenance and monitoring functions at the site for thirty years after closure. This amount is based on what it would cost to perform all future post-closure care in 1996. The Ohio Environmental Protection Agency officially certified the closure of the landfill in May 1996. The remaining post-closure liability recorded in the Refuse Fund is \$1,300,072. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. This liability will be paid from Refuse fund revenue. The reporting of the landfill closure and post-closure liability in the refuse fund follows the guidelines set by GASB Statement No. 18.

NOTE 17 – CONDUIT DEBT

In 1996, the City issued \$6,300,000 of First Mortgage Hospital Facilities Revenue Bonds under a lease-purchase agreement between a bank, the City, and McCullough-Hyde Memorial Hospital. The bonds are to be repaid in varying monthly amounts through January 1, 2013. In 1998, the City issued \$3,658,000 of First Mortgage Hospital Facilities Revenue Bonds under a lease-purchase agreement between a bank, the City, and McCullough-Hyde Memorial Hospital for current and future equipment purchases. The total outstanding at December 31, 2003 is \$4,019,015. Under the terms of the debt agreements, the Hospital is responsible for all principal and interest payments. The rights to debt service payments on the hospital revenue bonds have been assigned to a third-party financial institution as trustee. The City does not act as agent in any capacity to collect or disburse debt service payments. The City has no liability for repayment of these bonds and, therefore, they are not included in these financial statements. The Hospital property acts as security for the indebtedness.

CITY OF OXFORD, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

The City issued \$6,250,000 of Industrial Development Revenue Bonds on September 14, 2001 under an agreement between UHI Acquisition Corp., a bank and the City for the acquisition of Utility Holdings, Inc. The bonds are to be repaid over fifteen years at a variable interest rate. The amount outstanding at December 31, 2003 is \$5,705,000.

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

NOTE 18 – RELATED ORGANIZATIONS

The Mayor of Oxford, with approval of City Council, appoints the Board of Trustees of McCullough-Hyde Hospital, Inc. The City's accountability for the hospital does not extend beyond making the appointments. During 2003, the City made no contributions to the Hospital.

NOTE 19 – CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

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

**CITY OF OXFORD, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Property and other taxes	\$ 767,800	767,800	785,101	17,301
Municipal income taxes	5,919,016	5,919,016	5,814,839	(104,177)
Intergovernmental	1,110,135	1,143,273	1,455,822	312,549
Charges for services	302,150	302,150	315,453	13,303
Fines, costs and forfeitures	199,000	199,000	262,604	63,604
Licenses, permits and inspections	293,100	293,100	353,625	60,525
Interest	120,000	120,000	130,795	10,795
Contributions	48,600	48,600	53,996	5,396
Other	5,750	5,750	458,101	452,351
Total revenues	<u>8,765,551</u>	<u>8,798,689</u>	<u>9,630,336</u>	<u>831,647</u>
Expenditures:				
Current:				
Security of persons and property				
Police law enforcement	2,797,161	2,797,161	2,730,487	66,674
Traffic control	58,571	58,571	58,322	249
Animal control	36,266	36,266	34,108	2,158
Communications	526,532	539,532	532,691	6,841
Firefighting and training	223,426	260,001	247,863	12,138
Life squad	91,216	91,216	86,486	4,730
Emergency management	9,480	9,480	7,405	2,075
Street lighting	65,709	65,709	63,554	2,155
Total security of persons and property	<u>3,808,361</u>	<u>3,857,936</u>	<u>3,760,916</u>	<u>97,020</u>
Public health services				
Cemeteries	17,972	17,972	17,920	52
Public health	6,500	6,500	5,829	671
Community assistance	106,500	106,500	103,513	2,987
Total public health services	<u>130,972</u>	<u>130,972</u>	<u>127,262</u>	<u>3,710</u>
Leisure time activities				
Senior citizens and community center	42,715	42,715	37,932	4,783
Swimming pool	125,208	131,908	126,772	5,136
Recreation programs	511,283	511,283	473,283	38,000
Parks maintenance	262,740	262,740	257,547	5,193
Recreation administration	120,050	120,050	114,837	5,213
Total leisure time activities	<u>1,061,996</u>	<u>1,068,696</u>	<u>1,010,371</u>	<u>58,325</u>

(Continued)

**CITY OF OXFORD, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2003**

	Original Budget	Final Budget	Actual	Variance From Final Budget
Community environment				
Planning department	223,935	223,935	211,721	12,214
Inspections	272,414	272,414	259,390	13,024
Affordable housing	31,000	31,000	7,750	23,250
Urban forestry	25,015	25,015	25,015	-
Economic development	93,977	93,977	89,669	4,308
Total community environment	<u>646,341</u>	<u>646,341</u>	<u>593,545</u>	<u>52,796</u>
General government:				
Management information systems	108,384	108,384	97,780	10,604
City manager	150,410	150,410	130,681	19,729
Administrative support	66,121	66,121	61,135	4,986
Finance department	240,563	240,563	218,124	22,439
Income tax collections	137,548	137,548	131,952	5,596
Law	159,730	178,230	157,915	20,315
Civil service and personnel	50,656	50,656	44,829	5,827
Clerk of council	95,625	95,625	94,364	1,261
Legislative	36,137	36,137	32,065	4,072
Municipal building	109,411	109,411	105,345	4,066
City garage	123,010	123,010	121,535	1,475
Court house	37,444	37,444	28,464	8,980
Engineering	112,697	112,697	101,932	10,765
Insurance	121,254	121,254	112,509	8,745
Total general government	<u>1,548,990</u>	<u>1,567,490</u>	<u>1,438,630</u>	<u>128,860</u>
Total expenditures	<u>7,196,660</u>	<u>7,271,435</u>	<u>6,930,724</u>	<u>340,711</u>
Excess of revenues over expenditures	<u>1,568,891</u>	<u>1,527,254</u>	<u>2,699,612</u>	<u>1,172,358</u>
Other uses:				
Operating transfers out	(1,677,000)	(2,977,000)	(2,976,763)	237
Total other financing uses	<u>(1,677,000)</u>	<u>(2,977,000)</u>	<u>(2,976,763)</u>	<u>237</u>
Excess of revenues over (under) expenditures and other uses	(108,109)	(1,449,746)	(277,151)	1,172,595
Fund balance, beginning of year	2,969,028	2,969,028	2,969,028	
Prior year encumbrances appropriated	122,572	122,572	122,572	
Fund balance, end of year	<u>\$ 2,983,491</u>	<u>1,641,854</u>	<u>2,814,449</u>	

**CITY OF OXFORD, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
PARKING FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Charges for services	\$ 361,310	361,310	306,598	(54,712)
Fines, costs, and forfeitures	75,000	75,000	66,241	(8,759)
Interest	8,000	8,000	7,474	(526)
Total revenues	<u>444,310</u>	<u>444,310</u>	<u>380,313</u>	<u>(63,997)</u>
Expenditures:				
Current:				
Transportation	<u>365,582</u>	<u>365,582</u>	<u>333,777</u>	<u>31,805</u>
Total expenditures	<u>365,582</u>	<u>365,582</u>	<u>333,777</u>	<u>31,805</u>
Excess of revenues over expenditures	<u>78,728</u>	<u>78,728</u>	<u>46,536</u>	<u>(32,192)</u>
Other financing uses:				
Operating transfers out	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
Total other financing uses	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other uses	(41,272)	(41,272)	(73,464)	(32,192)
Fund balance, beginning of year	483,929	483,929	483,929	
Prior year encumbrances appropriated	<u>81,166</u>	<u>81,166</u>	<u>81,166</u>	
Fund balance, end of year	<u>\$ 523,823</u>	<u>523,823</u>	<u>491,631</u>	

CITY OF OXFORD, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2003

Budgetary Process

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

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

Tax Budget

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

Estimated Resources

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

Appropriations

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

CITY OF OXFORD, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2003

Encumbrances

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

Lapsing of Appropriations

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

Budgetary Basis of Accounting

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

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

CITY OF OXFORD, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2003

The adjustments necessary to convert the results of operations for the year ended December 31, 2003, on the GAAP basis to the budget basis are as follows:

	<u>General</u> <u>Fund</u>	<u>Parking</u> <u>Fund</u>
Net change in fund balance - <i>GAAP Basis</i>	\$ 134,766	114,795
Increase / (decrease):		
Due to revenues	(247,322)	1,349
Due to expenditures	66,336	(68,464)
Due to encumbrances	(230,931)	(1,144)
Due to other sources (uses)	<u> -</u>	<u>(120,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses - <i>Budget Basis</i>	\$ <u>(277,151)</u>	<u>(73,464)</u>

SUPPLEMENTAL SECTION

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major Special Revenue Fund:

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

Non-major Special Revenue Funds:

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

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

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

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

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

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

Major Capital Projects Fund:

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

Non-major Capital Projects Funds:

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

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

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

ENTERPRISE FUNDS

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

Major Enterprise Funds:

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

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

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

INTERNAL SERVICE FUNDS

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

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

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

AGENCY FUNDS

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

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

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

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

**CITY OF OXFORD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 821,092	-	992,258	1,813,350
Receivables:				
Accounts	-	-	15,750	15,750
Loans	35,831	-	-	35,831
Due from other governments	153,537	-	-	153,537
Supplies inventory	61,978	-	-	61,978
Total assets	<u>1,072,438</u>	<u>-</u>	<u>1,008,008</u>	<u>2,080,446</u>
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	36,255	-	3,846	40,101
Accrued salaries payable	12,686	-	-	12,686
Due to other governments	7,003	-	-	7,003
Deferred revenue	170,831	-	-	170,831
Advances from other funds	150,000	-	-	150,000
Total liabilities	<u>376,775</u>	<u>-</u>	<u>3,846</u>	<u>380,621</u>
 Fund balances:				
Reserved for:				
Encumbrances	19,183	-	130,156	149,339
Inventory	61,978	-	-	61,978
Unreserved	614,502	-	874,006	1,488,508
Total fund balances	<u>695,663</u>	<u>-</u>	<u>1,004,162</u>	<u>1,699,825</u>
Total liabilities and fund equity	<u>\$ 1,072,438</u>	<u>-</u>	<u>1,008,008</u>	<u>2,080,446</u>

**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ 390,122	-	-	390,122
Charges for services	52,383	-	-	52,383
Fines, costs and forfeitures	3,435	-	-	3,435
Interest	9,270	-	8,895	18,165
Contributions	30,134	-	109,025	139,159
Other	4,122	-	-	4,122
Total revenues	<u>489,466</u>	<u>-</u>	<u>117,920</u>	<u>607,386</u>
Expenditures:				
Current:				
Security of persons and property	34,433	-	-	34,433
Community environment	118,467	-	-	118,467
Transportation	630,115	-	-	630,115
Capital outlay	-	-	1,110,894	1,110,894
Debt service:				
Principal retirement	-	140,000	-	140,000
Interest and fiscal charges	-	188,466	-	188,466
Total expenditures	<u>783,015</u>	<u>328,466</u>	<u>1,110,894</u>	<u>2,222,375</u>
Excess of revenues over (under) expenditures	<u>(293,549)</u>	<u>(328,466)</u>	<u>(992,974)</u>	<u>(1,614,989)</u>
Other financing sources:				
Transfers in	<u>350,000</u>	<u>326,763</u>	<u>500,000</u>	<u>1,176,763</u>
Total other financing sources	<u>350,000</u>	<u>326,763</u>	<u>500,000</u>	<u>1,176,763</u>
Excess of revenues and other sources over (under) expenditures	56,451	(1,703)	(492,974)	(438,226)
Fund balance at beginning of year	668,278	1,703	1,497,136	2,167,117
Increase in reserve for inventory	<u>(29,066)</u>	<u>-</u>	<u>-</u>	<u>(29,066)</u>
Fund balance at end of year	<u>\$ 695,663</u>	<u>-</u>	<u>1,004,162</u>	<u>1,699,825</u>

**CITY OF OXFORD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2003**

		<u>Street</u>	<u>State Highway</u>	<u>Community Development Block Grant</u>
<i>Assets:</i>				
Equity in pooled cash and investments	\$	104,306	11,313	134,869
Receivables:				
Loans		-	-	-
Due from other governments		100,380	8,139	45,018
Supplies inventory		<u>61,978</u>	<u>-</u>	<u>-</u>
Total assets		<u><u>266,664</u></u>	<u><u>19,452</u></u>	<u><u>179,887</u></u>
<i>Liabilities and Fund Equity:</i>				
<i>Liabilities:</i>				
Accounts payable		1,686	-	32,399
Accrued salaries and benefits		12,686	-	-
Due to other governments		7,003	-	-
Deferred revenue		83,232	6,750	45,018
Advances from other funds		-	-	150,000
Total liabilities		<u>104,607</u>	<u>6,750</u>	<u>227,417</u>
<i>Fund Balances:</i>				
Reserved for:				
Encumbrances		580	2,211	16,392
Inventory		61,978	-	-
Unreserved		99,499	10,491	(63,922)
Total fund balances		<u>162,057</u>	<u>12,702</u>	<u>(47,530)</u>
Total liabilities and fund equity	\$	<u><u>266,664</u></u>	<u><u>19,452</u></u>	<u><u>179,887</u></u>

Community Development Block Grant Loan	Law Enforcement	Enforcement and Education	Life Squad	<i>TOTAL</i>
499,925	35,456	5,770	29,453	821,092
35,831	-	-	-	35,831
-	-	-	-	153,537
-	-	-	-	61,978
<u>535,756</u>	<u>35,456</u>	<u>5,770</u>	<u>29,453</u>	<u>1,072,438</u>
-	2,170	-	-	36,255
-	-	-	-	12,686
-	-	-	-	7,003
35,831	-	-	-	170,831
-	-	-	-	150,000
<u>35,831</u>	<u>2,170</u>	<u>-</u>	<u>-</u>	<u>376,775</u>
-	-	-	-	19,183
-	-	-	-	61,978
<u>499,925</u>	<u>33,286</u>	<u>5,770</u>	<u>29,453</u>	<u>614,502</u>
<u>499,925</u>	<u>33,286</u>	<u>5,770</u>	<u>29,453</u>	<u>695,663</u>
<u>535,756</u>	<u>35,456</u>	<u>5,770</u>	<u>29,453</u>	<u>1,072,438</u>

**CITY OF OXFORD, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2003**

	<u>Capital Equipment</u>	<u>Parking Improvement</u>	<u>Parks and Open Spaces</u>	<u><i>TOTAL</i></u>
Assets:				
Equity in pooled cash and investments	\$ 827,150	2,519	162,589	992,258
Receivables:				
Accounts	-	-	15,750	15,750
Total assets	<u>827,150</u>	<u>2,519</u>	<u>178,339</u>	<u>1,008,008</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	1,046	-	2,800	3,846
Total liabilities	<u>1,046</u>	<u>-</u>	<u>2,800</u>	<u>3,846</u>
Fund Equity:				
Fund Balances:				
Reserved for encumbrances	100,759	-	29,397	130,156
Unreserved	725,345	2,519	146,142	874,006
Total fund equity	<u>826,104</u>	<u>2,519</u>	<u>175,539</u>	<u>1,004,162</u>
Total liabilities and fund equity	<u>\$ 827,150</u>	<u>2,519</u>	<u>178,339</u>	<u>1,008,008</u>

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**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 2003**

	<u>Street</u>	<u>State Highway</u>	<u>Community Development Block Grant</u>
Revenues:			
Intergovernmental	\$ 249,861	16,256	121,438
Charges for services	646	-	-
Fines, costs and forfeitures	-	-	-
Interest	1,455	97	-
Contributions	-	-	-
Other	3,147	-	-
Total revenues	<u>255,109</u>	<u>16,353</u>	<u>121,438</u>
Expenditures:			
Current:			
Security of persons and property	-	-	-
Community environment	-	-	118,467
Transportation	615,733	14,382	-
Total expenditures	<u>615,733</u>	<u>14,382</u>	<u>118,467</u>
Excess of revenues over (under) expenditures	<u>(360,624)</u>	<u>1,971</u>	<u>2,971</u>
Other financing sources (uses)			
Transfers in	350,000	-	-
Total other financing sources (uses)	<u>350,000</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(10,624)	1,971	2,971
Fund balance at beginning of year	201,747	10,731	(50,501)
Decrease in reserve for inventory	(29,066)	-	-
Fund balance at end of year	<u>\$ 162,057</u>	<u>12,702</u>	<u>(47,530)</u>

Community Development Block Grant Loan	Law Enforcement	Enforcement and Education	Life Squad	<i>TOTAL</i>
-	-	-	2,567	390,122
51,737	-	-	-	52,383
-	1,025	2,410	-	3,435
6,812	340	78	488	9,270
-	22,815	-	7,319	30,134
-	975	-	-	4,122
<u>58,549</u>	<u>25,155</u>	<u>2,488</u>	<u>10,374</u>	<u>489,466</u>
-	8,323	2,000	24,110	34,433
-	-	-	-	118,467
-	-	-	-	630,115
<u>-</u>	<u>8,323</u>	<u>2,000</u>	<u>24,110</u>	<u>783,015</u>
<u>58,549</u>	<u>16,832</u>	<u>488</u>	<u>(13,736)</u>	<u>(293,549)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
58,549	16,832	488	(13,736)	56,451
441,376	16,454	5,282	43,189	668,278
-	-	-	-	(29,066)
<u>499,925</u>	<u>33,286</u>	<u>5,770</u>	<u>29,453</u>	<u>695,663</u>

**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED DECEMBER 31, 2003**

	<u>Capital Equipment</u>	<u>Parking Improvement</u>	<u>Parks and Open Spaces</u>	<u>TOTAL</u>
Revenues:				
Interest	\$ -	-	8,895	8,895
Contributions	-	-	109,025	109,025
Total revenues	<u>-</u>	<u>-</u>	<u>117,920</u>	<u>117,920</u>
Expenditures:				
Capital outlay	351,956	-	758,938	1,110,894
Total expenditures	<u>351,956</u>	<u>-</u>	<u>758,938</u>	<u>1,110,894</u>
Excess of revenues over (under) expenditures	<u>(351,956)</u>	<u>-</u>	<u>(641,018)</u>	<u>(992,974)</u>
Other financing sources				
Transfers in	500,000	-	-	500,000
Total other financing sources	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Excess of revenues and other sources over (under) expenditures	148,044	-	(641,018)	(492,974)
Fund balance at beginning of year	678,060	2,519	816,557	1,497,136
Fund balance at end of year	<u>\$ 826,104</u>	<u>2,519</u>	<u>175,539</u>	<u>1,004,162</u>

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
STREET FUND
YEAR ENDED DECEMBER 31, 2003

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Intergovernmental	\$ 233,000	233,000	246,985	13,985
Charges for services	-	-	211	211
Interest	1,800	1,800	1,455	(345)
Other	-	-	3,583	3,583
Total revenues	<u>234,800</u>	<u>234,800</u>	<u>252,234</u>	<u>17,434</u>
Expenditures:				
Current:				
Transportation	598,664	639,664	631,469	8,195
Total expenditures	<u>598,664</u>	<u>639,664</u>	<u>631,469</u>	<u>8,195</u>
Excess of revenues over (under) expenditures	<u>(363,864)</u>	<u>(404,864)</u>	<u>(379,235)</u>	<u>25,629</u>
Other financing sources:				
Operating transfers in	350,000	350,000	350,000	-
Total other financing sources	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>(13,864)</u>	<u>(54,864)</u>	<u>(29,235)</u>	<u>25,629</u>
Fund balance, beginning of year	121,550	121,550	121,550	
Prior year encumbrances appropriated	9,725	9,725	9,725	
Fund balance, end of year	<u>\$ 117,411</u>	<u>76,411</u>	<u>102,040</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
STATE HIGHWAY FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Intergovernmental	\$ 14,700	14,700	16,023	1,323
Interest	50	50	98	48
Total revenues	<u>14,750</u>	<u>14,750</u>	<u>16,121</u>	<u>1,371</u>
Expenditures:				
Current:				
Transportation	16,845	16,845	16,594	251
Total expenditures	<u>16,845</u>	<u>16,845</u>	<u>16,594</u>	<u>251</u>
Excess of revenues over expenditures	(2,095)	(2,095)	(473)	1,622
Fund balance, beginning of year	7,729	7,729	7,729	
Prior year encumbrances appropriated	1,845	1,845	1,845	
Fund balance, end of year	\$ <u>7,479</u>	<u>7,479</u>	<u>9,101</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Intergovernmental	\$ 183,000	183,000	121,438	(61,562)
Total revenues	<u>183,000</u>	<u>183,000</u>	<u>121,438</u>	<u>(61,562)</u>
Expenditures:				
Current:				
Community environment	184,112	181,682	169,682	12,000
Total expenditures	<u>184,112</u>	<u>181,682</u>	<u>169,682</u>	<u>12,000</u>
Excess of revenues over (under) expenditures	<u>(1,112)</u>	<u>1,318</u>	<u>(48,244)</u>	<u>(49,562)</u>
Fund balance, beginning of year	84,711	84,711	84,711	
Prior year encumbrances appropriated	49,612	49,612	49,612	
Fund balance, end of year	\$ <u>133,211</u>	<u>135,641</u>	<u>86,079</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
COMMUNITY DEVELOPMENT BLOCK GRANT LOAN FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Interest	\$ 3,500	3,500	6,812	3,312
Other	<u>17,949</u>	<u>17,949</u>	<u>51,737</u>	<u>33,788</u>
Total revenues	<u>21,449</u>	<u>21,449</u>	<u>58,549</u>	<u>37,100</u>
Expenditures:				
Current:				
Community environment	<u>430,000</u>	<u>430,000</u>	-	<u>430,000</u>
Total expenditures	<u>430,000</u>	<u>430,000</u>	-	<u>430,000</u>
Excess of revenues over (under) expenditures	(408,551)	(408,551)	58,549	467,100
Fund balance, beginning of year	441,376	441,376	441,376	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 32,825</u>	<u>32,825</u>	<u>499,925</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
LAW ENFORCEMENT FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Fines, costs, and forfeitures	\$ 1,200	1,200	1,025	(175)
Interest	200	200	340	140
Other	<u>3,000</u>	<u>3,000</u>	<u>23,791</u>	<u>20,791</u>
Total revenues	<u>4,400</u>	<u>4,400</u>	<u>25,156</u>	<u>20,756</u>
Expenditures:				
Current:				
Security of persons and property	<u>11,000</u>	<u>11,000</u>	<u>8,324</u>	<u>2,676</u>
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>8,324</u>	<u>2,676</u>
Excess of revenues over (under) expenditures	(6,600)	(6,600)	16,832	23,432
Fund balance, beginning of year	16,454	16,454	16,454	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 9,854</u>	<u>9,854</u>	<u>33,286</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
ENFORCEMENT AND EDUCATION FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Fines, costs, and forfeitures	\$ 2,000	2,000	2,410	410
Interest	-	-	78	78
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,488</u>	<u>488</u>
Expenditures:				
Current:				
Security of persons and property	2,000	2,000	2,000	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	488	488
Fund balance, beginning of year	5,282	5,282	5,282	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 5,282</u>	<u>5,282</u>	<u>5,770</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
LIFE SQUAD FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Intergovernmental	\$ 5,000	5,000	2,567	(2,433)
Interest	500	500	488	(12)
Contributions	7,500	7,500	7,319	(181)
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>10,374</u>	<u>(2,626)</u>
Expenditures:				
Current:				
Security of persons and property	<u>25,500</u>	<u>25,500</u>	<u>24,110</u>	<u>1,390</u>
Total expenditures	<u>25,500</u>	<u>25,500</u>	<u>24,110</u>	<u>1,390</u>
Excess of revenues over (under) expenditures	(12,500)	(12,500)	(13,736)	(1,236)
Fund balance, beginning of year	43,189	43,189	43,189	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 30,689</u>	<u>30,689</u>	<u>29,453</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2003

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Other	\$ -	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt service:				
Principal	140,000	140,000	140,000	-
Interest	188,500	188,465	188,465	-
Total expenditures	<u>328,500</u>	<u>328,465</u>	<u>328,465</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(328,500)</u>	<u>(328,465)</u>	<u>(328,465)</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers in	327,000	327,000	326,763	(237)
Total other financing sources	<u>327,000</u>	<u>327,000</u>	<u>326,763</u>	<u>(237)</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	<u>(1,500)</u>	<u>(1,465)</u>	<u>(1,702)</u>	<u>(237)</u>
Fund balance, beginning of year	1,702	1,702	1,702	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	<u>\$ 202</u>	<u>237</u>	<u>-</u>	

CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2003

	Original Budget	Final Budget	Actual	Variance From Final Budget
Revenues:				
Special assessments	\$ 6,500	6,500	7,374	874
Intergovernmental	155,000	155,000	164,500	9,500
Other	120,000	120,000	120,000	-
Total revenues	<u>281,500</u>	<u>281,500</u>	<u>291,874</u>	<u>10,374</u>
Expenditures:				
Capital outlay	<u>3,756,697</u>	<u>3,756,697</u>	<u>1,177,365</u>	<u>2,579,332</u>
Total expenditures	<u>3,756,697</u>	<u>3,756,697</u>	<u>1,177,365</u>	<u>2,579,332</u>
Excess of revenues over (under) expenditures	<u>(3,475,197)</u>	<u>(3,475,197)</u>	<u>(885,491)</u>	<u>2,589,706</u>
Other financing sources (uses):				
Operating transfers in	<u>700,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>
Total other financing sources	<u>700,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	<u>(2,775,197)</u>	<u>(1,675,197)</u>	<u>914,509</u>	<u>2,589,706</u>
Fund balance, beginning of year	4,072,427	4,072,427	4,072,427	
Prior year encumbrances appropriated	210,197	210,197	210,197	
Fund balance, end of year	<u>\$ 1,507,427</u>	<u>2,607,427</u>	<u>5,197,133</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
PARKING IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Total revenues	\$ -	-	-	-
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources:				
Operating transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Excess of revenues and other sources over (under) expenditures	-	-	-	-
Fund balance, beginning of year	2,519	2,519	2,519	
Prior year encumbrances appropriated	-	-	-	
Fund balance, end of year	\$ <u>2,519</u>	<u>2,519</u>	<u>2,519</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
CAPITAL EQUIPMENT FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Contributions	\$ -	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>470,332</u>	<u>470,332</u>	<u>468,166</u>	<u>2,166</u>
Total expenditures	<u>470,332</u>	<u>470,332</u>	<u>468,166</u>	<u>2,166</u>
Excess of revenues over (under) expenditures	<u>(470,332)</u>	<u>(470,332)</u>	<u>(468,166)</u>	<u>2,166</u>
Other financing sources:				
Operating transfers in	<u>300,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources	<u>300,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>(170,332)</u>	<u>29,668</u>	<u>31,834</u>	<u>2,166</u>
Fund balance, beginning of year	566,029	566,029	566,029	
Prior year encumbrances appropriated	<u>127,482</u>	<u>127,482</u>	<u>127,482</u>	
Fund balance, end of year	\$ <u>523,179</u>	<u>723,179</u>	<u>725,345</u>	

**CITY OF OXFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGET (NON-GAAP) BASIS
PARKS AND OPEN SPACES FUND
YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:				
Interest	\$ 2,500	9,000	8,895	(105)
Contributions	<u>82,800</u>	<u>82,800</u>	<u>109,700</u>	<u>26,900</u>
Total revenues	<u>85,300</u>	<u>91,800</u>	<u>118,595</u>	<u>26,795</u>
Expenditures:				
Capital outlay	<u>1,073,262</u>	<u>1,399,762</u>	<u>1,255,361</u>	<u>144,401</u>
Total expenditures	<u>1,073,262</u>	<u>1,399,762</u>	<u>1,255,361</u>	<u>144,401</u>
Excess of revenues over (under) expenditures	(987,962)	(1,307,962)	(1,136,766)	171,196
Fund balance, beginning of year	221,896	221,896	221,896	
Prior year encumbrances appropriated	<u>1,045,262</u>	<u>1,045,262</u>	<u>1,045,262</u>	
Fund balance, end of year	\$ <u>279,196</u>	<u>(40,804)</u>	<u>130,392</u>	

**CITY OF OXFORD, OHIO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003**

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
<i>Assets</i>			
Equity in pooled cash and investments	\$ 68,623	56,488	125,111
Receivables:			
Accounts	2,088	-	2,088
Prepays	12,767	-	12,767
Materials and supplies inventory	-	9,442	9,442
Capital assets, net	-	3,991	3,991
Total assets	<u>83,478</u>	<u>69,921</u>	<u>153,399</u>
<i>Liabilities</i>			
Claims payable	<u>75,677</u>	-	<u>75,677</u>
Total liabilities	<u>75,677</u>	-	<u>75,677</u>
<i>Net Assets</i>			
Unrestricted	<u>\$ 7,801</u>	<u>69,921</u>	<u>77,722</u>

**CITY OF OXFORD, OHIO
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2003**

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 889,329	106,092	995,421
Total operating revenues	<u>889,329</u>	<u>106,092</u>	<u>995,421</u>
Operating expenses:			
Contractual services	197,748	-	197,748
Supplies and materials	-	107,827	107,827
Claims	610,285	-	610,285
Depreciation	-	726	726
Total operating expenses	<u>808,033</u>	<u>108,553</u>	<u>916,586</u>
Operating income (loss)	<u>81,296</u>	<u>(2,461)</u>	<u>78,835</u>
Non-operating revenues (expenses):			
Interest revenue	834	904	1,738
Total non-operating revenues (expenses)	<u>834</u>	<u>904</u>	<u>1,738</u>
Change in net assets	82,130	(1,557)	80,573
Net assets, beginning of year	(74,329)	71,478	(2,851)
Net assets, end of year	\$ <u>7,801</u>	<u>69,921</u>	<u>77,722</u>

**CITY OF OXFORD, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2003**

	<u>Employee Benefits</u>	<u>Internal Service</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ -	2,931	2,931
Cash received from interfund services provided	887,241	103,161	990,402
Cash payments to suppliers for goods and services	(196,673)	(112,401)	(309,074)
Cash payments for employee medical claims	(629,427)	-	(629,427)
Net cash provided (used) by operating activities	<u>61,141</u>	<u>(6,309)</u>	<u>54,832</u>
Cash flows from investing activities:			
Interest	<u>834</u>	<u>904</u>	<u>1,738</u>
Net cash provided by investing activities	<u>834</u>	<u>904</u>	<u>1,738</u>
Net change in cash and investments	61,975	(5,405)	56,570
Cash and investments beginning of year	<u>6,648</u>	<u>61,893</u>	<u>68,541</u>
Cash and investments end of year	\$ <u>68,623</u>	<u>56,488</u>	<u>125,111</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 81,296	(2,461)	78,835
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	-	726	726
Changes in assets and liabilities:			
Receivables	3,518	-	3,518
Prepaid items	1,075	-	1,075
Materials and supplies inventory	-	1,658	1,658
Accounts payable	-	(6,232)	(6,232)
Claims payable	(24,748)	-	(24,748)
Net cash provided (used) by operating activities	\$ <u>61,141</u>	<u>(6,309)</u>	<u>54,832</u>

CITY OF OXFORD, OHIO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2003

		Hotel Tax Fund	Board of Building Standards Fund	Oxford Natural Gas Refund Fund	Total Agency Funds
<i>Assets</i>					
Pooled cash and investments	\$	-	53	17,632	17,685
Receivables:					
Taxes		6,485	-	-	6,485
Total assets		<u>6,485</u>	<u>53</u>	<u>17,632</u>	<u>24,170</u>
<i>Liabilities</i>					
Due to others		<u>6,485</u>	<u>53</u>	<u>17,632</u>	<u>24,170</u>
Total liabilities	\$	<u>6,485</u>	<u>53</u>	<u>17,632</u>	<u>24,170</u>

CITY OF OXFORD, OHIO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2003

	Beginning Balance 1/1/03	Additions	Deductions	Ending Balance 12/31/03
HOTEL TAX FUND				
Assets:				
Pooled cash and cash equivalents	\$ 144	130,682	130,826	-
Taxes receivable	<u>5,248</u>	<u>6,485</u>	<u>5,248</u>	<u>6,485</u>
	<u>5,392</u>	<u>137,167</u>	<u>136,074</u>	<u>6,485</u>
Liabilities:				
Due to others	<u>5,392</u>	<u>137,167</u>	<u>136,074</u>	<u>6,485</u>
<hr/>				
BOARD OF BUILDING AND STANDARDS FUND				
Assets:				
Pooled cash and cash equivalents	<u>189</u>	<u>789</u>	<u>925</u>	<u>53</u>
Liabilities:				
Due to others	<u>189</u>	<u>789</u>	<u>925</u>	<u>53</u>
<hr/>				
OXFORD NATURAL GAS REFUND FUND				
Assets:				
Pooled cash and cash equivalents	<u>117,088</u>	<u>544</u>	<u>100,000</u>	<u>17,632</u>
Liabilities:				
Due to others	<u>117,088</u>	<u>544</u>	<u>100,000</u>	<u>17,632</u>
<hr/>				
TOTAL				
Assets:				
Pooled cash and cash equivalents	117,421	132,015	231,751	17,685
Taxes receivable	<u>5,248</u>	<u>6,485</u>	<u>5,248</u>	<u>6,485</u>
	<u>122,669</u>	<u>138,500</u>	<u>236,999</u>	<u>24,170</u>
Liabilities:				
Due to others	\$ <u>122,669</u>	<u>138,500</u>	<u>236,999</u>	<u>24,170</u>

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STATISTICAL SECTION

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

Year	Income and Property Taxes	Inter-Governmental	Charges for Services	Fines, Costs and Forfeitures	Interest	Miscellaneous	Total
1994	\$4,251,870	\$1,117,429	\$408,153	\$196,914	\$88,109	\$431,009	\$6,493,484
1995	4,871,314	1,348,535	426,349	158,075	194,138	299,512	7,297,923
1996	4,546,037	1,317,148	448,760	154,772	265,004	411,039	7,142,760
1997	5,261,661	1,619,888	451,166	345,327	258,330	346,592	8,282,964
1998	5,360,319	2,283,539	536,202	326,554	349,681	509,541	9,365,836
1999	5,704,553	1,797,751	519,316	211,638	387,415	380,395	9,001,068
2000	6,112,025	1,777,536	575,533	266,803	806,230	594,957	10,133,084
2001	6,224,989	1,824,656	590,228	252,287	718,038	505,177	10,115,375
2002	6,354,693	1,930,985	677,582	311,089	297,911	510,261	10,082,521
2003	6,820,439	1,908,992	887,628	335,960	130,781	1,019,819	11,103,619

NOTES: Information includes all Governmental Fund types.

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

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

Source: City of Oxford Finance Department

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

Year	Security of Persons and Property	Public Health Services	Leisure Time Activities	Community Environment	Transportation	General Government	Capital Outlay	Debt Service	Total
1994	\$2,008,646	\$38,654	\$452,965	\$484,339	\$470,026	\$1,047,783	\$911,481	\$69,321	\$5,483,215
1995	2,189,567	42,929	500,586	632,344	413,010	1,414,345	917,964	42,294	6,153,039
1996	2,674,983	181,164	514,932	617,428	528,460	1,162,220	1,241,857	24,928	6,945,972
1997	2,469,600	63,870	533,122	823,971	483,715	1,182,371	967,221	12,201	6,536,071
1998	2,712,829	74,364	562,200	975,852	576,046	1,176,293	2,065,350	1,270	8,144,204
1999	2,921,136	65,820	703,067	811,216	645,045	1,234,501	1,214,492	1,203	7,596,480
2000	3,060,053	79,450	733,136	606,858	710,463	1,329,800	3,223,963	331,056	10,074,779
2001	3,037,664	93,150	794,010	713,293	680,714	1,251,747	3,772,896	324,243	10,667,717
2002	3,438,323	129,143	883,344	1,219,167	849,020	1,360,079	3,757,645	324,054	11,960,775
2003	3,655,200	119,514	1,001,366	709,028	894,284	1,420,844	1,934,721	341,543	10,076,500

NOTE: Information includes all Governmental Fund types.

Source: City of Oxford Finance Department

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

Year	Amount	% of Change
1994	\$3,707,877	79.5 %
1995	4,050,556	9.2
1996	3,935,038	-2.9
1997	4,562,889	16.0
1998	4,769,853	4.5
1999	5,093,693	6.8
2000	5,412,771	6.3
2001	5,535,437	2.3
2002	5,649,198	2.1
2003	6,035,339	6.8

Prepared using the modified accrual basis of accounting.

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

Source: City of Oxford Finance Department

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

Year	Current		Percent of Levy Collected	Delinquent		Total Tax Collections	Ratio of	
	Tax Levy	Tax Collections		Tax Collections	Tax Levy		Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes
1994	\$443,835	\$432,501	97.4	\$11,403	\$443,904	100.1	\$14,948	3.4
1995	451,419	439,326	97.3	16,447	455,773	101.0	10,594	2.3
1996	477,058	412,176	86.4	9,412	421,588	88.37	66,064	13.9
1997	482,023	474,506	98.4	12,277	486,783	101.0	61,304	12.7
1998	542,976	535,143	98.5	12,170	547,313	100.7	56,967	10.4
1999	571,315	554,900	97.1	14,712	569,612	99.7	58,670	10.3
2000	647,975	646,301	99.7	9,538	655,839	101.2	50,806	7.8
2001	707,705	641,337	90.6	9,811	651,148	92.0	107,363	15.2
2002	700,176	661,680	94.6	15,741	677,421	96.7	130,118	18.5
2003	767,840	737,389	96.0	15,901	753,290	98.1	140,668	18.3

Source: Butler County Auditor's Office

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

Year	ASSESSED VALUATIONS			ESTIMATED TRUE VALUES		
	Real Property	Public Utility Property	Personal Property	Total	(1) Real Property	(1) Personal Property
1994	\$112,840,290	\$8,441,600	\$8,260,417	\$129,542,307	\$322,400,829	\$33,041,668
1995	114,597,730	8,780,890	8,248,280	131,626,900	327,422,086	32,993,120
1996	139,414,540	9,346,080	9,857,804	158,618,424	398,725,584	39,431,216
1997	143,924,230	8,933,890	12,468,584	165,326,704	411,212,086	49,874,336
1998	147,573,240	8,951,300	10,372,048	166,896,588	421,637,829	41,488,192
1999	172,268,090	8,882,460	11,324,795	192,475,345	492,194,543	45,299,180
2000	174,752,420	7,815,440	11,323,978	193,891,838	499,292,629	45,295,912
2001	174,924,750	6,939,160	9,965,115	191,829,025	499,785,000	39,860,460
2002	195,537,850	7,056,880	7,772,421	210,367,151	559,238,251	31,089,684
2003	200,360,510	7,055,870	11,081,358	218,497,738	572,458,600	44,325,432

Source: Butler County Auditor's Office

(1) Does not include Public Utility Property

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

Year	City	County	Township	School	Vocational School	Total Rate
1994	\$3.65	\$7.45	\$0.24	\$51.80	\$1.93	\$65.07
1995	3.65	7.44	0.24	51.80	1.93	65.06
1996	3.65	8.44	0.24	46.30	1.93	60.56
1997	3.65	8.45	0.24	43.80	1.93	58.07
1998	3.65	8.45	0.24	43.80	1.93	58.07
1999	3.65	8.45	0.24	43.80	1.93	58.07
2000	3.65	8.45	0.24	50.30	1.93	64.57
2001	3.65	8.75	0.24	50.30	1.93	64.87
2002	3.65	8.75	0.24	50.30	1.93	64.87
2003	3.65	8.74	0.24	51.49	1.93	66.05

Source: Butler County Treasurer's Office

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

Year	Total Assessments Due	Total Assessments Collected	Total Outstanding Assessments	Ratio of Collections To Amount Due
1994	\$26,436	\$23,043	\$3,393	87.1
1995	50,286	43,061	7,225	85.6
1996	52,093	24,399	27,694	47.0
1997	50,449	39,970	10,479	79.2
1998	29,516	19,033	10,483	64.5
1999	20,476	19,629	847	95.9
2000	18,810	16,991	1,819	90.3
2001	17,377	17,264	113	99.3
2002	20,206	17,521	2,685	86.7
2003	20,113	16,670	3,443	82.8

Source: Butler County Auditor's Office

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

Year	Population	Assessed Value	Net General Obligation Bonded Debt Outstanding	Bonded Debt Per Capita	Ratio of Bonded Debt to Assessed Value
1994	* 19,455	\$129,542,307	\$12,800	\$0.66	0.0099
1995	19,455	131,626,900	-	-	-
1996	19,455	158,618,424	-	-	-
1997	19,455	165,326,704	-	-	-
1998	19,455	166,896,588	-	-	-
1999	19,455	192,475,345	3,915,000	201.23	2.0340
2000	21,943	193,891,838	3,825,000	174.32	1.9727
2001	21,943	191,829,025	3,700,000	168.62	1.9288
2002	21,943	210,367,151	3,570,000	162.69	1.6970
2003	21,943	218,497,738	3,430,000	156.31	1.5698

Source: 1990 and 2000 U.S. Census Bureau

* Federal Census Bureau Division of Population Estimate

Butler County Auditor's Office

City of Oxford Finance Department

**CITY OF OXFORD, OHIO
 LEGAL DEBT MARGIN
 DECEMBER 31, 2003**

Total Assessed Property Value \$218,497,738

10-1/2% limitation

Overall Debt Limitations - 10-1/2% of Assessed Valuation		22,942,262
Gross Indebtedness	\$21,971,397	
Less Debt Outside Limitations	18,541,397	
Debt Within 10-1/2% Limitation	3,430,000	
Less Debt Service Fund Balance Available	0	
Net Debt Within 10-1/2% Limitation		3,430,000
Legal Debt Margin Within 10-1/2% Limitation		\$19,512,262

5-1/2% limitation

Unvoted Debt Limitation - 5-1/2% of Assessed Valuation		\$12,017,376
Gross Indebtedness Authorized by Council	\$21,971,397	
Less Debt Outside Limitations	18,541,397	
Debt Within 5-1/2% Limitation	3,430,000	
Less Debt Service Fund Balance Available	0	
Net Debt Within 5-1/2% Limitation		3,430,000
Legal Debt Margin Within 5-1/2% Limitation		\$8,587,376

Source: City of Oxford Finance Department

**CITY OF OXFORD, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION BONDED DEBT
 DECEMBER 31, 2003**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Oxford	Amount Applicable to City of Oxford
DIRECT:			
City of Oxford	\$3,430,000	100.00 %	\$3,430,000
OVERLAPPING:			
Talawanda School District	9,214,680	42.12	3,881,223
Butler County Career Center School District	4,395,000	3.44	151,188
Butler County	73,817,200	2.99	2,207,134
Total Overlapping Debt	<u>87,426,880</u>		<u>6,239,545</u>
Total	<u><u>\$90,856,880</u></u>		<u><u>\$9,669,545</u></u>

Source: Ohio Municipal Advisory Council

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

Year	Debt Principal	Interest	Debt Service Expenditures	Governmental Expenditures	Ratio of Debt Service Expenditures to Total General Governmental Expenditures
1994	\$19,900	\$2,082	\$21,982	\$5,483,215	0.40
1995	12,800	238	13,038	6,153,039	0.21
1996	-	-	-	6,945,972	-
1997	-	-	-	6,536,071	-
1998	-	-	-	8,144,204	-
1999	-	-	-	7,596,480	-
2000	90,000	236,680	326,680	10,074,779	3.24
2001	125,000	199,243	324,243	10,667,717	3.04
2002	130,000	194,054	324,054	11,960,775	2.71
2003	140,000	188,465	328,465	10,076,500	3.26

Source: City of Oxford Finance Department

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

Year	Population	School Enrollment (Public)	Unemployment Rate	
1994	*	19,455	3,575	5.3
1995		19,455	3,609	4.0
1996		19,455	3,636	4.1
1997		19,455	3,636	3.5
1998		19,455	3,478	3.0
1999		19,455	3,392	2.6
2000		21,943	3,348	2.6
2001		21,943	3,334	3.2
2002		21,943	3,183	3.7
2003		21,943	3,096	4.0

Source: 1990 and 2000 U.S. Census Bureau

* Federal Census Bureau Division of Population Estimate

Talawanda City School District

Ohio Bureau of Employment Services; rates are for Butler County

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

Year	Number of Permits	Construction Value	Property Value (1)	Bank Deposits in Thousands
1994	266	\$15,279,523	\$112,840,290	\$737,683
1995	332	10,458,176	114,597,730	800,556
1996	332	9,940,278	139,414,540	783,398
1997	419	21,185,042	143,924,230	815,435
1998	414	11,490,976	147,573,240	864,105
1999	364	11,099,146	172,268,090	913,169
2000	342	17,613,230	174,752,420	1,152,810
2001	237	17,662,139	174,924,750	1,136,994
2002	402	20,233,645	195,537,850	1,257,078
2003	481	15,280,882	200,360,510	1,355,739

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

(1) Real Property Assessed Valuation

**CITY OF OXFORD, OHIO
2003 PRINCIPAL TAXPAYERS**

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Square D Company	Manufacturing	\$5,624,190	2.81 %
Cincinnati Gas & Electric	Utility	4,902,790	2.45
D & B Family Ltd Prt	Real Estate	4,093,090	2.04
First National Bank	Banking	3,470,200	1.73
Ogden Investments Prt	Real Estate	3,174,960	1.58
University Commons Prt	Real Estate	2,695,860	0.89
EVR Investments	Real Estate	2,553,690	1.35
Brookside at Chestnut LLC	Real Estate	2,107,910	1.27
Red Brick Pride	Real Estate	1,774,120	0.81
Ned Hoelzer C TR	Real Estate	1,624,440	1.05
	SUB-TOTAL	32,021,250	15.98
	ALL OTHERS	168,339,260	84.02
	TOTAL	\$200,360,510	100.00 %

CITY OF OXFORD, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2003 and 2002

	2003	2002
Date of incorporation	1830	1830
Date of municipal charter adoption	1960	1960
Form of government	Council-Manager	Council-Manager
Area	6.19 Square Miles	6.18 Square Miles
Miles of streets	49.92	49.2
Population (2000 U.S. Census)	21,943	21,943
EMPLOYEES		
Number of authorized full-time employees	113	110
FIRE AND EMS PROTECTION		
Fire chief (full-time)	1	1
Assistant fire chief (part-time)	1	1
Number of fire fighters (part-time)	30	30
Number of life squad members (part-time)	40	40
Number of stations	1	1
POLICE PROTECTION		
Police Chief (full-time)	1	1
Additional authorized police officers (full-time)	26	26
Authorized civilian employees (full-time)	12	11
Number of stations	1	1
RECREATION		
Number of parks	11	11
Number of swimming pools	1	1
WATER SERVICE		
Number of consumers	4,170	4,175
Annual production (in million gallons)	883.31	920.06
Miles of water mains	70.49	70
SEWER SERVICE		
Number of consumers	3,885	3,882
Annual treatment (in million gallons)	997.11	932.8
Miles of sanitary sewers	63.53	62.4
PARKING METERS	728	519
EDUCATION		
Number of schools	4	5
Number of teachers	225	233
Number of students	3,096	3,183
Miami University Enrollment	16,863	16,730
HOSPITAL	60 beds	60 beds
LIBRARY	110,477 volumes	107,610 volumes



**Auditor of State
Betty Montgomery**

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CITY OF OXFORD

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 10, 2004**