

**FY 2009
SPECIAL COMMUNITY BENEFIT DISTRICT
BUDGET REQUEST**

A. District Name **Oyster Harbor**
 B. Community Association Name OYSTER HARBOR CITIZEN'S ASSOC., INC.
 C. Mailing Address P.O. BOX 3174, ANNAPOLIS MD 21403
 D. Contact Person BROOKE DOSWELL, PRESIDENT
 Phone Number(s) 410.571.5588 OR 202.302.3894
 Email Address(s) dsswell2201.com

BUDGET REQUESTED FOR FISCAL YEAR JULY 1, 2008 THROUGH JUNE 30, 2009

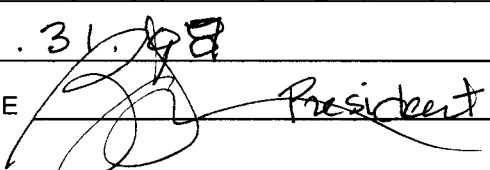
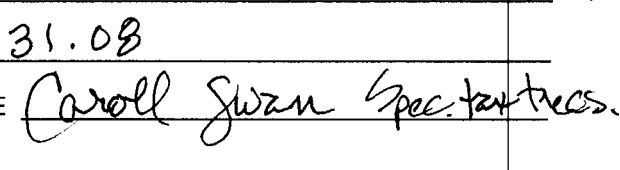
E. Purposes	Amount
COMMUNITY PROPERTY MAINT.	184,500
ROADS / DRAINAGE	305,000
SECURITY	25,000
CAPITAL IMPROVEMENT FUND	508,420
DREDGING	50,000
F. Budget Subtotal	1,072,920
G. Administrative Fee (See Instructions)	2,000
H. BUDGET TOTAL (Sum of Item F & Item G)	<u>1,074,920.</u>

Revenues		
I. Estimated Funds Available FY09	\$ 38,100	
J. Fund Balance as of 6/30/07	<u>737,740</u>	
K. Investment Income/ Other Revenue	<u>5,000</u>	
L. Estimated Funds Available Subtotal		<u>780,840.</u>
M. Tax Revenues Needed for FY09		<u>294,080</u>
N. REVENUE TOTAL (Sum of Item L & Item M)		<u>1,074,920</u>

Tax Rate Calculation		
O. Tax Revenues Needed for FY09 (Item M)		<u>294,080</u>
P. # of Lots/Accounts Taxable Assessment	<u>91,900,000</u>	OR 919,000
Q. REQUESTED TAX RATE (=)		<u>.32</u>

CERTIFICATION OF ASSOCIATION REPRESENTATIVES

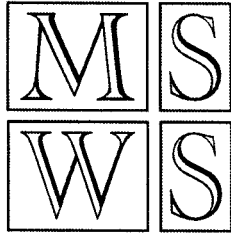
I hereby certify that the budget request above has been approved pursuant to the bylaws of this association; that the budget has been presented to the property owners for their comments; and that the funds requested are for the purposes authorized in the laws governing our special taxing district.

PRESIDENT/CHAIRMAN OF THE BOARD	TREASURER
NAME <u>BROOKE DOSWELL</u>	NAME <u>CAROL SWAN</u>
TITLE <u>VICE PRESIDENT</u>	TITLE <u>SPECIAL TAX TREASURER</u>
DATE <u>1.31.08</u>	DATE <u>1.31.08</u>
SIGNATURE  <u>President</u>	SIGNATURE  <u>Carol Swan Spec. Tax Treas.</u>

OYSTER HARBOR CITIZENS ASSOCIATION, INC.
SPECIAL TAX FUND
FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

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MULLEN & SONDBERG
WIMBISH & STONE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

2553 Housley Road • Suite 200 • Annapolis, Maryland 21401

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Oyster Harbor Citizens Association, Inc.
Annapolis, Maryland

We have audited the accompanying statements of financial position – cash basis of Oyster Harbor Citizens Association, Inc. Special Tax Fund as of June 30, 2007 and 2006, and the related statements of activities – cash basis for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 audits provide a reasonable basis for our opinion.

The accompanying statement was prepared to present the financial position of the Special Tax Fund of the Oyster Harbor Citizens Association, Inc., and is not intended to be a complete presentation of the Association's financial position.

As described in Note 1, the Association prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oyster Harbor Citizens Association, Inc. Special Tax Fund as of June 30, 2007 and 2006, and the changes in net assets for the years then ended, on the basis of accounting described in Note 1.

MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
January 23, 2008

Oyster Harbor Citizens Association, Inc.
Special Tax Fund
STATEMENTS OF FINANCIAL POSITION – CASH BASIS
As of June 30, 2007 and 2006

ASSETS		
	2007	2006
CURRENT ASSETS		
Cash - checking	\$ 161,155	\$ 15,441
- savings	434,579	705,133
- held by County	146,906	181,230
Utility deposit - BG&E	100	100
Total current assets	\$ 742,740	\$ 901,904
NET ASSETS		
NET ASSETS		
Unrestricted	\$ -	\$ 227,653
Unrestricted - board designated	742,740	674,251
Total net assets	\$ 742,740	\$ 901,904

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

Oyster Harbor Citizens Association, Inc.
Special Tax Fund
STATEMENTS OF ACTIVITIES – CASH BASIS
Year Ended June 30, 2007 and 2006

	<u>Budgeted</u>	<u>Actual</u>	<u>Over (Under)</u>	<u>Actual</u>
	<u>June 30, 2007</u>	<u>June 30, 2007</u>	<u>Budget</u>	<u>June 30, 2006</u>
	<u>June 30, 2007</u>	<u>June 30, 2007</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
REVENUES				
Property taxes	\$ 229,440	\$ 255,174	\$ 25,734	\$ 225,543
Interest income	2,000	8,380	6,380	7,277
Other income	-	803	803	-
	<u>231,440</u>	<u>264,357</u>	<u>32,917</u>	<u>232,820</u>
EXPENSES				
Community property, Note 2	69,780	83,805	14,025	57,224
Roads	49,500	47,639	(1,861)	19,185
Beach	12,700	23,636	10,936	13,642
Administration	2,000	2,000	-	2,000
Security	15,500	14,244	(1,256)	13,866
Capital improvements	81,960	69,632	(12,328)	12,738
Dredging/pier project	-	182,565	182,565	-
Escrow	831,606	-	(831,606)	-
	<u>1,063,046</u>	<u>423,521</u>	<u>(639,525)</u>	<u>118,655</u>
Change in net assets		(159,164)		114,165
Net assets at beginning of year, as restated		<u>901,904</u>		<u>787,739</u>
Net assets at end of year		<u>\$ 742,740</u>		<u>\$ 901,904</u>

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

Oyster Harbor Citizens Association, Inc.
Special Tax Fund
NOTES TO FINANCIAL STATEMENTS
June 30, 2007 and 2006

Note 1 - Summary of Significant Accounting Policies

Nature of Organization

Oyster Harbor Citizens Association, Inc. Special Tax Fund operates as a taxing district of Anne Arundel County. The Association's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the standards established by the Financial Accounting Standards Board Statement 117, "Financial Statements of Not-for-Profit Organizations." Under those standards, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor-imposed restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Unexpended grant awards are classified as refundable advances until expended for the purposes of the grants since they are considered conditional promises to give.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Oyster Harbor Citizens Association, Inc.
Special Tax Fund
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2007 and 2006

Note 1 - Summary of Significant Accounting Policies (Cont.)

Concentration of Cash Balances

At June 30, 2007 and at various times during the year, the Association maintained cash-in-bank balances in excess of the federally insured limit of \$100,000. At June 30, 2007 and 2006 the Association's uninsured cash balance totaled \$225,424 and \$229,105, respectively.

Note 2 - Community Property

Community property consists of the following:

	June 30	
	2007	2006
Community property	\$ 18,856	\$ 23,901
Accounting and legal	18,246	7,370
Maintenance	17,217	-
Management fee	6,189	-
Office expense	5,225	4,337
Office rent	5,125	-
Insurance	4,457	8,480
Taxes	2,038	2,832
Miscellaneous	4,896	1,017
Utilities	1,150	9,287
Recreation	406	-
	\$ 83,805	\$ 57,224

Note 3 - Unrestricted - Board Designated Net Assets

The unrestricted net assets have been designated by the Board of Directors of Oyster Harbor Citizens Association, Inc. to be used for scheduled projects such as channel dredging, road upgrades, and the beach erosion project.

Oyster Harbor Citizens Association, Inc.
Special Tax Fund
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2007 and 2006

Note 4 - Restatement of Net Assets

Net assets as of June 30, 2005, as originally reported	\$ 830,239
Overstatement of Special Tax Fund cash	<u>(42,500)</u>
Net assets as of June 30, 2005, as restated	<u>\$ 787,739</u>



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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Oyster Harbor Citizens Association, Inc.
Annapolis, Maryland

We have examined management's assertions, included in its representation letter dated December 28, 2007, that Oyster Harbor Citizens Association, Inc. complied with State and local laws regarding the receipt and disbursement of tax funds during the year ended June 30, 2007. As discussed in that representation letter, management is responsible for Oyster Harbor Citizens Association, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on management's assertions about Oyster Harbor Citizens Association, Inc.'s compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Oyster Harbor Citizens Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Oyster Harbor Citizens Association, Inc.'s compliance with specified requirements.

In our opinion, management's assertion that Oyster Harbor Citizens Association, Inc. complied with the aforementioned requirements for the year ended June 30, 2007 is fairly stated, in all material respects.

This report is intended solely for the use of management and the Anne Arundel County, Maryland government agency. However, this report is a matter of public record and its distribution is not limited.

MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
January 23, 2008