

**TOWN OF FRYE ISLAND  
FINANCIAL REPORT**



DECEMBER 31, 2015

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## INDEPENDENT AUDITOR'S REPORT

Board of Selectmen and Town Manager  
Town of Frye Island  
Frye Island, Maine

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 Town of Frye Island, Maine, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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 Town of Frye Island, Maine, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 3-7 and 31-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Frye Island, Maine's basic financial statements. The schedule of general fund reserves, schedule of proprietary fund reserves, and schedule of departmental operations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of general fund reserves, schedule of proprietary fund reserves, and schedule of departmental operations are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of general fund reserves, schedule of proprietary fund reserves, and schedule of departmental operations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Certified Public Accountants  
October 31, 2016



Gary M. Donohue  
Town Manager

**TOWN OF FRYE ISLAND**  
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### **Management's Discussion and Analysis**

As management of the Town of Frye Island, Maine, we present this narrative to provide you with an overview and analysis of our annual financial statements for the year ended December 31, 2015. This is the Town's ninth year after implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB) *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This information in conjunction with the notes in the financial statements should be considered when reading the Town's financial statements.

### **2015 Financial Highlights**

The net position of the Town of Frye Island is divided into two basic groups. The "Governmental Funds" groups the activities that deal with the operation of the municipality. These include Administration, Public Works, Public Safety, Recreation, School, County and other activities approved by the Town. These activities are supported, primarily, from revenues received from property taxes and fees. The "Enterprise Fund" groups the business-type activities which includes the ferry service, the golf operation, and the marinas. These activities are supported primarily from the revenues they receive for the service they provide. Total Net Position for the governmental activities for the year ending on December 31, 2015, was \$4,068,005, an increase of \$50,259 over 2014. Total Net Position for the business-type activities for the year ending on December 31, 2015, was \$3,549,403, an increase of \$70,212.

The total fund balance for the general fund for the year ending December 31, 2015, was \$1,093,044; an increase of \$116,918 over the previous year. Of this balance, \$12,896 is nonspendable; \$546,516 is reserved for specific purposes, including ferry projects, water system renovations, island improvement projects, etc.; \$67,500 is assigned to 2016 use of fund balance; and \$466,132 is the unassigned fund balance.

### **Overview of Financial Statements**

The Town of Frye Island's basic financial statements are composed of three components:

1. Government-wide financial statements
2. Fund financial statements, and
3. Notes to the financial statements

Required and other supplemental information to the basic financial statements is also provided.

### **Government-wide Financial Statements**

The government-wide financial statements provide a broad overview of the Town of Frye Island's finances. Financial information is presented in two statements - *Statement of Net Position* and *Statement of Activities*.

The **Statement of Net Position** presents information about the Town's assets and liabilities with the difference between the two reported as net position. Over time, changes in net position (increases or decreases) may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The **Statement of Activities** presents information about how the Town's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying change or event occurs, regardless of the timing of the related cash flows. This means that revenues and expenses are reported in this statement even if the related cash movement does not occur until future fiscal periods (e.g. uncollected taxes and accounts payable).

In the government-wide financial statements, the Town's basic services are reported as **Governmental Activities** as they are principally supported by taxes and intergovernmental revenues, rather than recovering all, or a significant portion of their costs through user fees and charges. Governmental activities include General Administration, Public Safety (Law Enforcement, Fire Protection, and Emergency Medical Services), Public Works (Roads, Water, and Waste Management), Recreation, Education, Debt Service, and Capital Planning expenses.

### Fund Financial Statements

A fund can be described as a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Frye Island, like other state and local governments, uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. The Town's two kinds of funds - governmental, and enterprise (proprietary) - use different accounting methods:

**Governmental Funds** are used to report most of the Town's basic operational services. Operating expenses and revenues are recorded and the cumulative leftover balance of these activities, which is available for spending in future years, is reported here. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information can help to determine what financial resources are available in the near future to finance the Town's activities.

**Business-type Activities - Enterprise Funds** are used to account for the Town's activities that are intended to recover all or a significant portion of their costs through user fees and charges. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Activities in the Enterprise fund include the Ferry Service, the Golf Course and the Marina Operations.

### Statement of Net Position Information

The following information is a condensed version of the Statement of Net Position.

**Table 1**  
**Statement of Net Position**  
**Year Ended December 31, 2015**  
(Statement 1)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current & Other Assets	\$ 2,241,276	\$ 1,249,375	\$ 3,490,651
Capital Assets, net	3,317,423	2,364,449	5,681,872
Total Assets	<u>5,558,699</u>	<u>3,613,824</u>	<u>9,172,523</u>
<b>Liabilities</b>			
Current Liabilities	120,907	64,421	185,328
Non-current Liabilities	<u>336,491</u>	-	<u>336,491</u>
Total Liabilities	<u>457,398</u>	<u>64,421</u>	<u>521,819</u>
Prepaid Property Taxes	<u>1,033,296</u>	-	<u>1,033,296</u>
Total Deferred Inflows of Resources	<u>1,033,296</u>	-	<u>1,033,296</u>
<b>Net Position</b>			
Net Investment in Capital Assets	2,939,282	2,364,449	5,303,731
Unrestricted	<u>1,128,723</u>	<u>1,184,954</u>	<u>2,313,677</u>
Total Net Position	<u>\$ 4,068,005</u>	<u>\$ 3,549,403</u>	<u>\$ 7,617,408</u>

The total net position of the Town of Frye Island exceeded its liabilities at the close of the most recent fiscal year by \$7,618,408 per Statement 1 (Statement of Net Position). Of this amount, \$2,313,677 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors. The total net position of the Town of Frye Island increased by \$120,471 over the previous year.

As of December 31, 2015, the Town of Frye Island reported an ending fund balance in the governmental funds of \$1,093,044, an increase of \$116,918. Approximately 43% of this total amount, \$466,132, is available for spending at the Town's discretion (unassigned fund balance).

A large portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire these assets that is still outstanding. The Town uses these assets to provide services to citizens; consequently these assets are not available for future spending. Although the Town investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Also note that the Town has not recorded any infrastructure assets at this time. Such assets will be added to the Town's presentation in future years. An additional portion of the Town's net position represents resources that are subject to restrictions on how they may be expended. The remaining unrestricted balance of net position may be used to meet the government's ongoing obligations to citizens and creditors.

**Table 2**  
**Changes in Net Position**  
**Year Ended December 31, 2015**  
(Statement 2)

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<i>Revenues</i>			
Program Revenues			
Charges for Services	\$ 78,433	\$ 817,589	\$ 896,022
Operating Grants and Contributions	29,631	-	29,631
General Revenues			
Property and Excise Taxes	2,689,203	-	2,689,203
Intergovernmental	756	-	756
Miscellaneous / Transfers	(88,009)	68,898	(19,111)
Investment Earnings	26,556	11,743	38,299
<b>Total Revenues</b>	<b>2,736,570</b>	<b>898,230</b>	<b>3,634,800</b>
<i>Expenses</i>			
Administration	429,549	-	429,549
Public Works and Sanitation	364,728	-	364,728
Public Safety	201,545	-	201,545
Recreation	48,106	-	48,106
Education	1,473,348	-	1,473,348
Fixed Expenses	116,289	-	116,289
Capital Outlay	52,746	-	52,746
Program Expenditures	-	828,018	828,018
<b>Total Expenses</b>	<b>2,686,311</b>	<b>828,018</b>	<b>3,514,329</b>
<b>Changes in Net Assets</b>	<b>\$ 50,259</b>	<b>\$ 70,212</b>	<b>\$ 120,471</b>

**Governmental Activities**

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. Expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this type of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies the amount each function draws from the general revenues or if it is self-financing through fees and grants.

Examples of activities that produce some level of revenue are:

- General Government                      Excise Taxes, management fees, interest, fees for building, plumbing and electrical permits
- Public Works and Sanitation            Local road assistance, recycling revenues
- Recreation                                    Fees for recreation programs and facility rental

All other governmental revenues are reported as general revenues. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

Table 3 shows the total cost of each of the Town's major functional activities.

**Table 3 - Net Cost of Governmental Activities  
Fiscal Year Ended December 31, 2015**

(Statement 2)

Function / Program	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	\$ 429,549	\$ (373,485)
Public Works and Sanitation	364,728	(344,659)
Public Safety	201,545	(201,545)
Recreation	48,106	(43,488)
Education	1,473,348	(1,473,348)
Fixed Expenses	116,289	(116,289)
Capital Reserve Activity	52,746	(25,433)
Total Governmental Activities	<u>\$ 2,686,311</u>	<u>\$ (2,578,247)</u>

**Analysis of Significant Individual Fund Balances, Transactions and Changes in Fund Balance**

The Unassigned fund balance increased from \$389,371 to \$466,132, an increase of \$76,761. The Committed fund balance increased from \$524,026 to \$546,516, an increase of \$22,490. The Nonspendable fund balance increased by \$167 and the Assigned fund balance increased by \$17,500. The general fund increased a total of \$116,918.

**Analysis of Significant General Fund Budget Variances**

For the 2015 year, operating revenues came in above budget expectations by \$22,992, a positive variance of 0.8%. Actual expenditures were \$36,589 less than the budget, a 1.3% positive variance.

**Significant Capital Asset and Long-Term Debt Activity**

- Capital assets totaling \$5,681,872 (Statement 1) are being reported as of December 31, 2015. This represents an increase of \$17,475 over the previous year.

By State law, the Town may have a debt service not to exceed 7.5% of the total State assessed valuation of the Town which was \$158,400,000 in 2015. This creates a maximum allowed debt service of \$11,880,000. The actual long-term debt, as of December 31, 2015, was \$376,751, which is the loan from the Maine Municipal Bond Bank for the improvements to the water treatment system and a new loan from the Maine Municipal Bond Bank for the new Town Office building. Both loans have the final payments due on October 1, 2024.

## **Economic Factors and Next Year's Budgets and Rates**

The Town of Frye Island is a seasonal community that is open pending weather from late April until the 1st of November.

The tax rate was stable for two years at \$22.84 per thousand dollars of value. The original budget for 2016 was voted down at Town Meeting. This no vote meant that the community would continue to operate under the 2015 budget as stated in our charter. In July of 2016, the town had another budget hearing and then a special Town Meeting. At this meeting, the 2016 budget was then approved. It was the position of Administration and the Executive Committee that, because tax bills had been mailed in November 2015 for fiscal year 2016, it would be prudent to try to maintain the same tax rate. This was achieved by making some cuts and not funding some of the reserves for fiscal 2016.

In 2016, both MSAD #6 and the Cumberland County obligations of the budget were less than originally projected.

Presently the Town has been working toward better transparency for the taxpayers. The town presently has a new resident with a great knowledge of technology. This new IT volunteer has done a remarkable job to help the Town update and move into the new age of technology. We now have Google document files for all meetings and agendas, and minutes are all recorded. The Town now has its own email system that collects all emails as encrypted files and are backed up by Goggle in a cloud based environment. As manager, I have also contracted a private company to keep our technology and backups offsite.

The future will have to be cloud based servers so employees of the community can work remotely in the off season.

Fairpoint Communications has begun the process of installing fiber on Frye Island. I have been advised by Fairpoint that this technology will be available for the 2017 season.

The Town has established a Public Safety Committee to evaluate the needs for EMS, fire, and police protection. Our IT volunteer has set up surveys so that a greater number of islanders can provide their opinions in any area. These surveys will allow a greater participation by the taxpayers.

The Town has also developed a Communication committee to work on more efficient methods of providing information to the taxpayers. We now have a town email list that reaches over 600 members of the community. We have developed on the website a public documents section that makes all materials available.

The Town is presently in the 1301 process with MSAD #6. This process is to evaluate and hopefully reduce the cost of school tax for our small part-time community. Frye Island must find a solution for the growing school tax formula. In 2016, Frye Island's share of the obligation is \$1,517,790.54.

The new Town Hall is near completion. The Administration cannot move into the building until the Fiber installation is complete. At the present time, the band width of the DSL is too low to operate a functional office.

The Board of Selectmen and Executive Committee have had over 29 meetings and workshops to try to improve the Town's efficiency and functions. As Town Manager, I feel we are moving in a good direction. If the school process fails, we will begin working on another option to be discussed at a later date.

## **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Selectmen's Office at One Sunset Road, Frye Island, ME 04071, or by phone at (207) 655-4551.

**BASIC FINANCIAL STATEMENTS**

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash/Investments	\$ 2,273,141	\$ 1,144,266	\$ 3,417,407
Receivables:			
Taxes	5,785	-	5,785
Liens	48,690	-	48,690
Accounts	-	984	984
Inventory	-	4,889	4,889
Prepaid Expenses	12,896	-	12,896
Internal Balances	(99,236)	99,236	-
Capital Assets:			
Land and Construction in Progress	816,193	534,500	1,350,693
Other Capital Assets, Net of Depreciation	2,501,230	1,829,949	4,331,179
<b>TOTAL ASSETS</b>	<u>5,558,699</u>	<u>3,613,824</u>	<u>9,172,523</u>
<b>LIABILITIES</b>			
Accounts Payable	55,131	-	55,131
Accrued Expenses	15,579	1,112	16,691
Accrued Compensated Absences	8,547	-	8,547
Accrued Interest Payable	1,390	-	1,390
Unearned Revenues	-	63,309	63,309
Long-Term Liabilities			
Due within One Year	40,260	-	40,260
Due in More Than One Year	336,491	-	336,491
<b>TOTAL LIABILITIES</b>	<u>457,398</u>	<u>64,421</u>	<u>521,819</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid Property Taxes	1,033,296	-	1,033,296
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,939,282	2,364,449	5,303,731
Unrestricted	1,128,723	1,184,954	2,313,677
<b>TOTAL NET POSITION</b>	<u>\$ 4,068,005</u>	<u>\$ 3,549,403</u>	<u>\$ 7,617,408</u>

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>						
<b>Primary Government</b>						
<u>Governmental Activities</u>						
General Government	\$ 429,549	\$ 56,064	\$ -	\$ (373,485)	\$ -	\$ (373,485)
Public Works and Sanitation	364,728	11,421	8,648	(344,659)	-	(344,659)
Public Safety	201,545	-	-	(201,545)	-	(201,545)
Recreation	48,106	4,618	-	(43,488)	-	(43,488)
Education	1,473,348	-	-	(1,473,348)	-	(1,473,348)
Fixed Expenses	116,289	-	-	(116,289)	-	(116,289)
Capital Reserve Activity	52,746	6,330	20,983	(25,433)	-	(25,433)
Total Governmental Activities	<u>2,686,311</u>	<u>78,433</u>	<u>29,631</u>	<u>(2,578,247)</u>	<u>-</u>	<u>(2,578,247)</u>
<u>Business-type activities</u>						
Ferry	477,166	462,476	-	-	(14,690)	(14,690)
Golf Club	288,454	276,656	-	-	(11,798)	(11,798)
Yacht Club	62,398	78,457	-	-	16,059	16,059
Total Business-type Activities	<u>828,018</u>	<u>817,589</u>	<u>-</u>	<u>-</u>	<u>(10,429)</u>	<u>(10,429)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,514,329</b>	<b>\$ 896,022</b>	<b>\$ 29,631</b>	<b>\$ (2,578,247)</b>	<b>\$ (10,429)</b>	<b>\$ (2,588,676)</b>
<b>General Revenues:</b>						
Taxes - Property				\$ 2,670,137	\$ -	\$ 2,670,137
Taxes - Excise				19,066	-	19,066
Intergovernmental				756	-	756
Investment Earnings				26,556	11,743	38,299
Loss on Sale of Assets				(19,111)	-	(19,111)
Transfers				(68,898)	68,898	-
Total General Revenues, Transfers				<u>2,628,506</u>	<u>80,641</u>	<u>2,709,147</u>
Change in Net Position				50,259	70,212	120,471
<b>Net Position - January 1, 2015</b>				<u>4,017,746</u>	<u>3,479,191</u>	<u>7,496,937</u>
<b>Net Position - December 31, 2015</b>				<u>\$ 4,068,005</u>	<u>\$ 3,549,403</u>	<u>\$ 7,617,408</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

**TOWN OF FRYE ISLAND, MAINE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

	Total Governmental Funds
	General Fund
<b>ASSETS</b>	
Cash/Investments	\$ 2,273,141
Receivables (Net of Allowance for Uncollectibles):	
Taxes	5,785
Liens	48,690
Prepaid Expenses	12,896
Tax Acquired Property	41,056
<b>TOTAL ASSETS</b>	<b>2,381,568</b>
<b>LIABILITIES</b>	
Accounts Payable	55,131
Accrued Liabilities	15,579
Due to Other Funds	99,236
<b>TOTAL LIABILITIES</b>	<b>169,946</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenues - Property Taxes	85,282
Prepaid Property Taxes	1,033,296
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,118,578</b>
<b>FUND BALANCES</b>	
Nonspendable	12,896
Committed for:	
Capital Expenditures	546,516
Assigned	67,500
Unassigned	466,132
<b>TOTAL FUND BALANCES</b>	<b>1,093,044</b>

Amounts reported for governmental activities in the Statement of Net Assets (Statement 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,276,367
Funds are not available to pay for current period expenditures and therefore are deferred in the funds.		85,282
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds Payable	\$ (376,751)	
Accrued Interest	(1,390)	
Accrued Compensated Absences	(8,547)	(386,688)
Net Position of Governmental Activities		<b>\$ 4,068,005</b>

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Total Governmental Funds
	General Fund
<b>REVENUES</b>	
Taxes	\$ 2,710,188
Licenses and Permits	15,069
Intergovernmental	9,404
Charges for Services	35,996
Miscellaneous	60,820
Total Revenues	2,831,477
<b>EXPENDITURES</b>	
General Government	468,616
Public Works and Sanitation	330,360
Public Safety	196,729
Recreation	42,041
Education	1,473,348
Fixed Expenses	155,872
Capital Reserve Activity	136,195
Total Expenditures	2,803,161
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	28,316
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfer to Enterprise Fund	(105,724)
Transfer from Enterprise Fund	36,826
Donated Asset	7,500
Loan Proceeds	150,000
Total Other Financing Sources (Uses)	88,602
<b>NET CHANGE IN FUND BALANCE</b>	116,918
<b>FUND BALANCE - JANUARY 1, 2015</b>	976,126
<b>FUND BALANCE - DECEMBER 31, 2015</b>	\$ 1,093,044

The reconciliation of the net change in fund balances of governmental funds to the change in net assets in the statement of activities is presented on a separate schedule on the next page.

**TOWN OF FRYE ISLAND, MAINE**  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2015

**Net Change in Fund Balances - Total Governmental Funds (from Statement 4)** \$ 116,918

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because (see Note 1, also):

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$ 178,139	
Loss on Sale of Assets	(19,111)	
Depreciation	<u>(98,972)</u>	60,056

Bond, loan, and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments in the current period:

Bond Proceeds	(150,000)	
Bond Repayments	<u>39,916</u>	(110,084)

Some expenses reported in the Statement of Activities, such as accrued compensated absences, do not use current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in Accrued Interest Expense		(333)
Change in Accrued Compensated Absences		(1,902)

Revenues in the governmental funds, such as the change in the 60 day rule, do not provide current financial resources and, therefore, are not reported as revenues in the statement of activities.

(14,396)

**Change in Net Position of Governmental Activities (see Statement 2)**

\$ 50,259

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2015**

	<u>Enterprise Funds</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	
<b>ASSETS</b>				
Current Assets				
Cash	\$ 989,576	\$ 96,525	\$ 58,165	\$ 1,144,266
Accounts Receivable	-	984	-	984
Inventory	-	4,889	-	4,889
Due from Other Funds	108,792	11,257	-	120,049
Total Current Assets	<u>1,098,368</u>	<u>113,655</u>	<u>58,165</u>	<u>1,270,188</u>
Noncurrent Assets				
Capital Assets, Net of Depreciation	<u>891,434</u>	<u>803,176</u>	<u>669,839</u>	<u>2,364,449</u>
<b>TOTAL ASSETS</b>	<u>1,989,802</u>	<u>916,831</u>	<u>728,004</u>	<u>3,634,637</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accrued Liabilities	348	764	-	1,112
Unearned Revenues	61,809	-	1,500	63,309
Due to Other Funds	-	-	20,813	20,813
Total Current Liabilities	<u>62,157</u>	<u>764</u>	<u>22,313</u>	<u>85,234</u>
<b>TOTAL LIABILITIES</b>	<u>62,157</u>	<u>764</u>	<u>22,313</u>	<u>85,234</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	891,434	803,176	669,839	2,364,449
Unrestricted Net Assets	<u>1,036,211</u>	<u>112,891</u>	<u>35,852</u>	<u>1,184,954</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,927,645</u>	<u>\$ 916,067</u>	<u>\$ 705,691</u>	<u>\$ 3,549,403</u>

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Enterprise Fund</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	
<b>OPERATING REVENUES</b>				
Memberships and Fees	\$ -	\$ 185,875	\$ -	\$ 185,875
Lounge and Pro Shop Sales	-	80,796	-	80,796
Equity Fees	-	-	16,632	16,632
Rental Fees	-	-	61,825	61,825
Charges for Services	462,476	-	-	462,476
Miscellaneous	-	9,985	-	9,985
	<u>462,476</u>	<u>276,656</u>	<u>78,457</u>	<u>817,589</u>
<b>OPERATING EXPENDITURES</b>				
Salaries and Benefits	251,286	130,910	-	382,196
Supplies and Miscellaneous	148,488	119,782	44,019	312,289
Depreciation	77,392	37,762	18,379	133,533
	<u>477,166</u>	<u>288,454</u>	<u>62,398</u>	<u>828,018</u>
<b>OPERATING INCOME (LOSS)</b>	(14,690)	(11,798)	16,059	(10,429)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	11,768	586	681	13,035
Net Decrease in the Fair Value of Investment Earnings	(1,146)	(79)	(67)	(1,292)
	<u>10,622</u>	<u>507</u>	<u>614</u>	<u>11,743</u>
<b>INCOME BEFORE TRANSFERS</b>	(4,068)	(11,291)	16,673	1,314
<b>OPERATING TRANSFERS IN (OUT)</b>				
Transfer from General Fund	105,724	-	-	105,724
Transfer to General Fund Reserve	-	-	(36,826)	(36,826)
	<u>105,724</u>	<u>-</u>	<u>(36,826)</u>	<u>68,898</u>
<b>CHANGE IN NET POSITION</b>	101,656	(11,291)	(20,153)	70,212
<b>NET POSITION - JANUARY 1, 2015</b>	<u>1,825,989</u>	<u>927,358</u>	<u>725,844</u>	<u>3,479,191</u>
<b>NET POSITION - DECEMBER 31, 2015</b>	<u>\$ 1,927,645</u>	<u>\$ 916,067</u>	<u>\$ 705,691</u>	<u>\$ 3,549,403</u>

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Enterprise Fund</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 465,989	\$ 276,462	\$ 77,744	\$ 820,195
Payments to Suppliers	(168,570)	(122,362)	(44,019)	(334,951)
Payments to Employees	(251,286)	(130,910)	-	(382,196)
Increase (Decrease) in Due from Other Funds	(16,976)	2,775	-	(14,201)
Increase in Due to Other Funds	-	-	712	712
Net Cash Provided by Operating Activities	<u>29,157</u>	<u>25,965</u>	<u>34,437</u>	<u>89,559</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisitions of Operating Property	(65,263)	(29,729)	-	(94,992)
Transfer from General Fund	105,724	-	-	105,724
Transfers to General Fund Reserve	-	-	(36,826)	(36,826)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>40,461</u>	<u>(29,729)</u>	<u>(36,826)</u>	<u>(26,094)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Earnings	11,768	586	681	13,035
Net Decrease in the Fair Value of Investment Earnings	(1,146)	(79)	(67)	(1,292)
Net Cash Provided by Investing Activities	<u>10,622</u>	<u>507</u>	<u>614</u>	<u>11,743</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	80,240	(3,257)	(1,775)	75,208
<b>CASH - AT BEGINNING OF YEAR</b>	<u>909,336</u>	<u>99,782</u>	<u>59,940</u>	<u>1,069,058</u>
<b>CASH - AT END OF YEAR</b>	<u>\$ 989,576</u>	<u>\$ 96,525</u>	<u>\$ 58,165</u>	<u>\$ 1,144,266</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (14,690)	\$ (11,798)	\$ 16,059	\$ (10,429)
Adjustments Not Affecting Cash:				
Depreciation Expense	77,392	37,762	18,379	133,533
Change in Assets and Liabilities				
(Increase) Decrease in:				
Accounts Receivable	-	(194)	-	(194)
Inventory	-	(596)	-	(596)
Due from Other Funds	(16,976)	2,775	-	(14,201)
Increase (Decrease) in:				
Accounts Payable	(19,634)	(2,475)	-	(22,109)
Accrued Liabilities	(448)	491	-	43
Deferred Revenues	3,513	-	(713)	2,800
Due to Other Funds	-	-	712	712
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 29,157</u>	<u>\$ 25,965</u>	<u>\$ 34,437</u>	<u>\$ 89,559</u>

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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

**The Reporting Entity**

Town of Frye Island (the Town) was incorporated in July 1, 1998, and operates under a Town Meeting-Board of Selectmen form of Government. The Board consists of three members elected by the registered voters for staggered three-year terms.

The financial statements of the Town conform to accounting principles generally accepted in the United States of America as applicable to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncement of the Financial Accounting Standards Board (FASB) (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

**Principles Determining Scope of Reporting Entity**

In evaluating the Town of Frye Island as a reporting entity, management has addressed all potential component units for which the Town may or may not be financially accountable and, as such, be includable within the Town's financial statements. In accordance with the GASB, the Town (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town. The Town also is financially accountable for organizations that are fiscally dependent on it and if there is a financial benefit or burden relationship. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the application of these criteria, there are no other entities within the Town that should be included as part of these financial statements.

**Basis of Presentation**

*Government-Wide Financial Statements*

The government-wide financial statements, comprised of the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the Town. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities points out the extent to which the direct expenses of a given function are offset by program revenues. The Town does not allocate indirect costs among the programs and functions. Direct expenses are those that are specifically associated with a function, service, program, or department. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

*Fund Financial Statements*

Fund financial statements report detailed information about the Town. Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds are aggregated and presented in the "Other Governmental Funds" column in the fund financial statements. Fiduciary funds are reported by fund type.

The Town's major governmental funds are the General Fund, Ferry Service, Golf Course, and Marina.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide statements and proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All economic resources and claims on those economic resources are measured, including fixed assets, other non-current assets, and long-term liabilities. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flow takes place. Property taxes are recognized as revenues in the period for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus excludes from measurement resources such as fixed assets, other non-current assets, and long-term liabilities. Revenues are recognized (recorded) in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within 60 days after the end of the fiscal year. Revenue sources susceptible to accrual include intergovernmental revenues and investment earnings. Expenditures are recognized when the corresponding liabilities are incurred, except for principal and interest on general long-term debt, which are recognized when due, and compensated absences, which are recognized when paid to the employees. Capital asset acquisitions are reported as expenditures. Allocations of cost, such as depreciation, are not recognized in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Fund Accounting**

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

*Governmental Funds*

Governmental funds are identified as general, special revenue, capital projects, or permanent funds based upon specific guidelines. The following fund type is used by the Town:

The General Fund is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

*Business-Type Activities*

Proprietary Funds are used to account for the Town's ongoing activities, which are similar to those often found in the private sector. The following is the Town's proprietary fund type:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs, including depreciation, of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise funds are the ferry, golf course, and the marina.

**Cash/Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Town policy is that deposits can only be made in financial institutions insured by the FDIC. The Town's investment policy authorizes investments in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, certain corporate bonds, certain certificates of deposit and certain money market funds. The Town invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return, while remaining within the guidelines as provided by the Town's Investment Policy.

Investments are reported at fair market value.

**Inventories of Supplies**

The inventories at the golf pro shop are valued at the lower of cost or market, with cost determined on the first-in, first-out (FIFO) method.

**Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the combined balance sheet of the governmental funds and fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements.

Operating transfers are used to move unrestricted resources from various funds to finance programs that the Town must account for in other funds in accordance with budgetary authorizations.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resource (expense/expenditure) until then. The Town currently has no deferred outflow of resources.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements, the Town's deferred inflows of resources consist of prepaid property taxes. In the fund financial statements, due to differences in the modified accrual basis of accounting, deferred inflows also include deferred (unavailable) property taxes.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Proprietary fund assets are reported in the business-type activities column.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for machinery and equipment, \$10,000 for other assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets, other than land, is provided on the straight-line basis over their estimated useful lives. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Land Improvements - 10 to 40 years  
Buildings and Building Improvements - 20 to 60 years  
Vehicles and Equipment - 5 to 40 years

In the fund statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets are not capitalized and related depreciation is not expensed in the fund financial statements.

**Compensated Absences**

Under the terms of personnel policies, vacation and sick leave are granted in varying amounts according to length of service. The Town accrues accumulated sick leave and vacation time. As of December 31, 2015, the accrual for compensated absences was determined to be \$8,547 which has been included in the government-wide financial statements.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, if material to the basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt and the premiums received are reported as other financing resources. Discounts on debt issuances are reported as other financing uses.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**Net Position and Fund Equity Classifications**

Net Position is required to be classified into the following three components:

*Net Investment in Capital Assets* - This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Capital Assets		\$	4,083,466
Accumulated Depreciation			(766,043)
Bonds and Notes Payable			(376,751)
Accrued Interest			<u>(1,390)</u>
Total Invested in Capital Assets			
Net of Related Debt		\$	<u>2,939,282</u>

*Restricted* - This component consists of constraints placed on the use of net position which are either externally imposed by debt covenants, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**Fund Balance**

In the fund financial statements, governmental fund balance is presented in five possible categories:

*Nonspendable* - includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represent those portions of fund equity that have externally enforceable legal restrictions, such as from creditors, grantors, contributors, laws, or enabling legislation.

*Committed* - describes the portion of the fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner.

*Assigned* - reflects the amounts constrained by the town’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Selectmen and town manager have the authority to assign amounts to be used for specific purposes.

*Unassigned* - represents amounts that are available for any purpose.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town’s practice to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town’s intent to use committed or assigned resources first, and then unassigned resources as they are needed.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities, and the reported revenue and expense.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk**

For deposits and investments, custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover the value of its deposits, investments, and/or collateralized securities that are in the possession of an outside party. The Town of Frye Island's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk.

**Deposits**

As of December 31, 2015, the Town reported deposits of \$1,118,307 with a bank balance of \$1,167,420. \$250,000 of the Town's bank balance was covered by FDIC insurance and \$917,420 was exposed to custodial credit risk. Of the balance exposed to custodial credit risk, \$660,425 was collateralized with securities and \$256,995 was uninsured and uncollateralized.

**Investments**

The Town reported investments of \$2,299,100 as of December 31, 2015. \$1,915,331 of the Town's investment balance was covered by FDIC insurance and \$383,769 was exposed to custodial credit risk. At December 31, 2015, investments consisted of the following:

	Fair Market Value	Not Applicable	<1	1 - 5	6 - 10
Cash and Cash Equivalents	\$ 246,877	\$ 246,877	\$ -	\$ -	\$ -
Stocks	383,769	383,769	-	-	-
Certificates of Deposit	1,668,454	-	312,489	1,163,985	191,980
Total	<u>\$ 2,299,100</u>	<u>\$ 630,646</u>	<u>\$ 312,489</u>	<u>\$ 1,163,985</u>	<u>\$ 191,980</u>

**Concentration of Credit Risk**

As of December 31, 2015, the Town had individual investments that exceeded 5% of the Town's investments as follows:

	Fair Market Value	Percent	Credit Risk Rating
Certificates of Deposit	\$878,883	38.2%	N/A
Stocks	\$383,769	16.7%	N/A

The Town places a limit of \$250,000 on the amount invested in any one issuer. The Town is in compliance with this policy.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 3 - PROPERTY TAX**

Town of Frye Island's property tax for the current year was levied on the assessed value listed as of April 1, 2014. Assessed values are periodically established by the assessor at the assumed market value. Each property must be reviewed no less than once every four years. The assessed value, upon which the levy for the year ended December 31, 2015 was based, was \$116,345,840. Interest was charged at 7.00% on all unpaid taxes from January 1 and July 1, 2015.

The following summarizes the levy:

**VALUATION AND ASSESSMENT**

VALUATION		
Real Estate		\$ 116,340,640
Personal Property		<u>5,200</u>
Total Valuation		116,345,840
TAX RATE PER THOUSAND		<u>22.95</u>
TAX COMMITMENT		<u>\$ 2,670,137</u>

**COLLECTION OF 2015 TAXES**

Original Commitment		\$ 2,670,137
Less: Collections in the Current Period	\$ 2,631,514	
Transferred to Liens	<u>33,328</u>	<u>2,664,842</u>
2015 TAXES RECEIVABLE at December 31, 2015		<u><u>\$ 5,295</u></u>

Taxes receivable at December 31, 2015, is as follows:

Taxes - Current Year	\$ 5,295
Taxes - Prior Years	<u>490</u>
Total Taxes Receivable	<u><u>\$ 5,785</u></u>

The Town of Frye Island is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$463 for the year ended December 31, 2015. Property taxes levied for the fiscal year are recorded as receivables at the time the levy is made. The receivables collected during the year and during the first sixty (60) days after December 31, 2015, are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues.

The 2015 property taxes were committed October 17, 2014, were due and payable on December 31, 2014, and June 30, 2015, and have been recorded as revenues. The 2016 property taxes were levied on October 15, 2015, and are due and payable on December 31, 2015, and June 30, 2016. The payments collected in 2015 have been recorded as prepaid property taxes. Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid. In addition, the Town may bring a civil action for collection of unpaid personal property taxes.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 3 - PROPERTY TAX (Continued)**

Property acquired by foreclosure for non-payment of taxes is recorded at the amount of expired tax liens plus the costs involved in foreclosure. Liens and any current taxes on the same parcel are not included as part of the tax acquired property account until expiration of statutory time limits.

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

At December 31, 2015, the balances due from (receivables) and due to (payables) accounts were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$ 99,236
Enterprise		
Ferry	108,792	-
Golf Club	11,257	-
Marina	-	20,813
	<u>\$ 120,049</u>	<u>\$ 120,049</u>

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when the activity is accounted for through the centralized checking.

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2015, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 36,826	\$ 105,724
Enterprise		
Ferry	105,724	-
Marina	-	36,826
	<u>\$ 142,550</u>	<u>\$ 142,550</u>

Transfers are used to fund the Long-Term Transportation Reserve, and to transfer net income from slip rentals for the Marina into the Island Improvement Reserve.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 6 - FIXED ASSETS**

Capital asset activity for the Town's General Fund operations for the year ended December 31, 2015, was as follows:

<u>Governmental Activities</u>	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Dispositions</u>	Balance December 31, <u>2015</u>
Cost of Assets				
Assets Not Being Depreciated:				
Land	\$ 636,261	\$ -	\$ (4,041)	\$ 632,220
Construction in Progress	101,848	82,125	-	183,973
Assets Being Depreciated				
Land Improvements	95,166	-	-	95,166
Buildings and Building Improvements	1,000,222	-	-	1,000,222
Leasehold Improvements	84,081	-	-	84,081
Equipment and Vehicles	<u>2,047,061</u>	<u>96,014</u>	<u>(55,271)</u>	<u>2,087,804</u>
Total	<u>3,964,639</u>	<u>178,139</u>	<u>(59,312)</u>	<u>4,083,466</u>
Accumulated Depreciation				
Land and Land Improvements	8,214	2,485	-	10,699
Buildings and Building Improvements	159,861	18,760	-	178,621
Leasehold Improvements	7,233	2,700	-	9,933
Equipment and Vehicles	<u>527,923</u>	<u>75,027</u>	<u>(36,160)</u>	<u>566,790</u>
Total	<u>703,231</u>	<u>98,972</u>	<u>(36,160)</u>	<u>766,043</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,261,408</u>	<u>\$ 79,167</u>	<u>\$ (23,152)</u>	<u>\$ 3,317,423</u>

Depreciation was charged to functions as follows:

General Government	\$ 7,184
Public Works and Sanitation	77,155
Public Safety	8,568
Recreation	<u>6,065</u>
Total Depreciation	<u>\$ 98,972</u>

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 6 - FIXED ASSETS (Continued)**

Property, plant and equipment maintained in the proprietary funds are valued at cost. Depreciation of all exhaustible fixed assets is charged as an expense against their operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Proprietary Funds</u>	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Dispositions</u>	Balance December 31, <u>2015</u>
Cost of Assets				
Assets Not Being Depreciated				
Land	\$ 534,500	\$ -	\$ -	\$ 534,500
Assets Being Depreciated				
Land Improvements	892,267	14,656	-	906,923
Buildings and Building Improvements	369,881	-	-	369,881
Equipment and Vehicles	<u>1,964,845</u>	<u>80,337</u>	-	<u>2,045,182</u>
Total	<u>3,761,493</u>	<u>94,993</u>	-	<u>3,856,486</u>
Accumulated Depreciation				
Land and Land Improvements	229,795	22,319	-	252,114
Buildings and Building Improvements	83,910	10,615	-	94,525
Equipment and Vehicles	<u>1,044,799</u>	<u>100,599</u>	-	<u>1,145,398</u>
Total	<u>1,358,504</u>	<u>133,533</u>	-	<u>1,492,037</u>
Business-Type Activities Capital				
Assets, Net	<u>\$ 2,402,989</u>	<u>\$ (38,540)</u>	<u>\$ -</u>	<u>\$ 2,364,449</u>

Depreciation was charged to functions as follows:

Ferry	\$ 77,392
Golf Course	37,762
Marina	<u>18,379</u>
Total Depreciation	<u>\$ 133,533</u>

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 7 - LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2015:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$ 266,667	\$ 150,000	\$ (39,916)	\$ 376,751	\$ 40,260

Long-term debt outstanding at year end is as follows:

Maine Municipal Bond Bank:

2005 General Obligation Bond dated March 2005. Blended interest rate of 2.05%; Variable annual principal plus semi-annual interest payments to October 1, 2024	\$ 241,751
2014 General Obligation Bond dated May 2014. Interest rates between 0.41% and 2.78%; Variable annual principal plus semi-annual interest payments to October 1, 2024	135,000
	<u>\$ 376,751</u>

The annual requirements to amortize debt outstanding as of December 31, 2015, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ 40,260	\$ 6,398	\$ 46,658
2017	40,620	5,938	46,558
2018	40,997	5,410	46,407
2019	41,390	4,818	46,208
2020	41,800	4,161	45,961
2021 - 2024	171,684	8,822	180,506
	<u>\$ 376,751</u>	<u>\$ 35,547</u>	<u>\$ 412,298</u>

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its stated assessed valuation. The Town's outstanding debt at December 31, 2015, of \$376,751 was approximately \$23,383,249 below the Town's statutory debt limit.

A summary of the Town's legal debt margin is as follows:

	<u>Outstanding Bonds &amp; Notes</u>	<u>State Assessed Value of \$158,400,000</u>	<u>Debt Limit</u>	<u>Margin</u>
Municipal Purposes	\$ 376,751	15%	\$ 23,760,000	\$ 23,383,249

Total interest expended on long-term debt was \$8,262 for the fiscal year.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 8 - CONTINGENT LIABILITIES AND OTHER DISCLOSURES**

**Litigation**

The Town is subject to certain legal proceedings and claims that arise in the ordinary course of conducting its activities. In the opinion of management, the Town has defensible positions and any ultimate liabilities are covered by insurance or will not materially affect the financial position of the Town.

**Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; and natural disasters for which the Town either carries commercial insurance, or participates in a public entity risk pool. Currently, the Town participates in a public entity risk pool, as well as coverage provided by purchased commercial insurance. The Town is not aware of any material actual or potential claim liabilities that should be recorded at December 31, 2015. Settled claims (if any) have not exceeded insurance coverage for any of the past three fiscal years.

**State and Federal Grants**

The Town participates in state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**NOTE 9 - OVERLAPPING DEBT**

The Town's proportionate share of Cumberland County's and Maine School Administrative District (MSAD) No.6's bonded debt is not reported in the Town's financial statements. Debt service is included in the annual County and School assessments to the Town. The Town's share is .40% (\$144,484) of Cumberland County's outstanding debt of \$35,920,000, and 6.22% (\$1,134,622) of Maine School Administrative District No. 6's outstanding bonded debt of \$18,243,505. In addition, the Town is contracted to pay subsidy to MSAD No. 6 until June 30, 2016, totaling \$747,147.

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 10 - SELECTED COMPONENTS OF FUND BALANCE**

At December 31, 2015, fund balance components on Statement 3 - Balance Sheet - Governmental Funds consisted of the following:

	<u>Nonspendable</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
General Fund				
Nonspendable Expenses	\$ 12,896	\$ -	\$ -	\$ -
Reserves for:				
Capital Funds	-	33,566	-	-
Water System Improvements	-	10,354	-	-
Recreation	-	40,037	-	-
Equipment	-	35,600	-	-
Fire and Safety	-	117,546	-	-
Fire Department Operations	-	108	-	-
Island Improvement	-	210,751	-	-
School Operations	-	98,554	-	-
2015 Use of Fund Balance	-	-	67,500	-
Unassigned	-	-	-	466,132
Total	<u>\$ 12,896</u>	<u>\$ 546,516</u>	<u>\$ 67,500</u>	<u>\$ 466,132</u>

**NOTE 11 - RETIREMENT**

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through the International City Management Association Retirement Corporation.

The deferred compensation plan is available to all employees of the Town. Under the plan, employees may elect to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Town's computed contribution to this plan for the year ended December 31, 2015, was \$10,328. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements.

The employees participate in the Social Security Retirement Program. The Town's contribution was \$61,875 for the year ended December 31, 2015.

**NOTE 12 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through October 31, 2016, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes the Budgetary Comparison Schedule - Budget and Actual - General Fund - Budgetary Basis.

**TOWN OF FRYE ISLAND, MAINE**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Initial and Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 2,670,137	\$ 2,670,137	\$ -
Change in Deferred Property Revenues	-	14,396	14,396
Excise	14,000	15,232	1,232
Interest and Lien costs on Taxes	8,500	10,423	1,923
	<u>2,692,637</u>	<u>2,710,188</u>	<u>17,551</u>
Licenses and Permits:			
Boat and Vehicle Registrations	1,400	3,834	2,434
Building Permits	12,000	10,027	(1,973)
Plumbing and Electrical Permits	1,000	950	(50)
Other Permits and Fines	325	122	(203)
Hunting/Fishing	250	136	(114)
	<u>14,975</u>	<u>15,069</u>	<u>94</u>
Intergovernmental:			
Homestead Exemptions	448	489	41
Local Road Assistance	7,512	8,648	1,136
State Revenue Sharing	250	231	(19)
Miscellaneous	127	36	(91)
	<u>8,337</u>	<u>9,404</u>	<u>1,067</u>
Charges for Services:			
Water Hook-up Fees	1,000	1,500	500
Solid Waste Fee	5,000	9,321	4,321
Management Fee	24,000	23,600	(400)
Road Fees	800	600	(200)
Other Fees	1,000	975	(25)
	<u>31,800</u>	<u>35,996</u>	<u>4,196</u>
Other:			
Interest Earnings	20,000	10,111	(9,889)
Lease	6,561	6,837	276
Recreation Fees/Special Events	250	3,643	3,393
Miscellaneous	590	6,894	6,304
	<u>27,401</u>	<u>27,485</u>	<u>84</u>
<b>TOTAL REVENUES</b>	<u>2,775,150</u>	<u>2,798,142</u>	<u>22,992</u>

**TOWN OF FRYE ISLAND, MAINE**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Initial and Final <u>Budget</u></b>	<b><u>Actual</u></b>	<b>Variance Positive <u>(Negative)</u></b>
<b>EXPENDITURES</b>			
General Government:			
Administration	\$ 548,579	\$ 570,463	\$ (21,884)
Public Works and Sanitation:			
Public Works	264,369	232,317	32,052
Roads	35,150	28,476	6,674
Water	40,019	22,436	17,583
Solid Waste	43,492	43,381	111
	<u>383,030</u>	<u>326,610</u>	<u>56,420</u>
Public Safety:			
Fire and Safety	29,633	23,591	6,042
Police	84,373	88,429	(4,056)
Emergency Medical	81,603	80,959	644
	<u>195,609</u>	<u>192,979</u>	<u>2,630</u>
Recreation:	<u>43,341</u>	<u>42,041</u>	<u>1,300</u>
Education:			
School Administrative District 6	<u>1,473,348</u>	<u>1,473,348</u>	<u>-</u>
Fixed Expenses:			
County Tax	112,931	107,694	5,237
Debt Service	30,601	48,178	(17,577)
Overlay	463	-	463
	<u>143,995</u>	<u>155,872</u>	<u>(11,877)</u>
Capital Reserve Accounts:	<u>98,524</u>	<u>88,524</u>	<u>10,000</u>
<b>TOTAL EXPENDITURES</b>	<u>2,886,426</u>	<u>2,849,837</u>	<u>36,589</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(111,276)</u>	<u>(51,695)</u>	<u>59,581</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Enterprise Fund	(105,724)	(105,724)	-
Transfer from Enterprise Fund	-	36,826	36,826
Loan Proceeds	150,000	150,000	-
Use of Fund Balance	67,000	-	(67,000)
	<u>111,276</u>	<u>81,102</u>	<u>(30,174)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES</b>	<u>\$ -</u>	<u>\$ 29,407</u>	<u>\$ 29,407</u>

**TOWN OF FRYE ISLAND, MAINE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**DECEMBER 31, 2015**

**General Fund**

The general fund accounts for all revenues and expenditures which are not accounted for in other funds. Most governmental services are provided by the general fund including public works and sanitation, public safety, recreation, education, and general administrative services.

**NOTE 1 - BUDGETARY ACCOUNTING**

Each year a budget is adopted for the general fund only. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

In the prior year, the Town prepares a budget for the year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.

After giving public notice of the meeting, the inhabitants of the Town vote in the prior October for the purpose of adopting the proposed budget.

The budget is adopted subsequent to the vote by the inhabitants of the Town.

Formal budgetary integration is employed as a management control device during the year for the general fund.

**NOTE 2 - BUDGET VS GAAP BASIS OF ACCOUNTING**

The following is an explanation of the various differences and their effect on current year revenues and expenditures on a GAAP basis as presented in Statement 4:

Excess of Revenues and Other Sources Over	
Expenditures and Other Uses (Schedule 1)	\$ 29,407
Transfers to Reserves	(47,671)
Interest and Other Income from Reserves (Schedule 2)	33,335
Construction in Progress reported on the Budgetary Comparison Schedule and Recognized on Statement 4 in the Prior Year	101,847
Net Change in Fund Balances (Statement 4)	\$ 116,918

## **OTHER SUPPLEMENTARY INFORMATION**

The following schedules are presented for purposes of additional analysis and are not a required part of the financial statements of the Town of Frye Island. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

**TOWN OF FRYE ISLAND, MAINE**  
**COMBINING STATEMENT OF GENERAL FUND RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Fund Balances Beginning of Year</u>	<u>Appropriations</u>	<u>Interest</u>	<u>Net Decrease in the Fair Value of Investments</u>	<u>Other Revenues</u>	<u>Transfers In (Out)</u>	<u>Program Expenditures</u>	<u>Fund Balances End of Year</u>
Capital Reserve	\$ 29,367	\$ 12,000	\$ 423	\$ (37)	\$ -	\$ -	\$ 8,187	\$ 33,566
Water System Reserve	30,295	30,000	564	(60)	6,330	-	56,775	10,354
Recreation Reserve	29,453	10,000	627	(43)	-	-	-	40,037
Equipment Reserve	48,681	10,000	509	(40)	-	-	23,550	35,600
Fire and Safety Reserve	114,385	2,500	1,371	(130)	-	-	580	117,546
Fire Department Operations Reserve	107	-	1	-	-	-	-	108
Island Improvement Reserve	190,209	24,024	1,981	(186)	5,000	36,826	47,103	210,751
School Operations Reserve	81,529	-	1,134	(92)	15,983	-	-	98,554
<b>TOTAL</b>	<u>\$ 524,026</u>	<u>\$ 88,524</u>	<u>\$ 6,610</u>	<u>\$ (588)</u>	<u>\$ 27,313</u>	<u>\$ 36,826</u>	<u>\$ 136,195</u>	<u>\$ 546,516</u>

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**PROPRIETARY FUND RESERVES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Fund Balances Beginning of Year	Interest	Net Decrease in the Fair Value of Investments	Other Revenues	Transfers In (Out)	Program Expenditures	Fund Balances End of Year
Ferry Reserve	\$ 362,136	\$ 4,094	\$ (416)	\$ 99,923	\$ -	\$ 84,181	\$ 381,556
Ferry Service Operations Reserve	90,917	1,057	(102)	351,545	-	366,174	77,243
Long-Term Transportation Reserve	456,283	6,617	(628)	11,009	105,724	14,656	564,349
Golf Club Operations Reserve	98,543	567	(79)	276,657	1,258	280,421	96,525
Golf Club Equipment Reserve	1,239	19	-	-	(1,258)	-	-
Yacht Club Equity Reserve	59,940	681	(67)	16,631	-	19,020	58,165
Yacht Club Rental Reserve	-	-	-	61,825	(36,826)	24,999	-
<b>TOTAL</b>	<u>\$ 1,069,058</u>	<u>\$ 13,035</u>	<u>\$ (1,292)</u>	<u>\$ 817,590</u>	<u>\$ 68,898</u>	<u>\$ 789,451</u>	<u>\$ 1,177,838</u>

**TOWN OF FRYE ISLAND, MAINE**  
**STATEMENT OF DEPARTMENTAL OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Balances</u>	
				<u>Overdrawn</u>	<u>Unexpended</u>
<b>GENERAL GOVERNMENT</b>	\$ 548,579	\$ 548,579	\$ 570,463	\$ 21,884	\$ -
<b>PUBLIC WORKS AND SANITATION</b>					
Public Works	264,369	264,369	232,317	-	32,052
Roads	35,150	35,150	28,476	-	6,674
Water	40,019	40,019	22,436	-	17,583
Solid Waste	43,492	43,492	43,381	-	111
	<u>383,030</u>	<u>383,030</u>	<u>326,610</u>	<u>-</u>	<u>56,420</u>
<b>PUBLIC SAFETY</b>					
Fire and Safety	29,633	29,633	23,591	-	6,042
Police	84,373	84,373	88,429	4,056	-
Emergency Medical	81,603	81,603	80,959	-	644
	<u>195,609</u>	<u>195,609</u>	<u>192,979</u>	<u>4,056</u>	<u>6,686</u>
<b>RECREATION</b>	43,341	43,341	42,041	-	1,300
<b>EDUCATION</b>	<u>1,473,348</u>	<u>1,473,348</u>	<u>1,473,348</u>	<u>-</u>	<u>-</u>
<b>FIXED EXPENSES</b>					
County Tax	112,931	112,931	107,694	-	5,237
Debt Service	30,601	30,601	48,178	17,577	-
Overlay	463	463	-	-	463
	<u>143,995</u>	<u>143,995</u>	<u>155,872</u>	<u>17,577</u>	<u>5,700</u>
<b>CAPITAL RESERVE ACCOUNTS</b>					
Water	30,000	30,000	30,000	-	-
Fire Department Equipment	2,500	2,500	2,500	-	-
Capital Equipment	12,000	12,000	12,000	-	-
Public Works Equipment	10,000	10,000	10,000	-	-
Cape Property Reimbursement	10,000	10,000	-	-	10,000
Recreation Equipment	34,024	34,024	34,024	-	-
	<u>98,524</u>	<u>98,524</u>	<u>88,524</u>	<u>-</u>	<u>10,000</u>
<b>TOTAL</b>	<u>\$ 2,886,426</u>	<u>\$ 2,886,426</u>	<u>\$ 2,849,837</u>	<u>\$ 43,517</u>	<u>\$ 80,106</u>