

TOWN OF FRYE ISLAND
FINANCIAL REPORT



DECEMBER 31, 2003



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of Town of Frye Island, Maine as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in the notes, the Town has not maintained a record of its general fixed assets and, accordingly, a statement of general fixed assets, required by accounting principles generally accepted in the United States of America, is not included in the financial report. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, except for the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Frye Island as of December 31, 2003 and the results of operations of those funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The exhibits and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Berry, Fowles & Co.

Certified Public Accountants
May 6, 2004

TOWN OF FRYE ISLAND
BALANCE SHEET - GENERAL FUND
DECEMBER 31, 2003
(With Comparative Totals for the Year ended December 31, 2002)

	<u>2003</u>	<u>2002</u>
ASSETS:		
Cash/Investments	\$ 1,189,184	\$ 940,555
Receivable:		
Taxes	24,213	3,488
Tax Liens	15,296	25,908
Accounts	6,811	112
Tax Acquired Property	3,583	8,172
Prepaid Expense	7,176	25,743
TOTAL ASSETS	<u>\$ 1,246,263</u>	<u>\$ 1,003,978</u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 20,211	\$ 52,336
Due to Other Funds	28,888	3,337
Deferred Revenue	599,121	469,639
	<u>648,220</u>	<u>525,312</u>
Fund Balances:		
Reserved:		
For Specific Purposes	162,648	167,150
Unreserved:		
Undesignated	435,395	311,516
	<u>598,043</u>	<u>478,666</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,246,263</u>	<u>\$ 1,003,978</u>

TOWN OF FRYE ISLAND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES:			
Taxes:			
Property	\$ 1,259,630	\$ 1,259,630	\$ 0
Change in Deferred Property Revenues	0	(3,706)	(3,706)
Excise	8,700	7,598	(1,102)
Interest and Lien costs on Taxes	7,200	8,275	1,075
	<u>1,275,530</u>	<u>1,271,797</u>	<u>(3,733)</u>
Licenses and Permits:			
Boat Registrations	6,100	8,329	2,229
Building Permits	10,200	32,880	22,680
Plumbing and Electrical Permits	2,500	3,513	1,013
Other Permits	200	0	(200)
Licenses	300	200	(100)
	<u>19,300</u>	<u>44,922</u>	<u>25,622</u>
Intergovernmental:			
Local Road Assistance	7,016	6,322	(694)
Veteran' Reimbursement	0	23	23
Homestead Exemptions	896	405	(491)
	<u>7,912</u>	<u>6,750</u>	<u>(1,162)</u>
Charges for Services:			
Ferry Fees	243,788	342,898	99,110
Water Hookup and Soil Test Fees	11,300	13,550	2,250
Environmental Disposal Fees	4,500	9,370	4,870
Management Fee	6,000	4,000	(2,000)
Other Fees	6,200	1,080	(5,120)
	<u>271,788</u>	<u>370,898</u>	<u>99,110</u>
Other:			
Interest Earnings	14,000	5,068	(8,932)
Miscellaneous	3,900	7,319	3,419
	<u>17,900</u>	<u>12,387</u>	<u>(5,513)</u>
TOTAL REVENUES	<u>1,592,430</u>	<u>1,706,754</u>	<u>114,324</u>

TOWN OF FRYE ISLAND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
EXPENDITURES:			
General Government:			
Administration	\$ 337,902	\$ 312,906	\$ 24,996
Capital Improvements	25,360	23,860	1,500
	<u>363,262</u>	<u>336,766</u>	<u>26,496</u>
Public Works and Sanitation:			
Public Works	151,724	146,434	5,290
Roads	25,250	28,165	(2,915)
Water	61,292	25,681	35,611
Solid Waste	24,167	54,928	(30,761)
	<u>262,433</u>	<u>255,208</u>	<u>7,225</u>
Ferry Service:	<u>293,902</u>	<u>300,361</u>	<u>(6,459)</u>
Public Safety:			
Fire and Safety	29,786	29,786	0
Dispatch	3,500	266	3,234
Emergency Medical	3,000	0	3,000
Security	24,816	20,339	4,477
Animal Control	400	32	368
	<u>61,502</u>	<u>50,423</u>	<u>11,079</u>
Recreation:	<u>35,942</u>	<u>41,400</u>	<u>(5,458)</u>
Education:			
School Administrative District 6	<u>650,276</u>	<u>639,340</u>	<u>10,936</u>
Fixed Expenses:			
County Tax	44,512	43,292	1,220
Overlay	6,000	1,579	4,421
	<u>50,512</u>	<u>44,871</u>	<u>5,641</u>
TOTAL EXPENDITURES	<u>1,717,829</u>	<u>1,668,369</u>	<u>49,460</u>
EXCESS OF REVENUES OVER			
(UNDER) EXPENDITURES	(125,399)	38,385	163,784
OTHER FINANCING SOURCES (USES):			
Budgeted Use of Surplus	125,399	0	(125,399)
Transfers In	0	32,710	32,710
	<u>125,399</u>	<u>32,710</u>	<u>(92,689)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER			
(UNDER) EXPENDITURES AND OTHER USES	<u>\$ 0</u>	<u>\$ 71,095</u>	<u>\$ 71,095</u>

TOWN OF FRYE ISLAND
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 0	\$ 71,095	\$ 71,095
RECONCILIATION TO GAAP BASIS			
Appropriations		\$ 45,738	
Interest and Other Income to Reserves		2,544	
		<u>48,282</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		<u>\$ 119,377</u>	

TOWN OF FRYE ISLAND
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 DECEMBER 31, 2003
 (With Comparative Totals for the Year ended December 31, 2002)

	<u>Golf Club</u>	<u>Yacht Club</u>	<u>Total</u>
ASSETS:			
Due From General Fund	\$ 15,146	\$ 10,848	\$ 25,994
Accounts Receivable	6,712	0	6,712
Inventory	<u>9,943</u>	<u>0</u>	<u>9,943</u>
TOTAL ASSETS	<u><u>\$ 31,801</u></u>	<u><u>\$ 10,848</u></u>	<u><u>\$ 42,649</u></u>
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Accrued Expenses	\$ 1,494	\$ 0	\$ 1,494
Deferred Revenues	<u>0</u>	<u>2,700</u>	<u>2,700</u>
	1,494	2,700	4,194
 Restricted Fund Balance	 <u>30,307</u>	 <u>8,148</u>	 <u>38,455</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 31,801</u></u>	<u><u>\$ 10,848</u></u>	<u><u>\$ 42,649</u></u>

TOWN OF FRYE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2003

	<u>Golf Club</u>	<u>Yacht Club</u>	<u>Total</u>
REVENUES:			
Memberships and Fees	\$ 98,651	\$ 0	\$ 98,651
Lounge and Pro Shop Sales	53,814	0	53,814
Equity Fees	0	16,770	16,770
Rental Fees	0	37,700	37,700
Miscellaneous	24,227	0	24,227
	<u>176,692</u>	<u>54,470</u>	<u>231,162</u>
EXPENDITURES	<u>146,385</u>	<u>13,612</u>	<u>159,997</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	30,307	40,858	71,165
OTHER FINANCING SOURCES (USES):			
Transfer Out	<u>0</u>	<u>(32,710)</u>	<u>(32,710)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	30,307	8,148	38,455
FUND BALANCE - BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR			
Restricted for Capital Improvements	20,364	0	20,364
Restricted for Inventory	9,943	0	9,943
Restricted for Marina Improvements	0	8,148	8,148
TOTAL RESTRICTED FUND BALANCE	<u>\$ 30,307</u>	<u>\$ 8,148</u>	<u>\$ 38,455</u>