

**TOWN OF FRYE ISLAND
FINANCIAL REPORT**



DECEMBER 31, 2000

TOWN OF FRYE ISLAND
DECEMBER 31, 2000

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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, 2000, 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 generally accepted auditing standards. 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 generally accepted accounting principles, 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, 2000 and the results of operations of those funds for the year then ended, in conformity with generally accepted accounting principles.

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
June 13, 2001

TOWN OF FRYE ISLAND
COMBINED BALANCE SHEET - ALL FUND TYPES
DECEMBER 31, 2000

	Governmental Funds	Fiduciary Fund Type	Totals	
	General	Agency Funds	(Memorandum Only)	
			2000	1999
ASSETS:				
Cash and Investments	\$ 683,791	\$ 9,147	\$ 692,938	\$ 716,522
Receivable:				
Taxes	1,880	0	1,880	1,909
Tax Liens	44,202	0	44,202	19,523
Accounts	23,140	0	23,140	3,855
Tax Acquired Property	2,730	0	2,730	3,083
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 755,743</u>	<u>\$ 9,147</u>	<u>\$ 764,890</u>	<u>\$ 744,892</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 25,435	\$ 0	\$ 25,435	\$ 7,662
Deferred Revenues	298,290	0	298,290	381,522
Due to Other Groups	0	9,147	9,147	0
	<u>323,725</u>	<u>9,147</u>	<u>332,872</u>	<u>389,184</u>
Fund Balances:				
Reserved:				
For Specific Purposes	164,366	0	164,366	135,137
Unreserved:				
Undesignated	267,652	0	267,652	220,571
	<u>432,018</u>	<u>0</u>	<u>432,018</u>	<u>355,708</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 755,743</u>	<u>\$ 9,147</u>	<u>\$ 764,890</u>	<u>\$ 744,892</u>

The Accompanying Notes are an Integral Part of these Statements.

TOWN OF FRYE ISLAND
COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 2000

	Governmental Fund	
	General	
	<u>2000</u>	<u>1999</u>
REVENUES		
Taxes	\$ 1,014,105	\$ 1,020,564
Licenses and Permits	16,140	10,015
Intergovernmental	10,076	11,392
Charges for Services	276,031	233,946
Other	<u>27,731</u>	<u>25,100</u>
TOTAL REVENUES	<u>1,344,083</u>	<u>1,301,017</u>
EXPENDITURES:		
General Government	253,537	217,833
Public Works and Sanitation	221,378	207,616
Ferry Service	192,674	188,520
Public Safety	28,291	28,707
Recreation	50,257	35,379
Health and Welfare	0	2,749
Education	488,576	460,526
Fixed Expenses	<u>33,060</u>	<u>35,029</u>
TOTAL EXPENDITURES	<u>1,267,773</u>	<u>1,176,359</u>
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	76,310	124,658
FUND BALANCE - BEGINNING OF YEAR	355,708	10,209
TRANSFER FROM MUNICIPAL SERVICES		
CORPORATION	<u>0</u>	<u>220,841</u>
FUND BALANCE - END OF YEAR	<u>\$ 432,018</u>	<u>\$ 355,708</u>

The Accompanying Notes are an Integral Part of these Statements.

TOWN OF FRYE ISLAND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND- BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,021,556	\$ 1,014,105	\$ (7,451)
Licenses and Permits	5,819	16,140	10,321
Intergovernmental	22,512	10,076	(12,436)
Charges for Services	212,040	276,031	63,991
Other	11,200	21,002	9,802
	<u>1,273,127</u>	<u>1,337,354</u>	<u>64,227</u>
TOTAL REVENUES			
EXPENDITURES:			
General Government	227,811	253,537	(25,726)
Public Works and Sanitation	240,390	221,378	19,012
Ferry Service	204,672	207,674	(3,002)
Public Safety	38,193	35,791	2,402
Recreation	43,746	50,257	(6,511)
Health and Welfare	6,400	0	6,400
Education	477,446	488,576	(11,130)
Fixed Expenses	34,469	33,060	1,409
	<u>1,273,127</u>	<u>1,290,273</u>	<u>(17,146)</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	<u>\$ 0</u>	<u>\$ 47,081</u>	<u>\$ 47,081</u>

The Accompanying Notes are an Integral Part of these Statements.

TOWN OF FRYE ISLAND
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

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

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 general purpose financial statements. In accordance with GASB Statement #14, the Town (the primary government) is financially accountable if it appoints a voting majority of the organizations 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 benefit to or impose specific financial burden on the Town. 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 general purpose 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 general purpose financial statements.

With the exception of the departure noted in the Independent Auditor's Report, the financial statements of the Town of Frye Island conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

Basis of Presentation

The accounts of the Town are organized on the basis of a funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues and expenditures. The various funds, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations, are grouped by type in the general purpose financial statements. Amounts in the "Totals - Memorandum Only" columns represent a summation of the combined general purpose financial statement line items of the fund type and account group and is presented only to facilitate analysis.

The following fund types and account groups are used:

Governmental Fund

General Fund - The general fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds

TOWN OF FRYE ISLAND
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fiduciary Funds

Trust Funds - Trust funds are used to account for assets received by the Town and held in the capacity of trustee, custodian or agent. Non-expendable trust funds are those whose principal must be preserved intact. Expendable are those whose principal and income may be expended in the course of their designated operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements or results of operations.

Account Groups

General Long-Term Debt Group of Accounts - This account group is established to account for the long-term debt that is backed by the Town of Frye Island's full faith and credit. At December 31, 2000, there was no outstanding debt balance.

General Fixed Assets Account Group - The Town does not maintain this group of accounts which would otherwise account for the fixed assets of the town.

Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "Available" means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For property taxes, available means collected in the current period or within sixty (60) days after the end of the current fiscal year. Revenues susceptible to accrual are property taxes, interest revenue, and charges for services. Fines, licenses, and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

TOWN OF FRYE ISLAND
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

All proprietary and nonexpendable trust funds are accounted for using the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

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

Budgetary Accounting

Budgets are adopted for the general fund only on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed as a management control device during the year for the general fund. A comparison of budget to actual is presented in the financial statements.

Cash and 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.

Inventories of Supplies

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

Fixed Assets

General fixed assets that have been acquired for general Town purposes have been recorded as expenditures in the fund making the expenditure. These expenditures are required to be capitalized at historical cost in the general fixed asset account group for accountability purposes. The Town does not maintain a record of its general fixed assets and, accordingly, a statement of general fixed assets, required by generally accepted accounting principles, is not included in this financial report.

TOWN OF FRYE ISLAND
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Note 2 - DEPOSITS AND INVESTMENTS

Deposits

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. The funds are invested in savings, money market accounts, and repurchase agreements coinciding with its cash needs during the year.

The deposits are categorized as follows to give an indication of the level of risk assumed at year end: Category 1 includes deposits covered by federal depository insurance or by collateral held by the Town or by the Town's agent in the Town's name; Category 2 includes uninsured deposits covered by collateral held by the pledging financing institution's trust department or agent in the Town's name; and Category 3 includes uninsured and uncollateralized deposits.

At December 31, 2000, cash and cash equivalents consisted of the following:

	Carrying Amount	Bank Balance		<u>CATEGORY</u>		
			#1	#2	#3	
Checking and Money Market	\$ 77,607	\$110,786	\$110,786	\$ 0		\$ 0
Cash	<u>615,331</u>	<u>633,305</u>	<u>633,305</u>	<u>0</u>		<u>0</u>
Management	<u>\$692,938</u>	<u>\$744,091</u>	<u>\$744,091</u>	<u>\$ 0</u>		<u>\$ 0</u>

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, 1999. Assessed values are periodically established by the assessor at 100% of 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, 2000 was based, was \$31,060,184. Interest was charged at 10.00% on all unpaid taxes from January 2, 2000, and July 2, 2000. Schedule 2 summarizes the 2000 levy.

The Town of Frye Island is permitted by the laws of the State of Maine to levy taxes 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 \$2,079 for the year ended December 31, 2000. Property taxes levied for the fiscal year are recorded as receivables at the time the levy is made. The receivables collected during the

TOWN OF FRYE ISLAND
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

Note 3 - PROPERTY TAX (Continued)

year and during the first sixty (60) days after December 31, 2000 are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues.

The 2000 property taxes were committed November 1, 1999, and have been recorded as revenues. The 2001 property taxes were levied November 1, 2000, and are due and payable January 1 and July 1, 2001. The payments collected in 2000 have been recorded as deferred revenues.

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.

Note 4 - CONTINGENT LIABILITY

Litigation

The Town is subject to certain legal proceedings and claims which 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.

State and Federal Grants

The Town participates in state and federal grant programs which 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 general purpose financial statements for such contingencies.

Note 5 - OVERLAPPING DEBT

The Town's proportionate share of Cumberland County's and Maine School Administrative District No.6's bonded debt are 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 .3% (\$65,115) of Cumberland County's outstanding debt of \$21,705,000, and 4.06% (\$401,396) of Maine School Administrative District No. 6's outstanding bonded debt of \$9,886,606. In addition, the Town is contracted to pay subsidy to MSAD No. 6 until June 30, 2001, totaling \$254,536.

TOWN OF FRYE ISLAND
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

Note 6 - BUDGET vs GAAP BASIS OF ACCOUNTING

In order to conform to generally accepted accounting principles (GAAP), the accompanying financial statements have been adjusted to add the effects of the activities in the general fund reserve. Statement A-3, Statement of Revenues and Expenditures - Budget and Actual, reflects the current revenues and expenditures on a budgetary basis.

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 A-2:

Excess of revenues over(under) expenditures (Statement A-3)	\$47,081
Interest from Reserve Funds	6,729
Budgeted transfers to reserves	<u>22,500</u>
Excess of revenues over(under) expenditures (Statement A-2)	<u>\$76,310</u>

Note 7 - FUND BALANCE - RESERVED FOR SPECIFIC PURPOSES

General fund reserves consists of funds set aside by vote of the Island Property Owners. The purpose and balances at December 31, 2000, are as follows:

Equipment	\$ 15,008
Ferry Dock & Ferry Reserve	57,733
Water System Improvements	32,423
Recreation	30,806
Capital Funds	24,974
Fire and Safety	<u>3,422</u>
	<u>\$164,366</u>

Schedule 1 summarizes the activity in 2000.

Note 8 - OPERATING LEASE

The Town of Frye Island has entered into a one year lease agreement with Frye Island, Inc. (FII) which, unless otherwise canceled by either party in writing or replaced with a new agreement, will automatically renew on January 1 of each subsequent year. For a net annual fee of \$13,650, FII leases the following: Ferry Boats and Docks, Various Island Buildings, Roads and Road Maintenance Equipment, Water System and Recreational Facilities.

In addition, and with the same terms, the Town of Frye Island has also entered into a lease agreement with FII for one-half the usage of the maintenance building for an annual fee of \$7,200.

TOWN OF FRYE ISLAND
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

Note 9 - RETIREMENT

The employees participate in the Social Security Retirement Program. The town's contribution to social security was approximately \$23,579 for the year ended December 31, 2000.

Note 10 - VACATION PAY

The Office Manager/Financial Coordinator earn vacation leave at 1.54 hours per week as they provide services. The Managers are allowed to accumulate and carry over vacation time earned to the next year and will be paid for such amounts upon termination.

At December 31, 2000, the vested portion of vacation pay is approximately \$5,141.

COMBINING AND INDIVIDUAL FUND STATEMENTS

These exhibits provide a more detailed view of the "general purpose financial statements" presented in the preceding subsection.

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, public safety, recreation, health and welfare, and general administrative services.

TOWN OF FRYE ISLAND
BALANCE SHEET - GENERAL FUND
DECEMBER 31, 2000

	<u>2000</u>	<u>1999</u>
ASSETS:		
Cash/Investments	\$ 683,791	\$ 716,522
Receivable:		
Taxes	1,880	1,909
Tax Liens	44,202	19,523
Accounts	23,140	3,855
Tax Acquired Property	<u>2,730</u>	<u>3,083</u>
TOTAL ASSETS	<u><u>\$ 755,743</u></u>	<u><u>\$ 744,892</u></u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 25,435	\$ 7,662
Deferred Revenue	<u>298,290</u>	<u>381,522</u>
	<u>323,725</u>	<u>389,184</u>
Fund Balances:		
Reserved:		
For Specific Purposes	164,366	135,137
Unreserved:		
Undesignated	<u>267,652</u>	<u>220,571</u>
	<u>432,018</u>	<u>355,708</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 755,743</u></u>	<u><u>\$ 744,892</u></u>

TOWN OF FRYE ISLAND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Taxes:			
Property	\$ 1,009,456	\$ 1,009,456	\$ 0
Change in Deferred Property Revenues	0	(6,240)	(6,240)
Excise	7,500	7,389	(111)
Interest and Lien costs on Taxes	4,600	3,500	(1,100)
	<u>1,021,556</u>	<u>1,014,105</u>	<u>(7,451)</u>
Licenses and Permits:			
Boat Registrations	0	3,134	3,134
Golf Cart Registrations	0	1,626	1,626
Building Permits	4,500	9,860	5,360
Plumbing and Electrical Permits	739	873	134
Other Permits	500	505	5
Licenses	80	142	62
	<u>5,819</u>	<u>16,140</u>	<u>10,321</u>
Intergovernmental:			
Revenue Sharing	5,000	3,966	(1,034)
Local Road Assistance	15,000	5,598	(9,402)
General Assistance	2,000	0	(2,000)
Homestead Exemptions	512	512	0
	<u>22,512</u>	<u>10,076</u>	<u>(12,436)</u>
Charges for Services:			
Ferry Fees	190,000	245,619	55,619
Water Hookup and Soil Test Fees	2,150	13,491	11,341
Environmental Disposal Fees	1,500	0	(1,500)
Management Fee	12,390	12,390	0
Recreation Fees	4,000	4,281	281
EMS Fees	2,000	0	(2,000)
Brush Dump Fees	0	250	250
	<u>212,040</u>	<u>276,031</u>	<u>63,991</u>
Other:			
Interest Earnings	6,000	17,678	11,678
Miscellaneous	5,200	3,324	(1,876)
	<u>11,200</u>	<u>21,002</u>	<u>9,802</u>
TOTAL REVENUES	<u>1,273,127</u>	<u>1,337,354</u>	<u>64,227</u>
EXPENDITURES:			
General Government:			
Administration	207,376	250,043	(42,667)
Assessing	1,000	1,304	(304)
Town Clerk	355	0	355
Selectmen	2,120	154	1,966
Planning Board	2,250	565	1,685
Appeals Board	2,000	264	1,736
Insurance and Bonding	2,710	1,207	1,503
Capital Improvements	10,000	0	10,000
	<u>\$ 227,811</u>	<u>\$ 253,537</u>	<u>\$ (25,726)</u>

TOWN OF FRYE ISLAND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Public Works and Sanitation:			
Public Works	\$ 126,260	\$ 141,721	\$ (15,461)
Roads	35,600	24,788	10,812
Water	54,980	33,787	21,193
Solid Waste	23,550	21,082	2,468
	<u>240,390</u>	<u>221,378</u>	<u>19,012</u>
Ferry Service:	<u>204,672</u>	<u>207,674</u>	<u>(3,002)</u>
Public Safety:			
Fire and Safety	13,663	13,978	(315)
Security	17,300	16,108	1,192
Animal Control	400	137	263
Code Enforcement	6,830	5,568	1,262
	<u>38,193</u>	<u>35,791</u>	<u>2,402</u>
Recreation:	<u>43,746</u>	<u>50,257</u>	<u>(6,511)</u>
Health and Welfare:			
Emergency Medical	3,000	0	3,000
Dispatch	1,400	0	1,400
General Assistance	2,000	0	2,000
	<u>6,400</u>	<u>0</u>	<u>6,400</u>
Education:			
School Administrative District 6	<u>477,446</u>	<u>488,576</u>	<u>(11,130)</u>
Fixed Expenses:			
County Tax	32,390	32,764	(374)
Overlay	2,079	296	1,783
	<u>34,469</u>	<u>33,060</u>	<u>1,409</u>
TOTAL EXPENDITURES	<u>1,273,127</u>	<u>1,290,273</u>	<u>(17,146)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 0</u>	<u>47,081</u>	<u>\$ 47,081</u>
RECONCILIATION TO GAAP BASIS			
Budgeted Transfers and Interest Income to Reserves		29,229	
Expenditures by Reserve		<u>0</u>	
		<u>29,229</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		<u>\$ 76,310</u>	

TOWN OF FRYE ISLAND
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2000

	<u>Reserved</u>	<u>Unreserved</u>	
	Specific Purpose (Schedule 1)	Undesignated	<u>Total</u>
FUND BALANCE - JANUARY 1, 2000	\$ 135,137	\$ 220,571	\$ 355,708
EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES	<u>29,229</u>	<u>47,081</u>	<u>76,310</u>
FUND BALANCE - DECEMBER 31, 2000	<u>\$ 164,366</u>	<u>\$ 267,652</u>	<u>\$ 432,018</u>

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the Town in a trustee or agent capacity. These include Expendable Trust, NonExpendable Trust and Agency Funds. NonExpendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds, since capital maintenance is necessary. Expendable Trust Funds are accounted for in the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

TOWN OF FRYE ISLAND
COMBINING BALANCE SHEET - FIDUCIARY FUNDS
DECEMBER 31, 2000

	<u>Agency</u>
	<u>Ballfields</u>
ASSETS:	
Cash and Investments	<u>\$ 9,147</u>
 LIABILITIES AND FUND BALANCE:	
Liabilities:	
Due to Other Groups	<u>\$ 9,147</u>

The following schedules are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Frye Island. Such information in these schedules have 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.

**TOWN OF FRYE ISLAND
COMBINING STATEMENT OF GENERAL FUND RESERVES
YEAR ENDED DECEMBER 31, 2000**

	<u>Equipment Reserve</u>	<u>Ferry Dock and Ferry Reserve</u>	<u>Water System Reserve</u>	<u>Recreation Reserve</u>	<u>Capital Funds Reserve</u>	<u>Fire and Safety Reserve</u>	<u>Total</u>
REVENUES:							
Interest	\$ 623	\$ 2,076	\$ 1,221	\$ 1,405	\$ 1,221	\$ 183	\$ 6,729
EXPENDITURES FOR DESIGNATED PURPOSES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	623	2,076	1,221	1,405	1,221	183	6,729
OTHER FINANCING SOURCES (USES):							
Appropriations	<u>0</u>	<u>15,000</u>	<u>7,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,500</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USE	623	17,076	8,721	1,405	1,221	183	29,229
BALANCE - JANUARY 1, 2000	<u>14,385</u>	<u>40,657</u>	<u>23,702</u>	<u>29,401</u>	<u>23,753</u>	<u>3,239</u>	<u>135,137</u>
BALANCE - DECEMBER 31, 2000	<u>\$ 15,008</u>	<u>\$ 57,733</u>	<u>\$ 32,423</u>	<u>\$ 30,806</u>	<u>\$ 24,974</u>	<u>\$ 3,422</u>	<u>\$ 164,366</u>

TOWN OF FRYE ISLAND
VALUATION, ASSESSMENT AND COLLECTION OF TAXES
YEAR ENDED DECEMBER 31, 2000

VALUATION AND ASSESSMENT

Real Property		\$ 30,729,654
Personal Property		330,530
		31,060,184
Tax Rate per Thousand		32.50
TAX COMMITMENT		\$ 1,009,456

APPROPRIATIONS

Municipal Functions		\$ 761,212
MSAD 6		477,446
County Tax		32,390
Overlay		2,079
		1,273,127
Less: Estimated Revenues		263,671
TAX COMMITMENT		\$ 1,009,456

COLLECTION OF 2000 TAXES

Original Commitment		\$ 1,009,456
Supplementals		0
		1,009,456
Less: Collections	980,229	
Abatements	0	
Transferred to Liens	29,227	
	989,456	1,009,456
BALANCE OUTSTANDING AT DECEMBER 31, 2000		\$ 0