

TOWN OF FRYE ISLAND  
FINANCIAL REPORT



DECEMBER 31, 2001

**TOWN OF FRYE ISLAND**  
DECEMBER 31, 2001

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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, 2001, 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 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, 2001 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  
August 9, 2002

**TOWN OF FRYE ISLAND**  
**COMBINED BALANCE SHEET - ALL FUND TYPES**  
**DECEMBER 31, 2001**  
 (With Comparative Totals for the Year ended December 31, 2000)

	Governmental Fund	Fiduciary Fund Type	Account Groups	Totals
	General	Agency Funds	General Long- Term Debt	(Memorandum Only) 2001      2000
<b>ASSETS:</b>				
Cash and Investments	\$ 788,568	\$ 3,553	\$ 0	\$ 792,121
Receivable:				\$ 692,938
Taxes	23,758	0	0	23,758
Tax Liens	11,786	0	0	11,786
Accounts	45,305	0	0	45,305
Tax Acquired Property	7,077	0	0	7,077
Prepaid Expense	6,683	0	0	6,683
Due from Other Funds	1,018	0	0	1,018
Amount to be Provided for Retirement of Capital Leases	0	0	29,485	29,485
<b>TOTAL ASSETS</b>	<u>\$ 884,195</u>	<u>\$ 3,553</u>	<u>\$ 29,485</u>	<u>\$ 917,233</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts Payable	\$ 37,694	\$ 0	\$ 0	\$ 37,694
Deferred Revenues	324,527	0	0	324,527
Due to Other Funds	0	1,018	0	1,018
Due to Other Groups	0	2,535	0	2,535
Capital Leases	0	0	29,485	29,485
	<u>362,221</u>	<u>3,553</u>	<u>29,485</u>	<u>395,259</u>
Fund Balances:				
Reserved:				
For Specific Purposes	224,063	0	0	224,063
Unreserved:				
Undesignated	297,911	0	0	297,911
	<u>521,974</u>	<u>0</u>	<u>0</u>	<u>521,974</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 884,195</u>	<u>\$ 3,553</u>	<u>\$ 29,485</u>	<u>\$ 917,233</u>
				<u>\$ 764,890</u>

The Accompanying Notes are an Integral Part of these Statements.

**TOWN OF FRYE ISLAND**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**  
**YEAR ENDED DECEMBER 31, 2001**  
(With Comparative Totals for the Year ended December 31, 2000)

	<b>Governmental Fund</b>	
	General	
	<u>2001</u>	<u>2000</u>
<b>REVENUES</b>		
Taxes	\$ 1,031,428	\$ 1,014,105
Licenses and Permits	22,637	16,140
Intergovernmental	15,363	10,076
Charges for Services	282,968	276,031
Other	26,062	27,731
<b>TOTAL REVENUES</b>	<u>1,378,458</u>	<u>1,344,083</u>
<b>EXPENDITURES:</b>		
General Government	284,309	253,537
Public Works and Sanitation	184,355	221,378
Ferry Service	179,829	192,674
Public Safety	29,370	28,291
Recreation	25,390	50,257
Health and Welfare	1,200	0
Education	547,367	488,576
Fixed Expenses	36,682	33,060
<b>TOTAL EXPENDITURES</b>	<u>1,288,502</u>	<u>1,267,773</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>		
<b>EXPENDITURES</b>	89,956	76,310
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>432,018</u>	<u>355,708</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 521,974</u>	<u>\$ 432,018</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**  
**BUDGET BASIS**  
**YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 1,029,814	\$ 1,031,428	\$ 1,614
Licenses and Permits	5,750	22,637	16,887
Intergovernmental	11,112	15,363	4,251
Charges for Services	236,890	282,968	46,078
Other	<u>17,000</u>	<u>17,891</u>	<u>891</u>
<b>TOTAL REVENUES</b>	<u>1,300,566</u>	<u>1,370,287</u>	<u>69,721</u>
<b>EXPENDITURES:</b>			
General Government	284,272	284,309	(37)
Public Works and Sanitation	225,729	184,355	41,374
Ferry Service	270,215	231,355	38,860
Public Safety	39,154	29,370	9,784
Recreation	27,450	25,390	2,060
Health and Welfare	5,900	1,200	4,700
Education	534,526	547,367	(12,841)
Fixed Expenses	<u>38,629</u>	<u>36,682</u>	<u>1,947</u>
<b>TOTAL EXPENDITURES</b>	<u>1,425,875</u>	<u>1,340,028</u>	<u>85,847</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(125,309)	30,259	155,568
<b>OTHER FINANCING SOURCES (USES)</b>	<u>125,309</u>	<u>0</u>	<u>(125,309)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ 0</u>	<u>\$ 30,259</u>	<u>\$ 30,259</u>

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

**TOWN OF FRYE ISLAND**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

**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 accounting principles generally accepted in the United States of America 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, 2001**

**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, 2001, there was \$29,485 of outstanding debt, represented by capital lease obligations (see Note 5).

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, 2001**

**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, 2001**

**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, 2001, cash and cash equivalents consisted of the following:

	<u>Carrying</u> <u>Amount</u>	<u>Bank</u> <u>Balance</u>	<u>#1</u>	<u>CATEGORY</u> <u>#2</u>	<u>#3</u>
Checking and Money Market	\$ 78,031	\$ 52,695	\$ 52,695	\$ 0	\$ 0
Cash Management	<u>714,090</u>	<u>714,090</u>	<u>714,090</u>	<u>0</u>	<u>0</u>
	<u>\$ 792,121</u>	<u>\$ 766,785</u>	<u>\$ 766,785</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, 2000. 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, 2001 was based, was \$31,221,965. Interest was charged at 10.00% on all unpaid taxes from January 1, 2001, and July 1, 2001. Schedule 2 summarizes the 2001 levy.

**TOWN OF FRYE ISLAND**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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

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 \$3,000 for the year ended December 31, 2001. 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, 2001 are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues.

The 2001 property taxes were committed November 1, 2000, and have been recorded as revenues. The 2002 property taxes were levied October 6, 2001, and are due and payable January 1 and July 1, 2002. The payments collected in 2001 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 - 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.

**Note 5 - CAPITAL LEASE OBLIGATIONS**

The following is a summary of capital-lease obligation transactions of the Town for the year ended December 31, 2001:

	<u>Capital Lease Obligations</u>
Capital Lease Obligation Payable at December 31, 2000	\$ 0
Principal Additions	<u>30,110</u>
	30,110
Debt Retired	<u>625</u>
Capital Lease Obligation Payable at December 31, 2001	<u>\$ 29,485</u>

**TOWN OF FRYE ISLAND**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

**Note 5 - CAPITAL LEASE OBLIGATIONS (Continued)**

Obligation under long-term capital leases consists of the following:

2002 Ford F-250 Snowplow, maturing 1/31/2005, 6.85%	
interest rate, payable in annual payments of \$6,683.	\$ 24,271
<i>IOS Capital, Inc.</i>	
2001 Ricoh Photocopier, maturing 11/5/2006, 3.21%	
interest rate, payable in installments of \$312. quarterly.	<u>5,214</u>
	<u>\$ 29,485</u>

The annual requirement to capital lease obligations outstanding as of December 31, 2001 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 7,779	\$ 152	\$ 7,931
2003	6,609	1,322	7,931
2004	7,021	910	7,931
2005	7,459	472	7,931
2006	<u>617</u>	<u>8</u>	<u>625</u>
	<u>\$ 29,485</u>	<u>\$ 2,864</u>	<u>\$ 32,349</u>

**Note 6 - 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.

**TOWN OF FRYE ISLAND**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

**Note 7 - 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% (\$55,890) of Cumberland County's outstanding debt of \$18,630,000, and 4.06% (\$624,663) of Maine School Administrative District No. 6's outstanding bonded debt of \$15,385,780. In addition, the Town is contracted to pay subsidy to MSAD No. 6 until June 30, 2002, totaling \$292,830.

**Note 8 - 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)	\$ 30,259
Interest from Reserve Funds	8,171
Budgeted transfers to reserves	<u>51,526</u>
Excess of revenues over(under) expenditures (Statement A-2)	<u>\$ 89,956</u>

**Note 9 - FUND BALANCE - RESERVED FOR SPECIFIC PURPOSES**

General fund reserves consists of funds set aside by vote of the Town. The purpose and balances at December 31, 2001, are as follows:

Equipment	\$ 15,644
Ferry Dock & Ferry Reserve	113,885
Water System Improvements	33,796
Recreation	32,110
Capital Funds	25,061
Fire and Safety	<u>3,567</u>
	<u>\$ 224,063</u>

Schedule 1 summarizes the activity in 2001.

**TOWN OF FRYE ISLAND**  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

**Note 10 - RETIREMENT**

The employees participate in the Social Security Retirement Program. The town's contribution to social security was approximately \$23,731 for the year ended December 31, 2001.

**Note 11 - 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, 2001, the vested portion of vacation pay is approximately \$1,744.

## **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, 2001**

	<u>2001</u>	<u>2000</u>
<b>ASSETS:</b>		
Cash/Investments	\$ 788,568	\$ 683,791
Receivable:		
Taxes	23,758	1,880
Tax Liens	11,786	44,202
Accounts	45,305	23,140
Tax Acquired Property	7,077	2,730
Prepaid Expense	6,683	0
Due from Other Funds	1,018	0
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 884,195</u></u>	<u><u>\$ 755,743</u></u>
 <b>LIABILITIES AND FUND BALANCES:</b>		
Liabilities:		
Accounts Payable	\$ 37,694	\$ 25,435
Deferred Revenue	324,527	298,290
	<u>362,221</u>	<u>323,725</u>
 Fund Balances:		
Reserved:		
For Specific Purposes	224,063	164,366
Unreserved:		
Undesignated	297,911	267,652
	<u>521,974</u>	<u>432,018</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 884,195</u></u>	<u><u>\$ 755,743</u></u>

**TOWN OF FRYE ISLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Taxes:			
Property	\$ 1,014,714	\$ 1,014,714	\$ 0
Change in Deferred Property Revenues	0	(131)	(131)
Excise	9,500	8,049	(1,451)
Interest and Lien costs on Taxes	5,600	8,796	3,196
	<u>1,029,814</u>	<u>1,031,428</u>	<u>1,614</u>
Licenses and Permits:			
Boat Registrations	0	6,430	6,430
Building Permits	4,500	14,970	10,470
Plumbing and Electrical Permits	650	1,015	365
Other Permits	500	120	(380)
Licenses	100	102	2
	<u>5,750</u>	<u>22,637</u>	<u>16,887</u>
Intergovernmental:			
Revenue Sharing	112	61	(51)
Local Road Assistance	11,000	14,564	3,564
Homestead Exemptions	0	738	738
	<u>11,112</u>	<u>15,363</u>	<u>4,251</u>
Charges for Services:			
Ferry Fees	215,000	254,021	39,021
Water Hookup and Soil Test Fees	3,000	14,245	11,245
Environmental Disposal Fees	500	120	(380)
Management Fee	12,390	12,067	(323)
Recreation Fees	5,000	2,515	(2,485)
EMS Fees	1,000	0	(1,000)
	<u>236,890</u>	<u>282,968</u>	<u>46,078</u>
Other:			
Interest Earnings	14,000	13,833	(167)
Miscellaneous	3,000	4,058	1,058
	<u>17,000</u>	<u>17,891</u>	<u>891</u>
<b>TOTAL REVENUES</b>	<u>\$ 1,300,566</u>	<u>\$ 1,370,287</u>	<u>\$ 69,721</u>

**TOWN OF FRYE ISLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES:</b>			
General Government:			
Administration	\$ 203,719	\$ 181,535	\$ 22,184
Assessing	0	3,396	(3,396)
Town Clerk	69,993	95,469	(25,476)
Selectmen	600	20	580
Planning Board	1,750	1,104	646
Appeals Board	1,250	153	1,097
Insurance and Bonding	2,710	2,437	273
Volunteers	2,250	195	2,055
Capital Improvements	2,000	0	2,000
	<u>284,272</u>	<u>284,309</u>	<u>(37)</u>
Public Works and Sanitation:			
Public Works	129,349	128,017	1,332
Roads	23,200	12,759	10,441
Water	40,380	19,810	20,570
Solid Waste	32,800	23,769	9,031
	<u>225,729</u>	<u>184,355</u>	<u>41,374</u>
Ferry Service:	<u>270,215</u>	<u>231,355</u>	<u>38,860</u>
Public Safety:			
Fire and Safety	13,254	13,273	(19)
Security	17,500	8,940	8,560
Animal Control	400	175	225
Code Enforcement	8,000	6,982	1,018
	<u>39,154</u>	<u>29,370</u>	<u>9,784</u>
Recreation:	<u>27,450</u>	<u>25,390</u>	<u>2,060</u>
Health and Welfare:			
Emergency Medical	3,000	0	3,000
Dispatch	1,400	1,200	200
General Assistance	1,500	0	1,500
	<u>5,900</u>	<u>1,200</u>	<u>4,700</u>
Education:			
School Administrative District 6	<u>534,526</u>	<u>547,367</u>	<u>(12,841)</u>

**TOWN OF FRYE ISLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Fixed Expenses:			
County Tax	35,629	36,211	(582)
Overlay	3,000	471	2,529
	<u>38,629</u>	<u>36,682</u>	<u>1,947</u>
<b>TOTAL EXPENDITURES</b>	<u>1,425,875</u>	<u>1,340,028</u>	<u>85,847</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(125,309)</u>	<u>30,259</u>	<u>155,568</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Budgeted Use of Surplus	<u>125,309</u>	<u>0</u>	<u>(125,309)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ 0</u>	<u>30,259</u>	<u>\$ 30,259</u>
<b>RECONCILIATION TO GAAP BASIS</b>			
Budgeted Transfers and Interest Income to Reserves		59,697	
Expenditures by Reserve		<u>0</u>	
		<u>59,697</u>	
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>		<u>\$ 89,956</u>	

**TOWN OF FRYE ISLAND**  
**STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2001**

	<u>Reserved</u>	<u>Unreserved</u>	
	Specific Purpose (Schedule 1)	<u>Undesignated</u>	<u>Total</u>
<b>FUND BALANCE - JANUARY 1, 2001</b>	\$ 164,366	\$ 267,652	\$ 432,018
<b>EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES</b>	<u>59,697</u>	<u>30,259</u>	<u>89,956</u>
<b>FUND BALANCE - DECEMBER 31, 2001</b>	<u>\$ 224,063</u>	<u>\$ 297,911</u>	<u>\$ 521,974</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 - AGENCY FUNDS**  
**DECEMBER 31, 2001**

	<u>Agency</u>		
	<u>Ballfields</u>	<u>Birthday Celebration</u>	<u>Totals</u>
<b>ASSETS:</b>			
Cash and Investments	<u>\$ 3,489</u>	<u>\$ 64</u>	<u>\$ 3,553</u>
<b>LIABILITIES:</b>			
Due to General Fund	\$ 1,018	\$ 0	\$ 1,018
Due to Other Groups	<u>2,471</u>	<u>64</u>	<u>2,535</u>
	<u>\$ 3,489</u>	<u>\$ 64</u>	<u>\$ 3,553</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, 2001**

		<u>Capital Funds Reserve</u>	<u>Ferry Dock and Ferry Reserve</u>	<u>Water System Reserve</u>	<u>Recreation Reserve</u>	<u>Equipment Reserve</u>	<u>Fire and Safety Reserve</u>	<u>Total</u>
<b>REVENUES:</b>								
Interest	\$	87	\$ 4,626	\$ 1,373	\$ 1,304	\$ 636	\$ 145	\$ 8,171
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES FOR DESIGNATED PURPOSES</b>								
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>		87	4,626	1,373	1,304	636	145	8,171
<b>OTHER FINANCING SOURCES (USES):</b>								
Appropriations		<u>0</u>	<u>51,526</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,526</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>		87	56,152	1,373	1,304	636	145	59,697
<b>BALANCE - JANUARY 1, 2001</b>		<u>24,974</u>	<u>57,733</u>	<u>32,423</u>	<u>30,806</u>	<u>15,008</u>	<u>3,422</u>	<u>164,366</u>
<b>BALANCE - DECEMBER 31, 2001</b>		<u>\$ 25,061</u>	<u>\$ 113,885</u>	<u>\$ 33,796</u>	<u>\$ 32,110</u>	<u>\$ 15,644</u>	<u>\$ 3,567</u>	<u>\$ 224,063</u>

**TOWN OF FRYE ISLAND**  
**VALUATION, ASSESSMENT AND COLLECTION OF TAXES**  
**YEAR ENDED DECEMBER 31, 2001**

**VALUATION AND ASSESSMENT**

Real Property		\$ 30,891,435
Personal Property		330,530
		31,221,965
Tax Rate per Thousand		32.50
<b>TAX COMMITMENT</b>		<b>\$ 1,014,714</b>

**APPROPRIATIONS**

Municipal Functions		\$ 802,720
MSAD 6		534,526
County Tax		35,629
Overlay		3,000
		1,375,875
Less: Estimated Revenues		361,161
<b>TAX COMMITMENT</b>		<b>\$ 1,014,714</b>

**COLLECTION OF 2001 TAXES**

Original Commitment		\$ 1,014,714
Supplementals		0
		1,014,714
Less: Collections	985,648	
Abatements	0	
Transferred to Liens	7,219	
	992,867	
<b>BALANCE OUTSTANDING AT DECEMBER 31, 2001</b>		<b>\$ 21,847</b>