

TOWN OF FRYE ISLAND
FINANCIAL REPORT



DECEMBER 31, 2008

TOWN OF FRYE ISLAND, MAINE
DECEMBER 31, 2008

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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 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, 2008, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 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 opinions.

In our opinion, the basic financial statements referred to in the first paragraph 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, 2008 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in cursive script that reads "Berry Talbot Royer".

Certified Public Accountants
October 27, 2009



FRYE ISLAND

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, 2008. This is the Town's fourth 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.

2008 Financial Highlights

The assets of the Town of Frye Island are divided into two (2) 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 from the revenues they receive for the service they provide. Total Net Assets for the governmental activities for the year ending on December 31, 2008 were \$2,920,710, an increase of \$125,558 over 2007. Total Net assets for the business type activities for the year ending on December 31, 2008 were \$2,946,680, a decrease of \$2,492.

The total fund balance for the year ending December 31, 2008 was \$844,211, an increase of \$80,353 over the previous year. Of this balance, \$492,583 is reserved for specific purposes; including ferry projects, water system renovations, island improvement projects, etc.; and \$351,628 in the unreserved – undesignated fund balance.

The Board of Selectmen / Executive Committee adopted a "Fund Balance Policy" at its September 22, 2007 meeting. This policy establishes 3/12ths of the annual General Fund expenditures as the minimum amount to maintain in the Undesignated – Unreserved Fund Balance. We currently fall a bit short of this minimum balance because of the 2005 withdrawal of \$275,000 to purchase the Willis property. The policy establishes time table out to 2016 in which the current shortfall must be closed. Based on the 2007 tax requirement, the minimum balance should be approximately \$435,500.

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

Other supplemental information to the basic financial statement 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 Assets* and *Statement of Activities*.

The **Statement of Net Assets** presents information about the Town's assets and liabilities with the difference between the two reported as net assets. Over time, changes in net assets (increases or decreases) may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Frye Island's fiscal 2006 Statement of Net Assets does not reflect a value assigned to infrastructure which will be included in subsequent years.

The **Statement of Activities** presents information about how the Town's net assets have changed during the fiscal year. All changes in net assets 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), public works (roads, water, and waste management), recreation, education, debt service, and capital planning expenses.

Fund Financial Statements

A fund is 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 Assets and the Statement of Activities. Activities in the Enterprise Fund include the Ferry Service, the Golf Course and the Marina Operations.

Statement of Net Assets Information:

The following information is condensed version of the Statement of Net Assets.

**Table 1 - Statement of Net Assets
Year Ended December 31, 2008
(Statement 1)**

	Governmental Activities	Business-type Activities	Total
Current & Other Assets	\$ 1,848,902	\$ 509,215	\$ 2,358,117
Capital Assets, net	<u>2,453,131</u>	<u>2,464,212</u>	<u>4,917,343</u>
Total Assets	<u>4,302,033</u>	<u>2,973,427</u>	<u>7,275,460</u>
 Non-current Liabilities	 429,067	 0	 429,067
Current Liabilities	<u>952,256</u>	<u>26,747</u>	<u>979,003</u>
Total Liabilities	<u>1,381,323</u>	<u>26,747</u>	<u>1,408,070</u>
 Net Assets:			
Invested in Capital Assets, net of related debt	2,022,573	2,464,212	4,486,785
Unrestricted	<u>898,137</u>	<u>482,468</u>	<u>1,380,605</u>
Total Net Assets	<u>\$ 2,290,710</u>	<u>\$ 2,946,680</u>	<u>\$ 5,867,390</u>

The assets of the Town of Frye Island exceeded its liabilities at the close of the most recent fiscal year by \$5,867,390 per Statement 1 (Statement of Net Assets). Of this amount, \$1,380,605 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors. The total net assets of the Town of Frye Island increased \$123,066 over the previous year.

As of December 31st 2008, the Town of Frye Island reported a combined ending fund balance of \$844,211, an increase of \$80,353. Approximately 40% of this total amount, \$351,628 is available for spending at the Town's discretion (unreserved fund balance).

A large portion of the Town's net assets reflect its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire these assets that are 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 assets represents resources that are subject to restrictions on how they may be expended. The remaining unrestricted balance of net assets may be used to meet the government's ongoing obligations to citizens and creditors.

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, 2008
(Statement 2)**

Function/Program	Total Cost of Services	Net Cost of Services
General Government	\$ 396,983	\$ 328,168
Public Works and Sanitation	353,741	330,792
Public Safety	88,080	88,080
Recreation	26,709	26,408
Education	1,002,348	1,002,348
Fixed Expenses	123,685	123,685
Capital Reserve Activity	<u>(42,382)</u>	<u>(42,382)</u>
 TOTAL GOVERNMENTAL ACTIVITIES	 <u>\$ 1,949,164</u>	 <u>\$ 1,857,099</u>

Analysis of Overall Financial Position and Results of Operations

Total revenues exceeded total expenses by \$46,861 (Statement 6) as compared to budget since total expenses were carefully controlled and revenues exceeded expectations. This resulted in a stronger overall financial position for the Town of Frye Island.

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

The Unreserved / Undesignated fund balance decreased from \$361,312 to \$344,286, a decrease of \$17,026. The Reserved / Designated fund balance increased from \$394,704 to \$492,583 an increase of \$97,879. This is a total increase of \$80,353 (Exhibit 1-1).

Analysis of Significant General Fund Budget Variances

For the 2008 year, total revenues fell short of budget expectations by \$16,503, a 0.81 % negative variance. Actual expenditures were \$7,867 less than the projected budget, a 0.39 % positive variance (Statement 6).

Significant Capital Asset and Long-Term Debt Activity

- Capital assets totaling \$4,917,343 (Statement 1) are being reported as of December 31, 2008. This represents a decrease of \$106,589 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 \$179,100,000 in 2008. This creates a maximum allowed debt service of \$13,432,500. The actual long-term debt as of December 31, 2008 was \$429,067 which is the loan from the Maine Bond Bank for the improvements to the water treatment system. The final payment on this loan is due on October 1, 2024.

Economic Factors and Next Year's Budgets and Rates

The Town of Frye Island is a seasonal community and, as such, has no commercial or industrial sector to support the cost of municipal government. In addition, unlike most communities, Frye Island derives very little revenue from excise taxes because most property owners register their vehicles in the community of their winter address. Therefore, the vast majority of the revenues needed for general operation of the Municipal government must come from residential property taxes. A major expense for the Town continues to be the required financial obligations which include payments to Maine School Administration District #6, Cumberland County and the Maine Municipal Bond Bank for the loan for improvements made to the water system. In 2008, these expenses totaled \$1,126,033. The largest contributor to these required expenses is our payment to MSAD 6. Frye Island's payment to the School District is based on the total State assessed value of all of the property on Frye Island compared to the other communities within the District. In 2006, the State assessed value for Frye Island was \$111,900,000; in 2007 the State assessed value increased to \$141,500,000; and in 2008 the State assessed value increases to \$179,100,000. Frye Island's State assessed value has increased at a rate of approximately 26% per year for the past few years. During this same period, the other communities within the School District and Cumberland County have increased at an average rate of 13% to 15% per year. This means that the proportion of the taxes that Frye Island pays, all though small relative to the other communities, is increasing. The State assessed value is based on "fair market value" and is determined by reviewing the selling price of recently sold improved properties. This increasing trend is expected to continue for the near future. In 2008 we budgeted \$1,076,458 to cover these required expenses.

In 2006, the Town filed suit in Superior Court against the State of Maine challenging the constitutionality of the legislation prohibiting Frye Island from withdrawing from SAD 6 and exempting Frye Island from the school tax formulas identified in LD-1. Not surprisingly, the Court ruled in favor of the State in this law suit.

The Board of Selectmen / Executive Committee have approved the installation of new piping for the public water distribution system. It was decided to accomplish the installation of phase one of this project in house rather than contract it to others. This was done in an effort to reduce the costs. Phase one will include the installation of new 4" pipe along High Point Drive from the intersection of Sunset Road to the intersection of Birch / Ridge Roads. This first phase was completed in 2008. The Town plans to continue the installation of the distribution piping down Independence Way to White Way and the length of Sunset Drive in 2009. We anticipate the continuation of this phased approach until all of the main lines are replaced which we anticipate will go on through 2012.

It is well known that the existing ferries are 40 years old and the operation of the entire ferry service must be addressed. The Town applied for a grant through the Federal Highway Administration's Discretionary Ferry Fund for monies to upgrade the ferries and the infrastructure supporting the ferry service. This DFF program requires a 20% match of granted funds. Unfortunately, but not unexpectedly, we were not awarded a grant. The stark reality is that we will no doubt have to fund replacement of the ferries and the facilities using local funds.

Both of these systems, water and ferry, are in need of upgrading to accommodate the existing population and expansion to accommodate the growth expected as we reach the 750 lots that the court allows be developed on the Island.

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.

TOWN OF FRYE ISLAND, MAINE
DECEMBER 31, 2008

BASIC FINANCIAL STATEMENTS

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS:			
Cash/Investments	\$ 1,850,702	\$ 411,814	\$ 2,262,516
Receivables (Net of Allowance for Uncollectibles):			
Taxes	13,495	0	13,495
Liens	37,751	0	37,751
Accounts	12,700	20,071	32,771
Inventory	0	6,126	6,126
Internal Balances	(71,204)	71,204	0
Prepaid Expenses	1,131	0	1,131
Tax Acquired Property	4,327	0	4,327
Capital Assets:			
Land and Improvements	662,934	1,258,400	1,921,334
Other Capital Assets, Net of Depreciation	1,790,197	1,205,812	2,996,009
TOTAL ASSETS	<u>4,302,033</u>	<u>2,973,427</u>	<u>7,275,460</u>
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts Payable	108,580	0	108,580
Accrued Expenses	12,661	777	13,438
Accrued Interest Payable	1,491	0	1,491
Deferred Revenues	829,524	25,970	855,494
Long-Term Liabilities			
Due within One Year	32,517	0	32,517
Due in More Than One Year	396,550	0	396,550
Total Liabilities	<u>1,381,323</u>	<u>26,747</u>	<u>1,408,070</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,022,573	2,464,212	4,486,785
Unrestricted	898,137	482,468	1,380,605
TOTAL NET ASSETS	<u>\$ 2,920,710</u>	<u>\$ 2,946,680</u>	<u>\$ 5,867,390</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS						
Primary Government						
Governmental Activities						
General Government	396,983	81,315	\$ 0	\$ (315,668)	\$ 0	\$ (315,668)
Public Works and Sanitation	366,241	12,723	10,226	(343,292)	0	(343,292)
Public Safety	88,080	0	0	(88,080)	0	(88,080)
Recreation	26,709	301	0	(26,408)	0	(26,408)
Education	1,002,348	0	0	(1,002,348)	0	(1,002,348)
Fixed Expenses	123,685	0	0	(123,685)	0	(123,685)
Capital Reserve Activity	(42,382)	0	0	42,382	0	42,382
Total governmental activities	<u>1,961,664</u>	<u>94,339</u>	<u>10,226</u>	<u>(1,857,099)</u>	<u>0</u>	<u>(1,857,099)</u>
Business-type activities						
Ferry	393,912	429,146	0	0	35,234	35,234
Golf Club	234,360	217,374	0	0	(16,986)	(16,986)
Yacht Club	56,593	80,375	0	0	23,782	23,782
Total business-type activities	<u>684,865</u>	<u>726,895</u>	<u>0</u>	<u>0</u>	<u>42,030</u>	<u>42,030</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,646,529</u>	<u>\$ 821,234</u>	<u>\$ 10,226</u>	<u>\$ (1,857,099)</u>	<u>\$ 42,030</u>	<u>\$ (1,815,069)</u>
General revenues:						
Taxes - Property				\$ 1,879,924	\$ 0	\$ 1,879,924
Taxes - Excise				18,464	0	18,464
Intergovernmental				545	0	545
Investment Earnings				28,227	10,975	39,202
Total General Revenues, Special Items				<u>1,927,160</u>	<u>10,975</u>	<u>1,938,135</u>
Change in Net Assets				70,061	53,005	123,066
Net Assets - January 1, 2008				2,795,152	2,949,172	5,744,324
Transfers				55,497	(55,497)	0
Net Assets - December 31, 2008				<u>\$ 2,920,710</u>	<u>\$ 2,946,680</u>	<u>\$ 5,867,390</u>

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

TOWN OF FRYE ISLAND, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash/Investments	\$ 1,850,702	\$ 0	\$ 1,850,702
Receivables (Net of Allowance for Uncollectibles):			
Taxes	13,495	0	13,495
Liens	37,751	0	37,751
Accounts	12,700	0	12,700
Prepaid Expenses	1,131	0	1,131
Tax Acquired Property	4,327	0	4,327
Due from Other Funds	0	7,342	7,342
TOTAL ASSETS	<u>1,920,106</u>	<u>7,342</u>	<u>1,927,448</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	108,580	0	108,580
Accrued Liabilities	12,661	0	12,661
Due to Other Funds	78,546	0	78,546
Deferred Revenues	883,450	0	883,450
Total Liabilities	<u>1,083,237</u>	<u>0</u>	<u>1,083,237</u>
Fund Balances:			
Reserved:			
For Specific Purposes	492,583	0	492,583
Unreserved:			
Reported in Special Revenues	0	7,342	7,342
Designated for Subsequent Years Expenditures	3,519	0	3,519
Undesignated	340,767	0	340,767
Total Fund Balances	<u>836,869</u>	<u>7,342</u>	<u>844,211</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,920,106</u>	<u>\$ 7,342</u>	

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.		2,453,131
Long-term liabilities, including leases payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds Payable	(409,683)	
Capital Leases Payable	(19,384)	
Accrued Interest	<u>(1,491)</u>	(430,558)
Funds are not available to pay for current period expenditures and therefore are deferred in the funds.		<u>53,926</u>
Net Assets of Governmental Activities:		<u>\$ 2,920,710</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Taxes	\$ 1,894,565	\$ 0	\$ 1,894,565
Licenses and Permits	17,268	0	17,268
Intergovernmental	10,771	0	10,771
Charges for Services	63,327	0	63,327
Miscellaneous	44,610	0	44,610
Total Revenues	<u>2,030,541</u>	<u>0</u>	<u>2,030,541</u>
EXPENDITURES:			
General Government	392,140	0	392,140
Public Works and Sanitation	414,542	0	414,542
Public Safety	88,080	0	88,080
Recreation	26,709	0	26,709
Education	1,002,348	0	1,002,348
Fixed Expenses	123,748	0	123,748
Capital Reserve Activity	(42,382)	0	(42,382)
Total Expenditures	<u>2,005,185</u>	<u>0</u>	<u>2,005,185</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,356	0	25,356
OTHER FINANCING SOURCES (USES)	<u>55,497</u>	<u>0</u>	<u>55,497</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	80,853	0	80,853
FUND BALANCES - JANUARY 1, 2008	<u>756,016</u>	<u>7,342</u>	<u>763,358</u>
FUND BALANCES - DECEMBER 31, 2008	<u>\$ 836,869</u>	<u>\$ 7,342</u>	<u>\$ 844,211</u>

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, 2008

Net change in fund balances - total governmental funds (from Statement 4) \$ 80,853

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. The amount by which capital outlay exceeded depreciation in the current period is as follows:

Capital Outlay	70,074	
Depreciation	<u>(58,276)</u>	11,798

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

Bond Repayments	22,896	
Capital Lease Repayments	8,764	
Accrued Interest	<u>63</u>	31,723

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statement.	<u>1,184</u>
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Change in net assets of governmental activities (see Statement 2) \$ 125,558

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2008

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES:			
Taxes	\$ 1,897,983	\$ 1,894,565	\$ (3,418)
Licenses and Permits	27,070	17,268	(9,802)
Intergovernmental	500	10,771	10,271
Charges for Services	75,491	63,327	(12,164)
Other	33,500	44,610	11,110
	<u>2,034,544</u>	<u>2,030,541</u>	<u>(4,003)</u>
TOTAL REVENUES			
EXPENDITURES:			
General Government	424,349	392,140	32,209
Public Works and Sanitation	425,771	414,542	11,229
Public Safety	78,710	88,080	(9,370)
Recreation	37,558	26,709	10,849
Education	955,408	1,002,348	(46,940)
Fixed Expenses	121,138	123,748	(2,610)
	<u>2,042,934</u>	<u>2,047,567</u>	<u>(4,633)</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	(8,390)	(17,026)	(8,636)
OTHER FINANCING SOURCES (USES):			
	<u>0</u>	<u>55,497</u>	<u>55,497</u>
EXCESS OF REVENUES AND OTHER			
SOURCES OVER(UNDER)			
EXPENDITURES AND OTHER USES	<u>\$ (8,390)</u>	<u>\$ 38,471</u>	<u>\$ 46,861</u>

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

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	<u>Enterprise Funds</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	<u>2008</u>
ASSETS:				
Current Assets				
Cash	\$ 317,075	\$ 70,552	\$ 24,187	\$ 411,814
Accounts Receivable	20,048	23	0	20,071
Inventory	0	6,126	0	6,126
Capital Assets, Net of Depreciation	857,839	805,663	800,710	2,464,212
Due from Other Funds	22,914	57,815	0	80,729
TOTAL ASSETS	<u>1,217,876</u>	<u>940,179</u>	<u>824,897</u>	<u>2,982,952</u>
LIABILITIES:				
Current Liabilities:				
Accrued Liabilities	0	777	0	777
Deferred Revenues	0	24,570	1,400	25,970
Due to Other Funds	0	0	9,525	9,525
Total Current Liabilities	<u>0</u>	<u>25,347</u>	<u>10,925</u>	<u>36,272</u>
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	857,839	805,663	800,710	2,464,212
Unrestricted Net Assets	360,037	109,169	13,262	482,468
TOTAL NET ASSETS	<u>\$ 1,217,876</u>	<u>\$ 914,832</u>	<u>\$ 813,972</u>	<u>\$ 2,946,680</u>

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

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Enterprise Fund</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	<u>2008</u>
OPERATING REVENUES:				
Memberships and Fees	\$ 0	\$ 153,522	\$ 0	\$ 153,522
Lounge and Pro Shop Sales	0	61,573	0	61,573
Equity Fees	0	0	17,775	17,775
Rental Fees	0	0	62,600	62,600
Charges for Services	429,146	0	0	429,146
Miscellaneous	0	2,279	0	2,279
	<u>429,146</u>	<u>217,374</u>	<u>80,375</u>	<u>726,895</u>
OPERATING EXPENDITURES	<u>393,912</u>	<u>234,360</u>	<u>56,593</u>	<u>684,865</u>
OPERATING INCOME (LOSS)	35,234	(16,986)	23,782	42,030
NON-OPERATING REVENUES				
Interest Income	<u>8,004</u>	<u>2,265</u>	<u>706</u>	<u>10,975</u>
INCOME (LOSS) BEFORE TRANSFERS	43,238	(14,721)	24,488	53,005
OTHER FINANCING SOURCES (USES):				
Transfers to General Fund Reserve	<u>(14,312)</u>	<u>0</u>	<u>(41,185)</u>	<u>(55,497)</u>
CHANGE IN NET ASSETS	28,926	(14,721)	(16,697)	(2,492)
NET ASSETS - JANUARY 1,	<u>1,188,950</u>	<u>929,553</u>	<u>830,669</u>	<u>2,949,172</u>
NET ASSETS - DECEMBER 31,	<u>\$ 1,217,876</u>	<u>\$ 914,832</u>	<u>\$ 813,972</u>	<u>\$ 2,946,680</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Enterprise Fund</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 348,748	\$ 241,944	\$ 79,975	\$ 670,667
Payments to Suppliers	(151,245)	(97,494)	(54,467)	(303,206)
Payments to Employees	(185,762)	(101,603)	0	(287,365)
Other Receipts (Payments)	65,314	(32,962)	(32,015)	337
Net Cash Provided (Used) by Operating Activities	<u>77,055</u>	<u>9,885</u>	<u>(6,507)</u>	<u>80,433</u>
CASH FLOWS (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisitions and Construction of Operating Property	0	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	<u>8,004</u>	<u>2,265</u>	<u>706</u>	<u>10,975</u>
NET INCREASE (DECREASE) IN CASH	85,059	12,150	(5,801)	91,408
CASH - AT BEGINNING OF YEAR	<u>232,016</u>	<u>58,402</u>	<u>29,988</u>	<u>320,406</u>
CASH - AT END OF YEAR	<u>\$ 317,075</u>	<u>\$ 70,552</u>	<u>\$ 24,187</u>	<u>\$ 411,814</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 35,234	\$ (16,986)	\$ 23,782	\$ 42,030
Transfers to General Fund Reserves	(14,312)	0	(41,185)	(55,497)
Adjustments not affecting cash:				
Depreciation Expense	67,395	32,264	18,728	118,387
Change in Assets and Liabilities				
(Increase) Decrease in:				
Accounts and Notes Receivable	7,648	0	0	7,648
Inventory	0	(770)	0	(770)
Due to/from Other Funds	(12,212)	(23,438)	12,031	(23,619)
(Decrease) Increase in:				
Accounts Payable	0	0	(19,463)	(19,463)
Accrued Liabilities	(6,698)	(285)	0	(6,983)
Leases Payable	0	(5,470)	0	(5,470)
Deferred Revenues	0	24,570	(400)	24,170
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 77,055</u>	<u>\$ 9,885</u>	<u>\$ (6,507)</u>	<u>\$ 80,433</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash	<u>\$ 317,075</u>	<u>\$ 70,552</u>	<u>\$ 24,187</u>	<u>\$ 411,814</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

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 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 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.

The accounting policies of the Town of Frye Island conform to generally accepted accounting principles as applicable to governmental units, except where indicated. The following is a summary of the more significant policies.

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (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.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements, comprised of the statement of net assets and the statement of activities, report information on all of the non-fiduciary activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities points out the extent to which the direct expenses of a given function are offset by program revenues. 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds (if any) are reported as separate columns in the fund financial statements. GASB 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or governmental and enterprise combined) for the determination of major funds. The

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

non-major funds are combined in the "Other Governmental Funds" column in the fund financial statements.

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Governmental Activities

Governmental funds are identified as general, special revenue, capital projects, or permanent funds based upon the following guidelines.

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.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Business-type activities

Proprietary Funds - Proprietary funds are used to account for the Town's ongoing activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The following is the Town's proprietary fund type:

Enterprise Fund - The 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.

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 funds 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. These funds are not incorporated into the Government-wide statements.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting

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.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or 60 days thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, as well as certain compensated absences, claims and judgments, are recorded only when the payment is due.

Budgetary Accounting

Budgets are adopted for the general fund only on a basis consistent with accounting principles generally accepted in the United States of America. 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

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

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Payments made to vendors that will benefit periods beyond December 31, 2008, are recorded as prepaid expenses.

Fixed Assets

General fixed assets purchased or acquired are reported at cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. 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 the estimated useful lives.

Land Improvements - 40 years
Buildings and Building Improvements - 20 to 60 years
Vehicles and Equipment - 5 to 77 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund 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 assets. Bond premiums and discounts, as well as issuance costs, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity Classification

Fund Statements

Governmental fund equity is classified as fund balance. Reserves represent those portions of fund balance not appropriate for expenditures, or are legally separated for a specific future use. Unreserved: Designated for Subsequent Years Expenditures, represents encumbrances under which purchase orders, contracts, and other commitments for the expenditure of funds are utilized in the governmental funds in order to reserve that portion of the applicable appropriations.

Outstanding encumbrances do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Statements

Net assets represent the differences between assets and liabilities. Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets (if any) – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Interfund Transactions

During the course of normal operations, the Town has transactions between funds including expenditures and transfers of resources to provide resources, construct assets, and service debt. These transactions, if any, are reported as operating transfers.

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 expenses.

Note 2 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk

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 and investments that are in the possession of an outside party.

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 Town has a deposit policy for custodial credit risk. As of December 31, 2008, none of the Town's bank balance of \$2,203,747 was exposed to custodial credit risk.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments

The Town is authorized, under Maine statutes, to invest in obligations of the U.S. Treasury and U.S. Agencies and repurchase agreements. The Town had a small insurance policy that was converted to stocks by the investment company.

At December 31, 2008, investments consisted of the following:

	<u>Carrying Value</u>	<u>Market Value</u>
Stocks	<u>\$ 6,281</u>	<u>\$ 4,258</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, 2007. 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, 2008 was based, was \$102,311,116. Interest was charged at 12.00% on all unpaid taxes from January 1, 2008, and July 1, 2008. The following summarizes the levy:

Valuation and Assessment		
Real Property		\$ 102,286,116
Personal Property		<u>25,000</u>
Total Valuation		102,311,116
Tax Rate per Thousand		<u>18.37</u>
Tax Commitment		<u>\$ 1,879,455</u>
Collection of 2008 Taxes		
Original Commitment		\$ 1,879,455
Less: Collection in Current Year	\$ 1,859,948	
Transferred to Liens	<u>19,375</u>	
		<u>1,879,323</u>
Taxes Receivable		<u>\$ 132</u>

Taxes receivable at December 31, 2008 are as follows:

	<u>General</u>
Taxes - Current Year	\$ 132
Taxes - Prior Year	<u>13,363</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

\$ 13,495

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 \$88 for the year ended December 31, 2008. 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, 2008 are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues.

The 2008 property taxes were committed October 23, 2007, were due and payable on January 1 and July 1, 2008, and have been recorded as revenues. The 2009 property taxes were levied October 18, 2008, and are due and payable January 1, and July 1, 2009. The payments collected in 2008 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.

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, 2008, the balances due to and due from accounts were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 0	\$ 78,546
Enterprise		
Ferry	22,914	0
Golf Club	51,338	0
Yacht Club	0	3,048
Special Revenue	<u>7,342</u>	<u>0</u>
	<u>\$ 81,594</u>	<u>\$ 81,594</u>

Note 5 - OPERATING LEASE

The Town of Frye Island has entered into a one year lease agreement with Frye Island, Inc. (FII). For a net annual fee of \$28,000, the Town leases from FII the following: various island buildings, recreational facilities, and island roads.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 6 - FIXED ASSETS

Contributed assets are reported at fair market value and recorded as revenues as of the date received.

Capital Asset activity for the town's general fund operations for the year ended December 31, 2008, was as follows:

	Balance December 31, <u>2007</u>	<u>Additions</u>	Balance December 31, <u>2008</u>
Governmental Activities:			
Cost of Assets:			
Land and Land Improvements	\$ 593,697	\$ 70,074	\$ 663,771
Buildings and Building Improvements	834,757	0	834,757
Equipment and Vehicles	<u>1,181,990</u>	<u>0</u>	<u>1,181,989</u>
Total	<u>2,610,444</u>	<u>70,074</u>	<u>2,680,518</u>
Accumulated Depreciation:			
Land and Land Improvements	84	753	837
Buildings and Building Improvements	46,920	14,605	61,525
Equipment and Vehicles	<u>122,107</u>	<u>42,918</u>	<u>165,025</u>
Total	<u>169,111</u>	<u>58,276</u>	<u>227,387</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,441,333</u>	<u>\$ 11,798</u>	<u>\$ 2,453,131</u>
Depreciation was charged to functions as follows:			
General Government	\$ 4,843		
Public Works and Sanitation	<u>53,433</u>		
	<u>\$ 58,276</u>		

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

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:

	Balance December 31, <u>2007</u>	<u>Additions</u>	Balance December 31, <u>2008</u>
Proprietary Funds:			
Cost of Assets:			
Land and Land Improvements	\$ 1,319,123	\$ 0	\$ 1,319,123
Buildings and Building Improvements	262,180	0	262,180
Equipment and Vehicles	<u>1,576,686</u>	<u>0</u>	<u>1,576,866</u>
Total	<u>3,158,169</u>	<u>0</u>	<u>3,158,169</u>
Accumulated Depreciation:			
Land and Land Improvements	76,200	20,181	96,381
Buildings and Building Improvements	26,606	6,632	33,238
Equipment and Vehicles	<u>472,764</u>	<u>91,574</u>	<u>564,338</u>
Total	<u>575,570</u>	<u>118,387</u>	<u>693,957</u>
Business-Type Activities Capital			
Assets, Net	<u>\$ 2,582,599</u>	<u>\$118,387</u>	<u>\$ 2,464,212</u>
Depreciation was charged to functions as follows:			
Ferry	\$ 67,395		
Golf Course	32,264		
Marina	<u>18,728</u>		
	<u>\$ 118,387</u>		

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 7 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2008:

	General Long-Term Debt
Long-Term Debt Payable at December 31, 2007	\$ 432,578
Debt Retired	<u>(22,911)</u>
Long-Term Debt Payable at December 31, 2008	<u>\$ 409,667</u>

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. \$ 409,667

The annual requirements to amortize debts outstanding as of December 31, 2008, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$ 23,148	\$ 5,962	\$ 29,110
2010	23,412	5,698	29,110
2011	23,687	5,423	29,110
2012	23,975	5,135	29,110
2013	24,275	4,835	29,110
2014 – 2018	126,371	19,184	145,555
2019 – 2023	136,156	9,399	145,555
2024	<u>28,643</u>	<u>507</u>	<u>29,150</u>
	<u>\$ 409,667</u>	<u>\$ 56,143</u>	<u>\$ 465,810</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 7 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)

Capital Lease Obligations

The following is a summary of capital-lease obligation transactions as it relates to the General Fund of the Town for the year ended December 31, 2008:

	<u>Capital Lease Obligations</u>
Capital Lease Obligations Payable at December 31, 2007	\$ 28,149
Less Leases Retired	<u>(8,765)</u>
Capital Lease Obligations Payable at December 31, 2008	<u>\$ 19,384</u>

Obligations under long-term capital leases consist of the following:

2008 Ford F-350 Dump Truck, maturing 8/28/2010, interest rate of 6.90%, payable in annual payments of \$10,706.	<u>\$ 19,384</u>
---	------------------

The annual requirement for capital lease obligations outstanding as of December 31, 2008 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 9,369	\$ 1,337	\$ 10,706
2010	<u>10,015</u>	<u>691</u>	<u>10,706</u>
	<u>\$ 19,384</u>	<u>\$ 2,028</u>	<u>\$ 21,412</u>

The following is a summary of capital-lease obligation transactions as it relates to the Golf Course Department of the Town for the year ended December 31, 2008:

	<u>Capital Lease Obligations</u>
Capital Lease Obligations Payable at December 31, 2007	\$ 5,470
Less Debt Retired	<u>(5,470)</u>
Capital Lease Obligations Payable at December 31, 2008	<u>\$ 0</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

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, 2008. 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 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 .43% (\$27,129) of Cumberland County's outstanding debt of \$6,295,000, and 6.44% (\$2,131,259) of Maine School Administrative District No. 6's outstanding bonded debt of \$33,076,165. In addition, the Town is contracted to pay subsidy to MSAD No. 6 until June 30, 2009, totaling \$549,435.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 10 - BUDGET vs. MODIFIED ACCRUAL BASIS OF ACCOUNTING

Statement 4, Statement of Revenues, Expenditures, and Changes in Fund Balances, has been adjusted to add the effects of the activities in the general fund reserve. Statement 6, 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 Modified Accrual basis as presented in Statement 4:

Excess of revenues over(under) expenditures (Statement 6)	\$ 38,471
Interest and Other Income from Reserve Funds	71,683
Budgeted transfers to reserves	<u>(29,301)</u>
Excess of revenues over(under) expenditures (Statement 4)	<u>\$ 80,853</u>

Note 11 - FUND BALANCE - RESERVED FOR SPECIFIC PURPOSES

General fund reserves consist of funds set aside by vote of the Town. The purpose and balances at December 31, 2008, are as follows:

Capital Funds	\$ 50,352
Water System Improvements	18,236
Recreation	4,757
Equipment	26,198
Fire and Safety	48,010
Island Improvement	342,807
Revaluation	<u>2,223</u>
	<u>\$ 492,583</u>

Schedule 1 summarizes the activity in 2008.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2008

Note 12 - 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, 2008 was approximately \$9,490. 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 to social security was approximately \$33,275 for the year ended December 31, 2008.

TOWN OF FRYE ISLAND, MAINE
DECEMBER 31, 2008

SUPPLEMENTAL DATA

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, MAINE
BALANCE SHEET - GENERAL FUND
DECEMBER 31, 2008
(With Comparative Totals for the Year ended December 31, 2007)

	<u>2008</u>	<u>2007</u>
ASSETS:		
Cash/Investments	1,850,702	\$ 1,625,513
Receivable:		
Taxes	13,495	16,520
Tax Liens	37,751	21,880
Accounts	12,700	0
Prepaid Expenses	1,131	1,130
Tax Acquired Property	<u>4,327</u>	<u>7,462</u>
TOTAL ASSETS	<u><u>\$ 1,920,106</u></u>	<u><u>\$ 1,672,505</u></u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	108,580	\$ 83,294
Accrued Liabilities	12,661	5,238
Due to Other Funds	78,546	54,927
Deferred Revenue	<u>883,450</u>	<u>773,030</u>
	<u>1,083,237</u>	<u>916,489</u>
 Fund Balances:		
Reserved:		
For Specific Purposes	492,583	394,704
Unreserved:		
Designated for Subsequent Years Expenditures	3,519	8,390
Undesignated	<u>340,767</u>	<u>352,922</u>
	<u>836,869</u>	<u>756,016</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,920,106</u></u>	<u><u>\$ 1,672,505</u></u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2008

	<u>Final</u>	<u>Actual</u>	Variance
			Positive
			(Negative)
REVENUES:			
Taxes:			
Property	\$ 1,879,455	\$ 1,879,924	\$ 469
Change in Deferred Property Revenues	0	(9,373)	(9,373)
Excise	13,657	16,941	3,284
Interest and Lien costs on Taxes	4,871	7,073	2,202
	1,897,983	1,894,565	(3,418)
Licenses and Permits:			
Boat and Vehicle Registrations	1,480	1,523	43
Building Permits	20,000	11,270	(8,730)
Plumbing and Electrical Permits	4,500	3,533	(967)
Other Permits and Fines	690	735	45
Hunting/Fishing	400	207	(193)
	27,070	17,268	(9,802)
Intergovernmental:			
Homestead Exemptions	500	418	(82)
Local Road Assistance	0	10,226	10,226
Miscellaneous	0	127	127
	500	10,771	10,271
Charges for Services:			
Water Hook-up Fees	2,500	2,000	(500)
Solid Waste Fee	8,500	6,723	(1,777)
Septic Waste Fee	400	10	(390)
Management Fee	59,091	50,315	(8,776)
Road Fees	5,000	4,000	(1,000)
Other Fees	0	279	279
	75,491	63,327	(12,164)
Other:			
Interest Earnings	23,713	29,342	5,629
Lease	8,225	7,405	(820)
Recreation Fees/Special Events	400	241	(159)
Miscellaneous	1,162	7,622	6,460
	33,500	44,610	11,110
TOTAL REVENUES	2,034,544	2,030,541	(4,003)

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2008

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
EXPENDITURES:			
General Government:			
Administration	\$ 424,349	\$ 392,140	\$ 32,209
Public Works and Sanitation:			
Public Works	240,697	239,008	1,689
Roads	35,400	37,336	(1,936)
Water	105,574	102,663	2,911
Solid Waste	44,100	35,535	8,565
	<u>425,771</u>	<u>414,542</u>	<u>11,229</u>
Public Safety:			
Fire and Safety	33,240	33,240	0
Police	38,970	44,840	(5,870)
Emergency Medical	6,500	10,000	(3,500)
	<u>78,710</u>	<u>88,080</u>	<u>(9,370)</u>
Recreation:	<u>37,558</u>	<u>26,709</u>	<u>10,849</u>
Education:			
School Administrative District 6	<u>955,408</u>	<u>1,002,348</u>	<u>(46,940)</u>
Fixed Expenses:			
County Tax	90,450	93,148	(2,698)
Overlay	88	0	88
Debt Service	30,600	30,600	0
	<u>121,138</u>	<u>123,748</u>	<u>(2,610)</u>
TOTAL EXPENDITURES	<u>2,042,934</u>	<u>2,047,567</u>	<u>(4,633)</u>
EXCESS OF REVENUES OVER			
(UNDER) EXPENDITURES	<u>(8,390)</u>	<u>(17,026)</u>	<u>(8,636)</u>
OTHER FINANCING SOURCES (USES):			
Carryforward from 2007	8,390	0	(8,390)
Transfer from Enterprise Fund	0	55,497	55,497
	<u>8,390</u>	<u>55,497</u>	<u>47,107</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER			
(UNDER) EXPENDITURES AND OTHER USES	<u>\$ 0</u>	<u>\$ 38,471</u>	<u>\$ 38,471</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2008

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>		<u>Positive</u>
			<u>(Negative)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 0</u>	\$ 38,471	<u>\$ 38,471</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS			
Transfers to Reserves		(29,301)	
Interest and Other Income to Reserves		<u>71,683</u>	
		<u>42,382</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		<u>\$ 80,853</u>	

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2008

	<u>Reserved</u>	<u>Unreserved</u>		
	Specific	Designated for		
	Purpose	Subsequent Years'		
	(Schedule 1)	Expenditures	<u>Undesignated</u>	<u>Total</u>
FUND BALANCE - JANUARY 1, 2008	\$ 394,704	\$ 8,390	\$ 352,922	\$ 756,016
EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES	<u>97,879</u>	<u>(4,871)</u>	<u>(12,155)</u>	<u>80,853</u>
FUND BALANCE - DECEMBER 31, 2008	<u>\$ 492,583</u>	<u>\$ 3,519</u>	<u>\$ 340,767</u>	<u>\$ 836,869</u>

OTHER GOVERNMENTAL FUNDS

The Town of Frye Island, Maine has the following non-major fund:

SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

TOWN OF FRYE ISLAND, MAINE
BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUND
DECEMBER 31, 2008

ASSETS:

Due from General Fund

\$ 7,342

FUND BALANCE:

\$ 7,342

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS
NONMAJOR SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES:	
DOT Grant	\$ 0
EXPENDITURES:	
For Designated Purpose	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0
FUND BALANCE - JANUARY 1	<u>7,342</u>
FUND BALANCE - DECEMBER 31	<u><u>\$ 7,342</u></u>

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 have 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
YEAR ENDED DECEMBER 31, 2008

	Capital Funds Reserve	Water System Reserve	Recreation Reserve	Equipment Reserve	Fire and Safety Reserve	Island Improvement Reserve	Revaluation Reserve	Total
APPROPRIATIONS:	\$ 35,000	\$ 74,024	\$ 0	\$ 20,000	\$ 10,000	\$ 0	\$ 0	\$ 139,024
REVENUES:								
Interest	1,638	1,277	97	1,115	1,450	9,141	69	14,787
Other	<u>0</u>	<u>14,000</u>	<u>3,914</u>	<u>0</u>	<u>0</u>	<u>38,982</u>	<u>0</u>	<u>56,896</u>
	1,638	15,277	4,011	1,115	1,450	48,123	69	71,683
EXPENDITURES FOR DESIGNATED PURPOSES	<u>6,680</u>	<u>89,000</u>	<u>1,250</u>	<u>8,500</u>	<u>0</u>	<u>62,895</u>	<u>0</u>	<u>168,325</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	29,958	301	2,761	12,615	11,450	(14,772)	69	42,382
OTHER FINANCING SOURCES:								
Transfers from Enterprise Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,497</u>	<u>0</u>	<u>55,497</u>
EXCESS OF REVENUES AND OTHER SOURCES SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	29,958	301	2,761	12,615	11,450	40,725	69	97,879
BALANCE - BEGINNING OF YEAR	<u>20,394</u>	<u>17,935</u>	<u>1,996</u>	<u>13,583</u>	<u>36,560</u>	<u>302,082</u>	<u>2,154</u>	<u>394,704</u>
BALANCE - END OF YEAR	<u><u>\$ 50,352</u></u>	<u><u>\$ 18,236</u></u>	<u><u>\$ 4,757</u></u>	<u><u>\$ 26,198</u></u>	<u><u>\$ 48,010</u></u>	<u><u>\$ 342,807</u></u>	<u><u>\$ 2,223</u></u>	<u><u>\$ 492,583</u></u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
PROPRIETARY FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2008

	<u>Ferry Reserve</u>	<u>Ferry Service Operations</u>	<u>Golf Club Operations Reserve</u>	<u>Golf Club Equipment Reserve</u>	<u>Yacht Club Equity Reserve</u>	<u>Yacht Club Rental Reserve</u>	<u>Total</u>
REVENUES:							
Interest	\$ 6,454	\$ 1,550	\$ 1,699	\$ 566	\$ 706	\$ 0	\$ 10,975
Other	103,624	341,100	224,814	0	17,775	62,600	749,913
	<u>110,078</u>	<u>342,650</u>	<u>226,513</u>	<u>566</u>	<u>18,481</u>	<u>62,600</u>	<u>760,888</u>
EXPENDITURES FOR DESIGNATED PURPOSES	<u>2,266</u>	<u>329,234</u>	<u>203,380</u>	<u>15,760</u>	<u>12,100</u>	<u>13,859</u>	<u>576,599</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	107,812	13,416	23,133	(15,194)	6,381	48,741	184,289
OTHER FINANCING SOURCES:							
Intrafund Transfer	0	0	(20,000)	20,000	0	0	0
Transfers to General Fund Reserve:	(14,312)	0	0	0	0	(41,185)	(55,497)
	<u>(14,312)</u>	<u>0</u>	<u>(20,000)</u>	<u>20,000</u>	<u>0</u>	<u>(41,185)</u>	<u>(55,497)</u>
EXCESS OF REVENUES AND OTHER SOURCES SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	93,500	13,416	3,133	4,806	6,381	7,556	128,792
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>126,623</u>	<u>100,083</u>	<u>82,079</u>	<u>8,544</u>	<u>25,593</u>	<u>(7,556)</u>	<u>335,366</u>
FUND BALANCE- END OF YEAR	<u>\$ 220,123</u>	<u>#####</u>	<u>\$ 85,212</u>	<u>\$ 13,350</u>	<u>\$ 31,974</u>	<u>\$ 0</u>	<u>\$ 464,158</u>

TOWN OF FRYE ISLAND, MAINE
VALUATION, ASSESSMENT AND COLLECTION OF TAXES
YEAR ENDED DECEMBER 31, 2008

VALUATION AND ASSESSMENT

Real Property		\$ 102,286,116
Personal Property		25,000
		102,311,116
Tax Rate per Thousand		18.37
TAX COMMITMENT		\$ 1,879,455

APPROPRIATIONS

Municipal Functions		\$ 988,598
MSAD 6		955,408
County Tax		90,450
Overlay		88
		2,034,544
Less: Estimated Revenues		155,089
TAX COMMITMENT		\$ 1,879,455

COLLECTION OF 2008 TAXES

Original Commitment		\$ 1,879,455
Less: Collections	\$ 1,859,948	
Transferred to Liens	19,375	1,879,323
BALANCE OUTSTANDING AT DECEMBER 31, 2008		\$ 132

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED DECEMBER 31, 2008

	Appropriation Balances Forward	Appropriations	Transfers and Other Credits	Total Available	Expenditures	Balances		Carried Forward
						Overdrawn	Lapsed Unexpended	
GENERAL GOVERNMENT	\$ 8,390	415,959	\$ 0	\$ 424,349	392,140	\$ 0	\$ 32,209	\$ 0
PUBLIC WORKS AND SANITATION								
Public Works	0	240,697	0	240,697	239,008	0	1,689	0
Roads	0	35,400	0	35,400	37,336	1,936	0	0
Water	0	105,574	11,869	117,443	114,532	608	0	3,519
Solid Waste	0	44,100	0	44,100	35,535	0	8,565	0
	0	425,771	11,869	437,640	426,411	2,544	10,254	3,519
PUBLIC SAFETY								
Fire and Safety	0	33,240	0	33,240	33,240	0	0	0
Police	0	38,970	0	38,970	44,840	5,870	0	0
Emergency Medical	0	6,500	0	6,500	10,000	3,500	0	0
	0	78,710	0	78,710	88,080	9,370	0	0
RECREATION	0	37,558	0	37,558	26,709	0	10,849	0
EDUCATION	0	955,408	0	955,408	1,002,348	46,940	0	0
FIXED EXPENSES								
County Tax	0	90,450	0	90,450	93,148	2,698	0	0
Overlay	0	88	0	88	0	0	88	0
Debt Service	0	30,600	0	30,600	30,600	0	0	0
	0	121,138	0	121,138	123,748	2,698	88	0
TOTAL	\$ 8,390	\$ 2,034,544	\$ 11,869	\$ 2,054,803	\$ 2,059,436	\$ 61,552	\$ 53,400	\$ 3,519