

TOWN OF FRYE ISLAND
FINANCIAL REPORT



DECEMBER 31, 2009

TOWN OF FRYE ISLAND, MAINE

DECEMBER 31, 2009

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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, 2009, 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, 2009 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.

Berry Talbot Royer

Certified Public Accountants
October 1, 2010



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, 2009. This is the Town's sixth 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.

2009 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, 2009 were \$3,158,574, an increase of \$237,864 over 2008. Total Net assets for the business type activities for the year ending on December 31, 2009 were \$3,004,231, an increase of \$57,551.

The total fund balance for the year ending December 31, 2009 was \$936,161; an increase of \$99,292 over the previous year. Of this balance, \$565,579 is reserved for specific purposes; including ferry projects, water system renovations, island improvement projects, etc.; and \$370,582 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 2009 tax requirement, the minimum balance should be approximately \$536,500.

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.

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, and Emergency Medical Services), Public Works (Roads, Water, and Waste Management), Recreation, Education, Debt Service, and Capital Planning expenses.

Fund Financial Statements

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

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

Business-type Activities - Enterprise Funds are used to account for the Town's activities that are intended to recover all or a significant portion of their costs through user fees and charges. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net 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, 2009
(Statement 1)

	Governmental Activities	Business-type Activities	Total
Current & Other Assets	\$ 2,082,366	\$ 599,447	\$ 2,681,813
Capital Assets, net	<u>2,552,387</u>	<u>2,421,745</u>	<u>4,974,132</u>
Total Assets	<u>4,634,753</u>	<u>3,021,192</u>	<u>7,655,945</u>
Current Liabilities	1,079,599	16,961	1,096,140
Non-current Liabilities	<u>396,580</u>	<u>0</u>	<u>396,580</u>
Total Liabilities	<u>1,476,179</u>	<u>16,961</u>	<u>1,493,140</u>
Net Assets:			
Invested in Capital Assets, net of related debt	2,154,371	2,421,745	4,576,116
Unrestricted	<u>1,004,203</u>	<u>582,486</u>	<u>1,586,689</u>
Total Net Assets	<u>\$ 3,158,574</u>	<u>\$ 3,004,231</u>	<u>\$ 6,162,805</u>

The assets of the Town of Frye Island exceeded its liabilities at the close of the most recent fiscal year by \$6,162,805 per Statement 1 (Statement of Net Assets). Of this amount, \$1,586,689 (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 \$295,415 over the previous year.

As of December 31st 2009, the Town of Frye Island reported a combined ending fund balance of \$936,161 an increase of \$99,292. Approximately 40% of this total amount, \$370,582 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 2 –
Changes in Net Assets
Year Ended December 31, 2009
(Statements 2)**

	Governmental Activities	Business-type Activities	Total
<i>Revenues</i>			
Program Revenues			
Charges for Services	\$ 85,902	\$ 714,970	\$ 800,872
Operating Grants and Contributions	76,305	16,218	92,523
General Revenues			
Property and Excise Taxes	2,172,814		2,172,814
Intergovernmental	424		424
Miscellaneous / Transfers	43,808	(43,808)	0
Investment Earnings	<u>56,862</u>	<u>16,208</u>	<u>73,070</u>
Total Revenues	2,436,115	703,588	3,139,703
<i>Expenses</i>			
Administration	331,132	0	331,132
Public Works and Sanitation	263,186	0	263,186
Public Safety	119,906	0	119,906
Recreation	12,659	0	12,659
Education	1,215,906	0	1,215,906
Fixed Expenses	91,107	0	91,107
Capital Outlay	164,355	0	164,355
Program Expenditures	<u>0.00</u>	<u>646,037</u>	<u>646,037</u>
Total Expenses	<u>2,198,251</u>	<u>646,037</u>	<u>2,844,288</u>
Change in Net Assets	<u>\$ 237,864</u>	<u>\$ 57,551</u>	<u>\$ 295,415</u>

Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is provided. Please note that the format differs from that of the Statement of Revenues, Expenditures, and changes in Fund Balance. Expenses for each activity are listed in the left-most column with revenues generated by that activity reported to the right. Subtracting one from the other results in a Net (Expense)/Revenue. The format provides information about the relative financial burden on the Town's taxpayers for each activity. It should be noted, however, that while these revenues may be generated by specific activities, the Town does not have a dedicated revenue source. Accordingly, revenues from specific activities are deposited to the Town's general fund, as are all tax payments received. From this fund, the Town makes all its expenditures.

Examples of activities that produce some level of revenue are:

- General Government Excise Taxes, Management fees, Interest Fees for building, plumbing and electrical permits
- Public Works and Sanitation Local Road Assistance, Recycling Revenues
- Recreation Fees for recreation programs

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

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

Table 3 - Net Cost of Governmental Activities
Fiscal Year ended December 31, 2008
 (Statement 2)

Function/Program	Total Cost of Services	Net Cost of Services
General Government	\$ 331,132	\$ 257,386
Public Works and Sanitation	263,186	243,790
Public Safety	119,906	119,906
Recreation	12,659	11,449
Education	1,215,906	1,215,906
Fixed Expenses	91,107	91,107
Capital Reserve Activity	<u>164,355</u>	<u>96,500</u>
 TOTAL GOVERNMENTAL ACTIVITIES	 <u>\$ 2,198,251</u>	 <u>\$ 2,036,044</u>

Analysis of Overall Financial Position and Results of Operations

Excess revenues and other sources of income exceeded total expenses by \$99,292 (Statement 6) as total expenses were carefully controlled even though operating revenues fell short of expectations. The net result is 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 increased from \$344,286 to \$370,582, an increase of \$26,296. The Reserved / Designated fund balance increased from \$492,583 to \$ 565,579 an increase of \$72,996. This is a total increase of \$99,292 (Exhibit 1-1).

Analysis of Significant General Fund Budget Variances

For the 2009 year, operating revenues fell short of budget expectations by \$6,676, a 0.29 % negative variance. Actual expenditures were \$29,149 less than the budget, a 1.27 % positive variance (Statement 6).

Significant Capital Asset and Long-Term Debt Activity

- Capital assets totaling \$4,974,132 (Statement 1) are being reported as of December 31, 2009. This represents an increase of \$56,789 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 \$175,800,000 in 2009. This creates a maximum allowed debt service of \$13,185,000. The actual long-term debt as of December 31, 2009 was \$396,580 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 Regional School Unit #6; (formerly Maine School Administration District #6); Cumberland County and the Maine Municipal Bond Bank for the loan for improvements made to the water system. In 2009, these expenses totaled \$1,339,556. The largest contributor to these required expenses is our payment to RSU 6 which totaled \$1,215,906. 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.

In 2007, the Board of Selectmen / Executive Committee approved the installation of new piping for the public water distribution system. It was decided to accomplish this installation using in-house labor rather than contract it to others in an effort to reduce the costs. Thus far, the new piping has been installed and has been placed in service on Independence Way, High Point Drive Sunset Road and a portion of Ridge Road. We plan to continue this phased approach until all of the main lines are replaced which we anticipate will go on through the 2012 season. We are funding this project through property taxes at approximately \$75,000 per year.

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 (DFF) 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. In 2009, the Town approved the establishment of a "Long Term Transportation Reserve" for the purpose of saving money for the inevitable expense to upgrade the ferry system when the time comes.

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, 2009

BASIC FINANCIAL STATEMENTS

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS:			
Cash/Investments	\$ 2,042,010	\$ 534,788	\$ 2,576,798
Receivables (Net of Allowance for Uncollectibles):			
Taxes	14,409	-	14,409
Liens	53,794	-	53,794
Accounts	414	20,097	20,511
Inventory	-	4,559	4,559
Internal Balances	(40,003)	40,003	-
Prepaid Expenses	1,131	-	1,131
Tax Acquired Property	10,611	-	10,611
Capital Assets:			
Land and Improvements	662,765	1,258,400	1,921,165
Other Capital Assets, Net of Depreciation	1,889,622	1,163,345	3,052,967
TOTAL ASSETS	<u>4,634,753</u>	<u>3,021,192</u>	<u>7,655,945</u>
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts Payable	87,579	-	87,579
Accrued Expenses	6,256	981	7,237
Accrued Interest Payable	1,436	-	1,436
Deferred Revenues	984,328	15,980	1,000,308
Long-Term Liabilities			
Due within One Year	33,415	-	33,415
Due in More Than One Year	363,165	-	363,165
Total Liabilities	<u>1,476,179</u>	<u>16,961</u>	<u>1,493,140</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,154,371	2,421,745	4,576,116
Unrestricted	1,004,203	582,486	1,586,689
TOTAL NET ASSETS	<u>\$ 3,158,574</u>	<u>\$ 3,004,231</u>	<u>\$ 6,162,805</u>

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

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS						
Primary Government						
Governmental Activities						
General Government	\$ 331,132	\$ 73,746	\$ -	\$ (257,386)	\$ -	\$ (257,386)
Public Works and Sanitation	263,186	10,946	8,450	(243,790)	-	(243,790)
Public Safety	119,906	-	-	(119,906)	-	(119,906)
Recreation	12,659	1,210	-	(11,449)	-	(11,449)
Education	1,215,906	-	-	(1,215,906)	-	(1,215,906)
Fixed Expenses	91,107	-	-	(91,107)	-	(91,107)
Capital Reserve Activity	165,354	-	68,854	(96,500)	-	(96,500)
Total governmental activities	<u>2,199,250</u>	<u>85,902</u>	<u>77,304</u>	<u>(2,036,044)</u>	<u>-</u>	<u>(2,036,044)</u>
Business-type activities						
Ferry	365,319	427,173	-	-	61,854	61,854
Golf Club	228,483	208,637	16,218	-	(3,628)	(3,628)
Yacht Club	52,235	79,160	-	-	26,925	26,925
Total business-type activities	<u>646,037</u>	<u>714,970</u>	<u>16,218</u>	<u>-</u>	<u>85,151</u>	<u>85,151</u>
TOTAL PRIMARY GOVERNMENT	\$ 2,845,287	\$ 800,872	\$ 93,522	\$ (2,036,044)	\$ 85,151	\$ (1,950,893)
General revenues:						
Taxes - Property				\$ 2,156,167	\$ -	\$ 2,156,167
Taxes - Excise				16,647	-	16,647
Intergovernmental				424	-	424
Investment Earnings				56,862	16,208	73,070
Total General Revenues, Special Items				<u>2,230,100</u>	<u>16,208</u>	<u>2,246,308</u>
Change in Net Assets				194,056	101,359	295,415
Net Assets - January 1, 2009				2,920,710	2,946,680	5,867,390
Transfers				43,808	(43,808)	-
Net Assets - December 31, 2009				<u>\$ 3,158,574</u>	<u>\$ 3,004,231</u>	<u>\$ 6,162,805</u>

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

Berry Talbot Royer, Falmouth, Maine

TOWN OF FRYE ISLAND, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash/Investments	\$ 2,042,010	\$ -	\$ 2,042,010
Receivables (Net of Allowance for Uncollectibles):			
Taxes	14,409	-	14,409
Liens	53,794	-	53,794
Accounts	414	-	414
Prepaid Expenses	1,131	-	1,131
Tax Acquired Property	10,611	-	10,611
Due from Other Funds	-	-	-
TOTAL ASSETS	2,122,369	-	2,122,369
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	87,579	-	87,579
Accrued Liabilities	6,256	-	6,256
Due to Other Funds	40,003	-	40,003
Deferred Revenues	1,052,370	-	1,052,370
Total Liabilities	1,186,208	-	1,186,208
Fund Balances:			
Reserved:			
For Specific Purposes	565,579	-	565,579
Unreserved:			
Reported in Special Revenues	-	-	-
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	370,582	-	370,582
Total Fund Balances	936,161	-	936,161
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,122,369	\$ -	

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.			2,552,387
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	(386,565)		
Capital Leases Payable	(10,015)		
Accrued Interest	(1,436)		(398,016)
Funds are not available to pay for current period expenditures and therefore are deferred in the funds.			68,042
Net Assets of Governmental Activities			\$ 3,158,574

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

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Taxes	\$ 2,166,591	\$ -	\$ 2,166,591
Licenses and Permits	13,349	-	13,349
Intergovernmental	8,874	-	8,874
Charges for Services	67,131	-	67,131
Miscellaneous	54,392	-	54,392
Total Revenues	<u>2,310,337</u>	<u>-</u>	<u>2,310,337</u>
EXPENDITURES:			
General Government	326,289	-	326,289
Public Works and Sanitation	336,853	-	336,853
Public Safety	131,066	-	131,066
Recreation	31,931	-	31,931
Education	1,215,906	-	1,215,906
Fixed Expenses	123,650	-	123,650
Capital Reserve Activity	96,500	-	96,500
Total Expenditures	<u>2,262,195</u>	<u>-</u>	<u>2,262,195</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	48,142	-	48,142
OTHER FINANCING SOURCES (USES)	<u>51,150</u>	<u>(7,342)</u>	<u>43,808</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	99,292	(7,342)	91,950
FUND BALANCES - JANUARY 1, 2009	<u>836,869</u>	<u>7,342</u>	<u>844,211</u>
FUND BALANCES - DECEMBER 31, 2009	<u>\$ 936,161</u>	<u>\$ -</u>	<u>\$ 936,161</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.

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

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, 2009

Net change in fund balances - total governmental funds (from Statement 4) \$ 91,950

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	162,530	
Depreciation	<u>(63,273)</u>	99,257

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	23,118	
Capital Lease Repayments	9,369	
Accrued Interest	<u>55</u>	32,542

Revenues in the statement of activities that do not provide current financial
 resources are not reported as revenues in the fund statement.

14,115

Change in net assets of governmental activities (see Statement 2) \$ 237,864

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
BUDGETARY BASIS
YEAR ENDED DECEMBER 31, 2009

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
REVENUES:			
Taxes	\$ 2,175,875	\$ 2,166,591	\$ (9,284)
Licenses and Permits	17,235	13,349	(3,886)
Intergovernmental	10,499	8,874	(1,625)
Charges for Services	67,662	67,131	(531)
Other	<u>26,578</u>	<u>35,228</u>	<u>8,650</u>
TOTAL REVENUES	<u>2,297,849</u>	<u>2,291,173</u>	<u>(6,676)</u>
EXPENDITURES:			
General Government	366,177	326,289	39,888
Public Works and Sanitation	451,639	430,877	20,762
Public Safety	95,644	143,566	(47,922)
Recreation	35,894	31,931	3,963
Education	1,215,906	1,215,906	-
Fixed Expenses	<u>136,108</u>	<u>123,650</u>	<u>12,458</u>
TOTAL EXPENDITURES	<u>2,301,368</u>	<u>2,272,219</u>	<u>29,149</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,519)	18,954	22,473
OTHER FINANCING SOURCES (USES):	<u>3,519</u>	<u>51,150</u>	<u>47,631</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	<u>\$ (0)</u>	70,104	<u>\$ 70,104</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS			
Transfers to Reserves		(58,830)	
Interest and Other Income from Reserves		<u>88,018</u>	
		<u>29,188</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES		<u>\$ 99,292</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, 2009

	<u>Enterprise Funds</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	<u>2009</u>
ASSETS:				
Current Assets				
Cash	\$ 409,739	\$ 88,456	\$ 36,593	\$ 534,788
Accounts Receivable	20,048	49	-	20,097
Inventory	-	4,559	-	4,559
Capital Assets, Net of Depreciation	838,308	802,586	780,851	2,421,745
Due from Other Funds	24,289	34,250	-	58,539
TOTAL ASSETS	<u>1,292,384</u>	<u>929,900</u>	<u>817,444</u>	<u>3,039,728</u>
LIABILITIES:				
Current Liabilities:				
Accrued Liabilities	-	981	-	981
Deferred Revenues	-	15,180	800	15,980
Due to Other Funds	-	-	18,536	18,536
Total Current Liabilities	<u>-</u>	<u>16,161</u>	<u>19,336</u>	<u>35,497</u>
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	838,308	802,586	780,851	2,421,745
Unrestricted Net Assets	454,076	111,153	17,257	582,486
TOTAL NET ASSETS	<u>\$ 1,292,384</u>	<u>\$ 913,739</u>	<u>\$ 798,108</u>	<u>\$ 3,004,231</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, 2009

	Enterprise Fund			Totals
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	<u>2009</u>
OPERATING REVENUES:				
Memberships and Fees	\$ -	\$ 143,260	\$ -	\$ 143,260
Lounge and Pro Shop Sales	-	63,667	-	63,667
Equity Fees	-	-	16,160	16,160
Rental Fees	-	-	63,000	63,000
Charges for Services	427,173	-	-	427,173
Miscellaneous	-	1,710	-	1,710
	<u>427,173</u>	<u>208,637</u>	<u>79,160</u>	<u>714,970</u>
OPERATING EXPENDITURES	<u>365,319</u>	<u>228,483</u>	<u>52,235</u>	<u>646,037</u>
OPERATING INCOME (LOSS)	61,854	(19,846)	26,925	68,933
NON-OPERATING REVENUES				
Interest Income	<u>12,654</u>	<u>2,535</u>	<u>1,019</u>	<u>16,208</u>
INCOME (LOSS) BEFORE TRANSFERS	74,508	(17,311)	27,944	85,141
OTHER FINANCING SOURCES (USES):				
Donations	-	16,218	-	16,218
Transfers to General Fund Reserve	<u>-</u>	<u>-</u>	<u>(43,808)</u>	<u>(43,808)</u>
	-	16,218	(43,808)	(27,590)
CHANGE IN NET ASSETS	74,508	(1,093)	(15,864)	57,551
NET ASSETS - JANUARY 1,	<u>1,217,876</u>	<u>914,832</u>	<u>813,972</u>	<u>2,946,680</u>
NET ASSETS - DECEMBER 31,	<u>\$ 1,292,384</u>	<u>\$ 913,739</u>	<u>\$ 798,108</u>	<u>\$ 3,004,231</u>

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

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Enterprise Fund</u>			<u>Totals</u>
	<u>Ferry Service</u>	<u>Golf Course</u>	<u>Marina</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 427,173	\$ 199,221	\$ 78,560	\$ 704,954
Payments to Suppliers	(141,127)	(90,995)	(32,376)	(264,498)
Payments to Employees	(179,814)	(106,349)	-	(286,163)
Decrease (Increase) in Due from Other Funds	(1,375)	23,565	-	22,190
Increase in Due to Other Funds	-	-	9,011	9,011
Net Cash Provided by Operating Activities	<u>104,857</u>	<u>25,442</u>	<u>55,195</u>	<u>185,494</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisitions and Construction of Operating Property	(24,847)	(26,291)	-	(51,138)
Donations	-	16,218	-	16,218
Transfers to General Fund Reserve	-	-	(43,808)	(43,808)
Net Cash Used by Capital and Related Financing Activities	<u>(24,847)</u>	<u>(10,073)</u>	<u>(43,808)</u>	<u>(78,728)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earnings	<u>12,654</u>	<u>2,535</u>	<u>1,019</u>	<u>16,208</u>
NET INCREASE IN CASH	92,664	17,904	12,406	122,974
CASH - AT BEGINNING OF YEAR	<u>317,075</u>	<u>70,552</u>	<u>24,187</u>	<u>411,814</u>
CASH - AT END OF YEAR	<u>\$ 409,739</u>	<u>\$ 88,456</u>	<u>\$ 36,593</u>	<u>\$ 534,788</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 61,854	\$ (19,846)	\$ 26,925	\$ 68,933
Adjustments not affecting cash:				
Depreciation Expense	44,378	29,368	19,859	93,605
Change in Assets and Liabilities				
(Increase) Decrease in:				
Accounts and Notes Receivable	-	(26)	-	(26)
Inventory	-	1,567	-	1,567
Due from Other Funds	(1,375)	23,565	-	22,190
(Decrease) Increase in:				
Accrued Liabilities	-	204	-	204
Deferred Revenues	-	(9,390)	(600)	(9,990)
Due to Other Funds	-	-	9,011	9,011
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 104,857</u>	<u>\$ 25,442</u>	<u>\$ 55,195</u>	<u>\$ 185,494</u>

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

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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 Codification, 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.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

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.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

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.

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.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Prepaid Expenses

Payments made to vendors that will benefit periods beyond December 31, 2009, 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.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2009, none of the Town's bank balance of \$2,594,160 was exposed to custodial credit risk.

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, 2009, investments consisted of the following:

	Carrying <u>Value</u>	Market <u>Value</u>
Stocks	<u>\$ 6,281</u>	<u>\$ 4,551</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

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, 2008. 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, 2009 was based, was \$103,761,668. Interest was charged at 12.00% on all unpaid taxes from January 1, 2009, and July 1, 2009. The following summarizes the levy:

Valuation and Assessment		
Real Property		\$ 103,736,668
Personal Property		<u>25,000</u>
Total Valuation		103,761,668
Tax Rate per Thousand		<u>20.78</u>
Tax Commitment		<u><u>\$ 2,156,375</u></u>
Collection of 2009 Taxes		
Original Commitment		\$ 2,156,375
Less: Collection in Current Year	\$ 2,101,970	
Transferred to Liens	<u>54,288</u>	
		<u>2,156,258</u>
Taxes Receivable		<u><u>\$ 117</u></u>

Taxes receivable at December 31, 2009 are as follows:

	<u>General</u>
Taxes - Current Year	\$ 117
Taxes - Prior Year	<u>14,292</u>
	<u><u>\$ 14,409</u></u>

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 \$3,044 for the year ended December 31, 2009. 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, 2009 are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 3 - PROPERTY TAX (Continued)

The 2009 property taxes were committed October 18, 2008, were due and payable on January 1 and July 1, 2009, and have been recorded as revenues. The 2010 property taxes were levied on October 22, 2009, and are due and payable January 1, and July 1, 2010. The payments collected in 2009 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, 2009, the balances due to and due from accounts were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$ 40,003
Enterprise		
Ferry	24,289	-
Golf Club	34,250	-
Marina	<u>-</u>	<u>18,536</u>
	<u>\$ 58,539</u>	<u>\$ 58,539</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 5 - 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, 2009, was as follows:

	Balance December 31, <u>2008</u>	<u>Additions</u>	Balance December 31, <u>2009</u>
Governmental Activities:			
Cost of Assets:			
Land and Land Improvements	\$ 593,697	\$ -	\$ 593,697
Buildings and Building Improvements	834,757	-	834,757
Leasehold Improvements	-	19,766	19,766
Equipment and Vehicles	<u>1,252,063</u>	<u>142,764</u>	<u>1,394,827</u>
Total	<u>2,680,517</u>	<u>162,530</u>	<u>2,843,047</u>
Accumulated Depreciation:			
Land and Land Improvements	253	169	422
Buildings and Building Improvements	61,525	15,168	76,693
Leasehold Improvements	-	494	494
Equipment and Vehicles	<u>165,609</u>	<u>47,442</u>	<u>213,051</u>
Total	<u>227,387</u>	<u>63,273</u>	<u>290,660</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,453,130</u>	<u>\$ 99,257</u>	<u>\$ 2,552,387</u>

Depreciation was charged to functions as follows:

General Government	\$ 4,843
Public Works and Sanitation	56,696
Public Safety	1,240
Recreation	494
	<u>\$ 63,273</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 5 - 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>2008</u>	<u>Additions</u>	Balance December 31, <u>2009</u>
Proprietary Funds:			
Cost of Assets:			
Land and Land Improvements	\$ 1,319,123	\$ 10,073	\$ 1,329,196
Buildings and Building Improvements	262,180	29,930	292,110
Equipment and Vehicles	<u>1,576,866</u>	<u>11,135</u>	<u>1,588,001</u>
Total	<u>3,158,169</u>	<u>51,138</u>	<u>3,209,307</u>
Accumulated Depreciation:			
Land and Land Improvements	96,381	21,816	118,197
Buildings and Building Improvements	33,238	6,906	40,144
Equipment and Vehicles	<u>564,338</u>	<u>64,883</u>	<u>629,221</u>
Total	<u>693,957</u>	<u>93,605</u>	<u>787,562</u>
Business-Type Activities Capital			
Assets, Net	<u>\$ 2,464,212</u>	<u>\$(42,467)</u>	<u>\$ 2,421,745</u>
Depreciation was charged to functions as follows:			
Ferry	\$ 44,378		
Golf Course	29,368		
Marina	<u>19,859</u>		
	<u>\$ 93,605</u>		

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 6 - 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, 2009:

	General Long-Term Debt
Long-Term Debt Payable at December 31, 2008	\$ 409,667
Debt Retired	<u>(23,102)</u>
Long-Term Debt Payable at December 31, 2009	<u>\$ 386,565</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.

\$ 386,565

The annual requirements to amortize debts outstanding as of December 31, 2009, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 23,400	\$ 5,744	\$ 29,144
2011	23,677	5,466	29,143
2012	23,967	5,176	29,143
2013	24,269	4,874	29,143
2014	24,585	4,558	29,143
2015 – 2019	128,183	17,534	145,717
2020 – 2024	<u>138,484</u>	<u>7,234</u>	<u>145,718</u>
	<u>\$ 386,565</u>	<u>\$ 50,586</u>	<u>\$ 437,151</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 6 - 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, 2009:

	<u>Capital Lease Obligations</u>
Capital Lease Obligations Payable at December 31, 2008	\$ 19,384
Less Leases Retired	<u>(9,369)</u>
Capital Lease Obligations Payable at December 31, 2009	<u>\$ 10,015</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>\$ 10,015</u>
---	------------------

The annual requirement for capital lease obligations outstanding as of December 31, 2009 is as follows:

	<u><i>Year Ending</i></u> <u><i>December 31</i></u>	<u><i>Amount</i></u>
	2010	
Total minimum lease payments		<u>\$ 10,706</u>
Less: Amounts representing interest		<u>10,706</u>
Present value of net minimum lease payments		<u>(691)</u>
Less: Current maturities of capital lease obligations		<u>10,015</u>
Long-term capital lease obligations		<u><u>\$ 0</u></u>

Note 7 - 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, 2009. Settled claims (if any) have not exceeded insurance coverage for any of the past three fiscal years.

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 7 - CONTINGENT LIABILITIES AND OTHER DISCLOSURES (Continued)

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 8 - 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 .42% (\$23,989) of Cumberland County's outstanding debt of \$5,720,000, and 6.24% (\$1,999,142) of Maine School Administrative District No. 6's outstanding bonded debt of \$32,027,214. In addition, the Town is contracted to pay subsidy to MSAD No. 6 until June 30, 2010, totaling \$621,516.

Note 9 - 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)	\$ 70,104
Interest and Other Income from Reserve Funds	88,018
Budgeted transfers to reserves	<u>(58,830)</u>
Excess of revenues over(under) expenditures (Statement 4)	<u>\$ 99,292</u>

TOWN OF FRYE ISLAND, MAINE
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 10 - 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, 2009, are as follows:

Capital Funds	\$ 40,788
Water System Improvements	17,901
Recreation	4,926
Equipment	9,830
Fire and Safety	63,784
Fire Department Operations	3,499
Island Improvement	377,147
Revaluation	2,314
School Operations	<u>45,390</u>
	<u>\$ 565,579</u>

Schedule 1 summarizes the activity in 2009.

Note 11 - 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 \$17,000, the Town leases from FII the following: various island buildings, recreational facilities, and island roads.

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, 2009 was approximately \$10,429. 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 \$35,775 for the year ended December 31, 2009.

NOTE 13 - SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through October 1, 2010, the date the financial statements were available to be issued.

TOWN OF FRYE ISLAND, MAINE
DECEMBER 31, 2009

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, 2009
 (With Comparative Totals for the Year ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash/Investments	\$ 2,042,010	\$ 1,850,702
Receivable:		
Taxes	14,409	13,495
Tax Liens	53,794	37,751
Accounts	414	12,700
Prepaid Expenses	1,131	1,131
Tax Acquired Property	<u>10,611</u>	<u>4,327</u>
TOTAL ASSETS	<u>\$ 2,122,369</u>	<u>\$ 1,920,106</u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 87,579	\$ 108,580
Accrued Liabilities	6,256	12,661
Due to Other Funds	40,003	78,546
Deferred Revenue	<u>1,052,370</u>	<u>883,450</u>
	<u>1,186,208</u>	<u>1,083,237</u>
 Fund Balances:		
Reserved:		
For Specific Purposes	565,579	492,583
Unreserved:		
Designated for Subsequent Years Expenditures	-	3,519
Undesignated	<u>370,582</u>	<u>340,767</u>
	<u>936,161</u>	<u>836,869</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,122,369</u>	<u>\$ 1,920,106</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES:			
Taxes:			
Property	\$ 2,156,375	\$ 2,156,167	\$ (208)
Change in Deferred Property Revenues	-	(14,115)	(14,115)
Excise	13,600	15,132	1,532
Interest and Lien costs on Taxes	5,900	9,407	3,507
	<u>2,175,875</u>	<u>2,166,591</u>	<u>(9,284)</u>
Licenses and Permits:			
Boat and Vehicle Registrations	1,350	1,515	165
Building Permits	12,000	9,714	(2,286)
Plumbing and Electrical Permits	3,000	1,728	(1,272)
Other Permits and Fines	685	260	(425)
Hunting/Fishing	200	132	(68)
	<u>17,235</u>	<u>13,349</u>	<u>(3,886)</u>
Intergovernmental:			
Homestead Exemptions	416	347	(69)
Local Road Assistance	9,956	8,450	(1,506)
Miscellaneous	127	77	(50)
	<u>10,499</u>	<u>8,874</u>	<u>(1,625)</u>
Charges for Services:			
Water Hook-up Fees	2,000	1,500	(500)
Solid Waste Fee	6,127	6,446	319
Septic Waste Fee	50	-	(50)
Management Fee	56,185	56,185	-
Road Fees	3,000	3,000	-
Other Fees	300	-	(300)
	<u>67,662</u>	<u>67,131</u>	<u>(531)</u>
Other:			
Interest Earnings	15,000	28,291	13,291
Lease	7,406	4,243	(3,163)
Recreation Fees/Special Events	3,300	1,210	(2,090)
Miscellaneous	872	1,484	612
	<u>26,578</u>	<u>35,228</u>	<u>8,650</u>
TOTAL REVENUES	<u>2,297,849</u>	<u>2,291,173</u>	<u>(6,676)</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES:			
General Government:			
Administration	\$ 366,177	\$ 326,289	\$ 39,888
Public Works and Sanitation:			
Public Works	258,396	236,624	21,772
Roads	35,500	36,273	(773)
Water	107,693	118,170	(10,477)
Solid Waste	50,050	39,810	10,240
	<u>451,639</u>	<u>430,877</u>	<u>20,762</u>
Public Safety:			
Fire and Safety	36,150	36,150	-
Police	52,994	55,304	(2,310)
Emergency Medical	6,500	52,112	(45,612)
	<u>95,644</u>	<u>143,566</u>	<u>(47,922)</u>
Recreation:	<u>35,894</u>	<u>31,931</u>	<u>3,963</u>
Education:			
School Administrative District 6	<u>1,215,906</u>	<u>1,215,906</u>	<u>-</u>
Fixed Expenses:			
County Tax	102,463	93,049	9,414
Overlay	3,044	-	3,044
Debt Service	30,601	30,601	-
	<u>136,108</u>	<u>123,650</u>	<u>12,458</u>
TOTAL EXPENDITURES	<u>2,301,368</u>	<u>2,272,219</u>	<u>29,149</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,519)</u>	<u>18,954</u>	<u>22,473</u>
OTHER FINANCING SOURCES (USES):			
Carryforward from 2008	3,519	-	(3,519)
Transfer from Special Revenue Fund	-	7,342	7,342
Transfer from Enterprise Fund	-	43,808	43,808
	<u>3,519</u>	<u>51,150</u>	<u>47,631</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (0)</u>	<u>\$ 70,104</u>	<u>\$ 70,104</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	<u>Final</u>		Variance
	<u>Budget</u>	<u>Actual</u>	Positive
			<u>(Negative)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (0)</u>	\$ 70,104	<u>\$ 70,104</u>
RECONCILIATION TO MODIFIED ACCRUAL BASIS			
Transfers to Reserves		(58,830)	
Interest and Other Income from Reserves		<u>88,018</u>	
		<u>29,188</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		<u>\$ 99,292</u>	

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	<u>Reserved</u>	<u>Unreserved</u>		<u>Total</u>
	Specific Purpose (Schedule 1)	Designated for Subsequent Years' Expenditures	Undesignated	
FUND BALANCE - JANUARY 1, 2009	\$ 492,583	\$ 3,519	\$ 340,767	\$ 836,869
EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES	<u>72,996</u>	<u>(3,519)</u>	<u>29,815</u>	<u>99,292</u>
FUND BALANCE - DECEMBER 31, 2009	<u>\$ 565,579</u>	<u>\$ -</u>	<u>\$ 370,582</u>	<u>\$ 936,161</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, 2009

ASSETS:

Due from General Fund

\$ -

FUND BALANCE:

\$ -

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, 2009

REVENUES:		
DOT Grant	\$	-
EXPENDITURES:		
For Designated Purpose		<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-
OTHER FINANCING SOURCES (USES):		
Operating Transfer to General Fund		<u>(7,342)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		<u>(7,342)</u>
FUND BALANCE - JANUARY 1		<u>7,342</u>
FUND BALANCE - DECEMBER 31	\$	<u><u>-</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, 2009

	<u>Capital Funds Reserve</u>	<u>Water System Reserve</u>	<u>Recreation Reserve</u>	<u>Equipment Reserve</u>	<u>Fire and Safety Reserve</u>
APPROPRIATIONS:	\$ -	\$ 74,024	\$ -	\$ 20,000	\$ 12,500
REVENUES:					
Interest	1,437	3,246	169	332	2,275
Other	-	10,500	-	5,300	999
	<u>1,437</u>	<u>13,746</u>	<u>169</u>	<u>5,632</u>	<u>3,274</u>
EXPENDITURES FOR DESIGNATED PURPOSES	<u>11,001</u>	<u>88,105</u>	<u>-</u>	<u>42,000</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,564)	(335)	169	(16,368)	15,774
OTHER FINANCING SOURCES:					
Transfers from Enterprise Fund	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,564)	(335)	169	(16,368)	15,774
BALANCE - BEGINNING OF YEAR	<u>50,352</u>	<u>18,236</u>	<u>4,757</u>	<u>26,198</u>	<u>48,010</u>
BALANCE - END OF YEAR	<u>\$ 40,788</u>	<u>\$ 17,901</u>	<u>\$ 4,926</u>	<u>\$ 9,830</u>	<u>\$ 63,784</u>

TOWN OF FRYE ISLAND, MAINE
COMBINING STATEMENT OF GENERAL FUND RESERVES
YEAR ENDED DECEMBER 31, 2009

	Fire	Department	Island	Revaluation	School	Total
	Operations	Improvement	Reserve	Reserve	Operations	Reserve
	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve
	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve
APPROPRIATIONS:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,524
REVENUES:						
Interest	-	11,180	91	434	19,164	19,164
Other	3,499	3,600	-	44,956	68,854	68,854
	<u>3,499</u>	<u>14,780</u>	<u>91</u>	<u>45,390</u>	<u>88,018</u>	<u>88,018</u>
EXPENDITURES FOR DESIGNATED PURPOSES	-	24,248	-	-	-	165,354
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,499	(9,468)	91	45,390	29,188	29,188
OTHER FINANCING SOURCES:						
Transfers from Enterprise Fund	-	43,808	-	-	-	43,808
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,499	34,340	91	45,390	72,996	72,996
BALANCE - BEGINNING OF YEAR	-	342,807	2,223	-	492,583	492,583
BALANCE - END OF YEAR	<u>\$ 3,499</u>	<u>\$ 377,147</u>	<u>\$ 2,314</u>	<u>\$ 45,390</u>	<u>\$ 565,579</u>	<u>\$ 565,579</u>

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
PROPRIETARY FUNDS - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	<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	\$ 8,977	\$ 3,677	\$ 2,049	\$ 486	\$ 1,019	\$ -	\$ 16,208
Other	93,962	333,198	208,399	17,168	16,160	63,000	731,887
	<u>102,939</u>	<u>336,875</u>	<u>210,448</u>	<u>17,654</u>	<u>17,179</u>	<u>63,000</u>	<u>748,095</u>
EXPENDITURES FOR DESIGNATED PURPOSES	<u>30,499</u>	<u>315,288</u>	<u>208,341</u>	<u>16,218</u>	<u>9,584</u>	<u>19,192</u>	<u>599,122</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	72,440	21,587	2,107	1,436	7,595	43,808	148,973
OTHER FINANCING SOURCES:							
Intrafund Transfer	(6,163)	6,163	-	-	-	-	-
Transfers to General Fund Reserve:	-	-	-	-	-	(43,808)	(43,808)
	<u>(6,163)</u>	<u>6,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,808)</u>	<u>(43,808)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	66,277	27,750	2,107	1,436	7,595	-	105,165
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>220,123</u>	<u>113,499</u>	<u>85,212</u>	<u>13,350</u>	<u>31,974</u>	<u>-</u>	<u>464,158</u>
FUND BALANCE- END OF YEAR	<u>\$ 286,400</u>	<u>\$ 141,249</u>	<u>\$ 87,319</u>	<u>\$ 14,786</u>	<u>\$ 39,569</u>	<u>\$ -</u>	<u>\$ 569,323</u>

TOWN OF FRYE ISLAND, MAINE
VALUATION, ASSESSMENT AND COLLECTION OF TAXES
YEAR ENDED DECEMBER 31, 2009

VALUATION AND ASSESSMENT

Real Property		\$ 103,736,668
Personal Property		25,000
		103,761,668
Tax Rate per Thousand		20.78
TAX COMMITMENT		\$ 2,156,375

APPROPRIATIONS

Municipal Functions		\$ 979,435
MSAD 6		1,215,906
County Tax		102,463
Overlay		45
		2,297,849
Less: Estimated Revenues		141,474
TAX COMMITMENT		\$ 2,156,375

COLLECTION OF 2009 TAXES

Original Commitment		\$ 2,156,375
Less: Collections	\$ 2,101,970	
Transferred to Liens	54,288	2,156,258
BALANCE OUTSTANDING AT DECEMBER 31, 2009		\$ 117

TOWN OF FRYE ISLAND, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED DECEMBER 31, 2009

	Appropriation Balances Forward	Appropriations	Transfers and Other Credits	Total Available	Expenditures	Balances		
						Overdrawn	Lapsed	Unexpended
	\$	\$	\$	\$	\$	\$	\$	\$
GENERAL GOVERNMENT								
Public Works	-	258,396	-	258,396	236,624	-	21,772	-
Roads	-	35,500	-	35,500	36,273	773	-	-
Water	3,519	104,174	-	107,693	118,170	10,477	-	-
Solid Waste	-	50,050	-	50,050	39,810	-	10,240	-
	3,519	448,120	-	451,639	430,877	11,250	32,012	-
		\$ 366,177	\$ -	\$ 366,177	\$ 326,289	\$ -	\$ 39,888	\$ -
PUBLIC WORKS AND SANITATION								
Fire and Safety	-	36,150	-	36,150	36,150	-	-	-
Police	-	52,994	-	52,994	55,304	2,310	-	-
Emergency Medical	-	6,500	-	6,500	52,112	45,612	-	-
	-	95,644	-	95,644	143,566	47,922	-	-
	-	35,894	-	35,894	31,931	-	3,963	-
	-	1,215,906	-	1,215,906	1,215,906	-	-	-
RECREATION								
EDUCATION								
FIXED EXPENSES								
County Tax	-	102,463	-	102,463	93,049	-	9,414	-
Overlay	-	3,044	-	3,044	-	-	3,044	-
Debt Service	-	30,601	-	30,601	30,601	-	-	-
	-	136,108	-	136,108	123,650	-	12,458	-
TOTAL	\$ 3,519	\$ 2,297,849	\$ -	\$ 2,301,368	\$ 2,272,219	\$ 59,172	\$ 88,321	\$ -