

FRYE ISLAND



1994

ANNUAL REPORT

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The 1994 season started a week late for the second year in a row. Even though the season was late by a week ice out was only a few days before opening day. Maintenance, Ferry, Golf and Administration did a great job getting the Island open.

The Island was busy all summer. The Fourth of July weekend probably set an all time high for Island population. 600 cars were brought over to the Island between Thursday and Saturday morning. We estimate there were 3,000 people on Island over the weekend.

Ferry revenues and total Golf Course revenues were at all time highs. Ferry revenue were \$139,555; Golf revenues were up for the Lounge, Pro Shop, Golf Cart/Club rental, and Annual Membership but Greens Fees were down.

The Ferry revenue were \$14,555 over budget and helped provide a surplus. The other reason for the surplus was little expense for Secession activities--Budget \$15,000 we spent less than \$1,000. Our actual MSC revenue and expenses reflect our Budget, other than the approximately \$30,000 in unbudgeted results (our 1994 surplus).

FII's actual income had several new and some short term revenue sources. The Auction Fundraiser is a new source of revenue and the advertising money for the Granite Tee Markers is a guaranteed two-year source of revenue. The first time sale of a privacy lot under the Frye Island Real Estate Policy overstated operating revenues compared to the Budget. Expenses tracked the Budget except for the expense of the Tee Markers.

CAPITAL IMPROVEMENTS

Improvements continued to be made on the Island. New equipment was purchased for the Golf Course and major additions were made to the Island's water system. Filters, pumps, water storage tank, and a new intake were installed in October.

The mainland ferry landing access road was paved and landscaped.

A new propeller was installed on one of the ferry boats. Siding was replaced at the Community Center.

A new irrigation line was added to the Golf Course as well as new drainage and golf cart paths.

BOAT BASIN FACILITY

At the October Annual Meeting, the Board of Directors of FII were directed by the voters to make another effort at marketing the Boat Basin Facility. During the winter of '94-'95, the Marina Committee and Board met several times and developed a new financial plan and eased some of the use restrictions. The permit for construction expires in April 1998 and the dredging must begin in the fall of 1997.

REAL ESTATE POLICY

Under the revised Real Estate Policy, Frye Island Inc. sold its first privacy lot. This lakefront lot was purchased for \$39,000. The revenue from this sale was deposited in the Endowment Fund.

We all look forward to another "great season" on the Island in 1995. *"A bad day on the Island is better than a good day at work".*

The financials for each company for the 1994 Fiscal Year follow.

FRYE ISLAND MUNICIPAL SERVICES CORPORATION
 GENERAL FUND
 BALANCE SHEET
 DECEMBER 31, 1993 AND 1994

	1993	1994
ASSETS:		
Cash	\$453,460	\$329,467
Receivables:		
Accounts	7,499	1,090
Taxes	177,246	231,986
Tax Liens	9,847	10,548
Tax Acquired Property	2,176	5,403
Prepaid Items	<u>0</u>	<u>0</u>
TOTAL ASSETS	\$650,228 =====	\$578,494 =====
LIABILITIES AND FUND BALANCES:		
Liabilities		
Accounts Payable	\$ 0	\$ 3,808
Deferred Revenue	<u>429,842</u>	<u>438,016</u>
	\$429,842	\$441,824
Fund Balances:		
Reserved:		
For Specific Purposes	\$157,388	\$ 47,893
Unreserved:		
Undesignated	<u>62,998</u>	<u>88,777</u>
	\$220,386	\$136,670
TOTAL LIABILITIES AND FUND BALANCES	\$650,228 =====	\$578,494 =====

FRYE ISLAND MSC--1994 BUDGET

	Budget 1994	ACTUAL 1994	Ferry	Maintenance	Water	Recreation	Administratic
Income							
Property Taxes	417,676	413,384	0	0	0	0	413,384
Ferry Receipts	125,000	139,555	139,555	0	0	0	0
Interest	6,000	8,596	0	0	0	0	8,596
Management Services	12,390	12,390	0	0	0	0	12,390
Other Income	4,900	10,338	0	1,250	750	4,817	3,521
Surplus (88-90)	14,000	0	0	0	0	0	0
Transfer Reserve	0	0	0	0	0	0	0
Transfer Undesignated Reserve	0	0	0	0	0	0	0
Transfer Water Reserve	0	0	0	0	0	0	0
Total Income	\$579,966	\$584,263	\$139,555	\$1,250	\$750	\$4,817	\$437,891
Expenses							
Employee Expenses	333,032	317,180	99,775	100,798	0	6,170	110,437
FII Leases	16,825	16,825	0	7,200	0	0	9,625
Utilities & Fuel	27,150	24,183	8,685	4,890	2,909	1,198	6,501
Licenses & Permits	550	484	59	66	0	175	184
Insurance	34,604	22,068	5,091	5,187	179	2,765	8,846
Property Taxes	11,669	12,541	1,089	0	229	6,761	4,462
Debt Service/Interest	8,832	8,830	0	8,830	0	0	0
Equipment & Supplies	27,689	40,994	5,525	11,414	5,045	5,662	13,348
Maintenance & Repairs	28,350	35,640	20,602	8,968	933	4,057	1,020
Outside Services	8,725	9,541	1,416	0	548	916	6,66
Office Administration	4,700	5,288	1,003	10	12	313	3,950
Security & Safety	12,500	10,946	0	0	0	0	10,946
Contributions	1,200	1,100	0	0	0	0	1,100
Winter Rent	2,500	2,624	0	0	0	0	2,624
Secession	15,000	349	0	0	0	0	349
Other	11,640	13,563	912	1,039	291	6,838	4,483
Capital Improvements	10,000	11,328	0	0	0	11,328	0
Fund Appropriation	25,000	25,000	5,000	0	15,000	5,000	0
Total Expenses	\$579,966	\$558,484	\$149,157	\$148,402	\$25,206	\$51,183	\$184,536
Surplus (Deficit)	\$ 0	\$25,779	(\$9,602)	(\$147,152)	(\$24,456)	(\$46,366)	\$253,355

THREE-YEAR INCOME STATEMENT

FRYE ISLAND MSC

	1992	1993	1994
Revenue:			
Tax	\$373,556	\$364,554	\$413,384
Rebate	34,344	0	0
Interest (Bank)	6,053	5,634	5,977
Interest (Tax)	4,680	5,019	2,617
Miscellaneous	4,847	5,538	2,074
Ferry	130,276	123,954	139,555
Water/Disposal	4,200	3,800	3,950
Surplus	78,000	0	0
Management Services	11,727	11,800	12,390
Recreation	0	2,514	4,816
Total	\$613,339	\$522,813	\$584,263
Expenditures:			
Administration	\$169,437	\$155,429	\$170,540
Public Works	133,761	132,375	139,035
Protection, Health & Sanitation	87,727	31,925	48,569
Ferry	169,878	130,355	149,157
Recreation	39,516	57,670	51,183
Total	\$600,313	\$507,754	\$558,484
Excess Revenues Over Expenditures	\$ 13,026	\$ 15,059	\$ 25,779

As Presented in Annual Audit

FRYE ISLAND, INC.
BALANCE SHEETS
DECEMBER 31, 1993 AND 1994

ASSETS

	1993	1994
Current Assets:		
Cash in Bank and on Hand	\$ 78,845	\$ 79,116
Inventory	2,885	8,249
Prepaid Expenses	17,773	16,464
Interest Receivable	3,059	2,820
Deposit on Granite Markers	0	3,209
Accounts Receivable	597	627
Current Portion of Notes Receivable (Note 2)	6,936	8,110
Total Current Assets	110,095	118,595
Fixed Assets: (Note 1)		
Land	31,465	31,465
Buildings and Improvements	209,356	225,097
Furniture and Fixtures	32,636	33,036
Machinery and Equipment	78,414	79,414
Vehicle	17,360	17,360
Total Fixed Assets	369,231	386,372
Less: Accumulated Depreciation	185,380	198,453
Net Fixed Assets	183,851	187,919
Other Assets:		
Notes Receivable - Less Current Portion	6,276	37,411
TOTAL ASSETS	\$300,222 =====	\$343,925 =====

LIABILITIES AND STOCKHOLDERS' EQUITY

	1993	1994
Current Liabilities:		
Accounts Pay	\$ 6,967	\$ 1,268
Payroll Taxes Payable	419	370
Accrued Expenses	2,300	2,300
Deposits on Land Sales	3,200	200
Deposits on Boat Basin (Note 6)	12,041	12,000
Current Portion of Long-Term Debt (Note 5)	6,484	6,766
Income Tax Payable	<u> </u>	<u>912</u>
Total Current Liabilities	31,411	23,816
Long-Term Debt - Net of Current Portion	60,128	53,084
Deferred Income Taxes (Note 7)	0	2,822
Deferred Gain on Installment Land Sales Sales (Note 3)	<u>13,211</u>	<u>45,521</u>
Total Liabilities	104,750	125,243
Stockholders' Equity:		
Common Stock-No Par Value-1000 Shares authorized, 825 issued and outstanding	100	100
Paid-In Surplus	125,565	125,565
Retained Earnings	<u>69,807</u>	<u>93,017</u>
Total Stockholders' Equity	195,472	218,682
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$300,222	\$343,925
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See accompanying notes and accountants' report, in annual review which is available at the Island Office

FRYE ISLAND INC.--1994 BUDGET AND AUDIT (REVIEW)

Income	Budget 94	ACTUAL 94	Golf	Yacht	Administration
Sales	\$25,035	\$51,647	\$31,303	0	\$20,344
Membership Fees	2,500	3,675	2,675	1,000	0
Usage Fees	88,250	85,264	75,479	9,785	0
Rental	12,500	13,471	13,471	0	0
Building & Equipment Leases	28,078	28,078	0	0	28,078
Tractor Amortization	6,150	6,150	0	0	6,150
Interest	1,850	3,546	0	0	3,546
Other Income	300	6,384	2,961	0	3,423
Gross Revenue	\$164,713	\$198,215	\$125,889	\$10,785	\$61,541
Cost of Goods Sold	14,300	14,348	14,348	0	0
Gross Margin	\$150,413	\$183,867	\$111,541	\$10,785	\$61,541
Expenses					
Employee Expenses	60,937	63,166	54,076	1,000	8,090
Utilities & Fuel	2,950	3,112	3,112	0	0
Licenses & Permits	1,150	1,617	1,389	60	168
Insurance	14,928	10,842	7,713	0	3,129
Property/Income Taxes	17,520	21,637	2,308	0	19,329
Interest	5,650	4,734	621	0	4,113
Equipment & Supplies	13,525	15,130	14,580	490	60
Repairs	2,700	3,340	3,075	0	265
Outside Services	11,925	4,145	113	1,207	2,825
Office Administration	1,575	2,572	1,060	1,453	59
Minor Improvements	*3,050	2,548	2,548	0	0
Contributions	800	700	0	0	700
Depreciation	13,105	13,073	6,849	0	6,224
Maintenance Building	6,403	6,403	6,403	0	0
Tractor Amortization	6,150	6,150	6,150	0	0
Other	1,150	1,488	666	33	789
Total Expenses	\$163,518	\$160,657	\$110,663	\$4,243	\$45,751
Net Income	(\$13,105)	\$23,210	\$878	\$6,542	\$15,790
Depreciation	\$13,105	\$13,073	\$6,849	0	\$6,224
Net Cash In (Out)	0	\$36,283	\$7,727	\$6,542	\$22,014

**THREE YEAR INCOME STATEMENT
FRYE ISLAND INC.**

	1992	1993	1994
Income:			
Lease	9,625	9625	9625
Golf Course	45,688	47,822	51,580
Membership Fees	22,550	25,225	25,900
Maintenance Building Lease	7,200	7,200	7,200
Rentals	15,217	16,463	20,496
Pro Shop Gross Profit	10,279	8,884	14,698
Marina Fees	13,625	11,300	10,785
Interest	5,146	3,641	3,546
Land Sales	2,043	0	20,346
Miscellaneous	9,130	3,290	5,152
Total	\$140,503	\$133,450	\$169,328
Expenses:			
Salaries and Wages	40,690	44,948	42,136
Repairs	6,404	7,993	6,635
Real Estate Taxes	10,730	20,387	17,903
Depreciation	11,991	13,398	13,073
Insurance	13,869	18,656	12,985
Supplies	7,761	9,390	11,499
Legal and Accounting	3,356	2,815	2,300
Electricity	2,004	1,632	2,110
Payroll Taxes	5,432	6,561	6,120
Contract Labor	0	0	0
Telephone	402	428	259
Office Supplies	1,260	577	687
Outside Services	14,699	3,405	1,697
Special Events	0	0	0
Other Taxes/Income Taxes	175	(1,720)	2,221
Licenses and Permits	1,335	1,183	1,616
Advertising	395	1,000	1,885
Travel and meetings	476	442	671
Contributions	500	750	700
Rent/Equipment/Office	0	1,600	2,410
Vehicle Expense	1,1161	1,056	744
Interest Expense	4,307	5,585	4,735
Dues and Subscriptions	305	205	110
Miscellaneous Expenses	772	2,608	1,232
Employee Benefits	0	0	0
Management Services	11,727	11,800	12,390
Total	\$139,751	\$154,699	\$146,118
Profit (Loss)	\$ 752	\$(21,249)	\$ 23,210

As Presented in Annual Review

Note: In 1994, the C.P.A. did not account for \$14,539 in expenses to Golf Course for Tractor, Markers, or Maintenance Building nor \$14,539 in Lease Revenue/Tractor Payments/Markers to Fill from Golf Course

Insurance includes Worker's Compensation