

**Audited Financial Statements and  
Other Financial Information**

**Town of Farmington, Maine**

**December 31, 2012**



*Proven Expertise and Integrity*

TOWN OF FARMINGTON, MAINE

CONTENTS

DECEMBER 31, 2012

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 9
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET ASSETS	10
STATEMENT B - STATEMENT OF ACTIVITIES	11 - 12
<u>FUND FINANCIAL STATEMENTS</u>	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	13
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS	14
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	15
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	16
STATEMENT G - BALANCE SHEET - PROPRIETARY FUNDS	17
STATEMENT H - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS	18
STATEMENT I - STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	19
NOTES TO FINANCIAL STATEMENTS	20 - 40
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	41
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	42

## OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	43
SCHEDULE A – SCHEDULE OF DEPARTMENTAL OPERATIONS	44 - 46
SCHEDULE B – COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	47
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	48
SPECIAL REVENUE FUNDS DESCRIPTION	49
SCHEDULE D - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	50 - 60
SCHEDULE E – COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	61 – 71
PERMANENT FUNDS DESCRIPTION	72
SCHEDULE F – COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	73 - 76
SCHEDULE G – COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	77 - 80
GENERAL CAPITAL ASSETS DESCRIPTION	81
SCHEDULE H – SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	82
SCHEDULE I – SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	83



*Proven Expertise and Integrity*

## INDEPENDENT AUDITORS' REPORT

January 25, 2013

Board of Selectmen  
Town of Farmington  
Farmington, 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 Farmington, Maine, as of and for the year ended December 31, 2012, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above 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 information of the Town of Farmington, Maine as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

3 Old Orchard Road Buxton, Maine 04093  
Tel (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Farmington, Maine's financial statements as a whole. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*RHR Smith & Company*

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Farmington, Maine's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2012. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Farmington's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

**Government - Wide Financial Statements**

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Farmington are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, health and welfare, recreation and culture, education, public works and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Farmington include the sewer fund.

### **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 Farmington, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Farmington can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds:* Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Farmington presents two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are nonmajor and are combined in the "Nonmajor Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

*Proprietary Funds:* The Town of Farmington maintains one proprietary fund, the sewer fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The notes are found directly following the Statement of Cash Flows – Proprietary Funds.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets for governmental funds are \$8,589,188 compared to \$9,085,428 in the prior year, a decrease of \$496,240. For the business-type activities total net assets are \$5,316,235 as compared to \$5,212,961 in the prior year, an increase of \$103,274.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$2,685,437 at the end of this year for governmental activities and \$2,433,663 for the business-type activities.



**Table 1**  
**Town of Farmington, Maine**  
**Net Assets**  
**December 31,**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Assets:</b>				
Current and Other Assets	\$ 4,709,818	\$ 4,557,135	\$ 2,487,610	\$ 2,510,433
Capital Assets	5,568,175	5,842,175	3,595,584	4,000,764
<b>Total Assets</b>	<b>\$ 10,277,993</b>	<b>\$ 10,399,310</b>	<b>\$ 6,083,194</b>	<b>\$ 6,511,197</b>
<b>Liabilities:</b>				
Current Liabilities	\$ 531,132	\$ 513,061	\$ 33,138	\$ 544,713
Long-term Debt Outstanding	1,157,673	800,821	733,821	753,523
<b>Total Liabilities</b>	<b>\$ 1,688,805</b>	<b>\$ 1,313,882</b>	<b>\$ 766,959</b>	<b>\$ 1,298,236</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	\$ 4,433,575	\$ 5,116,425	\$ 2,882,572	\$ 2,760,365
Restricted: Special Revenues	678,458	659,484	-	-
Permanent funds	791,718	749,313	-	-
Unrestricted	2,685,437	2,560,206	2,433,663	2,452,596
<b>Total Net Assets</b>	<b>\$ 8,589,188</b>	<b>\$ 9,085,428</b>	<b>\$ 5,316,235</b>	<b>\$ 5,212,961</b>

**Table 2**  
**Town of Farmington, Maine**  
**Change in Net Assets**  
**For the Years Ended December 31,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ -	\$ -	\$ 1,136,754	\$ 1,234,845
Operating grants and contributions	-	170,000	-	343,218
Capital grants and contributions	-	-	107,846	-
<i>General Revenues:</i>				
Taxes	7,570,720	7,272,750	-	-
Grants and contributions not restricted to specific programs	1,322,208	712,343	-	-
Miscellaneous	395,112	852,258	6,481	3,367
Total Revenues	<u>9,288,040</u>	<u>9,007,351</u>	<u>1,251,081</u>	<u>1,581,430</u>
<b>Expenses</b>				
General government	842,939	571,821	-	-
Public safety	2,161,934	1,756,094	-	-
Health and welfare	26,732	13,417	-	-
Recreation and culture	330,129	328,778	-	-
Education	3,560,450	3,439,212	-	-
Public works	1,413,309	1,452,904	-	-
County tax	464,777	464,150	-	-
Unclassified	609,055	657,715	1,147,807	1,030,308
Community Services	154,363	149,661	-	-
Capital outlay	202,081	-	-	-
Interest on long-term debt	18,511	35,356	-	-
Total Expenses	<u>9,784,280</u>	<u>8,869,108</u>	<u>1,147,807</u>	<u>1,030,308</u>
Change in Net Assets	(496,240)	138,243	103,274	551,122
Net Assets - January 1	<u>9,085,428</u>	<u>8,947,185</u>	<u>5,212,961</u>	<u>4,661,839</u>
Net Assets - December 31	<u>\$ 8,589,188</u>	<u>\$ 9,085,428</u>	<u>\$ 5,316,235</u>	<u>\$ 5,212,961</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 3.12%, while total expenses increased by 10.32%. The Town's revenues increased primarily due to rising tax revenues and grants and contributions not restricted to specific programs, partially offset by a decline in operating grants and contributions and miscellaneous revenues. Expense increases were incurred across most categories, partially offset with decreases in public works, unclassified and interest on long-term debt.

For the proprietary funds, all revenues categories decreased, partially offset by an increase in miscellaneous revenues. The overall increase in expenses for the proprietary fund was \$117,499 or 11.40%.

### Financial Analysis of the Town's Fund Statements

*Governmental funds:* The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

**Table 3**  
**Town of Farmington, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	2012	2011
Major Funds:		
General fund:		
Nonspendable	\$ 5,870	\$ 2,429
Unassigned	1,757,033	1,659,933
Total General Fund	\$ 1,762,903	\$ 1,662,362
Nonmajor Funds:		
Special revenue funds:		
Restricted	\$ 678,458	\$ 659,484
Assigned	395,761	399,836
Unassigned	(2,499)	(29,266)
Permanent funds:		
Restricted	791,718	749,313
Total Nonmajor Funds	\$ 1,863,438	\$ 1,779,367

The general fund total fund balance increased by \$100,541 from the prior year. The nonmajor funds increased by \$84,071.

### Budgetary Highlights

There were no significant differences between the original and final budget for the general fund.

The general fund actual revenues exceeded budget by \$11,244. This was a result of intergovernmental revenues and miscellaneous being collected in excess of the budget.

The general fund actual expenditures were under the budget by \$114,297. All expenditure categories were under budget with the exception of health and welfare, debt service interest and transfers to other funds.

## Capital Asset and Debt Administration

### Capital Assets

As of December 31, 2012 the gross book value of capital assets recorded by the Town decreased by \$679,180. This was a result of current year depreciation expense of \$825,387 less capital additions of \$146,207.

**Table 4**  
**Town of Farmington**  
**Capital Assets (Net of Depreciation)**  
**For the Year Ended December 31,**

	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 724,381	\$ 727,063
Buildings and improvements	765,713	823,709
Machinery and equipment	764,588	936,918
Vehicles	1,684,314	1,782,474
Art works & Historical Treasures	15,000	15,000
Infrastructure	<u>5,209,763</u>	<u>5,557,775</u>
Total	<u>\$ 9,163,759</u>	<u>\$ 9,842,939</u>

### Debt

At December 31, 2012, the Town as a whole had \$1,847,612 in bonds outstanding versus \$1,966,419 last year, a decrease of 6.03%. Other obligations include accrued vacation and sick time. Refer to Note 5 of Notes to Financial Statements for more detailed information.

### Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining reserve accounts for future capital and program needs.

### Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors 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 Financial Director at 153 Farmington Falls Road, Farmington, Maine 04938.

## STATEMENT A

## TOWN OF FARMINGTON, MAINE

STATEMENT OF NET ASSETS  
DECEMBER 31, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 3,990,158	\$ -	\$ 3,990,158
Investments	1,372,621	392,133	1,764,754
Accounts receivable (net of allowance for doubtful accounts):			
Taxes	624,877	-	624,877
Liens	234,629	-	234,629
Notes	203,062	-	203,062
Other	5,049	369,029	374,078
Prepaid expenses	3,539	-	3,539
Tax acquired property	2,331	-	2,331
Internal balances	(1,726,448)	1,726,448	-
Total current assets	<u>4,709,818</u>	<u>2,487,610</u>	<u>7,197,428</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	651,000	37,500	688,500
Buildings and vehicles net of accumulated depreciation	4,917,175	3,558,084	8,475,259
Total noncurrent assets	<u>5,568,175</u>	<u>3,595,584</u>	<u>9,163,759</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 10,277,993</u></u>	<u><u>\$ 6,083,194</u></u>	<u><u>\$ 16,361,187</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 213,629	\$ 7,414	\$ 221,043
Payroll related liabilities	98,386	-	98,386
Accrued expenses	76,117	6,123	82,240
Prepaid taxes	1,850	-	1,850
Current portion of long-term obligations	141,150	19,601	160,751
Total current liabilities	<u>531,132</u>	<u>33,138</u>	<u>564,270</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	993,450	693,411	1,686,861
Accrued compensated absences	164,223	40,410	204,633
Total noncurrent liabilities	<u>1,157,673</u>	<u>733,821</u>	<u>1,891,494</u>
<b>TOTAL LIABILITIES</b>	<u>1,688,805</u>	<u>766,959</u>	<u>2,455,764</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,433,575	2,882,572	7,316,147
Restricted: Special revenues	678,458	-	678,458
Permanent funds	791,718	-	791,718
Unrestricted	2,685,437	2,433,663	5,119,100
<b>TOTAL NET ASSETS</b>	<u>8,589,188</u>	<u>5,316,235</u>	<u>13,905,423</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 10,277,993</u></u>	<u><u>\$ 6,083,194</u></u>	<u><u>\$ 16,361,187</u></u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT B

TOWN OF FARMINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 842,939	\$ -	\$ -	\$ -	\$ (842,939)	\$ -	\$ (842,939)
Public safety	2,161,934	-	-	-	(2,161,934)	-	(2,161,934)
Health and welfare	26,732	-	-	-	(26,732)	-	(26,732)
Recreation and culture	330,129	-	-	-	(330,129)	-	(330,129)
Education	3,560,450	-	-	-	(3,560,450)	-	(3,560,450)
Public works	1,413,309	-	-	-	(1,413,309)	-	(1,413,309)
County tax	464,777	-	-	-	(464,777)	-	(464,777)
Community services	154,363	-	-	-	(154,363)	-	(154,363)
Unclassified	609,055	-	-	-	(609,055)	-	(609,055)
Capital outlay	202,081	-	-	-	(202,081)	-	(202,081)
Interest on long-term debt	18,511	-	-	-	(18,511)	-	(18,511)
Total governmental activities	<u>9,784,280</u>	-	-	-	<u>(9,784,280)</u>	-	<u>(9,784,280)</u>
Business-type activities:							
Sewer department	1,147,807	1,136,754	-	107,846	-	96,793	96,793
Total business-type activities	<u>1,147,807</u>	<u>1,136,754</u>	-	<u>107,846</u>	-	<u>96,793</u>	<u>96,793</u>
Total government	<u>\$ 10,932,087</u>	<u>\$ 1,136,754</u>	<u>\$ -</u>	<u>\$ 107,846</u>	<u>(9,784,280)</u>	<u>96,793</u>	<u>(9,687,487)</u>

STATEMENT B (CONTINUED)  
TOWN OF FARMINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Activities	Business-Type Activities	Totals
Changes in net assets:			
Net (expense) revenue	(9,784,280)	96,793	(9,687,487)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	6,785,161	-	6,785,161
Excise taxes	785,559	-	785,559
Intergovernmental	1,322,208	-	1,322,208
Miscellaneous	395,112	6,481	401,593
Total general revenues	9,288,040	6,481	9,294,521
Change in net assets	(496,240)	103,274	(392,966)
NET ASSETS - JANUARY 1, 2012	9,085,428	5,212,961	14,298,389
NET ASSETS - DECEMBER 31, 2012	\$ 8,589,188	\$ 5,316,235	\$ 13,905,423

See accompanying independent auditors' report and notes to financial statements.

## STATEMENT C

## TOWN OF FARMINGTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2012

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,825,906	\$ 164,252	\$ 3,990,158
Investments	605,386	767,235	1,372,621
Receivables (net of allowance for uncollectibles):			
Taxes	624,877	-	624,877
Liens	234,629	-	234,629
Notes	-	203,062	203,062
Other	5,049	-	5,049
Prepaid expenses	3,539	-	3,539
Tax acquired property	2,331	-	2,331
Due from other funds	33,956	762,845	796,801
<b>TOTAL ASSETS</b>	<b>\$ 5,335,673</b>	<b>\$ 1,897,394</b>	<b>\$ 7,233,067</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 213,629	\$ -	\$ 213,629
Payroll related payables	98,386	-	98,386
Accrued expenses	76,117	-	76,117
Prepaid taxes	1,850	-	1,850
Due to other governments	-	-	-
Due to other funds	2,489,293	33,956	2,523,249
Deferred revenues	693,495	-	693,495
<b>TOTAL LIABILITIES</b>	<b>3,572,770</b>	<b>33,956</b>	<b>3,606,726</b>
<b>FUND BALANCES</b>			
Nonspendable	5,870	-	5,870
Restricted	-	1,470,176	1,470,176
Committed	-	-	-
Assigned	-	395,761	395,761
Unassigned	1,757,033	(2,499)	1,754,534
<b>TOTAL FUND BALANCES</b>	<b>1,762,903</b>	<b>1,863,438</b>	<b>3,626,341</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,335,673</b>	<b>\$ 1,897,394</b>	<b>\$ 7,233,067</b>

See accompanying independent auditors' report and notes to financial statements.



## TOWN OF FARMINGTON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2012

	Total Governmental Funds
Total Fund Balances	\$ 3,626,341
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	5,568,175
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	693,495
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(1,134,600)
Accrued compensated absences	(164,223)
Net assets of governmental activities	\$ 8,589,188

## TOWN OF FARMINGTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Nonmajor Funds	Totals Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 6,785,161	\$ -	\$ 6,785,161
Excise taxes	785,559	-	785,559
Intergovernmental	911,046	411,162	1,322,208
Miscellaneous revenues	222,676	172,436	395,112
TOTAL REVENUES	<u>8,704,442</u>	<u>583,598</u>	<u>9,288,040</u>
EXPENDITURES			
Current:			
General government	804,532	-	804,532
Public safety	1,793,695	-	1,793,695
Health and welfare	26,732	-	26,732
Recreation and culture	320,824	-	320,824
Education	3,560,450	-	3,560,450
Public works	1,171,544	-	1,171,544
County tax	464,777	-	464,777
Community services	154,363	-	154,363
Unclassified	62,225	546,830	609,055
Debt service:			
Principal	91,150	-	91,150
Interest	18,511	-	18,511
Capital outlay	-	348,288	348,288
TOTAL EXPENDITURES	<u>8,468,803</u>	<u>895,118</u>	<u>9,363,921</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>235,639</u>	<u>(311,520)</u>	<u>(75,881)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	260,493	260,493
Operating transfers in	-	145,098	145,098
Operating transfers (out)	(135,098)	(10,000)	(145,098)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(135,098)</u>	<u>395,591</u>	<u>260,493</u>
NET CHANGE IN FUND BALANCES	100,541	84,071	184,612
FUND BALANCES - JANUARY 1	<u>1,662,362</u>	<u>1,779,367</u>	<u>3,441,729</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,762,903</u>	<u>\$ 1,863,438</u>	<u>\$ 3,626,341</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF FARMINGTON, 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, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 184,612</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset purchases capitalized	146,207
Capital asset disposed	-
Depreciation expense	<u>(420,207)</u>
	<u>(274,000)</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>-</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Assets.	
	<u>(500,000)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>1,998</u>
Repayment of long-term debt principal as an expenditure in governmental funds, reduces long-term liabilities in the Statement of Net Assets	
	<u>91,150</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ (496,240)</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF FARMINGTON, MAINE

BALANCE SHEET – PROPRIETARY FUNDS  
DECEMBER 31, 2012

	<u>Enterprise Fund</u> <u>Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ -
Investments	392,133
Accounts receivable (net of allowance for uncollectibles)	334,363
Special assessment	34,666
Due from other funds	1,726,448
Total current assets	<u>2,487,610</u>
Noncurrent assets:	
Land and buildings	9,711,099
Vehicles and equipment	1,736,916
Plant/Infrastructure	7,740,846
Less: accumulated depreciation	<u>(15,593,277)</u>
Total noncurrent assets	<u>3,595,584</u>
TOTAL ASSETS	<u>\$ 6,083,194</u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accrued payroll	\$ 7,414
Accrued interest	6,123
Current portion of long-term debt	19,601
Total current liabilities	<u>33,138</u>
Noncurrent liabilities:	
Bonds payable	693,411
Accrued compensated absences	40,410
Total noncurrent liabilities	<u>733,821</u>
TOTAL LIABILITIES	<u>766,959</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,882,572
Unrestricted	2,433,663
TOTAL NET ASSETS	<u>5,316,235</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,083,194</u>

## TOWN OF FARMINGTON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Enterprise Fund</u> <u>Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 1,133,315
Other	3,439
TOTAL OPERATING REVENUES	<u>1,136,754</u>
OPERATING EXPENSES	
Payroll and taxes	271,584
Treatment plant	116,061
Professional services	110,493
Depreciation	405,180
Other	195,797
TOTAL OPERATING EXPENSES	<u>1,099,115</u>
OPERATING INCOME (LOSS)	<u>37,639</u>
NON-OPERATING INCOME (EXPENSE)	
Capital grant	107,846
Interest income	6,481
Interest (expense)	<u>(48,692)</u>
TOTAL NON-OPERATING INCOME (EXPENSE)	<u>65,635</u>
CHANGE IN NET ASSETS	103,274
NET ASSETS - JANUARY 1	<u>5,212,961</u>
NET ASSETS - DECEMBER 31	<u>\$ 5,316,235</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF FARMINGTON, MAINE

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Enterprise Fund</u> <u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,171,185
Internal activity - receipts (payments) from/to other funds	48,136
Payments to employees	(271,584)
Payments to suppliers	(426,241)
Net cash provided (used) by operating activities	<u>521,496</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	6,481
Invested cash	(60,687)
Net cash provided (used) by investing activities	<u>(54,206)</u>
<b>CASH FLOWS FROM CAPITAL AND FINANCING RELATED ACTIVITIES</b>	
Interest payments on bond payable	(48,692)
Capital grant	107,846
Principal payments on bond payable	(527,387)
Net cash (used) by capital and related financing activities	<u>(468,233)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(943)
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>943</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ 37,639
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	405,180
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	17,333
(Increase) decrease in special assessments	17,098
(Decrease) increase in accrued payroll	272
(Decrease) increase in accrued expenses	-
(Decrease) increase in accrued interest	(4,061)
(Decrease) increase in accrued compensated absences	(101)
(Increase) decrease in due from other funds	48,136
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 521,496</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FARMINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Farmington was incorporated under the laws of the State of Maine. The Town operates under the Board of Selectmen-Manager form of government and provides the following services: general government, public safety, health and welfare, recreation and culture, education, public works and other unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). 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. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

***Government – Wide and Fund Financial Statements***

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's sewer funds are categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF FARMINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

The financial transactions of the Town are reported in the 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.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.



TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial 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.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

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

2. Modified Accrual

The governmental fund 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. "Available" means collectible within the current period or soon enough 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. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

The Town of Farmington's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the basic financial statements:

1. Late in the prior year the Town prepared a budget for the year beginning January 1. The operating budget included proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town of Farmington was then called for the purpose of adopting the proposed budget after public notice of the meeting had been given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. No supplemental budgetary appropriations were necessary during the year.
5. The Town does not adopt a budget for special revenues.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deposits 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.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

It is the policy of the Town of Farmington, Maine to invest public funds in a manner that will provide preservation of capital and safety of principal, seek to maximize the return on the portfolio, but avoid assuming unreasonable investment risk, while conforming to all state and local statutes governing the investment of public funds.

**Inventories**

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

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Interfund Receivables and Payables**

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$ 0 as of December 31, 2012.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical 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. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	38 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of bonds payable and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**Compensated Absences**

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of December 31, 2012, the Town's liability for compensated absences is \$204,633.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

**Nonspendable** – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

**Assigned** – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

**Unassigned** – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied on July 26, 2012 on the assessed value listed as of April 1, 2012, for all real and personal property located in the Town. Taxes were due on November 1, 2012. Interest on unpaid taxes commenced on November 2, 2012, at 7% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up 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 \$10,882 for the year ended December 31, 2012.

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.

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

**Operating/Non-operating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

**Use of Estimates**

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At December 31, 2012, the Town's deposits amounting to \$3,990,158 were comprised of bank deposits and cash equivalents of \$3,950,648. Of these bank deposits and cash equivalents, \$3,950,648 was fully covered by federal depository insurance, with an irrevocable stand by letter of credit, or by the Securities Investor Protection Corporation (SIPC) or fully insured and consequently was not exposed to custodial credit risk.



TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 195,942
Sweep accounts	3,754,706
Cash equivalents	30,858
	<u>\$ 3,950,648</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. The Town's investment in mutual funds and equity securities, for \$534,823, is not exposed to custodial credit risk because those securities are registered in the Town's name and are covered by the Securities Investor Protection Corporation (SIPC) or fully insured and consequently is not exposed to custodial credit risk. The remaining investment in certificates of deposit of \$1,229,931 were covered by an irrevocable letter of credit and therefore not exposed to custodial credit risk.

At December 31, 2012, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>&lt; 1 Year</u>	<u>1 - 5 Years</u>
Certificates of Deposit	\$ 1,229,931	\$ -	\$ 1,229,931	\$ -
Equities	130,370	130,370	-	-
Mutual funds	404,453	404,453	-	-
	<u>\$ 1,764,754</u>	<u>\$ 534,823</u>	<u>\$ 1,229,931</u>	<u>\$ -</u>

Credit risk – Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2012:

	Balance, 1/1/12	Additions	Disposals	Balance, 12/31/12
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 636,000	\$ -	\$ -	\$ 636,000
Art works & historical treasures	15,000	-	-	15,000
	<u>651,000</u>	<u>-</u>	<u>-</u>	<u>651,000</u>
Depreciated assets:				
Buildings & improvements	3,040,394	-	-	3,040,394
Land improvements	204,398	-	-	204,398
Machinery & equipment	1,475,222	-	-	1,475,222
Vehicles	3,628,376	146,207	-	3,774,583
Infrastructure	9,339,961	-	-	9,339,961
	<u>17,688,351</u>	<u>146,207</u>	<u>-</u>	<u>17,834,558</u>
Less: accumulated depreciation				
Buildings & improvements	(2,235,608)	(57,512)	-	(2,293,120)
Land improvements	(150,835)	(2,682)	-	(153,517)
Machinery & equipment	(1,065,852)	(71,531)	-	(1,137,383)
Vehicles	(1,883,503)	(234,737)	-	(2,118,240)
Infrastructure	(7,161,378)	(53,745)	-	(7,215,123)
Total accumulated depreciation	<u>(12,497,176)</u>	<u>(420,207)</u>	<u>-</u>	<u>(12,917,383)</u>
Net depreciated assets	<u>5,191,175</u>	<u>(274,000)</u>	<u>-</u>	<u>4,917,175</u>
Net capital assets	<u>\$ 5,842,175</u>	<u>\$ (274,000)</u>	<u>\$ -</u>	<u>\$ 5,568,175</u>

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 3 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/12	Additions	Disposals	Balance, 12/31/12
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 37,500	\$ -	\$ -	\$ 37,500
Construction in progress	-	-	-	-
	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>37,500</u>
Depreciated assets:				
Buildings & improvements	9,673,599	-	-	9,673,599
Machinery & equipment	1,654,348	-	-	1,654,348
Vehicles	82,568	-	-	82,568
Infrastructure	7,740,846	-	-	7,740,846
	<u>19,151,361</u>	<u>-</u>	<u>-</u>	<u>19,151,361</u>
Less: accumulated depreciation				
Buildings & improvements	(9,654,676)	(484)	-	(9,655,160)
Machinery & equipment	(1,126,800)	(100,799)	-	(1,227,599)
Vehicles	(44,967)	(9,630)	-	(54,597)
Infrastructure	(4,361,654)	(294,267)	-	(4,655,921)
Total accumulated depreciation	<u>(15,188,097)</u>	<u>(405,180)</u>	<u>-</u>	<u>(15,593,277)</u>
Total capital assets, net	<u>3,963,264</u>	<u>(405,180)</u>	<u>-</u>	<u>3,558,084</u>
Net capital assets	<u>\$ 4,000,764</u>	<u>\$ (405,180)</u>	<u>\$ -</u>	<u>\$ 3,595,584</u>
 <u>Current year depreciation</u>				
General Government				\$ 40,405
Highway				241,765
Parks & Recreation				9,305
Public Safety				128,732
Sewer				405,180
Total depreciation expense				<u>\$ 825,387</u>

TOWN OF FARMINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2012 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General fund	\$ 33,956	\$ 2,489,293
Special revenue fund	762,845	27,581
Permanent fund	-	6,375
Enterprise fund	1,726,448	-
	\$ 2,523,249	\$ 2,523,249

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in General Long-Term Debt for the year ended December 31, 2012:

Governmental Activities:

	Balance, 1/1/12	Additions	Deletions	Balance, 12/31/12	Current Year Portion
Bonds payable	\$ 725,750	\$ 500,000	\$ (91,150)	\$ 1,134,600	\$ 141,150
Accrued compensated absences	166,221	-	(1,998)	164,223	-
Totals	\$ 891,971	\$ 500,000	\$ (93,148)	\$ 1,298,823	\$ 141,150

Business-Type Activities:

	Balance, 1/1/12	Additions	Deletions	Balance, 12/31/12	Current Year Portion
Bonds payable	\$ 1,240,399	\$ -	\$ (527,387)	\$ 713,012	\$ 19,601
Accrued compensated absences	40,511	-	(101)	40,410	-
Totals	\$ 1,280,910	\$ -	\$ (527,488)	\$ 753,422	\$ 19,601

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

	Governmental Activities	Business-Type Activities
General Obligation Bond of 2002, Interest rates 4.25% - 5.00%, annual principal payments of \$45,000, plus interest, Maturity in 2022.	\$ 450,000	\$ -
Fire Truck Bond of 2006, Interest rates 2.00%-5.35%, annual principal payments of \$46,150 plus interest, Maturity in 2016.	184,600	-
General Obligation Bond of 2012, Interest rates 0.860%-2.680%, annual principal payments of \$50,000 plus interest, Maturity in 2022.	500,000	-
Sewer Conservation Bond of 1992, Interest rate 6.393%, annual principal payments of \$103,356 - \$335,492, plus interest, Maturity in 2012.	-	-
General Obligation Bond of 2005, Interest rate 4.125%, annual payments of principal and interest of \$13,038, Maturity in 2034.	-	183,534
General Obligation Bond of 2006, Interest rate of 4.25%, annual payments of principal and interest of \$12,371, Maturity in 2035.	-	179,304
General Obligation Bond of 2009, Interest rate of 4.25%, annual payments of principal and interest of \$12,371, Maturity in 2035.	-	132,677
General Obligation Bond of 2010, Interest rate of 2.250%, annual payments of principal and interest of \$6,201, Maturity in 2039.	-	124,420
General Obligation Bond of 2010, Interest rate of 2.250%, annual payments of principal and interest of \$4,639, Maturity in 2039.	-	93,077
Total Long-Term Debt	<u>\$ 1,134,600</u>	<u>\$ 713,012</u>

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bond principal and interest requirements for the following years ending December 31:

Governmental Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 141,150	\$ 29,660	\$ 170,810
2014	141,150	24,895	166,045
2015	141,150	17,001	158,151
2016	141,150	8,188	149,338
2017	95,000	6,555	101,555
2018-2022	475,000	19,940	494,940
	<u>\$ 1,134,600</u>	<u>\$ 106,239</u>	<u>\$ 1,240,839</u>

Business-Type Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2013	\$ 19,601	\$ 19,750	\$ 39,351
2014	20,250	19,273	39,523
2015	20,921	18,777	39,698
2016	21,617	18,261	39,878
2017	22,339	17,726	40,065
2018-2022	123,433	179,200	302,633
2023-2027	145,759	62,834	208,593
2028-2032	172,448	42,184	214,632
2033-2037	138,920	19,112	158,032
2038-2042	27,724	2,634	30,358
	<u>\$ 713,012</u>	<u>\$ 399,751</u>	<u>\$ 1,112,763</u>

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 6 – NONSPENDABLE FUND BALANCES

At December 31, 2012, the Town had the following nonspendable fund balances:

Prepaid expenses	\$	3,539
Tax acquired property		<u>2,331</u>
	\$	<u>5,870</u>

NOTE 7 – RESTRICTED FUND BALANCES

At December 31, 2012, the Town had the following restricted fund balances:

Nonmajor special revenue funds (Schedule D)	\$	678,458
Nonmajor permanent funds (Schedule F)		<u>791,718</u>
	\$	<u>1,470,176</u>

NOTE 8 – ASSIGNED FUND BALANCES

At December 31, 2012, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	\$	<u>395,761</u>
---	----	----------------

NOTE 9 – 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 carries commercial insurance. Specific insurance related to these categories includes general, law enforcement and public officials liability coverage, employment practices, and automobile insurance. The Town is liable for deductibles ranging up to \$50,000 for settlements exceeding the limits of coverage, which range from \$1,500 to \$28,427,705.

There have been no significant reductions in insurance coverage during the year and no significant settlements that exceeded insurance coverage for each of the past three years.

TOWN OF FARMINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 10 – DEFINED BENEFITS PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

Town employees contribute to the Participating Local Towns (PLDs) Consolidated Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Maine Public Employees Retirement System. The PLDs Consolidated Plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the PLD's Consolidated Plan Board of Trustees. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PLDs Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333 or by calling (800) 451-9800.

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the PLD's Consolidated Board of Trustees. The Town's police department employees are part of the PLD's special plan "1C" and are required to contribute 6.5% of their annual salary, while all other employees are part of the PLD's plan "AC" and are required to contribute 6.5% of their annual salary. The Town is required to contribute a blended rate of 11.2% of special plan "1C" members' covered payroll and 4.9% of the plan "AC" members' covered payroll annually to the system along with a predetermined initial unpooling unfunded actuarial liability (IUUAL) rate set by the system. The IUUAL can either be a monthly payment or credit, which is added to or subtracted from the employer's percentage of employees' covered payroll to determine the employers actual cost.

As of December 31, 2012, the Town had no unfunded actuarial accrued liability.

The Town's contributions to the plan including employee contributions for 2012, 2011, and 2010 were \$117,446, \$88,448, and \$79,349, respectively.



TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 11 – DEFERRED COMPENSATION PENSION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORPORATION

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits the employee to defer a portion of salary until future years. There is no employer match by the Town. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 12 – EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

	<u>Excess</u>
Health and welfare	\$ 11,732
Debt service - interest	3,492
Transfers to other funds	752
	<u>\$ 15,976</u>

NOTE 13 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt and debt associated with its participating School District. As of December 31, 2012, the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of Franklin	\$ -	0.00%	\$ -
MSAD #9	4,575,528	39.35%	1,800,470
			<u>\$ 1,800,470</u>

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 14 – TAX INCREMENT FINANCING/DEVELOPMENT DISTRICTS

On July 14, 1998, the Town of Farmington was given approval for the creation of the Franklin Printing Tax Increment Financing/Development District encompassing a suitable land area for development in the Farmington area. As an integral part of the Town's community development effort, the Development District was intended to create a climate supportive of business expansion and job creation while enhancing development potential in the designated area. The expenditures from this development project will be recouped in future years via an incremental tax levied upon the District's captured assessed value over a fifteen year period. Development of the District was completed during 1998.

NOTE 15 – DEFICIT FUND BALANCES

At December 31, 2012, the following funds had a deficit fund balance:

Wellness works grant	\$	78
Small community grant		428
Meeting house park		479
Downtown project		1,504
Byrne grant II		10
	\$	<u>2,499</u>

NOTE 16 - CONTINGENCIES

With regard to litigation, the Town is currently involved in a defamation complaint and a wrongful death claim. Damages sought in the defamation complaint would be an amount deemed by the Court as just and in the wrongful death claim, in excess of \$300,000. Both claims have been reported to the Town's insurance carrier. In the opinion of Legal Counsel for the Town, the likely outcomes on both claims are unknown at this time. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

With regard to any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012

NOTE 17 – LETTER OF CREDIT

At December 31, 2012, the Town has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. This letter of credit, which expires at the close of business on March 19, 2013, authorizes one draw only up to the amount of \$5,750,000. There were no draws for the year ended December 31, 2012.

### Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual General Fund

## TOWN OF FARMINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 1,662,362	\$ 1,662,362	\$ 1,662,362	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	6,794,296	6,794,296	6,785,161	(9,135)
Excise taxes	764,856	764,856	785,559	20,703
Intergovernmental	901,878	901,878	911,046	9,168
Miscellaneous revenues	232,168	232,168	222,676	(9,492)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>10,355,560</u>	<u>10,355,560</u>	<u>10,366,804</u>	<u>11,244</u>
Charges to Appropriations (Outflows):				
General government	849,020	838,027	804,532	33,495
Public safety	1,836,439	1,836,966	1,793,695	43,271
Health and welfare	15,000	15,000	26,732	(11,732)
Recreation and culture	333,682	329,854	320,824	9,030
Education	3,560,450	3,560,450	3,560,450	-
Public works	1,261,229	1,197,832	1,171,544	26,288
County tax	464,777	464,777	464,777	-
Community services	155,895	155,895	154,363	1,532
Unclassified	78,882	78,882	62,225	16,657
Debt service:				
Principal	91,150	91,150	91,150	-
Interest	15,019	15,019	18,511	(3,492)
Transfers to other funds	31,655	134,346	135,098	(752)
Total Charges to Appropriations	<u>8,693,198</u>	<u>8,718,198</u>	<u>8,603,901</u>	<u>114,297</u>
Budgetary Fund Balance, December 31	<u>\$ 1,662,362</u>	<u>\$ 1,637,362</u>	<u>\$ 1,762,903</u>	<u>\$ 125,541</u>
Utilization of unassigned fund balance	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>

See accompanying independent auditors' report and notes to financial statements.

## Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet – Nonmajor Special Revenues
- Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Special Revenues
- Combining Balance Sheet – Nonmajor Capital Projects Funds
- Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds
- Combining Balance Sheet – Nonmajor Permanent Funds
- Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>General government:</b>					
Administration	\$ 237,707	\$ -	\$ 237,707	\$ 231,636	\$ 6,071
Assessor	126,900	(10,000)	116,900	112,636	4,264
Clerk Treasurer	242,688	-	242,688	233,009	9,679
Municipal building	85,520	(646)	84,874	72,169	12,705
CEO	149,905	-	149,905	149,102	803
Committees	6,300	(347)	5,953	5,980	(27)
	<u>849,020</u>	<u>(10,993)</u>	<u>838,027</u>	<u>804,532</u>	<u>33,495</u>
<b>Public safety:</b>					
Police department	1,148,677	21,000	1,169,677	1,138,445	31,232
Fire department	307,762	(20,473)	287,289	282,294	4,995
Hydrants	256,415	-	256,415	255,945	470
Street lights	70,000	-	70,000	68,687	1,313
Traffic lights	6,000	-	6,000	739	5,261
Ambulance	47,585	-	47,585	47,585	-
	<u>1,836,439</u>	<u>527</u>	<u>1,836,966</u>	<u>1,793,695</u>	<u>43,271</u>
<b>Health and welfare:</b>					
General assistance	15,000	-	15,000	26,732	(11,732)
	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>26,732</u>	<u>(11,732)</u>
<b>Recreation and culture:</b>					
Parks and recreation	157,568	(3,828)	153,740	147,249	6,491
Community center	109,625	-	109,625	105,402	4,223
Cemeteries	66,489	-	66,489	68,173	(1,684)
	<u>333,682</u>	<u>(3,828)</u>	<u>329,854</u>	<u>320,824</u>	<u>9,030</u>

SCHEDULE A (CONTINUED)

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Education	3,560,450	-	3,560,450	3,560,450	-
Public works:					
Highway department	1,006,831	(9,878)	996,953	970,850	26,103
Recycling department	70,464	(4,000)	66,464	66,279	185
Sandy river recycling	10,934	-	10,934	10,934	-
Local roads	173,000	(49,519)	123,481	123,481	-
	1,261,229	(63,397)	1,197,832	1,171,544	26,288
County tax	464,777	-	464,777	464,777	-
Debt service:					
Principal	91,150	-	91,150	91,150	-
Interest	15,019	-	15,019	18,511	(3,492)
	106,169	-	106,169	109,661	(3,492)
Community Services:					
Animal shelter	13,580	-	13,580	12,318	1,262
Public library	132,415	-	132,415	132,145	270
Safe voices	5,000	-	5,000	5,000	-
Red cross	2,000	-	2,000	2,000	-
No Lites & New Sharon	1,000	-	1,000	1,000	-
Shiretown riders snowmobile	1,000	-	1,000	1,000	-
Gay cemetery	900	-	900	900	-
	155,895	-	155,895	154,363	1,532



SCHEDULE A (CONTINUED)

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Unclassified:					
Insurances	68,000	-	68,000	62,225	5,775
Overlay	10,882	-	10,882	-	10,882
	<u>78,882</u>	<u>-</u>	<u>78,882</u>	<u>62,225</u>	<u>16,657</u>
Transfers to other funds:					
Reserve funds	-	102,691	102,691	102,691	-
TIF	6,155	-	6,155	6,907	(752)
Legal reserve	18,000	-	18,000	18,000	-
ADA	2,500	-	2,500	2,500	-
Public works	5,000	-	5,000	5,000	-
	<u>31,655</u>	<u>102,691</u>	<u>134,346</u>	<u>135,098</u>	<u>(752)</u>
Total Expenditures	\$ 8,693,198	\$ 25,000	\$ 8,718,198	\$ 8,603,901	\$ 114,297

## TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012

	Special Revenues	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 133,394	\$ 30,858	\$ 164,252
Investments	-	767,235	767,235
Notes receivable	203,062	-	203,062
Due from other funds	762,845	-	762,845
<b>TOTAL ASSETS</b>	<u>\$ 1,099,301</u>	<u>\$ 798,093</u>	<u>\$ 1,897,394</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	27,581	6,375	33,956
<b>TOTAL LIABILITIES</b>	<u>27,581</u>	<u>6,375</u>	<u>33,956</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	678,458	791,718	1,470,176
Committed	-	-	-
Assigned	395,761	-	395,761
Unassigned	(2,499)	-	(2,499)
<b>TOTAL FUND BALANCES</b>	<u>1,071,720</u>	<u>791,718</u>	<u>1,863,438</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,099,301</u>	<u>\$ 798,093</u>	<u>\$ 1,897,394</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenues	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment income	\$ 12,452	\$ 533	\$ 12,985
Capital gains/(losses)	-	50,821	50,821
Intergovernmental	411,162	-	411,162
Other income	108,630	-	108,630
TOTAL REVENUES	<u>532,244</u>	<u>51,354</u>	<u>583,598</u>
EXPENDITURES			
Capital outlay	348,288	-	348,288
Other	537,881	8,949	546,830
TOTAL EXPENDITURES	<u>886,169</u>	<u>8,949</u>	<u>895,118</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(353,925)</u>	<u>42,405</u>	<u>(311,520)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	260,493		260,493
Operating transfers in	145,098	-	145,098
Operating transfers (out)	(10,000)	-	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>395,591</u>	<u>-</u>	<u>395,591</u>
NET CHANGE IN FUND BALANCES	41,666	42,405	84,071
FUND BALANCES, JANUARY 1	<u>1,030,054</u>	<u>749,313</u>	<u>1,779,367</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,071,720</u>	<u>\$ 791,718</u>	<u>\$ 1,863,438</u>

See accompanying independent auditors' report and notes to financial statements.

## Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Revolving Loan Fund	TIF Reserve	Cable Franchise	Revaluation	Local Road Assistance
<b>ASSETS</b>					
Cash and cash equivalents	\$ 133,394	\$ -	\$ -	\$ -	\$ -
Notes receivable	203,062	-	-	-	-
Due from other funds	-	180,385	9,717	78,617	66,180
<b>TOTAL ASSETS</b>	<b>\$ 336,456</b>	<b>\$ 180,385</b>	<b>\$ 9,717</b>	<b>\$ 78,617</b>	<b>\$ 66,180</b>
<b>LIABILITIES</b>					
Due to other funds	\$ 25,082	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>25,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	311,374	180,385	-	78,617	66,180
Committed	-	-	-	-	-
Assigned	-	-	9,717	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>311,374</b>	<b>180,385</b>	<b>9,717</b>	<b>78,617</b>	<b>66,180</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 336,456</b>	<b>\$ 180,385</b>	<b>\$ 9,717</b>	<b>\$ 78,617</b>	<b>\$ 66,180</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Highway Equipment	Public Works	Computer Treasurer	Police Education	Drug Education	Fire Equipment
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-	-
Due from other funds	77,592	40,161	5,229	31,249	31,249	56,799
<b>TOTAL ASSETS</b>	<b>\$ 77,592</b>	<b>\$ 40,161</b>	<b>\$ 5,229</b>	<b>\$ 31,249</b>	<b>\$ 31,249</b>	<b>\$ 56,799</b>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	77,592	40,161	5,229	31,249	31,249	56,799
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>77,592</b>	<b>40,161</b>	<b>5,229</b>	<b>31,249</b>	<b>31,249</b>	<b>56,799</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 77,592</b>	<b>\$ 40,161</b>	<b>\$ 5,229</b>	<b>\$ 31,249</b>	<b>\$ 31,249</b>	<b>\$ 56,799</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Hippach Field Projects	Sidewalk	Legal Reserve	Cops Grant	FAME Loan
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	3,221	28,300	8,401	12,166	260
<b>TOTAL ASSETS</b>	<u>\$ 3,221</u>	<u>\$ 28,300</u>	<u>\$ 8,401</u>	<u>\$ 12,166</u>	<u>\$ 260</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	12,166	260
Committed	-	-	-	-	-
Assigned	3,221	28,300	8,401	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>3,221</u>	<u>28,300</u>	<u>8,401</u>	<u>12,166</u>	<u>260</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,221</u>	<u>\$ 28,300</u>	<u>\$ 8,401</u>	<u>\$ 12,166</u>	<u>\$ 260</u>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Police Equipment	Cable Equipment	Regional Radio Assess	Municipal Building	Walton Mill Pond
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	12,848	18,696	4,632	2,363	2,609
<b>TOTAL ASSETS</b>	<b>\$ 12,848</b>	<b>\$ 18,696</b>	<b>\$ 4,632</b>	<b>\$ 2,363</b>	<b>\$ 2,609</b>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	12,848	18,696	4,632	2,363	2,609
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>12,848</b>	<b>18,696</b>	<b>4,632</b>	<b>2,363</b>	<b>2,609</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,848</b>	<b>\$ 18,696</b>	<b>\$ 4,632</b>	<b>\$ 2,363</b>	<b>\$ 2,609</b>



SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Landfill	Rail Trail Bridge	Hippach Field Light	Tree	Conservation Commission
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	13,927	5,013	1,190	1,871	4,421
<b>TOTAL ASSETS</b>	<b>\$ 13,927</b>	<b>\$ 5,013</b>	<b>\$ 1,190</b>	<b>\$ 1,871</b>	<b>\$ 4,421</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	13,927	5,013	1,190	1,871	4,421
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>13,927</b>	<b>5,013</b>	<b>1,190</b>	<b>1,871</b>	<b>4,421</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,927</b>	<b>\$ 5,013</b>	<b>\$ 1,190</b>	<b>\$ 1,871</b>	<b>\$ 4,421</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	EPA Grant	Computer	FFSWD River Crossing	Community Resolution	A.D.A.
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	1,840	3,043	906	977	3,850
<b>TOTAL ASSETS</b>	<b>\$ 1,840</b>	<b>\$ 3,043</b>	<b>\$ 906</b>	<b>\$ 977</b>	<b>\$ 3,850</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	1,840	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	3,043	906	977	3,850
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,840</b>	<b>3,043</b>	<b>906</b>	<b>977</b>	<b>3,850</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,840</b>	<b>\$ 3,043</b>	<b>\$ 906</b>	<b>\$ 977</b>	<b>\$ 3,850</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Walton Dam Project	Transportation Advisory	Community Center	Bowen Ice Skate Propane	Ice Skating
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	4,689	288	3,793	139	129
<b>TOTAL ASSETS</b>	<b>\$ 4,689</b>	<b>\$ 288</b>	<b>\$ 3,793</b>	<b>\$ 139</b>	<b>\$ 129</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	4,689	288	3,793	139	129
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>4,689</b>	<b>288</b>	<b>3,793</b>	<b>139</b>	<b>129</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,689</b>	<b>\$ 288</b>	<b>\$ 3,793</b>	<b>\$ 139</b>	<b>\$ 129</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Other Donations	Wellness Works Grant	Small Community Grant	CEO Equipment	Voting Machine
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	129	-	-	891	12,434
<b>TOTAL ASSETS</b>	<b>\$ 129</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 891</b>	<b>\$ 12,434</b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ 78	\$ 428	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>78</b>	<b>428</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	129	-	-	891	12,434
Unassigned	-	(78)	(428)	-	-
<b>TOTAL FUND BALANCES</b>	<b>129</b>	<b>(78)</b>	<b>(428)</b>	<b>891</b>	<b>12,434</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 129</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 891</b>	<b>\$ 12,434</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	MEDA	CDBG	Firefighters Grant	Meeting House Park	Snowmobile Grant	North Church
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-	-
Due from other funds	-	6	1,458	-	-	2
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 6</b>	<b>\$ 1,458</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2</b>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ 479	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>479</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	6	1,458	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	2
Unassigned	-	-	-	(479)	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>6</b>	<b>1,458</b>	<b>(479)</b>	<b>-</b>	<b>2</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 6</b>	<b>\$ 1,458</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Church Street	Animal Control	Downtown Project	Playground	Heating Oil Fund	Police Training
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-	-
Due from other funds	182	481	-	3,425	135	23,992
<b>TOTAL ASSETS</b>	<b>\$ 182</b>	<b>\$ 481</b>	<b>\$ -</b>	<b>\$ 3,425</b>	<b>\$ 135</b>	<b>\$ 23,992</b>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ 1,504	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>1,504</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	182	481	-	3,425	135	23,992
Unassigned	-	-	(1,504)	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>182</b>	<b>481</b>	<b>(1,504)</b>	<b>3,425</b>	<b>135</b>	<b>23,992</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 182</b>	<b>\$ 481</b>	<b>\$ -</b>	<b>\$ 3,425</b>	<b>\$ 135</b>	<b>\$ 23,992</b>

SCHEDULE D (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	Byrne Grant	Byrne Grant II	Police Vehicle	AVCOG	Public Safety Bond	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,394
Notes receivable	-	-	-	-	-	203,062
Due from other funds	1,525	-	8,037	-	24,647	762,845
<b>TOTAL ASSETS</b>	<b>\$ 1,525</b>	<b>\$ -</b>	<b>\$ 8,037</b>	<b>\$ -</b>	<b>\$ 24,647</b>	<b>\$ 1,099,301</b>
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 27,581
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,581</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	1,525	-	-	-	24,647	678,458
Committed	-	-	-	-	-	-
Assigned	-	-	8,037	-	-	395,761
Unassigned	-	(10)	-	-	-	(2,499)
<b>TOTAL FUND BALANCES</b>	<b>1,525</b>	<b>(10)</b>	<b>8,037</b>	<b>-</b>	<b>24,647</b>	<b>1,071,720</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,525</b>	<b>\$ -</b>	<b>\$ 8,037</b>	<b>\$ -</b>	<b>\$ 24,647</b>	<b>\$ 1,099,301</b>

SCHEDULE E

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Revolving Loan Fund	TIF Reserve	Cable Franchise	Revaluation	Local Road Assistance
<b>REVENUES</b>					
Investment income	\$ 7,923	\$ 1,070	\$ 9	\$ 154	\$ 61
Intergovernmental	-	-	-	-	-
Other income	-	-	53,292	-	-
<b>TOTAL REVENUES</b>	<u>7,923</u>	<u>1,070</u>	<u>53,301</u>	<u>154</u>	<u>61</u>
<b>EXPENDITURES</b>					
Capital outlay	-	-	-	-	-
Other	-	18,546	52,837	6,100	29,488
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>18,546</u>	<u>52,837</u>	<u>6,100</u>	<u>29,488</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,923</u>	<u>(17,476)</u>	<u>464</u>	<u>(5,946)</u>	<u>(29,427)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Operating Transfers In	-	6,908	-	10,000	49,519
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>6,908</u>	<u>-</u>	<u>10,000</u>	<u>49,519</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>7,923</u>	<u>(10,568)</u>	<u>464</u>	<u>4,054</u>	<u>20,092</u>
<b>FUND BALANCES, JANUARY 1</b>	<u>303,451</u>	<u>190,953</u>	<u>9,253</u>	<u>74,563</u>	<u>46,088</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 311,374</u>	<u>\$ 180,385</u>	<u>\$ 9,717</u>	<u>\$ 78,617</u>	<u>\$ 66,180</u>



SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Highway Equipment	Public Works	Computer Treasurer	Police Drug Education	Fire Equipment
REVENUES					
Investment income	\$ 147	\$ 70	\$ 1,325	\$ 60	\$ 129
Intergovernmental	-	-	-	-	-
Other income	1,382	-	-	1,375	-
<b>TOTAL REVENUES</b>	<b>1,529</b>	<b>70</b>	<b>1,325</b>	<b>1,435</b>	<b>129</b>
EXPENDITURES					
Capital outlay	-	-	-	-	45,742
Other	-	-	14,669	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>14,669</b>	<b>-</b>	<b>45,742</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,529</b>	<b>70</b>	<b>(13,344)</b>	<b>1,435</b>	<b>(45,613)</b>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating Transfers In	-	5,000	-	-	23,554
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>23,554</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,529</b>	<b>5,070</b>	<b>(13,344)</b>	<b>1,435</b>	<b>(22,059)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>76,063</b>	<b>35,091</b>	<b>18,573</b>	<b>29,814</b>	<b>78,858</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 77,592</b>	<b>\$ 40,161</b>	<b>\$ 5,229</b>	<b>\$ 31,249</b>	<b>\$ 56,799</b>

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Hippach Field Projects	Sidewalk	Legal Reserve	Cops Grant	FAME Loan
REVENUES					
Investment income	\$ 6	\$ 25	\$ 17	\$ 23	\$ -
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>6</b>	<b>25</b>	<b>17</b>	<b>23</b>	<b>-</b>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	16,599	-	10,400
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>16,599</b>	<b>-</b>	<b>10,400</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6</b>	<b>25</b>	<b>(16,582)</b>	<b>23</b>	<b>(10,400)</b>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating Transfers In	746	19,878	18,000	-	-
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>746</b>	<b>19,878</b>	<b>18,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>752</b>	<b>19,903</b>	<b>1,418</b>	<b>23</b>	<b>(10,400)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>2,469</b>	<b>8,397</b>	<b>6,983</b>	<b>12,143</b>	<b>10,660</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 3,221</b>	<b>\$ 28,300</b>	<b>\$ 8,401</b>	<b>\$ 12,166</b>	<b>\$ 260</b>

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Police Equipment	Cable Equipment	Regional Radio Assess	Municipal Building	Walton Mill Pond
REVENUES					
Investment income	\$ 27	\$ 36	9	\$ 10	\$ 5
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>27</b>	<b>36</b>	<b>9</b>	<b>10</b>	<b>5</b>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>27</b>	<b>36</b>	<b>9</b>	<b>10</b>	<b>5</b>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating Transfers In	-	-	-	645	-
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>645</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>27</b>	<b>36</b>	<b>9</b>	<b>655</b>	<b>5</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>12,821</b>	<b>18,660</b>	<b>4,623</b>	<b>1,708</b>	<b>2,604</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 12,848</b>	<b>\$ 18,696</b>	<b>\$ 4,632</b>	<b>\$ 2,363</b>	<b>\$ 2,609</b>

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Landfill	Rail Trail Bridge	Hippach Field Light	Tree	Conservation Commission
REVENUES					
Investment income	\$ 24	\$ 10	\$ 3	\$ 4	\$ 8
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>24</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>8</b>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	73
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>24</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>(65)</b>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating Transfers In	4,000	-	-	-	348
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,024</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>283</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>9,903</b>	<b>5,003</b>	<b>1,187</b>	<b>1,867</b>	<b>4,138</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 13,927</b>	<b>\$ 5,013</b>	<b>\$ 1,190</b>	<b>\$ 1,871</b>	<b>\$ 4,421</b>

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	EPA Grant	Computer	FFSWD River Crossing	Community Resolution	A.D.A.
<b>REVENUES</b>					
Investment income	\$ 3	\$ 5	\$ 1	\$ 1	\$ 25
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>3</u>	<u>5</u>	<u>1</u>	<u>1</u>	<u>25</u>
<b>EXPENDITURES</b>					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3</u>	<u>5</u>	<u>1</u>	<u>1</u>	<u>25</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Operating Transfers In	-	-	-	-	2,500
Operating Transfers (Out)	-	-	-	-	(10,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,500)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>3</u>	<u>5</u>	<u>1</u>	<u>1</u>	<u>(7,475)</u>
<b>FUND BALANCES, JANUARY 1</b>	<u>1,837</u>	<u>3,038</u>	<u>905</u>	<u>976</u>	<u>11,325</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,840</u>	<u>\$ 3,043</u>	<u>\$ 906</u>	<u>\$ 977</u>	<u>\$ 3,850</u>

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Walton Dam Project	Transportation Advisory	Community Center	Bowen Ice Skate Propane	Ice Skating
<b>REVENUES</b>					
Investment income	\$ 509	\$ 1	\$ 6	\$ 1	\$ -
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>509</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>-</u>
<b>EXPENDITURES</b>					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>509</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>509</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>-</u>
<b>FUND BALANCES, JANUARY 1</b>	<u>4,180</u>	<u>287</u>	<u>3,787</u>	<u>138</u>	<u>129</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 4,689</u>	<u>\$ 288</u>	<u>\$ 3,793</u>	<u>\$ 139</u>	<u>\$ 129</u>

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Other Donations	Wellness Works Grant	Small Community Grant	CEO Equipment	Voting Machine
REVENUES					
Investment income	\$ 3	\$ 647	\$ -	\$ 2	\$ 25
Intergovernmental	-	-	-	-	-
Other income	2,100	-	-	-	-
<b>TOTAL REVENUES</b>	<b>2,103</b>	<b>647</b>	<b>-</b>	<b>2</b>	<b>25</b>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	2,100	835	-	121	1,128
<b>TOTAL EXPENDITURES</b>	<b>2,100</b>	<b>835</b>	<b>-</b>	<b>121</b>	<b>1,128</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3	(188)	-	(119)	(1,103)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCES	3	(188)	-	(119)	(1,103)
FUND BALANCES, JANUARY 1	126	110	(428)	1,010	13,537
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 129</b>	<b>\$ (78)</b>	<b>\$ (428)</b>	<b>\$ 891</b>	<b>\$ 12,434</b>

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	MDEA	CDBG	Firefighters Grant	Meeting House Park	Snowmobile Grant	North Church
REVENUES						
Investment income	\$ -	\$ -	2	\$ -	\$ -	\$ -
Intergovernmental	48,067	130,543	-	39,521	7,539	-
Other income	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>48,067</b>	<b>130,543</b>	<b>2</b>	<b>39,521</b>	<b>7,539</b>	<b>-</b>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	48,067	107,203	-	40,000	7,539	-
<b>TOTAL EXPENDITURES</b>	<b>48,067</b>	<b>107,203</b>	<b>-</b>	<b>40,000</b>	<b>7,539</b>	<b>-</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	23,340	2	(479)	-	-
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCES	-	23,340	2	(479)	-	-
FUND BALANCES, JANUARY 1	-	(23,334)	1,456	-	-	2
FUND BALANCES, DECEMBER 31	\$ -	\$ 6	\$ 1,458	\$ (479)	\$ -	\$ 2



SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Church Street	Animal Control	Downtown Project	Playground	Heating Oil Fund	Police Training
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ 10	\$ -	\$ 22
Intergovernmental	-	-	148,496	-	-	-
Other income	-	481	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>481</b>	<b>148,496</b>	<b>10</b>	<b>-</b>	<b>22</b>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	150,000	300	374	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>300</b>	<b>374</b>	<b>-</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	481	(1,504)	(290)	(374)	22
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCES	-	481	(1,504)	(290)	(374)	22
FUND BALANCES, JANUARY 1	182	-	-	3,715	509	23,970
FUND BALANCES, DECEMBER 31	\$ 182	\$ 481	\$ (1,504)	\$ 3,425	\$ 135	\$ 23,992

SCHEDULE E (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR YEAR ENDED DECEMBER 31, 2012

	Byrne Grant	Byrne Grant II	Police Vehicle	AVCOG	Public Safety Bond	Totals
REVENUES						
Investment income	\$ 2	\$ -	\$ 32	\$ -	\$ -	\$ 12,452
Intergovernmental	-	8,393	-	28,603	-	411,162
Other income	-	-	-	-	50,000	108,630
<b>TOTAL REVENUES</b>	<b>2</b>	<b>8,393</b>	<b>32</b>	<b>28,603</b>	<b>50,000</b>	<b>532,244</b>
EXPENDITURES						
Capital outlay	-	-	-	-	302,546	348,288
Other	-	2,899	-	28,603	-	537,881
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>2,899</b>	<b>-</b>	<b>28,603</b>	<b>302,546</b>	<b>886,169</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2	5,494	32	-	(252,546)	(353,925)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	260,493	260,493
Operating Transfers In	-	-	4,000	-	-	145,098
Operating Transfers (Out)	-	-	-	-	-	(10,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>260,493</b>	<b>395,591</b>
NET CHANGE IN FUND BALANCES	2	5,494	4,032	-	7,947	41,666
FUND BALANCES, JANUARY 1	1,523	(5,504)	4,005	-	16,700	1,030,054
FUND BALANCES, DECEMBER 31	\$ 1,525	\$ (10)	\$ 8,037	\$ -	\$ 24,647	\$ 1,071,720

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Farmington, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds. These funds have been established for the provision and/or maintenance of the cemeteries, and trust.

SCHEDULE F

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2012

	Hippach Field	LA Smith	Cemetery	Weymouth	Webster
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,471	\$ -	\$ -	\$ -	\$ -
Investments	130,370	18,356	14,023	9,199	1,506
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 138,841</b>	<b>\$ 18,356</b>	<b>\$ 14,023</b>	<b>\$ 9,199</b>	<b>\$ 1,506</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	2,891	1,393	62	-	-
<b>TOTAL LIABILITIES</b>	<b>2,891</b>	<b>1,393</b>	<b>62</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	135,950	16,963	13,961	9,199	1,506
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>135,950</b>	<b>16,963</b>	<b>13,961</b>	<b>9,199</b>	<b>1,506</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 138,841</b>	<b>\$ 18,356</b>	<b>\$ 14,023</b>	<b>\$ 9,199</b>	<b>\$ 1,506</b>

SCHEDULE F (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2012

	Smith Cemetery	Riverside	Butterfield	Blake	Ctr. Mtg House
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	2,997	12,771	1,769	13,248	10,153
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,997</u>	<u>\$ 12,771</u>	<u>\$ 1,769</u>	<u>\$ 13,248</u>	<u>\$ 10,153</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	174	90	-	442	-
<b>TOTAL LIABILITIES</b>	<u>174</u>	<u>90</u>	<u>-</u>	<u>442</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	2,823	12,681	1,769	12,806	10,153
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,823</u>	<u>12,681</u>	<u>1,769</u>	<u>12,806</u>	<u>10,153</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,997</u>	<u>\$ 12,771</u>	<u>\$ 1,769</u>	<u>\$ 13,248</u>	<u>\$ 10,153</u>

SCHEDULE F (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2012

	Ministerial	Alice Knowlton	Perkins	Albert Knowles	Nadine DeWolfe	Farmington Cemetery
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,387
Investments	11,970	21,005	1,185	2,981	49,496	427,041
Due from other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 11,970</b>	<b>\$ 21,005</b>	<b>\$ 1,185</b>	<b>\$ 2,981</b>	<b>\$ 49,496</b>	<b>\$ 449,428</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	60	128	1,000	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>128</b>	<b>1,000</b>	<b>-</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	11,970	21,005	1,125	2,853	48,496	449,428
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>11,970</b>	<b>21,005</b>	<b>1,125</b>	<b>2,853</b>	<b>48,496</b>	<b>449,428</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,970</b>	<b>\$ 21,005</b>	<b>\$ 1,185</b>	<b>\$ 2,981</b>	<b>\$ 49,496</b>	<b>\$ 449,428</b>

SCHEDULE F (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2012

	Sumner P. Mills	Hippach Field	Howard	Other	Perpetual Flowers	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,858
Investments	30,547	4,113	3,095	208	1,202	767,235
Due from other funds	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 30,547</b>	<b>\$ 4,113</b>	<b>\$ 3,095</b>	<b>\$ 208</b>	<b>\$ 1,202</b>	<b>\$ 798,093</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	135	-	-	6,375
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>6,375</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	30,547	4,113	2,960	208	1,202	791,718
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>30,547</b>	<b>4,113</b>	<b>2,960</b>	<b>208</b>	<b>1,202</b>	<b>791,718</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 30,547</b>	<b>\$ 4,113</b>	<b>\$ 3,095</b>	<b>\$ 208</b>	<b>\$ 1,202</b>	<b>\$ 798,093</b>

SCHEDULE G

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Hippach Field	LA Smith	Cemetery	Weymouth	Webster
REVENUES					
Investment income	\$ -	\$ 42	\$ 2	\$ 21	\$ 3
Capital gains/(losses)	6,598	-	-	-	-
Other income	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>6,598</b>	<b>42</b>	<b>2</b>	<b>21</b>	<b>3</b>
EXPENDITURES					
	7,128	162	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(530)</b>	<b>(120)</b>	<b>2</b>	<b>21</b>	<b>3</b>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(530)</b>	<b>(120)</b>	<b>2</b>	<b>21</b>	<b>3</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>136,480</b>	<b>17,083</b>	<b>13,959</b>	<b>9,178</b>	<b>1,503</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 135,950</b>	<b>\$ 16,963</b>	<b>\$ 13,961</b>	<b>\$ 9,199</b>	<b>\$ 1,506</b>



SCHEDULE G (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Smith Cemetery	Riverside	Butterfield	Blake	Ctr. Mfg House
REVENUES					
Investment income	\$ 9	\$ 29	\$ 4	\$ 31	\$ 23
Capital gains/(losses)	-	-	-	-	-
Other income	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>9</b>	<b>29</b>	<b>4</b>	<b>31</b>	<b>23</b>
EXPENDITURES					
	140	-	-	309	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(131)	29	4	(278)	23
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCES	(131)	29	4	(278)	23
FUND BALANCES, JANUARY 1	2,954	12,652	1,765	13,084	10,130
FUND BALANCES, DECEMBER 31	\$ 2,823	\$ 12,681	\$ 1,769	\$ 12,806	\$ 10,153

SCHEDULE G (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Ministerial	Alice Knowlton	Perkins	Albert Knowles	Nadine DeWolfe	Farmington Cemetery
REVENUES						
Investment income	\$ 27	\$ 48	\$ 3	\$ 7	\$ 113	\$ 83
Capital gains/(losses)	-	-	-	-	-	44,223
Other income	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>27</b>	<b>48</b>	<b>3</b>	<b>7</b>	<b>113</b>	<b>44,306</b>
EXPENDITURES	-	-	-	-	-	943
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>27</b>	<b>48</b>	<b>3</b>	<b>7</b>	<b>113</b>	<b>43,363</b>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>27</b>	<b>48</b>	<b>3</b>	<b>7</b>	<b>113</b>	<b>43,363</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>11,943</b>	<b>20,957</b>	<b>1,122</b>	<b>2,846</b>	<b>48,383</b>	<b>406,065</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 11,970</b>	<b>\$ 21,005</b>	<b>\$ 1,125</b>	<b>\$ 2,853</b>	<b>\$ 48,496</b>	<b>\$ 449,428</b>

SCHEDULE G (CONTINUED)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Summer P. Mills	Hippach Field	Howard	Other	Perpetual Flowers	Totals
REVENUES						
Investment income	\$ 69	\$ 9	\$ 7	\$ -	\$ 3	\$ 533
Capital gains/(losses)	-	-	-	-	-	50,821
Other income	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>69</b>	<b>9</b>	<b>7</b>	<b>-</b>	<b>3</b>	<b>51,354</b>
EXPENDITURES						
	-	-	-	-	267	8,949
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>69</b>	<b>9</b>	<b>7</b>	<b>-</b>	<b>(264)</b>	<b>42,405</b>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>69</b>	<b>9</b>	<b>7</b>	<b>-</b>	<b>(264)</b>	<b>42,405</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>30,478</b>	<b>4,104</b>	<b>2,953</b>	<b>208</b>	<b>1,466</b>	<b>749,313</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 30,547</b>	<b>\$ 4,113</b>	<b>\$ 2,960</b>	<b>\$ 208</b>	<b>\$ 1,202</b>	<b>\$ 791,718</b>

See accompanying independent auditors' report and notes to financial statements.

### General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets.

TOWN OF FARMINGTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General Government	\$ 39,600	\$ 1,172,306	\$ 102,085	\$ -	\$ 1,313,991
Highway	111,700	1,024,474	2,062,546	9,339,961	12,538,681
Parks & Recreation	166,700	939,921	101,478	-	1,208,099
Public Safety	24,600	61,361	2,983,696	-	3,069,657
Sewer	37,500	9,673,599	1,736,916	7,740,846	19,188,861
Town-wide	308,400	46,730	-	-	355,130
Total General Capital Assets	<u>688,500</u>	<u>12,918,391</u>	<u>6,986,721</u>	<u>17,080,807</u>	<u>37,674,419</u>
Less: Accumulated Depreciation	-	(12,101,797)	(4,537,819)	(11,871,044)	(28,510,660)
Net General Capital Assets	<u>\$ 688,500</u>	<u>\$ 816,594</u>	<u>\$ 2,448,902</u>	<u>\$ 5,209,763</u>	<u>\$ 9,163,759</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FARMINGTON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Assets 1/1/12	Additions	Deletions	Assets 12/31/12
General Government	\$ 1,313,991	\$ -	-	\$ 1,313,991
Highway	12,438,216	100,465	-	12,538,681
Parks & Recreation	1,208,099	-	-	1,208,099
Public Safety	3,023,915	45,742	-	3,069,657
Sewer	19,188,861	-	-	19,188,861
Town-wide	355,130	-	-	355,130
Total General Capital Assets	<u>37,528,212</u>	<u>146,207</u>	<u>-</u>	<u>37,674,419</u>
Less: Accumulated Depreciation	<u>(27,685,273)</u>	<u>(825,387)</u>	<u>-</u>	<u>(28,510,660)</u>
Net General Capital Assets	<u>\$ 9,842,939</u>	<u>\$ (679,180)</u>	<u>\$ -</u>	<u>\$ 9,163,759</u>

See accompanying independent auditors' report and notes to financial statements.