



*Proven Expertise and Integrity*

January 23, 2015

Board of Selectmen  
Town of Farmington, Maine  
Farmington, Maine

We were engaged by the Town of Farmington and have audited the financial statements of the Town of Farmington as of and for the year ended December 31, 2014. The following statements and schedules have been excerpted from the 2014 financial statements, a complete copy of which, including our opinion thereon, is available for inspection at the Town Office.

Included herein are:

Combining Balance Sheet – Governmental Funds	Statement C
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	Statement D
Budgetary Comparison Schedule – Budget to Actual - General Fund	Schedule 1
Schedule of Departmental Operations	Schedule A
Combining Balance Sheet – Non Major Governmental Funds	Schedule B
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances – Non Major Governmental Funds	Schedule C

*RHR Smith & Company*

Certified Public Accountants

## STATEMENT C

## TOWN OF FARMINGTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,707,492	\$ 146,172	\$ 3,853,664
Investments	784,426	898,390	1,682,816
Accounts receivable (net of allowance for uncollectibles):			
Taxes	737,272	-	737,272
Liens	286,497	-	286,497
Notes	-	203,631	203,631
Other	-	-	-
Prepaid expenses	155,348	-	155,348
Tax acquired property	2,331	-	2,331
Due from other funds	44,012	789,789	833,801
<b>TOTAL ASSETS</b>	<b>\$ 5,717,378</b>	<b>\$ 2,037,982</b>	<b>\$ 7,755,360</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 77,483	\$ -	\$ 77,483
Payroll related payables	18,172	-	18,172
Accrued expenses	71,857	-	71,857
Due to other governments	1,745	-	1,745
Due to other funds	3,071,895	44,012	3,115,907
<b>TOTAL LIABILITIES</b>	<b>3,241,152</b>	<b>44,012</b>	<b>3,285,164</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	2,201	-	2,201
Deferred revenue	79,162	-	79,162
Deferred tax revenues	802,995	-	802,995
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>884,358</b>	<b>-</b>	<b>884,358</b>
<b>FUND BALANCES</b>			
Nonspendable	157,679	-	157,679
Restricted	-	1,530,720	1,530,720
Committed	-	-	-
Assigned	-	347,604	347,604
Unassigned	1,434,189	115,646	1,549,835
<b>TOTAL FUND BALANCES</b>	<b>1,591,868</b>	<b>1,993,970</b>	<b>3,585,838</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 5,717,378</b>	<b>\$ 2,037,982</b>	<b>\$ 7,755,360</b>

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

## TOWN OF FARMINGTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Nonmajor Funds	Totals Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 7,907,722	\$ -	\$ 7,907,722
Excise taxes	865,028	-	865,028
Intergovernmental	679,588	-	679,588
Miscellaneous revenues	224,904	390,339	615,243
TOTAL REVENUES	<u>9,677,242</u>	<u>390,339</u>	<u>10,067,581</u>
EXPENDITURES			
Current:			
General government	788,307	-	788,307
Public safety	1,855,355	-	1,855,355
Health and welfare	25,579	-	25,579
Recreation and culture	318,837	-	318,837
Education	4,163,362	-	4,163,362
Public works	1,682,593	-	1,682,593
County tax	470,247	-	470,247
Community services	160,905	-	160,905
Unclassified	136,336	355,344	491,680
Debt service:			
Principal	189,171	-	189,171
Interest	-	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	<u>9,790,692</u>	<u>355,344</u>	<u>10,146,036</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(113,450)</u>	<u>34,995</u>	<u>(78,455)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	80,999	195,464	276,463
Operating transfers (out)	(195,464)	(80,999)	(276,463)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(114,465)</u>	<u>114,465</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(227,915)	149,460	(78,455)
FUND BALANCES - JANUARY 1	<u>1,819,783</u>	<u>1,844,510</u>	<u>3,664,293</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,591,868</u>	<u>\$ 1,993,970</u>	<u>\$ 3,585,838</u>

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

## TOWN OF FARMINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 1,819,783	\$ 1,819,783	\$ 1,819,783	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	7,965,674	7,965,674	7,907,722	(57,952)
Excise taxes	824,500	824,500	865,028	40,528
Intergovernmental	759,637	759,637	679,588	(80,049)
Miscellaneous revenues	190,600	190,600	224,904	34,304
Transfers from other funds	15,000	80,999	80,999	-
Amounts Available for Appropriation	<u>11,575,194</u>	<u>11,641,193</u>	<u>11,578,024</u>	<u>(63,169)</u>
Charges to Appropriations (Outflows):				
General government	837,813	813,463	788,307	25,156
Public safety	1,976,736	1,938,525	1,855,355	83,170
Health and welfare	23,000	23,000	25,579	(2,579)
Recreation and culture	332,176	330,676	318,837	11,839
Education	4,163,362	4,163,362	4,163,362	-
Public works	1,429,535	1,491,534	1,682,593	(191,059)
County tax	467,370	467,370	470,247	(2,877)
Community services	158,639	158,639	160,905	(2,266)
Unclassified	80,964	80,964	136,336	(55,372)
Debt service:				
Principal	158,413	158,413	189,171	(30,758)
Interest	-	-	-	-
Transfers to other funds	127,403	195,464	195,464	-
Total Charges to Appropriations	<u>9,755,411</u>	<u>9,821,410</u>	<u>9,986,156</u>	<u>(164,746)</u>
Budgetary Fund Balance, December 31	<u>\$ 1,819,783</u>	<u>\$ 1,819,783</u>	<u>\$ 1,591,868</u>	<u>\$ (227,915)</u>
Utilization of unassigned fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENT OF OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General government:					
Administration	\$ 235,533	\$ -	\$ 235,533	\$ 226,425	\$ 9,108
Assessor	126,604	(10,000)	116,604	113,385	3,219
Clerk Treasurer	235,225	-	235,225	234,797	428
Municipal building	81,421	(13,550)	67,871	59,721	8,150
CEO	152,530	-	152,530	149,799	2,731
Committees	6,500	(800)	5,700	4,180	1,520
	<u>837,813</u>	<u>(24,350)</u>	<u>813,463</u>	<u>788,307</u>	<u>25,156</u>
Public safety:					
Police department	1,193,565	(14,000)	1,179,565	1,136,009	43,556
Fire department	380,055	(24,211)	355,844	322,542	33,302
Hydrants	276,378	-	276,378	271,256	5,122
Street lights	72,000	-	72,000	70,238	1,762
Traffic lights	5,000	-	5,000	5,572	(572)
Ambulance	49,738	-	49,738	49,738	-
	<u>1,976,736</u>	<u>(38,211)</u>	<u>1,938,525</u>	<u>1,855,355</u>	<u>83,170</u>
Health and welfare:					
General assistance	23,000	-	23,000	25,579	(2,579)
	<u>23,000</u>	<u>-</u>	<u>23,000</u>	<u>25,579</u>	<u>(2,579)</u>
Recreation and culture:					
Parks and recreation	153,002	(1,500)	151,502	150,516	986
Community center	105,881	-	105,881	103,069	2,812
Cemeteries	73,293	-	73,293	65,252	8,041
	<u>332,176</u>	<u>(1,500)</u>	<u>330,676</u>	<u>318,837</u>	<u>11,839</u>

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENT OF OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Education	4,163,362	-	4,163,362	4,163,362	-
Public works:					
Highway department	1,053,087	-	1,053,087	1,247,981	(194,894)
Recycling department	70,448	(4,000)	66,448	64,513	1,935
Sandy river recycling	-	-	-	-	-
Local roads	306,000	65,999	371,999	370,099	1,900
	<u>1,429,535</u>	<u>61,999</u>	<u>1,491,534</u>	<u>1,682,593</u>	<u>(191,059)</u>
County tax	467,370	-	467,370	470,247	(2,877)
Debt service:					
Principal	158,413	-	158,413	189,171	(30,758)
Interest	-	-	-	-	-
	<u>158,413</u>	<u>-</u>	<u>158,413</u>	<u>189,171</u>	<u>(30,758)</u>
Community services:					
Animal shelter	13,968	-	13,968	14,418	(450)
Public library	143,771	-	143,771	143,771	-
Safe voices	-	-	-	-	-
Red cross	-	-	-	-	-
Snow clubs	-	-	-	764	(764)
Shiretown	-	-	-	1,052	(1,052)
Gay cemetery	900	-	900	900	-
	<u>158,639</u>	<u>-</u>	<u>158,639</u>	<u>160,905</u>	<u>(2,266)</u>

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENT OF OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Unclassified:					
Insurances	76,000	-	76,000	62,771	13,229
Tan interest	3,000	-	3,000	-	3,000
Overlay	1,964	-	1,964	73,565	(71,601)
	<u>80,964</u>	<u>-</u>	<u>80,964</u>	<u>136,336</u>	<u>(55,372)</u>
Transfers to other funds:					
Reserve funds	-	68,061	68,061	68,061	-
TIF	101,903	-	101,903	101,903	-
Legal reserve	18,000	-	18,000	18,000	-
ADA	2,500	-	2,500	2,500	-
Public works	5,000	-	5,000	5,000	-
	<u>127,403</u>	<u>68,061</u>	<u>195,464</u>	<u>195,464</u>	<u>-</u>
Total Expenditures	<u>\$ 9,755,411</u>	<u>\$ 65,999</u>	<u>\$ 9,821,410</u>	<u>\$ 9,986,156</u>	<u>\$ (164,746)</u>

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

## TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	Special Revenues	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 146,172	\$ -	\$ 146,172
Investments	-	898,390	898,390
Notes receivable	203,631	-	203,631
Due from other funds	789,789	-	789,789
<b>TOTAL ASSETS</b>	<b><u>\$ 1,139,592</u></b>	<b><u>\$ 898,390</u></b>	<b><u>\$ 2,037,982</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	31,682	12,330	44,012
<b>TOTAL LIABILITIES</b>	<b><u>31,682</u></b>	<b><u>12,330</u></b>	<b><u>44,012</u></b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	644,660	886,060	1,530,720
Committed	-	-	-
Assigned	347,604	-	347,604
Unassigned	115,646	-	115,646
<b>TOTAL FUND BALANCES</b>	<b><u>1,107,910</u></b>	<b><u>886,060</u></b>	<b><u>1,993,970</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,139,592</u></b>	<b><u>\$ 898,390</u></b>	<b><u>\$ 2,037,982</u></b>

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SCHEDULE C

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenues	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Investment income, net of unrealized gains/ (losses)	\$ 337,028	\$ -	\$ 337,028
Interest income	-	53,311	53,311
Intergovernmental	-	-	-
Other income	-	-	-
<b>TOTAL REVENUES</b>	<u>337,028</u>	<u>53,311</u>	<u>390,339</u>
<b>EXPENDITURES</b>			
Capital outlay	-	-	-
Other	345,761	9,583	355,344
<b>TOTAL EXPENDITURES</b>	<u>345,761</u>	<u>9,583</u>	<u>355,344</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,733)</u>	<u>43,728</u>	<u>34,995</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	195,464	-	195,464
Operating transfers (out)	(65,999)	(15,000)	(80,999)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>129,465</u>	<u>(15,000)</u>	<u>114,465</u>
<b>NET CHANGE IN FUND BALANCES</b>	120,732	28,728	149,460
<b>FUND BALANCES, JANUARY 1</b>	<u>987,178</u>	<u>857,332</u>	<u>1,844,510</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,107,910</u>	<u>\$ 886,060</u>	<u>\$ 1,993,970</u>

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