



Proven Expertise and Integrity

February 10, 2012

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, 2011. The following statements and schedules have been excerpted from the 2011 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

TOWN OF FARMINGTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash	\$ 3,772,008	\$ 158,747	\$ 3,930,755
Investments	477,593	773,874	1,251,467
Receivables (net of allowance for uncollectibles)			
Taxes	641,661	-	641,661
Liens	237,369	-	237,369
Notes	-	198,476	198,476
Other	68,853	709	69,562
Prepaid expenses	98	-	98
Tax acquired property	2,331	-	2,331
Due from other funds	56,418	703,979	760,397
TOTAL ASSETS	\$ 5,256,331	\$ 1,835,785	\$ 7,092,116
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 309,322	\$ -	\$ 309,322
Payroll related payables	74,023	-	74,023
Accrued expenses	37,721	-	37,721
Prepaid taxes	845	-	845
Due to other funds	2,478,563	56,418	2,534,981
Deferred revenues	693,495	-	693,495
TOTAL LIABILITIES	3,593,969	56,418	3,650,387
Fund Equity			
Nonspendable	2,429	-	2,429
Restricted	-	1,408,797	1,408,797
Assigned	-	399,836	399,836
Unassigned	1,659,933	(29,266)	1,630,667
TOTAL FUND EQUITY	1,662,362	1,779,367	3,441,729
TOTAL LIABILITIES AND FUND EQUITY	\$ 5,256,331	\$ 1,835,785	\$ 7,092,116

See accompanying independent auditors' report.

STATEMENT D

TOWN OF FARMINGTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Nonmajor Funds	Totals Governmental Funds
REVENUES			
Property taxes	\$ 6,499,746	\$ -	\$ 6,499,746
Excise taxes	766,004	-	766,004
Intergovernmental	882,343	-	882,343
Miscellaneous revenues	253,801	598,457	852,258
TOTAL REVENUES	<u>8,401,894</u>	<u>598,457</u>	<u>9,000,351</u>
EXPENDITURES			
Current:			
General government	785,577	-	785,577
Public safety	1,665,351	-	1,665,351
Health and welfare	13,417	-	13,417
Recreation and culture	317,160	-	317,160
Education	3,439,212	-	3,439,212
Public works	1,287,633	-	1,287,633
County tax	464,150	-	464,150
Community services	149,661	-	149,661
Unclassified	58,016	599,699	657,715
Debt service:			
Principal	91,150	-	91,150
Interest	35,356	-	35,356
TOTAL EXPENDITURES	<u>8,306,683</u>	<u>599,699</u>	<u>8,906,382</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>95,211</u>	<u>(1,242)</u>	<u>93,969</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	14,079	41,989	56,068
Transfers (out)	(41,989)	(14,079)	(56,068)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(27,910)</u>	<u>27,910</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	67,301	26,668	93,969
FUND BALANCES - JANUARY 1	<u>1,595,061</u>	<u>1,752,699</u>	<u>3,347,760</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,662,362</u>	<u>\$ 1,779,367</u>	<u>\$ 3,441,729</u>

See accompanying independent auditors' report.

TOWN OF FARMINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 1,595,061	\$ 1,595,061	\$ 1,595,061	\$ -
Resources (Inflows):				
Property taxes	6,507,773	6,507,773	6,499,746	(8,027)
Excise taxes	764,800	764,800	766,004	1,204
Intergovernmental	865,053	865,053	882,343	17,290
Miscellaneous revenues	229,300	229,300	253,801	24,501
Transfers from other funds	-	-	14,079	14,079
Amounts Available for Appropriation	9,961,987	9,961,987	10,011,034	49,047
Charges to Appropriations (Outflows):				
Current:				
General government	822,453	822,453	785,577	36,876
Public safety	1,759,428	1,759,428	1,665,351	94,077
Health and welfare	15,000	15,000	13,417	1,583
Recreation and culture	331,161	331,161	317,160	14,001
Education	3,439,212	3,439,212	3,439,212	-
Public works	1,242,773	1,242,773	1,287,633	(44,860)
County tax	466,143	466,143	464,150	1,993
Community services	149,661	149,661	149,661	-
Unclassified	78,600	78,600	58,016	20,584
Debt service:				
Principal	91,150	91,150	91,150	-
Interest	35,356	35,356	35,356	-
Transfers to other funds	41,989	41,989	41,989	-
Total Charges to Appropriations	8,472,926	8,472,926	8,348,672	124,254
Budgetary Fund Balance, December 31	\$ 1,489,061	\$ 1,489,061	\$ 1,662,362	\$ 173,301
Utilization of designated fund balance	\$ -	\$ -	\$ -	\$ -
Utilization of undesignated fund balance	106,000	106,000	-	106,000
Totals	\$ 106,000	\$ 106,000	\$ -	\$ 106,000

See accompanying independent auditors' report.

SCHEDULE A

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENT OF OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Balance Positive (Negative)
General government:					
Administration	\$ 233,645	\$ -	\$ 233,645	\$ 224,913	\$ 8,732
Assessor	121,984	-	121,984	120,767	1,217
Clerk Treasurer	229,380	-	229,380	218,312	11,068
Municipal building	85,299	-	85,299	74,259	11,040
CEO	145,445	-	145,445	143,587	1,858
Committees	6,700	-	6,700	3,739	2,961
	<u>822,453</u>	<u>-</u>	<u>822,453</u>	<u>785,577</u>	<u>36,876</u>
Public safety:					
Police department	1,095,292	-	1,095,292	1,004,017	91,275
Fire department	287,725	-	287,725	283,599	4,126
Hydrants	256,415	-	256,415	255,884	531
Street lights	68,000	-	68,000	72,371	(4,371)
Traffic lights	6,000	-	6,000	3,484	2,516
Ambulance	45,996	-	45,996	45,996	-
	<u>1,759,428</u>	<u>-</u>	<u>1,759,428</u>	<u>1,665,351</u>	<u>94,077</u>
Health and welfare:					
General assistance	15,000	-	15,000	13,417	1,583
	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>13,417</u>	<u>1,583</u>
Recreation and culture:					
Parks and recreation	156,649	-	156,649	154,543	2,106
Community center	105,127	-	105,127	96,209	8,918
Cemeteries	69,385	-	69,385	66,408	2,977
	<u>331,161</u>	<u>-</u>	<u>331,161</u>	<u>317,160</u>	<u>14,001</u>

SCHEDULE A (CONTINUED)

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENT OF OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Balance Positive (Negative)
Education	3,439,212	-	3,439,212	3,439,212	-
Public works:					
Highway department	991,954	-	991,954	1,018,145	(26,191)
Recycling department	71,332	-	71,332	57,650	13,682
Sandy river recycling	9,487	-	9,487	9,487	-
Local roads	170,000	-	170,000	202,351	(32,351)
	<u>1,242,773</u>	<u>-</u>	<u>1,242,773</u>	<u>1,287,633</u>	<u>(44,860)</u>
County tax	466,143	-	466,143	464,150	1,993
Debt service					
Principal	91,150	-	91,150	91,150	-
Interest	35,356	-	35,356	35,356	-
	<u>126,506</u>	<u>-</u>	<u>126,506</u>	<u>126,506</u>	<u>-</u>
Community Services					
Animal shelter	11,056	-	11,056	11,056	-
Public library	127,655	-	127,655	127,655	-
Safe voices	5,050	-	5,050	5,050	-
Red cross	3,000	-	3,000	3,000	-
No Lites & New Sharon	1,000	-	1,000	1,000	-
Shiretown riders snowmobile	1,000	-	1,000	1,000	-
Gay cemetery	900	-	900	900	-
	<u>149,661</u>	<u>-</u>	<u>149,661</u>	<u>149,661</u>	<u>-</u>

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENT OF OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Balance Positive (Negative)
Unclassified					
TAN	2,013	-	2,013	13	2,000
Insurances	66,000	-	66,000	58,003	7,997
Overlay	10,587	-	10,587	-	10,587
	<u>78,600</u>	<u>-</u>	<u>78,600</u>	<u>58,016</u>	<u>20,584</u>
Transfers to other funds					
TIF	13,489	-	13,489	13,489	-
Legal reserve	16,000	-	16,000	16,000	-
ADA	7,500	-	7,500	7,500	-
Public works	5,000	-	5,000	5,000	-
	<u>41,989</u>	<u>-</u>	<u>41,989</u>	<u>41,989</u>	<u>-</u>
Total Expenditures	<u>\$ 8,472,926</u>	<u>\$ -</u>	<u>\$ 8,472,926</u>	<u>\$ 8,348,672</u>	<u>\$ 124,254</u>

See accompanying independent auditors' report.

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Special Revenues	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 158,747	\$ -	\$ 158,747
Investments	10,400	763,474	773,874
Accounts receivable	709	-	709
Notes receivable	198,476	-	198,476
Due from other funds	700,378	3,601	703,979
Total assets	<u>\$ 1,068,710</u>	<u>\$ 767,075</u>	<u>\$ 1,835,785</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	38,656	17,762	56,418
Total liabilities	<u>38,656</u>	<u>17,762</u>	<u>56,418</u>
FUND EQUITY			
Fund balance:			
Nonspendable	-	-	-
Restricted	659,484	749,313	1,408,797
Committed	-	-	-
Assigned	399,836	-	399,836
Unassigned	(29,266)	-	(29,266)
Total fund equity	<u>1,030,054</u>	<u>749,313</u>	<u>1,779,367</u>
Total liabilities and fund equity	<u>\$ 1,068,710</u>	<u>\$ 767,075</u>	<u>\$ 1,835,785</u>

See accompanying independent auditors' report.

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenues	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES	\$ 587,176	\$ 11,281	\$ 598,457
EXPENDITURES	585,035	14,664	599,699
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,141	(3,383)	(1,242)
OTHER FINANCING SOURCES (USES)			
Transfers In	41,989	-	41,989
Transfers (Out)	(14,079)	-	(14,079)
TOTAL OTHER FINANCING SOURCES (USES)	27,910	-	27,910
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	30,051	(3,383)	26,668
FUND BALANCE, JANUARY 1	1,000,003	752,696	1,752,699
FUND BALANCE, DECEMBER 31	\$ 1,030,054	\$ 749,313	\$ 1,779,367

See accompanying independent auditors' report.