

Audited Financial Statements and
Other Financial Information

Town of Farmington, Maine

December 31, 2015



Proven Expertise and Integrity

TOWN OF FARMINGTON, MAINE

CONTENTS

DECEMBER 31, 2015

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12
STATEMENT B - STATEMENT OF ACTIVITIES	13 - 14
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	15
STATEMENT D – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	17
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT G – BALANCE SHEET – PROPRIETARY FUNDS	19
STATEMENT H – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	20
STATEMENT I – STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	21
NOTES TO FINANCIAL STATEMENTS	22 - 50
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	51
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND	52

SCHEDULE 2 – SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	53
SCHEDULE 3 – SCHEDULE OF CONTRIBUTIONS	54
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	55
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	56
SCHEDULE A – SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	57 - 59
SCHEDULE B – COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	60
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	61
SPECIAL REVENUE FUNDS DESCRIPTION	62
SCHEDULE D - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	63 - 73
SCHEDULE E – COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	74 - 84
PERMANENT FUNDS DESCRIPTION	85
SCHEDULE F – COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	86 - 89
SCHEDULE G – COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	90 - 93
GENERAL CAPITAL ASSETS DESCRIPTION	94
SCHEDULE H – SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	95
SCHEDULE I – SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	96



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Farmington
Farmington, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, 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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Farmington, Maine as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 4 through 11 and 52 through 55 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Farmington, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RHR Smith & Company

Buxton, Maine
June 20, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

(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, 2015. 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 pension information 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 Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position 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, community services and 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. The activity for the Town of Farmington includes 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 funds 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 funds balance sheet and the governmental funds 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 funds balance sheet and the governmental funds 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, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions and Notes to Required Supplementary Information.

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 position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental funds is \$9,381,671 compared to \$8,726,502 in the prior year, an increase of \$655,169. For the business-type activities, total net position is \$5,479,352 as compared to \$5,485,596 in the prior year, a decrease of \$6,244.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased to \$2,135,669 at the end of this year for governmental activities and increased to \$2,864,451 for the business-type activities.

Table 1
Town of Farmington, Maine
Net Position
December 31,

	Governmental Activities		Business-type Activities	
	2015	2014 (Restated)	2015	2014 (Restated)
Assets:				
Current Assets	\$ 4,983,905	\$ 4,639,379	\$ 2,924,000	\$ 2,921,852
Capital Assets	6,540,739	6,288,293	3,265,602	3,297,151
Total Assets	11,524,644	10,927,672	6,189,602	6,219,003
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	418,775	83,195	16,361	3,250
Total Deferred Outflows of Resources	418,775	83,195	16,361	3,250
Liabilities:				
Current Liabilities	413,125	343,710	29,938	27,268
Long-term Debt Outstanding	1,645,813	1,859,292	680,209	709,389
Total Liabilities	2,058,938	2,203,002	710,147	736,657
Deferred Inflows of Resources:				
Prepaid Taxes	791	2,201	-	-
Advance Payment of LRAP Funding	80,598	79,162	-	-
Deferred Inflows Related to Pensions	421,421	-	16,464	-
Total Deferred Inflows of Resources	502,810	81,363	16,464	-
Net Position:				
Net Investment in Capital Assets	5,620,105	5,193,133	2,614,901	2,625,529
Restricted: Special Revenue Funds	781,301	697,972	-	-
Permanent Funds	844,596	886,059	-	-
Unrestricted	2,135,669	1,949,338	2,864,451	2,860,067
Total Net Position	\$ 9,381,671	\$ 8,726,502	\$ 5,479,352	\$ 5,485,596

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 125,681	\$ 140,944	\$ 922,074	\$ 929,979
<i>General Revenues:</i>				
Taxes	9,599,280	8,849,250	-	-
Grants and contributions not restricted to specific programs	791,411	1,052,003	-	-
Miscellaneous	157,663	203,785	2,919	530
Total Revenues	<u>11,168,184</u>	<u>10,245,982</u>	<u>924,993</u>	<u>930,509</u>
Expenses				
General government	874,748	790,756	-	-
Public safety	2,006,156	1,920,430	-	-
Health and welfare	22,559	25,579	-	-
Recreation and culture	332,563	334,379	-	-
Education	4,507,435	4,163,362	-	-
Public works	1,705,161	1,378,063	-	-
County tax	498,836	470,247	-	-
Community services	164,203	160,905	-	-
Unclassified	504,557	544,518	931,237	1,196,264
Unallocated depreciation (Note 4)	2,515	2,515	-	-
Interest on long-term debt	26,380	29,877	-	-
Total Expenses	<u>10,513,015</u>	<u>9,820,631</u>	<u>931,237</u>	<u>1,196,264</u>
Change in Net Position	655,169	425,351	(6,244)	(265,755)
Net Position - January 1, Restated	<u>8,726,502</u>	<u>8,301,151</u>	<u>5,485,596</u>	<u>5,751,351</u>
Net Position - December 31	<u>\$ 9,381,671</u>	<u>\$ 8,726,502</u>	<u>\$ 5,479,352</u>	<u>\$ 5,485,596</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 9.00%, while total expenses increased by 7.05%. The Town's revenues increased primarily due to taxes and grants and contributions not restricted to specific programs. The increase in expenses was mainly the result of general government, public safety, education and public works.

For the business-type activities, revenues decreased by \$5,516 from the prior year. The overall decrease in expenses for the business-type activities was \$265,027 from the prior year. The decrease in revenues was the result of reduced charges for services and the decrease in expenses was mainly due to other expenses.

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,

	<u>2015</u>	<u>2014</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 6,912	\$ 157,679
Restricted	52,718	-
Unassigned	<u>1,600,563</u>	<u>1,434,189</u>
Total General Fund	<u>\$ 1,660,193</u>	<u>\$ 1,591,868</u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 781,301	\$ 697,972
Committed	239,062	200,172
Assigned	401,385	219,012
Unassigned	(4,728)	(9,246)
Permanent Funds:		
Restricted	<u>844,596</u>	<u>886,059</u>
Total Nonmajor Funds	<u>\$ 2,261,616</u>	<u>\$ 1,993,969</u>

The general fund total fund balance increased by \$68,325 from the prior year. The nonmajor funds total fund balance increased by \$267,647.

Budgetary Highlights

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

The general fund actual revenues were over budget by \$119,982. This was a result of most revenues being receipted in excess of budgeted amounts.

The general fund actual expenditures were under budget by \$278,343. All expenditure categories were under budget with the exception of community services and interest on debt service.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2015 the net book value of capital assets recorded by the Town increased by \$220,897. This increase was a result of capital additions of \$816,683 less current year depreciation expense of \$595,786.

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

	2015	2014
Land and improvements	\$ 876,338	\$ 803,376
Buildings and improvements	902,507	737,570
Machinery and equipment	971,874	1,015,428
Vehicles	1,303,540	1,439,630
Art works and historical treasures	15,000	15,000
Infrastructure	5,737,082	5,574,440
Total	\$ 9,806,341	\$ 9,585,444

Debt

At December 31, 2015, the Town had \$1,406,184 in bonds outstanding versus \$1,555,922 last year. Other obligations include capital leases payable, accrued vacation and sick time, and net pension liability. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The Town continues to work toward maintaining a sufficient unassigned fund balance to sustain government operations for a period of approximately two months. However, the Town also maintains significant 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 Finance Director at 153 Farmington Falls Road, Farmington, Maine 04938.

TOWN OF FARMINGTON, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,027,801	\$ -	\$ 4,027,801
Investments	1,170,368	1,198,405	2,368,773
Accounts receivable (net of allowance for uncollectibles):			
Taxes	725,645	-	725,645
Liens	289,015	-	289,015
Notes	205,570	-	205,570
Other	-	284,189	284,189
Prepaid items	4,581	-	4,581
Tax acquired property	2,331	-	2,331
Internal balances	(1,441,406)	1,441,406	-
Total current assets	4,983,905	2,924,000	7,907,905
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	731,729	37,500	769,229
Depreciable assets, net of accumulated depreciation	5,809,010	3,228,102	9,037,112
Total noncurrent assets	6,540,739	3,265,602	9,806,341
TOTAL ASSETS	11,524,644	6,189,602	17,714,246
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	418,775	16,361	435,136
TOTAL DEFERRED OUTFLOWS OF RESOURCES	418,775	16,361	435,136
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 11,943,419	\$ 6,205,963	\$ 18,149,382
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 147,547	\$ -	\$ 147,547
Payroll related liabilities	15,980	-	15,980
Accrued expenses	27,285	5,664	32,949
Current portion of long-term obligations	222,313	24,274	246,587
Total current liabilities	413,125	29,938	443,063
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	626,666	629,084	1,255,750
Capital leases payable	118,197	-	118,197
Accrued compensated absences	152,129	21,868	173,997
Net pension liability	748,821	29,257	778,078
Total noncurrent liabilities	1,645,813	680,209	2,326,022
TOTAL LIABILITIES	2,058,938	710,147	2,769,085
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	791	-	791
Advance payment of LRAP funding	80,598	-	80,598
Deferred inflows related to pensions	421,421	16,464	437,885
TOTAL DEFERRED INFLOWS OF RESOURCES	502,810	16,464	519,274
NET POSITION			
Net investment in capital assets	5,620,105	2,614,901	8,235,006
Restricted: Special revenue funds	781,301	-	781,301
Permanent funds	844,596	-	844,596
Unrestricted	2,135,669	2,864,451	5,000,120
TOTAL NET POSITION	9,381,671	5,479,352	14,861,023
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 11,943,419	\$ 6,205,963	\$ 18,149,382

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

TOWN OF FARMINGTON, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 874,748	\$ 48,273	\$ -	\$ -	\$ (826,475)	\$ -	\$ (826,475)
Public safety	2,006,156	16,794	-	-	(1,989,362)	-	(1,989,362)
Health and welfare	22,559	-	-	-	(22,559)	-	(22,559)
Recreation and culture	332,563	31,228	-	-	(301,335)	-	(301,335)
Education	4,507,435	-	-	-	(4,507,435)	-	(4,507,435)
Public works	1,705,161	29,386	-	-	(1,675,775)	-	(1,675,775)
County tax	498,836	-	-	-	(498,836)	-	(498,836)
Community services	164,203	-	-	-	(164,203)	-	(164,203)
Unclassified	504,557	-	494,149	-	(10,408)	-	(10,408)
Unallocated depreciation (Note 4)*	2,515	-	-	-	(2,515)	-	(2,515)
Interest on long-term debt	26,380	-	-	-	(26,380)	-	(26,380)
Total governmental activities	<u>10,513,015</u>	<u>125,681</u>	<u>494,149</u>	<u>-</u>	<u>(9,893,185)</u>	<u>-</u>	<u>(9,893,185)</u>
Business-type activities:							
Sewer department	931,237	922,074	-	-	-	(9,163)	(9,163)
Total business-type activities	<u>931,237</u>	<u>922,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,163)</u>	<u>(9,163)</u>
Total government	<u>\$ 11,444,252</u>	<u>\$ 1,047,755</u>	<u>\$ 494,149</u>	<u>\$ -</u>	<u>(9,893,185)</u>	<u>(9,163)</u>	<u>(9,902,348)</u>

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

TOWN OF FARMINGTON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Changes in net position:			
Net (expense) revenue	<u>(9,893,185)</u>	<u>(9,163)</u>	<u>(9,902,348)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	8,686,155	-	8,686,155
Excise taxes	913,125	-	913,125
Intergovernmental	791,411	-	791,411
Miscellaneous	157,663	2,919	160,582
Total general revenues	<u>10,548,354</u>	<u>2,919</u>	<u>10,551,273</u>
Change in net position	655,169	(6,244)	648,925
NET POSITION - JANUARY 1, RESTATED	<u>8,726,502</u>	<u>5,485,596</u>	<u>14,212,098</u>
NET POSITION - DECEMBER 31	<u>\$ 9,381,671</u>	<u>\$ 5,479,352</u>	<u>\$ 14,861,023</u>

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

TOWN OF FARMINGTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,645,813	\$ 381,988	\$ 4,027,801
Investments	568,717	601,651	1,170,368
Accounts receivable (net of allowance for uncollectibles):			
Taxes	725,645	-	725,645
Liens	289,015	-	289,015
Notes	-	205,570	205,570
Prepaid items	4,581	-	4,581
Tax acquired property	2,331	-	2,331
Due from other funds	57,953	1,130,360	1,188,313
TOTAL ASSETS	\$ 5,294,055	\$ 2,319,569	\$ 7,613,624
LIABILITIES			
Accounts payable	\$ 147,547	\$ -	\$ 147,547
Payroll related payables	15,980	-	15,980
Accrued expenses	27,285	-	27,285
Due to other funds	2,571,766	57,953	2,629,719
TOTAL LIABILITIES	2,762,578	57,953	2,820,531
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	791	-	791
Advance payment of LRAP funding	80,598	-	80,598
Deferred tax revenues	789,895	-	789,895
TOTAL DEFERRED INFLOWS OF RESOURCES	871,284	-	871,284
FUND BALANCES			
Nonspendable	6,912	-	6,912
Restricted	52,718	1,625,897	1,678,615
Committed	-	239,062	239,062
Assigned	-	401,385	401,385
Unassigned	1,600,563	(4,728)	1,595,835
TOTAL FUND BALANCES	1,660,193	2,261,616	3,921,809
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,294,055	\$ 2,319,569	\$ 7,613,624

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 POSITION
DECEMBER 31, 2015

	Total Governmental Funds
	Funds
Total Fund Balances	\$ 3,921,809
Amounts reported for governmental activities in the Statement of Net Position 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	6,540,739
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	418,775
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	789,895
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	(755,483)
Capital leases payable	(165,151)
Accrued compensated absences	(160,136)
Net pension liability	(787,356)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(421,421)
Net position of governmental activities	\$ 9,381,671

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, 2015

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 8,699,255	\$ -	\$ 8,699,255
Excise taxes	913,125	-	913,125
Intergovernmental	791,411	494,149	1,285,560
Charges for services	125,681	-	125,681
Miscellaneous revenues	94,309	63,354	157,663
TOTAL REVENUES	10,623,781	557,503	11,181,284
EXPENDITURES			
Current:			
General government	776,611	-	776,611
Public safety	1,900,474	-	1,900,474
Health and welfare	22,559	-	22,559
Recreation and culture	318,769	-	318,769
Education	4,507,435	-	4,507,435
Public works	1,548,400	-	1,548,400
County tax	498,836	-	498,836
Community services	164,203	-	164,203
Unclassified	189,666	314,891	504,557
Debt service:			
Principal	128,817	-	128,817
Interest	26,380	-	26,380
Capital outlay	-	448,271	448,271
TOTAL EXPENDITURES	10,082,150	763,162	10,845,312
EXCESS REVENUES OVER (UNDER) EXPENDITURES	541,631	(205,659)	335,972
OTHER FINANCING SOURCES (USES)			
Transfers in	15,000	588,763	603,763
Transfers (out)	(488,306)	(115,457)	(603,763)
TOTAL OTHER FINANCING SOURCES (USES)	(473,306)	473,306	-
NET CHANGE IN FUND BALANCES	68,325	267,647	335,972
FUND BALANCES - JANUARY 1	1,591,868	1,993,969	3,585,837
FUND BALANCES - DECEMBER 31	\$ 1,660,193	\$ 2,261,616	\$ 3,921,809

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, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 335,972</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	580,369
Depreciation expense	<u>(327,923)</u>
	<u>252,446</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>335,580</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>(13,100)</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	3,134
Net pension liability	<u>(11,968)</u>
	<u>(8,834)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>174,526</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(421,421)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 655,169</u></u>

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

TOWN OF FARMINGTON, MAINE

BALANCE SHEET – PROPRIETARY FUNDS
DECEMBER 31, 2015

	<u>Enterprise Fund</u> <u>Sewer</u>
ASSETS	
Current assets:	
Investments	\$ 1,198,405
Accounts receivable (net of allowance for uncollectibles)	284,189
Due from other funds	1,441,406
Total current assets	<u>2,924,000</u>
Noncurrent assets:	
Land and buildings	9,893,516
Vehicles and equipment	1,943,133
Plant/Infrastructure	7,849,148
Less: accumulated depreciation	<u>(16,420,195)</u>
Total noncurrent assets	<u>3,265,602</u>
TOTAL ASSETS	<u>6,189,602</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	16,361
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>16,361</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,205,963</u>
LIABILITIES	
Current liabilities:	
Accrued interest	\$ 5,664
Current portion of long-term obligations	24,274
Total current liabilities	<u>29,938</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	629,084
Accrued compensated absences	21,868
Net pension liability	29,257
Total noncurrent liabilities	<u>680,209</u>
TOTAL LIABILITIES	<u>710,147</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	16,464
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>16,464</u>
NET POSITION	
Net investment in capital assets	2,614,901
Unrestricted	2,864,451
TOTAL NET POSITION	<u>5,479,352</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 6,205,963</u>

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

TOWN OF FARMINGTON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Enterprise Fund</u> <u>Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 919,490
Other	2,584
TOTAL OPERATING REVENUES	<u>922,074</u>
OPERATING EXPENSES	
Payroll and taxes	321,935
Treatment plant	188,923
Professional services	93,760
Depreciation	267,863
Other	36,511
TOTAL OPERATING EXPENSES	<u>908,992</u>
OPERATING INCOME (LOSS)	<u>13,082</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	2,919
Interest (expense)	(22,245)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(19,326)</u>
CHANGE IN NET POSITION	(6,244)
NET POSITION - JANUARY 1, RESTATED	<u>5,485,596</u>
NET POSITION - DECEMBER 31	<u><u>\$ 5,479,352</u></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, 2015

	<u>Enterprise Fund</u> <u>Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 889,908
Internal activity - receipts (payments) from/to other funds	840,700
Payments to employees	(318,113)
Payments to suppliers	(325,252)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,087,243</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	2,919
Invested cash	(810,682)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(807,763)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset purchases	(236,314)
Principal payments on bond payable	(20,921)
Interest payments on bond payable	(22,245)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(279,480)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>-</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 13,082
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	267,863
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(32,166)
(Increase) decrease in due from other funds	840,700
(Increase) decrease in deferred outflows related to pensions	(13,111)
(Decrease) increase in accrued interest	(683)
(Decrease) increase in accrued compensated absences	(5,375)
(Decrease) increase in net pension liability	469
(Decrease) increase in deferred inflows related to pensions	16,464
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,087,243</u>

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

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, community services, and 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).

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 Statements No. 39 and No. 61.

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 fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

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

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 position 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these 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.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- c. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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. Nonmajor 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, 2015

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 revenue funds.

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

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

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015.

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, 2015

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, capital leases payable, compensated absences and net pension liability.

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 funds 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, 2015, the Town's liability for compensated absences is \$183,155.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

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

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has one type of item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and advance payment of LRAP funding also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualify for reporting in this category as well. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied on August 27, 2015 on the assessed value listed as of April 1, 2015, for all real and personal property located in the Town. Taxes were due on November 2, 2015. Interest on unpaid taxes commenced on November 3, 2015, at 7% per annum.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$20,926 for the year ended December 31, 2015.

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.

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.

TOWN OF FARMINGTON, MAINE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015

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, 2015, the Town’s cash balances amounting to \$4,027,801 were comprised of bank deposits and cash equivalents of \$4,095,869. Of these bank deposits and cash equivalents, \$3,498,794 was fully covered by federal depository insurance and consequently not exposed to custodial credit risk, was covered by an irrevocable stand-by letter of credit, or was covered by the Securities Investor Protection Corporation (SIPC). The remaining deposits of \$597,075 were uncollateralized and uninsured.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 3,847,075
Savings accounts	225,280
Cash equivalents	23,514
	\$ 4,095,869

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 stocks, for \$601,441, is not exposed to custodial credit risk because those securities were registered in the Town’s name or were covered by the Securities Investor Protection Corporation (SIPC). Of the Town’s investment in certificates of deposit of \$1,767,332, \$24,720 was covered by federal depository insurance and

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

consequently were not exposed to custodial credit risk. The remaining investments of 1,742,612 were uncollateralized and uninsured.

At December 31, 2015, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>< 1 Year</u>	<u>1 - 5 Years</u>
Certificates of deposit	\$ 1,767,332	\$ -	\$ -	\$ 1,767,332
Stocks	152,616	152,616	-	-
Mutual funds	448,825	448,825	-	-
	<u>\$ 2,368,773</u>	<u>\$ 601,441</u>	<u>\$ -</u>	<u>\$ 1,767,332</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.

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 formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2015 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 57,953	\$ 2,571,766
Enterprise Fund	1,441,406	-
Nonmajor Special Revenue Funds	1,103,640	25,384
Nonmajor Permanent Funds	26,720	32,569
	<u>\$ 2,629,719</u>	<u>\$ 2,629,719</u>

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	Balance, 1/1/15	Additions	Disposals	Balance, 12/31/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 636,000	\$ 80,729	\$ -	\$ 716,729
Art works and historical treasures	15,000	-	-	15,000
	<u>651,000</u>	<u>80,729</u>	<u>-</u>	<u>731,729</u>
Depreciated assets:				
Buildings and improvements	3,107,015	15,897	-	3,122,912
Land improvements	301,886	-	-	301,886
Machinery and equipment	1,739,977	-	-	1,739,977
Vehicles	3,438,359	25,600	(29,653)	3,434,306
Infrastructure	10,173,896	458,143	-	10,632,039
	<u>18,761,133</u>	<u>499,640</u>	<u>(29,653)</u>	<u>19,231,120</u>
Less: accumulated depreciation				
Buildings and improvements	(2,385,943)	(32,407)	-	(2,418,350)
Land improvements	(172,010)	(7,767)	-	(179,777)
Machinery and equipment	(1,190,857)	(47,822)	-	(1,238,679)
Vehicles	(2,009,967)	(156,071)	29,653	(2,136,385)
Infrastructure	(7,365,063)	(83,856)	-	(7,448,919)
Total accumulated depreciation	<u>(13,123,840)</u>	<u>(327,923)</u>	<u>29,653</u>	<u>(13,422,110)</u>
Net depreciated assets	<u>5,637,293</u>	<u>171,717</u>	<u>-</u>	<u>5,809,010</u>
Net capital assets	<u>\$ 6,288,293</u>	<u>\$ 252,446</u>	<u>\$ -</u>	<u>\$ 6,540,739</u>

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance, 1/1/15	Additions	Disposals	Balance, 12/31/15
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 37,500	\$ -	\$ -	\$ 37,500
	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>37,500</u>
Depreciated assets:				
Buildings and improvements	9,673,599	182,417	-	9,856,016
Machinery and equipment	1,806,668	53,897	-	1,860,565
Vehicles	82,568	-	-	82,568
Infrastructure	7,849,148	-	-	7,849,148
	<u>19,411,983</u>	<u>236,314</u>	<u>-</u>	<u>19,648,297</u>
Less: accumulated depreciation				
Buildings and improvements	(9,657,101)	(970)	-	(9,658,071)
Machinery and equipment	(1,340,360)	(49,629)	-	(1,389,989)
Vehicles	(71,330)	(5,619)	-	(76,949)
Infrastructure	(5,083,541)	(211,645)	-	(5,295,186)
Total accumulated depreciation	<u>(16,152,332)</u>	<u>(267,863)</u>	<u>-</u>	<u>(16,420,195)</u>
Net depreciated assets	<u>3,259,651</u>	<u>(31,549)</u>	<u>-</u>	<u>3,228,102</u>
Net capital assets	<u>\$ 3,297,151</u>	<u>\$ (31,549)</u>	<u>\$ -</u>	<u>\$ 3,265,602</u>
<u>Current year depreciation</u>				
General government			\$ 3,462	
Public works			202,470	
Parks and recreation			13,794	
Public safety			105,682	
Town-wide			2,515	
Total governmental activities depreciation expense			<u>327,923</u>	
Sewer			267,863	
Total depreciation expense			<u>\$ 595,786</u>	

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5 – LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2015:

Governmental Activities:

	Balance, 1/1/15 (Restated)	Additions	Deletions	Balance, 12/31/15	Current Year Portion
Bonds payable	\$ 884,300	\$ -	\$ (128,817)	\$ 755,483	\$ 128,817
Capital leases payable	210,860	-	(45,709)	165,151	46,954
Accrued compensated absences	163,270	-	(3,134)	160,136	8,007
Net pension liability	775,388	433,389	(421,421)	787,356	38,535
Totals	<u>\$ 2,033,818</u>	<u>\$ 433,389</u>	<u>\$ (599,081)</u>	<u>\$ 1,868,126</u>	<u>\$ 222,313</u>

Business-type Activities:

	Balance, 1/1/15 (Restated)	Additions	Deletions	Balance, 12/31/15	Current Year Portion
Bonds payable	\$ 671,622	\$ -	\$ (20,921)	\$ 650,701	\$ 21,617
Accrued compensated absences	28,394	-	(5,375)	23,019	1,151
Net pension liability	30,294	16,933	(16,464)	30,763	1,506
Totals	<u>\$ 730,310</u>	<u>\$ 16,933</u>	<u>\$ (42,760)</u>	<u>\$ 704,483</u>	<u>\$ 24,274</u>

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5 – LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

	Governmental Activities	Business-Type Activities
General Obligation Bond of 2011, annual principal payments of \$32,667, plus interest, interest rate 3.90% per annum, maturity in 2026.	\$ 359,333	\$ -
Fire Truck Bond of 2006, annual principal payments of \$46,150 plus interest, interest rates 2.00%-5.35% per annum, maturity in 2016.	46,150	-
General Obligation Bond of 2012, annual principal payments of \$50,000 plus interest, interest rates 0.860%-2.680% per annum, maturity in 2022.	350,000	-
General Obligation Bond of 2005, annual payments of principal and interest of \$12,849, interest rate 4.125% per annum, maturity in 2034.	-	163,355
General Obligation Bond of 2006, annual payments of principal and interest of \$12,371, interest rate of 4.25% per annum, maturity in 2035.	-	166,850
General Obligation Bond of 2009, annual payments of principal and interest of \$7,106, interest rate of 2.625% per annum, maturity in 2038.	-	121,293
General Obligation Bond of 2010, annual payments of principal and interest of \$6,201, interest rate of 2.250% per annum, maturity in 2039.	-	113,955
General Obligation Bond of 2010, annual payments of principal and interest of \$4,639, interest rate of 2.250% per annum, maturity in 2039.	-	85,248
Total Long-Term Debt	<u>\$ 755,483</u>	<u>\$ 650,701</u>

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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>
2016	128,817	19,295	\$ 148,112
2017	82,666	17,196	99,862
2018	82,666	14,997	97,663
2019	82,666	12,683	95,349
2020	82,666	10,244	92,910
2021-2025	263,335	19,536	282,871
2026-2030	32,667	1,274	33,941
	<u>\$ 755,483</u>	<u>\$ 95,225</u>	<u>\$ 850,708</u>

Business-type Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	21,617	18,261	\$ 39,878
2017	22,339	17,726	40,065
2018	23,084	17,168	40,252
2019	23,857	16,589	40,446
2020	24,658	19,878	44,536
2021-2025	136,350	86,453	222,803
2026-2030	161,194	63,602	224,796
2031-2035	176,769	35,395	212,164
2036-2040	60,833	10,633	71,466
	<u>\$ 650,701</u>	<u>\$ 285,705</u>	<u>\$ 936,406</u>

The following is a summary of the outstanding capital leases payable:

The Town leases a sidewalk plow from Kansas State Bank of Manhattan under a non-cancelable agreement dated April of 2014. The term of the lease is for five years ending in April of 2019. Annual payments are \$21,025.

TOWN OF FARMINGTON, MAINE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015

NOTE 5 – LONG-TERM DEBT (CONTINUED)

The Town leases a front-end loader from TD Equipment Finance under a non-cancelable agreement dated December of 2014. The term of the lease is for four years ending in December of 2018. Annual payments are \$30,477.

The following is a summary of outstanding capital lease requirements for the following fiscal years ending December 31:

Year Ending December 31:		
2016	\$	51,502
2017		51,502
2018		51,502
2019		21,025
Total minimum lease payment		175,531
Less amount representing interest		(10,380)
Present value of future minimum lease payments	\$	165,151

NOTE 6 – NONSPENDABLE FUND BALANCES

At December 31, 2015, the Town had the following nonspendable fund balances:

General Fund:		
Prepaid expenses	\$	4,581
Tax acquired property		2,331
	\$	6,912

NOTE 7 – RESTRICTED FUND BALANCES

At December 31, 2015, the Town had the following restricted fund balances:

General Fund:		
Education	\$	52,718
Nonmajor Special Revenue Funds (See Schedule D)		781,301
Nonmajor Permanent Funds (See Schedule F)		844,596
	\$	1,678,615

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8 – COMMITTED FUND BALANCES

At December 31, 2015, the Town had the following committed fund balances:

Nonmajor Special Revenue Funds (See Schedule D)	<u>\$ 239,062</u>
---	-------------------

NOTE 9 – ASSIGNED FUND BALANCES

At December 31, 2015, the Town had the following assigned fund balances:

Nonmajor Special Revenue Funds (See Schedule D)	<u>\$ 401,385</u>
---	-------------------

NOTE 10 – 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.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of December 31, 2015. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. All Town plan members are required to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 8.9% (14.0% for police, fire, public works and sewer department employees) of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2015 was \$114,322.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the Town reported a liability of \$818,119 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2015, the Town's proportion was 0.256425%, which was an increase of 0.007063% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Town recognized net pension revenue of \$101,631. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,033	\$ 105,074
Changes of assumptions	72,300	-
Net difference between projected and actual earnings on pension plan investments	252,501	314,311
Changes in proportion and differences between contributions and proportionate share of contributions	15,787	18,500
Contributions subsequent to the measurement date	61,515	-
Total	<u>\$ 435,136</u>	<u>\$ 437,885</u>

\$61,515 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF FARMINGTON, MAINE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

		PLD Plan
Year ended June 30:		
2017	\$	40,041
2018		40,041
2019		47,307
2020		(63,125)
2021		-
Thereafter		-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2015, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of fifteen years.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2015 are as follows:

Investment Rate of Return - For the PLD Plan, 7.125% per annum, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 3.50% to 9.50% per year.

Mortality Rates - For participating local districts, the RP2000 Tables projected forward to 2015 using Scale AA are used; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

Cost of Living Benefit Increases - 2.55% for participating local districts.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2015 are summarized in the following table:

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.7%

Discount Rate

The discount rate used to measure the collective total pension liability was 7.125% for 2015. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2015 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.125% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
PLD Plan:			
Discount rate	6.125%	7.125%	8.125%
Town's proportionate share of the net pension liability	\$ 1,629,935	\$ 818,119	\$ 48,467

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Net Pension Liability

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2015 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2015, this was 4 years for the PLD Consolidated Plan.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2015 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (800) 451-9800.

TOWN OF FARMINGTON, MAINE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015

NOTE 12 – 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 an employer match by the Town up to 6.5%. If the employee defers an amount equal or greater than 6.5% the Town contributes 9%. The Town contributes 12% for the Town Manager. 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 13 – EXPENDITURES OVER APPROPRIATIONS

As of December 31, 2015 the Town had the following overspent appropriations:

Snow clubs	\$ <u>1,893</u>
------------	-----------------

NOTE 14 – 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, 2015, the Town’s share was as follows:

	Outstanding Debt	Town's Percentage	Total Share
County of Franklin	\$ 539,715	14.58%	\$ 78,690
RSU #9	58,612,611	34.87%	<u>20,438,217</u>
			<u>\$ 20,516,908</u>

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 15 – 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.

On April 9, 2013, the Town of Farmington approved the creation of the Downton Tax Increment Financing District encompassing a suitable land area for development in the Farmington area. The TIF District was created to encourage and enable the redevelopment of a number of properties, stimulate new businesses and employment opportunities, and establish a funding program for the development of new or improved infrastructure in the Town of Farmington's downtown. The TIF District will remain in place for a period of thirty years from April 1, 2014 to March 31, 2044. The expenditures from this development project will be recouped in future years via an incremental tax levied upon the TIF District's captured assessed value. The Town, through its Board of Selectmen, may allocate a portion of TIF revenues generated on a parcel of land within the TIF District under a credit enhancement agreement (CEA) with the developer of that project. The Town expects that the future CEAs approved by the Board will allocate between 0% and 100% of the tax increment generated by the project to the developer. The actual percentage will be negotiated on a case by case basis at the Board's discretion.

NOTE 16 – DEFICIT FUND BALANCES

At December 31, 2015, the following funds had deficit fund balances:

Ice skating	\$	10
Public safety bond		<u>4,718</u>
	\$	<u><u>4,728</u></u>

TOWN OF FARMINGTON, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 17 - CONTINGENCIES

With regard pending legal claims or 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.

NOTE 18 – INTERLOCAL AGREEMENT

The Town has entered into an interlocal agreement with a number of other Towns. This interlocal agreement is considered to be a separate reporting entity and has not been included within the financial statements of the Town of Farmington. A brief description of the joint venture, Sandy River Waste Recycling Association, follows:

Sandy River Waste Recycling Association

Sandy River Waste Recycling Association (the Association) was formed in 1990 pursuant to interlocal and waste management laws in the State of Maine. Its primary purposes were to construct, maintain, operate, and otherwise provide for a system of pulling recyclable goods from the solid waste stream, and to collect, transport, and dispose of such recyclable goods, in conjunction, to foster resource conservation and resource recovery for public propose and for the health, welfare, comfort, and convenience of the members of the Association. There are currently 14 local governments who are members of the Association, including the Town of Farmington.

The Association was organized and operates as a nonprofit corporation by which no part of the net earnings of the Association will insure to the benefit of any member, director, or officer of the Association, or any private individual, and no member, director, or officer of the Association, or any private individual will be entitled to share in the distribution of any of the corporate assets on dissolution of the Association except in special circumstances. The Directors of the Association are elected by the municipal officers of the municipalities that are members of the Association in accordance with provisions of the agreement and the Bylaws of the Association, as amended from time to time.

Complete financial statements may be obtained from Sandy River Waste Recycling Association at P.O. Box 706, Farmington, Maine 04938.

TOWN OF FARMINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 18 – INTERLOCAL AGREEMENT (CONTINUED)

On January 17, 2015 the members of Sandy River Waste Recycling Association voted to dissolve the association. An initial disbursement of \$150,000 was made to the 14 towns, of which the Town of Farmington's share was \$30,036. On November 11, 2015, a second and final disbursement of all remaining residual assets was made after the sale of property, building and remaining equipment. The total disbursement made was \$83,390, of which the Town of Farmington's share was \$16,698.

NOTE 19 – LETTER OF CREDIT

At December 31, 2015, the Town had 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 January 21, 2016, authorizes one draw only up to the amount of \$3,000,000. There were no draws for the year ended December 31, 2015.

NOTE 20 – RESTATEMENT

The net positions of the governmental activities and business-type activities have been restated at July 1, 2014 to account for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (Issued 06/12)*. As a result, the beginning net positions were restated by (\$692,193) and (\$27,044), respectively.

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
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Notes to Required Supplementary Information

TOWN OF FARMINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 1,591,868	\$ 1,591,868	\$ 1,591,868	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	8,666,035	8,666,035	8,699,255	33,220
Excise taxes	879,778	879,778	913,125	33,347
Intergovernmental	761,009	761,009	791,411	30,402
Charges for services	126,292	126,292	125,681	(611)
Miscellaneous revenues	70,685	70,685	94,309	23,624
Transfers from other funds	15,000	15,000	15,000	-
Amounts Available for Appropriation	<u>12,110,667</u>	<u>12,110,667</u>	<u>12,230,649</u>	<u>119,982</u>
Charges to Appropriations (Outflows):				
General government	810,247	797,447	776,611	20,836
Public safety	2,051,683	2,009,377	1,900,474	108,903
Health and welfare	25,000	25,000	22,559	2,441
Recreation and culture	338,429	334,729	318,769	15,960
Education	4,560,153	4,560,153	4,507,435	52,718
Public works	2,002,045	1,593,545	1,548,400	45,145
County tax	498,836	498,836	498,836	-
Community services	162,310	162,310	164,203	(1,893)
Unclassified	223,926	223,926	189,666	34,260
Debt service:				
Principal	128,817	128,817	128,817	-
Interest	26,353	26,353	26,380	(27)
Transfers to other funds	21,000	488,306	488,306	-
Total Charges to Appropriations	<u>10,848,799</u>	<u>10,848,799</u>	<u>10,570,456</u>	<u>278,343</u>
Budgetary Fund Balance, December 31	<u>\$ 1,261,868</u>	<u>\$ 1,261,868</u>	<u>\$ 1,660,193</u>	<u>\$ 398,325</u>
Utilization of unassigned fund balance	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ -</u>	<u>\$ (330,000)</u>

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

TOWN OF FARMINGTON, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	<u>2015</u>
<u>PLD Plan:</u>	
Proportion of the net pension liability (asset)	0.26%
Proportionate share of the net pension liability (asset)	\$ 818,119
Covered-employee payroll	906,039
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	90.30%
Plan fiduciary net position as a percentage of the total pension liability	88.30%

* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

TOWN OF FARMINGTON, MAINE

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	<u>2015</u>
<u>PLD Plan:</u>	
Contractually required contribution	\$ 104,373
Contributions in relation to the contractually required contribution	<u>(104,373)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 906,039
Contributions as a percentage of covered- employee payroll	11.52%

* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

TOWN OF FARMINGTON, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

Changes of Assumptions

There was a change in the investment rate of return assumption this year from 7.25% to 7.125%. This change was made in the other MainePERS Programs with the 2014 valuation, but is first being recognized in the PLD Consolidated Plan in 2015. In addition to this change, the cost of living benefit increase assumption was changed from 3.12% to 2.55%. Further, those PLDs who had an IUUAL Surplus account received a refund of that account. As a result, there will be no more IUUAL surplus payments reflected beginning with the 2015 valuation. Finally, the amortization methodology for the Pooled Unfunded Actuarial Liability (PUAL) was changed from a fifteen-year open level dollar method to a method where a separate twenty-year closed period is established annually for the gain or loss in that year with these amortizations being developed as a level percentage of payroll and amortizing the existing PUAL at the time of this change, July 1, 2015, over a closed fifteen-year period beginning on this date.

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 Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds
- Combining Balance Sheet – Nonmajor Permanent Funds
- Combining Schedule of Revenues, 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

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General government:					
Administration	\$ 241,946	\$ -	\$ 241,946	\$ 228,184	\$ 13,762
Assessor	79,500	(10,000)	69,500	79,955	(10,455)
Clerk treasurer	242,884	-	242,884	233,736	9,148
Municipal building	87,951	(2,000)	85,951	80,854	5,097
CEO	151,166	-	151,166	149,341	1,825
Committees	6,800	(800)	6,000	4,541	1,459
	<u>810,247</u>	<u>(12,800)</u>	<u>797,447</u>	<u>776,611</u>	<u>20,836</u>
Public safety:					
Police department	1,245,337	(6,000)	1,239,337	1,150,554	88,783
Fire department	401,513	(36,306)	365,207	328,133	37,074
Hydrants	276,378	-	276,378	276,380	(2)
Street lights	72,000	-	72,000	84,748	(12,748)
Traffic lights	6,000	-	6,000	9,787	(3,787)
Ambulance	50,455	-	50,455	50,872	(417)
	<u>2,051,683</u>	<u>(42,306)</u>	<u>2,009,377</u>	<u>1,900,474</u>	<u>108,903</u>
Health and welfare:					
General assistance	25,000	-	25,000	22,559	2,441
	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>22,559</u>	<u>2,441</u>
Recreation and culture:					
Parks and recreation	152,740	(3,700)	149,040	146,028	3,012
Community center	112,211	-	112,211	103,958	8,253
Cemeteries	73,478	-	73,478	68,783	4,695
	<u>338,429</u>	<u>(3,700)</u>	<u>334,729</u>	<u>318,769</u>	<u>15,960</u>

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Education	4,560,153	-	4,560,153	4,507,435	52,718
Public works:					
Highway department	1,238,583	(108,500)	1,130,083	1,098,005	32,078
Recycling department	72,138	-	72,138	66,962	5,176
Local roads	158,324	-	158,324	150,433	7,891
Drainage project	300,000	(300,000)	-	-	-
Capital outlay	233,000	-	233,000	233,000	-
	2,002,045	(408,500)	1,593,545	1,548,400	45,145
County tax	498,836	-	498,836	498,836	-
Debt service:					
Principal	128,817	-	128,817	128,817	-
Interest	26,353	-	26,353	26,380	(27)
	155,170	-	155,170	155,197	(27)
Community services:					
Animal shelter	14,744	-	14,744	14,744	-
Public library	146,666	-	146,666	146,666	-
Snow clubs	-	-	-	1,893	(1,893)
Gay cemetery	900	-	900	900	-
	162,310	-	162,310	164,203	(1,893)

TOWN OF FARMINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Unclassified:					
Insurances	68,000	-	68,000	70,882	(2,882)
Contingency	20,000	-	20,000	-	20,000
Tan interest	5,000	-	5,000	-	5,000
TIF	100,000	-	100,000	100,000	-
Dangerous buildings	10,000	-	10,000	-	10,000
Overlay	20,926	-	20,926	18,784	2,142
	<u>223,926</u>	<u>-</u>	<u>223,926</u>	<u>189,666</u>	<u>34,260</u>
Transfers to other funds:					
Drainage project	-	300,000	300,000	300,000	-
Legal reserve	15,000	-	15,000	15,000	-
ADA	1,000	-	1,000	1,000	-
Public works	5,000	108,500	113,500	113,500	-
Conservation committee	-	800	800	800	-
Revaluation	-	10,000	10,000	10,000	-
Municipal building	-	2,000	2,000	2,000	-
Police department	-	6,000	6,000	6,000	-
Fire department	-	36,306	36,306	36,306	-
Parks and recreation	-	3,700	3,700	3,700	-
	<u>21,000</u>	<u>467,306</u>	<u>488,306</u>	<u>488,306</u>	<u>-</u>
Total Expenditures	<u>\$ 10,848,799</u>	<u>\$ -</u>	<u>\$ 10,848,799</u>	<u>\$ 10,570,456</u>	<u>\$ 278,343</u>

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

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 133,194	\$ 248,794	\$ 381,988
Investments	-	601,651	601,651
Notes receivable	205,570	-	205,570
Due from other funds	1,103,640	26,720	1,130,360
TOTAL ASSETS	<u>\$ 1,442,404</u>	<u>\$ 877,165</u>	<u>\$ 2,319,569</u>
LIABILITIES			
Due to other funds	\$ 25,384	\$ 32,569	\$ 57,953
TOTAL LIABILITIES	<u>25,384</u>	<u>32,569</u>	<u>57,953</u>
FUND BALANCES			
Restricted	781,301	844,596	1,625,897
Committed	239,062	-	239,062
Assigned	401,385	-	401,385
Unassigned	(4,728)	-	(4,728)
TOTAL FUND BALANCES	<u>1,417,020</u>	<u>844,596</u>	<u>2,261,616</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,442,404</u>	<u>\$ 877,165</u>	<u>\$ 2,319,569</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, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Investment income, net of unrealized gains/ (losses)	\$ 8,359	\$ (24,331)	\$ (15,972)
Interest income	-	6,517	6,517
Intergovernmental	494,149	-	494,149
Other income	70,609	2,200	72,809
TOTAL REVENUES	<u>573,117</u>	<u>(15,614)</u>	<u>557,503</u>
EXPENDITURES			
Capital outlay	448,271	-	448,271
Other	304,042	10,849	314,891
TOTAL EXPENDITURES	<u>752,313</u>	<u>10,849</u>	<u>763,162</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(179,196)</u>	<u>(26,463)</u>	<u>(205,659)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	588,763	-	588,763
Transfers (out)	(100,457)	(15,000)	(115,457)
TOTAL OTHER FINANCING SOURCES (USES)	<u>488,306</u>	<u>(15,000)</u>	<u>473,306</u>
NET CHANGE IN FUND BALANCES	309,110	(41,463)	267,647
FUND BALANCES, JANUARY 1	<u>1,107,910</u>	<u>886,059</u>	<u>1,993,969</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,417,020</u>	<u>\$ 844,596</u>	<u>\$ 2,261,616</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, 2015

	Revolving Loan Fund	TIF Reserve	Downtown TIF Reserve	Cable Franchise	Revaluation	Local Road Assistance
ASSETS						
Cash and cash equivalents	\$ 133,194	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	205,570	-	-	-	-	-
Due from other funds	-	145,652	196,370	8,400	73,597	26,132
TOTAL ASSETS	<u>\$ 338,764</u>	<u>\$ 145,652</u>	<u>\$ 196,370</u>	<u>\$ 8,400</u>	<u>\$ 73,597</u>	<u>\$ 26,132</u>
LIABILITIES						
Due to other funds	\$ 20,656	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>20,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	318,108	145,652	196,370	-	-	26,132
Committed	-	-	-	8,400	73,597	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>318,108</u>	<u>145,652</u>	<u>196,370</u>	<u>8,400</u>	<u>73,597</u>	<u>26,132</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 338,764</u>	<u>\$ 145,652</u>	<u>\$ 196,370</u>	<u>\$ 8,400</u>	<u>\$ 73,597</u>	<u>\$ 26,132</u>

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Highway Equipment	Public Works	Computer Treasurer	Police Drug Education	Fire Equipment
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	16,041	46,961	5,938	7,558	88,125
TOTAL ASSETS	\$ 16,041	\$ 46,961	\$ 5,938	\$ 7,558	\$ 88,125
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	7,558	-
Committed	16,041	46,961	5,938	-	88,125
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	16,041	46,961	5,938	7,558	88,125
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,041	\$ 46,961	\$ 5,938	\$ 7,558	\$ 88,125

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Hippach Field Projects	Sidewalk	Legal Reserve	Cops Grant	FAME Loan
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	4,071	38,415	16,554	12,166	-
TOTAL ASSETS	<u>\$ 4,071</u>	<u>\$ 38,415</u>	<u>\$ 16,554</u>	<u>\$ 12,166</u>	<u>\$ -</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	-	12,166	-
Committed	-	-	-	-	-
Assigned	4,071	38,415	16,554	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>4,071</u>	<u>38,415</u>	<u>16,554</u>	<u>12,166</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,071</u>	<u>\$ 38,415</u>	<u>\$ 16,554</u>	<u>\$ 12,166</u>	<u>\$ -</u>

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Police Equipment	Cable Equipment	Regional Radio Assessment	Municipal Building	Walton Mill Pond
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	27,848	18,696	4,632	4,171	2,609
TOTAL ASSETS	<u>\$ 27,848</u>	<u>\$ 18,696</u>	<u>\$ 4,632</u>	<u>\$ 4,171</u>	<u>\$ 2,609</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	27,848	18,696	4,632	4,171	2,609
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>27,848</u>	<u>18,696</u>	<u>4,632</u>	<u>4,171</u>	<u>2,609</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,848</u>	<u>\$ 18,696</u>	<u>\$ 4,632</u>	<u>\$ 4,171</u>	<u>\$ 2,609</u>

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Landfill	Rail Trail Bridge	Hippach Field Light	Tree	Conservation Commission
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	38,625	5,012	890	2,221	6,908
TOTAL ASSETS	\$ 38,625	\$ 5,012	\$ 890	\$ 2,221	\$ 6,908
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	38,625	5,012	890	2,221	6,908
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	38,625	5,012	890	2,221	6,908
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,625	\$ 5,012	\$ 890	\$ 2,221	\$ 6,908

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Computer	FFSWD River Crossing	Community Resolution	Police Building Reserve	A.D.A.
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	1,643	906	977	11,000	9,850
TOTAL ASSETS	<u>\$ 1,643</u>	<u>\$ 906</u>	<u>\$ 977</u>	<u>\$ 11,000</u>	<u>\$ 9,850</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,643	906	977	11,000	9,850
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,643</u>	<u>906</u>	<u>977</u>	<u>11,000</u>	<u>9,850</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,643</u>	<u>\$ 906</u>	<u>\$ 977</u>	<u>\$ 11,000</u>	<u>\$ 9,850</u>

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Walton Dam Project	Transportation Advisory	Community Center	Bowen Ice Skate Propane	CDBG Grant Brookside	Ice Skating
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-	-
Due from other funds	5,189	288	6,954	139	-	-
TOTAL ASSETS	\$ 5,189	\$ 288	\$ 6,954	\$ 139	\$ -	\$ -
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10
TOTAL LIABILITIES	-	-	-	-	-	10
FUND BALANCES						
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	5,189	288	6,954	139	-	-
Unassigned	-	-	-	-	-	(10)
TOTAL FUND BALANCES	5,189	288	6,954	139	-	(10)
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,189	\$ 288	\$ 6,954	\$ 139	\$ -	\$ -

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Other Donations	Wellness Works Grant	Small Community Grant	CEO Equipment	Voting Machine
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	-	13	-	891	12,434
TOTAL ASSETS	\$ -	\$ 13	\$ -	\$ 891	\$ 12,434
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Restricted	-	13	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	891	12,434
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	13	-	891	12,434
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 13	\$ -	\$ 891	\$ 12,434

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	MDEA	CDBG	Firefighters Grant	Snowmobile Grant	North Church
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-
Due from other funds	-	-	1,458	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 1,458	\$ -	\$ -
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	1,458	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	-	1,458	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 1,458	\$ -	\$ -

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Church Street	Animal Control	Playground	Heating Oil Fund	Police Training	Byrne Grant
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes receivable	-	-	-	-	-	-
Due from other funds	182	2,348	3,150	-	56,666	1,525
TOTAL ASSETS	\$ 182	\$ 2,348	\$ 3,150	\$ -	\$ 56,666	\$ 1,525
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	2,348	-	-	56,666	1,525
Committed	-	-	-	-	-	-
Assigned	182	-	3,150	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	182	2,348	3,150	-	56,666	1,525
TOTAL LIABILITIES AND FUND BALANCES	\$ 182	\$ 2,348	\$ 3,150	\$ -	\$ 56,666	\$ 1,525

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Byrne Grant II	Police Vehicle	Parks and Recreation Reserve	Public Safety Bond	Drainage Project	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,194
Notes receivable	-	-	-	-	-	205,570
Due from other funds	13,305	16,037	2,111	-	158,982	1,103,640
TOTAL ASSETS	<u>\$ 13,305</u>	<u>\$ 16,037</u>	<u>\$ 2,111</u>	<u>\$ -</u>	<u>\$ 158,982</u>	<u>\$ 1,442,404</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ 4,718	\$ -	\$ 25,384
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,718</u>	<u>-</u>	<u>25,384</u>
FUND BALANCES						
Restricted	13,305	-	-	-	-	781,301
Committed	-	-	-	-	-	239,062
Assigned	-	16,037	2,111	-	158,982	401,385
Unassigned	-	-	-	(4,718)	-	(4,728)
TOTAL FUND BALANCES	<u>13,305</u>	<u>16,037</u>	<u>2,111</u>	<u>(4,718)</u>	<u>158,982</u>	<u>1,417,020</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,305</u>	<u>\$ 16,037</u>	<u>\$ 2,111</u>	<u>\$ -</u>	<u>\$ 158,982</u>	<u>\$ 1,442,404</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 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Revolving Loan Fund	TIF Reserve	Downtown TIF Reserve	Cable Franchise	Revaluation	Local Road Assistance
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 8,359	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	3,431	96,568	-	-	-
Other income	-	-	745	51,314	-	-
TOTAL REVENUES	8,359	3,431	97,313	51,314	-	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	17,618	10,113	-	72,971	-	-
TOTAL EXPENDITURES	17,618	10,113	-	72,971	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,259)	(6,682)	97,313	(21,657)	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	99,057	-	10,000	-
Transfers (out)	-	(99,057)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(99,057)	99,057	-	10,000	-
NET CHANGE IN FUND BALANCES	(9,259)	(105,739)	196,370	(21,657)	10,000	-
FUND BALANCES, JANUARY 1	327,367	251,391	-	30,057	63,597	26,132
FUND BALANCES, DECEMBER 31	\$ 318,108	\$ 145,652	\$ 196,370	\$ 8,400	\$ 73,597	\$ 26,132

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Highway Equipment	Public Works	Computer Treasurer	Police Drug Education	Fire Equipment
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Other income	-	-	-	600	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>600</u>	<u>-</u>
EXPENDITURES					
Capital outlay	88,265	-	-	-	-
Other	-	8,200	-	-	-
TOTAL EXPENDITURES	<u>88,265</u>	<u>8,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(88,265)</u>	<u>(8,200)</u>	<u>-</u>	<u>600</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	108,500	5,000	1,400	-	36,306
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>108,500</u>	<u>5,000</u>	<u>1,400</u>	<u>-</u>	<u>36,306</u>
NET CHANGE IN FUND BALANCES	20,235	(3,200)	1,400	600	36,306
FUND BALANCES, JANUARY 1	<u>(4,194)</u>	<u>50,161</u>	<u>4,538</u>	<u>6,958</u>	<u>51,819</u>
FUND BALANCES, DECEMBER 31	<u>\$ 16,041</u>	<u>\$ 46,961</u>	<u>\$ 5,938</u>	<u>\$ 7,558</u>	<u>\$ 88,125</u>

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Hippach Field Projects	Sidewalk	Legal Reserve	Cops Grant	FAME Loan
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	5,500	13,072	-	260
TOTAL EXPENDITURES	<u>-</u>	<u>5,500</u>	<u>13,072</u>	<u>-</u>	<u>260</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(5,500)</u>	<u>(13,072)</u>	<u>-</u>	<u>(260)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	15,000	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(5,500)	1,928	-	(260)
FUND BALANCES, JANUARY 1	<u>4,071</u>	<u>43,915</u>	<u>14,626</u>	<u>12,166</u>	<u>260</u>
FUND BALANCES, DECEMBER 31	<u>\$ 4,071</u>	<u>\$ 38,415</u>	<u>\$ 16,554</u>	<u>\$ 12,166</u>	<u>\$ -</u>

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Police Equipment	Cable Equipment	Regional Radio Assessment	Municipal Building	Walton Mill Pond
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	3,000	-	-	2,000	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	3,000	-	-	2,000	-
NET CHANGE IN FUND BALANCES	3,000	-	-	2,000	-
FUND BALANCES, JANUARY 1	24,848	18,696	4,632	2,171	2,609
FUND BALANCES, DECEMBER 31	\$ 27,848	\$ 18,696	\$ 4,632	\$ 4,171	\$ 2,609

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Landfill	Rail Trail Bridge	Hippach Field Light	Tree	Conservation Commission
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Other income	16,698	-	-	350	-
TOTAL REVENUES	16,698	-	-	350	-
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	1	-	-	200
TOTAL EXPENDITURES	-	1	-	-	200
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,698	(1)	-	350	(200)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	800
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	800
NET CHANGE IN FUND BALANCES	16,698	(1)	-	350	600
FUND BALANCES, JANUARY 1	21,927	5,013	890	1,871	6,308
FUND BALANCES, DECEMBER 31	\$ 38,625	\$ 5,012	\$ 890	\$ 2,221	\$ 6,908

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Computer	FFSWD River Crossing	Community Resolution	Police Building Reserve	A.D.A.
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	3,000	1,000
Transfers (out)	(1,400)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,400)	-	-	3,000	1,000
NET CHANGE IN FUND BALANCES	(1,400)	-	-	3,000	1,000
FUND BALANCES, JANUARY 1	3,043	906	977	8,000	8,850
FUND BALANCES, DECEMBER 31	\$ 1,643	\$ 906	\$ 977	\$ 11,000	\$ 9,850

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Walton Dam Project	Transportation Advisory	Community Center	Bowen Ice Skate Propane	CDBG Grant Brookside	Ice Skating
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	4	-
Other income	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	4	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	139
TOTAL EXPENDITURES	-	-	-	-	-	139
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	4	(139)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	4	(139)
FUND BALANCES, JANUARY 1	5,189	288	6,954	139	(4)	129
FUND BALANCES, DECEMBER 31	\$ 5,189	\$ 288	\$ 6,954	\$ 139	\$ -	\$ (10)

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Other Donations	Wellness Works Grant	Small Community Grant	CEO Equipment	Voting Machine
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	8,373	-	-
Other income	-	902	-	-	-
TOTAL REVENUES	<u>-</u>	<u>902</u>	<u>8,373</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	129	887	8,045	-	-
TOTAL EXPENDITURES	<u>129</u>	<u>887</u>	<u>8,045</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(129)</u>	<u>15</u>	<u>328</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(129)</u>	<u>15</u>	<u>328</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JANUARY 1	<u>129</u>	<u>(2)</u>	<u>(328)</u>	<u>891</u>	<u>12,434</u>
FUND BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 891</u>	<u>\$ 12,434</u>

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	MDEA	CDBG	Firefighters Grant	Snowmobile Grant	North Church
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,001	360,000	-	11,000	-
Other income	-	-	-	-	-
TOTAL REVENUES	8,001	360,000	-	11,000	-
EXPENDITURES					
Capital outlay	-	360,006	-	-	-
Other	8,001	-	-	11,000	2
TOTAL EXPENDITURES	8,001	360,006	-	11,000	2
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(6)	-	-	(2)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(6)	-	-	(2)
FUND BALANCES, JANUARY 1	-	6	1,458	-	2
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ 1,458	\$ -	\$ -

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Church Street	Animal Control	Playground	Heating Oil Fund	Police Training	Byrne Grant
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,674	-
Other income	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	2,674	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	44	-	135	-	-
TOTAL EXPENDITURES	-	44	-	135	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(44)	-	(135)	2,674	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(44)	-	(135)	2,674	-
FUND BALANCES, JANUARY 1	182	2,392	3,150	135	53,992	1,525
FUND BALANCES, DECEMBER 31	\$ 182	\$ 2,348	\$ 3,150	\$ -	\$ 56,666	\$ 1,525

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR YEAR ENDED DECEMBER 31, 2015

	Byrne Grant II	Police Vehicle	Parks and Recreation Reserve	Public Safety Bond	Drainage Project	Totals
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,359
Intergovernmental	4,098	-	-	-	-	494,149
Other income	-	-	-	-	-	70,609
TOTAL REVENUES	<u>4,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>573,117</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	448,271
Other	5,118	-	1,589	-	141,018	304,042
TOTAL EXPENDITURES	<u>5,118</u>	<u>-</u>	<u>1,589</u>	<u>-</u>	<u>141,018</u>	<u>752,313</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,020)</u>	<u>-</u>	<u>(1,589)</u>	<u>-</u>	<u>(141,018)</u>	<u>(179,196)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	3,700	-	300,000	588,763
Transfers (out)	-	-	-	-	-	(100,457)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>3,700</u>	<u>-</u>	<u>300,000</u>	<u>488,306</u>
NET CHANGE IN FUND BALANCES	<u>(1,020)</u>	<u>-</u>	<u>2,111</u>	<u>-</u>	<u>158,982</u>	<u>309,110</u>
FUND BALANCES, JANUARY 1	<u>14,325</u>	<u>16,037</u>	<u>-</u>	<u>(4,718)</u>	<u>-</u>	<u>1,107,910</u>
FUND BALANCES, DECEMBER 31	<u>\$ 13,305</u>	<u>\$ 16,037</u>	<u>\$ 2,111</u>	<u>\$ (4,718)</u>	<u>\$ 158,982</u>	<u>\$ 1,417,020</u>

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

Permanent Funds

Permanent funds are used to account for assets held by the Town of Farmington, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Unit or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries and scholarships.

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2015

	Hippach Field	LA Smith	Cemetery	Weymouth	Webster
ASSETS					
Cash and cash equivalents	\$ 9,794	\$ 17,034	\$ 12,352	\$ 9,233	\$ 1,512
Investments	152,616	-	-	-	-
Due from other funds	18,215	-	-	-	-
TOTAL ASSETS	\$ 180,625	\$ 17,034	\$ 12,352	\$ 9,233	\$ 1,512
LIABILITIES					
Due to other funds	\$ -	\$ 106	\$ 118	\$ -	\$ -
TOTAL LIABILITIES	-	106	118	-	-
FUND BALANCES					
Restricted	180,625	16,928	12,234	9,233	1,512
TOTAL FUND BALANCES	180,625	16,928	12,234	9,233	1,512
TOTAL LIABILITIES AND FUND BALANCES	\$ 180,625	\$ 17,034	\$ 12,352	\$ 9,233	\$ 1,512

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2015

	Smith Cemetery	Riverside	Butterfield	Blake	Ctr. Mtg. House
ASSETS					
Cash and cash equivalents	\$ 2,549	\$ 12,440	\$ 1,409	\$ 13,227	\$ 9,590
Investments	-	-	-	-	-
Due from other funds	1	-	365	-	604
TOTAL ASSETS	<u>\$ 2,550</u>	<u>\$ 12,440</u>	<u>\$ 1,774</u>	<u>\$ 13,227</u>	<u>\$ 10,194</u>
LIABILITIES					
Due to other funds	\$ -	\$ 212	\$ -	\$ 990	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>212</u>	<u>-</u>	<u>990</u>	<u>-</u>
FUND BALANCES					
Restricted	2,550	12,228	1,774	12,237	10,194
TOTAL FUND BALANCES	<u>2,550</u>	<u>12,228</u>	<u>1,774</u>	<u>12,237</u>	<u>10,194</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,550</u>	<u>\$ 12,440</u>	<u>\$ 1,774</u>	<u>\$ 13,227</u>	<u>\$ 10,194</u>

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2015

	<u>Ministerial</u>	<u>Alice Knowlton</u>	<u>Perkins</u>	<u>Albert Knowles</u>	<u>Nadine DeWolfe</u>	<u>Farmington Cemetery</u>
ASSETS						
Cash and cash equivalents	\$ 12,020	\$ 21,093	\$ 1,129	\$ 2,865	\$ 48,699	\$ 36,403
Investments	-	-	-	-	-	448,826
Due from other funds	-	-	-	-	-	4,899
TOTAL ASSETS	<u>\$ 12,020</u>	<u>\$ 21,093</u>	<u>\$ 1,129</u>	<u>\$ 2,865</u>	<u>\$ 48,699</u>	<u>\$ 490,128</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,842
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,842</u>
FUND BALANCES						
Restricted	12,020	21,093	1,129	2,865	48,699	480,286
TOTAL FUND BALANCES	<u>12,020</u>	<u>21,093</u>	<u>1,129</u>	<u>2,865</u>	<u>48,699</u>	<u>480,286</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,020</u>	<u>\$ 21,093</u>	<u>\$ 1,129</u>	<u>\$ 2,865</u>	<u>\$ 48,699</u>	<u>\$ 490,128</u>

TOWN OF FARMINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2015

	Sumner P. Mills	Hippach Field	Howard	Other	Perpetual Flowers	Totals
ASSETS						
Cash and cash equivalents	\$ 29,440	\$ 4,130	\$ 2,973	\$ -	\$ 902	\$ 248,794
Investments	-	-	-	209	-	601,651
Due from other funds	-	-	-	-	2,636	26,720
TOTAL ASSETS	<u>\$ 29,440</u>	<u>\$ 4,130</u>	<u>\$ 2,973</u>	<u>\$ 209</u>	<u>\$ 3,538</u>	<u>\$ 877,165</u>
LIABILITIES						
Due to other funds	\$ 21,301	\$ -	\$ -	\$ -	\$ -	\$ 32,569
TOTAL LIABILITIES	<u>21,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,569</u>
FUND BALANCES						
Restricted	8,139	4,130	2,973	209	3,538	844,596
TOTAL FUND BALANCES	<u>8,139</u>	<u>4,130</u>	<u>2,973</u>	<u>209</u>	<u>3,538</u>	<u>844,596</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,440</u>	<u>\$ 4,130</u>	<u>\$ 2,973</u>	<u>\$ 209</u>	<u>\$ 3,538</u>	<u>\$ 877,165</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 PERMANENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Hippach Field	LA Smith	Cemetery	Weymouth	Webster
REVENUES					
Interest income	\$ 6,180	\$ 26	\$ 51	\$ 14	\$ 2
Investment income, net of unrealized gains/(losses)	(14,632)	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>(8,452)</u>	<u>26</u>	<u>51</u>	<u>14</u>	<u>2</u>
EXPENDITURES					
Other	2,563	106	446	-	-
TOTAL EXPENDITURES	<u>2,563</u>	<u>106</u>	<u>446</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,015)</u>	<u>(80)</u>	<u>(395)</u>	<u>14</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(11,015)	(80)	(395)	14	2
FUND BALANCES, JANUARY 1	<u>191,640</u>	<u>17,008</u>	<u>12,629</u>	<u>9,219</u>	<u>1,510</u>
FUND BALANCES, DECEMBER 31	<u>\$ 180,625</u>	<u>\$ 16,928</u>	<u>\$ 12,234</u>	<u>\$ 9,233</u>	<u>\$ 1,512</u>

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Smith Cemetery	Riverside	Butterfield	Blake	Ctr. Mtg. House
REVENUES					
Interest income	\$ 4	\$ 19	\$ 2	\$ 19	\$ 14
Investment income, net of unrealized gains/(losses)	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	4	19	2	19	14
EXPENDITURES					
Other	-	213	-	623	-
TOTAL EXPENDITURES	-	213	-	623	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4	(194)	2	(604)	14
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	4	(194)	2	(604)	14
FUND BALANCES, JANUARY 1	2,546	12,422	1,772	12,841	10,180
FUND BALANCES, DECEMBER 31	\$ 2,550	\$ 12,228	\$ 1,774	\$ 12,237	\$ 10,194

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Ministerial	Alice Knowlton	Perkins	Albert Knowles	Nadine DeWolfe	Farmington Cemetery
REVENUES						
Interest income	\$ 18	\$ 31	\$ 1	\$ 5	\$ 73	\$ 2
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	(9,699)
Other income	-	-	-	-	-	2,200
TOTAL REVENUES	18	31	1	5	73	(7,497)
EXPENDITURES						
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18	31	1	5	73	(7,497)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(15,000)
NET CHANGE IN FUND BALANCES	18	31	1	5	73	(22,497)
FUND BALANCES, JANUARY 1	12,002	21,062	1,128	2,860	48,626	502,783
FUND BALANCES, DECEMBER 31	\$ 12,020	\$ 21,093	\$ 1,129	\$ 2,865	\$ 48,699	\$ 480,286

TOWN OF FARMINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Sumner P. Mills	Hippach Field	Howard	Other	Perpetual Flowers	Totals
REVENUES						
Interest income	\$ 43	\$ 6	\$ 5	\$ 1	\$ 1	\$ 6,517
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	(24,331)
Other income	-	-	-	-	-	2,200
TOTAL REVENUES	43	6	5	1	1	(15,614)
EXPENDITURES						
Other	6,864	-	-	-	34	10,849
TOTAL EXPENDITURES	6,864	-	-	-	34	10,849
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,821)	6	5	1	(33)	(26,463)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(15,000)
NET CHANGE IN FUND BALANCES	(6,821)	6	5	1	(33)	(41,463)
FUND BALANCES, JANUARY 1	14,960	4,124	2,968	208	3,571	886,059
FUND BALANCES, DECEMBER 31	\$ 8,139	\$ 4,130	\$ 2,973	\$ 209	\$ 3,538	\$ 844,596

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 position.

TOWN OF FARMINGTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General government	\$ 120,329	\$ 1,188,203	\$ 48,520	\$ -	\$ 1,357,052
Public works	111,700	923,104	2,443,882	10,632,039	14,110,725
Parks and recreation	166,700	1,037,409	114,377	-	1,318,486
Public safety	24,600	127,982	2,567,504	-	2,720,086
Sewer	37,500	9,856,016	1,943,133	7,849,148	19,685,797
Town-wide	308,400	148,100	-	-	456,500
Total General Capital Assets	<u>769,229</u>	<u>13,280,814</u>	<u>7,117,416</u>	<u>18,481,187</u>	<u>39,648,646</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(12,256,200)</u>	<u>(4,842,000)</u>	<u>(12,744,105)</u>	<u>(29,842,305)</u>
Net General Capital Assets	<u>\$ 769,229</u>	<u>\$ 1,024,614</u>	<u>\$ 2,275,416</u>	<u>\$ 5,737,082</u>	<u>\$ 9,806,341</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, 2015

	General Capital Assets 1/1/15	Additions	Deletions	General Capital Assets 12/31/15
General government	\$ 1,260,426	\$ 96,626	\$ -	\$ 1,357,052
Public works	13,652,582	458,143	-	14,110,725
Parks and recreation	1,318,486	-	-	1,318,486
Public safety	2,724,139	25,600	(29,653)	2,720,086
Sewer	19,449,483	236,314	-	19,685,797
Town-wide	456,500	-	-	456,500
Total General Capital Assets	<u>38,861,616</u>	<u>816,683</u>	<u>(29,653)</u>	<u>39,648,646</u>
Less: Accumulated Depreciation	<u>(29,276,172)</u>	<u>(595,786)</u>	<u>29,653</u>	<u>(29,842,305)</u>
Net General Capital Assets	<u>\$ 9,585,444</u>	<u>\$ 220,897</u>	<u>\$ -</u>	<u>\$ 9,806,341</u>

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