

# TOWN OF FARMINGTON, CONNECTICUT



COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011

# **TOWN OF FARMINGTON, CONNECTICUT**

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
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JUNE 30, 2011

Department of Finance

Joseph Swetcky, Jr.  
Director of Finance

# **INTRODUCTORY SECTION**

**TOWN OF FARMINGTON, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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December 17, 2011

To Members of the Town Council and the Citizens of the Town of Farmington:

Connecticut State Statutes require that all municipal entities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report for the Town of Farmington, Connecticut, for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To have a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the Town's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town of Farmington's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Farmington financial statements have been audited by the firm of Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Farmington for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Farmington's financial statements for the year ended June 30, 2011 are fairly presented in conformance with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Town is required to undergo annual single audits in conformity with the provisions of Connecticut State Statutes, the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. Information related to these single audits, such as the schedules of state and federal financial assistance, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in separately issued single audit reports.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## **Government Profile**

The Town of Farmington was incorporated in 1645 from what was known as Tunxis Plantation, one of the largest single land grants in the Colonies. Known as the "Mother Town," Farmington subsequently was partitioned into the towns of Avon, Bristol, Plainville, New Britain, Berlin, Southington and Burlington. Today Farmington comprises 28.7 square miles along the Farmington River, lying ten miles west of Hartford and equidistant from the cities of Bristol and New Britain. The Town is bordered on the north by Avon, on the east by West Hartford, New Britain and Newington, on the south by Plainville, and on the west by Bristol and Burlington.

Farmington operates under the Council-Manager form of government. The Town Charter, which is the primary organizational document, was first adopted in 1947 and last revised in May of 2003. The seven-member Town Council is elected biennially for a term of two years and serves without compensation. Minority party representation of at least two council members is guaranteed. A Town Manager is appointed by the Council and serves as a full-time chief executive.

The Town provides a full range of services to its residents. These services include police and fire protection; a K-12 public education system; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. The Farmington Housing Authority, The Farmington Village Green & Library Association and The Farmington Woods Tax District have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

The annual budget is adopted through a town meeting/referendum process. Not later than 45 days before the Annual Town Meeting the Town Manager presents budget estimates to the Town Council. Not later than 14 days before the Annual Town Meeting the Town Council holds a public hearing on its proposed budget and then prepares its recommended budget. The recommended budget is then presented to the Annual Town Meeting. On the tenth day after the Annual Town Meeting, a referendum is held on the recommended budget as amended (if any) at the Annual Town Meeting. The budget becomes effective unless it is rejected by a majority of those voting at the referendum and if at least 15% of the registered voters have participated in the referendum. The annual budget is prepared in the format of fund, function and department. By Town Charter, the Town Manager may make transfers within a department but the Town Council must approve all transfers between departments.

## **Local Economy**

Farmington lies at the hub of major Interstate 84 interchanges, giving it a strong location advantage as a site for businesses in central Connecticut. The Town is the site of numerous financial and insurance institutions as well as a major regional shopping center. In addition to its attractiveness to businesses, the Town is also home to the University of Connecticut Health Center and John Dempsey Hospital.

The Health Center is the Town's largest employer, with over 5,300 employees. The Center is composed of the School of Medicine, the School of Dental Medicine, John Dempsey Hospital, the UConn Medical Group, UConn Health Partners and University Dentists. The Health Center offers degree programs in medicine, dental medicine and bio-medical science. It also offers master's degree programs in public health and dental science, postdoctoral fellowships and residency programs.

The unemployment rate for the Town during June 2011 was 6.8%. This was below the 9.1% average for the State of Connecticut and a decrease of .6% from a year ago. The unemployment rate is expected to continue to remain high both in Farmington and the State of Connecticut, as both slowly recover from the last recession. The recession, which began in December 2007 and ended in June 2009, impacted the Town primarily in the areas of building activity, property values and increased unemployment. These in turn slowed grand list growth, and increased local demand for social services.

### **Long-Term Financial Planning**

The Town has made a commitment to maintain and improve its land, buildings and equipment by adopting a five-year capital improvement plan that uses funding from annual appropriations, grants and debt issuance for road improvements, open space acquisition, fire fighting apparatus replacement and waste water infrastructure improvements.

### **Major Initiatives**

The Town undertook several major initiatives during the year. These included:

Appointed a sub-committee to review the operations of the Employee Self Insurance Fund;

Approved the appropriation of \$600,000 for a new pumper to replace Engine 10 at East Farmington Fire Station and the issuance of bonds in the same amount;

Authorized the issuance of up to \$15.0 million in refunding bonds;

Transferred \$622,423 from the Road Construction account to the Rails to Trails account;

Awarded a contract in the amount of \$720,360 for the replacement of the Hyde Road Pump Station;

Awarded a contract in the amount of \$707,000 for the construction of a multi-use trail from Route 4 to the Burlington Town Line;

Awarded a contract in the amount of \$360,925 for the acquisition of 7,250 rollout recycling containers for the Town's newly implemented single-stream recycling program;

Set a tax rate of 21.27 mills for the Fiscal Year beginning July 1, 2011;

Awarded a contract in the amount of \$624,360 for the acquisition of a rear mounted pumper engine to replace Engine 10 at East Farmington Fire Station;

Sent to referendum a resolution appropriating \$2.5 million for the construction of a low pressure sanitary sewer system for approximately 95 properties and the issuance of bonds in the same amount;

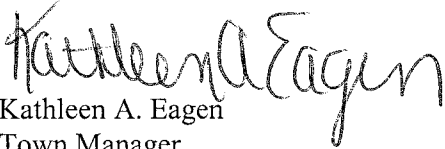
Approved a lease agreement in the amount of \$350,000 for the financing of the rollout recycling carts purchased for the Town's single-stream recycling program;


Refinanced a total of \$8,350,000 in outstanding long-term debt;

Issued \$3,200,000 million in new debt to pay for the acquisition of open space, road reconstruction and new fire apparatus;

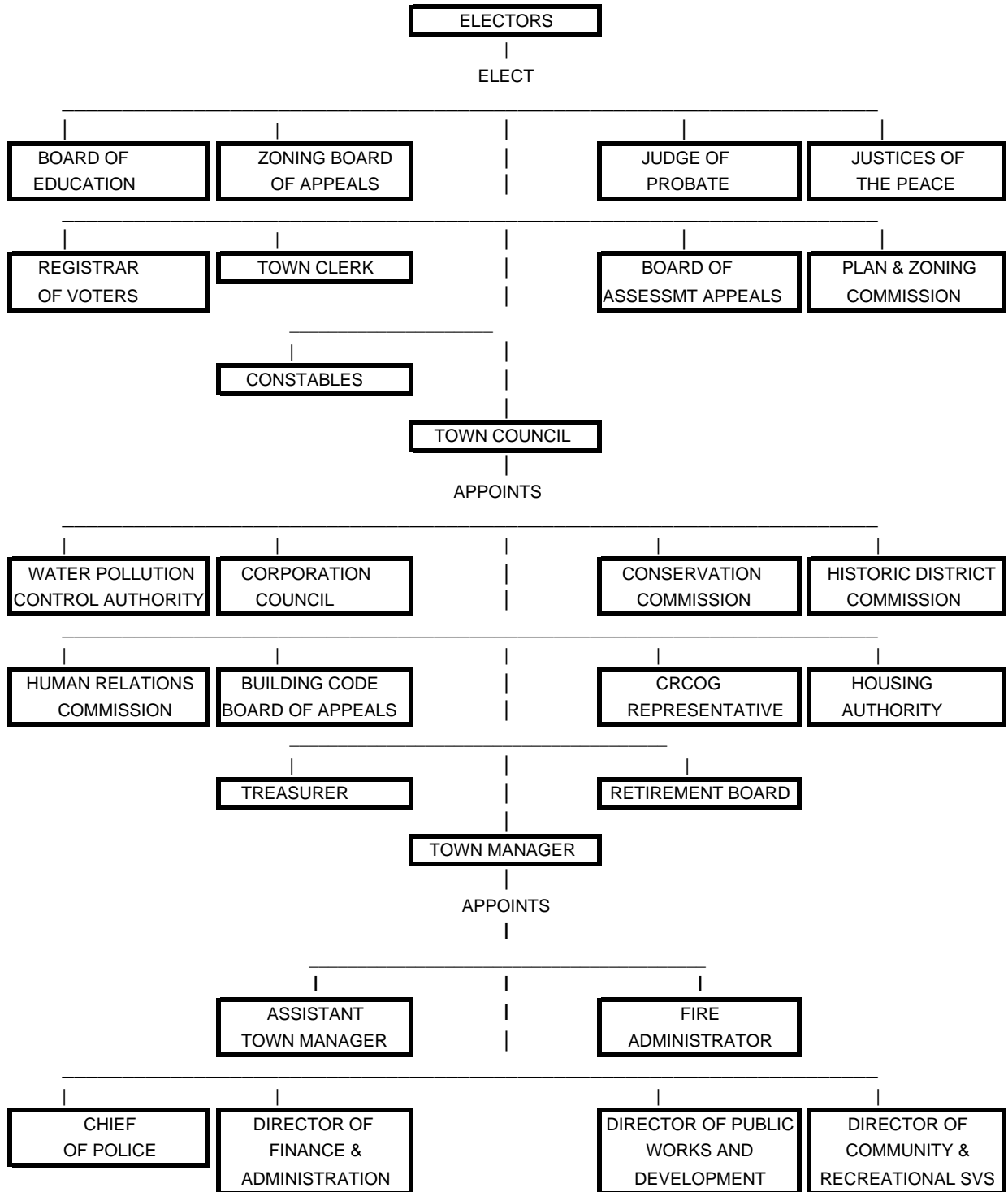
**Acknowledgments:** While the finance department is responsible for the preparation of the comprehensive annual financial report, staff from every town department in some way has contributed to the financial success of the Town and to the publication of this report.

Respectfully submitted,

  
Kathleen A. Eagen  
Town Manager

  
Joseph Swetcky, Jr.  
Finance Director/Treasurer

# TOWN OF FARMINGTON ORGANIZATION CHART



**TOWN OF FARMINGTON, CONNECTICUT**

**PRINCIPAL OFFICIALS**

**TOWN COUNCIL**

Michael Clark, Chairperson  
Michael V. Demicco  
Charles F. Keniston  
Nancy W. Nickerson  
Patricia H. Stoddard  
C.J. Thomas  
John W. Vibert

**BOARD OF EDUCATION**

Mary Grace Reed, Chairperson  
Betsy Kaplan, Vice Chair/Secretary  
William Beckert  
Ron Janeczko  
Jon Landry  
Melanie Meehan  
Paula O'Brien  
Ellen Siuta  
Heidi Steir

**APPOINTED OFFICIALS**

Kathleen A. Eagen, Town Manager  
Kathleen C. Greider, Superintendent of Schools  
Rome, McGuigan, P.C., Town Attorney  
Joseph Swetcky, Jr., Director of Finance/Treasurer  
Michael Ryan, School Business Administrator

# **FINANCIAL SECTION**



Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Members of Town Council  
Town of Farmington, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Farmington, Connecticut, as of and for the year ended June 30, 2011, which collectively comprise the Town of Farmington, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Farmington, Connecticut, as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2011 on our consideration of the Town of Farmington, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 11 and the budgetary comparisons for the General Fund and the Water Pollution Control Authority Fund on pages 54 through 58 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Farmington, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables 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 and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Blum, Shapiro & Company, P.C.*

December 17, 2011

**Town of Farmington, Connecticut  
Management's Discussion and Analysis  
June 30, 2011**

As management of the Town of Farmington, Connecticut, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Farmington for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal.

**Financial Highlights**

The assets of the Town of Farmington exceeded its liabilities at the close of the most recent fiscal year by \$88,428,456. Of this amount, \$17,509,749 may be used to meet the government's ongoing obligations to citizens and creditors.

The Town's total net assets increased by \$3,533,961. Net assets for the governmental activities increased \$3,661,918, while net assets for business-type activities decreased by \$127,957.

At the close of the current fiscal year, the Town of Farmington's governmental funds reported combined ending fund balances of \$18,022,192, an increase of \$2,847,153 in comparison with the prior year. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,388,642, or 8.4% of total General Fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Farmington's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplementary information.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Farmington's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Farmington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, education, public safety, public works and recreation. The business-type activities of the Town of Farmington include the Westwoods Golf Course.

The government-wide financial statements can be found on Exhibits I and II of this report.

**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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Farmington maintains 19 individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Water Pollution Control Authority Fund and the Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits III and IV of this report.

**Proprietary Funds.** The Town of Farmington maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Farmington uses enterprise funds to account for the Westwoods Golf Course and for waste collection and disposal. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for employee health insurance. Because this service predominately benefits governmental rather than

business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Westwoods Golf Course, Waste Collection Fund and employee health insurance are the only activities in the proprietary fund financial statements; therefore, they are considered major funds and information for them is shown separately.

The basic proprietary fund statements are can be found on Exhibits V through VII of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits VIII and IX of this report.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-53 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees.

The Town of Farmington adopts an annual budget for its General Fund and Water Pollution Control Authority Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budget.

Required supplementary information can be found on pages 54-58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the information on Major Governmental Funds. Combining fund statements and schedules can be found on pages 59-71.

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$88,428,456 at the close of the most recent fiscal year.

By far, the largest portion of the Town of Farmington's net assets is its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**NET ASSETS**  
**June 30, 2011 and 2010**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Current assets	\$ 26,003,731	\$ 21,897,630	\$ 240,082	\$ 63,885	\$ 26,243,813	\$ 21,961,515
Capital assets	130,867,355	134,106,059	1,300,871	1,219,346	132,168,226	135,325,405
Noncurrent assets	525,559	443,442			525,559	443,442
Total assets	<u>157,396,645</u>	<u>156,447,131</u>	<u>1,540,953</u>	<u>1,283,231</u>	<u>158,937,598</u>	<u>157,730,362</u>
Current liabilities	4,709,680	4,503,737	735,674	433,771	5,445,354	4,937,508
Noncurrent liabilities	64,258,509	67,176,856	83,776		64,342,285	67,176,856
Total liabilities	<u>68,968,189</u>	<u>71,680,593</u>	<u>819,450</u>	<u>433,771</u>	<u>69,787,639</u>	<u>72,114,364</u>
Invested in capital assets, net of related debt	70,918,707	70,786,142	1,217,095	1,219,346	72,135,802	72,005,488
Unrestricted	<u>17,509,749</u>	<u>13,980,396</u>	<u>(495,592)</u>	<u>(369,886)</u>	<u>17,014,157</u>	<u>13,610,510</u>
Total Net Assets	<u>\$ 88,428,456</u>	<u>\$ 84,766,538</u>	<u>\$ 721,503</u>	<u>\$ 849,460</u>	<u>\$ 89,149,959</u>	<u>\$ 85,615,998</u>

Unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.

During the fiscal year, the government's net assets increased by \$3,533,961. The increase is attributable to unrestricted asset growth.

**CHANGES IN NET ASSETS  
For the Years Ended June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 9,813,772	\$ 10,065,320	\$ 2,076,083	\$ 2,122,877	\$ 11,889,855	\$ 12,188,197
Operating grants and contributions	10,747,054	9,743,514			10,747,054	9,743,514
Capital grants and contributions	2,309,334	3,588,534			2,309,334	3,588,534
General revenues:						
Property taxes	76,149,789	73,052,220			76,149,789	73,052,220
Grants and contributions not restricted to specific programs	3,667,528	4,073,474			3,667,528	4,073,474
Investment income	259,363	243,739	504	1,477	259,867	245,216
Miscellaneous	129,466	127,002	27,695	19,512	157,161	146,514
Total revenues	<u>103,076,306</u>	<u>100,893,803</u>	<u>2,104,282</u>	<u>2,143,866</u>	<u>105,180,588</u>	<u>103,037,669</u>
Expenses:						
Education	64,652,411	63,021,971			64,652,411	63,021,971
Public safety	11,260,073	11,700,832			11,260,073	11,700,832
Public works	8,109,725	7,270,315			8,109,725	7,270,315
Culture and recreation	2,123,408	2,732,501			2,123,408	2,732,501
Human services	24,935	20,764			24,935	20,764
General administration	6,887,454	7,604,911			6,887,454	7,604,911
Plant operations	4,213,197	3,997,886			4,213,197	3,997,886
Debt service	2,143,185	2,435,367			2,143,185	2,435,367
Waste Collection			1,490,559	1,411,865	1,490,559	1,411,865
Golf Course			741,680	767,564	741,680	767,564
Total expenses	<u>99,414,388</u>	<u>98,784,547</u>	<u>2,232,239</u>	<u>2,179,429</u>	<u>101,646,627</u>	<u>100,963,976</u>
Change in net assets	3,661,918	2,109,256	(127,957)	(35,563)	3,533,961	2,073,693
Net Assets - July 1	<u>84,766,538</u>	<u>82,657,282</u>	<u>849,460</u>	<u>885,023</u>	<u>85,615,998</u>	<u>83,542,305</u>
Net Assets - June 30	<u>\$ 88,428,456</u>	<u>\$ 84,766,538</u>	<u>\$ 721,503</u>	<u>\$ 849,460</u>	<u>\$ 89,149,959</u>	<u>\$ 85,615,998</u>

## **Governmental Activities**

Governmental activities increased the Town of Farmington's net assets by \$3,661,918 thereby accounting for all of the growth in the net assets of the Town. Key elements of this increase are:

Approximately 74% of all revenues were derived from property taxes, followed by 10% from operating grants and contributions.

Charges for Services revenue decreased by 2.5%.

Grants from all sources and for all purposes made up 16.2% of all revenue. This was a decrease of 1% from the previous year.

Investment income increased slightly for the first time in four years despite continuing low interest rates.

In total, expenses increased .1% over the prior year. Education (4.0), Public Works (11.5%) and Plant Operations (5.3%) experienced increases over the previous fiscal year.

Public Safety (-3.8%), General Administration (-15.1%), Culture and Recreation (-22.3%) and Debt Service (-12.0%) all had decreases in expenses from the previous year.

## **Financial Analysis of the Fund Financial Statements**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

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

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund's total fund balance was \$8,137,511. Of this amount, \$748,869 is assigned for encumbrances and the subsequent year's budget. The remaining balance of \$7,388,642 is unassigned.

The Town's General Fund fund balance increased by \$69,105 by the end of the fiscal year. The assigned fund balance increased by \$146,215, while the unassigned fund balance decreased by \$77,110.

The Water Pollution Control Fund had a fund balance of \$1,679,616 at the end of the fiscal year, a decrease of \$417,349 from the prior year. The decrease is the result of actual expenditures and operating transfers out exceeding operating revenues and transfers in. During the year, an unbudgeted transfer was made to the capital improvement fund in order to replace an aging pump station.

### **Proprietary Funds**

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Town has three proprietary funds, the Westwoods Golf Course, the Waste Collection Fund and an internal service fund used for employee health insurance.

Unrestricted net assets of the Westwoods Golf Course Fund at the end of the year amounted to (\$601,323), a decrease of \$169,514. This is the sixth year out of the last seven that the operations at the golf course resulted in a decrease in net assets.

The Waste Collection Fund was established in Fiscal Year 2009/2010 in order to account for the costs of collecting and disposing of solid and bulky waste and recyclables. At fiscal year end Unrestricted Net Assets equaled \$94,379, an increase of \$32,456. This was a result of charges for services and other revenue exceeding operating expenses.

### **General Fund Budgetary Highlights**

For the fiscal year ended June 30, 2011, actual revenues and operating transfers in totaled \$84,281,044 while actual expenditures and operating transfers out totaled \$84,509,518. The excess of expenditures and operating transfers out over revenues and operating transfers in resulted in a decrease of \$228,474 to budgetary fund equity. A detailed schedule of revenues and expenditures, budget and actual, can be found on pages 54-57 of this report.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

The Town's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2011 amounted to \$130,867,355 and \$1,300,871, respectively. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways and bridges.

**CAPITAL ASSETS (Net of Depreciation)**  
**June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 31,255,582	\$ 31,189,309	\$ 1,185,750	\$ 1,185,750	\$ 32,441,332	\$ 32,375,059
Improvements	3,947,175	4,196,595			3,947,175	4,196,595
Buildings	56,999,394	59,680,627			56,999,394	59,680,627
Machinery and equipment	2,303,889	2,215,212	115,121	33,596	2,419,010	2,248,808
Infrastructure	34,534,340	35,919,614			34,534,340	35,919,614
Construction in Progress	1,826,975	904,702			1,826,975	904,702
<b>Total</b>	<b>\$ 130,867,355</b>	<b>\$ 134,106,059</b>	<b>\$ 1,300,871</b>	<b>\$ 1,219,346</b>	<b>\$ 132,168,226</b>	<b>\$ 135,325,405</b>

Additional information on the Town's capital asset activity can be found in Note 3C.

**Long-Term Debt**

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$56,375,000. All of the debt is backed by the full faith and credit of the Town.

**OUTSTANDING DEBT**  
**June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 56,375,000	\$ 58,750,000	\$	\$	\$ 56,375,000	\$ 58,750,000
Loans payable	3,054,626	4,092,096			3,054,626	4,092,096
<b>Total</b>	<b>\$ 59,429,626</b>	<b>\$ 62,842,096</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,429,626</b>	<b>\$ 62,842,096</b>

The Town's total debt had a net decrease of \$3,412,470 during the current fiscal year. The decrease was a result of the Town paying its scheduled debt service and refinancing some outstanding long-term debt. During the year, \$5,587,102 in outstanding debt was retired, \$3,200,000 in new debt was issued and \$8,350,000 in outstanding debt was refinanced.

The Town's credit rating for all of its general obligation debt is AAA by Moody's Investor Services. This rating was reaffirmed by Moody's Investor Services in June 2011.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior year tax collections. The current statutory debt limitation for the Town is \$533,281,119, which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 3E.

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

The Town's unemployment rate was 6.8% as of June 2011, a decrease of .6% from June 2010. The June 2011 rate remains significantly lower than the Hartford Labor Market Area rate of 9.2% and the State of Connecticut rate of 9.1%.

To continue to take advantage of low interest rates, the Town refinanced \$8,350,000 in outstanding debt in June 2011. The Town sold the refinancing bonds through a negotiated sale. Through this effort the Town was able to save \$271,233 in interest costs over the remaining term of the debt.

As of June 30, 2011, the unassigned fund balance in the General Fund was \$7,388,642. The Town appropriated \$500,000 of this amount for the 2011-2012 fiscal year budget.

The Town Council adopted a budget for FY2011/2012 that was 3.22% higher than the previous year's budget. This budget required a tax rate of 21.27 mills, which is .81 mills more than the prior year and resulted in a tax increase of 3.97%. The budget was approved by the voters at referendum on the second attempt.

### **Requests for Information**

This financial report is designed to provide a general overview for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Town of Farmington, One Monteith Drive, Farmington, CT 06032.

**BASIC  
FINANCIAL  
STATEMENTS**

## TOWN OF FARMINGTON, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2011

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 20,438,475	\$ 191,539	\$ 20,630,014
Investments	802,182		802,182
Receivables, net of allowance:			
Property taxes	334,651		334,651
Other	1,359,832	10,109	1,369,941
Assessments	758,127		758,127
Due from other governments	1,757,248		1,757,248
Inventory	28,014		28,014
Prepays	6,194	38,434	44,628
Due from Fiduciary Fund	18,180		18,180
Internal balances	500,828	(500,828)	-
Noncurrent assets:			
Capital assets, nondepreciable	33,082,557	1,185,750	34,268,307
Capital assets, net of accumulated depreciation	97,784,798	115,121	97,899,919
Deferred costs	525,559		525,559
Total assets	<u>157,396,645</u>	<u>1,040,125</u>	<u>158,436,770</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	2,690,242	116,624	2,806,866
Accrued interest	524,052		524,052
Unearned revenue	1,495,386	118,222	1,613,608
Noncurrent liabilities:			
Due within one year	7,178,832	11,352	7,190,184
Due in more than one year	57,079,677	72,424	57,152,101
Total liabilities	<u>68,968,189</u>	<u>318,622</u>	<u>69,286,811</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	70,918,707	1,217,095	72,135,802
Unrestricted	17,509,749	(495,592)	17,014,157
Total Net Assets	<u>\$ 88,428,456</u>	<u>\$ 721,503</u>	<u>\$ 89,149,959</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF FARMINGTON, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
Education	\$ 64,652,411	\$ 3,272,594	\$ 9,778,162	\$ 102,822	\$ (51,498,833)		\$ (51,498,833)
Public safety	11,260,073	933,015	121,597		(10,205,461)		(10,205,461)
Public works	8,109,725	3,886,906	242,453	2,091,207	(1,889,159)		(1,889,159)
Culture and recreation	2,123,408	532,258	13,260		(1,577,890)		(1,577,890)
Human services	24,935	10,560	493,907		479,532		479,532
General administration	6,887,454	1,178,439	35,227	115,305	(5,558,483)		(5,558,483)
Plant operations	4,213,197				(4,213,197)		(4,213,197)
Interest expense	2,143,185		62,448		(2,080,737)		(2,080,737)
Total governmental activities	<u>99,414,388</u>	<u>9,813,772</u>	<u>10,747,054</u>	<u>2,309,334</u>	<u>(76,544,228)</u>	<u>-</u>	<u>(76,544,228)</u>
Business-type activities:							
Westwoods Fund	741,680	573,298				(168,382)	(168,382)
Waste Collection Fund	1,490,559	1,502,785				12,226	12,226
Total business type activities	<u>2,232,239</u>	<u>2,076,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(156,156)</u>	<u>(156,156)</u>
Total Primary Government	<u>\$ 101,646,627</u>	<u>\$ 11,889,855</u>	<u>\$ 10,747,054</u>	<u>\$ 2,309,334</u>	<u>(76,544,228)</u>	<u>(156,156)</u>	<u>(76,700,384)</u>
General revenues:							
Property taxes					76,149,789		76,149,789
Grants and contributions not restricted to specific programs					3,667,528		3,667,528
Unrestricted investment earnings					259,363	504	259,867
Miscellaneous					129,466	27,695	157,161
Total general revenues					<u>80,206,146</u>	<u>28,199</u>	<u>80,234,345</u>
Change in net assets					3,661,918	(127,957)	3,533,961
Net Assets at Beginning of Year					<u>84,766,538</u>	<u>849,460</u>	<u>85,615,998</u>
Net Assets at End of Year					<u>\$ 88,428,456</u>	<u>\$ 721,503</u>	<u>\$ 89,149,959</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF FARMINGTON, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<u>General</u>	<u>Water Pollution Control Authority</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 14,167,151	\$ 2,229,065	\$	\$ 1,653,626	\$ 18,049,842
Investments				802,182	802,182
Receivables:					
Property taxes receivable, net	334,651				334,651
Due from other governments	222,116		211,488	348,128	781,732
Sewer assessments	728,331	29,796			758,127
Other receivables	891,093	15,807		161,773	1,068,673
Due from other funds	1,731,488		6,409,499	209,845	8,350,832
Prepaid assets				6,194	6,194
Inventories				28,014	28,014
Total Assets	<u>\$ 18,074,830</u>	<u>\$ 2,274,668</u>	<u>\$ 6,620,987</u>	<u>\$ 3,209,762</u>	<u>\$ 30,180,247</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 945,524	\$ 78,467	\$ 542,300	\$ 149,803	\$ 1,716,094
Accrued liabilities		16,799			16,799
Due to other funds	6,796,078	398,611		602,276	7,796,965
Deferred revenue	2,195,717	101,175		331,305	2,628,197
Total liabilities	<u>9,937,319</u>	<u>595,052</u>	<u>542,300</u>	<u>1,083,384</u>	<u>12,158,055</u>
Fund balances:					
Nonspendable				34,208	34,208
Restricted			6,078,687	1,098,937	7,177,624
Committed		1,679,616		1,005,092	2,684,708
Assigned	748,869				748,869
Unassigned	7,388,642			(11,859)	7,376,783
Total fund balances	<u>8,137,511</u>	<u>1,679,616</u>	<u>6,078,687</u>	<u>2,126,378</u>	<u>18,022,192</u>
Total Liabilities and Fund Balances	<u>\$ 18,074,830</u>	<u>\$ 2,274,668</u>	<u>\$ 6,620,987</u>	<u>\$ 3,209,762</u>	<u>\$ 30,180,247</u>

(Continued on next page)

## TOWN OF FARMINGTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

## Reconciliation of the Balance Sheet to the Statement of Net Assets - Governmental Funds:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 18,022,192
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 236,344,105	
Less accumulated depreciation	(105,476,750)	
Net capital assets	<u>130,867,355</u>	130,867,355

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Bond costs	559,192	
Less current year amortization	(33,633)	
Net bond costs	<u>525,559</u>	525,559
Property taxes receivable greater than 60 days		241,463
Sewer usage		45,603
Loans receivable		117,414
Interest receivable on property taxes		60,237
Assessments receivable		728,331
Receivable from the State for school construction projects		1,206,438

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.

	1,396,425
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(56,375,000)
Deferred charges on refunding	2,138,244
Premium on bond refunding	(2,448,990)
Interest payable on bonds	(524,052)
Loans payable	(3,054,626)
Other post employment benefit obligation	(1,827,729)
Capital lease payable	(208,276)
Net pension obligation	(402,453)
Compensated absences	<u>(2,079,679)</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 88,428,456</u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF FARMINGTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Water Pollution Control Authority</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes, interest and lien fees	\$ 76,077,290	\$	\$	\$	\$ 76,077,290
Intergovernmental revenues	10,574,352		1,172,222	3,884,095	15,630,669
Charges for current services	1,160,070	3,823,894		3,816,379	8,800,343
Sewer assessments		16,059			16,059
Licenses and permits	479,766	7,050			486,816
Fines and penalties	41,713				41,713
Net investment income	105,713	5,089		145,997	256,799
Other local revenues	300,523	7,742	77,374	1,364,582	1,750,221
Total revenues	<u>88,739,427</u>	<u>3,859,834</u>	<u>1,249,596</u>	<u>9,211,053</u>	<u>103,059,910</u>
Expenditures:					
Current:					
Education	55,572,545			7,287,913	62,860,458
Public safety	8,465,647			500	8,466,147
Public works	3,819,074				3,819,074
Culture and recreation	778,032			949,451	1,727,483
Human resources					-
Plant operations		2,720,153			2,720,153
General government	5,250,988				5,250,988
Pension and other employee benefits	5,081,050				5,081,050
Other				653,862	653,862
Debt service	8,974,100	228,035			9,202,135
Capital outlay			3,589,554	292,967	3,882,521
Total expenditures	<u>87,941,436</u>	<u>2,948,188</u>	<u>3,589,554</u>	<u>9,184,693</u>	<u>103,663,871</u>
Excess (Deficiency) of Revenues over Expenditures	<u>797,991</u>	<u>911,646</u>	<u>(2,339,958)</u>	<u>26,360</u>	<u>(603,961)</u>
Other Financing Sources (Uses):					
Issuance of general obligation bonds			3,200,000		3,200,000
Issuance of refunding bonds	8,350,000				8,350,000
Premium on debt	746,600				746,600
Payment to refunded bond escrow agent	(8,845,486)				(8,845,486)
Transfers in from other funds			2,766,309		2,766,309
Transfers out to other funds	(980,000)	(1,328,995)		(457,314)	(2,766,309)
Total other financing sources (uses)	<u>(728,886)</u>	<u>(1,328,995)</u>	<u>5,966,309</u>	<u>(457,314)</u>	<u>3,451,114</u>
Net Change in Fund Balances	69,105	(417,349)	3,626,351	(430,954)	2,847,153
Fund Balances at Beginning of Year	<u>8,068,406</u>	<u>2,096,965</u>	<u>2,452,336</u>	<u>2,557,332</u>	<u>15,175,039</u>
Fund Balances at End of Year	<u>\$ 8,137,511</u>	<u>\$ 1,679,616</u>	<u>\$ 6,078,687</u>	<u>\$ 2,126,378</u>	<u>\$ 18,022,192</u>

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## TOWN OF FARMINGTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because  
of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 2,847,153
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost  
of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,655,337
Depreciation expense	(5,392,562)

The statement of activities reports losses arising from the disposals of existing capital assets. Conversely, governmental funds do not report any gain or loss on capital assets.	(19,841)
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Donations of capital assets increase net assets in the statement of activities, but do not funds because they are appear in the governmental funds because they are not financial resources.	518,362
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Revenues in the statement of activities that do not provide current financial resources are not reported  
as revenues in the funds.

Property taxes collected after 60 days	59,125
Sewer usage revenue	2,008
Interest income on property taxes	13,374
Assessment revenue	(153,962)
Intergovernmental revenue on school bonds	(425,075)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds,  
while the repayment of the principal of long-term debt consumes the current financial resources of governmental  
funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect  
of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts  
are deferred and amortized in the statement of activities. This amount is the net effect of these  
differences in the treatment of long-term debt and related items.

General obligation bonds issued	(3,200,000)
Refunding bonds issued	(8,350,000)
Deferred charges on refunding	620,486
Bond issuance costs and premium and amortization, net	102,936
Premium on general obligation bonds	(151,262)
Premium on bonds refunded	(595,338)
Accrued interest	154,450
Principal payments on bonds, notes and leases	15,026,564

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.

Change in long-term compensated absences	74,752
Change in net pension obligation	(61,566)
Change in net other post employment benefit obligation	(466,108)

The net income of the internal service funds is reported with governmental activities.	<u>1,403,085</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 3,661,918</u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF FARMINGTON, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2011

	Business-Type Activities			Governmental
	Enterprise Funds		Total	Activities
	Westwoods Fund	Waste Collection Fund	Business-Type Activities	Internal Service Fund
Assets:				
Current assets:				
Cash and cash equivalents	\$ 191,539	\$	\$ 191,539	\$ 2,388,633
Accounts receivable		10,109	10,109	
Due from other funds		176,734	176,734	
Prepaid items		38,434	38,434	
Total current assets	<u>191,539</u>	<u>225,277</u>	<u>416,816</u>	<u>2,388,633</u>
Noncurrent assets:				
Capital assets, nondepreciable	1,185,750		1,185,750	
Capital assets, net of accumulated depreciation	<u>115,121</u>		<u>115,121</u>	
Total assets	<u>1,492,410</u>	<u>225,277</u>	<u>1,717,687</u>	<u>2,388,633</u>
Liabilities:				
Current liabilities:				
Accounts payable	22,147	89,835	111,982	61,856
Claims payable			-	895,493
Accrued liabilities	4,642		4,642	
Capital lease	11,352		11,352	
Due to other funds	677,562		677,562	34,859
Deferred revenue	<u>77,159</u>	<u>41,063</u>	<u>118,222</u>	
Total current liabilities	<u>792,862</u>	<u>130,898</u>	<u>923,760</u>	<u>992,208</u>
Noncurrent liabilities:				
Capital lease	<u>72,424</u>		<u>72,424</u>	
Total liabilities	<u>865,286</u>	<u>130,898</u>	<u>996,184</u>	<u>992,208</u>
Net Assets:				
Invested in capital assets, net of related debt	1,217,095		1,217,095	
Unrestricted	<u>(589,971)</u>	<u>94,379</u>	<u>(495,592)</u>	<u>1,396,425</u>
Total Net Assets	<u>\$ 627,124</u>	<u>\$ 94,379</u>	<u>\$ 721,503</u>	<u>\$ 1,396,425</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF FARMINGTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities			Governmental
	Enterprise Funds		Total	Activities
	Westwoods Fund	Waste Collection Fund	Business-Type Activities	Internal Service Fund
Operating Revenues:				
Charges for services	\$ 573,298	\$ 1,502,785	\$ 2,076,083	\$
Other	7,465	20,230	27,695	2,411
Contributions				11,076,043
Total operating revenues	<u>580,763</u>	<u>1,523,015</u>	<u>2,103,778</u>	<u>11,078,454</u>
Operating Expenses:				
Claims				9,677,933
Operations	734,724	1,490,559	2,225,283	
Depreciation expense	6,956		6,956	
Total operating expenses	<u>741,680</u>	<u>1,490,559</u>	<u>2,232,239</u>	<u>9,677,933</u>
Operating Income (Loss)	(160,917)	32,456	(128,461)	1,400,521
Nonoperating Revenues:				
Interest	<u>504</u>		<u>504</u>	<u>2,564</u>
Change in Net Assets	(160,413)	32,456	(127,957)	1,403,085
Net Assets at Beginning of Year	<u>787,537</u>	<u>61,923</u>	<u>849,460</u>	<u>(6,660)</u>
Net Assets at End of Year	<u>\$ 627,124</u>	<u>\$ 94,379</u>	<u>\$ 721,503</u>	<u>\$ 1,396,425</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF FARMINGTON, CONNECTICUT

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities			Governmental
	Enterprise Funds		Total	Activities
	Westwoods Fund	Waste Collection Fund	Business-Type Activities	Internal Service Fund
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 582,167	\$ 1,508,624	\$ 2,090,791	\$ 11,078,454
Payments to suppliers	(729,516)	(1,508,624)	(2,238,140)	(10,036,790)
Payments for interfund services used	285,822		285,822	71,509
Net cash provided by operating activities	138,473	-	138,473	1,113,173
Cash Flows from Capital and related financing activities:				
Payment on capital lease	(4,705)		(4,705)	
Cash Flows from Investing Activities:				
Interest on investments	504		504	2,564
Net Increase in Cash and Cash Equivalents	134,272	-	134,272	1,115,737
Cash and Cash Equivalents at Beginning of Year	57,267	-	57,267	1,272,896
Cash and Cash Equivalents at End of Year	\$ 191,539	\$ -	\$ 191,539	\$ 2,388,633
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (160,917)	\$ 32,456	\$ (128,461)	\$ 1,400,521
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	6,956		6,956	
Change in assets and liabilities:				
Increase in accounts receivable		(3,491)	(3,491)	
Increase in prepaid items		(38,434)	(38,434)	
Increase in loans from other funds	285,822		285,822	71,509
Decrease in loans to other funds		(29,693)	(29,693)	
Increase in deferred revenue	1,404	18,793	20,197	
Increase in accounts payable and accrued expenses	5,208	20,369	25,577	61,856
Decrease in claims payable				(420,713)
Total adjustments	299,390	(32,456)	266,934	(287,348)
Net Cash Provided by Operating Activities	\$ 138,473	\$ -	\$ 138,473	\$ 1,113,173

The accompanying notes are an integral part of the financial statements

## TOWN OF FARMINGTON, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2011

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ _____	\$ <u>1,407,408</u>
Investments:		
Insurance company separate accounts:		
Guaranteed deposit account	6,879,360	
Fixed income	18,372,873	
Domestic equities	26,618,996	
International equities	10,097,357	
Real estate investment trust	2,665,584	
Total investments	<u>64,634,170</u>	<u>-</u>
 Total assets	 <u>64,634,170</u>	 <u>\$ 1,407,408</u>
Liabilities:		
Fiduciary deposits		\$ 1,407,408
Accounts payable	35,780	
Due to general fund	<u>18,180</u>	
 Total liabilities	 <u>53,960</u>	 <u>\$ 1,407,408</u>
Net Assets:		
Held in Trust for Pension Benefits	<u>\$ 64,580,210</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF FARMINGTON, CONNECTICUT

## PENSION TRUST FUND

## STATEMENT OF CHANGES IN PLAN NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

Additions:		
Contributions:		
Employer	\$	1,950,000
Plan members		1,151,265
Other		4,466
Total contributions		<u>3,105,731</u>
Investment income:		
Net appreciation in fair value of investments		8,841,592
Interest		1,107,910
Dividends		630,888
Operating income		140,413
		<u>10,720,803</u>
Less investment expense		372,520
Net investment income		<u>10,348,283</u>
Total additions		<u>13,454,014</u>
Deductions:		
Benefits		3,918,395
Administrative expense		73,365
Total deductions		<u>3,991,760</u>
Change in Net Assets		9,462,254
Net Assets at Beginning of Year		<u>55,117,956</u>
Net Assets at End of Year	\$	<u><u>64,580,210</u></u>

The accompanying notes are an integral part of the financial statements

# TOWN OF FARMINGTON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Town of Farmington, Connecticut (the Town) was settled in 1640 and incorporated in 1645. Its current charter was adopted in 1947 and amended as of 2003. The Town operates under a Council-Manager form of government. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

The Farmington Housing Authority (the Authority) has been determined to be a related organization of the Town of Farmington, Connecticut, as the governing body of the Authority is appointed by the Town. The Farmington Housing Authority is not included in this report, as the Town is not obligated to finance any deficit that the Authority may incur, nor does the Town significantly subsidize the Authority; the Town obtains no financial benefit, nor can it impose its will upon the Authority.

#### B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

## TOWN OF FARMINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirement of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Agency funds use the accrual basis of accounting, but have no measurement focus since they report only assets and liabilities.

The Town reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Water Pollution Control Authority Fund* accounts for sewer assessments, user charges and sewer plant operations. The fund's major source of revenue comes from assessments and user charges.

The *Capital Projects Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the capital projects fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

The Town reports the following major proprietary funds:

The *Westwoods Fund* is a proprietary (enterprise) fund used to account for the operation and maintenance of the Westwoods Golf Course, which is owned by the Town and is primarily supported through charges to customers.

The *Waste Collection Fund* is a proprietary (enterprise) fund used to account for the operation and maintenance of Waste Collection and Recycling within the Town and is primarily supported through charges to customers.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* is used to account for the Town's self-insurance program for accident and health insurance coverage of Town and Board of Education employees.

The *Pension Trust Fund* is used to account for the activities of the Town's defined benefit plan which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for the various student activities and clubs and contractors deposits.

## TOWN OF FARMINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

#### **C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

#### **D. Investments**

Investments are stated at fair value.

## TOWN OF FARMINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **E. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

#### **F. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property tax receivables are shown net of an allowance for uncollectibles.

#### **G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$25,000 and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Property, plant and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land improvements	20-30
Irrigation system	15
Buildings	25-40
Sewage treatment plant	25
Pump station and drainage	30
Vehicles	5-15
Construction equipment	10
School equipment	10-12
Public safety equipment	5-10
Office equipment	10
Roads	40
Bridges	50

**H. Net Pension Obligation/Net Other Post-Employment Benefit (OPEB) Obligation**

The net pension obligation/net OPEB obligation represents the cumulative difference between the annual pension/OPEB cost and the Town's contributions to the plans. The amounts are calculated on an actuarial basis and are recorded as noncurrent liabilities in the government-wide financial statements.

**I. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

**J. Compensated Absences**

Under the terms of various union contracts, Town and Board of Education employees are granted vacation in varying amounts based on length of service. Town and noncertified Board of Education employees may carry over five unused vacation days to subsequent years. Police may carry over vacation days equal to the number of days the employee was entitled to for the present year. In the event of termination of employment, employees are reimbursed for accumulated vacation.

Town employees covered by the union agreement accumulate 1¼ sick days per month up to a maximum of 150 working days. Employees receive 35% of accumulated sick leave upon retirement or 25% upon termination of employment after at least five years of service in good standing.

## TOWN OF FARMINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Firefighters covered by the union agreement receive 35% of accumulated sick leave upon retirement. They receive no accumulated sick leave upon resignation or termination.

Employees not covered by the union agreement are not compensated for accumulated sick leave upon retirement or termination of employment. Sick leave is expensed when incurred.

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **K. Equity**

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - This component consists of net assets subject to restrictions that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no restricted net assets.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council).

## TOWN OF FARMINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Town Council or Finance Director to assign amounts by the Town Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

#### **L. Property Taxes**

The Town's property tax is levied each July 1 on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in July, the legal right to attach property does not exist until August 1. Taxes are due and payable in two installments, on July 1 following the date of the Grand List and on January 1 of the subsequent year.

Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1.

Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

#### **M. Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**N. Fund Balance Deficits**

The Special Projects Education Fund has a deficit balance of \$11,859 and will be funded by future grant receipts and donations.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The Town uses the following procedures in establishing the budgetary data included in the financial statements. No later than 45 days before the annual town meeting, the Town Manager submits a proposed budget for the General Fund to the Town Council. On the third Monday in April, the budget is presented to the annual town meeting; 10 days thereafter, the budget is voted for at a Town-wide referendum. Town management may transfer amounts between line items within a department, but only the Town Council is authorized to transfer the legally budgeted amounts between departmental accounts. In this function, departmental budget accounts serve as the level of management control. Formal legally adopted annual budgets are employed as a management control device in the General Fund (including capital expenditures) and the Water Pollution Control Authority (WPCA) special revenue funds. The legal level of budgetary control is at the fund level for the WPCA.

All unencumbered appropriations lapse at year-end, except for those for capital expenditures. Appropriations for these expenditures are continued until completion of applicable projects, which often last more than one fiscal year.

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance, depending on the level of restriction.

During the year, no supplemental budgetary appropriations were made.

As explained above, the Town's budgetary fund structure accounts for certain transactions differently than reporting in conformity with GAAP. A reconciliation of these differences at June 30, 2011 can be found at RSI-1 and RSI-2.

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**3. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

**Deposits**

*Deposit Custodial Credit Risk* - Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$14,931,495 of the Town's bank balance of \$17,698,170 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 13,317,662
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,613,833</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 14,931,495</u>

**Cash Equivalents**

At June 30, 2011, the Town's cash equivalents amounted to \$5,510,056. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard and Poor's</u>	<u>Fitch Ratings</u>
State Tax Exempt Proceeds Fund*		
State Short-Term Investment Fund (STIF)	AAAm	
Cutwater Asset Management		AAAm

\*Not rated

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Investments**

As of June 30, 2011, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>	
			<u>Less Than 1</u>	<u>1 -10</u>
Interest-bearing investments:				
U.S. Treasury bonds	N/A	\$ 197,738	\$	\$ 197,738
U.S. Treasury notes	N/A	<u>604,444</u>	<u>604,444</u>	
		802,182	<u>\$ 604,444</u>	<u>\$ 197,738</u>
Other investments:				
Insurance company general accounts		6,879,360		
Insurance company separate accounts		55,089,226		
Real estate investment trust		<u>2,665,584</u>		
Total Investments		<u>\$ 65,436,352</u>		

N/A - Not applicable

*Interest Rate Risk* - 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 increasing interest rates.

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes.

*Concentration of Credit Risk* - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments. No more than 5% of the Town's investments were invested in any one issuer.

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2011, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**B. Receivables**

Receivables at year end for the government’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General</b>	<b>Water Pollution Control Authority</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Receivables:					
Taxes	\$ 414,428	\$	\$	\$	\$ 414,428
Less allowance for uncollectibles	<u>(79,777)</u>				<u>(79,777)</u>
Taxes, net	334,651				334,651
Other governments	222,116		211,488	348,128	781,732
Assessments	728,331	29,796			758,127
Other	<u>891,093</u>	<u>15,807</u>		<u>161,773</u>	<u>1,068,673</u>
Net Total Receivables	<u>\$ 2,176,191</u>	<u>\$ 45,603</u>	<u>\$ 211,488</u>	<u>\$ 509,901</u>	<u>\$ 2,943,183</u>

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<b>Unavailable</b>	<b>Unearned</b>
General Fund:		
Delinquent property taxes receivable	\$ 241,463	\$
Assessments and usage receivable	728,331	
Other receivables		182,564
Property taxes collected in advance		1,043,359
Special Revenue Funds:		
Loans receivable	117,414	
Sewer assessments and usage	45,603	
Sewer usage collected in advance		55,572
Lunches paid in advance		36,134
Tuition collected in advance		51,730
Unearned grants		<u>126,027</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 1,132,811</u>	<u>\$ 1,495,386</u>

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 31,189,309	\$ 66,273	\$	\$ 31,255,582
Construction in progress	<u>904,702</u>	<u>1,241,861</u>	<u>319,588</u>	<u>1,826,975</u>
Total capital assets not being depreciated	<u>32,094,011</u>	<u>1,308,134</u>	<u>319,588</u>	<u>33,082,557</u>
Capital assets being depreciated:				
Buildings	101,324,409	242,938		101,567,347
Improvements	5,727,519			5,727,519
Machinery and equipment	11,560,300	477,153	115,112	11,922,341
Infrastructure	<u>83,579,279</u>	<u>465,062</u>		<u>84,044,341</u>
Total capital assets being depreciated	<u>202,191,507</u>	<u>1,185,153</u>	<u>115,112</u>	<u>203,261,548</u>
Less accumulated depreciation for:				
Buildings	41,643,782	2,924,171		44,567,953
Improvements	1,530,924	249,420		1,780,344
Machinery and equipment	9,345,088	368,635	95,271	9,618,452
Infrastructure	<u>47,659,665</u>	<u>1,850,336</u>		<u>49,510,001</u>
Total accumulated depreciation	<u>100,179,459</u>	<u>5,392,562</u>	<u>95,271</u>	<u>105,476,750</u>
Net capital assets being depreciated	<u>102,012,048</u>	<u>(4,207,409)</u>	<u>19,841</u>	<u>97,784,798</u>
Governmental Activities Capital Assets, Net	<u>\$ 134,106,059</u>	<u>\$ (2,899,275)</u>	<u>\$ 339,429</u>	<u>\$ 130,867,355</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ <u>1,185,750</u>	\$	\$	\$ <u>1,185,750</u>
Capital assets being depreciated:				
Improvements	253,829			253,829
Machinery and equipment	<u>189,509</u>	<u>88,481</u>	<u>26,680</u>	<u>251,310</u>
Total capital assets being depreciated	<u>443,338</u>	<u>88,481</u>	<u>26,680</u>	<u>505,139</u>
Less accumulated depreciation for:				
Improvements	253,829			253,829
Machinery and equipment	<u>155,913</u>	<u>6,956</u>	<u>26,680</u>	<u>136,189</u>
Total accumulated depreciation	<u>409,742</u>	<u>6,956</u>	<u>26,680</u>	<u>390,018</u>
Net capital assets being depreciated	<u>33,596</u>	<u>81,525</u>	<u>-</u>	<u>115,121</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,219,346</u>	<u>\$ 81,525</u>	<u>\$ -</u>	<u>\$ 1,300,871</u>

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 322,995
Education	1,397,759
Public safety	478,762
Public works including depreciation of infrastructure	1,940,481
Treatment plant	1,191,027
Parks and recreation	<u>61,538</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>5,392,562</u></u>
 Business-type activities:	
Westwoods Golf	\$ <u><u>6,956</u></u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2011. The projects include widening and reconstruction of existing streets and bridges, the construction of pump stations, and bike/walking trails. At year end, the government's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Roads and bridges	\$ 1,750,975	\$ 970,002
School buildings	165,951	112,489
Town buildings	68,921	74,761
Land Improvements	447,138	1,103,216
Waste water treatment	<u>152,374</u>	<u>700,801</u>
 Total	 \$ <u><u>2,585,359</u></u>	 \$ <u><u>2,961,269</u></u>

The commitments are being financed with general obligation bonds, state and federal grants and town appropriations.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2011 is as follows:

Interfund receivables and payables represent temporary loans for operations.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 602,276
	Water Pollution Control Authority	398,611
	Westwoods Fund	677,562
	Internal Service Fund	34,859
	Fiduciary Fund	18,180
		<u>1,731,488</u>
Capital Projects Fund	General Fund	6,409,499
Nonmajor Governmental Funds	General Fund	209,845
Waste Collection Fund	General Fund	<u>176,734</u>
		<u>\$ 8,527,566</u>

Interfund transfers that occurred during the year are as follows:

<u>Transfers Out</u>				
	<u>General Fund</u>	<u>Water Pollution Control Authority</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers</u>
Transfers in:				
Capital Projects Fund	\$ <u>980,000</u>	\$ <u>1,328,995</u>	\$ <u>457,314</u>	\$ <u>2,766,309</u>

Interfund transfers represent monies used to fund projects, return excess monies to originating fund from completed projects, or to cover budget overages.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 58,750,000	\$ 11,550,000	\$ 13,925,000	\$ 56,375,000	\$ 5,685,000
Deferred charge on refunding	(1,658,091)	(620,486)	(140,333)	(2,138,244)	
Issuance premiums	<u>1,863,542</u>	<u>746,600</u>	<u>161,152</u>	<u>2,448,990</u>	
	58,955,451	11,676,114	13,945,819	56,685,746	5,685,000
Clean water fund loans	4,092,096		1,037,470	3,054,626	1,058,410
Capital lease	272,370		64,094	208,276	66,689
OPEB obligation	1,361,621	1,678,745	1,212,637	1,827,729	
Net pension obligation	340,887	2,011,566	1,950,000	402,453	
Compensated absences	<u>2,154,431</u>	<u>610,923</u>	<u>685,675</u>	<u>2,079,679</u>	<u>368,733</u>
Governmental Activities	<u>\$ 67,176,856</u>	<u>\$ 15,977,348</u>	<u>\$ 18,895,695</u>	<u>\$ 64,258,509</u>	<u>\$ 7,178,832</u>
Long-Term Liabilities					
Business Activities:					
Capital lease	<u>\$</u>	<u>\$ 88,481</u>	<u>\$ 4,705</u>	<u>\$ 83,776</u>	<u>\$ 11,352</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

**General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities in the amount of \$11,550,000 during the current year. This bond issue is made up of \$8,350,000 refunding general obligation bonds and \$3,200,000 general obligation bonds.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. School building grants of \$1,206,437 will be used to repay respective debt; however, the Town is liable for all outstanding bonds.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate (%)</u>	<u>Date of Maturity</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2011</u>
General Obligation Bonds	1/15/1993	\$ 12,820,000	4.4-6.0	1/15/2013	\$ 570,000-650,000	\$ 1,160,000
General Obligation Bonds	3/15/2002	27,100,000	2.0-5.0	9/15/2012	1,450,000	2,900,000
General Obligation Bonds	4/1/2006	16,000,000	4.0-4.38	4/1/2026	800,000-825,000-	4,050,000
General Obligation Bonds	2/15/2008	8,000,000	3.25-4.25	2/15/2028	420,000-425,000-	7,150,000
General Obligation Bonds	5/1/2009	13,475,000	2.25-5.00	9/15/2021	1,455,000-1,560,000	13,475,000
General Obligation Bonds	7/9/2009	16,385,000	2.00-5.00	9/15/2020	120,000-20,040,000	14,965,000
General Obligation Bonds	7/9/2009	1,250,000	2.00-4.00	9/15/2020	100,000-125,000	1,125,000
General Obligation Bonds	6/23/2011	11,550,000	2.00-4.00	4/1/2026	210,000-1,085,000	11,550,000
Total						<u>\$ 56,375,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 5,685,000	\$ 1,940,837
2013	5,635,000	1,802,951
2014	5,140,000	1,603,174
2015	5,070,000	1,451,511
2016	5,015,000	1,299,749
2017-2021	20,375,000	4,071,312
2022-2026	8,615,000	1,070,563
2027-2028	840,000	53,550
Total	<u>\$ 56,375,000</u>	<u>\$ 13,293,647</u>

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**General Obligation Bonds - In Substance Defeasance**

On June 23, 2011, the Town issued \$8,350,000 in general obligation bonds with an interest rate of 2.00%-4.00% to advance refund \$8,225,000 of outstanding 2006 bonds with interest rates of 4.00-6.00%. This advance refunding was undertaken to reduce total debt service payments over the next 7 years by \$299,651 and resulted in a net present value savings of \$271,233. The net proceeds of \$8,845,486 (after payment of \$99,750 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the bonds are considered to be defeased. The balance of the defeased bonds outstanding at June 30, 2011 is \$8,225,000, and the amount in escrow is \$8,810,856.

In prior years, the Town partially refunded certain general obligation bonds. The defeased bonds were called during the fiscal year, and the related escrow accounts have been closed.

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2011 is \$3,667,115. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**Clean Water Fund Loans**

The State of Connecticut under the Clean Water Fund Program issued the project loan obligation. The loan proceeds financed the Water Treatment Plant Construction project. The obligation will be paid from future taxation and the proportionate share of costs allocated to other governments.

Project loan obligations payable to the State of Connecticut mature as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,058,410	\$ 51,425
2013	1,079,773	30,062
2014	916,443	8,422
	<u>\$ 3,054,626</u>	<u>\$ 89,909</u>

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Capital Leases**

Governmental Activities

The Town has entered into a lease agreement as lessee for financing the acquisition of garbage containers. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2011 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2012	\$ 74,376
2013	74,376
2014	74,375
Less amount representing interest	<u>(14,851)</u>
Present Value of Minimum Lease Payments	<u>\$ 208,276</u>

Business Activities

The Town has entered into a lease agreement as lessee for financing the acquisition of golf carts. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2011 were as follows:

<u>Year Ending June 30</u>	<u>Business Activities</u>
2012	\$ 15,180
2013	15,180
2014	15,180
2015	15,180
2016	35,420
Less amount representing interest	<u>(12,364)</u>
Present Value of Minimum Lease Payments	<u>\$ 83,776</u>

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**F. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Water Pollution Control Authority</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 28,014	\$ 28,014
Prepaid items				6,194	6,194
Restricted for:					
General government				87,915	87,915
Education				921,352	921,352
Public safety				33,374	33,374
Various unspent grants				56,296	56,296
Capital projects			6,078,687		6,078,687
Committed to:					
Public works		1,679,616			1,679,616
General government				270,810	270,810
Culture and recreation				79,476	79,476
Education				654,806	654,806
Assigned to:					
Subsequent year's budget	500,000				500,000
Education	248,869				248,869
Unassigned	<u>7,388,642</u>			<u>(11,859)</u>	<u>7,376,783</u>
<b>Total Fund Balances</b>	<b><u>\$ 8,137,511</u></b>	<b><u>\$ 1,679,616</u></b>	<b><u>\$ 6,078,687</u></b>	<b><u>\$ 2,126,378</u></b>	<b><u>\$ 18,022,192</u></b>

TOWN OF FARMINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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**4. EMPLOYEE RETIREMENT PLAN**

**A. Pension Trust Fund**

**Plan Description**

The Town of Farmington, Connecticut, is the administrator of a single-employer defined-benefit pension plan, the Public Employee Retirement System (PERS), established and administered by the Town to provide pension benefits to substantially all full-time employees, except certified personnel of the Board of Education who are covered under the State Teachers' Retirement System. Both the employer and the employee are obligated to contribute to this plan. The PERS is considered to be part of the Town of Farmington, Connecticut's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The Plan does not issue a separate stand-alone financial report.

The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. All eligible full-time employees may participate in the Town's pension plan. To be eligible, a Town employee, including fire employees, must have attained age 25 if hired before July 1, 1983; if hired after such date, the employee is eligible at date of hire. All employees, except police, are 100% vested after 5 years of service. Police are 100% vested after 10 years of service. Employees who retire at normal retirement age receive a retirement benefit. The Town of Farmington has the authority to establish and amend the contribution requirements of the Plan.

Municipal employees are entitled to 2% of final earnings times years of credited service with the maximum benefit being 65% of final earnings. Firemen are entitled to 2.5% of final earnings times years of credited service with the maximum benefit being 60% of final earnings. Police are entitled to 2.5% of final earnings times years of credited service with the maximum benefit being 65% (70% for supervisors) of final earnings. Early eligibility is available at age 55 with 5 years of service for municipal employees and age 55 with 10 years of service for firemen. Benefits are fixed by contract and may be amended by union negotiations.

Plan membership consisted of the following at July 1, 2010, the date of the latest actuarial valuation:

Retirees, disabled and beneficiaries	
currently receiving benefits	191
Terminated employees entitled to benefits	
but not yet receiving them	44
Current plan members	324
Inactive members	<u>2</u>
Total	<u><u>561</u></u>

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Summary of Significant Accounting Policies**

Basis of Accounting: The Town of Farmington, Connecticut's Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

All funds are invested and administered through an investor contract with the Prudential Retirement Services Division of Prudential Financial and are reported at fair value.

**Funding Policy**

Town employees other than fire employees and police contribute 6%, while fire employees contribute 7.75%, and police contribute 7% of their respective gross earnings.

The Town is required to contribute the amount necessary to finance the benefits for its employees. For the fiscal year ended June 30, 2011, the Town's required contributions were \$2,013,158, which represents approximately 10% of covered payroll of \$19,627,086.

Administrative costs of the Plan are financed through investment earnings.

**Annual Pension Cost and Net Pension Obligation (Asset)**

The Town of Farmington, Connecticut's annual pension cost and net pension obligation (asset) to the Town of Farmington, Connecticut Pension Plan for the year ended June 30, 2011 were as follows:

Annual required contribution (ARC)	\$ 2,013,158
Interest on net pension obligation	28,975
Adjustment to annual required contribution	<u>(30,567)</u>
Annual pension cost	2,011,566
Contributions made	<u>1,950,000</u>
Increase in net pension obligation	61,566
Net pension obligation, beginning of year	<u>340,887</u>
Net Pension Obligation, End of Year	<u><u>\$ 402,453</u></u>

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

The annual required contribution for the current year was determined as part of the July 1, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) an 8.5% investment rate of return and (b) 4.75% projected salary increases. Both (a) and (b) included an inflation component of 3.5%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The net pension obligation is being amortized as a level percentage of projected payroll on a closed basis over 15 years beginning July 1, 1999.

**Three-Year Trend Information**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/09	\$ 1,137,044	\$ 1,183,279	\$ 104.07	\$ (319,895)
6/30/10	1,952,372	1,291,590	66.15	340,887
6/30/11	2,011,566	1,950,000	96.94	402,453

**Funding Status and Funding Progress**

**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2006	58,415,397	61,614,757	3,199,360	94.81%	17,180,785	18.62%
7/1/2007	62,696,970	66,172,705	3,475,735	94.75%	18,324,455	18.97%
7/1/2008	65,598,547	71,510,628	5,912,081	91.73%	18,748,405	31.53%
7/1/2009	60,947,199	76,261,879	15,314,680	79.92%	19,085,815	80.24%
7/1/2010	63,390,361	80,461,338	17,070,977	78.78%	19,627,086	86.98%
7/1/2011	69,589,308	85,980,068	16,390,760	80.94%	21,334,076	76.83%

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Schedule of Employer Contributions**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2006	764,182	100%
6/30/2007	854,474	100%
6/30/2008	945,584	105%
6/30/2009	1,135,040	104%
6/30/2010	1,951,127	66%
6/30/2011	2,013,158	97%

Additional information and assumptions as of the latest actuarial valuation are as follows:

Valuation date	7/1/2010
Actuarial cost method	Entry age normal
Amortization method	Level Percentage
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.5%
Projected salary increases*	4.75%
Cost-of-living adjustments	None

\* Includes an inflation component of 3.5%

**B. Teachers**

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Full-time certified teachers are vested in the system after 10 years of service in this state.

## TOWN OF FARMINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After 10 years of service, teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-183 b(7). For the year ended June 30, 2011, teachers of the Town contributed \$2,033,412 to the plan, and covered payroll for the year was \$28,047,058. The State's contribution to the plan on behalf of the Town of Farmington for the fiscal year ended June 30, 2011 was \$4,458,383 and is recognized in the General Fund GAAP-basis statement of revenues, expenditures and changes in fund balances.

Effective July 1, 2004, 1.25% of the mandatory 7.25% contribution is placed into a fund from which retirees' health insurance premiums will be paid. This 1.25% contribution is no longer credited to the member's individual account and does not vest.

#### **5. OTHER POSTEMPLOYMENT BENEFITS**

##### **A. Summary of Significant Accounting Policies**

Basis of Accounting - The Town funding and payment of postemployment benefits are accounted for in the Internal Service Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

##### **B. Plan Description**

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses. The Post-Retirement Medical Program (RMP) covers Town and Board of Education employees. The RMP is a single-employer defined benefit healthcare plan administered by the Town of Farmington. Retired program members and beneficiaries currently receiving benefits are required to contribute active employee premiums. The percentage contribution of the employees and retirees for these benefits vary and are detailed within the Town's various bargaining agreements. The Town does not issue a separate stand alone financial statement for this program.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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At June 30, 2009, plan membership consisted of the following:

	<b>Post- Retirement Medical Program</b>
Retired participants and spouses	207
Active plan members	275
 Total Participants	 482

**C. Funding Policy**

The Town's funding strategy for postemployment obligations are based upon characteristics of benefits on Town and Board of Education employees established within their respective collective bargaining units and/or contracts and include the following:

- All Town and Board of Education employees retiring with at least 15 years of creditable service are eligible at age 55 excluding retired teachers who are assumed to be covered by plans offered through the Connecticut Teachers Retirement Board.
- Benefits are payable to the employee and to a spouse for their lifetime, regardless of when the retiree dies.
- Police employees are covered 100%; however, Police Benevolent Association pays 25% of the premium cost. Spouses pay 50% of the premium cost.
- All other employees pay 50% of the premium cost and spouses pay 100% of the premium cost.

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**D. Annual OPEB Cost and Net OPEB Obligations**

The Town of Farmington’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligation:

		<b>Post- Retirement Medical Program</b>
Annual required contribution (ARC)	\$	1,667,495
Interest on net OPEB obligation		61,273
Adjustment to annual required contribution		(50,023)
		1,678,745
Annual OPEB cost		1,678,745
Contributions made		1,212,637
		466,108
Increase in net OPEB obligation		466,108
Net OPEB obligation, beginning of year		1,361,621
		1,827,729
Net OPEB Obligation, End of Year	\$	1,827,729

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2010 is presented below. The year of transition was June 30, 2009.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$ 1,528,876	\$ 846,757	55.38%	\$ 682,119
6/30/10	1,588,857	909,355	57.23	1,361,621
6/30/11	1,678,745	1,212,637	72.23	1,827,729

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

**TOWN OF FARMINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (OAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>OAAL as a percentage of Covered Payroll (b-a)/c</b>
6/30/2009	\$ -	\$ 23,383,486	\$ 23,383,486	0 %	N/A	N/A

**Schedule of Employer Contributions**

<b>Fiscal Year</b>	<b>Employer Contribution</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
6/30/2009	\$ 846,757	\$ 1,528,876	55.38 %
6/30/2010	909,355	1,600,038	56.83
6/30/2011	1,212,637	1,667,495	72.7

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 9% initially, reduced by decrements to an ultimate rate of 5% after 8 years. The general inflation assumption is 4%. Projected salary increases were not available. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized on a level dollar basis with a remaining amortization period at June 30, 2011 at 29 years.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**6. OTHER INFORMATION**

**A. Risk Management**

The Town of Farmington, Connecticut, is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the years ended June 30, 2011, 2010 or 2009.

The Town's self-insurance program, which commenced July 1, 1983, is used to account for accident and health insurance coverage for Town and Board of Education employees on a cost-reimbursement basis. The program also covers retired employees under 65 provided that they pay a yearly premium to the Town. Under the program, the Town is obligated for claim payments. A stop loss insurance contract executed with an insurance carrier covers claims in excess of 120% of expected claim payments in the aggregate for the Town and 125% of expected claim payments in the aggregate for the Board of Education. In addition the policies on an individual basis cover claims in excess of \$100,000 (Town) and \$125,000 (Board of Education). During 2011, total claims expense was \$9,677,933, which did not exceed 120% of expected claim payments and an estimate for claims incurred but not reported as of June 30, 2011.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded claims payable at June 30, 2011 of \$895,493.

Premium payments are reported as quasi-external interfund transactions for the General Fund, Enterprise Fund and the WPCA Fund, and, accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the participating funds.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate.

**TOWN OF FARMINGTON, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Changes in the claims liability for the past two years are as follows:

	<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Accrued Liability Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
2009-10	\$ 1,155,363	\$ 10,131,513	\$ (9,970,670)	\$ 1,316,206
2010-11	1,316,206	9,677,933	(10,098,646)	895,493

**B. Contingent Liabilities**

There are various suits and claims pending against the Town of Farmington, Connecticut, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

## TOWN OF FARMINGTON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Property Taxes:				
Current taxes	\$ 74,883,114	\$ 74,883,114	\$ 75,168,734	\$ 285,620
Delinquent taxes	175,000	175,000	222,170	47,170
Interest and lien fees	220,000	220,000	264,322	44,322
Supplemental MV taxes	445,000	445,000	422,064	(22,936)
Total property taxes	<u>75,723,114</u>	<u>75,723,114</u>	<u>76,077,290</u>	<u>354,176</u>
Federal and State Grants:				
General education	1,653,517	1,653,517	1,409,103	(244,414)
School building	487,522	487,522	493,646	6,124
Social services grants	18,000	18,000	25,057	7,057
In lieu of taxes	3,852,178	3,852,178	3,667,528	(184,650)
Police grant	68,000	68,000	73,182	5,182
State capital improvement	200,000	200,000	205,000	5,000
Snow removal assistance			54,981	54,981
Highway grants	187,297	187,297	187,472	175
Total federal and state grants	<u>6,466,514</u>	<u>6,466,514</u>	<u>6,115,969</u>	<u>(350,545)</u>
Charges for Current Services:				
Housing	40,000	40,000	34,483	(5,517)
Police services	250,000	250,000	273,995	23,995
Rentals	95,000	95,000	174,853	79,853
Sewer inspection fees	38,000	38,000	7,400	(30,600)
Town clerk fees	265,000	265,000	305,416	40,416
Waste charges				-
Conveyance tax	455,000	455,000	359,593	(95,407)
Busing fees	4,800	4,800	4,330	(470)
Total charges for current services	<u>1,147,800</u>	<u>1,147,800</u>	<u>1,160,070</u>	<u>12,270</u>
Licenses and Permits:				
Dog licenses	6,800	6,800	5,914	(886)
Building permits	490,000	490,000	463,842	(26,158)
Other permits	8,600	8,600	10,010	1,410
Total licenses and permits	<u>505,400</u>	<u>505,400</u>	<u>479,766</u>	<u>(25,634)</u>

(Continued on next page)

## TOWN OF FARMINGTON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Fines and Penalties:				
Court fines	\$ 32,000	\$ 32,000	\$ 37,213	\$ 5,213
Dog fines and charges	4,000	4,000	4,500	500
Total fines and penalties	<u>36,000</u>	<u>36,000</u>	<u>41,713</u>	<u>5,713</u>
Investment Income	<u>210,000</u>	<u>210,000</u>	<u>105,713</u>	<u>(104,287)</u>
Other:				
Zoning hearings	20,000	20,000	8,284	(11,716)
Other assessments	148,000	148,000	164,304	16,304
Health insurance	9,000	9,000		(9,000)
Alarm fines and connections	20,000	20,000	11,975	(8,025)
Miscellaneous	100,000	100,000	115,960	15,960
Total other	<u>297,000</u>	<u>297,000</u>	<u>300,523</u>	<u>3,523</u>
Total revenues	84,385,828	84,385,828	84,281,044	(104,784)
Other Financing Sources:				
Appropriation of fund balance	<u>500,000</u>	<u>500,000</u>		<u>(500,000)</u>
Total Revenues and Other Financing Sources	<u>\$ 84,885,828</u>	<u>\$ 84,885,828</u>	84,281,044	<u>\$ (604,784)</u>
Budgetary revenues are different than GAAP revenues because:				
Issuance of bonds - refunding			8,350,000	
Premium on refunding of debt			595,236	
Premium on general obligation bonds			151,364	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			<u>4,458,383</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit - IV			<u>\$ 97,836,027</u>	

## TOWN OF FARMINGTON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
General administration:				
Town Manager	\$ 360,106	\$ 373,933	\$ 373,392	\$ 541
Finance	969,858	1,006,936	1,006,936	-
Probate Court	12,500	12,500	12,295	205
Registrars	92,568	102,068	102,067	1
Town Council	51,500	57,645	51,310	6,335
Personnel services	306,800	46,800	43,061	3,739
Legal	195,000	135,000	126,609	8,391
Town Clerk	322,767	322,767	313,831	8,936
Economic Development	92,817	92,817	83,043	9,774
Payments to outside agencies	2,290,005	2,290,005	2,290,004	1
Planning and zoning	314,934	323,517	323,516	1
Public buildings	212,098	234,586	234,584	2
Insurance	309,948	309,948	290,340	19,608
	<u>5,530,901</u>	<u>5,308,522</u>	<u>5,250,988</u>	<u>57,534</u>
Public safety:				
Fire marshal	873,125	873,125	861,925	11,200
Fire department	1,303,022	1,374,438	1,374,435	3
Police department	5,089,668	5,179,534	5,179,534	-
Communications center	812,270	832,938	832,937	1
EMS services	91,535	91,535	90,096	1,439
Building inspector	125,839	126,721	126,720	1
	<u>8,295,459</u>	<u>8,478,291</u>	<u>8,465,647</u>	<u>12,644</u>
Public works:				
Highway and grounds	3,270,824	3,296,692	3,296,692	-
Engineering	401,890	405,480	405,480	-
Public works and development	110,942	116,903	116,902	1
	<u>3,783,656</u>	<u>3,819,075</u>	<u>3,819,074</u>	<u>1</u>
Community and recreation services:				
Community services	716,790	753,096	753,097	(1)
Housing	18,725	24,936	24,935	1
	<u>735,515</u>	<u>778,032</u>	<u>778,032</u>	<u>-</u>
Other:				
Benefits	5,115,800	5,083,556	5,081,050	2,506
Other	10,000	3,855		3,855
	<u>5,125,800</u>	<u>5,087,411</u>	<u>5,081,050</u>	<u>6,361</u>

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## TOWN OF FARMINGTON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Debt service	\$ 8,943,305	\$ 8,943,305	\$ 8,874,350	\$ 68,955
Total general government	32,414,636	32,414,636	32,269,141	145,495
Board of Education	51,491,192	51,491,192	51,260,377	230,815
Total Board of Education and General Government	83,905,828	83,905,828	83,529,518	376,310
Other Financing Uses: Capital Projects Fund	980,000	980,000	980,000	-
Total Expenditures, Encumbrances and Other Financing Uses	\$ 84,885,828	\$ 84,885,828	84,509,518	\$ 376,310

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	4,458,383
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	(248,869)
Encumbrances for purchases and commitments ordered in the previous fiscal year are not reported in the current fiscal year for budgetary purposes, but are shown in the year expended for financial reporting purposes	102,654
Payment to escrow agent	8,845,486
Bond issuance costs	99,750
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV	\$ 97,766,922

## TOWN OF FARMINGTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - WATER POLLUTION CONTROL AUTHORITY FUND

FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Program revenues	\$ 3,818,577	3,818,577	\$ 3,859,834	\$ 41,257
Expenditures:				
Program expenditures	<u>3,209,942</u>	<u>3,209,942</u>	<u>2,948,188</u>	<u>261,754</u>
Excess of Revenues over Expenditures	608,635	608,635	911,646	303,011
Other Financing Uses:				
Operating transfers out:				
Capital Projects Fund	<u>(608,635)</u>	<u>(608,635)</u>	<u>(1,328,995)</u>	<u>(720,360)</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	(417,349)	\$ <u>(417,349)</u>
Fund Balance at Beginning of Year			<u>2,096,965</u>	
Fund Balance at End of Year			\$ <u><u>1,679,616</u></u>	

# **MAJOR GOVERNMENTAL FUNDS**

## **CAPITAL PROJECTS FUND**

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment.

## TOWN OF FARMINGTON, CONNECTICUT

## CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN PROJECT/FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Fields/Play- Ground Equip.</u>	<u>Tunxis Mead Improvements</u>	<u>Cover Disposal Area</u>	<u>Housing Land Bank</u>	<u>Farmington Valley Greenways</u>	<u>Bridge Repair</u>	<u>Sidewalk Replacement</u>	<u>Sidewalk Construction</u>
Total Project Authorization	\$ <u>359,000</u>	\$ <u>1,259,950</u>	\$ <u>167,500</u>	\$ <u>390,000</u>	\$ <u>3,508,314</u>	\$ <u>765,000</u>	\$ <u>467,800</u>	\$ <u>215,000</u>
Revenues:								
State and federal grants	\$	\$	\$	\$	\$ 3,881	\$	\$	\$
Other					5,250			
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,131</u>	<u>-</u>	<u>-</u>	<u>-</u>
Project Expenditures	<u>9,218</u>				<u>160,456</u>	<u>1,991</u>	<u>883</u>	
Other Financing Sources (Uses):								
Bond proceeds								
Operating transfers in:								
General Fund								
Water Pollution Control Authority								
Municipal Grants Fund								
Operating Transfers in/out:								
Capital Projects					622,424			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622,424</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(9,218)	-	-	-	471,099	(1,991)	(883)	-
Project/Fund Balance at Beginning of Year	<u>10,649</u>	<u>-</u>	<u>7,047</u>	<u>7,637</u>	<u>414,413</u>	<u>9,927</u>	<u>8,904</u>	<u>32,690</u>
Project/Fund Balance at End of Year	\$ <u>1,431</u>	\$ <u>-</u>	\$ <u>7,047</u>	\$ <u>7,637</u>	\$ <u>885,512</u>	\$ <u>7,936</u>	\$ <u>8,021</u>	\$ <u>32,690</u>

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TOWN OF FARMINGTON, CONNECTICUT

CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN PROJECT/FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>School Pipe Replacement</u>	<u>School Code &amp; Safety</u>	<u>School Telephone Replacement</u>	<u>5/6 School</u>	<u>High School Renovation</u>	<u>Chiller Replacement</u>	<u>School Roof Replacement</u>	<u>Air Exchange Unit</u>
Total Project Authorization	\$ 581,750	\$ 420,000	\$ 155,000	\$ 26,400,000	\$ 8,500,000	\$ 168,250	\$ 1,742,500	\$ 102,000
Revenues:								
State and federal grants	\$	\$	\$	\$	\$	\$ 4,329	\$ 34,250	\$
Other								
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,329</u>	<u>34,250</u>	<u>-</u>
Project Expenditures		<u>18,782</u>					<u>165,951</u>	
Other Financing Sources (Uses):								
Bond proceeds								
Operating transfers in:								
General Fund		25,000						
Water Pollution Control Authority								
Municipal Grants Fund							186,000	
Operating Transfers in/out:								
Capital Projects			3,760					
Total other financing sources (uses)	<u>-</u>	<u>25,000</u>	<u>3,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	-	6,218	3,760	-	-	4,329	54,299	-
Project/Fund Balance at Beginning of Year	<u>56,005</u>	<u>20,091</u>	<u>(3,760)</u>	<u>1,312,810</u>	<u>(188,737)</u>	<u>(1,250)</u>	<u>28,047</u>	<u>2,000</u>
Project/Fund Balance at End of Year	<u>\$ 56,005</u>	<u>\$ 26,309</u>	<u>\$ -</u>	<u>\$ 1,312,810</u>	<u>\$ (188,737)</u>	<u>\$ 3,079</u>	<u>\$ 82,346</u>	<u>\$ 2,000</u>

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## TOWN OF FARMINGTON, CONNECTICUT

## CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN PROJECT/FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Data Center Renovations</u>	<u>Union School Fascia Repair</u>	<u>Oil Tank Replacement</u>	<u>Carpet Replacement</u>	<u>2003 Open Space Acquisition</u>	<u>2004 Open Space Acquisition</u>	<u>2005 Open Space Acquisition</u>	<u>Road Reconstruction</u>
Total Project Authorization	\$ 99,000	\$ 50,000	\$ 300,000	\$ 79,000	\$ 3,500,000	\$ 1,500,000	\$ 1,000,000	\$ 4,228,000
Revenues:								
State and federal grants	\$	\$	\$	\$	\$	\$	\$	\$ 624,118
Other								
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,118</u>
Project Expenditures	<u>98,160</u>		<u>8,712</u>			<u>15,973</u>		<u>1,266,231</u>
Other Financing Sources (Uses):								
Bond proceeds						350,000		1,250,000
Operating transfers in:								
General Fund		50,000						400,000
Water Pollution Control Authority								
Municipal Grants Fund	99,000							
Operating Transfers in/out:								
Capital Projects				(3,760)				(622,424)
Total other financing sources (uses)	<u>99,000</u>	<u>50,000</u>	<u>-</u>	<u>(3,760)</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>1,027,576</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	840	50,000	(8,712)	(3,760)	-	334,027	-	385,463
Project/Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>14,474</u>	<u>3,760</u>	<u>(77,096)</u>	<u>(717,681)</u>	<u>-</u>	<u>385,780</u>
Project/Fund Balance at End of Year	<u>\$ 840</u>	<u>\$ 50,000</u>	<u>\$ 5,762</u>	<u>\$ -</u>	<u>\$ (77,096)</u>	<u>\$ (383,654)</u>	<u>\$ -</u>	<u>\$ 771,243</u>

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TOWN OF FARMINGTON, CONNECTICUT

CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN PROJECT/FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Middle Road Reconstruction</u>	<u>New Britain Avenue Design</u>	<u>Town Hall Improvements</u>	<u>Fuel Tank Replacement</u>	<u>Staples House Improvements</u>	<u>New Computer System</u>	<u>Revaluation</u>	<u>Barney Library Grant</u>
Total Project Authorization	\$ 1,800,000	\$ 125,000	\$ 1,804,500	\$ 250,000	\$ 155,000	\$ 300,000	\$ 5,000	\$ 1,000,000
Revenues:								
State and federal grants	\$ 484,744				\$ 4,500			
Other			2,290			15,369		
Total revenues	<u>484,744</u>	<u>-</u>	<u>2,290</u>	<u>-</u>	<u>4,500</u>	<u>15,369</u>	<u>-</u>	<u>-</u>
Project Expenditures	<u>484,744</u>		<u>239,738</u>	<u>3,500</u>	<u>68,921</u>	<u>38,477</u>	<u>5,751</u>	
Other Financing Sources (Uses):								
Bond proceeds								1,000,000
Operating transfers in:								
General Fund					50,000			
Water Pollution Control Authority								
Municipal Grants Fund			100,000			25,000		
Operating Transfers in/out:								
Capital Projects						(5,000)	5,000	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>50,000</u>	<u>20,000</u>	<u>5,000</u>	<u>1,000,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	-	-	(137,448)	(3,500)	(14,421)	(3,108)	(751)	1,000,000
Project/Fund Balance at Beginning of Year	<u>2,400</u>	<u>125,000</u>	<u>137,915</u>	<u>28,391</u>	<u>73,725</u>	<u>51,258</u>	<u>-</u>	<u>(1,000,000)</u>
Project/Fund Balance at End of Year	<u>\$ 2,400</u>	<u>\$ 125,000</u>	<u>\$ 467</u>	<u>\$ 24,891</u>	<u>\$ 59,304</u>	<u>\$ 48,150</u>	<u>\$ (751)</u>	<u>\$ -</u>

(Continued on next page)

TOWN OF FARMINGTON, CONNECTICUT

CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN PROJECT/FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Radio Replacement</u>	<u>Storm Water Management Plan</u>	<u>Town Code Compliance</u>	<u>Environ- mental Code Compliance</u>	<u>Hydrologic Watershed Study</u>	<u>Open Space Management Plan</u>	<u>Pumper Fire Truck</u>	<u>Dump Truck Highway</u>	<u>Dump Truck Small</u>
Total Project Authorization	\$ 100,000	\$ 25,000	\$ 131,900	\$ 250,000	\$ 25,000	\$ 50,000	\$ 644,730	\$ 785,000	\$ 235,000
Revenues:									
State and federal grants	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other									
Total revenues	-	-	-	-	-	-	-	-	-
Project Expenditures	78,683	1,266	11,460	15,188			532	158,412	64,427
Other Financing Sources (Uses):									
Bond proceeds							600,000		
Operating transfers in:									
General Fund	50,000			25,000				165,000	30,000
Water Pollution Control Authority									
Municipal Grants Fund									40,000
Operating Transfers in/out:									
Capital Projects								(2,800)	(2,800)
Total other financing sources (uses)	50,000	-	-	25,000	-	-	600,000	162,200	67,200
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(28,683)	(1,266)	(11,460)	9,812	-	-	599,468	3,788	2,773
Project/Fund Balance at Beginning of Year	28,560	11,808	31,069	66,095	26,125	14,638	44,730	523	-
Project/Fund Balance at End of Year	\$ (123)	\$ 10,542	\$ 19,609	\$ 75,907	\$ 26,125	\$ 14,638	\$ 644,198	\$ 4,311	\$ 2,773

(Continued on next page)

TOWN OF FARMINGTON, CONNECTICUT

CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN PROJECT/FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Rotary Mower</u>	<u>4WD Vehicle</u>	<u>Rolling Stock</u>	<u>Dial-A-Ride Bus</u>	<u>Turnout Gear</u>	<u>SCBA System</u>	<u>Medic Truck</u>	<u>Common Upgrade</u>	<u>Tunxis Hose Boiler</u>
Total Project Authorization	\$ 210,000	\$ 30,000	\$ 190,850	\$ 39,000	\$ 200,000	\$ 230,000	\$ 165,000	\$ 150,000	\$ 25,000
Revenues:									
State and federal grants	\$	\$	\$ 16,400	\$	\$	\$	\$	\$	\$
Other			22,465	32,000					
Total revenues	<u>-</u>	<u>-</u>	<u>38,865</u>	<u>32,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Project Expenditures	<u>87,919</u>		<u>108,659</u>	<u>39,314</u>	<u>29,621</u>	<u>50,426</u>	<u>850</u>	<u>8,524</u>	
Other Financing Sources (Uses):									
Bond proceeds									
Operating transfers in:									
General Fund	80,000		30,000		25,000	50,000			
Water Pollution Control Authority									
Municipal Grants Fund				7,314					
Operating Transfers in/out:									
Capital Projects		(13,450)	19,050						
Total other financing sources (uses)	<u>80,000</u>	<u>(13,450)</u>	<u>49,050</u>	<u>7,314</u>	<u>25,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(7,919)	(13,450)	(20,744)	-	(4,621)	(426)	(850)	(8,524)	-
Project/Fund Balance at Beginning of Year	<u>13,021</u>	<u>13,450</u>	<u>46,762</u>	<u>-</u>	<u>8,234</u>	<u>4,135</u>	<u>1,062</u>	<u>8,524</u>	<u>2,657</u>
Project/Fund Balance at End of Year	<u>\$ 5,102</u>	<u>\$ -</u>	<u>\$ 26,018</u>	<u>\$ -</u>	<u>\$ 3,613</u>	<u>\$ 3,709</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ 2,657</u>

(Continued on next page)

## TOWN OF FARMINGTON, CONNECTICUT

## CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN PROJECT/FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Plant Equipment Replacement</u>	<u>Plant Odor Abatement</u>	<u>Plant Upgrade Design</u>	<u>Upgrade Sewer Lines</u>	<u>Pump Station Improvements</u>	<u>Hyde Road Pump Station</u>	<u>Utility Truck</u>	<u>Total</u>
Total Project Authorization	\$ 225,000	\$ 650,000	\$ 1,544,197	\$ 880,000	\$ 450,000	\$ 720,360	\$ 70,000	\$ 69,423,601
Revenues:								
State and federal grants	\$	\$	\$	\$	\$	\$	\$	\$ 1,172,222
Other								77,374
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,249,596</u>
Project Expenditures	<u>110,946</u>		<u>81,175</u>	<u>30,925</u>	<u>80,336</u>	<u>41,427</u>	<u>1,976</u>	<u>3,589,554</u>
Other Financing Sources (Uses):								
Bond proceeds								3,200,000
Operating transfers in:								
General Fund								980,000
Water Pollution Control Authority	50,000		383,635	100,000	50,000	720,360	25,000	1,328,995
Municipal Grants Fund								457,314
Operating Transfers in/out:								
Capital Projects								-
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>383,635</u>	<u>100,000</u>	<u>50,000</u>	<u>720,360</u>	<u>25,000</u>	<u>5,966,309</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(60,946)	-	302,460	69,075	(30,336)	678,933	23,024	3,626,351
Project/Fund Balance at Beginning of Year	<u>179,342</u>	<u>50,000</u>	<u>814,633</u>	<u>248,104</u>	<u>78,877</u>	<u>-</u>	<u>15,588</u>	<u>2,452,336</u>
Project/Fund Balance at End of Year	<u>\$ 118,396</u>	<u>\$ 50,000</u>	<u>\$ 1,117,093</u>	<u>\$ 317,179</u>	<u>\$ 48,541</u>	<u>\$ 678,933</u>	<u>\$ 38,612</u>	<u>\$ 6,078,687</u>

# NONMAJOR GOVERNMENTAL FUNDS

## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for proceeds of special revenue sources (except for major capital projects and trust funds) that are legally restricted to expenditure for specific purposes. The Town's special revenue funds are:

**Cafeteria** - To account for the food service operations of the public school system.

**Special Projects Education** - To account for federal and state education grants and other special projects.

**Farmington Festival** - To account for donations and expenditures related to the annual Farmington Festival.

**Open Space Rental** - To account for expenses related to Town land designated as open space.

**Adult Education** - To account for educational programs for adults of the Town.

**Veterans' Memorial** - To account for the donations received for the building and maintenance of a veterans' memorial.

**Drug Enforcement** - To account for drug enforcement forfeiture monies received from the federal and state governments.

**School Aged Child Care** - To account for a childcare program operated by the Board of Education.

**Community Development** - To account for receipts and expenditures related to a residential housing improvement program.

**Recreation** - To account for various recreational, cultural and social programs sponsored by the Town.

**Noah Wallace** - To account for a bequest made to the Town by a former resident of Farmington.

**FLIS Scholarship** - To account for a scholarship fund in honor of a former town manager.

**Donation** - To account for the receipt and use of donations received by the Department of Community and Recreational Services.

**Municipal Grants** - To account for grants from state agencies and pass-through organizations for various projects.

**Small Cities** - To account for grants from the Department of Housing and Urban Development for the rehabilitation of Maple Village on behalf of the Housing Authority of the Town of Farmington.

## **CAPITAL PROJECTS FUND**

**STEAP Grant** - To account for grants received from the Department of Economic and Community Development under the Small Town Economic Assistance Program.

TOWN OF FARMINGTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011

Special Revenue

	Cafeteria Fund	Special Projects Education Fund	Farmington Festival Fund	Open Space Rental Fund	Adult Education Fund	Veterans Memorial Fund	Drug Enforcement Fund	School Aged Child Care Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ 206,359	\$ 3	\$ 35,537	\$ 200,583	\$ 153,827	\$ 26,260	\$ 29,652	\$ 700,445
Investments								
Receivables:								
Accounts	9,445				1,157			33,757
Intergovernmental	36,276	17,717						
Due from other funds		41,828		34,690			3,722	
Inventories	28,014							
Prepaid assets					6,194			
Total Assets	<u>\$ 280,094</u>	<u>\$ 59,548</u>	<u>\$ 35,537</u>	<u>\$ 235,273</u>	<u>\$ 161,178</u>	<u>\$ 26,260</u>	<u>\$ 33,374</u>	<u>\$ 734,202</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 1,850	\$ 2,409	\$	\$	\$	\$	\$	\$
Due to other funds	106,743				83,570			200,395
Deferred revenue	36,134	68,998			32,298			51,730
Total liabilities	<u>144,727</u>	<u>71,407</u>	<u>-</u>	<u>-</u>	<u>115,868</u>	<u>-</u>	<u>-</u>	<u>252,125</u>
Fund Balances:								
Nonspendable	28,014				6,194			
Restricted							33,374	
Committed	107,353		35,537	235,273	39,116	26,260		482,077
Unassigned		(11,859)						
Total fund balances	<u>135,367</u>	<u>(11,859)</u>	<u>35,537</u>	<u>235,273</u>	<u>45,310</u>	<u>26,260</u>	<u>33,374</u>	<u>482,077</u>
Total Liabilities and Fund Balances	<u>\$ 280,094</u>	<u>\$ 59,548</u>	<u>\$ 35,537</u>	<u>\$ 235,273</u>	<u>\$ 161,178</u>	<u>\$ 26,260</u>	<u>\$ 33,374</u>	<u>\$ 734,202</u>

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**TOWN OF FARMINGTON, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2011

	<u>Special Revenue</u>							<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Community Development Fund</u>	<u>Recreation Fund</u>	<u>Noah Wallace Fund</u>	<u>FLIS Scholarship Fund</u>	<u>Donation Fund</u>	<u>Municipal Grants</u>	<u>Small Cities</u>	<u>STEAP Grant</u>	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 87,915	\$ 135,784	\$ 63,252	\$ 6,093	\$	\$	\$ 7,916	\$	\$ 1,653,626
Investments			802,182						802,182
Receivables:									
Accounts	117,414								161,773
Intergovernmental							294,135		348,128
Due from other funds					49,825	62,965	16,815		209,845
Inventories									28,014
Prepaid assets									6,194
<b>Total Assets</b>	<u>\$ 205,329</u>	<u>\$ 135,784</u>	<u>\$ 865,434</u>	<u>\$ 6,093</u>	<u>\$ 49,825</u>	<u>\$ 62,965</u>	<u>\$ 24,731</u>	<u>\$ 294,135</u>	<u>\$ 3,209,762</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$	\$ 16,518	\$	\$	\$	\$ 6,669	\$	\$ 122,357	\$ 149,803
Due to other funds		39,790						171,778	602,276
Deferred revenue	117,414						24,731		331,305
<b>Total liabilities</b>	<u>117,414</u>	<u>56,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,669</u>	<u>24,731</u>	<u>294,135</u>	<u>1,083,384</u>
Fund Balances:									
Nonspendable									34,208
Restricted	87,915		865,434	6,093	49,825	56,296			1,098,937
Committed		79,476							1,005,092
Unassigned									(11,859)
<b>Total fund balances</b>	<u>87,915</u>	<u>79,476</u>	<u>865,434</u>	<u>6,093</u>	<u>49,825</u>	<u>56,296</u>	<u>-</u>	<u>-</u>	<u>2,126,378</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 205,329</u>	<u>\$ 135,784</u>	<u>\$ 865,434</u>	<u>\$ 6,093</u>	<u>\$ 49,825</u>	<u>\$ 62,965</u>	<u>\$ 24,731</u>	<u>\$ 294,135</u>	<u>\$ 3,209,762</u>

TOWN OF FARMINGTON, CONNECTICUT

COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue							
	Cafeteria Fund	Special Projects Education Fund	Farmington Festival Fund	Open Space Rental Fund	Adult Education Fund	Veterans Memorial Fund	Drug Enforcement Fund	School Aged Child Care Fund
Revenues:								
Federal and state grants	\$ 324,005	\$ 2,746,969	\$	\$ 5,850	\$	\$	\$ 22,722	\$
Charges for current services	1,165,605			50,183	409,232			1,697,757
Net investment income	940		108	463		80	66	
Other		902,150		3,407				
Total revenues	<u>1,490,550</u>	<u>3,649,119</u>	<u>108</u>	<u>59,903</u>	<u>409,232</u>	<u>80</u>	<u>22,788</u>	<u>1,697,757</u>
Expenditures:								
Education	1,563,352	3,667,999			412,598			1,613,419
Public safety							500	
Culture and recreation								
Other				22,546				
Capital outlay							464	
Total expenditures	<u>1,563,352</u>	<u>3,667,999</u>	<u>-</u>	<u>22,546</u>	<u>412,598</u>	<u>-</u>	<u>964</u>	<u>1,613,419</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(72,802)</u>	<u>(18,880)</u>	<u>108</u>	<u>37,357</u>	<u>(3,366)</u>	<u>80</u>	<u>21,824</u>	<u>84,338</u>
Other Financing Uses:								
Transfers out								
Net Changes in Fund Balances	(72,802)	(18,880)	108	37,357	(3,366)	80	21,824	84,338
Fund Balances at Beginning of Year	<u>208,169</u>	<u>7,021</u>	<u>35,429</u>	<u>197,916</u>	<u>48,676</u>	<u>26,180</u>	<u>11,550</u>	<u>397,739</u>
Fund Balances at End of Year	<u>\$ 135,367</u>	<u>\$ (11,859)</u>	<u>\$ 35,537</u>	<u>\$ 235,273</u>	<u>\$ 45,310</u>	<u>\$ 26,260</u>	<u>\$ 33,374</u>	<u>\$ 482,077</u>

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TOWN OF FARMINGTON, CONNECTICUT

COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue							Capital Projects	Total Nonmajor Governmental Funds
	Community Development Fund	Recreation Fund	Noah Wallace Fund	FLIS Scholarship Fund	Donation Fund	Municipal Grants	Small Cities	STEAP Grant	
Revenues:									
Federal and state grants	\$	\$	\$	\$	\$	\$ 99,748	\$ 392,798	\$ 292,003	\$ 3,884,095
Charges for current services		493,602							3,816,379
Net investment income	203	729	143,388	20					145,997
Other			89		45,605	412,831		500	1,364,582
Total revenues	<u>203</u>	<u>494,331</u>	<u>143,477</u>	<u>20</u>	<u>45,605</u>	<u>512,579</u>	<u>392,798</u>	<u>292,503</u>	<u>9,211,053</u>
Expenditures:									
Education			26,744	500	3,301				7,287,913
Public safety									500
Culture and recreation		556,653					392,798		949,451
Other					33,869	597,447			653,862
Capital outlay								292,503	292,967
Total expenditures	<u>-</u>	<u>556,653</u>	<u>26,744</u>	<u>500</u>	<u>37,170</u>	<u>597,447</u>	<u>392,798</u>	<u>292,503</u>	<u>9,184,693</u>
Excess (Deficiency) of Revenues over Expenditures	<u>203</u>	<u>(62,322)</u>	<u>116,733</u>	<u>(480)</u>	<u>8,435</u>	<u>(84,868)</u>	<u>-</u>	<u>-</u>	<u>26,360</u>
Other Financing Uses:									
Transfers out						(457,314)			(457,314)
Net Changes in Fund Balances	203	(62,322)	116,733	(480)	8,435	(542,182)	-	-	(430,954)
Fund Balances at Beginning of Year	<u>87,712</u>	<u>141,798</u>	<u>748,701</u>	<u>6,573</u>	<u>41,390</u>	<u>598,478</u>	<u>-</u>	<u>-</u>	<u>2,557,332</u>
Fund Balances at End of Year	<u>\$ 87,915</u>	<u>\$ 79,476</u>	<u>\$ 865,434</u>	<u>\$ 6,093</u>	<u>\$ 49,825</u>	<u>\$ 56,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,126,378</u>

# **FIDUCIARY FUND TYPES**

Fiduciary fund types are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or others. The Town's fiduciary funds are:

## **AGENCY FUNDS:**

**Student Activities** - To account for various student activities and clubs.

**Contractor's Deposit** - To account for deposits from contractors and developers, which are held by the Town as surety for satisfactory completion of construction and development projects.

## **TRUST FUND:**

**Pension Trust** - To account for the accumulation of resources to be used for retirement benefits.

## TOWN OF FARMINGTON, CONNECTICUT

## COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS

JUNE 30, 2011

	<u>Agency Funds</u>		
	<u>Student Activities</u>	<u>Contractor's Deposit</u>	<u>Total Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ <u>819,575</u>	\$ <u>587,833</u>	\$ <u>1,407,408</u>
Liabilities:			
Fiduciary deposits	\$ <u>819,575</u>	\$ <u>587,833</u>	\$ <u>1,407,408</u>

## TOWN OF FARMINGTON, CONNECTICUT

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Student Activities:				
Assets:				
Cash and cash equivalents	\$ 799,263	\$ 1,783,219	\$ 1,762,907	\$ 819,575
Liabilities:				
Fiduciary deposits	\$ 799,263	\$ 1,783,219	\$ 1,762,907	\$ 819,575
Contractor's Deposit:				
Assets:				
Cash and cash equivalents	\$ 543,411	\$ 102,850	\$ 58,428	\$ 587,833
Liabilities:				
Fiduciary deposits	\$ 543,411	\$ 102,850	\$ 58,428	\$ 587,833
Total:				
Assets:				
Cash and cash equivalents	\$ 1,342,674	\$ 1,886,069	\$ 1,821,335	\$ 1,407,408
Liabilities:				
Fiduciary deposits	\$ 1,342,674	\$ 1,886,069	\$ 1,821,335	\$ 1,407,408

# **SUPPLEMENTAL SCHEDULES**

**TOWN OF FARMINGTON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN BOND INDEBTEDNESS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>Date of Issuance/Description</u>	<u>Interest Rate</u>	<u>Fiscal Year of Maturity</u>	<u>Original Amount</u>	<u>Outstanding July 1, 2010</u>	<u>Current Year Transactions</u>		<u>Outstanding June 30, 2011</u>
					<u>Issued</u>	<u>Retired</u>	
<b>SCHOOL BONDS</b>							
1993 Irving Robbins/H.S. Roof 2010-2013	5.70%	2010-2013	\$ 2,015,500	\$ 1,480,500	\$	\$ 535,000	\$ 945,500
1996 Irving Robbins Addition, H.S. Design Noah Wallace/Union Windows, East Farms Roof 2010-2011	5.00%	2010-2011	350,000	175,000		175,000	-
2001 5/6 School Design 2011	4.38%	2011	55,000	55,000		55,000	-
2002 Grade 5-6 School Construction 2011	5.00%	2011	1,135,000	1,135,000		1,135,000	-
2012	2.25%	2012	1,135,000	1,135,000			1,135,000
2013	2.50%	2013	1,135,000	1,135,000			1,135,000
2006 School Bond 2011-2019	4.00%	2011-2019	2,526,327	2,526,327		1,961,927	564,400
2020-2022	4.13%	2020-2022	842,109	842,109		842,109	-
2023-2024	4.25%	2023-2024	541,498	541,498		269,198	272,300
2025	4.30%	2025	270,749	276,800			276,800
2026	4.38%	2026	270,749	276,800			276,800
2009 Series A Refunding Bond School 2014	4.00%	2014	1,221,100	1,221,100			1,221,100
2015	2.25%	2015	1,209,400	1,209,400			1,209,400
2016	2.50%	2016	1,185,900	1,185,900			1,185,900
2017	3.46%	2017	1,166,300	1,166,300			1,166,300
2018	5.00%	2018	1,162,400	1,162,400			1,162,400
2019	4.00%	2019	1,158,500	1,158,500			1,158,500
2020	5.00%	2020	1,154,600	1,154,600			1,154,600
2021-2022	4.00%	2021-2022	2,289,600	2,289,600			2,289,600
2009 Series B Refunding Bond School 2011	3.05%	2011	400,200	400,200		400,200	-
2012	5.00%	2012	628,000	628,000			628,000
2013	2.25%	2013	611,000	611,000			611,000
2014	2.69%	2014	600,200	600,200			600,200
2015-2021	4.00%	2015-2021	2,767,200	2,767,200			2,767,200
2011 School Bond Refunding 2012-2014	2.00%	2012-2014	321,300		321,300		321,300
2015-2017	3.00%	2015-2017	891,100		891,100		891,100
2018-2022	4.00%	2018-2022	1,449,500		1,449,500		1,449,500
2023	3.13%	2023	268,300		268,300		268,300
			<u>\$ 28,761,532</u>	<u>25,133,434</u>	<u>2,930,200</u>	<u>5,373,434</u>	<u>22,690,200</u>

(Continued on next page)

**TOWN OF FARMINGTON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN BOND INDEBTEDNESS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>Date of Issuance/Description</u>	<u>Interest Rate</u>	<u>Fiscal Year of Maturity</u>	<u>Original Amount</u>	<u>Outstanding July 1, 2010</u>	<u>Current Year Transactions</u>		<u>Outstanding June 30, 2011</u>
					<u>Issued</u>	<u>Retired</u>	
<u>SEWER BONDS</u>							
1993 Sewer Issue							
2010-2013	5.70%	2010-2013	\$ 350,000	\$ 262,000	\$	\$ 88,000	\$ 174,000
2006 Sewer Issue							
2011-2019	4.00%	2011-2019	1,080,000	1,080,000		840,000	240,000
2020-2022	4.13%	2020-2022	360,000	360,000		360,000	-
2023-2024	4.25%	2023-2024	240,000	240,000		120,000	120,000
2025	4.30%	2025	120,000	120,000			120,000
2026	4.38%	2026	120,000	120,000			120,000
2011 Sewer Bond Refunding							
2012-2014	2.00%	2012-2014	134,600		134,600		134,600
2015-2017	3.00%	2015-2017	368,800		368,800		368,800
2018-2022	4.00%	2018-2022	596,500		596,500		596,500
2023	3.13%	2023	118,500		118,500		118,500
			\$ 3,488,400	2,182,000	1,218,400	1,408,000	1,992,400
<u>OTHER BONDS</u>							
1993 General Obligation Bonds							
2010-2013	5.70%	2010-2013	\$ 94,500	67,500		27,000	40,500
2001 General Obligation Bonds							
2011-2013	4.38%	2011-2013	695,000	695,000		695,000	-
2002 General Purpose Bond							
2011	5.00%	2011	315,000	315,000		315,000	-
2012	2.25%	2012	315,000	315,000			315,000
2013	2.50%	2013	315,000	315,000			315,000
2006 General Purpose Bond							
2011-2019	4.00%	2011-2019	3,818,673	3,818,673		2,973,073	845,600
2020-2022	4.13%	2020-2022	1,272,891	1,272,891		1,272,891	-
2023-2024	4.25%	2023-2024	818,502	818,502		410,802	407,700
2025	4.30%	2025	409,251	403,200			403,200
2026	4.38%	2026	409,251	403,200			403,200
2008 General Obligation Bond							
2010-2016	3.25%	2010-2016	2,960,000	2,535,000		425,000	2,110,000
2017-2018	3.50%	2017-2018	840,000	840,000			840,000
2019	3.75%	2019	420,000	420,000			420,000
2020-2024	4.00%	2020-2024	2,100,000	2,100,000			2,100,000
2025-2026	4.13%	2025-2026	840,000	840,000			840,000
2027-2028	4.25%	2027-2028	840,000	840,000			840,000

(Continued on next page)

**TOWN OF FARMINGTON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN BOND INDEBTEDNESS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>Date of Issuance/Description</u>	<u>Interest Rate</u>	<u>Fiscal Year of Maturity</u>	<u>Original Amount</u>	<u>Outstanding July 1, 2010</u>	<u>Current Year Transactions</u>		<u>Outstanding June 30, 2011</u>
					<u>Issued</u>	<u>Retired</u>	
2009 Series A Refunding Bonds General Purpose							
2014	4.00%	2014	\$ 338,900	\$ 338,900	\$	\$	\$ 338,900
2015	2.25%	2015	335,600	335,600			335,600
2016	2.50%	2016	329,100	329,100			329,100
2017	3.46%	2017	323,700	323,700			323,700
2018	5.00%	2018	322,600	322,600			322,600
2019	4.00%	2019	321,500	321,500			321,500
2020	5.00%	2020	320,400	320,400			320,400
2021-2022	4.00%	2021-2022	635,400	635,400			635,400
2009 Series B Refunding Bond General Purpose							
2011	3.05%	2011	899,800	899,800		899,800	-
2012	5.00%	2012	1,412,000	1,412,000			1,412,000
2013	2.25%	2013	1,374,000	1,374,000			1,374,000
2014	2.69%	2014	1,349,800	1,349,800			1,349,800
2015-2021	4.00%	2015-2021	6,222,800	6,222,800			6,222,800
2009 Series C Refunding Bond General Purpose							
2011-2012	2.00%	2011-2012	250,000	250,000		125,000	125,000
2013	2.25%	2013	125,000	125,000			125,000
2014	2.50%	2014	125,000	125,000			125,000
2015	2.75%	2015	125,000	125,000			125,000
2016	3.00%	2016	125,000	125,000			125,000
2017	3.25%	2017	100,000	100,000			100,000
2018	3.50%	2018	100,000	100,000			100,000
2019-2021	4.00%	2019-2021	300,000	300,000			300,000
2011 General Purpose Bond Refunding							
2012-2014	2.00%	2012-2014	1,114,100		1,114,100		1,114,100
2015-2017	3.00%	2015-2017	1,920,100		1,920,100		1,920,100
2018-2022	4.00%	2018-2022	3,124,000		3,124,000		3,124,000
2023	3.13%	2023	613,200		613,200		613,200
2024	3.25%	2024	210,000		210,000		210,000
2025	3.50%	2025	210,000		210,000		210,000
2026	3.63%	2026	210,000		210,000		210,000
			<u>\$ 39,300,068</u>	<u>31,434,566</u>	<u>7,401,400</u>	<u>7,143,566</u>	<u>31,692,400</u>
<b>Total Bonds Payable</b>				<u>\$ 58,750,000</u>	<u>\$ 11,550,000</u>	<u>\$ 13,925,000</u>	<u>\$ 56,375,000</u>

TOWN OF FARMINGTON, CONNECTICUT

SCHEDULE OF TAX COLLECTIONS

FOR THE YEAR ENDED JUNE 30, 2011

Grand List of October 1,	Mill Rate	Uncollected Taxes July 1, 2010	Adjustments and Transfer				Adjusted Taxes Collectible	Collections				Tax Refunds	Uncollected Taxes June 30, 2011
			Assessors Certificates of Correction		Transfers to Suspense Tax Book	Net Additions (Deductions)		Taxes	Interest	Lien Fees	Total		
			Additions	Deductions									
2009	20.46	\$ 75,464,750	\$ 675,934	\$ 240,297	\$ (11,354)	\$ 424,283	\$ 75,889,033	\$ 75,799,557	\$ 205,378	\$ 1,697	\$ 76,006,632	\$ 232,440	\$ 321,916
2008	19.76	199,788	22,315	32,286	635	(9,336)	190,452	151,709	30,012	1,846	183,567	13,628	52,371
2007	19.47	76,239	5,604	1,341	(4,022)	241	76,480	68,505	16,532	447	85,484	1,444	9,419
2006	25.95	20,818	115	117	(5,289)	(5,291)	15,527	6,392	2,576	125	9,093	117	9,252
2005	25.24	5,923	131	38	(1,193)	(1,100)	4,823	665	520	9	1,194	38	4,196
2004	24.24	3,631	80	36	2,276	2,320	5,951	3,237	2,900	33	6,170	36	2,750
2003	21.3	2,484	245		(74)	171	2,655	654	497	15	1,166		2,001
2002	21.9	1,774			226	226	2,000	269	379	6	654		1,731
2001	26.5	1,756			523	523	2,279	523	675	7	1,205		1,756
2000	25.0	1,654			-	-	1,654				-		1,654
1999	23.6	1,539			(12)	(12)	1,527	(12)			(12)		1,539
1998	22.8	1,486	156		77	233	1,719	232	157		389		1,487
1997	22.8	1,487			120	120	1,607	120	271	6	397		1,487
1996	22.4	1,461	313		108	421	1,882	421	260	6	687		1,461
1995	21.6	1,408			32	32	1,440	32	85		117		1,408
		<u>\$ 75,786,198</u>	<u>\$ 704,893</u>	<u>\$ 274,115</u>	<u>\$ (17,947)</u>	<u>\$ 412,831</u>	<u>\$ 76,199,029</u>	<u>\$ 76,032,304</u>	<u>\$ 260,242</u>	<u>\$ 4,197</u>	<u>\$ 76,296,743</u>	<u>\$ 247,703</u>	<u>\$ 414,428</u>

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## TOWN OF FARMINGTON, CONNECTICUT

## SPECIAL REVENUE FUND

## WATER POLLUTION CONTROL AUTHORITY FUND

## SCHEDULE OF SEWER ASSESSMENTS LEVIED, COLLECTED AND OUTSTANDING

## FOR THE YEAR ENDED JUNE 30, 2011

Project	Assessments Collectible July 1, 2010	Current Year Additions	Collections			Assessments Collectible June 30, 2011
			Principal	Interest	Total	
H	\$	\$	\$	\$	\$ -	\$ -
G		1,805			-	1,805
CC		53,325	53,325		53,325	-
NN	17,187	10,000	14,221	674	14,895	12,966
SS		4,200	4,200		4,200	-
BBB	5,455		546	327	873	4,909
DDD	3,636		455	200	655	3,181
FFF	2,243				-	2,243
QQQ	25				-	25
UUU	6,000		1,333	550	1,883	4,667
	\$ <u>34,546</u>	\$ <u>69,330</u>	\$ <u>74,080</u>	\$ <u>1,751</u>	\$ <u>75,831</u>	\$ <u>29,796</u>

# STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

## TOWN OF FARMINGTON, CONNECTICUT

## NET ASSETS BY COMPONENT

## LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:									
Invested in capital assets, net of related debt	\$ 8,062,599	\$ 8,964,428	\$ 15,264,575	\$ 22,036,765	\$ 55,323,795	\$ 60,678,758	\$ 66,566,819	\$ 70,786,142	\$ 70,918,707
Unrestricted	16,874,793	23,892,223	20,760,942	17,644,550	15,833,869	16,512,931	16,090,463	13,980,396	17,509,749
Total governmental activities net assets	<u>24,937,392</u>	<u>32,856,651</u>	<u>36,025,517</u>	<u>39,681,315</u>	<u>71,157,664</u>	<u>77,191,689</u>	<u>82,657,282</u>	<u>84,766,538</u>	<u>88,428,456</u>
Business-Type Activities:									
Invested in capital assets, net of related debt	1,245,973	1,264,467	1,221,323	1,211,666	1,196,623	1,193,904	1,215,364	1,219,346	1,217,095
Unrestricted	101,200	8,671	(120,019)	(239,842)	(310,331)	(237,201)	(330,341)	(369,886)	(495,592)
Total business-type activities net assets	<u>1,347,173</u>	<u>1,273,138</u>	<u>1,101,304</u>	<u>971,824</u>	<u>886,292</u>	<u>956,703</u>	<u>885,023</u>	<u>849,460</u>	<u>721,503</u>
Primary Government:									
Invested in capital assets, net of related debt	9,308,572	10,228,895	16,485,898	23,248,431	56,520,418	61,872,662	67,782,183	72,005,488	72,135,802
Unrestricted	16,975,993	23,900,894	20,640,923	17,404,708	15,523,538	16,275,730	15,760,122	13,610,510	17,014,157
Total Primary Government Net Assets	<u>\$ 26,284,565</u>	<u>\$ 34,129,789</u>	<u>\$ 37,126,821</u>	<u>\$ 40,653,139</u>	<u>\$ 72,043,956</u>	<u>\$ 78,148,392</u>	<u>\$ 83,542,305</u>	<u>\$ 85,615,998</u>	<u>\$ 89,149,959</u>

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 during the fiscal year ended June 30, 2003.

TOWN OF FARMINGTON, CONNECTICUT

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS

Fiscal Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Governmental activities:									
Education	\$ 44,033,943	\$ 44,919,090	\$ 48,104,708	\$ 54,715,445	\$ 58,185,128	\$ 76,033,311	\$ 60,697,140	\$ 63,021,971	\$ 64,652,411
Public safety	9,849,850	9,872,948	9,782,278	10,050,300	10,620,878	10,709,514	11,892,238	11,700,832	11,260,073
Public works	6,897,923	4,895,104	4,927,021	5,274,293	6,696,672	7,776,218	7,593,395	7,270,315	8,109,725
Culture and recreation	1,613,511	1,548,756	1,403,644	1,565,407	1,234,897	1,076,083	1,826,626	2,732,501	2,123,408
Special services	1,294,418	1,198,592	1,293,635	1,322,572	1,332,198	1,239,733	1,342,513		
Human services	5,084,361	1,797,421	1,888,801	13,341	32,044	2,400	15,495	20,764	24,935
General administration	4,262,658	4,819,690	5,514,792	6,264,567	5,355,343	7,506,490	6,968,782	7,604,911	6,887,454
Plant operations	3,652,829	2,948,365	3,476,798	3,256,371	3,479,603	3,991,935	3,788,840	3,997,886	4,213,197
Debt service	3,040,135	4,495,103	2,597,568	2,663,803	3,147,147	2,847,221	2,742,670	2,435,367	2,143,185
Total governmental activities	79,729,628	76,495,069	78,989,245	85,126,099	90,083,910	111,182,905	96,867,699	98,784,547	99,414,388
Business-type activities:									
Waste Collection Fund								1,411,865	1,490,559
Westwoods Fund	638,552	622,914	621,947	612,831	734,219	722,187	754,882	767,564	741,680
Total business type activities	638,552	622,914	621,947	612,831	734,219	722,187	754,882	2,179,429	2,232,239
Total Primary Government Expenses	\$ 80,368,180	\$ 77,117,983	\$ 79,611,192	\$ 85,738,930	\$ 90,818,129	\$ 111,905,092	\$ 97,622,581	\$ 100,963,976	\$ 101,646,627
Program Revenues:									
Governmental activities:									
Charges for services:									
Education	\$ 1,594,881	\$ 2,837,235	\$ 2,766,021	\$ 2,721,338	\$ 3,051,543	\$ 3,152,847	\$ 3,132,163	\$ 3,191,193	\$ 3,272,594
Public safety	1,082,080	1,080,799	1,191,553	1,232,883	707,161	1,085,864	854,146	942,987	933,015
Public works	2,583,232	2,838,263	2,409,423	2,802,639	3,391,620	3,601,991	3,978,128	4,079,313	3,886,906
Culture and recreation			514,289	498,869	500,020	602,337	491,464	530,320	532,258
Special services	1,151,742	1,297,719	1,323,636	1,298,185	1,345,978	1,367,711	1,417,921	8,883	
Human services	581,142	581,866	43,478	49,031	18,744				10,560
General administration	1,135,798	1,163,970	1,435,001	1,310,159	1,316,991	1,550,030	1,254,398	1,312,624	1,178,439
Debt service				186,958					
Operating grants and contributions	6,371,572	4,086,762	4,675,301	6,404,232	6,799,564	24,845,653	9,604,738	9,743,514	10,747,054
Capital grants and contributions	685,965	1,579,142	1,183,208	657,360	991,887	2,047,483	5,682,481	3,588,534	2,309,334
Total governmental activities program revenues	15,186,412	15,465,756	15,541,910	17,161,654	18,123,508	38,253,916	26,415,439	23,397,368	22,870,160
Business-type activities:									
Charges for services	499,694	496,371	444,745	478,217	631,117	738,935	626,946	2,122,877	2,076,083
Capital grants and contributions							27,201		
Total Primary Government Program Revenues	\$ 15,686,106	\$ 15,962,127	\$ 15,986,655	\$ 17,639,871	\$ 18,754,625	\$ 38,992,851	\$ 27,069,586	\$ 25,520,245	\$ 24,946,243
Net Expense:									
Governmental activities	\$ (64,543,216)	\$ (61,029,313)	\$ (63,447,335)	\$ (67,964,445)	\$ (71,960,402)	\$ (72,928,989)	\$ (70,452,260)	\$ (75,387,179)	\$ (76,544,228)
Business-type activities	(138,858)	(126,543)	(177,202)	(134,614)	(103,102)	16,748	(100,735)	(56,552)	(156,156)
Total Primary Government Net Expense	\$ (64,682,074)	\$ (61,155,856)	\$ (63,624,537)	\$ (68,099,059)	\$ (72,063,504)	\$ (72,912,241)	\$ (70,552,995)	\$ (75,443,731)	\$ (76,700,384)

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**TOWN OF FARMINGTON, CONNECTICUT**  
**CHANGES IN NET ASSETS (CONTINUED)**  
**LAST NINE FISCAL YEARS**

Fiscal Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets:									
Governmental activities:									
Property taxes	\$ 54,943,745	\$ 57,437,737	\$ 61,414,927	\$ 64,964,369	\$ 68,660,227	\$ 71,144,342	\$ 71,108,035	\$ 73,052,220	\$ 76,149,789
Unrestricted grants and contributions	3,616,624	4,039,632	4,089,941	4,105,513	4,143,319	4,146,675	4,151,117	4,073,474	3,667,528
Investment earnings	623,366	425,116	702,668	1,328,401	1,949,609	1,265,058	450,608	243,739	259,363
Contributions		7,096,087							
Miscellaneous	422,592		275,318	1,221,960		95,320	208,093	127,002	129,466
Transfers	400,000	(50,000)							
Total governmental activities	60,006,327	68,948,572	66,482,854	71,620,243	74,753,155	76,651,395	75,917,853	77,496,435	80,206,146
Business-type activities:									
Investment earnings	7,073	1,153	1,419	1,344	8,498	14,630	9,413	1,477	504
Miscellaneous	42,845	1,349	3,951	3,790	9,072	39,033	19,642	19,512	27,695
Transfers		50,000							
Total business-type activities	49,918	52,502	5,370	5,134	17,570	53,663	29,055	20,989	28,199
Total Primary Government	\$ 60,056,245	\$ 69,001,074	\$ 66,488,224	\$ 71,625,377	\$ 74,770,725	\$ 76,705,058	\$ 75,946,908	\$ 77,517,424	\$ 80,234,345
Changes in Net Assets:									
Governmental activities	\$ (4,536,889)	\$ 7,919,259	\$ 3,035,519	\$ 3,655,798	\$ 2,792,753	\$ 3,722,406	\$ 5,465,593	\$ 2,109,256	\$ 3,661,918
Business-type activities	(88,940)	(74,041)	(171,832)	(129,480)	(85,532)	70,411	(71,680)	(35,563)	(127,957)
Total Primary Government	\$ (4,625,829)	\$ 7,845,218	\$ 2,863,687	\$ 3,526,318	\$ 2,707,221	\$ 3,792,817	\$ 5,393,913	\$ 2,073,693	\$ 3,533,961

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 during the fiscal year ended June 30, 2003.

TOWN OF FARMINGTON, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Reserved	\$ 234,824	\$ 191,273	\$ 238,519	\$ 431,398	\$ 535,942	\$ 448,180	\$ 455,676	\$ 493,720	\$ 102,654	\$
Unreserved	7,871,059	7,743,008	7,097,397	7,114,247	7,879,886	8,045,726	8,584,291	7,973,480	7,965,752	
Assigned										748,869
Unassigned										7,388,642
Total General Fund	<u>\$ 8,105,883</u>	<u>\$ 7,934,281</u>	<u>\$ 7,335,916</u>	<u>\$ 7,545,645</u>	<u>\$ 8,415,828</u>	<u>\$ 8,493,906</u>	<u>\$ 9,039,967</u>	<u>\$ 8,467,200</u>	<u>\$ 8,068,406</u>	<u>\$ 8,137,511</u>
18 All other governmental funds:										
Reserved	\$ 13,132,324	\$	\$	\$	\$	\$	\$ 25,345	\$ 31,247	\$ 31,193	\$
Unreserved, reported in:										
Special revenue funds	1,645,595	2,481,274	2,982,175	3,203,831	3,299,651	3,653,268	3,933,499	4,146,421	4,623,104	
Capital projects funds		74,835	(7,400,802)	(11,039,548)	2,339,603	641,903	2,197,843	2,440,088	2,452,336	
Nonspendable										34,208
Restricted										7,177,624
Committed										2,684,708
Unassigned										(11,859)
Total All Other Governmental Funds	<u>\$ 14,777,919</u>	<u>\$ 2,556,109</u>	<u>\$ (4,418,627)</u>	<u>\$ (7,835,717)</u>	<u>\$ 5,639,254</u>	<u>\$ 4,295,171</u>	<u>\$ 6,156,687</u>	<u>\$ 6,617,756</u>	<u>\$ 7,106,633</u>	<u>\$ 9,884,681</u>

**TOWN OF FARMINGTON, CONNECTICUT**  
**REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - GOVERNMENTAL FUNDS**

**LAST TEN YEARS**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Property taxes, interest and lien fees	\$ 50,819,394	\$ 54,321,294	\$ 57,049,991	\$ 60,794,345	\$ 64,640,537	\$ 68,584,419	\$ 71,041,430	\$ 71,216,753	73,010,027	\$ 76,077,290
Miscellaneous taxes		1,107,897	1,341,094	2,055,537	1,765,899					
Intergovernmental revenues	15,507,320	11,112,059	10,389,348	10,252,093	11,039,905	12,678,308	30,309,249	14,811,288	14,294,441	15,630,669
Charges for current services	5,883,338	6,324,249	6,528,730	6,395,571	6,996,789	8,513,826	9,948,208	10,189,547	8,987,102	8,800,343
Sewer assessments	64,031	32,049	33,427	29,544	34,840	25,631	4,864	35,289	18,462	16,059
Licenses and permits	443,616	499,165	588,866	713,436	709,097	605,394	1,003,152	561,317	480,171	486,816
Sale of lunches	944,859	983,966	1,092,527	1,113,287	1,231,694	719,937				
Fines and penalties	25,388	46,395	27,361	19,322	18,892	38,900	22,719	39,419	31,924	41,713
Investment income	702,967	609,687	535,785	684,676	1,255,484	1,580,405	1,206,774	440,131	242,257	256,799
Other local revenue	854,591	422,592	354,872	574,146	514,065	685,614	1,766,631	1,473,960	1,708,997	1,750,221
<b>Total revenues</b>	<b>75,245,504</b>	<b>75,459,353</b>	<b>77,942,001</b>	<b>82,631,957</b>	<b>88,207,202</b>	<b>93,432,434</b>	<b>115,303,027</b>	<b>98,767,704</b>	<b>98,773,381</b>	<b>103,059,910</b>
Expenditures:										
Current:										
Board of Education	40,569,513	44,020,310	44,915,527	47,500,369	52,477,299	54,891,751	73,245,357	58,948,132	60,603,300	62,860,458
Public safety	6,743,335	7,156,538	7,291,609	7,502,863	7,798,584	7,869,928	8,237,968	8,317,622	8,287,822	8,466,147
Public works	2,707,177	3,487,276	3,711,045	3,493,311	3,596,963	3,758,288	3,739,734	3,887,998	3,732,214	3,819,074
Culture and recreation	945,077	1,126,146	1,103,560	1,155,783	1,329,045	1,361,395	1,312,340	1,350,583	1,247,728	1,727,483
Special services	1,199,519	1,294,418	1,198,592	1,293,635	1,322,572	1,332,048	1,239,583	1,341,388		
Human resources	2,129,407	1,636,702	1,760,670	1,888,801	13,341	22,833	20,726	15,495	20,764	
Plant operations	1,559,001	1,939,569	2,091,736	2,211,369	2,387,383	2,686,757	2,825,204	2,751,077	2,822,608	2,720,153
General government	2,439,562	2,348,989	2,449,026	2,686,617	4,539,915	4,969,829	5,169,202	5,153,948	5,125,143	5,250,988
Pension and other employee benefits	3,123,050	3,084,271	3,162,228	3,259,235	3,470,172	3,837,132	4,175,626	4,550,117	4,859,597	5,081,050
Contractual services										
Other	14,495	13,633	3,563	13,649	17,635	269,672	318,534	372,445	648,652	653,862
Debt service	5,835,151	6,847,061	9,497,701	8,080,958	7,897,578	9,049,542	9,038,857	9,331,668	9,225,806	9,202,135
Capital outlay	29,198,965	16,288,663	9,805,645	6,752,728	5,266,503	4,517,383	11,965,189	2,977,620	3,507,244	3,882,521
<b>Total expenditures</b>	<b>96,464,252</b>	<b>89,243,576</b>	<b>86,990,902</b>	<b>85,839,318</b>	<b>90,116,990</b>	<b>94,566,558</b>	<b>121,288,320</b>	<b>98,998,093</b>	<b>100,080,878</b>	<b>103,663,871</b>
Deficiency of Revenues over Expenditures	(21,218,748)	(13,784,223)	(9,048,901)	(3,207,361)	(1,909,788)	(1,134,124)	(5,985,293)	(230,389)	(1,307,497)	(603,961)
Other Financing Sources (Uses):										
Proceeds from bond issue	27,100,000				16,000,000		8,000,000	13,475,000	17,635,000	3,200,000
Proceeds of refunding bonds			19,015,800					1,181,368		9,096,600
Payment to refunded bond escrow agent			(17,490,000)					(14,537,677)	(16,237,420)	(8,845,486)
Proceeds from capital lease					123,061		392,870			
Operating transfers in	3,198,600	3,053,791	1,604,381	1,637,767	2,514,220	2,176,750	3,339,833	2,086,000	1,335,937	2,766,309
Operating transfers out	(3,198,600)	(2,653,791)	(1,654,381)	(1,637,767)	(2,514,220)	(2,176,750)	(3,339,833)	(2,086,000)	(1,335,937)	(2,766,309)
<b>Total other financing sources (uses)</b>	<b>27,100,000</b>	<b>400,000</b>	<b>1,475,800</b>	<b>-</b>	<b>16,123,061</b>	<b>-</b>	<b>8,392,870</b>	<b>118,691</b>	<b>1,397,580</b>	<b>3,451,114</b>
Net Change in Fund Balances	5,881,252	(13,384,223)	(7,573,101)	(3,207,361)	14,213,273	(1,134,124)	2,407,577	(111,698)	90,083	2,847,153
Fund Balance at Beginning of Year	17,002,550	23,874,613	10,490,390	2,917,289	(290,072)	13,923,201	12,789,077	15,196,654	15,084,956	15,175,039
Fund Balance at End of Year	\$ 22,883,802	\$ 10,490,390	\$ 2,917,289	\$ (290,072)	\$ 13,923,201	\$ 12,789,077	\$ 15,196,654	\$ 15,084,956	\$ 15,175,039	\$ 18,022,192
Debit Service as a Percentage to Noncapital Expenditures	8.67%	8.60%	12.15%	9.98%	9.05%	9.94%	8.13%	9.63%	9.33%	8.88%

**TOWN OF FARMINGTON, CONNECTICUT**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS  
(in thousands of dollars)**

Fiscal Year Ended June 30,	Real Property		All Land	Motor Vehicles	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assess Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
2002	\$ 1,222,808	\$ 423,397	\$ 6,175	\$ 164,857	\$ 217,596	\$ 34,484	\$ 2,000,348	25.0	\$ 3,339,698	59.90%
2003	1,237,692	438,384	5,517	177,221	223,836	34,942	2,047,708	26.5	3,757,191	54.50%
2004	1,634,193	580,727	8,890	183,127	230,711	34,073	2,603,575	21.9	3,757,223	69.30%
2005	1,670,319	571,299	9,027	178,139	211,001	29,129	2,610,656	23.3	4,636,803	56.30%
2006	1,696,359	577,999	8,822	192,728	211,460	28,585	2,658,782	24.3	5,009,071	53.08%
2007	1,724,272	579,242	7,870	201,113	206,144	27,158	2,691,484	25.2	5,034,467	53.46%
2008	1,749,858	580,610	7,840	205,367	209,825	30,381	2,723,119	26.0	5,846,001	46.58%
2009	2,478,576	774,810	11,343	234,639	214,720	37,180	3,676,908	19.5	5,252,725	70.00%
2010	2,502,442	771,483	11,003	217,100	236,431	41,541	3,696,918	19.8	5,677,957	65.11%
2011	2,519,851	784,785	9,322	218,027	241,339	46,141	3,727,182	20.5	5,658,391	65.87%

Source: Assessor's Office, Town of Farmington

Note: Properties in the Town are reassessed once every four years per State statute. The Town assesses all property at approximately 70% of actual value. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

## TOWN OF FARMINGTON, CONNECTICUT

## PRINCIPAL TAXPAYERS

JUNE 30, 2011

CURRENT YEAR AND TEN YEARS AGO  
(in thousands of dollars)

<u>Taxpayer</u>	<u>2011</u>			<u>2001</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
West Farms Associates	\$ 102,422	1	2.76 %	\$ 59,153	1	3.03 %
United Technologies	46,696	2	1.26	35,233	2	1.81
Trumpf, Inc	37,017	3	1.00	19,629	3	1.01
Dunn-Sager Affiliates	33,603	4	0.91			
CL&P	30,196	5	0.81	13,343	8	0.68
Delfino, William & Thomas	28,487	6	0.77			
Fusco	22,680	7	0.61	12,584	9	0.65
NSHE Columbia Hartford LLC	20,569	8	0.56			
The Price Rite, Inc	20,195	9	0.55			
The Gables of Farmington	18,491	10	0.50			
Richard Gordon, ETALS				17,312	4	0.89
Nordstrom				15,215	5	0.78
HMC/RGI Hartford LP				13,664	6	0.70
Security Insurance Co.				13,422	7	0.69
J.C. Penney				10,895	10	0.56
	<u>\$ 360,356</u>		<u>9.73 %</u>	<u>\$ 210,450</u>		<u>10.80 %</u>

**TOWN OF FARMINGTON, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**  
(in thousands of dollars)

<b>Fiscal Year Ended June 30,</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2011	\$ 75,889	\$ 75,568	99.6 %	\$ 220	\$ 75,788	99.9 %
2010	72,659	72,460	99.7	199	72,659	100.0
2009	70,893	70,715	99.7	185	70,900	100.0
2008	70,882	70,662	99.7	183	70,845	99.9
2007	68,336	68,169	99.8	127	68,296	99.9
2006	64,843	64,677	99.7	186	64,863	100.0
2005	61,160	60,984	99.7	143	61,127	99.9
2004	57,181	57,028	99.7	366	57,394	100.4
2003	54,753	54,468	99.5	291	54,759	100.0
2002	50,618	50,330	99.4	241	50,571	99.9

Source: Tax Collector, Town of Farmington

**TOWN OF FARMINGTON, CONNECTICUT**

**PROPERTY TAX RATES**

**DIRECT AND OVERLAPPING GOVERNMENTS**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total Town Millage</b>
2011	18.3	2.2	20.5
2010	17.6	2.2	19.8
2009	17.4	2.1	19.5
2008	23.3	2.7	26.0
2007	22.5	2.7	25.2
2006	21.8	2.5	24.3
2005	20.7	2.6	23.3
2004	19.4	2.5	21.9
2003	23.8	2.7	26.5
2002	22.7	2.3	25.0

Source: Assessor's Office, Town of Farmington

**TOWN OF FARMINGTON, CONNECTICUT**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**

(in thousands of dollars, except per capita amount)

<b>Fiscal Year</b>	<b>Governmental Activities</b>					<b>Total Primary Government</b>	<b>Percentage of Estimated Actual Value of Property</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>School Bonds</b>	<b>Sewer Bonds</b>	<b>Capital Leases</b>					
2002	\$ 27,807	\$ 39,687	\$ 12,602	\$ -	\$ 80,096	2.4%	1.56%	3.39	
2003	26,535	38,212	11,655	-	76,402	2.0%	1.73%	3.23	
2004	25,732	36,513	10,690	-	72,935	1.9%	1.86%	3.09	
2005	24,134	33,884	9,682	-	67,700	1.5%	1.73%	2.86	
2006	36,136	31,255	11,055	75	78,521	1.6%	2.01%	3.32	
2007	34,081	28,583	9,889	34	72,587	1.4%	1.86%	3.07	
2008	39,907	25,870	8,704	393	74,874	1.3%	1.91%	3.17	
2009	33,000	28,235	7,499	334	69,068	1.3%	1.77%	2.92	
2010	31,447	25,121	6,274	272	63,114	1.1%	1.61%	2.67	
2011	31,693	22,690	5,047	292	59,722	1.1%	1.53%	2.53	

Source: Finance Department, Town of Farmington

**TOWN OF FARMINGTON, CONNECTICUT**

**LEGAL DEBT MARGIN INFORMATION**

**LAST TEN FISCAL YEARS**

(in thousands of dollars)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 701,622	\$ 760,605	\$ 796,007	\$ 844,330	\$ 902,239	\$ 943,746	\$ 978,678	\$ 979,641	\$ 1,003,953	\$ 1,047,566
Total net debt applicable to limit	<u>87,192</u>	<u>89,849</u>	<u>91,877</u>	<u>93,557</u>	<u>85,587</u>	<u>73,920</u>	<u>77,914</u>	<u>90,838</u>	<u>65,633</u>	<u>57,520</u>
Legal Debt Margin	<u>\$ 614,430</u>	<u>\$ 670,756</u>	<u>\$ 704,130</u>	<u>\$ 750,773</u>	<u>\$ 816,652</u>	<u>\$ 869,826</u>	<u>\$ 900,764</u>	<u>\$ 888,803</u>	<u>\$ 938,320</u>	<u>\$ 1,105,086</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.43%	11.81%	11.54%	11.08%	9.49%	7.80%	7.96%	9.27%	6.54%	5.49%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed value	\$ 3,681,041
Add back: exempt real property	<u>46,141</u>
Total assessed value	<u>\$ 3,727,182</u>
Debt limit	\$ 1,047,566
Debt applicable to limit:	
Gross indebtedness	59,430
Debt payable by other governments	<u>(1,910)</u>
Total net debt applicable to limit	<u>57,520</u>
Legal Debt Margin	<u>\$ 990,046</u>

Source: Assessor's Office, Town of Farmington

**TOWN OF FARMINGTON, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income (in thousands of dollars)</b>	<b>(1) Per Capita Personal Income</b>	<b>(1) Median Age</b>	<b>(2) School Enrollment</b>	<b>(3) Unemployment Rate</b>
2002	23,641	\$ 1,041,953	\$ 44,074	40.4	4,152	2.6%
2003	23,641	924,576	39,109	40.4	4,208	4.0%
2004	23,641	924,576	39,109	40.4	4,278	3.4%
2005	23,641	924,576	39,109	40.4	4,344	4.0%
2006	23,641	924,576	39,109	40.4	4,344	3.5%
2007	23,641	924,576	39,109	40.4	4,344	3.3%
2008	23,641	924,576	39,109	40.4	4,145	4.6%
2009	23,641	924,576	39,109	40.4	4,108	6.4%
2010	23,641	924,576	39,109	40.4	4,068	7.4%
2011	25,340	N/A	49,706	44.2	4,009	6.8%

(1) U.S. Census Bureau

(2) Board of Education School Enrollment Report as of October 1

(3) Connecticut Department of Labor

## TOWN OF FARMINGTON, CONNECTICUT

## PRINCIPAL EMPLOYERS

## PRIOR YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
UCONN Health Center/Dempsey Hospital	5,000	1	37.95%	4,700	1	41.30%
Westfarms Mall	2,600	2	19.74%			
Otis Elevator	1,061	3	8.05%	725	2	6.37%
Town of Farmington/Board of Education (1)	966	4	7.33%	650	3	5.71%
Bank of America	600	5	4.55%			
Tunxis Community College	521	6	3.95%			
Connecticare	500	7	3.80%	500	4	4.39%
Trumpf	425	8	3.23%	444	8	3.90%
EDAC/Grosite/& Apex	385	9	2.92%	275	13	2.42%
American Red Cross	375	10	2.85%	450	7	3.95%
Connecticut Spring & Stamp	375	10	2.85%	400	9	3.51%
Carrier	366	11	2.78%			
Hamilton Sundstrand				460	6	4.04%
Royal and Sun Alliance Orion Capital Co.				474	5	4.17%
Fleet Bank				370	10	3.25%
ebm-Pabst				362	11	3.18%
Nordstroms				350	12	3.08%
Konover Development Corporation				260	14	2.28%
Marriot Hotel				260	15	2.28%
Discover Re Managers, Inc.				250	16	2.20%
J.C. Penney Co				225	17	1.98%
Lord & Taylor				225	17	1.98%

Source: Economic Development Department, Town of Farmington

(1) Finance Department/Farmington BOE Business Office

**TOWN OF FARMINGTON, CONNECTICUT**

**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION**

**LAST TEN FISCAL YEARS**

		Full-time Equivalent Employees as of June 30,									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government		36	36	39	39	37	33	31	33	33	33
Public safety:											
Police Officers		47	47	46	45	44	43	43	43	44	42
Civilians		16	16	17	14	10	16	16	15	16	15
Fire:											
Firefighters		8	8	8	9	9	9	9	9	10	10
Highways and streets:											
Engineering		7	7	7	6	6	6	7	7	7	7
Maintenance		32	33	30	29	28	34	34	33	32	33
Treatment Plant		14	14	14	14	14	15	15	14	14	14
Recreation		4	3	3	3	3	3	3	3	2	2
Public Education:											
Teachers		323	343	345	349	347	347	347	347	347	345
Administrative and other		160	169	162	162	163	163	166	172	168	171
Total		<u>647</u>	<u>676</u>	<u>671</u>	<u>670</u>	<u>661</u>	<u>669</u>	<u>671</u>	<u>676</u>	<u>673</u>	<u>672</u>

Sources: Finance Department, Town of Farmington  
 Business Office, Farmington Board of Education

## TOWN OF FARMINGTON, CONNECTICUT

## OPERATING INDICATORS BY FUNCTION

## LAST TEN YEARS

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Police:										
Homicides	0	0	0	0	0	0	0	N/A	N/A	N/A
Robbery	8	10	11	2	11	10	7	N/A	N/A	N/A
Assaults	66	88	106	105	105	98	36	N/A	N/A	N/A
Burglary	92	86	76	67	61	78	77	N/A	N/A	N/A
Larceny	609	721	727	634	711	667	698	N/A	N/A	N/A
Auto Theft	41	27	31	28	28	21	20	N/A	N/A	N/A
Fire:										
Number of calls answered	2,106	2,278	2,427	2,698	2,866	3,068	3,193	3,108	3,186	3,463
Inspections	580	355	347	331	348	402	415	514	599	646
Public Works and Development:										
Building										
Permits issued	2,353 *	2,523 *	2,468 *	2,487 *	2,494 *	2,351 *	2,062 *	1,964 *	1,559 *	1,576
Highway and Grounds:										
Recyclable collected (tons)	5,311	4,910	5,318	6,192	6,451	5,993	7,382	7,433	7,302	6,421
Treatment:										
Avg daily flow (millions of gallons)	3.3	4.2	4.5	4.4	4.9	4.3	3.9	4.1	4	3.9
Yearly avg pollution removal	96.2%	95.7%	94.7%	95.5%	97.3%	97.6%	97.0%	97.6%	98.0%	98.0%
Community and Recreational Services:										
Recreation:										
Registrations (2)	10,404	8,866	8,735	8,488	8,628	11,425	13,573	14,500	14,912	18,970
Public Education:										
Per pupil expenditure (3)	8,540	9,056	9,178	9,566	10,513	11,311	11,868	11,968	12,620	N/A
Connecticut mastery test (4) (averaged scores for grades 4, 6, 8)	82%	83%	85%	84%	82%	86%	83%	88%	88%	88%

Source: All data from the Annual reports except Police

Note: Police statistics on a calendar year basis

N/A: Information not available

\*Revised

(1) Police Dept, Town of Farmington, Police Statistics on calendar year basis

(2) Recreation Dept., Town of Farmington

(3) Business Office, Farmington Board of Education

(4) Farmington Public Schools website

(5) Fire and Rescue Services Dept., Town of Farmington

(6) Fire Marshall, Town of Farmington

(7) Building Dept., Town of Farmington

**TOWN OF FARMINGTON, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011
Public safety:										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Vehicles:										
Marked	13	14	14	14	14	14	14	16	16	18
Unmarked	8	8	8	10	10	10	10	10	10	10
Fire:										
Stations	4	5	5	5	5	5	5	5	5	5
Public Works and Development:										
Highway										
**Streets (miles)	107.55	112.7	116.94	117.79	115.31	116.31	116.77	117.34	117.34	117.34
Street Lights	2,017	2,017	1,739	1,739	1,730	1,730	1,737	1,748	1,748	N/A
Sidewalks (miles)	37.73	37.73	46.8	46.8	46.8	46.8	47.24	47.68	47.68	47.68
Treatment:										
Sanitary sewers (miles)	91.06	91.06	135.8	137.06	138.01	140.41	140.12	140.91	140.91	141.63
Community and Recreational Services:										
Parks acreage	324	324	246	246.2	246.2	246.2	246.2	246.2	246.2	246.2
Parks	6	6	6	6	6	6	6	6	6	6
Athletic fields	48	49	49	49	49	49	49	49	49	49
Tennis courts	14	14	12	12	12	12	12	12	12	12
Public Education:										
Schools	7	7	7	7	7	7	7	7	7	7

Source: Annual financial statements except where noted

\*\*annual report to Department of Transportation