

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF FARMLAND

RANDOLPH COUNTY, INDIANA

January 1, 2011 to December 31, 2012



**FILED**  
07/09/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Bernice A. Herndon Loretta G. Perry	01-01-08 to 03-03-13 03-04-13 to 12-31-15
President of the Town Council	Troy Bain	01-01-11 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF FARMLAND, RANDOLPH COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Farmland (Town), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Bruce Hartman  
State Examiner

May 20, 2013

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

TOWN OF FARMLAND  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11		Cash and Investments 12-31-11		Cash and Investments 12-31-12		
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	
General	\$ 180,117	\$ 313,591	\$ 342,533	\$ 151,175	\$ 335,650	\$ 321,932	\$ 164,893
Motor Vehicle Highway	177,415	45,485	23,842	199,058	42,090	70,817	170,331
Local Road and Street	55,062	4,352	-	59,414	4,375	-	63,789
Economic Development Income Tax	155,909	27,068	30,243	152,734	30,932	28,063	155,603
Sanitation	1,454	58,836	57,950	2,340	59,478	57,721	4,097
Law Enforcement Continuing Education	5,244	725	263	5,706	1,048	180	6,574
Riverboat	39,461	9,112	5,020	43,553	7,896	-	51,449
Rainy Day	41,862	-	-	41,862	-	-	41,862
Levy Excess	923	-	-	923	-	-	923
Cumulative Capital Improvement	56,584	4,182	-	60,766	3,535	-	64,301
Cumulative Capital Development	60,127	4,137	12,502	51,762	3,768	-	55,530
Cumulative Fire	6,704	2,764	-	9,468	2,522	-	11,990
Farmland Preservation Commission	-	1,150	1,075	75	100	175	-
Cash on Hand	100	-	-	100	-	-	100
Historic Farmland U.S.A.	500	-	-	500	-	-	500
Facade Planning Grant	70	-	-	70	-	-	70
Fire Donation	2,300	-	-	2,300	-	-	2,300
Park Donation	6,371	50	-	6,421	130	-	6,551
Facade Grant	17,418	102,678	112,331	7,765	-	1,518	6,247
Home Rehabilitation Reimbursement	23,507	-	-	23,507	-	-	23,507
Park United Way Grant	200	-	-	200	-	-	200
Returned Check	564	1,398	2,120	(158)	1,848	1,690	-
Police Reserve Donation	556	-	-	556	-	-	556
Micro Loan	18,087	3,839	-	21,926	2,559	-	24,485
Unsafe Building	20,450	-	-	20,450	-	-	20,450
Payroll	26,023	381,979	377,259	30,743	407,902	406,683	31,962
Payroll Retirement Insurance	19,989	1,053	-	21,042	856	-	21,898
Sewage Utility Planning Grant	-	24,000	24,000	-	16,000	16,000	-
Sewage Utility Operating	29,427	220,408	227,914	21,921	225,689	228,266	19,344
Sewage Utility Bond and Interest	125,504	38,764	45,928	118,340	11,756	44,725	85,371
Sewage Utility Improvement	257,654	8,086	-	265,740	766	26,001	240,505
Sewer and Stormwater Loan	15,079	49,350	50,009	14,420	37,013	49,171	2,262
Water Utility Operating	2,616	202,772	179,951	25,437	225,170	182,966	67,641
Water Utility Customer Deposit	33,272	8,000	4,816	36,456	7,750	5,515	38,691
Totals	<u>\$ 1,380,549</u>	<u>\$ 1,513,779</u>	<u>\$ 1,497,756</u>	<u>\$ 1,396,572</u>	<u>\$ 1,428,833</u>	<u>\$ 1,441,423</u>	<u>\$ 1,383,982</u>

The notes to the financial statement are an integral part of this statement.

TOWN OF FARMLAND  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF FARMLAND  
NOTES TO FINANCIAL STATEMENT  
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

TOWN OF FARMLAND  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Interfund Transfers*

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF FARMLAND  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

**Note 7. Combined Funds**

The Cash on Hand Fund was reported as part of the General Fund in the prior financial statement.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road and Street	Economic Development Income Tax	Sanitation	Law Enforcement Continuing Education	Riverboat
Cash and investments - beginning	\$ 180,117	\$ 177,415	\$ 55,062	\$ 155,909	\$ 1,454	\$ 5,244	\$ 39,461
Receipts:							
Taxes	199,868	-	-	-	-	-	-
Licenses and permits	5	-	-	-	-	400	-
Intergovernmental	93,526	45,457	4,352	27,068	-	-	9,112
Charges for services	14,860	-	-	-	58,836	60	-
Fines and forfeits	514	-	-	-	-	265	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,818	28	-	-	-	-	-
<b>Total receipts</b>	<b>313,591</b>	<b>45,485</b>	<b>4,352</b>	<b>27,068</b>	<b>58,836</b>	<b>725</b>	<b>9,112</b>
Disbursements:							
Personal services	184,912	16,126	-	-	-	-	-
Supplies	15,161	4,171	-	-	-	-	-
Other services and charges	100,841	3,545	-	30,243	57,950	263	5,020
Capital outlay	38,073	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,546	-	-	-	-	-	-
<b>Total disbursements</b>	<b>342,533</b>	<b>23,842</b>	<b>-</b>	<b>30,243</b>	<b>57,950</b>	<b>263</b>	<b>5,020</b>
Excess (deficiency) of receipts over disbursements	(28,942)	21,643	4,352	(3,175)	886	462	4,092
Cash and investments - ending	<u>\$ 151,175</u>	<u>\$ 199,058</u>	<u>\$ 59,414</u>	<u>\$ 152,734</u>	<u>\$ 2,340</u>	<u>\$ 5,706</u>	<u>\$ 43,553</u>

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Rainy Day	Levy Excess	Cumulative Capital Improvement	Cumulative Capital Development	Cumulative Fire	Farmland Preservation Commission	Cash on Hand
Cash and investments - beginning	\$ 41,862	\$ 923	\$ 56,584	\$ 60,127	\$ 6,704	\$ -	\$ 100
Receipts:							
Taxes	-	-	-	3,577	2,389	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	4,182	560	375	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,150	-
Total receipts	-	-	4,182	4,137	2,764	1,150	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	1,075	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	12,502	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	12,502	-	1,075	-
Excess (deficiency) of receipts over disbursements	-	-	4,182	(8,365)	2,764	75	-
Cash and investments - ending	\$ 41,862	\$ 923	\$ 60,766	\$ 51,762	\$ 9,468	\$ 75	\$ 100

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Historic Farmland U.S.A.	Facade Planning Grant	Fire Donation	Park Donation	Façade Grant	Home Rehabilitation Reimbursement	Park United Way Grant
Cash and investments - beginning	\$ 500	\$ 70	\$ 2,300	\$ 6,371	\$ 17,418	\$ 23,507	\$ 200
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	50	102,678	-	-
Total receipts	-	-	-	50	102,678	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	112,331	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	112,331	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	50	(9,653)	-	-
Cash and investments - ending	<u>\$ 500</u>	<u>\$ 70</u>	<u>\$ 2,300</u>	<u>\$ 6,421</u>	<u>\$ 7,765</u>	<u>\$ 23,507</u>	<u>\$ 200</u>

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Returned Check	Police Reserve Donation	Micro Loan	Unsafe Building	Payroll	Payroll Retirement Insurance	Sewage Utility Planning Grant
Cash and investments - beginning	\$ 564	\$ 556	\$ 18,087	\$ 20,450	\$ 26,023	\$ 19,989	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,398	-	3,839	-	381,979	1,053	24,000
Total receipts	1,398	-	3,839	-	381,979	1,053	24,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	2,120	-	-	-	118,543	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	258,716	-	24,000
Total disbursements	2,120	-	-	-	377,259	-	24,000
Excess (deficiency) of receipts over disbursements	(722)	-	3,839	-	4,720	1,053	-
Cash and investments - ending	\$ (158)	\$ 556	\$ 21,926	\$ 20,450	\$ 30,743	\$ 21,042	\$ -

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Sewage Utility Operating	Sewage Utility Bond and Interest	Sewage Utility Improvement	Sewer and Stormwater Loan	Water Utility Operating	Water Utility Customer Deposit	Totals
Cash and investments - beginning	\$ 29,427	\$ 125,504	\$ 257,654	\$ 15,079	\$ 2,616	\$ 33,272	\$ 1,380,549
Receipts:							
Taxes	-	-	-	-	-	-	205,834
Licenses and permits	-	-	-	-	-	-	405
Intergovernmental	-	-	-	-	-	-	184,632
Charges for services	-	-	-	-	-	-	73,756
Fines and forfeits	-	-	-	-	-	-	779
Utility fees	214,082	-	-	-	201,056	-	415,138
Penalties	6,143	-	-	-	1,716	-	7,859
Other receipts	183	38,764	8,086	49,350	-	8,000	625,376
Total receipts	<u>220,408</u>	<u>38,764</u>	<u>8,086</u>	<u>49,350</u>	<u>202,772</u>	<u>8,000</u>	<u>1,513,779</u>
Disbursements:							
Personal services	-	-	-	-	-	-	201,038
Supplies	-	-	-	-	-	-	20,407
Other services and charges	-	-	-	-	-	-	318,525
Capital outlay	-	-	-	-	-	-	162,906
Utility operating expenses	132,272	-	-	-	179,951	-	312,223
Other disbursements	95,642	45,928	-	50,009	-	4,816	482,657
Total disbursements	<u>227,914</u>	<u>45,928</u>	<u>-</u>	<u>50,009</u>	<u>179,951</u>	<u>4,816</u>	<u>1,497,756</u>
Excess (deficiency) of receipts over disbursements	<u>(7,506)</u>	<u>(7,164)</u>	<u>8,086</u>	<u>(659)</u>	<u>22,821</u>	<u>3,184</u>	<u>16,023</u>
Cash and investments - ending	<u>\$ 21,921</u>	<u>\$ 118,340</u>	<u>\$ 265,740</u>	<u>\$ 14,420</u>	<u>\$ 25,437</u>	<u>\$ 36,456</u>	<u>\$ 1,396,572</u>

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road and Street	Economic Development Income Tax	Sanitation	Law Enforcement Continuing Education	Riverboat
Cash and investments - beginning	\$ 151,175	\$ 199,058	\$ 59,414	\$ 152,734	\$ 2,340	\$ 5,706	\$ 43,553
Receipts:							
Taxes	222,507	-	-	-	-	-	-
Licenses and permits	15	-	-	-	-	800	-
Intergovernmental	95,598	35,252	4,375	30,932	-	-	7,896
Charges for services	14,981	6,838	-	-	59,478	45	-
Fines and forfeits	333	-	-	-	-	203	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,216	-	-	-	-	-	-
<b>Total receipts</b>	<b>335,650</b>	<b>42,090</b>	<b>4,375</b>	<b>30,932</b>	<b>59,478</b>	<b>1,048</b>	<b>7,896</b>
Disbursements:							
Personal services	188,754	17,471	-	-	-	-	-
Supplies	17,321	28,543	-	-	-	-	-
Other services and charges	111,668	1,708	-	25,000	57,721	-	-
Capital outlay	4,189	23,095	-	3,063	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	180	-
<b>Total disbursements</b>	<b>321,932</b>	<b>70,817</b>	<b>-</b>	<b>28,063</b>	<b>57,721</b>	<b>180</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	13,718	(28,727)	4,375	2,869	1,757	868	7,896
Cash and investments - ending	<u>\$ 164,893</u>	<u>\$ 170,331</u>	<u>\$ 63,789</u>	<u>\$ 155,603</u>	<u>\$ 4,097</u>	<u>\$ 6,574</u>	<u>\$ 51,449</u>

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Rainy Day	Levy Excess	Cumulative Capital Improvement	Cumulative Capital Development	Cumulative Fire	Farmland Preservation Commission	Cash on Hand
Cash and investments - beginning	\$ 41,862	\$ 923	\$ 60,766	\$ 51,762	\$ 9,468	\$ 75	\$ 100
Receipts:							
Taxes	-	-	-	3,471	2,324	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	3,535	297	198	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	100	-
Total receipts	-	-	3,535	3,768	2,522	100	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	175	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	175	-
Excess (deficiency) of receipts over disbursements	-	-	3,535	3,768	2,522	(75)	-
Cash and investments - ending	\$ 41,862	\$ 923	\$ 64,301	\$ 55,530	\$ 11,990	\$ -	\$ 100

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Historic Farmland U.S.A.	Facade Planning Grant	Fire Donation	Park Donation	Façade Grant	Home Rehabilitation Reimbursement	Park United Way Grant
Cash and investments - beginning	\$ 500	\$ 70	\$ 2,300	\$ 6,421	\$ 7,765	\$ 23,507	\$ 200
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	130	-	-	-
Total receipts	-	-	-	130	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	1,518	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,518	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	130	(1,518)	-	-
Cash and investments - ending	<u>\$ 500</u>	<u>\$ 70</u>	<u>\$ 2,300</u>	<u>\$ 6,551</u>	<u>\$ 6,247</u>	<u>\$ 23,507</u>	<u>\$ 200</u>

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Returned Check	Police Reserve Donation	Micro Loan	Unsafe Building	Payroll	Payroll Retirement Insurance	Sewage Utility Planning Grant
Cash and investments - beginning	\$ (158)	\$ 556	\$ 21,926	\$ 20,450	\$ 30,743	\$ 21,042	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,848	-	2,559	-	407,902	856	16,000
Total receipts	1,848	-	2,559	-	407,902	856	16,000
Disbursements:							
Personal services	-	-	-	-	167,386	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,690	-	-	-	239,297	-	16,000
Total disbursements	1,690	-	-	-	406,683	-	16,000
Excess (deficiency) of receipts over disbursements	158	-	2,559	-	1,219	856	-
Cash and investments - ending	\$ -	\$ 556	\$ 24,485	\$ 20,450	\$ 31,962	\$ 21,898	\$ -

TOWN OF FARMLAND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Sewage Utility Operating	Sewage Utility Bond and Interest	Sewage Utility Improvement	Sewer and Stormwater Loan	Water Utility Operating	Water Utility Customer Deposit	Totals
Cash and investments - beginning	\$ 21,921	\$ 118,340	\$ 265,740	\$ 14,420	\$ 25,437	\$ 36,456	\$ 1,396,572
Receipts:							
Taxes	-	-	-	-	12,816	-	241,118
Licenses and permits	-	-	-	-	-	-	815
Intergovernmental	-	-	-	-	-	-	178,083
Charges for services	-	-	-	-	-	-	81,342
Fines and forfeits	-	-	-	-	-	-	536
Utility fees	219,089	-	-	-	210,404	-	429,493
Penalties	6,447	-	-	-	1,950	-	8,397
Other receipts	153	11,756	766	37,013	-	7,750	489,049
Total receipts	<u>225,689</u>	<u>11,756</u>	<u>766</u>	<u>37,013</u>	<u>225,170</u>	<u>7,750</u>	<u>1,428,833</u>
Disbursements:							
Personal services	-	-	-	-	-	-	373,611
Supplies	-	-	-	-	-	-	46,039
Other services and charges	-	-	-	-	-	-	197,615
Capital outlay	-	-	-	-	-	-	30,347
Utility operating expenses	161,863	-	-	-	161,792	-	323,655
Other disbursements	66,403	44,725	26,001	49,171	21,174	5,515	470,156
Total disbursements	<u>228,266</u>	<u>44,725</u>	<u>26,001</u>	<u>49,171</u>	<u>182,966</u>	<u>5,515</u>	<u>1,441,423</u>
Excess (deficiency) of receipts over disbursements	<u>(2,577)</u>	<u>(32,969)</u>	<u>(25,235)</u>	<u>(12,158)</u>	<u>42,204</u>	<u>2,235</u>	<u>(12,590)</u>
Cash and investments - ending	<u>\$ 19,344</u>	<u>\$ 85,371</u>	<u>\$ 240,505</u>	<u>\$ 2,262</u>	<u>\$ 67,641</u>	<u>\$ 38,691</u>	<u>\$ 1,383,982</u>

TOWN OF FARMLAND  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 2,729	\$ 6,044
Wastewater	-	20,233
Water	-	24,795
Totals	<u>\$ 2,729</u>	<u>\$ 51,072</u>

TOWN OF FARMLAND  
 SCHEDULE OF DEBT  
 December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
General obligation bonds	Sewage Utility	\$ 559,365	\$ 92,703
Totals		<u>\$ 559,365</u>	<u>\$ 92,703</u>

TOWN OF FARMLAND  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 68,091
Infrastructure	46,355
Buildings	469,053
Improvements other than buildings	293,906
Machinery, equipment, and vehicles	953,583
Total governmental activities	1,830,988
Wastewater:	
Land	61,069
Buildings	18,977
Improvements other than buildings	2,505,513
Machinery, equipment, and vehicles	37,497
Total Wastewater	2,623,056
Water:	
Land	12,599
Buildings	64,783
Improvements other than buildings	740,893
Machinery, equipment, and vehicles	349,833
Total Water	1,168,108
Total capital assets	\$ 5,622,152

TOWN OF FARMLAND  
EXIT CONFERENCE

The contents of this report were discussed on May 20, 2013, with Bernice A. Herndon, former Clerk-Treasurer; Loretta G. Perry, Clerk-Treasurer; and Troy Bain, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.