

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

EXAMINATION REPORT
OF
TOWN OF FARMLAND
RANDOLPH COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
08/16/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Bernice A. Herndon	01-01-08 to 12-31-11
President of the Town Council	Hazel Lewis	01-01-09 to 12-31-10
	Troy Bain	01-01-11 to 12-31-11



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements of the Town of Farmland (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements. Our responsibility is to express an opinion 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 statements 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 statements 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 basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management and Town Council and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 19, 2011

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FINANCIAL STATEMENT(S)

TOWN OF FARMLAND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General Fund	\$ 213,190	\$ 323,128	\$ 364,657	\$ 171,661
Motor Vehicle Highway	203,026	46,576	56,958	192,644
Local Road & Street	46,121	4,438	-	50,559
Historic Farmland U S A	500	-	-	500
Economic Development Income Tax	119,063	31,738	21,860	128,941
Sanitation	5,356	51,224	54,414	2,166
Facade Planning Grant	70	37,845	37,845	70
Local Law Enforcement Continuing Education	3,364	1,778	390	4,752
Riverboat	36,912	9,112	3,780	42,244
Fire Donation	2,300	-	-	2,300
Park Donation	5,746	1,125	600	6,271
Facade Grant 1	3,315	56,163	22,893	36,585
Home Rehab. Reimbursement	23,819	-	250	23,569
Rainy Day Fund	48,191	1,160	11,677	37,674
Levy Excess Fund	923	-	-	923
Park United Way Grant	200	-	-	200
Return Check Fund	38	915	606	347
Police Reserve Donation	506	50	-	556
Micro Loan	23,969	1,454	11,000	14,423
Cumulative Capital Improvement Cig Tax	47,857	4,464	-	52,321
Cumulative Capital Development	64,626	5,075	3,699	66,002
Cumulative Fire	58,442	3,800	58,495	3,747
Unsafe Building Fund	-	20,450	-	20,450
Payroll	36,996	379,729	391,675	25,050
Payroll-Retirement Insurance	-	18,821	-	18,821
Sewage Utility Operating	61,763	231,486	257,286	35,963
Sewage Utility Bond & Interest	115,675	58,626	48,728	125,573
Sewage Utility Depreciation	-	18	18	-
Sewage Utility Improvement	254,625	1,949	-	256,574
Sewer/Stormwater-Loan	6,097	57,575	46,406	17,266
Water Utility Operating	2,415	182,097	183,484	1,028
Water Utility Depreciation	3,449	-	3,449	-
Water Utility Meter Deposit	30,340	8,000	6,668	31,672
Totals	<u>\$ 1,418,894</u>	<u>\$ 1,538,796</u>	<u>\$ 1,586,838</u>	<u>\$ 1,370,852</u>

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

TOWN OF FARMLAND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 171,661	\$ 335,346	\$ 326,790	\$ 180,217
Motor Vehicle Highway	192,644	44,732	59,961	177,415
Local Road & Street	50,559	4,503	-	55,062
Historic Farmland U S A	500	-	-	500
Economic Development Income Tax	128,941	28,688	1,720	155,909
Sanitation	2,166	55,233	55,945	1,454
Facade Planning Grant	70	-	-	70
Local Law Enforcement Continuing Education	4,752	760	268	5,244
Riverboat	42,244	9,111	11,894	39,461
Fire Donation	2,300	-	-	2,300
Park Donation	6,271	100	-	6,371
Facade Grant 1	36,585	397,322	416,489	17,418
Home Rehab. Reimbursement	23,569	-	62	23,507
Rainy Day Fund	37,674	4,188	-	41,862
Levy Excess Fund	923	-	-	923
Park United Way Grant	200	-	-	200
Return Check Fund	347	1,291	1,074	564
Police Reserve Donation	556	-	-	556
Micro Loan	14,423	3,664	-	18,087
Cumulative Capital Improvement Cig Tax	52,321	4,263	-	56,584
Cumulative Capital Development	66,002	4,425	10,300	60,127
Cumulative Fire	3,747	2,957	-	6,704
Unsafe Building Fund	20,450	-	-	20,450
Payroll	25,050	394,271	393,298	26,023
Payroll-Retirement Insurance	18,821	1,168	-	19,989
Sewage Utility Operating	35,963	233,510	240,046	29,427
Sewage Utility Bond & Interest	125,573	152,259	152,328	125,504
Sewage Utility Depreciation	-	4	4	-
Sewage Utility Improvement	256,574	1,080	-	257,654
Sewer/Stormwater-Loan	17,266	48,556	50,743	15,079
Water Utility Operating	1,028	191,867	190,279	2,616
Water Utility Meter Deposit	31,672	7,875	6,275	33,272
Totals	<u>\$ 1,370,852</u>	<u>\$ 1,927,173</u>	<u>\$ 1,917,476</u>	<u>\$ 1,380,549</u>

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

TOWN OF FARMLAND
NOTES TO FINANCIAL STATEMENT(S)

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(s) present(s) the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

B. Basis of Accounting

The financial statement(s) are 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 statements. The aggregate receipts may include, but are not limited to, 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 nonbusinesses 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.

TOWN OF FARMLAND
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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, 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.

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 statements. The aggregate disbursements may include, but are not limited to, 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.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF FARMLAND
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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.

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.

TOWN OF FARMLAND
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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.

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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. 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 PERF 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.

PERF 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:

TOWN OF FARMLAND
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town of Farmland's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General Fund	Motor Vehicle Highway	Local Road & Street	Historic Farmland U S A	Economic Development Income Tax	Sanitation	Facade Planning Grant
Cash and investments - beginning	\$ 213,190	\$ 203,026	\$ 46,121	\$ 500	\$ 119,063	\$ 5,356	\$ 70
Receipts:							
Taxes	196,347	-	-	-	-	-	-
Intergovernmental	104,978	46,476	4,438	-	31,738	-	37,845
Charges for services	15,416	-	-	-	-	49,916	-
Fines and forfeits	1,639	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,748	100	-	-	-	1,308	-
Total receipts	<u>323,128</u>	<u>46,576</u>	<u>4,438</u>	<u>-</u>	<u>31,738</u>	<u>51,224</u>	<u>37,845</u>
Disbursements:							
Personal services	184,118	17,734	-	-	-	-	-
Supplies	14,888	6,129	-	-	-	-	-
Other services and charges	109,647	33,095	-	-	-	53,651	37,845
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	56,004	-	-	-	21,424	763	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	436	-	-
Total disbursements	<u>364,657</u>	<u>56,958</u>	<u>-</u>	<u>-</u>	<u>21,860</u>	<u>54,414</u>	<u>37,845</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(41,529)</u>	<u>(10,382)</u>	<u>4,438</u>	<u>-</u>	<u>9,878</u>	<u>(3,190)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 171,661</u>	<u>\$ 192,644</u>	<u>\$ 50,559</u>	<u>\$ 500</u>	<u>\$ 128,941</u>	<u>\$ 2,166</u>	<u>\$ 70</u>

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Local Law Enforcement Continuing Education	Riverboat	Fire Donation	Park Donation	Facade Grant 1	Home Rehab. Reimbursement	Rainy Day Fund
Cash and investments - beginning	\$ 3,364	\$ 36,912	\$ 2,300	\$ 5,746	\$ 3,315	\$ 23,819	\$ 48,191
Receipts:							
Taxes	-	-	-	-	-	-	1,160
Intergovernmental	-	9,112	-	-	56,163	-	-
Charges for services	1,250	-	-	-	-	-	-
Fines and forfeits	528	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	1,125	-	-	-
Total receipts	1,778	9,112	-	1,125	56,163	-	1,160
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	390	3,780	-	-	22,893	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	600	-	250	11,677
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	390	3,780	-	600	22,893	250	11,677
Excess (deficiency) of receipts over (under) disbursements	1,388	5,332	-	525	33,270	(250)	(10,517)
Cash and investments - ending	\$ 4,752	\$ 42,244	\$ 2,300	\$ 6,271	\$ 36,585	\$ 23,569	\$ 37,674

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Levy Excess Fund	Park United Way Grant	Return Check Fund	Police Reserve Donation	Micro Loan	Cumulative Capital Improvement Cig Tax	Cumulative Capital Development
Cash and investments - beginning	\$ 923	\$ 200	\$ 38	\$ 506	\$ 23,969	\$ 47,857	\$ 64,626
Receipts:							
Taxes	-	-	-	-	-	-	4,345
Intergovernmental	-	-	-	-	-	4,464	730
Charges for services	-	-	214	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	701	50	1,454	-	-
Total receipts	-	-	915	50	1,454	4,464	5,075
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	11,000	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	3,699
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	606	-	-	-	-
Total disbursements	-	-	606	-	11,000	-	3,699
Excess (deficiency) of receipts over (under) disbursements	-	-	309	50	(9,546)	4,464	1,376
Cash and investments - ending	<u>\$ 923</u>	<u>\$ 200</u>	<u>\$ 347</u>	<u>\$ 556</u>	<u>\$ 14,423</u>	<u>\$ 52,321</u>	<u>\$ 66,002</u>

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Cumulative Fire	Unsafe Building Fund	Payroll	Payroll-Retirement Insurance	Sewage Utility Operating	Sewage Utility Bond & Interest	Sewage Utility Depreciation
Cash and investments - beginning	\$ 58,442	\$ -	\$ 36,996	\$ -	\$ 61,763	\$ 115,675	\$ -
Receipts:							
Taxes	2,906	-	-	-	-	-	-
Intergovernmental	488	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	406	20,450	379,729	18,821	231,486	58,626	18
Total receipts	3,800	20,450	379,729	18,821	231,486	58,626	18
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	8,728	-
Capital outlay	58,495	-	-	-	-	-	18
Utility operating expenses	-	-	-	-	119,308	40,000	-
Other disbursements	-	-	391,675	-	137,978	-	-
Total disbursements	58,495	-	391,675	-	257,286	48,728	18
Excess (deficiency) of receipts over (under) disbursements	(54,695)	20,450	(11,946)	18,821	(25,800)	9,898	-
Cash and investments - ending	\$ 3,747	\$ 20,450	\$ 25,050	\$ 18,821	\$ 35,963	\$ 125,573	\$ -

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Sewage Utility Improvement	Sewer/ Stormwater- Loan	Water Utility Operating	Water Utility Depreciation	Water Utility Meter Deposit	Totals
Cash and investments - beginning	\$ 254,625	\$ 6,097	\$ 2,415	\$ 3,449	\$ 30,340	\$ 1,418,894
Receipts:						
Taxes	-	-	-	-	-	204,758
Intergovernmental	-	-	-	-	-	296,432
Charges for services	-	-	-	-	-	66,796
Fines and forfeits	-	-	-	-	-	2,167
Utility fees	-	-	162,990	-	-	162,990
Penalties	-	-	1,050	-	-	1,050
Other receipts	1,949	57,575	18,057	-	8,000	804,603
Total receipts	<u>1,949</u>	<u>57,575</u>	<u>182,097</u>	<u>-</u>	<u>8,000</u>	<u>1,538,796</u>
Disbursements:						
Personal services	-	-	-	-	-	201,852
Supplies	-	-	-	-	-	21,017
Other services and charges	-	-	-	-	-	272,301
Debt service - principal and interest	-	46,406	11,221	-	-	66,355
Capital outlay	-	-	7,440	-	-	160,370
Utility operating expenses	-	-	146,565	-	-	305,873
Other disbursements	-	-	18,258	3,449	6,668	559,070
Total disbursements	<u>-</u>	<u>46,406</u>	<u>183,484</u>	<u>3,449</u>	<u>6,668</u>	<u>1,586,838</u>
Excess (deficiency) of receipts over (under) disbursements	<u>1,949</u>	<u>11,169</u>	<u>(1,387)</u>	<u>(3,449)</u>	<u>1,332</u>	<u>(48,042)</u>
Cash and investments - ending	<u>\$ 256,574</u>	<u>\$ 17,266</u>	<u>\$ 1,028</u>	<u>\$ -</u>	<u>\$ 31,672</u>	<u>\$ 1,370,852</u>

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General Fund	Motor Vehicle Highway	Local Road & Street	Historic Farmland U S A	Economic Development Income Tax	Sanitation	Facade Planning Grant
Cash and investments - beginning	\$ 171,661	\$ 192,644	\$ 50,559	\$ 500	\$ 128,941	\$ 2,166	\$ 70
Receipts:							
Taxes	208,309	-	-	-	-	-	-
Intergovernmental	98,256	44,732	4,503	-	27,748	-	-
Charges for services	20,115	-	-	-	-	55,233	-
Fines and forfeits	512	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	8,154	-	-	-	940	-	-
Total receipts	<u>335,346</u>	<u>44,732</u>	<u>4,503</u>	<u>-</u>	<u>28,688</u>	<u>55,233</u>	<u>-</u>
Disbursements:							
Personal services	184,646	17,995	-	-	-	-	-
Supplies	17,272	4,688	-	-	-	-	-
Other services and charges	110,461	33,396	-	-	1,700	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	14,411	3,882	-	-	20	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	55,945	-
Total disbursements	<u>326,790</u>	<u>59,961</u>	<u>-</u>	<u>-</u>	<u>1,720</u>	<u>55,945</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>8,556</u>	<u>(15,229)</u>	<u>4,503</u>	<u>-</u>	<u>26,968</u>	<u>(712)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 180,217</u>	<u>\$ 177,415</u>	<u>\$ 55,062</u>	<u>\$ 500</u>	<u>\$ 155,909</u>	<u>\$ 1,454</u>	<u>\$ 70</u>

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Local Law Enforcement Continuing Education	Riverboat	Fire Donation	Park Donation	Facade Grant 1	Home Rehab. Reimbursement	Rainy Day Fund
Cash and investments - beginning	\$ 4,752	\$ 42,244	\$ 2,300	\$ 6,271	\$ 36,585	\$ 23,569	\$ 37,674
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	9,111	-	-	248,440	-	4,188
Charges for services	525	-	-	-	-	-	-
Fines and forfeits	235	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	100	148,882	-	-
Total receipts	760	9,111	-	100	397,322	-	4,188
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	268	11,894	-	-	416,489	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	62	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	268	11,894	-	-	416,489	62	-
Excess (deficiency) of receipts over (under) disbursements	492	(2,783)	-	100	(19,167)	(62)	4,188
Cash and investments - ending	\$ 5,244	\$ 39,461	\$ 2,300	\$ 6,371	\$ 17,418	\$ 23,507	\$ 41,862

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Levy Excess Fund	Park United Way Grant	Return Check Fund	Police Reserve Donation	Micro Loan	Cumulative Capital Improvement Cig Tax	Cumulative Capital Development
Cash and investments - beginning	\$ 923	\$ 200	\$ 347	\$ 556	\$ 14,423	\$ 52,321	\$ 66,002
Receipts:							
Taxes	-	-	-	-	-	-	3,825
Intergovernmental	-	-	-	-	-	4,263	600
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	1,291	-	3,664	-	-
Total receipts	-	-	1,291	-	3,664	4,263	4,425
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	10,300
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,074	-	-	-	-
Total disbursements	-	-	1,074	-	-	-	10,300
Excess (deficiency) of receipts over (under) disbursements	-	-	217	-	3,664	4,263	(5,875)
Cash and investments - ending	\$ 923	\$ 200	\$ 564	\$ 556	\$ 18,087	\$ 56,584	\$ 60,127

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Fire	Unsafe Building Fund	Payroll	Payroll-Retirement Insurance	Sewage Utility Operating	Sewage Utility Bond & Interest
Cash and investments - beginning	\$ 3,747	\$ 20,450	\$ 25,050	\$ 18,821	\$ 35,963	\$ 125,573
Receipts:						
Taxes	2,555	-	-	-	-	-
Intergovernmental	402	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	394,271	1,168	233,510	152,259
Total receipts	<u>2,957</u>	<u>-</u>	<u>394,271</u>	<u>1,168</u>	<u>233,510</u>	<u>152,259</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	47,328
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	144,518	-
Other disbursements	-	-	393,298	-	95,528	105,000
Total disbursements	<u>-</u>	<u>-</u>	<u>393,298</u>	<u>-</u>	<u>240,046</u>	<u>152,328</u>
Excess (deficiency) of receipts over (under) disbursements	<u>2,957</u>	<u>-</u>	<u>973</u>	<u>1,168</u>	<u>(6,536)</u>	<u>(69)</u>
Cash and investments - ending	<u>\$ 6,704</u>	<u>\$ 20,450</u>	<u>\$ 26,023</u>	<u>\$ 19,989</u>	<u>\$ 29,427</u>	<u>\$ 125,504</u>

TOWN OF FARMLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sewage Utility Depreciation	Sewage Utility Improvement	Sewer/ Stormwater- Loan	Water Utility Operating	Water Utility Meter Deposit	Totals
Cash and investments - beginning	\$ -	\$ 256,574	\$ 17,266	\$ 1,028	\$ 31,672	\$ 1,370,852
Receipts:						
Taxes	-	-	-	-	-	214,689
Intergovernmental	-	-	-	-	-	442,243
Charges for services	-	-	-	-	-	75,873
Fines and forfeits	-	-	-	-	-	747
Utility fees	-	-	-	174,008	-	174,008
Penalties	-	-	-	770	-	770
Other receipts	<u>4</u>	<u>1,080</u>	<u>48,556</u>	<u>17,089</u>	<u>7,875</u>	<u>1,018,843</u>
Total receipts	<u>4</u>	<u>1,080</u>	<u>48,556</u>	<u>191,867</u>	<u>7,875</u>	<u>1,927,173</u>
Disbursements:						
Personal services	-	-	-	-	-	202,641
Supplies	-	-	-	-	-	21,960
Other services and charges	-	-	-	-	-	574,208
Debt service - principal and interest	-	-	50,743	-	-	98,071
Capital outlay	4	-	-	-	-	28,679
Utility operating expenses	-	-	-	163,447	-	307,965
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,832</u>	<u>6,275</u>	<u>683,952</u>
Total disbursements	<u>4</u>	<u>-</u>	<u>50,743</u>	<u>190,279</u>	<u>6,275</u>	<u>1,917,476</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>1,080</u>	<u>(2,187)</u>	<u>1,588</u>	<u>1,600</u>	<u>9,697</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 257,654</u>	<u>\$ 15,079</u>	<u>\$ 2,616</u>	<u>\$ 33,272</u>	<u>\$ 1,380,549</u>

TOWN OF FARMLAND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets completed in the current years has been reported. Retroactive reporting of general infrastructure assets is not required.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 68,091
Infrastructure	46,355
Buildings	469,053
Improvements other than buildings	253,868
Machinery and equipment	<u>922,309</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,759,676</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 12,599
Capital assets, being depreciated:	
Buildings	64,783
Improvements other than buildings	740,893
Machinery and equipment	<u>349,833</u>
 Total Water Utility capital assets	 <u>1,168,108</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	61,069
Capital assets, being depreciated:	
Buildings	18,977
Improvements other than buildings	2,505,513
Machinery and equipment	<u>35,022</u>
 Total Wastewater Utility capital assets	 <u>2,620,581</u>
 Total business-type activities capital assets	 <u>\$ 3,788,689</u>

TOWN OF FARMLAND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Loan:		
State Revolving Loan Fund	\$ 169,365	\$ 45,928
Revenue bond:		
2005 Improvement Bonds	<u>518,031</u>	<u>50,050</u>
Total Wastewater Utility	<u>\$ 687,396</u>	<u>\$ 95,978</u>

TOWN OF FARMLAND
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2011 with Bernice A. Herndon, Clerk-Treasurer, and Troy Bain, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.