FARMINGTON CITY CORPORATION

Statement of Net Assets

June 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 4,496,979	2,506,276	7,003,255
Cash with fiscal agents	368,105	529,361	897,466
Accounts receivable - net	-	702,153	702,153
Property, sales, & franchise taxes receivable	2,805,818	-	2,805,818
Other receivables	21,519	4,090	25,609
Special assessments receivable	115,742	-	115,742
Deferred bond financing cost - net	136,647	-	136,647
Restricted cash and cash equivalents	478,058	1,513,235	1,991,293
Capital assets not being depreciated:			
Land	20,245,100	131,662	20,376,762
Water stock and rights	-	25,717	25,717
Capital assets (net of accumulated depreciation):			
Buildings	12,962,026	-	12,962,026
Improvements	5,088,519	10,112,094	15,200,613
Machinery and equipment	1,166,412	780,596	1,947,008
Infrastructure	20,503,592	9,317,427	29,821,019
Total assets	68,388,517	25,622,611	94,011,128
LIABILITIES			
Accounts payable and accrued liabilities	457,897	1,190,722	1,648,619
Construction bonds held	479,748	106,450	586,198
Due to subdividers and landowners	-	9,134	9,134
Accrued interest payable	80,884	3,270	84,154
Deferred revenue	2,093,595	-	2,093,595
Noncurrent liabilities			
Due within one year	1,252,037	182,806	1,434,843
Due in more than one year	7,586,069	436,955	8,023,024
Total liabilities	11,950,230	1,929,337	13,879,567
NET ASSETS			
Invested in capital assets, net of related debt	51,571,321	19,747,735	71,319,056
Restricted for:			
Class C road	75,731	-	75,731
Liquor law	12,146	-	12,146
Perpetual care:			
Expendable	231,423	-	231,423
Debt service	598,448		598,448
Impact fees	1,253,228	1,513,235	2,766,463
Redevelopment	537,129		537,129
Unrestricted	2,158,861	2,432,304	4,591,165
Total net assets	$ 56,438,287	23,693,274	80,131,561

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

FARMINGTON CITY CORPORATION

Statement of Activities

For the Year Ended June 30, 2011

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues & Changes in Net Assets, Primary Government: Governmental Activities	Net (Expense) Revenues & Changes in Net Assets, Primary Government: Business-type Activities	Net (Expense) Revenues & Changes in Net Assets, Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 2,406,573	936,588	8,549	2,700	$ (1,458,736)		(1,458,736)
Public safety	2,299,079	330,558	34,149	-	(1,934,372)		(1,934,372)
Highways and public works	2,288,759	-	560,425	1,374,178	(354,156)		(354,156)
Community development	783,092	184,713	-	228,907	(369,472)		(369,472)
Parks and cemetery	1,140,691	76,492	-	723,668	(340,531)		(340,531)
Interest on long-term debt	381,702	-	-	-	(381,702)		(381,702)
Total governmental activities	9,299,896	1,528,351	603,123	2,329,453	(4,838,969)		(4,838,969)
Business-type activities:							
Water utility	1,528,688	1,653,143	-	287,468	-	411,923	411,923
Sewer utility	1,272,821	1,304,093	-	-	-	31,272	31,272
Garbage utility	1,033,108	1,122,016	-	-	-	88,908	88,908
Storm water utility	556,200	621,326	-	380,793	-	445,919	445,919
Ambulance service	269,106	339,690	4,892	-	-	75,476	75,476
Recreation	690,701	433,271	-	-	-	(257,430)	(257,430)
Total business-type activities	5,350,624	5,473,539	4,892	668,261	-	796,068	796,068
Total primary government	$ 14,650,520	7,001,890	608,015	2,997,714	(4,838,969)	796,068	(4,042,901)
		General revenues:					
		Property taxes			2,597,720	-	2,597,720
		General sales and use tax			1,970,478	-	1,970,478
		Franchise tax			792,347	-	792,347
		Energy use tax			407,383	-	407,383
		Impact fees			2,264,262	843,222	3,107,484
		Interest earnings			97,841	18,470	116,311
		Gain/(loss) on sale of assets			(19,318)	74,500	55,182
		Miscellaneous			40,207	-	40,207
		Transfers in(out)			(307,249)	307,249	-
		Total general revenues			7,843,671	1,243,441	9,087,112
		Change in net assets			3,004,702	2,039,509	5,044,211
		Net assets - beginning			53,433,585	21,653,765	75,087,350
		Net assets - ending			$ 56,438,287	23,693,274	80,131,561

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

FARMINGTON CITY CORPORATION

Balance Sheet
Governmental Funds
June 30, 2011

		Special Revenue			Capital Projects				
	General Fund	US-89 RDA	Station Park RDA	Municipal Building Authority	Street Improvement	Government Buildings Improvement	Park Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 1,649,504	445,676	29,762	-	456,381	127,926	726,151	1,061,579	4,496,979
Cash with fiscal agents	-	-	317,649	-	-	-	-	50,456	368,105
Receivables (net):									
Sales, property, & franchise taxes	2,241,093	-	-	-	-	-	-	564,725	2,805,818
Accounts	21,482	10	-	-	-	-	-	27	21,519
Special assessments	-	-	-	-	-	-	-	115,742	115,742
Due from other funds	255,900	-	-	-	-	-	-	-	255,900
Restricted cash and cash equivalents	-	-	-	430,012	-	48,046	-	-	478,058
Total assets	4,167,979	445,686	347,411	430,012	456,381	175,972	726,151	1,792,529	8,542,121
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable & accrued liabilities	294,881	68	-	-	107,565	30,644	10,906	13,833	457,897
Construction bonds held	479,748	-		-	-	-	-	-	479,748
Due to other funds	-	-	255,900	-	-	-	-	-	255,900
Deferred revenue	1,553,520	-	-	-	-	-	-	671,248	2,224,768
Total liabilities	2,328,149	68	255,900	-	107,565	30,644	10,906	685,081	3,418,313
Fund Balances:									
Restricted:									
Class C road	75,731	-	-	-	-	-	-	-	75,731
Liquor law	12,146	-	-	-	-	-	-	-	12,146
Perpetual care	-	-	-	-	-	-	-	231,423	231,423
Debt service	-	-	-	430,012	-	-	-	168,436	598,448
Impact fee	-	-	-	-	218,205	48,046	555,964	431,013	1,253,228
Redevelopment	-	445,618	91,511	-	-	-	-	-	537,129
Assigned, reported in:									
General fund - self insurance	80,000	-	-	-	-	-	-	-	80,000
General fund - trails	991	-	-	-	-	-	-	-	991
Debt service funds	-	-	-	-	-	-	-	124,429	124,429
Capital projects funds	-	-	-	-	130,611	97,282	159,281	152,147	539,321
Unassigned, reported in:									
General fund	1,670,962	-	-	-	-	-	-	-	1,670,962
Total fund balances	1,839,830	445,618	91,511	430,012	348,816	145,328	715,245	1,107,448	5,123,808
Total liabilities and fund balances	$ 4,167,979	445,686	347,411	430,012	456,381	175,972	726,151	1,792,529	8,542,121

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

FARMINGTON CITY CORPORATION

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2011

		Special Revenue			Capital Projects				
	General Fund	US-89 RDA	Station Park RDA	Municipal Building Authority	Street Improvement	Government Buildings Improvement	Park Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES									
Taxes	$ 4,849,462	351,481	-	-	-	-	-	566,985	5,767,928
Special assessments	-	-	-	-	-	-	-	36,552	36,552
Leases	-	-	-	435,950	-	-	-	-	435,950
Licenses and permits	818,217	-	-	-	-	-	-	-	818,217
Intergovernmental	595,623	-	-	-	-	2,700	115,385	7,500	721,208
Charges for services	323,291	-	-	-	-	-	-	-	323,291
Impact fees	-	-	-	-	912,908	192,916	804,000	354,438	2,264,262
Fines and forfeitures	259,093	-	-	-	-	-	-	-	259,093
Interest	5,227	2,241	3,817	16	2,646	2,050	1,707	28,205	45,909
Miscellaneous revenue	83,965	-	-	-	-	30,864	4,000	49,128	167,957
Contributions	-	-	228,907	-	103,987	789	291,867	-	625,550
Total revenues	6,934,878	353,722	232,724	435,966	1,019,541	229,319	1,216,959	1,042,808	11,465,917
EXPENDITURES									
Current:									
General government	966,249	47,149	8,955	-	-	-	-	-	1,022,353
Public safety	2,124,323	-	-	-	-	-	-	-	2,124,323
Highways and public works	689,689	-	-	-	-	-	-	-	689,689
Community development	778,635	-	-	-	-	-	-	-	778,635
Parks and cemetery	680,522	-	-	-	-	-	-	-	680,522
Capital outlay	-	131,351	1,408,134	-	1,822,801	613,552	716,401	170,223	4,862,462
Debt service:									
Principal retirement	-	57,000	59,000	400,000	-	-	-	756,630	1,272,630
Interest	-	2,907	84,948	35,956	-	-	-	290,020	413,831
Total expenditures	5,239,418	238,407	1,561,037	435,956	1,822,801	613,552	716,401	1,216,873	11,844,445
Excess revenues over (under) expenditures	1,695,460	115,315	(1,328,313)	10	(803,260)	(384,233)	500,558	(174,065)	(378,528)
OTHER FINANCING SOURCES (USES)									
Proceeds from sale of capital assets	14,679	-	-	-	-	2,966	-	-	17,645
Transfers in	1,000	-	240,541	-	375,325	32,781	69,519	677,394	1,396,560
Transfers (out)	(1,145,718)	(194,719)	-	-	(145,754)	(165,000)	(9,736)	(42,882)	(1,703,809)
Total other financing sources and (uses)	(1,130,039)	(194,719)	240,541	-	229,571	(129,253)	59,783	634,512	(289,604)
Net change in fund balances	565,421	(79,404)	(1,087,772)	10	(573,689)	(513,486)	560,341	460,447	(668,132)
Fund balances - beginning of year	1,274,409	525,022	1,179,283	430,002	922,505	658,814	154,904	647,001	5,791,940
Fund balances - end of year	$ 1,839,830	445,618	91,511	430,012	348,816	145,328	715,245	1,107,448	5,123,808

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

FARMINGTON CITY CORPORATION

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	$ 4,624,500	4,756,000	4,849,462	93,462
Licenses and permits	542,000	737,500	818,217	80,717
Intergovernmental	549,049	585,349	595,623	10,274
Charges for services	182,510	312,386	323,291	10,905
Fines and forfeitures	290,000	270,000	259,093	(10,907)
Interest	20	3,830	5,227	1,397
Miscellaneous revenue	65,500	74,125	83,965	9,840
Total revenues	6,253,579	6,739,190	6,934,878	195,688
EXPENDITURES:				
Current:				
General government:				
Legislative	133,150	133,790	104,509	29,281
Administrative	548,540	559,683	519,981	39,702
Government buildings	351,393	373,353	341,759	31,594
Total general government	1,033,083	1,066,826	966,249	100,577
Public safety:				
Police	1,733,154	1,701,376	1,665,976	35,400
Fire	472,509	474,971	458,347	16,624
Total public safety	2,205,663	2,176,347	2,124,323	52,024
Highways and public works	769,096	754,570	689,689	64,881
Community development:				
Planning and zoning	532,279	467,245	454,279	12,966
Inspection	337,169	359,420	324,356	35,064
Total community development	869,448	826,665	778,635	48,030
Parks and cemetery	703,626	704,149	680,522	23,627
Total expenditures	5,580,916	5,528,557	5,239,418	289,139
Excess revenues over (under) expenditures	672,663	1,210,633	1,695,460	484,827
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	6,000	14,680	14,679	(1)
Loan to RDA	(17,800)	(17,800)	-	17,800
Transfers in	1,000	1,000	1,000	-
Transfers (out)	(1,151,869)	(1,249,973)	(1,145,718)	104,255
Total other financing sources and (uses)	(1,162,669)	(1,252,093)	(1,130,039)	122,054
Net change in fund balances	(490,006)	(41,460)	565,421	606,881
Fund balances - beginning of year	1,274,409	1,274,409	1,274,409	-
Fund balances - end of year	$ 784,403	1,232,949	1,839,830	606,881

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

FARMINGTON CITY CORPORATION

Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise						
	Water Utility	Sewer Utility	Garbage Utility	Storm Water Utility	Ambulance Service	Recreation	Total
ASSETS							
Current assets:							
Cash and cash equivalents	$ 525,872	1,036,267	417,883	616,823	198,968	239,824	3,035,637
Accounts receivable	474,545	-	-	-	308,822	65	783,432
Allowance for doubtful accounts	-	-	-	-	(81,279)	-	(81,279)
Other receivables	4,090	-	-	-	-	-	4,090
Restricted cash and cash equivalents	983,874	-	-	529,361	-	-	1,513,235
Total current assets	1,988,381	1,036,267	417,883	1,146,184	426,511	239,889	5,255,115
Noncurrent assets:							
Capital assets:							
Water stock & rights	25,717	-	-	-	-	-	25,717
Land, equipment, buildings and improvements	18,329,594	9,582	642,102	8,628,993	516,790	58,724	28,185,785
Less: accumulated depreciation	(4,980,958)	(8,811)	(327,302)	(2,191,364)	(287,827)	(47,744)	(7,844,006)
Total noncurrent assets	13,374,353	771	314,800	6,437,629	228,963	10,980	20,367,496
Total assets	15,362,734	1,037,038	732,683	7,583,813	655,474	250,869	25,622,611
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	95,597	905,606	116,611	24,632	7,751	40,525	1,190,722
Accrued capital lease interest	377	-	841	76	-	-	1,294
Accrued revenue bond interest	454	-	-	1,522	-	-	1,976
Capital lease - current	3,140	-	32,026	629	-	-	35,795
Revenue bonds - current	25,011	-	-	122,000	-	-	147,011
Total current liabilities	124,579	905,606	149,478	148,859	7,751	40,525	1,376,798
Noncurrent liabilities:							
Due to subdividers and landowners	-	-	-	9,134	-	-	9,134
Developer construction bonds	-	-	-	106,450	-	-	106,450
Capital lease (net current portion)	6,680	-	85,381	1,335	-	-	93,396
Revenue bonds (Net current portion)	81,559	-	-	262,000	-	-	343,559
Total noncurrent liabilities	88,239	-	85,381	378,919	-	-	552,539
Total liabilities	212,818	905,606	234,859	527,778	7,751	40,525	1,929,337
NET ASSETS							
Invested in capital assets, net of related debt	13,257,963	771	197,393	6,051,665	228,963	10,980	19,747,735
Restricted							
Impact fees	983,874	-	-	529,361	-	-	1,513,235
Unrestricted	908,079	130,661	300,431	475,009	418,760	199,364	2,432,304
Total net assets	$ 15,149,916	131,432	497,824	7,056,035	647,723	210,344	23,693,274

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

FARMINGTON CITY CORPORATION

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds						
	Water Utility	Sewer Utility	Garbage Utility	Storm Water Utility	Ambulance Service	Recreation	Total
Operating revenues							
Charges for services	$ 1,579,428	1,304,093	1,122,016	621,326	339,400	433,271	5,399,534
Connection and servicing	58,433	-	-	-	-	-	58,433
Miscellaneous	15,282	-	-	-	290	-	15,572
Total operating revenues	1,653,143	1,304,093	1,122,016	621,326	339,690	433,271	5,473,539
Operating expenses							
Salaries and wages	344,364	42,204	65,324	106,382	40,185	267,038	865,497
Employee benefits	144,994	18,979	28,913	47,768	32,778	106,437	379,869
Contract services	24,492	1,170,264	868,973	46,178	17,539	-	2,127,446
Maintenance and supplies	434,236	21,400	21,579	76,966	39,032	268,488	861,701
Administration and overhead	105,672	19,757	13,641	32,872	76,220	46,353	294,515
Depreciation	402,046	217	29,788	223,020	63,352	2,385	720,808
Water purchases	66,873	-	-	-	-	-	66,873
Total operating expenses	1,522,677	1,272,821	1,028,218	533,186	269,106	690,701	5,316,709
Operating income (loss)	130,466	31,272	93,798	88,140	70,584	(257,430)	156,830
Nonoperating revenues (expenses)							
Interest revenue	8,961	1,991	1,949	3,592	1,011	966	18,470
Interest expense and fiscal charges	(6,011)	-	(4,890)	(23,014)	-	-	(33,915)
Development/Impact fees	378,327	-	-	464,895	-	-	843,222
Grant revenue	-	-	-	-	4,892	-	4,892
Gain on sale of assets	-	-	-	55,000	19,500	-	74,500
Total nonoperating revenues (expenses)	381,277	1,991	(2,941)	500,473	25,403	966	907,169
Income (loss) before contributions and transfers:	511,743	33,263	90,857	588,613	95,987	(256,464)	1,063,999
Contributions	287,468	-	-	380,793	-	-	668,261
Transfers in	-	-	-	-	-	307,249	307,249
Change in net assets	799,211	33,263	90,857	969,406	95,987	50,785	2,039,509
Total net assets - beginning	14,350,705	98,169	406,967	6,086,629	551,736	159,559	21,653,765
Total net assets - ending	$15,149,916	131,432	497,824	7,056,035	647,723	210,344	23,693,274

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

FARMINGTON CITY CORPORATION

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds						
	Water Utility	Sewer Utility	Garbage Utility	Storm Water Utility	Ambulance Service	Recreation	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	$ 1,594,270	1,304,093	1,122,016	621,326	236,018	437,090	5,314,813
Payments to suppliers	(616,571)	(510,621)	(860,806)	(184,890)	(140,714)	(319,354)	(2,632,956)
Payments to employees	(489,358)	(61,183)	(94,237)	(154,150)	(72,963)	(373,475)	(1,245,366)
Net cash provided (used) by operating activities	488,341	732,289	166,973	282,286	22,341	(255,739)	1,436,491
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Grants	-	-	-	-	4,892	-	4,892
Development/Impact fees	378,327	-	-	464,895	-	-	843,222
Transfers from other funds	-	-	-	-	-	307,249	307,249
Net cash provided (used) by noncapital financing activities	378,327	-	-	464,895	4,892	307,249	1,155,363
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Contributions	-	-	-	3,110	-	-	3,110
Receipt of developer const. bonds	-	-	-	177,000	-	-	177,000
Refund of developer const. bonds	-	-	-	(167,000)	-	-	(167,000)
Payment to subdividers/landowners	(17,000)	-	-	(12,925)	-	-	(29,925)
Proceeds from sale of assets	-	-	-	55,000	19,500	-	74,500
Purchases of capital assets	(873,414)	-	(32,307)	(267,362)	(127,007)	(12,987)	(1,313,077)
Principal paid on capital debt	(27,764)	-	(30,876)	(117,603)	-	-	(176,243)
Interest paid on capital debt	(5,603)	-	(5,189)	(23,461)	-	-	(34,253)
Net cash provided (used) by capital and related financing activities	(923,781)	-	(68,372)	(353,241)	(107,507)	(12,987)	(1,465,888)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends received	8,961	1,991	1,949	3,592	1,011	966	18,470
Net cash provided (used) by investing activities	8,961	1,991	1,949	3,592	1,011	966	18,470
Net increase (decrease) in cash and cash equivalents	(48,152)	734,280	100,550	397,532	(79,263)	39,489	1,144,436
Cash and cash equivalents - beginning	1,557,898	301,987	317,333	748,653	278,231	200,335	3,404,437
Cash and cash equivalents - end	$ 1,509,746	1,036,267	417,883	1,146,185	198,968	239,824	4,548,873
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	$ 130,466	31,272	93,798	88,140	70,584	(257,430)	156,830
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	402,046	217	29,788	223,020	63,352	2,385	720,808
(Inc)/decrease in accounts rec.	(58,873)	-	-	-	(103,671)	3,817	(158,727)
Increase/(decr.) in accounts payable	14,702	700,800	43,387	(28,874)	(7,924)	(4,511)	717,580
Total adjustments	357,875	701,017	73,175	194,146	(48,243)	1,691	1,279,661
Net cash provided (used) by operating activities	$ 488,341	732,289	166,973	282,286	22,341	(255,739)	1,436,491
Noncash Investing, Capital and Financing Activities:							
Contribution of capital assets from private developers	$ 287,468	-	-	377,683	-	-	665,151

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