

**TOWN OF FARMINGDALE, MAINE**  
**INDEPENDENT AUDITORS' REPORT AND**  
**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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# Maine Municipal Audit Services, PA

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Mindy J. Cyr, CPA

## Independent Auditors' Report

To the Select Board  
Town of Farmingdale  
Farmingdale, Maine

### OPINIONS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of Town of Farmingdale, Maine, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Farmingdale, Maine's basic financial statements as listed in the table of contents.

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, and the aggregate remaining fund information of the Town of Farmingdale, Maine, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Farmingdale, Maine, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Farmingdale, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Farmingdale, Maine’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Farmingdale, Maine’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**REQUIRED SUPPLEMENTARY INFORMATION**

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in net OPEB liability and related ratios, and budgetary comparison schedule, on pages 29 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**SUPPLEMENTARY INFORMATION**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Farmingdale, Maine’s basic financial statements. The combining statements, schedule of property valuation, assessment, and appropriation, schedule of taxes receivable, and schedule of departmental operations are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, schedule of property valuation, assessment, and appropriation, schedule of taxes receivable, and schedule of departmental operations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Maine Municipal Audit Services, PA*

Levant, Maine  
December 30, 2025

**Town of Farmingdale, Maine**  
**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 2,992,569	\$ 959,007	\$ 3,951,576
Interfund receivable	140	-	140
Accounts receivable	-	206,051	206,051
Taxes receivable	153,239	-	153,239
Tax liens receivable	44,208	-	44,208
<i>Total current assets</i>	<u>3,190,156</u>	<u>1,165,058</u>	<u>4,355,214</u>
<i>Non-current assets:</i>			
Capital assets, net of accumulated depreciation	4,550,181	3,388,388	7,938,569
<i>Total non-current assets</i>	<u>4,550,181</u>	<u>3,388,388</u>	<u>7,938,569</u>
<b>TOTAL ASSETS</b>	<b>7,740,337</b>	<b>4,553,446</b>	<b>12,293,783</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
OPEB related outflows	3,323	-	3,323
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,323</b>	<b>-</b>	<b>3,323</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 7,743,660</b>	<b>\$ 4,553,446</b>	<b>\$ 12,297,106</b>
<b>LIABILITIES:</b>			
<i>Current liabilities:</i>			
Accounts payable	\$ 19,722	\$ -	\$ 19,722
Interfund payable	-	140	140
Current portion of capital leases payable	1,349	-	1,349
Current portion of bonds payable	132,331	9,046	141,377
<i>Total current liabilities</i>	<u>153,402</u>	<u>9,186</u>	<u>162,588</u>
<i>Non-current liabilities:</i>			
<i>Non-current portion of long-term debt:</i>			
Bonds payable	1,426,793	212,792	1,639,585
Capital leases payable	4,319	-	4,319
OPEB liabilities	26,906	-	26,906
<i>Total non-current liabilities</i>	<u>1,458,018</u>	<u>212,792</u>	<u>1,670,810</u>
<b>TOTAL LIABILITIES</b>	<b>1,611,420</b>	<b>221,978</b>	<b>1,833,398</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Taxes collected in advance	11,144	-	11,144
OPEB related inflows	3,170	-	3,170
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>14,314</b>	<b>-</b>	<b>14,314</b>
<b>NET POSITION:</b>			
Net investment in capital assets	2,985,389	3,166,549	6,151,938
Unrestricted	3,132,537	1,164,919	4,297,456
<b>TOTAL NET POSITION</b>	<b>6,117,926</b>	<b>4,331,468</b>	<b>10,449,394</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 7,743,660</b>	<b>\$ 4,553,446</b>	<b>\$ 12,297,106</b>

Statement 2

Town of Farmingdale, Maine  
 Statement of Activities  
 For the Year Ended June 30, 2025

	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<i>Governmental activities:</i>							
General government	\$ 483,267	\$ 15,247	\$ -	\$ -	\$ (468,020)	\$ -	\$ (468,020)
Public safety	485,150	-	-	-	(485,150)	-	(485,150)
Public works	617,659	-	-	29,980	(587,679)	-	(587,679)
Health and sanitation	30,172	-	-	-	(30,172)	-	(30,172)
Education	3,648,484	-	-	-	(3,648,484)	-	(3,648,484)
County tax	388,351	-	-	-	(388,351)	-	(388,351)
Interest expense	50,539	-	-	-	(50,539)	-	(50,539)
Recreation	8,500	-	437	-	(8,063)	-	(8,063)
Other	117,859	-	7,876	-	(109,983)	-	(109,983)
Depreciation	410,396	-	-	-	(410,396)	-	(410,396)
<i>Total governmental activities</i>	<i>6,240,377</i>	<i>15,247</i>	<i>8,313</i>	<i>29,980</i>	<i>(6,186,837)</i>	<i>-</i>	<i>(6,186,837)</i>
<i>Business-Type activities:</i>							
Sewer	350,118	532,318	-	-	-	182,200	182,200
<i>Total business-type activities</i>	<i>350,118</i>	<i>532,318</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>182,200</i>	<i>182,200</i>
<i>Total primary government</i>	<i>6,590,495</i>	<i>547,565</i>	<i>8,313</i>	<i>29,980</i>	<i>(6,186,837)</i>	<i>182,200</i>	<i>(6,004,637)</i>
<i>General revenues:</i>							
Property taxes, levied for general purposes					5,286,208	-	5,286,208
Excise taxes					694,130	-	694,130
Interest and lien fees					14,127	-	14,127
Licenses and permits					44,356	-	44,356
<i>Grants and contributions not restricted to specific programs:</i>							
State revenue sharing					579,858	-	579,858
Homestead exemption					220,822	-	220,822
Other					31,761	-	31,761
Unrestricted investment earnings					9,741	3,315	13,056
Miscellaneous revenues					43,387	-	43,387
Transfers between general and proprietary funds					90,750	(90,750)	-
<i>Total general revenues and transfers</i>					<i>7,015,140</i>	<i>(87,435)</i>	<i>6,927,705</i>
<i>Changes in net position</i>					<i>828,303</i>	<i>94,765</i>	<i>923,068</i>
<b>NET POSITION - BEGINNING</b>					<b>5,289,623</b>	<b>4,236,703</b>	<b>9,526,326</b>
<b>NET POSITION - ENDING</b>					<b>\$ 6,117,926</b>	<b>\$ 4,331,468</b>	<b>\$ 10,449,394</b>

The accompanying notes are an integral part of this statement.

Town of Farmingdale, Maine  
Balance Sheet  
Governmental Funds  
June 30, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,305,046	\$ 687,523	\$ 2,992,569
Due from Enterprise Fund	140	-	140
Taxes receivable, net	153,239	-	153,239
Tax liens receivable	44,208	-	44,208
<b>TOTAL ASSETS</b>	<b>\$ 2,502,633</b>	<b>\$ 687,523</b>	<b>\$ 3,190,156</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts payable	\$ 19,722	\$ -	\$ 19,722
<i>Total liabilities</i>	19,722	-	19,722
<i>Deferred inflows of resources:</i>			
Taxes collected in advance	11,144	-	11,144
Uncollected property taxes	159,068	-	159,068
<i>Total deferred inflows of resources</i>	170,212	-	170,212
<i>Fund balances: (see footnotes)</i>			
Non-spendable	-	26,240	26,240
Assigned	850,618	661,283	1,511,901
Unassigned	1,462,081	-	1,462,081
<i>Total fund balances</i>	2,312,699	687,523	3,000,222
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,502,633</b>	<b>\$ 687,523</b>	
<i>Amounts reported for governmental activities in the statement of net position (Stmt. 1) are different because:</i>			
Depreciable and non-depreciable capital assets as reported in Stmt. 1			4,550,181
Long-term liabilities, including bonds payable, as reported on Stmt. 1			(1,564,792)
Uncollected property taxes not reported on Stmt. 1			159,068
Deferred outflows of resources - OPEB related expenditures			3,323
Deferred inflows of resources - OPEB related inflows			(3,170)
OPEB liabilities			(26,906)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>			<b>\$ 6,117,926</b>

**Town of Farmingdale, Maine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Property taxes	\$ 5,282,724	\$ -	\$ 5,282,724
Excise taxes	694,130	-	694,130
Intergovernmental revenue	870,734	-	870,734
Charges for services	15,247	-	15,247
Investment income	7,916	1,825	9,741
Interest and lien fees	14,127	-	14,127
Licenses and permits	44,356	-	44,356
Other revenue	36,250	7,137	43,387
<i>Total revenues</i>	6,965,484	8,962	6,974,446
<b>EXPENDITURES:</b>			
General government	485,670	-	485,670
Public safety	485,150	-	485,150
Public works	1,218,428	-	1,218,428
Health and sanitation	30,172	-	30,172
Education	3,648,484	-	3,648,484
County tax	388,351	-	388,351
Recreation	8,500	-	8,500
Debt service	182,579	-	182,579
Unclassified	117,859	-	117,859
<i>Total expenditures</i>	6,565,193	-	6,565,193
<i>Excess (deficiency) of revenues over (under) expenditures</i>	400,291	8,962	409,253
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	90,750	75,000	165,750
Operating transfers (out)	(75,000)	-	(75,000)
<i>Total other financing sources (uses)</i>	15,750	75,000	90,750
<i>Net change in fund balances</i>	416,041	83,962	500,003
<b>FUND BALANCES - BEGINNING</b>	1,896,658	603,561	2,500,219
<b>FUND BALANCES - ENDING</b>	<b>\$ 2,312,699</b>	<b>\$ 687,523</b>	<b>\$ 3,000,222</b>

(Continued)

The accompanying notes are an integral part of this statement.

**Town of Farmingdale, Maine  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2025**

<b>Net change in fund balances - total governmental funds (Statement 4)</b>	\$	500,003
<p>Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:</p>		
Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditure on governmental funds		(410,396)
Capital outlays expensed on the Governmental Funds report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2)		600,769
Revenues in the Statement of Activities (Stmt. 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in uncollected property taxes.		3,484
Repayment of debt principal reported as an expense on the Governmental Funds report (Stmt. 4), yet not considered an expense on the Statement of Activities (Stmt. 2).		133,261
Issuance of long-term debt recognized as revenue in the Governmental Funds report (Stmt. 4), yet not considered a revenue on the Statement of Activities (Stmt. 2)		-
OPEB expenses under GASB #75 are not reported in the governmental fund statements		1,182
<b>Changes in net position of governmental activities (see Stmt. 2)</b>	<b>\$</b>	<b>828,303</b>

**Town of Farmingdale, Maine**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	<b>Business-type activities</b>
	<b>Enterprise Funds</b>
	<b>Sewer</b>
<b>ASSETS:</b>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 959,007
Accounts receivable, net	206,051
<i>Total current assets</i>	1,165,058
 <i>Non-current assets:</i>	
<i>Capital assets:</i>	
Property, plant, and equipment	4,769,028
Less accumulated depreciation	(1,380,640)
<i>Total non-current assets</i>	3,388,388
 <b>TOTAL ASSETS</b>	 <b>\$ 4,553,446</b>
 <b>LIABILITIES:</b>	
<i>Current liabilities:</i>	
Due to General Fund	\$ 140
Accounts payable	-
Current portion of bonds payable	9,046
<i>Total current liabilities</i>	9,186
 <i>Non-current liabilities:</i>	
Bonds payable	212,792
<i>Total non-current liabilities</i>	212,792
<b>TOTAL LIABILITIES</b>	<b>221,978</b>
 <b>NET POSITION:</b>	
Net investment in capital assets	3,166,549
Unrestricted	1,164,919
<b>TOTAL NET POSITION</b>	<b>4,331,468</b>
 <b>TOTAL NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>	 <b>\$ 4,553,446</b>

Town of Farmingdale, Maine  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2025

	Business-type activities Enterprise Funds	
	Sewer	
<b>Operating revenues:</b>		
Charges for services	\$	527,918
Interest on user fees		3,920
Miscellaneous		480
<i>Total operating revenues</i>		532,318
<b>Operating expenses:</b>		
Treatment costs		224,460
Administrative operating costs		12,010
Contract services		55,000
Maintenance - pump stations, manhole, and sewer line		17,123
Depreciation		35,182
<i>Total operating expenses</i>		343,775
<i>Operating income (loss)</i>		188,543
<b>Non-operating revenues (expenses):</b>		
Interest income		3,315
Interest expense		(6,343)
Transfers in (out)		(90,750)
<i>Total non-operating revenues (expenses)</i>		(93,778)
<i>Net income (loss)</i>		94,765
<b>TOTAL NET POSITION - BEGINNING</b>		4,236,703
<b>TOTAL NET POSITION - ENDING</b>	<b>\$</b>	<b>4,331,468</b>

Town of Farmingdale, Maine  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2025

		<u>Business-type activities</u> <u>Enterprise Funds</u> <u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$	530,611
Payments to suppliers		(309,581)
<i>Net cash provided (used) by operating activities</i>		<u>221,030</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Bond repayments		(8,804)
Interest expense on bonds payable		(6,343)
Interfund transfers		(90,750)
<i>Net cash (used) in non-capital financing activities</i>		<u>(105,897)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments		3,315
<i>Net cash provided (used) by investing activities</i>		<u>3,315</u>
<i>Net increase (decrease) in cash and cash equivalents</i>		118,448
<b>CASH BALANCES - BEGINNING OF YEAR</b>		<u>840,559</u>
<b>CASH BALANCES - END OF YEAR</b>	<b>\$</b>	<b><u>959,007</u></b>
 <i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>		
Operating income (loss)	\$	188,543
<i>Adjustments to reconcile operating income to net cash provided (used) in operating activities:</i>		
Depreciation expense		35,182
<i>Change in net assets and liabilities:</i>		
(Increase) Decrease in accounts receivable		(1,705)
Increase (Decrease) in accounts payable		(990)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$</b>	<b><u>221,030</u></b>

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Farmingdale, Maine (the Town) was incorporated on April 3, 1852. The Town operates under a select board – town meeting form of government and is incorporated under the laws of the State of Maine.

The accounting policies of the Town conform to U.S. generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, and its amendments, established new financial reporting requirements for governments and caused the Town to restructure much of the information presented in the past. The more significant of the government’s accounting policies are described below.

The financial statements include those of the various departments governed by the Select Board and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by GASB.

**B. Basis of Presentation**

The Town’s basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-Wide Financial Statements

The Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reports information on all of the non-fiduciary activities of the Town as a whole.

The Statement of Net Position presents the financial condition of the governmental and business-type (if applicable) activities of the Town at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental and business-type (if applicable) activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

The Town has elected not to allocate indirect costs among programs. Program revenues include 1) charges to customers for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

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. The focus of governmental and proprietary fund financial statements is on major funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column. The General Fund is always a major fund.

Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

**C. Fund Accounting**

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of three categories of funds: governmental, proprietary and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the Town's major funds:

*General Fund* – The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

*Capital projects fund* – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Capital outlays financed from the issuance of debt are accounted for in the capital projects fund.

*Permanent Fund* – This fund is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs. A permanent fund would be used, for example, to account for the perpetual care endowment of a municipal cemetery.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Proprietary Fund Type

*Sewer fund* – The sewer fund is a business-type fund used to account for the operations of the town’s sewer system.

**D. Measurement Focus**

*Government-Wide Financial Statements:*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

*Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The fiduciary funds are reported using the economic resources measurement focus.

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements, proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes, charges for services, and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, property taxes receivable that will not be collected within the available period have been reported as deferred inflows of resources.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

**F. Budgets and Budgetary Accounting**

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised by department heads, town administration and the Select Board. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Select Board or required by law.

**G. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses**

**Cash and Cash Equivalents**

Cash and cash equivalents include currency on hand, demand deposits with financial institutions, and other accounts with an original maturity of three months or less when purchased. Investments are recorded at fair market value.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts.

Compensated Absences

Vacation and sick pay benefits are substantially non-vesting and are not material. Therefore, no liability has been recorded in the financial statements for the year ended June 30, 2025.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure assets (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 Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20-40
Infrastructure	40
Machinery and Equipment	10-20
Vehicles	10-20

Net Position and Fund Balances

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position is the residual amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. These designations are categorized as follows:

*Non-spendable* – Funds that are not in spendable form, such as funds that are legally required to be maintained in tact (corpus of a permanent fund).

*Restricted* – Funds that are restricted for use by an external party, constitutional provision, or enabling legislation.

*Committed* – Funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the governing body.

*Assigned* – Funds intended to be used for specific purposes set by the Select Board.

*Unassigned* – Funds available for any purpose.

When an expenditure is incurred for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

Uncollected Revenue

Uncollected revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Uncollected revenue arises when resources are received by the Town before the Town has legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the Town has a legal claim to the resources, the liability for uncollected revenue is removed from the balance sheet and revenue is recognized.

Property Taxes

Property taxes for the current year were committed on August 14, 2024, on the assessed value listed as of April 1, 2024, for all real and personal property located in the Town. Payment of taxes was due October 10, 2024 and April 8, 2025 with interest at 8.5% on all tax bills unpaid as of the due date.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$54,491 for the year ended June 30, 2025.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as uncollected revenues.

Risk Management

The Town pays insurance premiums to certain agencies to cover risks that may occur in normal operations. The Town purchases employee fidelity bond coverage. There have been no significant reductions in insurance coverage from the prior year. No settlements of claims have exceeded insurance coverage in the current year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense. Actual results could differ from those estimates.

**2. DEPOSITS AND INVESTMENTS**

Typically, the Town invests funds in checking accounts, savings accounts, certificates of deposit, and U.S. government obligations (through an investment group owned by a financial institution). From time to time the Town's deposits and investments may be subject to risks, such as the following:

Custodial Credit Risk – Deposits - the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town uses only financial institutions that are insured by the FDIC or additional insurance. At June 30, 2025, cash deposits had a carrying value of \$3,951,576, all of which was covered by FDIC or collateralized.

Interest Rate Risk – The Town does not currently have a deposit policy for interest rate risk.

Credit Risk – The Town does not have a formal policy regarding credit risk. Maine statutes authorize the Town to invest in obligations of the U.S. Treasury, and U.S. Agencies and certain bonds, securities and real assets.

Custodial Credit Risk – Investments – the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy. None of the Town's investments were subject to custodial credit risk.

At June 30, 2025, the Town had no funds in investment accounts.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**3. CAPITAL ASSETS**

<b>Governmental activities:</b>	<b>Balance 7/1/2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2025</b>
Buildings/Improvements	\$ 2,232,513	\$ -	\$ -	\$ 2,232,513
Equipment & vehicles	1,294,210	-	-	1,294,210
Infrastructure	3,747,604	600,769	-	4,348,373
Total capital assets being depreciated	7,274,327	600,769	-	7,875,096
<i>Less accumulated depreciation</i>				
Buildings/Improvements	(312,086)	(67,080)	-	(379,166)
Equipment & vehicles	(912,101)	(67,070)	-	(979,171)
Infrastructure	(1,690,333)	(276,246)	-	(1,966,579)
Total accumulated depreciation	(2,914,520)	(410,396)	-	(3,324,916)
<b>Governmental activities Capital assets, net</b>	<b>\$ 4,359,807</b>	<b>\$ 190,373</b>	<b>\$ -</b>	<b>\$ 4,550,180</b>

Depreciation expense has not been charged as a direct expense for any department of the Town.

<b>Business-type activities:</b>	<b>Balance 7/1/2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2025</b>
Capital assets not being depreciated:				
Land	\$ 1,800	\$ -	\$ -	\$ 1,800
Capital assets being depreciated:				
Plant & improvements	4,753,953	-	-	4,753,953
Equipment	13,275	-	-	13,275
Total capital assets	4,769,028	-	-	4,769,028
<i>Less accumulated depreciation</i>				
Plant & improvements	(1,340,680)	(34,182)	-	(1,374,862)
Equipment	(4,775)	(1,000)	-	(5,775)
Total accumulated depreciation	(1,345,455)	(35,182)	-	(1,380,637)
Total capital assets, net	3,423,573	(35,182)	-	3,388,391
<b>Business-type activities Capital assets, net</b>	<b>\$ 3,423,573</b>	<b>\$ (35,182)</b>	<b>\$ -</b>	<b>\$ 3,388,391</b>

**4. CONTINGENCIES**

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town through the date of the audit report.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**5. SUBSEQUENT EVENTS**

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**6. INTERFUND BALANCES AND TRANSFERS**

Interfund balances as of June 30, 2025 consisted of the following:

		<b><i>Due from:</i></b>		
		Sewer Fund		
<b><i>Due to:</i></b>				
General Fund				\$ 140
		<b><i>Transfer from:</i></b>		
	General Fund	Sewer Fund		<i>Totals</i>
<b><i>Transfer to:</i></b>				
General Fund	\$ -	\$ 90,750		\$ 90,750
Capital Project	75,000	-		75,000
	<u>\$ 75,000</u>	<u>\$ 90,750</u>		<u>\$ 165,750</u>

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**7. FUND BALANCES**

***Non-spendable:***

Cemetery principal portion	<b><u>\$ 26,240</u></b>
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***Assigned:***

*General Fund:*

Payroll - PMFL	\$ 5,000
Cemetery sexton	5,000
Comprehensive plan	28,000
FD – new truck	30,000
Highway	764,152
Cemetery	<u>18,466</u>

<b>Total</b>	<b>\$ 850,618</b>
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*Capital Projects Fund:*

Underground drains	\$ 270,942
Capital improvements	289,320
Local road assistance	44,486
Fire department fund	15,471
Rebuilding commons	7,083
Fuel donations	<u>659</u>

<b>Total</b>	<b>\$ 627,961</b>
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*Permanent Fund:*

Permanent fund	<b><u>\$ 33,322</u></b>
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<b>Total Assigned Funds</b>	<b><u>\$ 1,511,901</u></b>
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<b>Unassigned Fund Balance</b>	<b><u>\$ 1,462,081</u></b>
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**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**8. LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended June 30, 2025, was as follows:

Description	Balance 7/1/2024	Additions	(Reductions)	Balance 6/30/2025	Due within one year
<b>Governmental activities:</b>					
Bonds payable	\$ 1,691,164	\$ -	\$ (132,040)	\$ 1,559,124	\$ 132,331
Capital leases payable	6,889	-	(1,221)	5,668	1,349
<b>Total</b>	<b>\$ 1,698,053</b>	<b>\$ -</b>	<b>\$ (133,261)</b>	<b>\$ 1,564,792</b>	<b>\$ 133,680</b>

Description	Balance 7/1/2024	Additions	(Reductions)	Balance 6/30/2025	Due within one year
<b>Business-type activities:</b>					
Bonds payable	\$ 230,642	\$ -	\$ (8,804)	\$ 221,838	\$ 9,046
<b>Total</b>	<b>\$ 230,642</b>	<b>\$ -</b>	<b>\$ (8,804)</b>	<b>\$ 221,838</b>	<b>\$ 9,046</b>

Payments on bonds payable, notes payable and capital leases of the governmental activities are paid out of the General Fund. Payments on bonds payable of the business-type activities are paid out of the Sewer Fund.

***General Obligation Bonds***

Bonds payable at June 30, 2025 are comprised of the following:

	Interest <u>Rate</u>	Maturity <u>Date</u>	Balance at <u>6/30/2025</u>
<b>Governmental Activities:</b>			
Maine Municipal Bond Bank	2.086-3.706%	11/2032	\$ 200,000
Kennebec Savings Bank	2.49%	09/2031	140,000
Kennebec Savings Bank	4.29%	05/2040	<u>1,219,124</u>
<b>Total governmental activities</b>			<b><u>\$ 1,559,124</u></b>
<b>Business-type Activities:</b>			
USDA	2.75%	04/2044	<u>\$ 221,838</u>
<b>Total business-type activities</b>			<b><u>\$ 221,838</u></b>

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**8. LONG-TERM OBLIGATIONS (CONTINUED)**

Debt service requirements to retire the bonds payable outstanding for governmental activities at June 30, 2025 are as follows:

Year ending June 30,	Governmental Activities		Total
	Principal	Interest	
2026	\$ 132,331	\$ 52,320	\$ 184,651
2027	135,528	47,867	183,395
2028	138,841	43,271	182,112
2029	142,275	38,526	180,801
2030	145,836	33,628	179,464
2031-2035	677,314	92,682	769,996
2036-2037	186,999	7,082	194,081
<b>Total</b>	<b>\$ 1,559,124</b>	<b>\$ 315,376</b>	<b>\$ 1,874,500</b>

Debt service requirements to retire the bonds payable outstanding for business-type activities at June 30, 2025 are as follows:

Year ending June 30,	Governmental Activities		Total
	Principal	Interest	
2026	\$ 9,046	\$ 6,101	\$ 15,147
2027	9,295	5,852	15,147
2028	9,551	5,596	15,147
2029	9,814	5,333	15,147
2030	10,084	5,063	15,147
2031-2035	54,732	21,003	75,735
2036-2040	62,683	13,052	75,735
2041-2044	56,633	3,955	60,588
<b>Total</b>	<b>\$ 221,838</b>	<b>\$ 65,955</b>	<b>\$ 287,793</b>

***Capital Lease Obligations***

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function.

The following are the individual capital lease obligations outstanding for governmental activities at June 30, 2025:

	Interest Rate	Final Maturity Date	Balance at 6/30/2025
<b>Governmental activities:</b>			
Copier	10%	01/2029	\$ 5,668
			<b>\$ 5,668</b>

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**8. LONG-TERM OBLIGATIONS (CONTINUED)**

Debt service requirements to retire capital lease obligations outstanding for governmental activities at June 30, 2025 are as follows:

Year ending June 30,	Governmental Activities		Total
	Principal	Interest	
2026	\$ 1,349	\$ 491	\$ 1,840
2027	1,490	350	1,840
2028	1,647	193	1,840
2029	1,182	90	1,272
<b>Total</b>	<b>\$ 5,668</b>	<b>\$ 1,124</b>	<b>\$ 6,792</b>

**9. OPEB OBLIGATIONS**

*Plan Description*

The Town provides health insurance to its employees through Maine Municipal Employees Health Trust (MMEHT). The Town does not provide postemployment or postretirement health benefits, but it is subject to an implicit benefit for its members in MMEHT.

*Accounting Policies*

The impact of experience gains or losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining life of all active and inactive members of the Plan. As of the beginning of the measurement period, this average was 2 years.

The table below shows changes in the change in Net OPEB Liability during the 2025 measurement year:

	Net OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>Balances 1/1/2024 (Reporting 12/31/2024)</b>	\$ 25,726	\$ -	\$ 25,726
<b>Changes for the year:</b>			
Service cost	1,239	-	1,239
Interest	840	-	840
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	1,491	-	1,491
Contributions – employer	-	2,390	(2,390)
Benefit payments	(2,390)	(2,390)	-
<b>Net changes</b>	<b>1,180</b>	<b>-</b>	<b>1,180</b>
<b>Balances 1/1/2025 (Reporting 12/31/2025)</b>	<b>\$ 26,906</b>	<b>\$ -</b>	<b>\$ 26,906</b>

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**9. OPEB OBLIGATIONS (CONTINUED)**

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next 5 years, and thereafter:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,506
Changes in assumptions	880	664
Contributions subsequent to measurement date	2,443	-
<b>Total</b>	<b>\$ 3,323</b>	<b>\$ 3,170</b>

\$2,443 reported as deferred outflows related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Amounts reported as deferred inflows and outflows will be recognized as OPEB expense as follows:

<b>Year ended June 30:</b>	
2026	(1,958)
2027	(332)
2028	0
2029	0
2030	0
Thereafter	0

As of January 1, 2025, the plan membership data is comprised of 1 active members with only an implicit benefit.

**Key Economic Assumptions:**

*Measurement date:* January 1, 2025

*Discount rates:* 4.08% per annum for year end 2025 reporting  
3.26% per annum for year end 2024 reporting

*Trend assumptions:* *Pre-Medicare Medical* – Initial trend of 8.40% applied in FYE 2024 grading over 20 years to 3.81% per annum.

*Pre-Medicare Drug* – Initial trend of 16.13% applied in FYE 2024 grading over 20 years to 3.81% per annum.

*Medicare Medical* – Initial trend of 1.90% applied in FYE 2024 grading over 20 years to 3.81% per annum.

*Medicare Drug* – Initial trend of 9.63% applied in FYE 2024 grading over 20 years to 3.81% per annum.

*Administrative and claims expense* – 3% per annum.

**Future Plan Changes**

It is assumed that the current plan and cost-sharing structure remains in place for all future years.

**TOWN OF FARMINGDALE, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**9. OPEB OBLIGATIONS (CONTINUED)**

**Demographic Assumptions:**

*Retiree continuation:* Retirees who are current Medicare participants – 100%  
Retirees who are Pre-medicare, active participants – 75%  
Spouses who are Pre-medicare, spouse is active participant – 50%

*Rate of mortality:* Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

*Marriage assumptions:* A husband is assumed to be 3-years older than his wife.

*Assumed rate of retirement:* For employees hired prior to July 1, 2014  
Age 55-58 – 5%  
Age 59-64 – 20%  
Age 65-69 - 25%  
Age 70+ - 100%  
For employees hired after July 1, 2014  
Age 55-63 – 5%  
Age 64-69 – 20%  
Age 70+ - 100%

*Salary increases:* 2.75% per year

**Discount Rate**

The discount rate used to measure the TOL was 4.08% based on a measurement date of January 1, 2025. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

The following table shows how the net OPEB liability as of June 30, 2025 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 4.08%.

**TOWN OF FARMINGDALE, MAINE  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025**

**9. OPEB OBLIGATIONS (CONTINUED)**

1% Decrease 3.08%	Current Rate 4.08	1% Increase 5.08%
\$ 29,102	\$ 26,906	\$ 25,004

Changes in the healthcare trend affect the measurement of the TOL. Lower healthcare trend rates produce a lower TOL and higher healthcare trend rates produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trend rates.

1% Decrease	Healthcare Trend Rates	1% Increase
\$ 24,630	\$ 26,906	\$ 29,565

A 1% decrease in the healthcare trend rate decreases the NOL by approximately 8.5%. A 1% increase in the healthcare trend rate increases the NOL by approximately 9.9%.

**TOWN OF FARMINGDALE, MAINE**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Schedules of Required Supplementary Information start with one year of information as of the implementation of GASB No. 75, but eventually will build up to 10 years of information. The schedule below shows changes in total OPEB liability and related ratios required by GASB No. 75.

	FYE 2025	FYE 2024	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018
<b>Total OPEB Liability</b>								
Service cost (BOY)	\$ 1,239	\$ 1,087	\$ 1,260	\$ 2,956	\$ 2,610	\$ 2,180	\$ 2,347	\$ 2,228
Interest (includes interest on service cost)	840	887	544	817	962	1,333	1,146	3,437
Changes of benefit terms	0	0	0	0	0	(765)	0	0
Differences between expected and actual experience	0	2,005	0	(12,534)	0	(1,383)	0	(57,112)
Changes of assumptions	1,491	275	(1,660)	679	1,605	2,948	(1,998)	(3,114)
Benefit payments, including refunds of member contributions	(2,390)	(2,528)	(2,593)	(2,131)	(2,049)	(2,190)	(2,106)	(4,195)
<b>Net change in total OPEB liability</b>	<b>\$ 1,180</b>	<b>\$ 1,726</b>	<b>\$ (2,449)</b>	<b>\$ (10,213)</b>	<b>\$ 3,128</b>	<b>\$ 2,123</b>	<b>\$ (611)</b>	<b>\$ (58,756)</b>
<b>Total OPEB liability – beginning</b>	<b>\$ 25,726</b>	<b>\$ 24,000</b>	<b>\$ 26,449</b>	<b>\$ 36,662</b>	<b>\$ 33,534</b>	<b>\$ 31,411</b>	<b>\$ 32,022</b>	<b>\$ 90,778</b>
<b>Total OPEB liability – ending</b>	<b>\$ 26,906</b>	<b>\$ 25,726</b>	<b>\$ 24,000</b>	<b>\$ 26,449</b>	<b>\$ 36,662</b>	<b>\$ 33,534</b>	<b>\$ 31,411</b>	<b>\$ 32,022</b>
<b>Plan fiduciary net position</b>								
Contributions – employer	2,390	2,528	2,593	2,131	2,049	2,190	2,106	4,195
Contributions – member	0	0	0	0	0	0	0	0
Net investment income	0	0	0	0	0	0	0	0
Benefit payments, including refunds of member contributions	(2,390)	(2,528)	(2,593)	(2,131)	(2,049)	(2,190)	(2,106)	(4,195)
Administrative expenses	0	0	0	0	0	0	0	0
<b>Net change in plan fiduciary net position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position – beginning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plan fiduciary net position – ending</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net OPEB liability – endings</b>	<b>\$ 26,906</b>	<b>\$ 25,726</b>	<b>\$ 24,000</b>	<b>\$ 26,449</b>	<b>\$ 36,662</b>	<b>\$ 33,534</b>	<b>\$ 31,411</b>	<b>\$ 32,022</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 66,560	\$ 66,560	\$ 82,160	\$ 82,160	\$ 116,522	\$ 115,752	\$ 115,752	\$ 115,752
Net OPEB liability as a percentage of covered employee payroll	40.4%	38.7%	29.2%	32.2%	31.5%	28.8%	27.1%	27.7%

Town of Farmingdale, Maine  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 5,286,498	\$ 5,286,498	\$ 5,282,724	\$ (3,774)
Excise taxes	653,850	653,850	694,130	40,280
Intergovernmental revenue	831,839	831,839	870,734	38,895
Charges for services	-	-	15,247	15,247
Investment income	-	-	7,916	7,916
Interest and lien fees	-	-	14,127	14,127
Licenses and permits	-	-	44,356	44,356
Other revenues	-	-	36,250	36,250
<i>Total revenues</i>	<u>6,772,187</u>	<u>6,772,187</u>	<u>6,965,484</u>	<u>193,297</u>
<b>EXPENDITURES:</b>				
General government	576,345	582,345	485,670	96,675
Public safety	490,110	491,398	485,150	6,248
Public works	1,553,890	1,981,590	1,218,428	763,162
Health and sanitation	31,000	31,000	30,172	828
Education	3,640,788	3,640,788	3,648,484	-
County tax	388,351	388,351	388,351	-
Recreation	8,500	8,500	8,500	-
Debt service	212,530	212,530	182,579	29,951
Unclassified	154,085	159,085	117,859	41,226
<i>Total expenditures</i>	<u>7,055,599</u>	<u>7,495,587</u>	<u>6,565,193</u>	<u>938,090</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>			<u>400,291</u>	
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	90,750	90,750	90,750	-
Operating transfers (out)	(75,000)	(75,000)	(75,000)	-
<i>Total other financing sources</i>	<u>15,750</u>	<u>15,750</u>	<u>15,750</u>	<u>-</u>
<i>Net changes in fund balances</i>			416,041	
<b>FUND BALANCES - BEGINNING</b>			<u>1,896,658</u>	
<b>FUND BALANCES - ENDING</b>			<u>\$ 2,312,699</u>	

**Town of Farmingdale, Maine  
Combining Balance Sheet - All Other Non-Major Governmental Funds  
June 30, 2025**

	<i>Capital Project Funds</i>	<i>Permanent Funds</i>	<i>Total Other Governmental Funds</i>
	<hr/>	<hr/>	<hr/>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 627,961	\$ 59,562	\$ 687,523
<b>TOTAL ASSETS</b>	<b><u>\$ 627,961</u></b>	<b><u>\$ 59,562</u></b>	<b><u>\$ 687,523</u></b>
<b>LIABILITIES AND FUND BALANCE:</b>			
<i>Fund Balance: (see footnotes)</i>			
Non-spendable	\$ -	\$ 26,240	\$ 26,240
Assigned	627,961	33,322	661,283
<i>Total fund balance</i>	<hr/> 627,961	<hr/> 59,562	<hr/> 687,523
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 627,961</u></b>	<b><u>\$ 59,562</u></b>	<b><u>\$ 687,523</u></b>

**Town of Farmingdale, Maine**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**All Other Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

	<i>Capital Project Funds</i>	<i>Permanent Funds</i>	<i>Total Other Governmental Funds</i>
<b>REVENUES:</b>			
Interest Income	\$ 1,744	\$ 81	\$ 1,825
Other	7,137	-	7,137
<i>Total revenues</i>	<u>8,881</u>	<u>81</u>	<u>8,962</u>
<b>EXPENDITURES:</b>			
Bank fees	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>8,881</u>	<u>81</u>	<u>8,962</u>
<b>OTHER FINANCING SOURCES (USES) OF FUNDS:</b>			
Transfers in	75,000	-	75,000
<i>Total other financing sources (uses)</i>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>83,881</u>	<u>81</u>	<u>83,962</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>544,080</u>	<u>59,481</u>	<u>603,561</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 627,961</u></u>	<u><u>\$ 59,562</u></u>	<u><u>\$ 687,523</u></u>

**Town of Farmingdale, Maine**  
**Schedule of Property Valuation, Assessment, and Appropriations**  
**For the Year Ended June 30, 2025**

*Assessed Valuation:*

Real estate valuation	\$ 217,392,860
Personal property valuation	<u>2,877,900</u>

*Total valuation* 220,270,760

*Tax Commitment:*

Tax assessment at \$24.00 per thousand	<u>5,286,498</u>
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*Reconciliation of Commitment with Appropriation:*

Current year tax commitment, as above	5,286,498
Estimated revenues	1,485,689
Budgeted transfers in (out), net	15,750
Appropriated from fund balance	<u>322,153</u>

Appropriations per original budget 7,110,090

Overlay (54,491)

**TOTAL APPROPRIATIONS PER ORIGINAL BUDGET** **\$ 7,055,599**

**Town of Farmingdale, Maine  
Schedule of Taxes Receivable  
June 30, 2025**

<i>Taxes receivable:</i>		
Real estate	\$ 117,119	
Personal property	<u>36,120</u>	
		\$ 153,239
<i>Tax liens receivable:</i>		
2024	32,939	
Prior	<u>11,269</u>	
		<u>44,208</u>
<b>TOTAL TAXES RECEIVABLE AND TAX LIENS RECEIVABLE</b>		<b><u>\$ 197,447</u></b>

Town of Farmingdale, Maine  
 Schedule of Departmental Operations  
 For the Year Ended June 30, 2025

	Balance 7/1/2024	Appropriations	Total Available	Expenditures	Balances Lapsed	Carried
<b>GENERAL GOVERNMENT</b>						
General administration	\$ -	\$ 240,105	\$ 240,105	\$ 179,615	\$ 32,490	\$ 28,000
Contingent	-	6,100	6,100	2,105	3,995	-
Unexpected/emergency	-	10,000	10,000	-	10,000	-
Salaries and FICA	6,000	320,140	326,140	303,950	17,190	5,000
<i>Total</i>	<u>6,000</u>	<u>576,345</u>	<u>582,345</u>	<u>485,670</u>	<u>63,675</u>	<u>33,000</u>
<b>PUBLIC SAFETY</b>						
Constables	-	43,400	43,400	40,461	2,939	-
Fire protection	-	85,600	85,600	80,313	5,287	-
Dispatch services	-	52,423	52,423	52,423	-	-
E-911	-	500	500	-	500	-
Hydrant rental	-	136,024	136,024	139,286	(3,262)	-
Street lights	-	6,700	6,700	6,843	(143)	-
EMA	-	100	100	100	-	-
Ambulance service	-	113,251	113,251	113,251	-	-
Code enforcement officer	-	48,100	48,100	38,354	9,746	-
Plumbing inspector	-	5,300	5,300	14,119	(8,819)	-
<i>Total</i>	<u>-</u>	<u>491,398</u>	<u>491,398</u>	<u>485,150</u>	<u>6,248</u>	<u>-</u>
<b>PUBLIC WORKS</b>						
Highway department	427,700	1,553,890	1,981,590	1,218,428	(990)	764,152
<i>Total</i>	<u>427,700</u>	<u>1,553,890</u>	<u>1,981,590</u>	<u>1,218,428</u>	<u>(990)</u>	<u>764,152</u>
<b>HEALTH AND SANITATION</b>						
Solid waste contract	-	31,000	31,000	30,172	828	-

**Town of Farmingdale, Maine**  
**Schedule of Departmental Operations**  
**For the Year Ended June 30, 2025**

	Balance 7/1/2024	Appropriations	Total Available	Expenditures	Balances	
					Lapsed	Carried
<b>EDUCATION</b>	-	3,640,788	3,640,788	3,648,484	(7,696)	-
<b>COUNTY TAX</b>	-	388,351	388,351	388,351	-	-
<b>DEBT SERVICE</b>						
Fire station	-	129,889	129,889	129,889	-	-
Fire truck	-	53,945	53,945	23,994	(49)	30,000
Highway department	-	28,696	28,696	28,696	-	-
<i>Total</i>	-	212,530	212,530	182,579	(49)	30,000
<b>RECREATION</b>						
Bamstormers snowmobile club	-	500	500	500	-	-
Farmingdale recreation program	-	8,000	8,000	8,000	-	-
<i>Total</i>	-	8,500	8,500	8,500	-	-
<b>UNCLASSIFIED</b>						
Charities	-	14,285	14,285	14,227	58	-
Senior citizens	-	2,000	2,000	-	2,000	-
Hall/Dale little league	-	300	300	300	-	-
Libraries	-	25,458	25,458	25,458	-	-
Cemeteries	-	45,800	45,800	10,833	11,501	23,466
Kennebec Humane Society	-	5,300	5,300	4,057	1,243	-
First park	-	13,942	13,942	13,942	-	-
Rail trail	-	5,000	5,000	5,000	-	-
Planning board	-	1,500	1,500	1,235	265	-
Assessing and tax maps	-	27,200	27,200	27,637	(437)	-
General assistance	-	10,000	10,000	14,355	(4,355)	-
Tax discounts and abatements	5,000	3,000	8,000	515	7,485	-
Historical society	-	300	300	300	-	-
<i>Total</i>	5,000	154,085	159,085	117,859	17,760	23,466
<b>TOTAL EXPENDITURES</b>	<b>\$ 438,700</b>	<b>\$ 7,056,887</b>	<b>\$ 7,495,587</b>	<b>\$ 6,565,193</b>	<b>\$ 79,776</b>	<b>\$ 850,618</b>