

Finance and Budget Committee

Exhibit B to  
January 19, 2014  
BOG Minutes



Quonochontaug  
Central Beach Fire District  
Board of Governors  
Meeting  
January 19, 2014

Exhibit B  
January 19, 2014



1/19/14

## 2013 Financial Performance Summary

### Actual results (preliminary):

- 2013 tax collections and other recurring revenue totaled approximately \$246,400, which combined with the \$34,500 of non-recurring FEMA and other reimbursements, resulted in total cash sources of \$280,900
- After giving effect to operating expenses of \$215,100 and capital expenditures of \$19,500, cash exclusively from operations (excluding FEMA) were \$11,800. Including FEMA, cash flow was \$46,300
- Of this amount, \$10,000 was used to pay prior year payables and fund a small increase in receivables, resulting in a year-over-year increase in cash of about \$36,400. The \$34,500 of non-recurring FEMA and other reimbursements were used to support the budgeted funding of reserve accounts, resulting in an increase in cash balances from operations of \$1,800. Year-end 2013 cash balances were \$172,937, up from \$136,583 at year-end 2012

### Actual vs. Budget:

- Collections of \$280,900 exceeded budget by \$36,500, substantially due to the \$33,864 received from FEMA for Hurricane Sandy reimbursements. Expenses of \$215,100 were \$3,500 lower than the \$218,600 budgeted due to favorable variances across several categories including insurance premiums (\$5,800), legal expenses (\$2,900), administration costs (\$3,500) and operations (\$6,300) offset by unbudgeted storm expenses of \$13,200 and higher water system expenses of \$4,200
- Capital expenditures of \$19,500 were \$7,500 favorable to budget due to \$2,700 lower costs for water system repairs and upgrade and no use of the \$8,000 asset replacement budget, offset by \$3,200 for tennis court resurfacing (which is a pull-forward of a 2014 budget item)
- Cash from operations less capital expenditures was \$47,500 higher than budget due to the FEMA reimbursements and the net operating and capital expense savings discussed above. Giving effect to the \$10,000 in unbudgeted working capital usage, cash increased \$37,500 vs. budget

### Notes:

- The financial statements are unaudited and amounts may be subject to year-end adjustments
- These financial statements are consistent with prior year presentations and are not prepared in accordance with generally accepted accounting principles

1/19/14



Quonochontaug  
Central Beach Fire District  
Cash Flow Summary

As of December 31  
Unaudited

(\$)

	Actual 12/31/2012	Actual <sup>1</sup> 12/31/2013	Budget 12/31/2013	Budget 12/31/2014	Variance	
					2013 Actual <sup>1</sup> vs. 2012 Actual	2013 Actual <sup>1</sup> vs. 2012 Budget
Sources of funds - operating						
Total Operating Sources	241,469.22	280,912.96	244,375.00	253,971.00	39,443.74	36,537.96
Uses of funds - operating						
Total Operating Uses	256,232.13	215,104.76	218,575.00	223,571.00	(41,127.37)	(3,470.24)
Cash Flow from Operations	(14,762.91)	65,808.20	25,800.00	30,400.00	80,571.11	40,008.20
Financing Activities						
Water Loan Prepayment	20,915.00	-	-	-	(20,915.00)	-
Capital Expenditures						
Total Capital Expenditures	27,949.28	19,498.00	27,000.00	38,500.00	(8,451.28)	(7,502.00)
Cash from Operations less Financing & Cap Exp	(63,627.19)	46,310.20	(1,200.00)	(8,100.00)	109,937.39	47,510.20
Working Capital						
Net Change in Cash	15,453.18	(9,956.15)	-	-	(25,409.33)	(9,956.15)
	(48,174.01)	36,354.05	(1,200.00)	(8,100.00)	84,528.06	37,554.05
Actual Cash Balance--Beginning	184,756.88	136,582.87				
Actual Cash Balance--Ending	136,582.87	172,936.92				
Change in Cash Balance	(48,174.01)	36,354.05				
Check	0.00	(0.00)				

Notes:

1. 2013 Actual results are preliminary and may be subject to year-end adjustments

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Quonochontaug  
Central Beach Fire District  
Cash Flow  
As of December 31  
Unaudited

(S)					Variance		Comments
	Actual	Actual <sup>1</sup>	Budget	Budget	2013 Actual <sup>1</sup>	2013 Actual <sup>1</sup>	
	12/31/2012	12/31/2013	12/31/2013	12/31/2014	vs. 2012 Actual	vs. 2012 Budget	
<b>Sources of funds - operating</b>							
Tax revenue	235,168.89	240,986.99	239,900.00	249,496.00	5,818.10	1,086.99	
Lease to tennis club	1,383.97	1,281.88	1,350.00	1,400.00	(102.09)	(68.12)	
Road impact fees	4,000.00	4,000.00	3,000.00	3,000.00	-	1,000.00	
Transfer from contingency fund (\$20,000 non-cash)	-	-	-	-	-	-	
Lost beach pass fees/miscellaneous	150.00	-	-	-	(150.00)	-	
FEMA reimbursement/donation/other	665.00	34,568.73	-	-	33,903.73	34,568.73	(\$33,864 FEMA, \$495 fun run donations, \$181 copy fees, \$28 insurance dividend)
Interest income	101.36	75.36	125.00	75.00	(26.00)	(49.64)	
Cumulative surplus (\$11,428.43 non-cash)	-	-	-	-	-	-	
<b>Total Operating Sources</b>	<b>241,469.22</b>	<b>280,912.96</b>	<b>244,375.00</b>	<b>253,971.00</b>	<b>39,443.74</b>	<b>36,537.96</b>	
<b>Uses of funds - operating</b>							
Charter, legal, negotiation fees	24,826.56	7,590.75	10,500.00	3,000.00	(17,235.81)	(2,909.25)	Legal expenses
Storm restoration	32,158.00	13,122.80	-	-	(19,035.20)	13,122.80	Hurricane Sandy repair costs
Record digitization/communication	1,274.40	829.09	3,500.00	1,800.00	(445.31)	(2,670.91)	Website hosting, domain name, SharePoint site
Administration	2,683.04	2,667.63	3,500.00	3,800.00	(15.41)	(832.37)	Public notices, annual meeting, accounting and land software, postal service
Memberships (Salt Ponds/RISC/Hist Soc)	200.00	300.00	500.00	500.00	100.00	(200.00)	Salt Ponds Coalition, Quonnie Historical Society
Ball field/playground	-	-	500.00	500.00	-	(500.00)	
Beaches/dunes	401.88	2,338.75	2,850.00	3,000.00	1,936.87	(511.25)	Wetlands permitting, restoration, signage
Boating/docking	(46.26)	1,414.86	1,500.00	1,850.00	1,461.12	(85.14)	
CI - Other	9,739.72	7,355.00	10,500.00	12,000.00	(2,384.72)	(3,145.00)	Mowing, fencing
CI - Garbage	27,500.00	27,500.00	27,500.00	27,500.00	-	-	
Police/security	7,092.01	6,878.07	8,750.00	9,250.00	(213.94)	(1,871.93)	Beach security
PW - Water operator (NWSI)	7,845.00	8,238.00	8,200.00	8,250.00	393.00	38.00	Quarterly well water service contract
PW - Water system	24,229.62	21,485.96	17,300.00	24,760.00	(2,743.66)	4,185.96	Well generator gas, electricity, repairs and maintenance, water testing
PW - Roads	2,961.17	5,073.31	6,350.00	6,300.00	2,112.14	(1,276.69)	Snow plowing, street light electricity
Real estate/property	7,987.59	484.75	2,000.00	4,000.00	(7,502.84)	(1,515.25)	Surveying
Mapping project	-	3,390.80	2,000.00	2,000.00	3,390.80	1,390.80	Surveying
Tennis	1,069.24	892.73	1,400.00	1,250.00	(176.51)	(507.27)	Fun run
Water project loan - principal/interest	14,400.00	14,400.00	14,400.00	14,400.00	-	-	Monthly principal + interest of \$1,200
Water project loan - prepayment	-	-	-	-	-	-	
Taxes (Charlestown)	4,684.63	4,738.35	5,000.00	5,250.00	53.72	(261.65)	
Insurance	16,331.59	11,903.00	17,750.00	16,500.00	(4,428.59)	(5,847.00)	Insurance premiums
Fire Protection (Dunn's Corner's)	70,893.94	74,500.91	74,300.00	77,500.00	3,606.97	200.91	
Miscellaneous expense	-	-	275.00	161.00	-	(275.00)	
<b>Total Operating Uses</b>	<b>256,232.13</b>	<b>215,104.76</b>	<b>218,575.00</b>	<b>223,571.00</b>	<b>(41,127.37)</b>	<b>(3,470.24)</b>	
<b>Cash Flow from Operations</b>	<b>(14,762.91)</b>	<b>65,808.20</b>	<b>25,800.00</b>	<b>30,400.00</b>	<b>80,571.11</b>	<b>40,008.20</b>	
<b>Financing Activities</b>							
<b>Water Loan Prepayment</b>	<b>20,915.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,915.00)</b>	<b>-</b>	
<b>Capital Expenditures</b>							
Water System	16,046.65	16,298.00	19,000.00	10,000.00	251.35	(2,702.00)	Rebuild of Well #1, Connections, copper filter
Asset Replacement	6,614.58	-	8,000.00	8,000.00	(6,614.58)	(8,000.00)	
Mapping Project	5,288.05	-	-	-	(5,288.05)	-	
Tennis Courts	-	3,200.00	-	3,500.00	3,200.00	3,200.00	Tennis court resurfacing
Boat Launch	-	-	-	3,000.00	-	-	
Compliance	-	-	-	14,000.00	-	-	
<b>Total Capital Expenditures</b>	<b>27,949.28</b>	<b>19,498.00</b>	<b>27,000.00</b>	<b>38,500.00</b>	<b>(8,451.28)</b>	<b>(7,502.00)</b>	
<b>Cash from Operations less Financing &amp; Cap Exp</b>	<b>(63,627.19)</b>	<b>46,310.20</b>	<b>(1,200.00)</b>	<b>(8,100.00)</b>	<b>109,937.39</b>	<b>47,510.20</b>	
<b>Working Capital</b>							
Change in Accounts Receivable (inc)/dec	11,326.52	(1,056.15)	-	-	(12,382.67)	(1,056.15)	
Change in Accounts Payable inc/(dec)	4,126.66	(8,900.00)	-	-	(13,026.66)	(8,900.00)	
<b>Net Change in Cash</b>	<b>(48,174.01)</b>	<b>36,354.05</b>	<b>(1,200.00)</b>	<b>(8,100.00)</b>	<b>84,528.06</b>	<b>37,554.05</b>	
Actual Cash Balance--Beginning	184,756.88	136,582.87					
Actual Cash Balance--Ending	136,582.87	172,936.92					
Change in Cash Balance	(48,174.01)	36,354.05					
Check	0.00	(0.00)					

Notes:  
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1/19/14

**Quonochontaug  
Central Beach Fire District  
Reserve Funds  
Accrued Balances**

(\$)

Unaudited

	<u>Contingency</u>	<u>Water Conservation</u>	<u>Road</u>	<u>Boat Launch</u>	<u>Mapping</u>	<u>Tennis</u>	<u>Asset Replace</u>	<u>Dunn's Corner</u>	<u>Compliance</u>	<u>Total Restricted</u>
<b>Fund balance at 12/31/2012</b>	-	8,071.85	16,300.00	21,994.86	-	4,395.00	62,845.81	18,414.99	-	132,022.51
Funding	20,000.00	15,000.00	6,000.00	-	-	1,295.00	15,000.00	74,300.00	7,000.00	138,595.00
Disbursements	-	-	-	-	-	-	-	-	-	-
Well repair/rehab	-	(10,955.00)	-	-	-	-	-	-	-	(10,955.00)
Water line analysis/improvs	-	(1,425.00)	-	-	-	-	-	-	-	(1,425.00)
Pump house equip	-	(3,918.00)	-	-	-	-	-	-	-	(3,918.00)
Pond restoration	-	-	-	-	-	-	-	-	-	-
Dune improvement	-	-	-	-	-	-	-	-	-	-
2nd half fiscal 2013	-	-	-	-	-	-	-	(36,165.35)	-	(36,165.35)
1st half fiscal 2014	-	-	-	-	-	(3,200.00)	-	(38,335.56)	-	(41,535.56)
Total disbursements	-	(16,298.00)	-	-	-	(3,200.00)	-	(74,500.91)	-	(93,998.91)
Transfer in (out)	-	-	-	-	-	-	(10,000.00)	-	-	(10,000.00)
<b>Fund balance at 12/31/2013</b>	<b>20,000.00</b>	<b>6,773.85</b>	<b>22,300.00</b>	<b>21,994.86</b>	<b>-</b>	<b>2,490.00</b>	<b>67,845.81</b>	<b>18,214.08</b>	<b>7,000.00</b>	<b>166,618.60</b>



**Central Beach Fire District**  
**Balance Sheet**  
 As of December 31, 2013

1/19/14

	Total		Total
<b>ASSETS</b>		<b>LIABILITIES AND EQUITY</b>	
<b>Current Assets</b>		<b>Liabilities</b>	
<b>Bank Accounts</b>		<b>Current Liabilities</b>	
4000 Cash	0.00	<b>Accounts Payable</b>	
4010 Checking	-4,246.12	7010 Accounts Payable	1,125.00
4020 Savings	0.00	<b>Total Accounts Payable</b>	<b>\$ 1,125.00</b>
4040 Municipal Money Market	177,183.04	<b>Other Current Liabilities</b>	
4050 30 Day CD	0.00	7050 Deferred Revenue	0.00
4060 60 Day CD	0.00	<b>Total Other Current Liabilities</b>	<b>\$ 0.00</b>
<b>Total 4000 Cash</b>	<b>\$ 172,936.92</b>	<b>Total Current Liabilities</b>	<b>\$ 1,125.00</b>
<b>Total Bank Accounts</b>	<b>\$ 172,936.92</b>	<b>Long-Term Liabilities</b>	
<b>Accounts Receivable</b>		7110 Water System Loan	132,981.77
4100 Accounts Receivable	1,056.15	7120 Real Estate Loan	0.00
<b>Total Accounts Receivable</b>	<b>\$ 1,056.15</b>	7130 Capital Loan	0.00
<b>Other current assets</b>		<b>Total Long-Term Liabilities</b>	<b>\$ 132,981.77</b>
1499 Undeposited Funds	0.00	<b>Total Liabilities</b>	<b>\$ 134,106.77</b>
<b>Total Other current assets</b>	<b>\$ 0.00</b>	<b>Equity</b>	
<b>Total Current Assets</b>	<b>\$ 173,993.07</b>	1000 Restricted Funds	
<b>Fixed Assets</b>		1005 Surplus Prior Year	0.00
5010 Boat Landing	74,200.00	1010 Contingency Fund	20,000.00
5020 Beach Lot	6,600.00	1020 Water Conservation Fund	6,773.85
5030 Parking lot end	2,400.00	1030 Water Connection Fund (deleted)	0.00
5040 Beach Lots	154,200.00	1040 Road Fund	22,300.00
5050 Beach Lot right of way	69,600.00	1050 Boat Sticker Fund	21,994.86
5060 Beach lot rightofway other side	69,600.00	1060 Golf Open Fund	0.00
5070 Ball Field	206,100.00	1070 Compliance Fund	7,000.00
5080 Land near wells	26,800.00	1080 Mapping Project Fund	0.00
5090 Land near wells 2	20,200.00	1081 Land Trust Fund	0.00
5091 Tennis Club Land	8,900.00	1082 Test Bore Fund	0.00
5092 Pump House Land	1,900.00	1083 Tennis Fund	2,490.00
5093 Water System	266,138.72	1084 Asset Replacement Fund	67,845.81
5094 Water Purification System	24,407.00	1085 Dunn's Corners Fire Smoothing Fund	18,214.08
5110 Tennis Courts 1	5,400.00	<b>Total 1000 Restricted Funds</b>	<b>\$ 166,618.60</b>
5120 Tennis Courts 2	2,200.00	<b>9500 Fund Balance</b>	815,455.69
5130 Mapping	15,256.38	<b>9600 Opening Balance</b>	0.00
<b>Total Fixed Assets</b>	<b>\$ 953,902.10</b>	<b>Net Income</b>	11,714.11
<b>TOTAL ASSETS</b>	<b>\$ 1,127,895.17</b>	<b>Total Equity</b>	<b>\$ 993,788.40</b>
		<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,127,895.17</b>

**Central Beach Fire District**  
**Profit & Loss**  
 January - December 2013

1/19/14

	<b>Total</b>
<b>Income</b>	
1500 Revenues	
1510 Lease of Tennis Courts	1,281.88
1524 Road Impact Fees	4,000.00
1528 Fun Run Donations	495.00
1530 Tax Receipts	240,986.99
1540 Interest Income	75.36
1550 Miscellaneous Income	34,073.73
<b>Total 1500 Revenues</b>	<b>\$ 280,912.96</b>
<b>Total Income</b>	<b>\$ 280,912.96</b>
<b>Gross Profit</b>	<b>\$ 280,912.96</b>
<b>Expenses</b>	
2000 Expenses	
2022 Charter, legal, negotiation fees	7,590.75
2023 Contingency Expense	13,122.80
2025 Communications	829.09
2030 Administration	2,667.63
2040 Donations/Memberships	300.00
2060 Beach/Dunes	2,338.75
2070 Boating/Docking	1,414.86
2060 Civic Improvement	7,355.00
2061 Civic Improvement - Garbage	27,500.00
2062 Civic Improvement - Fire	74,300.00
2100 Police/Security	6,878.07
<b>Total 2000 Expenses</b>	<b>\$ 144,296.95</b>
2200 Public Works	
2210 Water System Operator	
2212 Northeast Water Supervision	8,238.00
<b>Total 2210 Water System Operator</b>	<b>\$ 8,238.00</b>
2220 Water System	
2222 Generator	943.72
2224 Pump House Electricity	2,690.24
2227 System Repairs & Maintenance	11,645.11
2228 Water Testing	3,214.55
2228A Dues and Licenses	481.43
2229B Cox Telephone-Monitoring	2,510.91
2230 Water Conservation Fund Accrual	5,000.00
<b>Total 2220 Water System</b>	<b>\$ 26,485.96</b>
2240 Roads/Parking Lots	
2245 Road Patching	460.00
2246 Snow Removal	2,025.00
2248 Streetlight Electricity	2,424.38
2249 Sump Pump Electricity	163.93
2250 Road Fund Accrual	2,000.00
<b>Total 2240 Roads/Parking Lots</b>	<b>\$ 7,073.31</b>
<b>Total 2200 Public Works</b>	<b>\$ 41,797.27</b>
2310 Real Estate/Property	484.75
2311 Mapping Project	3,390.80
2330 Tennis/Golf	892.73
2340 Loans - Interest	
2341 Water Loan Interest	14,400.00
<b>Total 2340 Loans - Interest</b>	<b>\$ 14,400.00</b>
2410 Taxes (Charlestown)	4,738.35
2420 Insurance	11,903.00
2425 Transfer Asset Replacement Funds to Fund	15,000.00
2426 Transfer Impact Fee to Road Fund	4,000.00
2429 Transfer Fun Run Donations to Tennis Fund	1,295.00
2436 Transfer Compliance	7,000.00
2437 Transfer Contingency Fund	20,000.00
<b>Total Expenses</b>	<b>\$ 269,198.85</b>
<b>Net Operating Income</b>	<b>\$ 11,714.11</b>
<b>Net Income</b>	<b>\$ 11,714.11</b>



1/19/14

Certain issues for Finance Committee consideration:

- Reserve Funds: Evaluate whether it is appropriate to transition from an accrual methodology to cash methodology
  
- Books & Records: Establish the scope for an independent review and examination of records to test the adequacy of data security and procedures