

Finance and Budget Committee Report
2017



Quonochontaug Central Beach Fire District
Annual Meeting
September 16, 2017



Fiscal Year 2016 Comparative Review Actual and Budget Results

Actual 2016 Results

*2016 tax collections of \$271,860, which combined with \$6,979 of road impact fees, tennis lease payments, interest and other reimbursements, resulted in total operating sources of \$278,839.

*After giving effect to operating expenses of \$211,623, combined with capital expenditures and reserve additions of \$43,000, cash exclusively from operations was \$24,216.

This amount was supplemented with a small decrease in receivables and \$10,000 in escrow deposits, resulting in cash flow of \$34,759.

*The increase in unrestricted cash balances was \$24,759 (excludes escrows) and the increase in reserve balances was \$28,376. At year-end 2016, unrestricted cash balances were \$183,948, reserves \$80,176 and escrows \$10,000, for total cash balances of \$274,125.

Actual vs. Budget

*Total Sources of \$278,839 were consistent with the approved budget, with the principal variance being \$3,000 of unbudgeted road impact fees. Expenses of \$211,623 were \$18,609 lower than the \$230,232 budgeted due to favorable variances across several categories including legal (\$1,751), civic improvement (\$2,869), police/security (2,833), water system operator (\$1,762), roads (\$3,040) insurance (\$1,152) and fire protection (\$1,013) offset by unfavorable variances in communication, beaches/dunes, garbage and miscellaneous aggregating \$1,115. Capital expenditures of \$14,624 were under budget of \$27,500. Expenditures included \$3,004 for defibrillators and \$11,620 for water system upgrades. Reserves increased by an aggregate \$28,376, \$12,876 higher than budgeted due to the unspent allocations. Cash from operations less capital expenditures of \$24,216 was favorable to budget by a like amount due to the above mentioned operating and capital expenditure variances. Giving effect to the \$543 decline in receivables, unrestricted cash increased \$24,759 vs. budget. When combined with in the higher reserves and \$10,000 in escrow deposits, total cash increased \$47,635.

Notes:

The financial statements are unaudited.

The financial statements are consistent with prior year presentations and are not prepared in accordance with generally accepted accounting principles.

Quonochontaug Central Beach Fire District Cash Flow

2016 Actual vs. Budget, 2017 Approved Budget

Unaudited

	Actual Fiscal 2015	Actual Fiscal 2016	Approved Budget Fiscal 2016	2016 Actual vs. Budget Variance	Approved Budget Fiscal 2017
Sources of funds - Operating					
Tax revenue	259,421.59	271,859.73	269,922.23	1,937.50	282,741.95
Lease to tennis club	1,190.67	1,390.67	1,250.00	140.67	1,250.00
Road impact fees	3,000.00	5,000.00	2,000.00	3,000.00	2,000.00
Lost beach pass fees/Fun Run & Golf					
Donations/Misc.	1,012.95	378.00	-	378.00	-
Contributions-Special Events	10,000.00	-	-	-	-
Interest income	212.88	210.24	60.00	150.24	120.00
Total Operating Sources	274,838.09	278,838.64	273,232.23	5,606.41	286,111.95
Uses of funds - Operating					
Charter, legal, negotiation fees	812.00	1,248.73	3,000.00	(1,751.27)	3,000.00
Contingency Expense	-	-	-	-	-
Storm restoration	-	-	-	-	-
Communications	2,552.84	2,648.44	2,500.00	148.44	2,500.00
Administration	3,127.85	2,885.87	3,800.00	(914.13)	3,800.00
Memberships (Salt Ponds/RISC/Hist Soc)	200.00	200.00	500.00	(300.00)	500.00
Ball field/playground	263.45	142.08	500.00	(357.92)	500.00
Beaches/dunes	3,996.25	4,209.80	4,000.00	209.80	4,000.00
Boating/docking	788.09	824.91	1,500.00	(675.09)	1,200.00
CI - Other	7,615.50	9,131.10	12,000.00	(2,868.90)	11,000.00
CI - Garbage	27,500.00	27,999.99	27,500.00	499.99	30,250.00
Police/security	7,392.85	6,466.62	9,300.00	(2,833.38)	9,300.00
PW - Water operator (NWSI)	6,284.75	8,238.00	10,000.00	(1,762.00)	8,238.00
PW - Water system	23,441.84	24,107.77	25,000.00	(892.23)	26,250.00
PW - Roads	5,114.18	3,459.94	6,500.00	(3,040.06)	6,500.00
Real estate/property	-	-	1,000.00	(1,000.00)	1,000.00
Mapping project	-	-	-	-	-
Tennis	1,639.61	320.00	1,000.00	(680.00)	1,000.00
Water project loan - principal/interest	14,400.00	14,400.00	14,400.00	-	14,400.00
Water project loan - prepayment	-	-	-	-	-
Taxes (Charlestown)	4,876.15	5,015.67	5,500.00	(484.33)	5,750.00
Insurance	12,450.00	12,348.00	13,500.00	(1,152.00)	14,000.00
Fire Protection (Dunn's Corner's)	83,709.65	87,718.89	88,732.23	(1,013.34)	93,895.09
Miscellaneous expense	257.10	-	-	257.10	28.86
Total Operating Uses	206,165.01	211,622.91	230,232.23	(18,609.32)	237,111.95
Cash Flow from Operations	68,673.08	67,215.73	43,000.00	24,215.73	49,000.00
Capital Expenditures/Reserve Funding					
Contingency	-	3,003.69	8,000.00	(4,996.31)	5,000.00
Water System	-	11,619.86	5,000.00	6,619.86	65,000.00
Road Fund	-	-	-	-	-
Road Expenditures	9,200.00	-	-	-	-
Asset Replacement	-	-	9,500.00	(9,500.00)	6,500.00
Mapping Project	2,616.50	-	-	-	-
Test Bore	30,000.00	-	-	-	-
Tennis Courts	-	-	-	-	-
Boat Launch	-	-	-	-	-
Compliance	-	-	5,000.00	(5,000.00)	1,000.00
Total Capital Expenditures	41,816.50	14,623.55	27,500.00	(12,876.45)	77,500.00
Net Reserve Funding	11,800.00	28,376.45	15,500.00	12,876.45	49,000.00
Cash from Operations less Funding & Cap Exp	15,056.58	24,215.73	(0.00)	24,215.73	(28,500.00)
Working Capital					
Change in Accounts Receivable (inc)/dec	456.90	543.10	-	543.10	-
Change in Escrows inc/dec	-	10,000.00	-	10,000.00	-
Net Change in Cash	15,513.48	34,758.83	(0.00)	34,758.83	(28,500.00)
Cash Balance Unrestricted--Beginning (actual)	143,675.98	159,189.46	159,189.46	-	183,948.29
Cash Balance--Reserves (actual)	40,000.00	51,800.00	51,800.00	-	80,176.45
Cash Balance--Escrows (actual)	-	-	-	-	10,000.00
Total Cash--Beginning	183,675.98	210,989.46	210,989.46	-	274,124.74
Cash Flow	15,513.48	24,758.83	(0.00)	24,758.83	-
Increase (Decrease) in Reserves	11,800.00	28,376.45	15,500.00	12,876.45	(28,500.00)
Increase (Decrease) in Escrows	-	10,000.00	-	10,000.00	-
Cash Balance Unrestricted--Ending (actual/budget)	159,189.46	183,948.29	159,189.46	24,758.83	183,948.29
Cash Balance Reserves --Ending (actual/budget)	51,800.00	80,176.45	67,300.00	12,876.45	51,676.45
Cash Balance Escrows --Ending (actual/budget)	-	10,000.00	-	10,000.00	10,000.00
Total Cash--Ending	210,989.46	274,124.74	226,489.46	47,635.28	245,624.74



2017 Budget Update 2018 Proposed Budget

2017 Estimate

2017 total revenue of \$286,000 is estimated to be consistent with budget.

2016 total operating expenses are estimated to be flat to budget with about \$13k in savings across all categories entirely offset by about \$13k of higher than estimated fire expenses in connection with the new contract. As a result, cash flow from operations is estimated to be \$49.4k as compared to \$49.0k budgeted.

Capital expenditures are expected to be about \$73k lower than budget due to deferral of \$60k in nitrate issue expenditures, \$5.8k in lower asset replacement uses with only \$680 spent for stop signs and no use of the \$5k contingency allocation. Total reserves are estimated to increase from \$80.2k to about \$124.4k.

Reserves have been accrued for future water system development, modification and upgrade as well as road resurfacing.

The 2017 unrestricted cash is estimated to be flat at about \$184k. These balances will be used to fund much of 2018 operating budget.

2018 Budget

2018 tax revenue is budgeted to increase by \$11.3k over 2017, or 4.0%. The 2017 tax rate of .1115% would increase to .1160% assuming constant property assessments.

Operating expenses are assumed to remain largely flat over 2017, with the exception of Dunn's Corners Fire Contract, which is assumed to increase by 8%, or \$8.4k. Communications will decline by \$1.5k with the completion of the upgrade, but garbage is expected to increase by a like amount due to additional tipping fees.

Capital expenditures are budgeted for \$62.5k, including \$45k for road re-surfacing, \$5k for speed humps, \$7.5k for analysis of the deep water bore holes and \$5k for contingencies. In the aggregate, \$40.5k is budgeted for deposit into reserves from cash flow, resulting in a projected decline of \$22k in reserve balances. Year-end unrestricted cash is projected to be flat at \$184k and reserves are projected to be \$102.4k, down from \$124.4k.

Quonochontaug Central Beach Fire District Cash Flow

2017 Est. vs. Budget, 2018 Proposed Budget

Unaudited

	Actual Fiscal 2016	Approved Budget Fiscal 2017	Estimated Fiscal 2017	Proposed Budget Fiscal 2018
Sources of funds - Operating				
Tax revenue	271,859.73	282,741.95	282,886.50	294,201.96
Lease to tennis club	1,390.67	1,250.00	1,250.00	1,250.00
Road impact fees	5,000.00	2,000.00	2,000.00	2,000.00
Lost beach pass fees/Fun Run & Golf Donations/Misc.	378.00	-	-	-
Contributions-Special Events	-	-	-	-
Interest income	210.24	120.00	120.00	120.00
Total Operating Sources	278,838.64	286,111.95	286,256.50	297,571.96
Uses of funds - Operating				
Charter, legal, negotiation fees	1,248.73	3,000.00	1,500.00	3,000.00
Contingency Expense	-	-	-	-
Storm restoration	-	-	-	-
Communications	2,648.44	2,500.00	695.00	1,000.00
Administration	2,885.87	3,800.00	3,500.00	3,500.00
Memberships (Salt Ponds/RISC/Hist Soc)	200.00	500.00	300.00	500.00
Ball field/playground	142.08	500.00	250.00	500.00
Beaches/dunes	4,209.80	4,000.00	5,365.00	4,000.00
Boating/docking	824.91	1,200.00	1,000.00	1,200.00
CI - Other	9,131.10	11,000.00	11,000.00	12,000.00
CI - Garbage	27,999.99	30,250.00	29,500.00	31,000.00
Police/security	6,466.62	9,300.00	9,000.00	9,300.00
PW - Water operator (NWSI)	8,238.00	8,238.00	8,238.00	8,238.00
PW - Water system	24,107.77	26,250.00	26,250.00	26,250.00
PW - Roads	3,459.94	6,500.00	2,000.00	6,500.00
Real estate/property	-	1,000.00	-	1,000.00
Mapping project	-	-	-	-
Tennis	320.00	1,000.00	250.00	500.00
Water project loan - principal/interest	14,400.00	14,400.00	14,400.00	14,400.00
Water project loan - prepayment	-	-	-	-
Taxes (Charlestown)	5,015.67	5,750.00	5,500.00	5,775.00
Insurance	12,348.00	14,000.00	12,500.00	14,000.00
Fire Protection (Dunn's Corner's)	87,718.89	93,895.09	105,599.49	113,984.00
Miscellaneous expense	257.10	28.86	-	424.96
Total Operating Uses	211,622.91	237,111.95	236,847.49	257,071.96
Cash Flow from Operations	67,215.73	49,000.00	49,409.02	40,500.00
Capital Expenditures/Reserve Funding				
Contingency	3,003.69	5,000.00	(40.60)	5,000.00
Water System	11,619.86	65,000.00	4,100.00	-
Road Fund	-	-	-	-
Road Expenditures	-	-	-	50,000.00
Asset Replacement	-	6,500.00	680.00	-
Mapping Project	-	-	-	-
Test Bore	-	-	-	7,500.00
Tennis Courts	-	-	-	-
Boat Launch	-	-	-	-
Compliance	-	1,000.00	-	-
Total Capital Expenditures	14,623.55	77,500.00	4,739.40	62,500.00
Net Reserve Funding	28,376.45	(28,500.00)	44,260.60	(22,000.00)
Cash from Operations less Funding & Cap Exp	24,215.73	0.00	409.02	0.00
Working Capital				
Change in Accounts Receivable (inc)/dec	543.10	-	-	-
Change in Escrows inc/(dec)	10,000.00	(5,000.00)	(5,000.00)	-
Net Change in Cash	34,758.83	(5,000.00)	(4,590.98)	0.00
Beginning				
Cash Balance--Unrestricted (actual)	159,189.46	183,948.29	183,948.29	184,357.31
Cash Balance--Reserves (actual)	51,800.00	80,176.45	80,176.45	124,437.05
Cash Balance--Escrows (actual)	-	10,000.00	10,000.00	5,000.00
Total Cash--Beginning	210,989.46	274,124.74	274,124.74	313,794.36
Cash Flow	24,758.83	0.00	409.02	0.00
Increase (Decrease) in Reserves	28,376.45	(28,500.00)	44,260.60	(22,000.00)
Increase (Decrease) in Escrows	10,000.00	(5,000.00)	(5,000.00)	-
Ending				
Cash Balance Unrestricted--(actual/budget)	183,948.29	183,948.29	184,357.31	184,357.31
Cash Balance Reserves--(actual/budget)	80,176.45	51,676.45	124,437.05	102,437.05
Cash Balance Escrows--(actual/budget)	10,000.00	5,000.00	5,000.00	5,000.00
Total Cash--Ending	274,124.74	240,624.74	313,794.36	291,794.36



2018 Proposed Budget Reserve Funds

2018 Budget, cont.

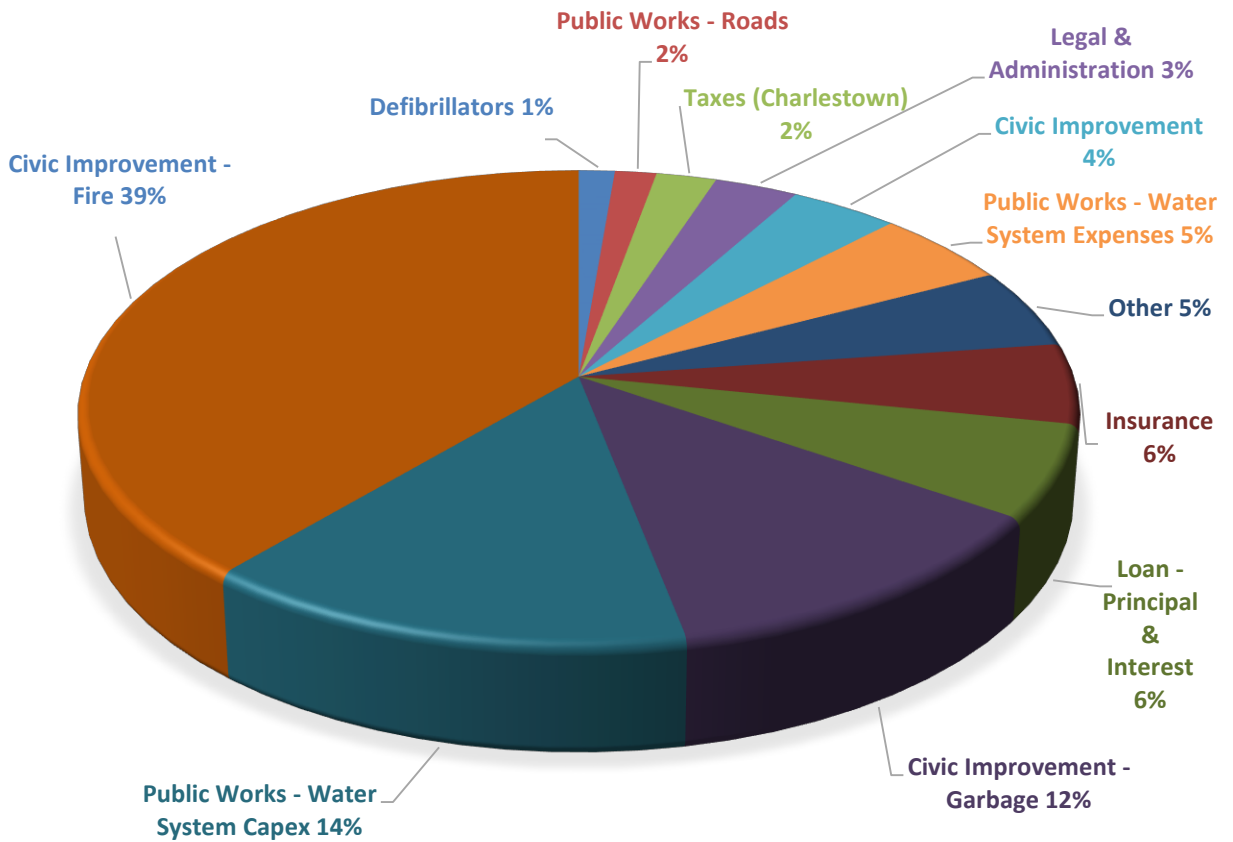
Quonochontaug Central Beach Fire District Reserve Funds Accrued and Projected Balances

(\$)	Unaudited									Total Reserves
	Contingency	Water System	Road	Boat Launch	Mapping	Test Bore	Tennis	Asset Replacement	Compliance	
Fund balance at 12/31/15 (actual)	5,500.00	8,500.00	17,100.00	7,000.00	-	-	2,700.00	5,000.00	6,000.00	51,800.00
Funding - 2016	8,000.00	7,500.00	9,700.00	-	-	-	1,300.00	10,000.00	6,500.00	43,000.00
Disbursements	-	-	-	-	-	-	-	-	-	-
Well repair/rehab	-	-	-	-	-	-	-	-	-	-
Water line analysis/improvs	-	(11,619.86)	-	-	-	-	-	-	-	(11,619.86)
Pump house equip	-	-	-	-	-	-	-	-	-	-
Tennis	-	-	-	-	-	-	-	-	-	-
Nitrate Issue	-	-	-	-	-	-	-	-	-	-
Dune improvement	-	-	-	-	-	-	-	-	-	-
Boat Launch/Kayak Racks	-	-	-	-	-	-	-	-	-	-
Legal/OMA/APRA	-	-	-	-	-	-	-	-	-	-
Other	(3,003.69)	-	-	-	-	-	-	-	-	(3,003.69)
Total disbursements	(3,003.69)	(11,619.86)	-	-	-	-	-	-	-	(14,623.55)
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
Fund balance at 12/31/16 (actual)	10,496.31	4,380.14	26,800.00	7,000.00	-	-	4,000.00	15,000.00	12,500.00	80,176.45
Funding - 2017	-	42,000.00	7,000.00	-	-	-	-	-	-	49,000.00
Disbursements	-	-	-	-	-	-	-	-	-	-
Well, Pump & Water Line repair/rehab	-	(4,100.00)	-	-	-	-	-	-	-	(4,100.00)
Road Resurfacing & Repair	-	-	-	-	-	-	-	-	-	-
Tennis	-	-	-	-	-	-	-	-	-	-
Nitrate Issue	-	-	-	-	-	-	-	-	-	-
Stop Signs	-	-	-	-	-	-	-	(680.00)	-	(680.00)
Boat Launch/Kayak Racks	-	-	-	-	-	-	-	-	-	-
Legal/OMA/APRA	-	-	-	-	-	-	-	-	-	-
Other	40.60	-	-	-	-	-	-	-	-	40.60
Total disbursements	40.60	(4,100.00)	-	-	-	-	-	(680.00)	-	(4,739.40)
Transfer in (out)	-	14,500.00	-	(5,000.00)	-	-	-	(2,000.00)	(7,500.00)	-
Fund balance at 12/31/17 (estimated)	10,536.91	56,780.14	33,800.00	2,000.00	-	-	4,000.00	12,320.00	5,000.00	124,437.05
Funding - 2018	5,000.00	2,000.00	22,000.00	-	-	7,500.00	-	5,000.00	-	41,500.00
Disbursements	-	-	-	-	-	-	-	-	-	-
Well, Pump & Water Line repair/rehab	-	-	-	-	-	-	-	-	-	-
Road Resurfacing & Repair	-	-	(45,000.00)	-	-	-	-	-	-	(45,000.00)
Tennis	-	-	-	-	-	-	-	-	-	-
Nitrate Issue/Deep Well Analysis	-	-	-	-	-	(7,500.00)	-	-	-	(7,500.00)
Speed Humps	-	-	(5,000.00)	-	-	-	-	-	-	(5,000.00)
Boat Launch/Kayak Racks	-	-	-	(1,000.00)	-	-	-	-	-	(1,000.00)
Legal/OMA/APRA	-	-	-	-	-	-	-	-	-	-
Other	(5,000.00)	-	-	-	-	-	-	-	-	(5,000.00)
Total disbursements	(5,000.00)	-	(50,000.00)	(1,000.00)	-	(7,500.00)	-	-	-	(63,500.00)
Transfer in (out)	-	-	-	-	-	-	-	-	-	-
Fund balance at 12/31/17 (estimated)	10,536.91	58,780.14	5,800.00	1,000.00	-	-	4,000.00	17,320.00	5,000.00	102,437.05



2016 Cost & Expense Distribution (includes capital expenses)

2016 COSTS & EXPENSES



"Other" includes ball field, beaches & dunes, boating, and police/security



Financial Reporting

Central Beach Fire District Balance Sheet

As of December 31, 2016

	Total		Total
ASSETS		LIABILITIES AND EQUITY	
Current Assets		Liabilities	
Bank Accounts		Current Liabilities	
4000 Cash	0.00	Accounts Payable	
4010 Checking	9,007.87	7010 Accounts Payable	0.00
4020 Savings	0.00	Total Accounts Payable	\$ 0.00
4040 Municipal Money Market	255,116.87	Other Current Liabilities	
4050 30 Day CD	0.00	7050 Escrow Payable	10,000.00
4060 60 Day CD	0.00	Total Other Current Liabilities	\$ 10,000.00
Total 4000 Cash	\$ 264,124.74	Total Current Liabilities	\$ 10,000.00
4090 Escrow	10,000.00	Long-Term Liabilities	
Total Bank Accounts	\$ 274,124.74	7110 Water System Loan	109,215.16
Accounts Receivable		7120 Real Estate Loan	0.00
4100 Accounts Receivable	0.00	7130 Capital Loan	0.00
Total Accounts Receivable	\$ 0.00	Total Long-Term Liabilities	\$ 109,215.16
Other Current Assets		Total Liabilities	\$ 119,215.16
1499 Undeposited Funds	0.00		
Total Other Current Assets	\$ 0.00		
Total Current Assets	\$ 274,124.74		
Fixed Assets		Equity	
5010 Boat Landing	75,200.00	1000 Restricted Funds	
5020 Beach Lot	6,600.00	1005 Surplus Prior Year	0.00
5030 Parking lot end	2,400.00	1010 Contingency Fund	10,496.31
5040 Beach Lots	154,200.00	1020 Water Conservation Fund	4,380.14
5050 Beach Lot right of way	69,600.00	1040 Road Fund	26,800.00
5060 Beach lot rightofway other side	69,600.00	1050 Boat Fund	7,000.00
5070 Ball Field	206,100.00	1060 Golf Open Fund	0.00
5080 Land near wells	26,800.00	1070 Compliance Fund	12,500.00
5090 Land near wells 2	20,200.00	1080 Mapping Project Fund	0.00
5091 Tennis Club Land	8,900.00	1081 Land Trust Fund	0.00
5092 Pump House Land	1,900.00	1082 Test Bore Fund	0.00
5093 Water System	266,138.72	1083 Tennis Fund	4,000.00
5094 Water Purification System	36,026.86	1084 Asset Replacement Fund	15,000.00
5110 Tennis Courts 1	5,400.00	Total 1000 Restricted Funds	\$ 80,176.45
5120 Tennis Courts 2	2,200.00	9500 Fund Balance	1,022,828.74
5130 Mapping	26,371.13	9600 Opening Balance	0.00
5140 Defibrillators	3,003.69	Net Income	32,544.79
Total Fixed Assets	\$ 980,640.40	Total Equity	\$ 1,135,549.98
TOTAL ASSETS	\$ 1,254,765.14	TOTAL LIABILITIES AND EQUITY	\$ 1,254,765.14



Financial Reporting

Central Beach Fire District Profit and Loss

	2015 Total	2016 Total
Income		
1500 Revenues		
1510 Lease of Tennis Courts	1,190.67	1,200.00
1520 Miscellaneous Fees	-	286.50
1522 Golf Open Revenue	1,000.00	75.00
1524 Road Impact Fees	3,000.00	5,000.00
1525 Contributions Special Events	10,000.00	
1530 Tax Receipts	259,421.59	271,859.73
1535 Finance Charge on Overdue Bal	58.19	0.00
Total 1530 Tax Receipts	\$ 259,479.78	\$ 271,859.73
1540 Interest Income	154.69	210.24
1550 Miscellaneous Income	12.95	16.50
Total 1500 Revenues	\$ 274,838.09	\$ 278,647.97
Services	-	190.67
Total Income	\$ 274,838.09	\$ 278,838.64
Gross Profit	\$ 274,838.09	\$ 278,838.64
Expenses		
2000 Expenses		
2022 Charter, legal, negotiation fees	812.00	1,248.73
2023 Contingency Expense	2,500.00	8,000.00
2025 Communications	2,552.84	2,648.44
2030 Administration	3,127.85	2,885.87
2040 Donations/Memberships	200.00	200.00
2050 Ballfield/Playground	263.45	142.08
2060 Beach/Dunes	3,996.25	4,209.80
2070 Boating/Docking	788.09	824.91
2080 Civic Improvement	7,615.50	9,131.10
2081 Civic Improvement.- Garbage	27,500.00	27,999.99
2082 Civic Improvement - Fire	83,709.65	87,718.89
2100 Police/Security	7,392.85	6,466.62
Total 2000 Expenses	\$ 140,458.48	\$ 151,476.43
2200 Public Works		
2210 Water System Operator	6,284.75	8,238.00
2220 Water System	1,500.00	7,500.00
2221 Filtering System	677.97	-
2222 Generator	1,045.00	495.00
2223 Propane	920.62	526.20
2224 Pump House Electricity	2,879.71	2,923.05
2225 Chemistry	3,401.40	10,313.85
2227 System Repairs & Maintenance	4,071.53	4,742.29
2228 Water Testing	3,597.77	2,515.50
2228A Dues and Licenses	330.00	330.00
2229B Cox Telephone-Monitoring	6,517.84	2,261.88
2231 Test Bore Accrual	30,000.00	-
Total 2220 Water System	\$ 54,941.84	\$ 31,607.77
2240 Roads/Parking Lots	12,000.00	9,713.22
2246 Snow Removal	2,615.00	955.00
2248 Streetlight Electricity	2,341.13	2,346.65
2249 Sump Pump Electricity	158.05	145.07
Total 2240 Roads/Parking Lots	\$ 17,114.18	\$ 13,159.94
Total 2200 Public Works	\$ 78,340.77	\$ 53,005.71
2311 Mapping Project	0.00	\$ 0.00
2330 Tennis	1,639.61	1,620.00
2341 Water Loan Interest	6,484.70	6,070.94
Total 2340 Loans - Interest	\$ 6,484.70	\$ 6,070.94
2410 Taxes	67.32	71.25
2410 Taxes (Charlestown)	4,808.83	5,015.67
2420 Insurance	12,450.00	12,348.00
2425 Transfer Asset Replacement Funds to Fund	5,000.00	10,000.00
2430 Miscellaneous Expense	0.00	185.85
2436 Transfer Compliance	0.00	6,500.00
Total Expenses	\$ 249,249.71	\$ 246,293.85
Net Operating Income	\$ 25,588.38	\$ 32,544.79
Net Income	\$ 25,588.38	\$ 32,544.79



Financial Reporting

NOTES to Financial Statements **as of December 31, 2016**

LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

Changes in the District's long-term liabilities for the year ended December 31, 2016 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Water Loan Payable	\$117,544	-	\$8,329	\$109,215	\$8,802

B. Loans Payable

The District has entered into one loan agreement with The Washington Trust Company (the "Lender") as follows:

Loan Date	Date of Maturity	Interest Rate (%)	Amount of Original Loan	Balance Outstanding December 31, 2016
July 6, 2010	July 6, 2030	5.25	\$175,000	\$109,215

Payments of principal and interest totaling \$1,200 are due on the 6th of every month with the final payment due on July 6, 2030.

The note is designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986. In the event that the designation is not effective or for any reason does not constitute a "qualified tax-exempt obligation", then the District will pay to the Lender as additional interest an amount such that the yield on the note is not diminished by the occurrence of an event of non-deductibility.

Interest paid during the year was \$6,071.

C. Revolving Credit Facility

The District has entered into a Loan Agreement dated as of December 28, 2005, as amended (the "Agreement"), with the Lender which provides for revolving credit loans up to a maximum amount of \$500,000. Unpaid principal amounts will bear interest at floating rate of 75% of the Prime Rate, payable monthly in arrears. The term of the Agreement is one year, though the note is structured as a demand promissory note. The existing maturity date is September 10, 2018. The Agreement provides that the principal amount of the loan will be paid down to zero for a thirty day period each year and during any annual extension thereof.

The note is designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986. In the event that the designation is not effective or for any reason does not constitute a "qualified tax-exempt obligation", then the District will pay to the Lender as additional interest an amount such that the yield on the note is not diminished by the occurrence of an event of non-deductibility.

In order to maintain the existing tax-exempt interest rate on the loan, the District agreed that the proceeds of any draws shall be used solely for the purpose of capital projects in accordance with the requirements of the Internal Revenue Service. In the event that proceeds are used for purposes other than capital projects, the Lender has reserved the right to adjust the rate on the loan to a taxable rate.

As of December 31, 2016, there were no outstanding borrowings under this Agreement.

Financial Reporting

NOTES to Financial Statements

Quonochontaug Central Beach Fire District

Assessed Value of Taxable Property and Tax Rates

(unaudited)

\$

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Tax Rate / \$1,000</u>
2017	\$253,709,868	0.11150%	1.1150
2016	\$233,562,936	0.11640%	1.1640
2015	\$232,672,273	0.11150%	1.1150
2014	\$232,176,489	0.10746%	1.0746
2013	\$239,046,056	0.10080%	1.0080
2012	\$239,722,244	0.09810%	0.9810
2011	\$238,110,734	0.09537%	0.9537
2010	\$287,708,787	0.07893%	0.7893
2009	\$287,721,887	0.07656%	0.7656
2008	\$292,717,387	0.07167%	0.7167
2007	\$238,015,400	0.08641%	0.8641

