

CROMWELL FIRE DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2014

CROMWELL FIRE DISTRICT

JUNE 30, 2014

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Independent Auditors' Report

To the Board of Commissioners
Cromwell Fire District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cromwell Fire District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Cromwell Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, each major fund and the aggregate remaining fund information of the Cromwell Fire District as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17, the budgetary comparison information on pages 49 and 50 and supplementary pension information pages 51 through 53 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, which 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cromwell Fire District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 to 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 and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Cromwell Fire District, as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated October 17, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2013 is presented for purposes of additional analysis and is 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 2013 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2014 on our consideration of the Cromwell Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cromwell Fire District's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut

November 22, 2014

**CROMWELL FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014**

This discussion and analysis of the Cromwell Fire District's (the District) financial performance is prepared by management to provide an overview of the District's financial activities for the fiscal year ended June 30, 2014. Please read this MD&A in conjunction with the District's financial statements, Exhibits I to IX.

Financial Highlights

- The District's combined net position increased by 0.65% from a year ago. Net position amounted to \$22,252,333 as of June 30, 2014. Over time, increases in net position are an indicator that the District's financial position is improving.
- Net position for the District's governmental activities decreased to \$8,115,793 from \$8,167,531 as of June 30, 2013. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased from \$2,281,306 at June 30, 2013 to \$2,381,511 at the end of this year.
- The District's total revenue was \$6,141,198 (net of transfers). The total cost of all programs and services was \$5,998,332.
- The General Fund unassigned fund balance at June 30, 2014 is \$820,402.
- The tax collection rate for the current tax levy was 99.26%. Total tax collections of \$2,671,159 fell short of the budgeted estimate by \$3,841.
- Ambulance billings amounted to \$741,136. Billable call volume increased from 1,617 in fiscal 2013 to 1,699 in fiscal 2014.
- The District's share of fund balance of the Public Safety Communications Tower Fund is \$587,072 as of June 30, 2014. This balance is earmarked to finance communication systems, public safety tower structural replacements and upgrades, and other Fire Department capital programs but is also available to finance operating costs if needed.
- Water Division operating income amounted to \$228,552 and the change in net position after transfers, capital contributions, and non-operating revenue and interest expenses amounted to \$194,604. Water Division net position increased from \$13,941,936 as of June 30, 2013 to \$14,136,540 as of June 30, 2014.
- The District has an 'AA' long-term bond rating with a stable outlook from Standard and Poor's.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains available for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent.

Government-Wide Financial Statements

The analysis of the District as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the District as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's capital assets, to assess the overall health of the District.

In the statement of net position and the statement of activities, we divide the District into two types of activities:

- *Governmental Activities* - The District, through its Fire Department, provides fire protection and ambulance service to the Town of Cromwell. These services are reported under governmental activities and include administration and finance, signals and alarms, the Fire Marshal's Office, emergency communications and dispatch, training, debt service and capital outlay related to public safety operations. These activities are financed by property taxes and charges for services.
- *Business-Type Activities* - The District, through its Water Division, owns, maintains and operates the water distribution, pumping and treatment facilities that service the Town of Cromwell. The District's Water Division is reported as a business-type activity, and these services are financed by fees charged to customers.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds, not the District as a whole. The District operates under the provisions of the Connecticut General Statutes and District By-Laws. The various funds of the District are established by the District's Board of Commissioners in order to manage and control financial activities as required by the Statutes and By-Laws. The District's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - The activities of the Fire Department are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.

- *Proprietary Funds (Exhibits V, VI and VII)* - The operations of the Water Division are financed by water user fees and assessments; therefore, the Water Division Enterprise Fund is reported as a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the District's enterprise fund (proprietary fund) is the same as the business-type activities reported in the government-wide statements. The fund financial statements provide more detail and additional information, such as cash flows.
- *Fiduciary Funds (Exhibits VIII and IX)* - The District is the administrator of a single employer defined benefit pension plan that covers individuals who have provided volunteer services to the Cromwell Fire Department. The Volunteer's Pension Plan is considered to be part of the District's financial reporting entity and is included in the District's financial reports as a pension trust fund. The District is also responsible for other assets that are in the Volunteer Activity Fund. These assets can only be used for specific volunteer activities as specified in the Fire Department's By-Laws. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The District and its employees participate in the Town of Cromwell's Employee Retirement System. The plan is administered by the Town and is considered to be part of the Town's financial reporting entity and is not included in the financial statements of the District. Full-time Fire/EMS personnel participate in the Municipal Employee's Retirement System (MERS). MERS is considered to be part of the State of Connecticut financial reporting entity and is not included in the financial statements of the District.

Government-Wide Financial Analysis

The District's combined net position increased by 0.65% from a year ago. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental and business-type activities.

TABLE 1
NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 2,762,113	\$ 2,900,514	\$ 1,958,954	\$ 2,946,957	\$ 4,721,067	\$ 5,847,471
Capital assets, net of accumulated depreciation	8,799,482	9,232,991	16,085,443	15,524,567	24,884,925	24,757,558
Total assets	<u>11,561,595</u>	<u>12,133,505</u>	<u>18,044,397</u>	<u>18,471,524</u>	<u>29,605,992</u>	<u>30,605,029</u>
Deferred Outflows of Resources			1,039,779	1,157,068	1,039,779	1,157,068
Long-term debt outstanding	2,235,833	2,417,029	4,484,931	4,928,650	6,720,764	7,345,679
Other liabilities	189,967	415,610	462,705	758,006	652,672	1,173,616
Total liabilities	<u>2,425,800</u>	<u>2,832,639</u>	<u>4,947,636</u>	<u>5,686,656</u>	<u>7,373,436</u>	<u>8,519,295</u>
Deferred Inflow of Resources	1,020,002	1,133,335			1,020,002	1,133,335
Net Position:						
Net investment in capital assets	5,620,510	5,786,199	11,675,699	10,673,300	17,296,209	16,459,499
Restricted	113,772	100,026			113,772	100,026
Unrestricted	<u>2,381,511</u>	<u>2,281,306</u>	<u>2,460,841</u>	<u>3,268,636</u>	<u>4,842,352</u>	<u>5,549,942</u>
Total Net Position	<u>\$ 8,115,793</u>	<u>\$ 8,167,531</u>	<u>\$ 14,136,540</u>	<u>\$ 13,941,936</u>	<u>\$ 22,252,333</u>	<u>\$ 22,109,467</u>

Net position for the District's governmental activities decreased to \$8,115,793 from \$8,167,531 as of June 30, 2013. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased from \$2,281,306 at June 30, 2013 to \$2,381,511 at the end of this year.

The net position of business-type activities increased 1.4% from the previous year (\$14,136,540 compared to \$13,941,936 in 2013). The District generally can only use this net position to finance the continuing operations of the Water Division.

**TABLE 2
CHANGES IN NET POSITION**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,144,441	\$ 998,903	\$ 2,074,364	\$ 2,094,260	\$ 3,218,805	\$ 3,093,163
Operating grants and contributions	45,888	104,450	4,332	7,335	50,220	111,785
Capital grants and contributions	113,333	113,333	16,889		130,222	113,333
General revenues:						
Property taxes	2,676,174	2,675,173			2,676,174	2,675,173
Unrestricted investment earnings	2,765	3,178	50,961	57,498	53,726	60,676
Other general revenues	12,051	13,857			12,051	13,857
Transfers			12,000	56,000	12,000	56,000
Total revenues	<u>3,994,652</u>	<u>3,908,894</u>	<u>2,158,546</u>	<u>2,215,093</u>	<u>6,153,198</u>	<u>6,123,987</u>
Program expenses:						
Administration and finance	676,301	566,669			676,301	566,669
Public safety	3,270,817	2,976,405			3,270,817	2,976,405
Interest on long-term debt	87,272	72,993			87,272	72,993
Water Division operations			1,963,942	1,886,077	1,963,942	1,886,077
Transfers	12,000	56,000			12,000	56,000
Total program expenses and transfers	<u>4,046,390</u>	<u>3,672,067</u>	<u>1,963,942</u>	<u>1,886,077</u>	<u>6,010,332</u>	<u>5,558,144</u>
Increase (Decrease) in Net Position	\$ <u>(51,738)</u>	\$ <u>236,827</u>	\$ <u>194,604</u>	\$ <u>329,016</u>	\$ <u>142,866</u>	\$ <u>565,843</u>

The District's total revenue was \$6,141,198 (net of transfers). The total cost of all programs and services was \$5,998,332 (net of transfers).

Governmental Activities

The two primary sources of revenue used to finance governmental activities are property taxes and charges for services. Property taxes amounted to 69% of total revenue which is consistent with the previous year. Charges for services amounted to 25% of total revenue. This represents an increase of 2.2% from the previous year. This increase is the result of an increase in the revenue from ambulance services. Charges for services include \$741,136 in ambulance billings and \$240,080 for fees related to the use of the Public Safety Communications Tower owned by the District.

Table 3 presents the cost of each of the District's programs. Public safety includes the operation of the Fire Department, EMS services, emergency communications and dispatch, signals and alarms and the office of the Fire Marshal. Administration and finance reflects the Fire Department's share of the total cost of administration for the District.

The net cost of services reflects the financial impact on the District's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES

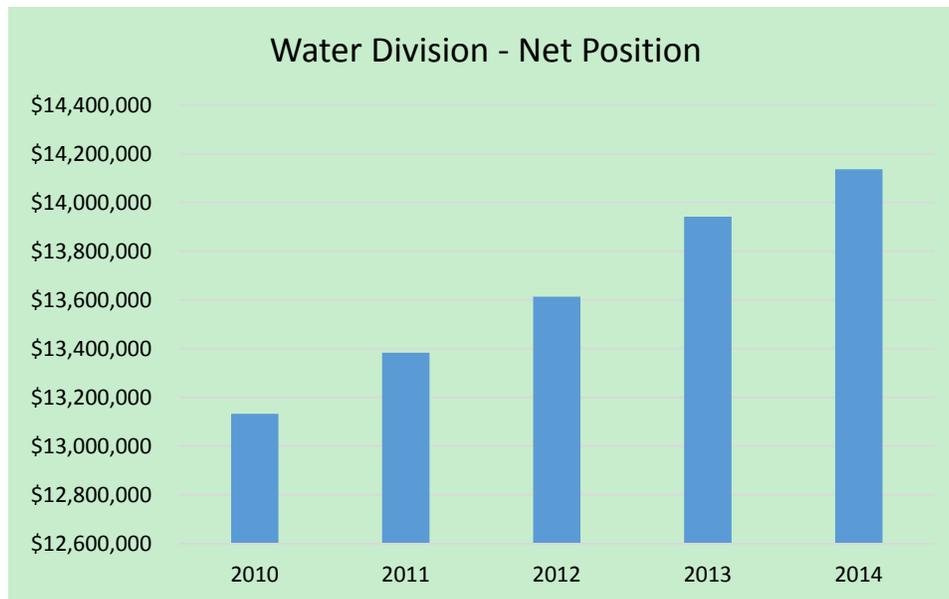
	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Administration and finance	\$ 676,301	\$ 566,669	\$ 676,301	\$ 566,669
Public safety	3,270,817	2,976,405	1,967,155	1,759,719
All others	<u>87,272</u>	<u>92,993</u>	<u>87,272</u>	<u>72,993</u>
Totals	<u>\$ 4,034,390</u>	<u>\$ 3,636,067</u>	<u>\$ 2,730,728</u>	<u>\$ 2,399,381</u>

The total cost of services, as reflected in the above schedule, increased by \$398,323 or approximately 11%. This increase was the result of a \$109,632 increase in administration costs and a \$294,412 increase in public safety costs which were partially offset by a \$5,721 decrease in interest expense.

The net cost of services increased by \$331,347 primarily as a result of an increase in public safety expenses. An increase in revenue from ambulance billings partially offset the overall increase.

Business-Type Activities - Water Division

The District, through its Water Division, owns and operates the water distribution, pumping and treatment facilities that service the Town of Cromwell. The District's Water Division is reported as a business-type activity, and these services are financed by fees charged to customers. For the year ending June 30, 2014, metered sales amounted to \$1,864,011. This was a decrease of 0.9 % over the previous year. Water Division operating income amounted to \$228,552 as compared to \$365,822 for 2012-2013. Net income after transfers, capital contributions, and non-operating revenue and interest expenses amounted to \$194,604, a decrease of \$134,412 from the previous year. Water Division net position increased from \$13,941,936 as of June 30, 2013 to \$14,136,540 as of June 30, 2014. The chart presented below reflects the net position of the Water Division from 2010 to 2014.

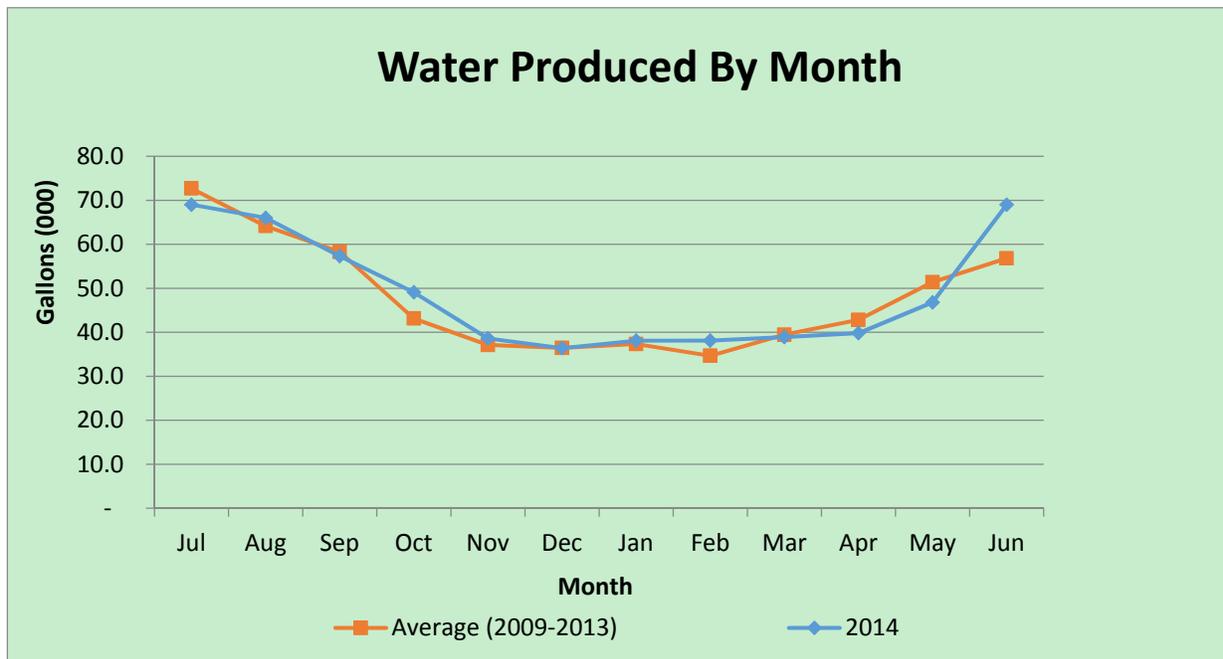


The District services 3,972 accounts, of which 3,594 are residential, 356, are commercial, and 22 are industrial.

With the addition of recently completed Well #4, the District's groundwater system consists of four active production wells with a combined pumping rate of approximately 10.5 million gallons per day. The maximum day demand in fiscal 2014 was 3,410,000 gallons providing the District with a surplus of over six million gallons a day. This surplus in system capacity enables the District to rotate and rest wells, and provides the potential to supply additional water to surrounding communities. The District currently provides water to a portion of Berlin, Connecticut. In addition, with the newer wells now on line, the District has been able to improve overall water quality. The system includes a treatment facility, a high service pump station and a three million gallon underground storage reservoir. The District's chemical feed and control facility includes some of the most advanced technology and monitoring systems that are available in the industry today. None of the District's water supply is derived from open reservoirs or above ground water sources.

Presented below is a table showing the water produced during 2014 as compared to the average for the previous five years:

Month	Fiscal Year						2009-2013 Average	2014/Average Monthly	%
	2009	2010	2011	2012	2013	2014			
Jul	66.5	59.6	85.1	77.5	74.7	69.0	72.7	(3.7)	-5.1%
Aug	56.1	63.3	78.8	58.3	64.2	66.0	64.1	1.9	2.9%
Sep	45.2	66.2	73.0	50.3	56.6	57.3	58.3	(1.0)	-1.6%
Oct	40.0	49.3	42.4	40.9	43.1	49.1	43.1	6.0	13.8%
Nov	34.6	42.0	36.5	37.1	35.4	38.6	37.1	1.5	4.0%
Dec	34.7	37.7	35.8	36.8	37.2	36.4	36.4	(0.0)	-0.1%
Jan	35.6	38.9	35.9	37.6	38.6	38.1	37.3	0.8	2.1%
Feb	31.6	35.2	33.9	36.5	36.1	38.1	34.7	3.4	9.9%
Mar	39.5	39.9	38.3	39.6	40.0	38.9	39.5	(0.6)	-1.4%
Apr	39.6	42.1	39.1	48.9	44.4	39.8	42.8	(3.0)	-7.1%
May	45.2	54.1	48.5	51.6	57.6	46.8	51.4	(4.6)	-8.9%
Jun	46.9	63.5	58.1	61.2	54.4	69.0	56.8	12.2	21.4%
Total	515.5	591.7	605.4	576.3	582.3	587.1	574.2	12.9	



Presented below is a comparison of the operating expenses for the Water Division.

Function	2014	2013
Payroll	\$ 445,106	\$ 468,958
Pumping and power	214,352	207,440
Purification	61,665	59,576
Transmission and distribution	43,300	58,108
General administration	201,599	193,522
Payroll taxes and employee benefits	211,571	188,956
Amortization	200,305	138,788
Depreciation	411,320	361,909
Maintenance	44,570	45,421
Other	12,024	5,760
Total	\$ 1,845,812	\$ 1,728,438

District Funds Financial Analysis

Governmental Funds

As the District completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance \$2,472,382 as compared with a balance of \$2,544,258 a year ago. A schedule of the various components is presented below:

	2014	2013
General Fund	\$ 1,087,667	\$ 1,220,906
Capital Projects:		
Equipment Reserve Fund	603,759	634,014
Firehouse Renovation Fund	14,518	14,518
Training Facility Fund	23,926	23,923
West Street Complex Fund	31,269	31,269
Court Street Addition	10,264	10,264
Non-major Governmental Funds:		
Public Safety Tower Fund	587,072	509,203
Ambulance Billing Fund	135	135
Fire Department Trust Funds	113,772	100,026
Total	\$ 2,472,382	\$ 2,544,258

The decrease in the General Fund total fund balance reflects the results from 2013-2014 budgetary operations and the use of \$194,957 of unassigned fund balance to balance the budget. The District's results from budgetary operations had a positive variance of \$107,518.

The decrease in the Equipment Reserve Fund resulted from the planned use of the reserve balance to finance capital additions. These expenditures were made in accordance with the District's five year capital plan. Total expenditures amounted to \$250,255 of which \$130,884 was capitalized and included the following:

- Purchase of Turnout gear (\$27,554)
- Stryker Power Load System for Ambulance 4B (\$22,689)
- Costs associated with the acquisition of a new ambulance (\$40,160)
- Zodiac Inflatable Boat (\$6,095)
- Radio equipment (\$14,361)

In addition to the use of the reserve balance, the funding for these projects came from transfers from other funds (\$220,000).

The Firehouse Renovation Fund will be used in conjunction with the District's long range facilities preventive maintenance program. The balance in the Training Facility Fund is being held to finance future expenditures for the Fire Department training facility. The balance in the West Street Complex Fund is being held in reserve to cover any additional costs associated with the completion of the facility. The increase in the Public Safety Communications Tower Fund reflects the positive results of operations for the current year.

The following funds represent trust funds for the Fire Department:

- Fire Department Fund
- Hardship Benefit Fund (Sick Fund)
- Scholarship & Memorial Fund

The operation of these trust funds is governed by the By-Laws of the Department and not the By-Laws of the District. All monies received by the Department by gift or donation are deposited into these funds. The funds may be used for general or specific expenses of the Department not covered by the District's annual budget or such other expenditures as defined in the Department's By-Laws.

General Fund Budgetary Highlights

A summary of budgetary results is presented below:

Total fund balance, July 1, 2013	\$1,220,906
Additional appropriations during the year	(45,800)
Amounts assigned to balance the 2013-2014 budget	(194,957)

Review of current year operations:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 3,464,500	\$ 3,462,379	\$ (2,121)
Expenditures	3,705,257	3,595,618	109,639
Results of budgetary operations	<u>\$ (240,757)</u>	<u>\$ (133,239)</u>	<u>107,518</u>
Total Fund Balance, June 30, 2014			<u><u>\$1,087,667</u></u>

The two primary sources that finance General Fund operations are property taxes and ambulance billings. Tax collections for the current year's levy amounted to \$2,640,310. The tax collection rate for the current levy was 99.26%.

Ambulance billings amounted to \$741,136 as compared with \$676,316 for 2012-2013. This represents a 9.6% increase in revenue. The District's charges for ambulance services are controlled by the State of Connecticut Department of Public Health. The authorized State rate for basic services was \$586 for 2014. The Medicare rate is \$386. Regardless of the actual number of requests for service (911 calls), only completed calls result in a billable event. Cancellations, refusals, stand-bys and such do not result in any revenue, yet the District must expend resources to have an ambulance staffed and able to respond. The following factors have contributed to the increase in ambulance billings:

- Billable calls increased from 1,617 in 2012-13 to 1,699 in 2013-14. The billable call volume for 2013-14 represented a 5% increase from 2012-13.
- The percentage of billable calls to total calls increased from 84% in 2012-2013 to 89% in 2013-14.
- Self-pay payers increased from 4% in 2012-13 to 5% in 2013-14.

General Fund expenditures include the District's public safety operations (Fire and EMS Services). Total General Fund expenditures for the year ended June 30, 2014 amounted to \$3,595,618. This was \$109,639 less than then adjusted budget. The results from operations included the following balances:

Administration and Finance	\$ 22,838
Public Safety (Signals and Alarms, Fire Marshal, Communication Center)	(26,867)
Buildings and Grounds	777
Training	1,323
Ambulance Operations	69,799
Insurance and Benefits	29,289
Debt Service	1
Apparatus and Equipment	11,208
Miscellaneous	1,271

General Fund expenditures exceeded revenues by \$133,239. The General Fund available fund balance as of June 30, 2014 is \$820,402 or 23% of 2013-2014 General Fund expenditures. The District appropriated \$267,265 from fund balance to finance 2013-2014 operations.

Public Safety Communications Tower Fund

The Cromwell Fire District owns a 170-foot communications tower, including appurtenances and equipment buildings. The Tower is utilized for District and town wide public safety communication purposes. The District also leases tower space to various cellular phone companies and other organizations requiring antennas for communications systems. Operations of the Tower are under control of a Public Safety Tower Committee made up of representatives from the District and the Town of Cromwell Police Department. Net revenues from the Tower are shared equally between the District and the Town. Revenues from Tower leases amounted to \$240,080 for the year ended June 30, 2014. The District's share of the fund balance of the Public Safety Communications Tower Fund is \$587,072 as of June 30, 2014. Within the fund the Public Safety Tower Committee established a reserve account for financing the future public safety tower structural replacements and upgrades. Contributions to the reserve account amounted to \$130,000 for 2013-14. During the fiscal year there was \$72,169 charged to the reserve account and the balance is \$127,831 as of June 30, 2014. The remaining balance of \$459,241 is available to finance communication systems and other Fire Department capital programs.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2014, the District had \$24,884,925 invested in capital assets, including land, buildings, fire apparatus, ambulances and other vehicles and equipment, and water production, purification and transmission systems (see Table 4). This amount represents a net increase (including additions and deductions) of \$127,367 from the previous year. The increase was a result of current year additions of \$1,103,080 exceeding current year depreciation of \$975,713.

TABLE 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 305,000	\$ 305,000	\$ 147,152	\$ 147,152	\$ 452,152	\$ 452,152
Buildings and improvements	5,445,803	5,620,546	14,628,393	12,820,158	20,074,196	18,440,704
Vehicles	1,972,030	1,458,352	116,304	50,800	2,088,334	1,509,152
Equipment	1,036,489	1,159,280	371,275	349,833	1,407,764	1,509,113
Construction in progress	40,160	689,813	822,319	2,156,624	862,479	2,846,437
Total	\$ <u>8,799,482</u>	\$ <u>9,232,991</u>	\$ <u>16,085,443</u>	\$ <u>15,524,567</u>	\$ <u>24,884,925</u>	\$ <u>24,757,558</u>

The additions in capital assets used in the operation of governmental funds amounted to \$130,884. These additions included the following:

- Purchase of turnout gear (\$27,554)
- Stryker Power Load System for Ambulance 4B (\$22,689)
- Costs associated with the acquisition of a new ambulance (\$40,160)
- Zodiac inflatable boat (\$6,095)
- Radio equipment (\$14,361)

The additions to the capital assets used in business-type activities (Water Enterprise Fund) amounted to \$972,196. These additions included the following:

- Construction of a new maintenance facility (\$808,954)
- 2013 Ford F-450 (\$60,072)
- 2013 Ford F-250 (\$30,018)
- Water meters (\$41,118)
- SCAG mower (\$10,000)

Additionally, the new pump station for Gardiner Well #4 and the water main replacement made in conjunction with the Town's New Lane Reconstruction Project were completed during the year.

More detailed information about the District's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

Outstanding debt as of June 30, 2014 is summarized below:

**TABLE 5
OUTSTANDING DEBT AT YEAR END**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds (backed by the District)	\$ 1,938,929	\$ 2,165,000	\$ 4,146,071	\$ 4,875,000	\$ 6,085,000	\$ 7,040,000

Other obligations include a capital lease purchase agreement with TD Bank Leasing Corporation that was used to finance the purchase of a pumper in 2006-07 (\$101,217) and accrued compensated absences (\$132,273). More detailed information about the District’s long-term liabilities is presented in Note 8 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate in the Town of Cromwell now stands at 5.5% as of June 2014, versus 6.7% as of June 2013. This compares favorably with the Hartford Labor Market area’s unemployment rate of 6.7% and the State rate of 6.5%.

According to the Bureau of Census American Community Survey 5-Year Estimates, 2008-2012, per capita income in Cromwell was \$43,611 compared to the county rate of \$34,356 and the State rate of \$37,807. Median family income was \$105,896 for Cromwell versus \$81,533 for the county and \$87,182 for the State. The percent of families below poverty level was 1.5% for the Town. The county percentage was 8.5% and the State’s was 7.1%.

The net taxable grand list for fiscal year 2015 is \$1.273 billion which reflects a 1.4% increase over the previous year.

General Fund Budget

The General Fund budget for 2014-2015 reflects revenues of \$3,459,300, operating expenditures of \$3,178,150, capital transfers of \$200,000 and debt service expenditures of \$348,415. The budget projects the use of \$267,265 in available General Fund fund balance to balance revenues with expenditures. The budget does not anticipate an increase in property taxes and as a result the mill rate remained unchanged at 2.1 mills.

General Fund revenues are projected to decrease by 0.15% as a result of a decrease in EMS billings (\$50,000) and an increase in property tax revenue (\$40,000) resulting from an increase in the 2013 Grand List.

General Fund expenditures reflect an increase of 3% over the current budget. Contractual increases for Local 4662 members as well as a 2.5% cost of living increase for non-bargaining unit employees, a projected 8.5% increase in medical benefits and a \$24,016 decrease in debt service were the primary factors in the overall increase.

Water Division Enterprise Fund

The total projected revenue for the Water Division is \$2,152,000. This represents a decrease of 2% over the current year. The District is not considering any increase in water rates at this time.

The operating budget for the Water Division, which amounts to \$1,566,630, is a slight decrease compared to 2013-2014. Projected operating revenues exceed operating expenditures by \$585,370. Net results of operations reflect a positive balance of \$97,941 after taking into consideration the contribution from assessments (\$71,500) and the payment of debt principal (\$558,929).

Capital Budget

The budget for the Equipment Reserve Fund includes:

1. \$10,000 to be allocated to the vehicle major repair account
2. \$25,000 appropriated for turnout gear & SCBA equipment
3. \$20,000 for communication equipment
4. \$15,000 for the acquisition of a fork lift
5. \$27,800 for other public safety capital items

Funding for the Equipment Reserve Fund includes a General Fund contribution of \$200,000 and a contribution of \$20,000 from the Tower Fund to cover the communications appropriation. We have also budgeted for \$20,000 in additional appropriations during 2014-2015. The projected balance for the Equipment Reserve Fund at the end of the 2014-2015 fiscal year is \$345,000.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director of the Cromwell Fire District, One West Street, Cromwell, Connecticut 06416.

CROMWELL FIRE DISTRICT
STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 2,306,086	\$ 638,769	\$ 2,944,855
Receivables, net	444,263	1,278,031	1,722,294
Inventory		42,154	42,154
Net pension asset	4,736		4,736
Other assets	7,028		7,028
Capital assets:			
Assets not being depreciated	345,160	969,471	1,314,631
Assets being depreciated, net	8,454,322	15,115,972	23,570,294
Total assets	<u>11,561,595</u>	<u>18,044,397</u>	<u>29,605,992</u>
Deferred Outflows of Resources:			
Deferred charge on refunding		19,777	19,777
West Street Complex contribution		1,020,002	1,020,002
Total deferred outflows of resources	<u>-</u>	<u>1,039,779</u>	<u>1,039,779</u>
Liabilities:			
Accounts and other payables	189,967	139,217	329,184
Unearned revenue		323,488	323,488
Noncurrent liabilities:			
Due within one year	337,239	597,348	934,587
Due in more than one year	1,898,594	3,887,583	5,786,177
Total liabilities	<u>2,425,800</u>	<u>4,947,636</u>	<u>7,373,436</u>
Deferred Inflow of Resources:			
West Street Complex contribution	<u>1,020,002</u>	<u>-</u>	<u>1,020,002</u>
Net Position:			
Net investment in capital assets	5,620,510	11,675,699	17,296,209
Restricted for trust purposes:			
Expendable	113,772		113,772
Unrestricted	2,381,511	2,460,841	4,842,352
Total Net Position	<u>\$ 8,115,793</u>	<u>\$ 14,136,540</u>	<u>\$ 22,252,333</u>

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Administration and finance	\$ 676,301	\$	\$	\$	\$ (676,301)	\$	\$ (676,301)
Public safety	3,270,817	1,144,441	45,888	113,333	(1,967,155)		(1,967,155)
Interest on long-term debt	87,272				(87,272)		(87,272)
19 Total governmental activities	4,034,390	1,144,441	45,888	113,333	(2,730,728)	-	(2,730,728)
Business-Type Activities:							
Water services	1,963,942	2,074,364	4,332	16,889		131,643	131,643
Total	\$ 5,998,332	\$ 3,218,805	\$ 50,220	\$ 130,222	(2,730,728)	131,643	(2,599,085)
General revenues:							
Property taxes					2,676,174		2,676,174
Unrestricted interest and late fees					2,765	50,961	53,726
Miscellaneous					12,051		12,051
Transfers					(12,000)	12,000	-
Total general revenues and transfers					2,678,990	62,961	2,741,951
Change in Net Position					(51,738)	194,604	142,866
Net Position at Beginning of Year					8,167,531	13,941,936	22,109,467
Net Position at End of Year					\$ 8,115,793	\$ 14,136,540	\$ 22,252,333

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 845,046	\$ 704,661	\$ 756,379	\$ 2,306,086
Receivables, net	436,513		7,750	444,263
Other assets	<u>7,028</u>			<u>7,028</u>
Total Assets	<u>\$ 1,288,587</u>	<u>\$ 704,661</u>	<u>\$ 764,129</u>	<u>\$ 2,757,377</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	<u>\$ 104,140</u>	<u>\$ 20,925</u>	<u>\$ 63,150</u>	<u>\$ 188,215</u>
Deferred Inflow of Resources:				
Unavailable revenue - property taxes	<u>96,780</u>			<u>96,780</u>
Fund Balances:				
Restricted			35,896	35,896
Committed		683,736	664,948	1,348,684
Assigned	267,265		135	267,400
Unassigned	<u>820,402</u>			<u>820,402</u>
Total fund balances	<u>1,087,667</u>	<u>683,736</u>	<u>700,979</u>	<u>2,472,382</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,288,587</u>	<u>\$ 704,661</u>	<u>\$ 764,129</u>	<u>\$ 2,757,377</u>

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CROMWELL FIRE DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2014

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position
(Exhibit I) are different because of the following:

Fund balances - total governmental funds	\$ 2,472,382
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 14,415,095
Less accumulated depreciation	<u>(5,615,613)</u>
Net capital assets	8,799,482
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Net pension asset	4,736
Property tax receivables greater than 60 days	36,862
Interest receivable on property taxes	59,918
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(1,938,929)
Interest payable on bonds and notes	(1,752)
Compensated absences	(76,863)
Capital lease	(101,217)
Bond premium	(118,824)
Deferred contribution	<u>(1,020,002)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 8,115,793</u>

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 2,671,159	\$	\$	\$ 2,671,159
Intergovernmental	2,087			2,087
Charges for services	741,136		240,080	981,216
Income on investments	2,753	3	9	2,765
Miscellaneous	45,244		174,131	219,375
Total revenues	<u>3,462,379</u>	<u>3</u>	<u>414,220</u>	<u>3,876,602</u>
Expenditures:				
Administration and finance	554,795			554,795
Public safety	561,315		26,894	588,209
Building and utilities	227,667		260,211	487,878
Training	31,677			31,677
Ambulance operations	831,343			831,343
Insurance and benefits	635,211		1,500	636,711
Apparatus and equipment	177,449			177,449
Other expenditures	3,729		2,000	5,729
Capital outlay		250,255		250,255
Debt service	372,432			372,432
Total expenditures	<u>3,395,618</u>	<u>250,255</u>	<u>290,605</u>	<u>3,936,478</u>
Excess (Deficiency) of Revenues over Expenditures	<u>66,761</u>	<u>(250,252)</u>	<u>123,615</u>	<u>(59,876)</u>
Other Financing Sources (Uses):				
Transfers in		220,000		220,000
Transfers out	(200,000)		(32,000)	(232,000)
Total other financing sources (uses)	<u>(200,000)</u>	<u>220,000</u>	<u>(32,000)</u>	<u>(12,000)</u>
Net Change in Fund Balances	(133,239)	(30,252)	91,615	(71,876)
Fund Balances at Beginning of Year	<u>1,220,906</u>	<u>713,988</u>	<u>609,364</u>	<u>2,544,258</u>
Fund Balances at End of Year	<u>\$ 1,087,667</u>	<u>\$ 683,736</u>	<u>\$ 700,979</u>	<u>\$ 2,472,382</u>

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CROMWELL FIRE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different
because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (71,876)
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Governmental funds report capital outlays as expenditures. In the statement of activities,
the cost of those assets is allocated over their estimated useful lives and reported as
depreciation expense:

Capital outlay	130,884
Depreciation expense	(564,393)

Revenues in the statement of activities that do not provide current financial resources are
not reported as revenues in the funds, and revenues recognized in the funds are not reported
in the statement of activities:

Property tax receivable - accrual basis change	(2,795)
Property tax interest and lien revenue - accrual basis change	7,511
Net pension asset	1,693
Deferred charges	113,333

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources
to governmental funds, while the repayment of the principal of long-term debt consumes
the current financial resources of governmental funds. Neither transaction has any effect
on net assets. Also, governmental funds report the effect of issuance costs, premiums,
discounts and similar items when debt is first issued, whereas these amounts are
amortized and deferred in the statement of activities. The details of these differences in the
treatment of long-term debt and related items are as follows:

Bond principal payments	226,071
Capital lease payments	47,240
Other principal repayments	22,036
Bond issuance costs, and premium and amortization, net	(8,827)

Some expenses reported in the statement of activities do not require the use of current financial
resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	26,709
Accrued interest	20,676

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (51,738)</u>
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The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Business-Type Activities
	Water Division Enterprise Fund
Assets:	
Current:	
Cash and cash equivalents	\$ 638,769
Receivables, net	1,278,031
Inventory	42,154
Total current assets	1,958,954
Noncurrent:	
Capital assets, net	16,085,443
Total noncurrent assets	16,085,443
Total assets	18,044,397
Deferred Outflows of Resources:	
Deferred charge on refunding	19,777
West Street Complex contribution	1,020,002
Total deferred outflows of resources	1,039,779
Liabilities:	
Current:	
Accounts payable	119,271
Accrued liabilities	19,946
Unearned revenue	323,488
Compensated absences	38,419
Bonds payable	558,929
Total current liabilities	1,060,053
Noncurrent:	
Compensated absences	16,991
Bonds payable	3,870,592
Total noncurrent liabilities	3,887,583
Total liabilities	4,947,636
Net Position:	
Net investment in capital assets	11,675,699
Unrestricted	2,460,841
Total Net Position	\$ 14,136,540

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities
	Water Division Enterprise Fund
Operating Revenues:	
Metered sales - general customers	\$ 1,864,011
Revenue from services and seasonal sales	194,948
Employee contributions - other	15,405
Total operating revenues	<u>2,074,364</u>
Operating Expenses:	
Payroll expenses	445,106
Pumping and power	214,352
Purification	61,665
Transmission and distribution	43,300
General administration	201,599
Amortization	200,305
Depreciation	411,320
Maintenance	44,570
Employee benefits	211,571
Other	12,024
Total operating expenses	<u>1,845,812</u>
Operating Income	<u>228,552</u>
Nonoperating Revenues (Expenses):	
Interest income	50,961
Interest and fiscal charges	(118,130)
Other nonoperating income	4,332
Net nonoperating expenses	<u>(62,837)</u>
Income Before Transfers	165,715
Capital Contributions	16,889
Transfers In	<u>12,000</u>
Change in Net Position	194,604
Total Net Position at Beginning of Year	<u>13,941,936</u>
Total Net Position at End of Year	<u>\$ 14,136,540</u>

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities
	Water Division Enterprise Fund
Cash Flows from Operating Activities:	
Cash received from charges for services	\$ 2,170,372
Cash payments to employees for salaries and related benefits	(656,677)
Cash payments to vendors	(500,549)
Net cash provided by operating activities	<u>1,013,146</u>
Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	12,000
Miscellaneous	4,332
Net cash provided by noncapital financing activities	<u>16,332</u>
Cash Flows from Capital and Related Financing Activities:	
Additions to utility plant	(972,196)
Repayments of long-term debt	(728,929)
Interest and fiscal charges	(191,902)
Net cash used in capital financing activities	<u>(1,893,027)</u>
Cash Flows from Investing Activities:	
Income on investments, interest on assessments and late fees	<u>50,961</u>
Net Decrease in Cash and Cash Equivalents	(812,588)
Cash and Cash Equivalents at Beginning of Year	<u>1,451,357</u>
Cash and Cash Equivalents at End of Year	<u>\$ 638,769</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 228,552
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	411,320
Amortization expense	200,305
Change in assets and liabilities:	
Decrease in accounts receivable	96,008
Increase in accounts payable and accrued liabilities	80,569
Increase in inventory	(3,608)
Net Cash Provided by Operating Activities	<u>\$ 1,013,146</u>

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

	Pension Trust Fund	Agency Fund
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$	\$ 53,326
Investments	<u>1,269,097</u>	<u> </u>
Total assets	1,269,097	<u><u>\$ 53,326</u></u>
Liabilities:		
Due to volunteers and others	<u> </u>	<u><u>\$ 53,326</u></u>
Net Position:		
Restricted for employee retirement system	<u><u>\$ 1,269,097</u></u>	

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT

FIDUCIARY FUND

STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2014

Additions:		
Contributions		\$ <u>100,000</u>
Investment income:		
Interest and dividends		27,950
Net increase in fair value of investments		<u>160,149</u>
Net investment income		<u>188,099</u>
Total additions		<u>288,099</u>
Deductions:		
Benefits		47,927
Administration		<u>25,966</u>
Total deductions		<u>73,893</u>
Net Increase		214,206
Net Position Restricted for Pension Benefits at Beginning of Year		<u>1,054,891</u>
Net Position Restricted for Pension Benefits at End of Year		\$ <u><u>1,269,097</u></u>

The accompanying notes are an integral part of the financial statements

CROMWELL FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Cromwell Fire District (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies are described below.

A. Reporting Entity

The District, through its Water Division, owns, maintains and services the water distribution, pumping and treatment facilities that service the Town of Cromwell (the Town). The District, through its Fire Department, provides fire protection and ambulance service to the Town. The District operates under the provisions of the Connecticut General Statutes and District By-Laws. The District is governed by the District Meeting and an elected nine-member Board of Commissioners. The officers of the District consist of the President, Vice President, Secretary/Clerk, Treasurer and Assistant Treasurer.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who purchase, use or directly benefit from services provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The District reports the following major governmental funds:

The General Fund is the Fire Department's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The District reports the following major proprietary fund:

The Water Division Enterprise Fund is used to account for the operations of the Water Division.

Additionally, the District reports the following fund types:

The Pension Trust Fund accounts for the activities of the District's volunteer pension plan.

The Volunteer Activity Fund accounts for the funds held on behalf of volunteers.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers for service provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Division Enterprise Fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the District are reported at fair value.

E. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are levied each July 1 based on the assessed property values of the prior October 1 Grand List. Assessed values are established at 70% of appraised value.

Property taxes for assessed values of under \$1,000 are due in one installment on July 1; remaining property taxes are due in two equal installments on July 1 and the following January 1. Supplemental motor vehicle taxes are due in full on January 1. Taxes become overdue one month after the installment due date. Interest at the rate of 1.5% per month accrues on all overdue taxes. As of June 30, an enforceable lien is recorded against any outstanding real property taxes.

Uncollected taxes, other than amounts received within 60 days of year-end, and taxes collected in advance of the fiscal year in which they were levied are reflected as deferred revenue in the fund financial statements. Property tax receivables at June 30, 2014 are stated net of allowance for estimated uncollectible amounts of \$9,599.

F. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no such interest expense incurred by the District during the current fiscal year.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25-50
Vehicles	7-20
Equipment	7-15

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The District reports a deferred inflow of resources in the government-wide statement of net position (see Note 12). For governmental funds, the District reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

Employees can carry forward all earned vacation time, which must be used during the first six months of the subsequent year. Additionally, employees' accrued sick time is vested after ten years of service. Upon termination, the employee is entitled to 25% of accrued sick time, up to 120 days. At the end of each calendar year, employees shall be paid in cash, the following July, 30% of the accrued sick time in excess of the 120 days. The value of the accrued compensated absences is reflected in the statement of net position for governmental activities and business activities in the amounts of \$76,863 and \$55,410, respectively, at June 30, 2014.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The component of net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted Net Position - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Commissioners).

Assigned Fund Balance - This balance represents amounts constrained for the intent to be used for a specific purpose by the Board of Commissioners.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

M. Budget Overruns

The following line items within the General Fund budget were overexpended as follows:

Fire District Administrator	\$	5,548
Signals and alarms		290
Fire Marshal		852
Communication Center		<u>25,725</u>
Total	\$	<u><u>32,415</u></u>

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Board of Commissioners submits a proposed budget and tax rate to the annual budget meeting of the District.

Additional appropriations may be made during the year based upon approval by the Board of Commissioners. Additional appropriations of \$20,000 or more are subject to District meeting approval. Additional appropriations in the amount of \$45,800 were appropriated from fund balance.

Unexpended appropriations lapse at the end of the fiscal year unless specifically continued in force to the subsequent period upon approval by the Board of Commissioners.

The General Fund budget is prepared on a modified accrual basis of accounting, except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposit will not be returned. The District does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$2,273,097 of the District’s bank balance of \$2,908,114 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,004,621
Uninsured and collateralized with securities held by the pledging bank’s trust department or agent but not in the Town’s name	<u>268,476</u>
	<u>\$ 2,273,097</u>

Cash Equivalents

At June 30, 2014, the District’s cash equivalents amounted to \$183,454. The following table provides a summary of the District’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor’s</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management	AAAm

Investments

As of June 30, 2014, the District had the following investments within the Pension Trust fund:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
U.S. Government obligations	N/A	\$ 201,654	\$	\$ 173,521	\$ 28,133
Corporate bonds	A-/AA+	<u>107,195</u>		<u>82,808</u>	<u>24,387</u>
Total		308,849	\$ <u>-</u>	\$ <u>256,329</u>	\$ <u>52,520</u>
Other investments:					
Common stock		845,214			
Mutual funds		75,077			
Money market funds		<u>39,957</u>			
Total Investments		\$ <u>1,269,097</u>			

N/A- Not applicable

Interest Rate Risk - The District has no formal limits on maximum final stated maturities. To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The District has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk - The District has no policy limiting an investment in any one issuer that is in excess of 5% of the District's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the District or that sells investments to or buys them for the District), the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk. At June 30, 2014, the District had \$845,214 of uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the District's name.

4. RECEIVABLES

Receivables as of year end for the District's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Water Division</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Interest	\$ 59,918	\$ 61,169	\$	\$ 121,087
Taxes	69,345			69,345
Accounts	351,548	695,585	7,750	1,054,883
Special assessments		606,636		606,636
Gross receivables	<u>480,811</u>	<u>1,363,390</u>	<u>7,750</u>	<u>1,851,951</u>
Less allowance for uncollectibles:				
Taxes	(9,599)			(9,599)
User fees		(85,359)		(85,359)
Ambulance billings	<u>(34,699)</u>			<u>(34,699)</u>
Net Total Receivables	<u>\$ 436,513</u>	<u>\$ 1,278,031</u>	<u>\$ 7,750</u>	<u>\$ 1,722,294</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 305,000	\$	\$	\$ 305,000
Construction in progress	689,813	47,657	(697,310)	40,160
Total capital assets not being depreciated	<u>994,813</u>	<u>47,657</u>	<u>(697,310)</u>	<u>345,160</u>
Capital assets being depreciated:				
Buildings and improvements	7,057,529	9,231		7,066,760
Vehicles	3,482,651	696,573		4,179,224
Equipment	2,749,218	74,733		2,823,951
Total capital assets being depreciated	<u>13,289,398</u>	<u>780,537</u>	<u>-</u>	<u>14,069,935</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,436,983)	(183,974)		(1,620,957)
Vehicles	(2,024,299)	(182,895)		(2,207,194)
Equipment	(1,589,938)	(197,524)		(1,787,462)
Total accumulated depreciation	<u>(5,051,220)</u>	<u>(564,393)</u>	<u>-</u>	<u>(5,615,613)</u>
Total capital assets being depreciated, net	<u>8,238,178</u>	<u>216,144</u>	<u>-</u>	<u>8,454,322</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,232,991</u>	<u>\$ 263,801</u>	<u>\$ (697,310)</u>	<u>\$ 8,799,482</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 147,152	\$	\$	\$ 147,152
Construction in progress	2,156,624	818,794	(2,153,099)	822,319
Total capital assets not being depreciated	<u>2,303,776</u>	<u>818,794</u>	<u>(2,153,099)</u>	<u>969,471</u>
Capital assets being depreciated:				
Buildings and improvements	18,720,748	2,153,099		20,873,847
Vehicles	235,783	91,960		327,743
Equipment	1,345,224	61,442		1,406,666
Total capital assets being depreciated	<u>20,301,755</u>	<u>2,306,501</u>	<u>-</u>	<u>22,608,256</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,900,590)	(344,864)		(6,245,454)
Vehicles	(184,983)	(26,456)		(211,439)
Equipment	(995,391)	(40,000)		(1,035,391)
Total accumulated depreciation	<u>(7,080,964)</u>	<u>(411,320)</u>	<u>-</u>	<u>(7,492,284)</u>
Total capital assets being depreciated, net	<u>13,220,791</u>	<u>1,895,181</u>	<u>-</u>	<u>15,115,972</u>
Business-Type Activities Capital Assets, Net	<u>\$ 15,524,567</u>	<u>\$ 2,713,975</u>	<u>\$ (2,153,099)</u>	<u>\$ 16,085,443</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Administration and finance	\$ 38,942
Public safety	483,152
Ambulance operations	<u>42,299</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 564,393</u>
Business-type activities:	
Water Division Fund	<u>\$ 411,320</u>

6. INTERFUND TRANSFERS

A summary of interfund transfers as of June 30, 2014 is presented below:

	<u>Transfers In</u>		
	<u>Capital Projects</u>	<u>Water Division</u>	<u>Total</u>
Transfers Out:			
General Fund	\$ 200,000	\$ -	\$ 200,000
Nonmajor governmental	<u>20,000</u>	<u>12,000</u>	<u>32,000</u>
Total Transfers Out	<u>\$ 220,000</u>	<u>\$ 12,000</u>	<u>\$ 232,000</u>

Transfers are for regularly recurring operational transactions.

7. LEASES

Operating Lease

The District has entered into various operating leases for the right to use a communication tower for wireless communications. The District is contracted to receive annual rents in the amount of \$218,228 plus contracted renewal increases. Rental income for the year ended June 30, 2014 amounted to \$240,080. The tower is located on land owned by the District and functions under a partnership agreement between the District and the Town of Cromwell Police Department. The net revenue from tower operations is shared equally between the District and the Police Department in accordance with the agreement. Net revenue for the year ended June 30, 2014 was \$77,869, and the Police Department's share was \$38,935.

Capital Lease

The District entered into a lease-purchase agreement with TD Banknorth Leasing Corporation to finance the acquisition of a fire engine. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 54,188
2016	<u>54,188</u>
Total future minimum lease payments	108,376
Less amounts representing interest	<u>(7,159)</u>
Present Value of Future Minimum Lease Payments	\$ <u><u>101,217</u></u>

8. INDEBTEDNESS

The District has the power to incur indebtedness as provided by the Connecticut General Statutes and the District Charter. The issuance of bonds and notes is authorized by the District Meeting upon the recommendation of the Board of Commissioners. Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

A. Governmental Activities

Presented below is a summary of the changes in general long-term obligations for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 2,165,000	\$	\$ 226,071	\$ 1,938,929	\$ 226,071
Premium on bonds payable	<u>133,230</u>		<u>14,406</u>	<u>118,824</u>	
	2,298,230		240,477	2,057,753	226,071
Compensated absences	103,572	6,445	33,154	76,863	61,718
Capital lease	<u>148,457</u>		<u>47,240</u>	<u>101,217</u>	<u>49,450</u>
Total	\$ <u><u>2,550,259</u></u>	\$ <u><u>6,445</u></u>	\$ <u><u>320,871</u></u>	\$ <u><u>2,235,833</u></u>	\$ <u><u>337,239</u></u>

A schedule of bonds at June 30, 2014 is presented below:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2014</u>
West Street Complex	12-15-05	12-15-21	3.75-5.0	\$ 1,540,000	\$ 880,000
Series 2012A	09-25-12	10-01-22	2.25-4.0	1,175,000	<u>1,058,929</u>
					\$ <u><u>1,938,929</u></u>

The following is a schedule of bond maturities as of June 30, 2014:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 226,071	\$ 68,157	\$ 294,228
2016	227,857	59,836	287,693
2017	227,857	50,938	278,795
2018	227,857	41,723	269,580
2019	227,857	32,951	260,808
2020-2023	<u>801,430</u>	<u>51,268</u>	<u>852,698</u>
Total	\$ <u>1,938,929</u>	\$ <u>304,873</u>	\$ <u>2,243,802</u>

The above amounts represent general obligations of the District and are expected to be paid from future taxation.

B. Business-Type Activities

Presented below is a summary of the changes in long-term obligations for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
General obligation bonds	\$ 4,875,000	\$	\$ 728,929	\$ 4,146,071	\$ 558,929
Premium on bonds payable	<u>322,472</u>		<u>39,022</u>	<u>283,450</u>	
	5,197,472		767,951	4,429,521	558,929
Compensated absences	<u>53,650</u>	<u>5,488</u>	<u>3,728</u>	<u>55,410</u>	<u>38,419</u>
Business-Type Activities					
Long-Term Liabilities	\$ <u>5,251,122</u>	\$ <u>5,488</u>	\$ <u>771,679</u>	\$ <u>4,484,931</u>	\$ <u>597,348</u>

A schedule of bonds and serial notes outstanding at June 30, 2014 is presented below:

<u>Description</u>	<u>Date of Issue</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2014</u>
Water main project	12-15-05	3.75-5.0	\$ 2,890,000	\$ 1,560,000
Series 2012A	09-25-12	2.25-4.0	2,115,002	1,906,071
Series 2012B	09-25-12	2.0-3.0	1,020,000	<u>680,000</u>
				\$ <u>4,146,071</u>

The following is a schedule of bond maturities as of June 30, 2014:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 558,929	\$ 142,130	\$ 701,059
2016	582,143	122,583	704,726
2017	587,143	101,338	688,481
2018	577,143	79,527	656,670
2019	407,143	58,787	465,930
2020-2023	<u>1,433,570</u>	<u>91,607</u>	<u>1,525,177</u>
Total	<u>\$ 4,146,071</u>	<u>\$ 595,972</u>	<u>\$ 4,742,043</u>

The above amounts are reflected in the Water Division Enterprise Fund. It is expected that the debt service will be paid from user fees and assessments.

C. Debt Limitation

Presented below is the statutory debt limitation for the Town of Cromwell including the District:

	<u>Total Debt Limitation</u>	<u>Statutory Indebtedness</u>	<u>Debt Limitation in Excess of Outstanding and Authorized Debt</u>
General purpose	\$ 93,628,244	\$ 13,347,238	\$ 80,281,006
Schools	187,256,489	17,381,502	169,874,987
Sewers	156,047,074	5,577,352	150,469,722
Urban renewal	135,240,797		135,240,797
Pension deficit	124,837,659		124,837,659

In accordance with Connecticut General Statutes, municipalities and their coterminous entities may not incur indebtedness through the issuance of bonds that will cause aggregate indebtedness to be exceeded by class as outlined above, and in no case shall total indebtedness exceed seven times the base, which amounts to \$291,287,871 at June 30, 2014.

The above schedule does not include \$4,146,071 of debt issued for the supply of water as such amounts are excluded from the debt limit calculation by the Connecticut General Statutes.

The Town of Cromwell is a member of the Mattabassett District, a regional sewer district whose other constituent members are the City of New Britain and the Town of Berlin. The Mattabassett District has issued its \$3,476,946 Project Loan Obligation, dated as of June 30, 2011, pursuant to the State of Connecticut's Clean Water Fund Program (\$3,172,714 will be outstanding pro forma as of October 4, 2012). In addition, the Mattabassett District has issued its \$83,183,533 Interim Funding Obligation, dated as of June 29, 2012 and maturing January 31, 2016, pursuant to the State of Connecticut's Clean Water Fund Program. The Mattabassett District's revenue bonds are secured by pledge of payments due to Mattabassett District by its constituent municipalities, allocated as determined by the Mattabassett District Board. The Town of Cromwell's allocable share of the Mattabassett District's Debt, as determined by the Mattabassett District charter, is currently 8.39%.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The District purchases commercial insurance for all risks of loss. During 2014, deductibles paid by the District were not significant. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

10. PENSIONS

Volunteer Plan

A. Plan Description

The District is the administrator of a single employer defined benefit pension plan (PERS), which covers individuals who have provided volunteer services to the District. The PERS is considered to be part of the District’s financial reporting entity and is included in the District’s financial reports as a pension trust fund.

Management of the plan rests with the pension advisory board which has five members. Four members are elected commissioners and one appointed staff member. The staff member is appointed by the President of the Commission and ratified by the full commission vote.

At June 30, 2014, the date of the latest actuarial valuation, plan membership consisted of the following:

Active participants	91
Retirees and beneficiaries receiving benefits	19
Vested terminated	<u>4</u>
 Total	 <u><u>114</u></u>

Plan provisions are summarized below:

Normal retirement age is age 62 and completion of 5 years of credited service. For an individual to participate in the plan, they must meet the requirements for a volunteer. All participants become fully vested upon 10 years of credited service or upon reaching age 62 with 5 years of credited service. Upon retirement, eligible participants receive \$15.00 per month for each year of credited service (up to a maximum of 25 years) plus additional amounts of \$2.00-\$5.00 per month for each year, up to a maximum of a total of 5 years credit, if the participant retired as an officer.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: PERS financial statements are prepared using the accrual basis of accounting. District contributions are recognized as revenues when due, and the District has made or has committed to provide the contributions. Benefit payments and refunds are payable when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments: All funds are invested in U.S. bonds, corporate bond accounts, common stock and money market pooled funds and are reported at fair value.

C. Funding Policy

The District's funding policy provides for periodic employer contributions at actuarially determined amounts that are sufficient to accumulate assets to pay benefits when due. Contributions and benefits are defined and may be amended by the Board of Commissioners. Participants are not required to contribute to the plan.

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and amended by the District. It is the policy of the District board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	50 %
International equity	15
Fixed income	31
Real estate	0
Cash and short-term investments	<u>4</u>
Total	<u><u>100 %</u></u>

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the District

In accordance with GASB Statement No. 67, the components of the net pension liability of the District at June 30, 2014, were as follows:

Total pension liability	\$ 1,340,539
Plan fiduciary net position	<u>(1,269,097)</u>
Net Pension Liability	<u><u>\$ 71,442</u></u>
Plan fiduciary net position as a percentage of the total pension liability	94.67 %

The District's net pension liability will be required to be recorded on the government-wide statement of net position at June 30, 2015.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2013-June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	7.00 %
International equity	6.50
Fixed income	3.50
Short-term investments	1.00
Cash	0.00

Discount Rate: The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District, calculated using the discount rate of 6.5%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.5%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net Pension Liability	\$ 269,728	\$ 71,442	\$ (85,514)

D. Annual Pension Cost and Net Pension Obligations (Assets)

The District's annual pension cost and net pension obligation (asset) for the current year were as follows:

Annual required contribution	\$ 98,108
Interest on net pension asset	(198)
Adjustment to annual required contribution	<u>397</u>
Annual pension cost	98,307
Contribution made	<u>100,000</u>
Decrease in net pension asset	(1,693)
Net pension asset at beginning of year	<u>(3,043)</u>
Net Pension Asset at End of Year	\$ <u><u>(4,736)</u></u>

Employer contributions are determined using the frozen entry age cost method. Recommended annual contributions consist of normal cost plus a payment toward the unfunded frozen actuarial liability. The annual required contribution for the current year was determined as part of the June 30, 2014 actuarial valuation. The actuarial method and assumptions used in that valuation are presented below:

Valuation Date	6/30/14
Actuarial Method	Entry Age Cost Method
Amortization Method	Included in normal cost
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return (includes inflation at 4.0%)	6.5%
Projected Salary Increases	N/A
Cost of Living Adjustments	N/A

E. Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/14	\$ 98,307	101.72%	\$ (4,736)
6/30/13	99,571	100.43	(3,403)
6/30/12	89,993	99.89	(2,614)

Employee Plan

A. Plan Description

The District (inclusive of the Water Division) participates in the Town's Employee Retirement System (CPP). The plan is administered by the Town and was established to provide pension benefits for its employees and the employees of the District. The CPP is considered to be part of the Town's financial reporting entity and is included in its financial statements as a pension trust fund. The Town's comprehensive annual financial report also includes required supplementary information for the CPP. The report is on file at the Town Clerk's Office in the Town.

B. Funding Policy

Covered employees are required to contribute 2-1/2% of earnings to the plan. Each participating organization is required to contribute at an actuarially determined amount. The District's required rate for the year ended June 30, 2014 as a percentage of covered payroll was 7.50%. The contribution requirements for the plan are established and may be amended by the Town. The District's contribution to the CPP for the years ended June 30, 2014, 2013 and 2012 was \$78,257, \$79,192 and \$76,116, respectively, equal to the required contributions for each year.

Municipal Employees' Retirement Fund

A. Plan Description

Effective February 1, 2006, full-time Fire/EMS personnel participate in the Municipal Employees' Retirement System (MERS), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. MERS is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

B. Funding Policy

Plan members are required by State Statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The contribution requirements of the District are established and may be amended by the State Retirement Commission. The current rate of contribution for the District is 16.96% of covered payroll. The District's contribution to MERS for the year ended June 30, 2014 was \$56,307, equal to the required contributions for the year.

11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2014 are as follows:

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance:				
Restricted for:				
Public safety	\$	\$	\$ 35,896	\$ 35,896
Committed to:				
Building and utilities			587,072	587,072
Insurance and benefits			54,486	54,486
Public safety			23,390	23,390
Capital outlay		683,736		683,736
Assigned for:				
Ambulance operations			135	135
Subsequent year's budget	267,265			267,265
Unassigned	<u>820,402</u>			<u>820,402</u>
	<u>\$ 1,087,667</u>	<u>\$ 683,736</u>	<u>\$ 700,979</u>	<u>\$ 2,472,382</u>

12. WEST STREET COMPLEX - WATER DIVISION CONTRIBUTION

The West Street Complex project involved the demolition of the existing fire station at 1 West Street in Cromwell, Connecticut, and the construction, on that site, of a facility to house district offices for the Water Division, Fire Department and Fire Marshal, as well as a three-bay fire station. The appropriation for this project was \$3,400,000, funded from the issuance of bonds and an appropriation of \$1,700,000 from the Water Division Enterprise Fund.

In the statement of net position, the West Street Complex is recorded as a capital asset under the District's governmental activities. The Water Division Enterprise Fund contribution will be amortized over the life of the bond and is currently recorded as a deferred outflow of resources under business-type activities and is offset by a deferred inflow of resources under governmental activities. The unamortized balance at June 30, 2014 was \$1,020,002.

13. LITIGATION AND CONTINGENCIES

The District's management indicates that there are no material or substantial claims against the District nor is there pending litigation.

CROMWELL FIRE DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property taxes:				
Property taxes current year	\$ 2,650,000	\$ 2,650,000	\$ 2,640,310	\$ (9,690)
Property taxes prior years	13,000	13,000	18,348	5,348
Interest on taxes	12,000	12,000	13,797	1,797
Liens			(1,296)	(1,296)
Total property taxes	<u>2,675,000</u>	<u>2,675,000</u>	<u>2,671,159</u>	<u>(3,841)</u>
Intergovernmental:				
State grants	<u>500</u>	<u>500</u>	<u>2,087</u>	<u>1,587</u>
Investment income	<u>1,000</u>	<u>1,000</u>	<u>2,753</u>	<u>1,753</u>
Local revenues:				
Miscellaneous revenue	3,000	3,000	12,049	9,049
Employee insurance contribution	34,000	34,000	31,388	(2,612)
EMS billing	750,000	750,000	741,136	(8,864)
Fire Marshal's office revenue	<u>1,000</u>	<u>1,000</u>	<u>1,807</u>	<u>807</u>
Total local revenues	<u>788,000</u>	<u>788,000</u>	<u>786,380</u>	<u>(1,620)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV	<u>\$ 3,464,500</u>	<u>\$ 3,464,500</u>	<u>\$ 3,462,379</u>	<u>\$ (2,121)</u>

CROMWELL FIRE DISTRICT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Administration and finance:				
Administrative salaries and operations	\$ 245,388	\$ 245,388	\$ 238,258	\$ 7,130
Computer operations	50,000	50,000	39,973	10,027
Tax Collector	50,000	50,000	44,756	5,244
Commission expense	10,000	12,000	11,224	776
Fire District Administrator	50,000	50,000	55,548	(5,548)
Office of the Chief	170,245	170,245	165,036	5,209
Total administration and finance	<u>575,633</u>	<u>577,633</u>	<u>554,795</u>	<u>22,838</u>
Public safety:				
Signals and alarms	15,000	25,800	26,090	(290)
Fire Marshal	175,117	175,117	175,969	(852)
Communication center	314,531	333,531	359,256	(25,725)
Total public safety	<u>504,648</u>	<u>534,448</u>	<u>561,315</u>	<u>(26,867)</u>
Buildings and grounds	<u>228,444</u>	<u>228,444</u>	<u>227,667</u>	<u>777</u>
Training	<u>30,000</u>	<u>33,000</u>	<u>31,677</u>	<u>1,323</u>
Ambulance operations	<u>901,142</u>	<u>901,142</u>	<u>831,343</u>	<u>69,799</u>
Insurance and benefits	<u>664,500</u>	<u>664,500</u>	<u>635,211</u>	<u>29,289</u>
Apparatus and equipment	<u>177,657</u>	<u>188,657</u>	<u>177,449</u>	<u>11,208</u>
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>3,729</u>	<u>1,271</u>
Debt service	<u>372,433</u>	<u>372,433</u>	<u>372,432</u>	<u>1</u>
Total expenditures	<u>3,459,457</u>	<u>3,505,257</u>	<u>3,395,618</u>	<u>109,639</u>
Other financing uses:				
Transfer to Capital Projects	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV	<u>\$ 3,659,457</u>	<u>\$ 3,705,257</u>	<u>3,595,618</u>	<u>\$ 109,639</u>

CROMWELL FIRE DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR

	<u>2014</u>
Total pension liability:	
Service cost	\$ 33,899
Interest	94,499
Changes of benefit terms	-
Differences between expected and actual experience	(183,820)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(47,927)
Net change in total pension liability	<u>(103,349)</u>
Total pension liability - beginning	<u>1,443,888</u>
Total pension liability - ending	<u>1,340,539</u>
Plan fiduciary net position:	
Contributions - employer	100,000
Net investment income	188,099
Benefit payments, including refunds of member contributions	(47,927)
Administrative expense	(25,966)
Net change in plan fiduciary net position	<u>214,206</u>
Plan fiduciary net position - beginning	<u>1,054,891</u>
Plan fiduciary net position - ending	<u>1,269,097</u>
Net Pension Liability - Ending	<u>\$ 71,442</u>
Plan fiduciary net position as a percentage of the total pension liability	94.67%
Covered-employee payroll	\$ 866,144
Net pension liability as a percentage of covered-employee payroll	8.25%

CROMWELL FIRE DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 43,959	\$ 54,698	\$ 65,190	\$ 56,887	\$ 86,154	\$ 90,686	\$ 94,314	\$ 89,898	\$ 99,400	\$ 98,108
Contributions in relation to the actuarially determined contribution	<u>43,959</u>	<u>54,698</u>	<u>65,190</u>	<u>56,887</u>	<u>71,740</u>	<u>106,088</u>	<u>94,314</u>	<u>89,898</u>	<u>100,000</u>	<u>100,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,414</u>	<u>\$ (15,402)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (600)</u>	<u>\$ (1,892)</u>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 820,909	\$ 866,144
Contributions as a percentage of covered-employee payroll									12.11%	11.33%

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Notes to Schedule

Valuation date: June 30, 2014
 Measurement date: June 30, 2014
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Included in normal cost
Remaining amortization period	Average future working lives of participants
Asset valuation method	Market Value
Inflation	2.0%
Investment rate of return	6.50%
Retirement age	62 with 5 years participation, or current age, if later

Mortality 2014 Applicable Mortality Table from IRS Notice 2013-49

CROMWELL FIRE DISTRICT
SCHEDULE OF INVESTMENT RETURNS
LAST FISCAL YEAR

2014

Annual money-weighted rate of return, net of investment expense

15.95%

CROMWELL FIRE DISTRICT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 845,046	\$ 1,053,274
Property taxes receivable, net of allowance (\$9,599 for 2014 and 2013)	59,746	63,916
Accounts receivable, net of allowance (\$34,699 for 2014 and 2013)	376,767	281,552
Other assets	<u>7,028</u>	<u>43,264</u>
Total Assets	<u>\$ 1,288,587</u>	<u>\$ 1,442,006</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts and other payables	\$ <u>104,140</u>	\$ <u>129,036</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	<u>96,780</u>	<u>92,064</u>
Fund balance:		
Assigned	267,265	194,957
Unassigned	<u>820,402</u>	<u>1,025,949</u>
Total fund balance	<u>1,087,667</u>	<u>1,220,906</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,288,587</u>	<u>\$ 1,349,942</u>

CROMWELL FIRE DISTRICT
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2014

<u>Grand List</u>	<u>Uncollected Taxes July 1, 2013</u>	<u>Lawful Corrections</u>		<u>Transfers to Suspense</u>	<u>Adjusted Taxes Collectible</u>	<u>Collections</u>	<u>Uncollected Taxes June 30, 2014</u>
		<u>Additions</u>	<u>Deductions</u>				
2012	\$ 2,636,689	\$ 27,412	\$ 3,721	\$ 274	\$ 2,660,106	\$ 2,640,310	\$ 19,796
2011	23,390	206	4,003	748	18,845	15,062	3,783
2010	11,034	137	254	497	10,420	3,312	7,108
2009	5,762	14	117	25	5,634	311	5,323
2008	4,904		3		4,901	(9)	4,910
2007	4,727				4,727		4,727
2006	4,168				4,168		4,168
2005	4,168				4,168		4,168
2004	4,199				4,199		4,199
2003	3,771				3,771		3,771
2002	3,176				3,176		3,176
2001	1,136				1,136		1,136
2000	1,133				1,133		1,133
1999	1,128				1,128		1,128
1998	819				819		819
	<u>\$ 2,710,204</u>	<u>\$ 27,769</u>	<u>\$ 8,098</u>	<u>\$ 1,544</u>	<u>\$ 2,728,331</u>	2,658,986	<u>\$ 69,345</u>
			Interest and liens			13,797	
			Suspense collections			<u>1,047</u>	
			Total collections			2,673,830	
			Liens remitted to the Town of Cromwell			(1,296)	
			Property taxes receivable considered available:				
			June 30, 2013			(24,259)	
			June 30, 2014			<u>22,884</u>	
			Total Property Tax Revenue			<u>\$ 2,671,159</u>	

CROMWELL FIRE DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

	<u>Special Revenue</u>					<u>Interfund Elimination</u>	<u>Nonmajor Governmental Funds</u>
	<u>Public Safety Tower</u>	<u>Ambulance Billing</u>	<u>Fire Department</u>	<u>Sick Benefits</u>	<u>Memorial</u>		
ASSETS							
Cash and cash equivalents	\$ 617,749	\$ 135	\$ 30,707	\$ 71,892	\$ 35,896	\$	\$ 756,379
Accounts receivable	7,750						7,750
Due from other funds	24,075					(24,075)	
Total Assets	\$ 649,574	\$ 135	\$ 30,707	\$ 71,892	\$ 35,896	\$ (24,075)	\$ 764,129
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payables	\$ 62,502	\$	\$ 648	\$	\$	\$	\$ 63,150
Due to other funds			6,669	17,406		(24,075)	
Total liabilities	62,502	-	7,317	17,406	-	(24,075)	63,150
Fund Balances:							
Restricted					35,896		35,896
Committed	587,072		23,390	54,486			664,948
Assigned		135					135
Total fund balances	587,072	135	23,390	54,486	35,896	-	700,979
Total Liabilities and Fund Balances	\$ 649,574	\$ 135	\$ 30,707	\$ 71,892	\$ 35,896	\$ (24,075)	\$ 764,129

CROMWELL FIRE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Special Revenue</u>					<u>Interfund Elimination</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Public Safety Tower</u>	<u>Ambulance Billing</u>	<u>Fire Department</u>	<u>Sick Benefits</u>	<u>Memorial</u>		
Revenues:							
Charges for services	\$ 240,080	\$	\$	\$	\$	\$	\$ 240,080
Investment income			3	6			9
Other	130,000		37,846		6,285		174,131
Total revenues	<u>370,080</u>	<u>-</u>	<u>37,849</u>	<u>6</u>	<u>6,285</u>	<u>-</u>	<u>414,220</u>
Expenditures:							
Public safety			26,894				26,894
Building and utilities	260,211						260,211
Insurance and benefits				1,500			1,500
Other					2,000		2,000
Total expenditures	<u>260,211</u>	<u>-</u>	<u>26,894</u>	<u>1,500</u>	<u>2,000</u>	<u>-</u>	<u>290,605</u>
Excess (Deficiency) of Revenues over Expenditures	109,869	-	10,955	(1,494)	4,285	-	123,615
Other Financing Uses:							
Transfers out	<u>(32,000)</u>						<u>(32,000)</u>
Net Change in Fund Balances	77,869	-	10,955	(1,494)	4,285	-	91,615
Fund Balances at Beginning of Year	<u>509,203</u>	<u>135</u>	<u>12,435</u>	<u>55,980</u>	<u>31,611</u>	<u>-</u>	<u>609,364</u>
Fund Balances at End of Year	<u>\$ 587,072</u>	<u>\$ 135</u>	<u>\$ 23,390</u>	<u>\$ 54,486</u>	<u>\$ 35,896</u>	<u>\$ -</u>	<u>\$ 700,979</u>

CROMWELL FIRE DISTRICT

VOLUNTEER ACTIVITY - AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>
Assets:				
Cash and cash equivalents	\$ 49,388	\$ 72,099	\$ 68,161	\$ 53,326
Liabilities:				
Due to volunteers	\$ 49,388	\$ 72,099	\$ 68,161	\$ 53,326