

BLUFFTON TOWNSHIP FIRE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED

JUNE 30, 2015



JOHN THOMPSON, CHIEF

BOARD OF DIRECTORS

ED OLSEN, CHAIRMAN
ROBERT ROGERS, SECRETARY
JOE PAOLO, TREASURER
THOMAS MIKE, JR
MIKE RAYMOND
LOUISE HAAKER
ELAINE LUST

PREPARED BY:
ADMINISTRATIVE DIVISION

**Bluffton Township Fire District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

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INTRODUCTORY SECTION



BLUFFTON TOWNSHIP FIRE DISTRICT

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BLUFFTON, SOUTH CAROLINA 29909
843-757-2800 • FAX 843-757-7305**

October 20, 2015

The Honorable Members of the Fire Commission and the Citizens of the Bluffton Township Fire District of Beaufort County, South Carolina

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Bluffton Township Fire District for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the District has established a comprehensive internal control framework, that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, Bluffton Township Fire District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Crowley Wechsler & Associates LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Bluffton Township Fire District's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Bluffton Township Fire District was established on June 26, 1978 and is located in Beaufort County, South Carolina. It is 75 miles south of Charleston, South Carolina and 45 miles north of Savannah, Georgia. The Beaufort County Council created the Bluffton Township Fire District by Ordinance 78-6, adopted June 26, 1978. The first District was created and was comprised of all properties in Beaufort County south of the Broad River with the exception of Jenkins Island, Hilton Head Island, and Daufuskie Island. Ordinance 94-14 adopted June 27, 1994 amended the original ordinance to include Jenkins Island.

The District operates as a special purpose tax district. Policy-making and legislative authority are vested in a governing board consisting of seven members. The governing board is responsible, among other things for passing policies, recommending the budget, appointing committees, and hiring both the district's chief and attorney. The fire chief is responsible for carrying out policies of the governing board, for overseeing the day-to-day operations of the district, and for appointing the heads of various departments. The seven board members are each appointed to four-year staggered terms, with three board members elected every two years.

The District maintains eight fire stations and provides 24 hour fire and emergency services to the resident's within the 246 square miles that make up the Fire District. Emergency services include fire suppression, emergency medical response, specialized and technical rescue response, as well as hazardous materials emergency response. In addition, the Fire District also conducts a comprehensive fire prevention program which includes a strong public education component. The District provides its own vehicle maintenance program, which now includes all Bluffton police and Town vehicles as well.

The annual budget serves as the foundation for the District's financial planning and control. All departments of Bluffton Township Fire District are required to submit requests for appropriations to the Fire Chief on or before the first day of January of each year. The Fire Chief uses these requests as the starting point for developing a proposed budget. The Fire Chief then presents this proposed budget to the board members for review prior to March 1 of each year. The board members present their recommended budget to the Beaufort County Council in order to adopt a final budget no later than June 30th, the close of the District's fiscal year. The appropriated budget is prepared by fund and account category. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the Fire Chief at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 47-49 as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

Beaufort County continues to be one of the fastest growing areas in South Carolina. Total County population according to the 2010 US Census was 162,233. This equates to a population increase of 134% since the 2000 Census. The majority of the growth in the County occurred south of the Broad River, which is the area protected by the Fire District. For example, the population of the area protected by the Bluffton Township Fire District was 19,044 according to the 2000 Census, but had increased almost threefold to 52,777 in the 2010 Census. The majority of this growth can be attributed to the establishment of Sun City Hilton Head and several tract style housing developments within the borders of the Fire District. As of the last update to the Southern Beaufort County Comprehensive Plan approximately 89% of the available land area within the Fire District was already permitted for construction or under the control of a development agreement.

As the number of housing units has increased, several commercial developments have also been constructed. Among these are several large retail chain stores, hotels, and restaurants such as Target, Lowe's, Home Depot, Kroger, Olive Garden, Outback, Longhorn, Michaels, Big Lots, Hampton Inn, Fairfield Inn, Hilton Garden Inn, Dicks Sporting Goods and Publix to name a few. In addition, two large retail outlet centers have also been developed by the Tanger Corporation. Each of these outlet malls features more than 50 high end factory retail stores. There are also several smaller strip mall type developments each providing a variety of services and shopping options. Evi-Core National has chosen Bluffton as its national headquarters and now maintains two office buildings in the District with a staff approaching 500 employees.

Toward the end of FY13, the local economy began to show some very modest return, after the recession, especially in the construction of new homes in some of the larger gated communities. Many of the foreclosures in the area have cleared the books and there is indication some of the housing inventory is starting to fill which is adding to modest return in home values. This trend not only continued throughout FY14 but is continuing its forward progress, construction actually increased dramatically. Home values continue to rise, with commercial development still remaining a bit slower but a large national retailer is in the process of developing over 300,000 square feet of new store space in the District. In addition, the Inn at Palmetto Bluff is under renovation and is expanding to include an additional 150,000 square feet of space. Other commercial developments opening their doors in the District during 2015 were a Chipotle Restaurant, ACE Hardware, and a new craft beer brewery. Currently there are several large, name brand retail and wholesale, stores applying for building permits in the District.

Looking ahead to FY16 there is nothing to indicate the situation should not continue to improve. The United States Marine Corps is in the process of training several new F-35 squadrons which will be stationed at the Marine Corps Air Station (MCAS) Beaufort. Historically not only has Beaufort seen growth from new squadrons but so has the Bluffton area, especially the tract neighborhoods. Several of these neighborhoods such as Palmetto Pointe, Cypress Ridge, Lawton Station, Heritage at New Riverside, and Midpoint are already seeing significant construction as a result of new marines coming into the area. Beaufort County School Board has constructed and opened a new middle school in the district and has a new high school being constructed at this time to open next year.

Long-term Financial Planning

One of the District's primary concerns is that the necessary planning and growth management tools are implemented to assure the future cost of providing District services does not exceed the revenues generated from depressed growth. In 2007 the District completed and adopted a five year strategic plan that included a comprehensive financial component. That plan was significantly updated and re-written in 2014 to address changes that were occurring and planned to occur within the District. The new plan is designed to provide for the District's needs for the next five years and focuses on standard development within the fire department towards a goal of achieving national accreditation through the Center for Public Safety Excellence (CPSE). The CPSE is internationally recognized as the "gold standard" for accreditation of fire and emergency services. This will require the District to better identify and clarify its response standards and create more efficiency in its policies, procedures, management, and leadership. The result will be a Bluffton Township Fire District that is prepared to meet the challenges of the present day as well as the future.

Relevant Accounting Policies

Internal Controls – Internal controls are procedures that are designed to protect assets from loss, theft, or misuse; to check the accuracy and reliability of accounting data; to promote operational efficiency; and to encourage compliance with managerial policies. The management of the District is responsible for establishing a system of internal controls designed to provide reasonable assurance these objectives are met.

Budgetary Controls – The District maintains budgetary controls which are designed to ensure compliance with legal provisions of the annual budget adopted by Council. It is the District's objective to conduct an open budget process providing for input from department administrators, top management, appointed officials, and the public as the District's programs and services are determined for the next year.

The District adopted GASB Statement No. 45, "*Post Employment Benefits*" effective for fiscal year 2010. The plan has remained unfunded as of June 30, 2011. Beaufort County Council voted to rescind Resolution 2003-23, "Health Care Benefit for Retired Employees", effective July 1, 2016. This vote passed unanimously by the eleven member council.

The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required a restatement of the beginning net position in governmental activities.

Major Initiatives

There are three (3) major initiatives upon which the District will be working in the near future. Those initiatives required the District to take on approximately \$8.0 million in debt. The debt involved the sale of general obligation bonds early in 2015.

The first initiative is the construction of a new garage/repair/maintenance center. The Fire District conducts routine and heavy maintenance on all of the District's vehicles, small equipment, and buildings. The District also provides vehicle maintenance service to the Town of Bluffton. The current shop is a rented space and is drastically undersized for the needs of the Maintenance Division. The new facility will be constructed on property already owned by the District behind the Burnt Church Road Fire Station. The estimated cost of the facility is \$2.5 million dollars. Currently this project is under contract with an estimated ground breaking in November 2015.

The second initiative is the purchase of new fire engines for the District. As the District continues to grow, it becomes increasingly important to standardize as much as possible to provide for efficient and cost effective emergency services. The District's fire engine fleet is becoming old and maintenance costs are steadily increasing. The District conducting a cost study and determined now is the time to replace the fleet. By utilizing the purchasing plan now the District looks to save dollars over the next ten years. The estimated cost of the fleet replacement is \$4.0 million dollars. This project is under contract with an estimated completion in fiscal year 2016.

The third initiative is the construction of a training facility/area. The new facility will allow the members of the District to train within the District. Currently, the District utilizes similar facilities in Beaufort and Hilton Head using overtime to cover the stations when crews must leave the District to train. The new facility is designed to meet the needs of the District for at least the next 25 years. The estimated cost of the training facility/area is \$1.0 million dollars. There has been an RFP submitted for this project with two contractors qualifying. We are waiting for their "Best and Final Offer" to make a determination of which contractor to solicit.

The District's latest Strategic Plan can be found on the District's website at www.blufftonfd.com and provides detail on each of the above projects as well as the costing studies involved.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement in Financial Reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. This is the fifth year that the District has prepared a comprehensive annual financial report.

A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to certificate of achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the comprehensive annual financial report was made possible by the cooperation of the department heads and staff of the District. Each of these individuals has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,



John W. Thompson, Jr.
Fire Chief



Paul Boulware
Deputy Fire Chief



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

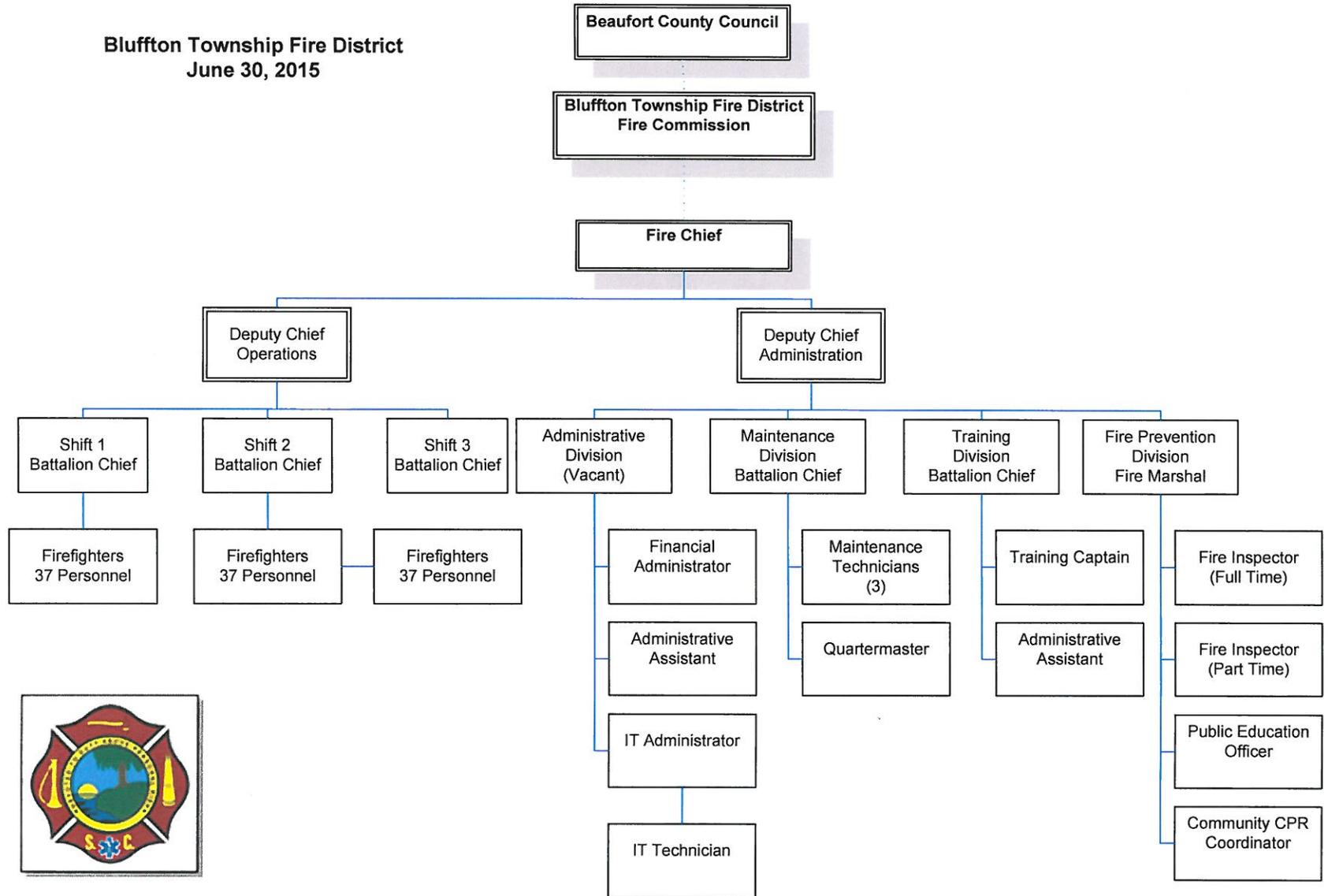
**Bluffton Township Fire District
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**Bluffton Township Fire District
June 30, 2015**



**BLUFFTON TOWNSHIP FIRE DISTRICT
SOUTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015**

TITLE	NAME (TERM)
Chairman.....	Ed Olsen (2/17)
Treasurer.....	Joseph Paolo (2/18)
Secretary.....	Robert Rogers (2/17)
Board Member.....	Louise Haaker (2/16)
Board Member.....	Elaine Lust (2/16)
Board Member.....	Thomas Mike, Sr. (2/18)
Board Member.....	Mike Raymond (2/18)
Fire Chief.....	John Thompson
Deputy Fire Chief.....	Paul Boulware



FINANCIAL SECTION



Richard D. Crowley, CPA CVA
Lisa T. Wechsler, CPA CFE

CROWLEY WECHSLER & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.CWACPAS.com

BEAUFORT ~ MOUNT PLEASANT

Member:
American Institute of CPAs
South Carolina Association of CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bluffton Township Fire District
Bluffton, South Carolina

We have audited the accompanying financial statements of the governmental activities and each major fund of Bluffton Township Fire District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers 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 and each major fund of the District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As discussed in Note 13 in the financial statements, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and historical pension information on pages 11–18 and 47–51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section 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 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Crowley Wechsler & Associates LLC
Beaufort, South Carolina
October 20, 2015



Bluffton Township Fire District Management's Discussion and Analysis

As management of Bluffton Township Fire District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015.

Financial Highlights

- The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required a restatement of the beginning net position by \$10,887,233 and reporting the net pension liability of \$10,871,814 at June 30, 2015.
- Liabilities and deferred inflows of the District exceed its assets and deferred outflows at the close of the most recent fiscal year by \$5,991,598 (net position). Of this amount, \$950,479 (restricted net position) represents net assets restricted for debt payments, capital projects, and employee recruitment and retention. Another \$8,043,841 represents the net investment in capital assets less depreciation and debt on those assets. The remaining balance of \$(14,985,918) represents a deficit in unrestricted net position. The District's total net position decreased by \$1,425,314 for the year ended June 30, 2015.
- As of the close of the current fiscal year the District's governmental funds reported a combined ending fund balance of \$10,720,564, an increase of \$8,332,778. This increase was mainly the result of \$8,356,460 in proceeds from the issuance of general obligation bonds near year end.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows and outflows of resources with the difference reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported on a full accrual basis, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are supported by general revenues such as taxes and fees. The governmental activities of the District include programs related to public safety for fire protection. The District currently has no business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been grouped for specific activities. The District like other public agencies use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the programs of the District can be divided into governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the two for similar activities and programs. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in this comparison of governmental programs and governmental activities.

The District maintains five individual governmental programs. Information is presented by expenditure category in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund.

The District adopts an annual budget for the general fund. A statement comparing actual to budgeted revenues and expenditures has been provided to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's programs. The accounting for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a public government's financial position. In the case of the Bluffton Fire District, liabilities and deferred inflows exceeded assets and deferred outflows by \$5,991,598 for 2015, and assets and deferred outflows exceeded liabilities and deferred inflows by \$6,320,949 for 2014. The following table reflects the condensed government-wide statement of net position.

BLUFFTON TOWNSHIP FIRE DISTRICT NET POSITION		
	Governmental Activities	
	2015	2014
Current Assets	\$ 11,166,547	\$ 2,889,418
Capital Assets - net	8,088,680	8,457,300
Total Assets	<u>19,255,227</u>	<u>11,346,718</u>
Deferred Outflow of Resources	<u>1,194,868</u>	-
Current Liabilities	271,856	356,407
Long-term Liabilities	24,927,231	4,669,362
Total Liabilities	<u>25,199,087</u>	<u>5,025,769</u>
Deferred Inflow of Resources	<u>1,242,606</u>	-
Net Position		
Net Investment in Capital Assets	8,043,841	8,457,300
Unrestricted	(14,985,918)	(3,006,436)
Restricted	950,479	870,085
Total Net Position	<u>\$ (5,991,598)</u>	<u>\$ 6,320,949</u>

The largest portion of the District's net position \$8,043,841 reflects its net investment in capital assets less the accumulated depreciation on capital assets and related debt. The \$950,479 represents the net position restricted for capital projects, debt payments, and employee recruitment and retention with \$900,885 of that amount being restricted for capital projects. The remaining net position of \$(14,985,918) is a deficit in unrestricted. Net position decreased \$1,425,314 from operations, and decreased \$10,887,233 for a prior period restatement related to the implementation of GASB 68.

Governmental activities. The District's total net position decreased by \$1,425,314. The prior period restatement represents the implementation of GASB 68. Key elements of this decrease are as shown in the following table.

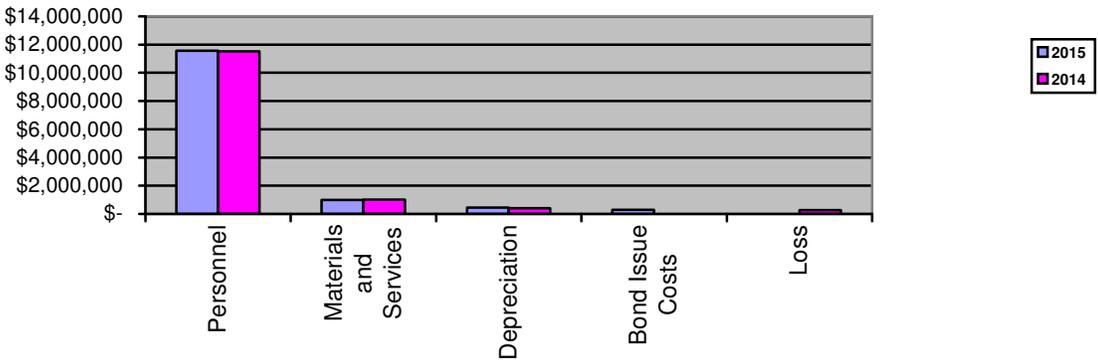
BLUFFTON TOWNSHIP FIRE DISTRICT CHANGE IN NET POSITION

	Governmental Activities	
	2015	2014
Expenses		
Public Safety - Fire Protection		
Personnel	\$ 11,571,358	\$ 11,524,137
Materials and services	984,311	1,013,899
Depreciation	446,585	402,150
Bond Issue Costs	285,576	-
Loss on Dispositions	-	260,387
Total expenses	<u>13,287,830</u>	<u>13,200,573</u>
General Revenues		
Taxes	11,093,230	10,160,601
Fees	767,063	1,185,829
Interest	2,185	3,352
Miscellaneous	38	6,038
	<u>11,862,516</u>	<u>11,355,820</u>
Change in Net Position	(1,425,314)	(1,844,753)
Net Position - Beginning	6,320,949	8,165,702
Restatement of Net Position for GASB 68	<u>(10,887,233)</u>	<u>-</u>
Net Position - Ending	<u>\$ (5,991,598)</u>	<u>\$ 6,320,949</u>

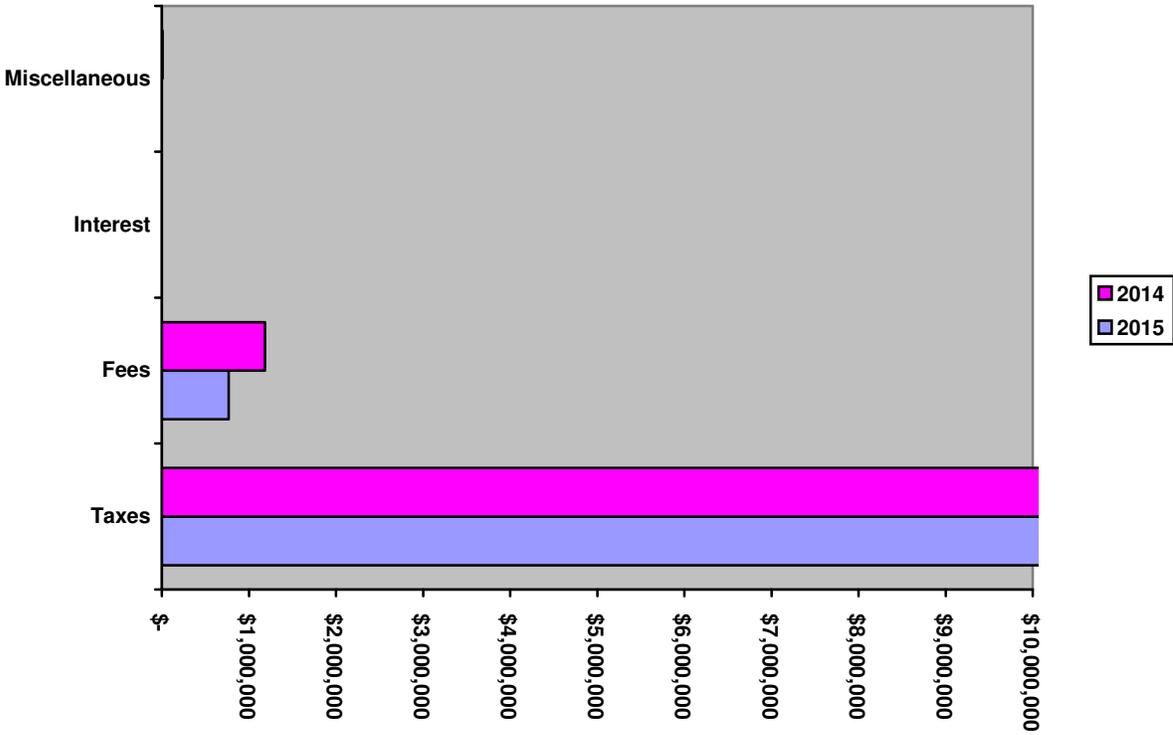
Highlights:

- Taxes increased due to increase in assessed value of the mill. Mill value for tax year 2013 was \$443,535 while tax year 2014 was \$451,445.
- Materials and Services are consistent with the prior year.
- Depreciation is up due to construction for Station 30 being completed during the prior year.
- Fees decreased during year 2015 because of approximately a \$450,000 decrease in impact fees.

Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,720,564, an increase of \$8,332,778. The major governmental funds consist of the general fund, the capital project fund, the debt service fund, the impact fund, and the one percent fee fund. This increase can be attributed to the following:

- The general fund decreased \$58,075. The District was over budget with personnel expenses in the amount of \$419,480. Administrative costs were under budget by \$10,582, equipment was under budget by \$102,030, utilities were under budget by \$14,157, and maintenance costs were under budget by \$59,203. The District kept its training expenses under budget in the amount of \$9,887 while capital outlay was under budget by \$1,674.
- The impact fund increased by \$368,410 with receipts of \$368,410 in the fund and no expenditures.
- The decrease of \$4,787 in the one percent fee fund represented the collections of \$321,138 less expenditures of \$325,925.
- The District added a capital project fund in 2015 totaling \$8,026,363. The capital project fund was added to account for the proceeds from a general obligation bond restricted for the purchase and construction of capital assets. During the year \$44,839 was expended for the construction of a maintenance facility and \$214,633 was transferred to the debt service fund to fund the related bond issue costs charged to the debt service fund.
- The debt service fund increased \$867 due to property tax collected in that amount. As mentioned above, \$285,576 of bond issue costs were paid from the debt service fund and only \$70,943 of bond proceeds received. To eliminate the deficit caused by the bond issue costs a transfer of \$214,633 was made from the bond proceeds.

As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned portion in the amount of \$1,370,959 represents 12.3% of the total expenditures for operations.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental type activities as of June 30, 2015 amounts to \$8,043,841 (net of accumulated depreciation and related debt) compared to \$8,457,300 for June 30, 2014. This investment in capital assets includes land and improvements, construction in progress, buildings and improvements, furniture and equipment, vehicles, and related debt. New assets added during the fiscal year 2015 were \$77,965 and include \$57,354 for the construction in process of the maintenance facility, \$11,500 for a fuel truck, and \$9,111 for a heart monitor. In June of 2015, the District obtained bond proceeds of \$8,356,460 for the purchase of future capital assets. As of June 30, 2015, \$44,839 of the bond proceeds have been used for the construction of a new maintenance facility. The \$44,839 portion of bonds proceeds is considered related debt reducing net investment in capital assets. Depreciation expense was \$446,585 for the year compared to \$402,150 in the prior year. The increase in depreciation expense was a result of construction being completed for two fire stations in the prior year.

BLUFFTON TOWNSHIP FIRE DISTRICT CAPITAL ASSETS NET OF DEPRECIATION

	Governmental Activities	
	2015	2014
Construction in Progress	\$ 57,354	\$ -
Land	1,872,395	1,872,395
Buildings and Improvements	4,329,290	4,474,745
Vehicles	1,685,233	1,940,985
Furniture and Equipment	144,408	169,175
Total	<u>\$ 8,088,680</u>	<u>\$ 8,457,300</u>

Long-term obligations. At the end of the current fiscal year, the District had balances due on post retirement benefits, compensated absences, net pension liability, general obligation bonds, and bond premiums. Net pension liability related to the implementation of GASB 68 resulted in a new liability of \$10,871,814. The opening pension liability at July 1, 2014 was \$11,752,134 resulting in a net decrease of \$880,320 in pension liability during the year. Long-term obligations consisted of the following amounts:

BLUFFTON TOWNSHIP FIRE DISTRICT LONG TERM OBLIGATIONS

	Governmental Activities	
	2015	2014
General Obligation Bonds	\$ 8,080,000	\$ -
Bond Premiums	275,298	-
Net Pension Liability*	10,871,814	11,752,134
Post Retirement Health Benefits	5,425,872	4,382,216
Compensated Absences	274,247	287,146
Total	<u>\$ 24,927,231</u>	<u>\$ 16,421,496</u>

*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in the fiscal year ended June 30, 2015. The net position was restated for the net pension liability as of July 1, 2014.

Additional information on long-term obligations can be found in note 5.

Economic Factors and Next Year's Budgets

On July 31, 2015, the District entered into a contract to purchase 10 new fire trucks for \$4,126,920 through the capital project funds. The District is in the process of constructing a new maintenance facility which is expected to be completed during the year costing an estimated \$2,750,000. It plans to pay off the related bond proceeds used to purchase the fire trucks and construct the maintenance facility through tax collected in the debt service fund.

The 2014-2015 approved operations budget of \$11,678,943 is to be funded with a tax levy of 24.02 mills. The debt service fund will be funded with a tax levy of 1.22 mills.

Requests for information

This financial report is designed to provide a general overview of Bluffton Township Fire District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief, Bluffton Township Fire District, 357 Fording Island Road, Bluffton, South Carolina, 29909.



BASIC FINANCIAL STATEMENTS

**BLUFFTON TOWNSHIP FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Governmental Activities
ASSETS	
Cash	\$ 124,090
Accounts Receivable	247,494
Due from Beaufort County	10,706,296
Prepaid Insurance	88,667
Capital Assets, not being depreciated	1,929,749
Capital Assets, being depreciated	6,158,931
Total Assets	19,255,227
DEFERRED OUTFLOW OF RESOURCES	
Deferred Outflow for Pension	1,194,868
Total Deferred Outflow of Resources	1,194,868
LIABILITIES	
Accounts Payable	34,626
Interest Payable	23,764
Due to Beaufort County	213,466
Noncurrent Liabilities	
Due within one year	382,425
Due in more than one year	24,544,806
Total Liabilities	25,199,087
DEFERRED INFLOW OF RESOURCES	
Deferred Inflow for Pension	1,242,606
Total Deferred Inflow of Resources	1,242,606
NET POSITION	
Unrestricted (deficit)	(14,985,918)
Restricted for debt payments	1,167
Restricted for capital projects	900,885
Restricted for employee recruitment and retention	48,427
Net investment in capital assets	8,043,841
Total Net Position	\$ (5,991,598)

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Governmental Activities
EXPENSES	
Public Safety - Fire Protection	
Personnel	\$ 11,571,358
Depreciation	446,585
Administration	434,414
Maintenance	302,601
Bond Issue Costs	285,576
Equipment	93,910
Training	68,722
Utilities and Services	62,062
Interest	22,602
Total Program Expenses	13,287,830
Net Program Expense	13,287,830
 GENERAL REVENUES	
Property Taxes	11,093,230
Fees	767,063
Interest Income	2,185
Miscellaneous	38
Total General Revenues	11,862,516
Change in Net Position	(1,425,314)
Net Position, Beginning of year	6,320,949
Restatement of Net Position for GASB-68 (note 5)	(10,887,233)
Net Position, End of year	\$ (5,991,598)

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	GOVERNMENTAL FUND TYPES					TOTAL
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECT FUND	IMPACT FUND	ONE PERCENT FUND	
ASSETS						
Cash	\$ 124,090	\$ -	\$ -	\$ -	\$ -	\$ 124,090
Accounts Receivable	247,484	10	-	-	-	247,494
Due from Beaufort County	1,206,441	-	8,266,447	1,184,981	48,427	10,706,296
Due from Other Funds	-	214,633	-	-	-	214,633
Prepaid Expenses	88,667	-	-	-	-	88,667
Total Assets	<u>\$ 1,666,682</u>	<u>\$ 214,643</u>	<u>\$ 8,266,447</u>	<u>\$ 1,184,981</u>	<u>\$ 48,427</u>	<u>\$ 11,381,180</u>
LIABILITIES						
Accounts Payable	\$ 9,175	\$ -	\$ 25,451	\$ -	\$ -	\$ 34,626
Due to Beaufort County	-	213,466	-	-	-	213,466
Due to Other Funds	-	-	214,633	-	-	214,633
Total Liabilities	<u>9,175</u>	<u>213,466</u>	<u>240,084</u>	<u>-</u>	<u>-</u>	<u>462,725</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues - Property Taxes	197,881	10	-	-	-	197,891
Total Deferred Inflows of Resources	<u>197,881</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,891</u>
FUND BALANCES						
Unassigned	1,370,959	-	-	-	-	1,370,959
Nonspendable	88,667	-	-	-	-	88,667
Restricted	-	1,167	8,026,363	1,184,981	48,427	9,260,938
Total Fund Balances	<u>1,459,626</u>	<u>1,167</u>	<u>8,026,363</u>	<u>1,184,981</u>	<u>48,427</u>	<u>10,720,564</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,666,682</u>	<u>\$ 214,643</u>	<u>\$ 8,266,447</u>	<u>\$ 1,184,981</u>	<u>\$ 48,427</u>	<u>\$ 11,381,180</u>

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total net position reported for governmental activities in the statement of net assets is different because:

Total fund balances for governmental funds	\$ 10,720,564
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Capital assets used in District's activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and Improvements	\$ 1,872,395	
Construction in Progress	57,354	
Buildings and Improvements, net of \$1,419,567 accumulated depreciation	4,329,290	
Vehicles, net of \$3,183,919 accumulated depreciation	1,685,233	
Furniture and Equipment, net of \$227,421 accumulated depreciation	<u>144,408</u>	
Total Capital Assets		8,088,680

Some of the District's receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows in the funds.

197,891

Deferred outflows and inflows of resources represents amounts applicable to future periods and, therefore are not reported in the funds

Deferred outflows of resources:

Related to pensions	1,194,868	
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Deferred inflows of resources:

Related to pensions	<u>(1,242,606)</u>	
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Total deferred outflows and inflows of resources

(47,738)

Long-term liabilities applicable to the District's activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities --both current and long-term--are reported in the statement of net position.

Balances at June 30, 2015 are:

Interest Payable	(23,764)	
Accrued Vacation	(274,247)	
Accrued Other Post Employment Benefits	(5,425,872)	
Bonds and Notes Payable	(8,355,298)	
Net Pension Liability	<u>(10,871,814)</u>	
Total Long-Term Liabilities		<u>(24,950,995)</u>

Total net position of governmental activities

\$ (5,991,598)

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

BLUFFTON TOWNSHIP FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	GOVERNMENTAL FUND TYPES					TOTAL
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECT FUND	IMPACT FUND	ONE PERCENT FUND	
REVENUES						
Property Taxes	\$ 11,039,697	\$ 867	\$ -	\$ -	\$ -	\$ 11,040,564
Fees	78,688	-	-	367,650	320,725	767,063
Interest Income	694	-	318	760	413	2,185
Miscellaneous Income	38	-	-	-	-	38
Total Revenues	<u>11,119,117</u>	<u>867</u>	<u>318</u>	<u>368,410</u>	<u>321,138</u>	<u>11,809,850</u>
EXPENDITURES						
Public Safety - Fire Protection						
Personnel	10,182,357	-	-	-	325,925	10,508,282
Administration	434,414	-	-	-	-	434,414
Utilities and Services	62,062	-	-	-	-	62,062
Maintenance	302,601	-	-	-	-	302,601
Training	68,722	-	-	-	-	68,722
Equipment	93,910	-	-	-	-	93,910
Capital Outlay	33,126	-	44,839	-	-	77,965
Total Expenditures	<u>11,177,192</u>	<u>-</u>	<u>44,839</u>	<u>-</u>	<u>325,925</u>	<u>11,547,956</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(58,075)</u>	<u>867</u>	<u>(44,521)</u>	<u>368,410</u>	<u>(4,787)</u>	<u>261,894</u>
OTHER FINANCING SOURCES (USES)						
Proceeds of Debt	-	70,943	8,285,517	-	-	8,356,460
Bond Issue Costs	-	(285,576)	-	-	-	(285,576)
Transfers In	-	214,633	-	-	-	214,633
Transfers Out	-	-	(214,633)	-	-	(214,633)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,070,884</u>	<u>-</u>	<u>-</u>	<u>8,070,884</u>
Net Change in Fund Balances	(58,075)	867	8,026,363	368,410	(4,787)	8,332,778
Fund Balances, Beginning of year	1,517,701	300	-	816,571	53,214	2,387,786
Fund Balances, End of year	<u>\$ 1,459,626</u>	<u>\$ 1,167</u>	<u>\$ 8,026,363</u>	<u>\$ 1,184,981</u>	<u>\$ 48,427</u>	<u>\$ 10,720,564</u>

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances -- total governmental funds		\$ 8,332,778
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$77,965) was less than depreciation (\$446,585) in the current period.		(368,620)
Proceeds of debt are reported as a revenue in governmental funds. However, in the government wide statements proceeds of debt are treated as a liability.		(8,356,460)
Interest is recorded as paid in the governmental funds but is accrued as a liability in the governmental statements. Change in accrued liability.		(22,602)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes		52,666
Governmental funds report pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense		
Pension Contributions	\$ 903,941	
Cost of benefits earned net of employee contributions	<u>(936,260)</u>	
		(32,319)
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 governmental funds.		
Other Post Employment Benefits		(1,043,656)
Compensated Absences		<u>12,899</u>
Total change in net position of governmental activities		<u>\$ (1,425,314)</u>

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

	<u>One Percent Retirement Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ -	\$ 30,031
Investments		
Mutual Funds	2,980,242	-
Total Assets	<u>\$ 2,980,242</u>	<u>\$ 30,031</u>
LIABILITIES		
Due to Others	-	30,031
Total Liabilities	<u>-</u>	<u>\$ 30,031</u>
NET POSITION		
Held in trust for employee retirement	2,980,242	
Total Net Position	<u>\$ 2,980,242</u>	

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	One Percent Retirement Fund
Additions	
Employer Contributions	\$ 325,925
Interest and Dividend Income	10,916
Net increase in the fair value of investments	53,897
	390,738
 Deductions	
Employee Withdrawals	87,746
	87,746
 Change in Net Position	302,992
 Net Position, Beginning of Year	2,677,250
 Net Position, End of Year	\$ 2,980,242

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-Wide 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 primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by intergovernmental revenues and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The Bluffton Township Fire District was established on June 26, 1978 as a special purpose district within Beaufort County, South Carolina. Its purpose is to provide fire protection to the residents within the public service district, which includes all properties in Beaufort County, south of the Broad River, with the exception of Hilton Head and Daufuskie Islands. The District maintains six fire stations located in Bluffton, Callawassie, Pritchardville, Buckingham, Sun City, and Indian Hill areas of Beaufort County.

The District is an autonomous government whose appointed board controls its operations and fiscal accountability. The District is a separate reporting entity and is not a component unit of any other governmental entity. Beaufort County is a related party in that the Beaufort County Council has final approval of budget, assesses millage, collects taxes and prepares payroll for the District.

The accompanying financial statements present the combined financial positions and combined results of operations of the various fund types controlled by the District. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The District is not reporting any component units as described above.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District reports only governmental activities, as there are no business-type activities or component units.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* is used to account for the accumulated resources for, and the payment of, general long-term debt, principal, interest and related costs.

The *capital project fund* accounts for the acquisition of capital assets or construction of major capital projects funded by the issuance of general obligation debt.

The *impact fund* is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The *one-percent fund* contains funds collected by Beaufort County as a tax collected from insurance companies and made available to the District for certain specific purposes. Those purposes include retirement and insurance, training and education, and recruitment and retention.

The *fiduciary funds* are used to account for assets held on behalf of others. Currently, the District is holding donated funds for specific charities and has funds in a retirement annuity. The funds in the annuity account were contributed on behalf of employees.

The District does not report any proprietary funds at the present time.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts and allocated to the various programs as indirect cost allocations. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, operating grants and contributions and fees associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the end of May, the Chief submits to the District Commissioners a proposed operating budget covering the General Fund for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them.
2. After the budget is approved by the District Commissioners it is forwarded to the Beaufort County Council budget committee for review and approval. Any changes required by the county budget committee are made and approved by the Commission. The budget is then submitted to the Beaufort County Council for approval as part of the overall County budget.
3. The Beaufort County Council legally enacts the overall County budget through passage of a county ordinance.
4. Budget amounts as shown in the financial statements are as originally adopted with approved additions and reductions added or subtracted to the related budget items.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

Debt Service Fund, Capital Project Fund, Impact Fund, and One-Percent Fund – The District is not legally required to, and did not adopt a budget for these funds; accordingly, there are no budgetary comparisons in these financial statements for these funds.

The appropriated budget is prepared by fund. The Fire Chief is authorized to transfer budgeted amounts among various expenditure accounts. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The District may request supplemental budgetary appropriations from the Beaufort County Council throughout the year. However, the Beaufort County Council must approve any revisions that alter the total revenues or expenditures.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services (i.e., purchase order, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

Cash and Cash Equivalents

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.

Inventories and Prepaid Items

Inventories of the general fund consist of supplies held for consumption and are immaterial to the financial statements and accordingly are not recorded.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Capital assets, which include buildings, equipment, and vehicles, are reported in the net investment in capital assets on the statement of financial position. Capital assets are defined by the District as property and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-40 years
Equipment	3-15 years
Vehicles	5-15 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then. The statement of net position reports deferred outflows of resources related to its net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (expenses/expenditures) until then. The District has only one type of item, which arises only under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position reports deferred inflows related to its net pension liability.

Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purposes from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitation requiring the use of resources for specific resources. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the District that can, by vote prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another policy) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Commissioners has the ability to authorize the fire chief to assign fund balance. The Board of Commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operation or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

The County Ordinance provides for the taxation of all real and personal property located within the District's limits on the first day of January. Motor vehicle taxes are billed and collected by the County Treasurer on a monthly basis. Other personal and real property taxes are levied by the County after September of each year and become due and payable immediately upon receipt by the taxpayer. Real property taxes are delinquent after January 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. The property tax rate approved by ordinance for fiscal year 2015 was 24.02 mills.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

In the government-wide financial statements unused vacation leave liabilities are reported in the applicable governmental type columns.

In the fund financial statements, governmental funds are presented using the current financial resource measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets, therefore, compensated absences are reported only to the extent that they are payable from current activity.

Upon termination employees will be paid for any unused vacation days earned during the year. Terminated employees will not be paid for any carry-forward hours. Shift employees accrue vacation based on a 24 hour day, and administration employees accrue vacation based on an 8 hour day. Shift personnel are allowed to “carry-over” 120 total annual leave hours each calendar year from the previous year. Administrative personnel are allowed to “carry-over” 40 annual leave hours into the next calendar year from the previous year. Any excess annual leave hours not taken by January 1 of the new year, other than designated “carry-over” hours will be lost.

Weekly employees accrue sick leave at a rate of one day per month to a maximum of 90 days. Shift employees accrue sick leave at a rate of twelve hours (1/2 day) per pay period (every two weeks) to a maximum of 2,160 hours or 90 days. The Bluffton Fire District has no financial liability for its sick leave.

NOTE 2 DEPOSITS AND INVESTMENTS

As of June 30, 2015, the District had cash on deposit included in governmental funds of \$154,120. The fiduciary fund consisted of \$2,980,242 in investments for the one percent retirement fund being held for employees’ future retirement benefits.

Credit Risk – The District does not have an investment policy but follows state guidelines for investments. The investments of the District include a repurchase agreement invested in government securities and construction funds invested in short-term government securities, which mature daily.

Interest Rate Risk – The District does not have an investment policy. Maturities on repurchase agreements are from 1 to 5 days. Maturities on certificate of deposits are 12 months or less.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2015, the District’s bank balance of \$221,325 was fully insured through the FDIC.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 RECEIVABLES

Receivables at June 30, 2015, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements, respectively.

<u>Receivables</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Property taxes	\$ 249,397	\$ 10	\$ 249,407
Other receivables	4,821	-	4,821
Gross receivables	<u>254,218</u>	<u>10</u>	<u>254,228</u>
Allowance for uncollectible accounts	(6,734)	-	(6,734)
Net total receivables	<u>\$ 247,484</u>	<u>\$ 10</u>	<u>\$ 247,494</u>

Governmental funds report deferred inflows of revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of revenue and unearned revenue reported in the government funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 197,891	\$ -
Total	<u>\$ 197,891</u>	<u>\$ -</u>

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 1,872,395	\$ -	\$ -	\$ 1,872,395
Construction in progress	-	57,354	-	57,354
Total capital assets, not being depreciated	<u>1,872,395</u>	<u>57,354</u>	<u>-</u>	<u>1,929,749</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	5,748,857	-	-	5,748,857
Equipment	362,718	9,111	-	371,829
Vehicles	<u>4,857,652</u>	<u>11,500</u>	<u>-</u>	<u>4,869,152</u>
Total capital assets being depreciated	<u>10,969,227</u>	<u>20,611</u>	<u>-</u>	<u>10,989,838</u>
Less accumulated depreciation for:				
Buildings and improvements	1,274,112	145,455	-	1,419,567
Equipment	193,543	33,878	-	227,421
Vehicles	<u>2,916,667</u>	<u>267,252</u>	<u>-</u>	<u>3,183,919</u>
Total accumulated depreciation	<u>4,384,322</u>	<u>446,585</u>	<u>-</u>	<u>4,830,907</u>
Total capital assets being depreciated, net	<u>6,584,905</u>	<u>(425,974)</u>	<u>-</u>	<u>6,158,931</u>
Governmental activity capital assets, net	<u>\$ 8,457,300</u>	<u>\$ (368,620)</u>	<u>\$ -</u>	<u>\$ 8,088,680</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 CAPITAL ASSETS- CONTINUED

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

Governmental Activities

Public Safety - Fire Protection	\$ 446,585
Total depreciation expense - governmental activities	<u>\$ 446,585</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2015:

	June 30, 2014	Increases	Decreases	June 30, 2015	Due Within A Year
Compensated absences	\$ 287,146	\$ 671,166	\$ 684,065	\$ 274,247	\$ 27,425
Bond payable	-	8,080,000	-	8,080,000	355,000
Bond premium	-	276,460	1,162	275,298	-
Net pension liability*	11,752,134	954,079	1,834,399	10,871,814	-
OPEB	4,382,216	1,043,656	-	5,425,872	-
	\$ 16,421,496	\$ 11,025,361	\$ 2,519,626	\$ 24,927,231	\$ 382,425

* GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in the fiscal year ended June 30, 2015. The net position was restated for the net pension liability as of July 1, 2014.

Compensated Absences

Unused vacation leave liabilities are reported as incurred in the applicable governmental type activities columns in the government-wide financial statements. Employees of the district are entitled to vacation as follows:

0 to 6 months	3 Days
7 Months to 1 Year	3 Days per Quarter
1 to 4 Years	12 Days
5 to 9 Years	14 Days
10 to 14 Years	16 Days
15 to 19 Years	18 Days
20 to 25 Years	20 Days
Over 25 Years	22 Days

Employees will be paid only for unused current year's vacation days and will not be paid for any carryforward hours. Shift employees accrue vacation based on a 24 hour day, and administration employees accrue vacation based on an 8 hour day. A liability of \$274,247 has been recorded to reflect accrued vacation leave which includes 20.86% for related payroll costs for taxes and retirement. Compensated absences are paid from the general fund.

Weekly employees accrue sick leave at a rate of one day per month to a maximum of 90 days. Shift employees accrue sick leave at a rate of twelve hours (1/2 day) per pay period (every two weeks) to a maximum of 2,160 hours or 90 days. Upon separation from employment, any unused sick leave is lost.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

General Bond Obligation bonds

General Bond Obligation bonds payable at June 30, 2015 are comprised of the following:

Series 2015A General Obligation Bonds in the amount of \$8,080,000, obtained in June 2015, for the purpose of defraying the costs of purchasing and rehabilitating equipment and apparatuses, acquiring real property, constructing, rehabilitating, repurposing, demolishing, improving, equipping, and furnishing facilities of the District. The bonds are payable in 20 annual installments ranging from \$565,719 to \$570,525 and bear interest at 3.512078%.

At June 30, 2015, future debt service requirements for the general obligation bonds were as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Minimum Payment</u>
2016	\$ 355,000	\$ 215,476	\$ 570,476
2017	290,000	277,719	567,719
2018	300,000	269,019	569,019
2019	310,000	260,019	570,019
2020	315,000	250,719	565,719
2021-2025	1,775,000	1,063,095	2,838,095
2026-2030	2,175,000	666,282	2,841,282
2031-2035	2,560,000	281,363	2,841,363
	<u>\$ 8,080,000</u>	<u>\$ 3,002,329</u>	<u>\$ 11,363,692</u>

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, and gains or losses on refunding and defeasance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits

Plan Description – District employees who participated in the District’s health insurance plan and who retire from District service in accordance with the South Carolina Retirement System may have their health insurance continued. The plan is a single-employer plan that covers the current and former employees, including beneficiaries, of only one employer.

A Retirement Health Insurance Plan has been created by the District. It is intended for retirees only, who were employed by the District prior to July 1, 2009. Dependents of retirees are not covered in the plan. To be eligible for the Plan, the employee has to complete fifteen (15) or more years of continuous service immediately prior to retirement. After the employee has become eligible for Medicare, benefits will be reduced by the amount paid by Medicare or Medicaid. For those employees retiring on or after August 1, 2002 and who have not reached Medicare eligibility, in addition to the 15 year continuous service requirement, the retiree’s age plus years of continuous service must be equal to or greater than 65. The eligibility requirement is for normal retirees and those who may become disabled and retire. When the employee reaches the age of 65, they will convert to Medicare and the Retirement Health Insurance Plan will be their secondary insurance. The District may amend the Plan at any time. Retirees will be notified within 90 days prior to any change in policy.

Funding policy – The contribution requirements of plan members and the District are established and may be amended by the District Council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year ended June 30, 2015, the District’s contributed \$83,033 to the plan. This amount was paid from the general fund.

Annual OPEB Cost and Net OPEB Obligation - The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation:

Annual required contribution	\$ 1,192,642
Interest on net OPEB obligation	197,200
Adjustment to ARC	<u>(263,153)</u>
Annual OPEB cost (expense)	1,126,689
Contributions made	<u>(83,033)</u>
Increase in net OPEB obligation	1,043,656
Net OPEB obligation-beginning of year	<u>4,382,216</u>
Net OPEB obligation-end of year	<u>\$ 5,425,872</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Employer Amount Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 885,104	5.00%	\$ 43,918	\$ 3,302,952
2014	1,142,932	5.60%	63,668	4,382,216
2015	1,126,689	7.40%	83,033	5,425,872

Funded Status and Funding Progress - As of June 30, 2013, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$9,274,756, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,274,756. The covered payroll (annual payroll of active employees covered by the plan) was \$4,556,960 and the ratio of the UAAL to the covered payroll was 203.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The occurrences that must be considered include employee turnover, pay increases, disablement, retirement, deaths, and investment income on anticipated plan assets. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 4.5% after nine years. Both rates included a 4.0% inflation assumption. The actuarial value of assets is set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities value at 4.5%. The UAAL is being amortized on an open basis as a level percentage of projected payroll (assumed to increase at 3%) required to fully amortize the UAAL over a thirty year period.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2013	\$ -	\$ 6,262,081	\$ 6,262,081	0.0%	\$ 3,993,701	156.8%
6/30/2014	-	9,274,756	9,274,756	0.0%	5,543,393	167.3%
6/30/2015	-	9,274,756	9,274,756	0.0%	4,556,960	203.5%

Pension Plan

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

General Information about the Pension Plan

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation for SCRS and 5% for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year. Total employer contributions to the pension plan from the System were \$903,941 for the year ended June 30, 2015.

Required employee contribution rates for fiscal year 2014-2015 are as follows:

SCRS

Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation

PORS

Employee Class One	\$21 per month
Employee Class Two	8.41% of earnable compensation
Employee Class Three	8.41% of earnable compensation

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Required employer contributions for fiscal year 2014-2015 are as follows:

SCRS

Employer Class Two	10.75% of earnable compensation
Employer Class Three	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class One	7.80% of earnable compensation
Employer Class Two	13.01% of earnable compensation
Employer Class Three	13.01% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

At June 30, 2015, the District reported a liability of \$10,871,814 for its proportionate share of the net pension liability. The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>District Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 42,955,205,796	\$ 25,738,521,026	\$ 488,610	59.9%
PORS	\$ 5,899,529,434	\$ 3,985,101,996	\$ 10,383,204	67.5%

For the year ended June 30, 2015, the District recognized pension expense of \$941,035. At June 30, 2015, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 290,927	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,242,606
Contributions subsequent to the measurement date	903,941	-
Total	<u>\$ 1,194,868</u>	<u>\$ 1,242,606</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

\$903,941 reported as deferred outflow of resources related to pensions resulting from system contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	SCRS	PORS
2015	\$ (6,012)	\$ (228,490)
2016	(6,012)	(228,490)
2017	(6,012)	(228,490)
2018	(9,312)	(238,861)
Total	<u>\$ (27,348)</u>	<u>\$ (924,331)</u>

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	Levels off at 3.5%	Levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefits adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and Member of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term	5.0%	.09	.03
Domestic Fixed Income	13.0%	7.40	.26
Global Fixed Income	9.0%	4.90	.27
Global Public Equity	31.0%	7.80	2.42
Global Tactical Asset Allocation	10.0%	5.10	0.51
Alternatives	32.0%	35.40	2.39
Total Expected Real Return	100.0%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System'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. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.0% Decrease (6.5%)	Discount Rate (7.5%)	1.0% Increase (8.5%)
SCRS	\$ 632,292	\$ 488,610	\$ 368,738
PORS	\$ 14,510,258	\$ 10,383,204	\$ 6,968,410

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTE 6 RISK MANAGEMENT

The District purchases various insurance policies providing coverage of workers compensation, tort, property and casualty, liability and health insurance. Management believes that such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits.

The District has recorded insurance premium expenditures in the general fund expenditure categories. These expenditures do not include estimated claim losses and estimable premium adjustment. There have been no significant reductions in insurance coverage since the prior year.

NOTE 7 NET POSITION AND FUND EQUITY

The computation of the net position for net investment in capital assets is as follows:

Capital Assets	\$ 12,919,587
Less accumulated depreciation	(4,830,907)
Less debt	(44,839)
Net Investment in Capital Assets	<u>\$ 8,043,841</u>

The purpose of the restrictions reported in the statement of net position and the governmental funds balance sheet are as follows:

Debt payments	\$ 1,167
Capital projects	900,885
Employee recruitment and retention	48,427
Total Restricted Net Position & Fund Balances	<u>\$ 950,479</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – TRANSFERS BETWEEN FUNDS

During the year ended June 30, 2015, transfers of \$214,633 from the capital project fund were made to the debt service fund. The \$214,633 represents the net of bond proceeds totaling \$70,943 assigned to the debt service fund and bond issue cost of \$285,576 paid from the debt service fund.

NOTE 9 – SUBSEQUENT EVENTS

On August 11, 2015 the District purchased 10 new fire trucks for \$4,126,920 through the capital project fund. The trucks are expected to be placed in service during the year.

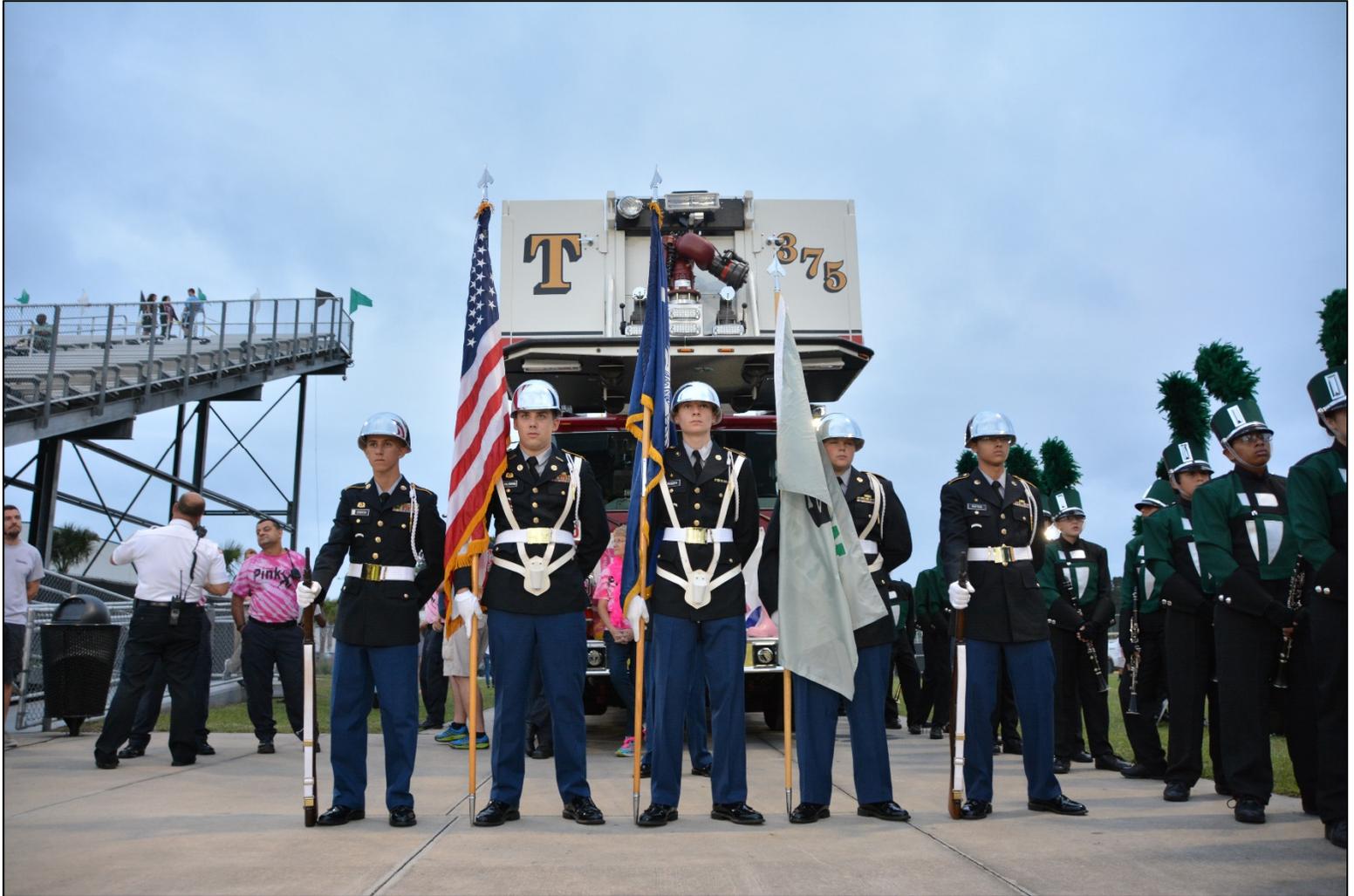
NOTE 10 – COMMITMENTS

On February 27, 2015 the District entered into a contract for the construction of a new maintenance facility for \$2,749,598. Construction is expected to be completed during the 2016 fiscal year and funded through the capital project fund. At June 30, 2015, a balance of \$2,730,210 remained on the contract with \$25,451 being included in accounts payable.

NOTE 11 – RESTATEMENT OF BEGINNING NET POSITION

In accordance with generally accepted accounting principles for fiscal year 2015, the District made prior period adjustments due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which require the restatement of the June 30, 2014 net position in Governmental Activities. The result is a decrease in net position at July 1, 2014 of \$10,887,233.

Net Position, June 30, 2014, as previously reported	\$ 6,320,949
Pension liability, net	<u>(10,887,233)</u>
Net Position, July 1, 2014, as restated	<u>\$ (4,566,284)</u>



REQUIRED SUPPLEMENTARY
INFORMATION

BLUFFTON TOWNSHIP FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Property Taxes	\$ 10,674,500	\$ 10,674,500	\$ 11,039,697	\$ 365,197
Fees	-	-	78,688	78,688
Interest Income	-	-	694	694
Miscellaneous	-	-	38	38
Total Revenues	<u>10,674,500</u>	<u>10,674,500</u>	<u>11,119,117</u>	<u>444,617</u>
EXPENDITURES				
Public Safety - Fire Protection				
Current				
Personnel				
Salaries	6,032,364	6,032,364	6,249,163	(216,799)
Overtime	570,104	570,104	595,635	(25,531)
Insurance Medical	1,471,988	1,471,988	1,646,537	(174,549)
Retirement	823,787	823,787	908,716	(84,929)
Social Security Payroll Taxes	382,034	382,034	403,117	(21,083)
Medicare Payroll Taxes	89,347	89,347	94,278	(4,931)
Workmans Compensation	375,003	375,003	258,774	116,229
Unemployment Taxes	15,750	15,750	14,740	1,010
Employee Recognition	2,500	2,500	11,397	(8,897)
Total Personnel	<u>9,762,877</u>	<u>9,762,877</u>	<u>10,182,357</u>	<u>(419,480)</u>
Administration				
Insurance Liability	110,000	110,000	109,673	327
Uniforms	55,268	55,268	54,803	465
Telephone	58,000	58,000	55,800	2,200
Internet and Cable	39,480	39,480	41,448	(1,968)
Facilities Rental	36,600	36,600	40,727	(4,127)
Vaccinations and Physicals	38,010	38,010	35,225	2,785
Accounting and Audit	16,500	16,500	25,709	(9,209)
Human Resources	13,362	13,362	12,446	916
Janitorial	9,044	9,044	10,849	(1,805)
Equipment Rental	4,360	4,360	8,261	(3,901)
Payroll Service	7,224	7,224	7,196	28
Legal Fees	5,000	5,000	6,840	(1,840)
Office Supplies	10,709	10,709	5,872	4,837
Dues and Subscriptions	13,449	13,449	5,184	8,265
Public Education Supplies	7,435	7,435	4,138	3,297
Software and Technical Support	4,760	4,760	2,357	2,403
Consulting	2,500	2,500	2,153	347
Hurricane	3,650	3,650	1,893	1,757
Postage	1,675	1,675	1,726	(51)
Advertising	7,250	7,250	883	6,367
Website Fees	720	720	758	(38)
Bank Charges	-	-	394	(394)

BLUFFTON TOWNSHIP FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE
	BUDGET	BUDGET	BUDGET	(UNFAVORABLE)
Business License	\$ -	\$ -	\$ 79	\$ (79)
Total Administration	<u>444,996</u>	<u>444,996</u>	<u>434,414</u>	<u>10,582</u>
Utilities and Services				
Electricity	46,746	46,746	38,099	8,647
Water	11,500	11,500	3,192	8,308
Stormwater	1,175	1,175	2,493	(1,318)
Pest Control	2,200	2,200	1,202	998
LP and Natural Gas	6,098	6,098	8,145	(2,047)
Garbage Pick-up	8,500	8,500	8,931	(431)
Total Utilities and Services	<u>76,219</u>	<u>76,219</u>	<u>62,062</u>	<u>14,157</u>
Maintenance				
Vehicle Maintenance	116,697	116,697	134,490	(17,793)
Equipment Maintenance	24,500	24,500	14,729	9,771
Communications Maintenance	12,100	12,100	7,831	4,269
Building Maintenance	35,865	35,865	24,307	11,558
Maintenance and Tech Support	15,080	15,080	15,928	(848)
Replacement Cycle Items	7,025	7,025	3,706	3,319
Medical Supplies	24,611	24,611	22,224	2,387
Fuel	108,000	108,000	69,080	38,920
Small Tools	17,925	17,925	10,306	7,619
Total Maintenance	<u>361,803</u>	<u>361,803</u>	<u>302,601</u>	<u>59,202</u>
Training				
Meals and Lodging	30,044	30,044	14,625	15,419
Training and Tuition	40,176	40,176	43,473	(3,297)
Travel Expenses	8,389	8,389	4,445	3,944
CPR	-	-	6,179	(6,179)
Total Training	<u>78,609</u>	<u>78,609</u>	<u>68,722</u>	<u>9,887</u>
Equipment				
Furniture and Fixtures	9,250	9,250	6,456	2,794
Appliances	6,500	6,500	4,654	1,846
Hardware Replacement	19,000	19,000	7,513	11,487
Supplies	160,500	160,500	74,137	86,363
IT Equipment	690	690	1,150	(460)
Total Equipment	<u>195,940</u>	<u>195,940</u>	<u>93,910</u>	<u>102,030</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	GENERAL FUND			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Capital Outlay				
Buildings and Equipment	\$ 34,800	\$ 34,800	\$ 33,126	\$ 1,674
Total Capital Outlay	<u>34,800</u>	<u>34,800</u>	<u>33,126</u>	<u>1,674</u>
 Total Expenditures	 10,955,243	 10,955,243	 11,177,192	 (221,949)
 Excess (Deficiency) of Revenues over Expenditures	 (280,743)	 (280,743)	 (58,075)	 222,668
 Net Change in Fund Balances	 (280,743)	 (280,743)	 (58,075)	 222,668
 Fund Balances, Beginning of year	 1,517,701	 1,517,701	 1,517,701	 -
 Fund Balances, End of year	 <u>\$ 1,236,958</u>	 <u>\$ 1,236,958</u>	 <u>\$ 1,459,626</u>	 <u>\$ 222,668</u>

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:

The basis of budgeting is the same as generally accepted accounting principles. The District adopts annual budgets for the general fund using the modified accrual basis. Appropriations lapse at the end of the year.

BLUFFTON TOWNSHIP FIRE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE PENSION PLAN
LAST TEN FISCAL YEARS

SCRS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	NA	0.002838%								
Proportionate Share of the Net Pension Liability	NA	\$ 488,610								
Covered-Employee Payroll	NA	\$ 269,079								
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	181.59%								
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	NA	59.90%								

PORS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	NA	0.54237%								
Proportionate Share of the Net Pension Liability	NA	\$ 10,383,204								
Covered-Employee Payroll	NA	\$ 6,522,053								
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	159.20%								
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	NA	67.50%								

NA - Not Available

**BLUFFTON TOWNSHIP FIRE DISTRICT
SCHEDULE OF CONTRIBUTIONS
STATE PENSION PLAN
LAST TEN FISCAL YEARS**

SCRS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Contractually Required Contribution	NA	\$ 29,334								
Contributions in Relation to the Contractually Required Contribution	NA	29,334								
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	\$ 269,079								
Contributions as a Percentage of Covered-Employee Payroll	NA	10.90%								

PORS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Contractually Required Contribution	NA	\$ 874,607								
Contributions in Relation to the Contractually Required Contribution	NA	874,607								
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	\$ 6,522,053								
Contributions as a Percentage of Covered-Employee Payroll	NA	13.41%								

NA - Not Available



SUPPLEMENTARY INFORMATION

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Cooking Team	This fund is used to account for receipts by the cooking team.
Emergency	This fund is used to account for donations to the firemen's relief fund.
Station 35	This fund is used for special activities.
Explorer Club	This fund is used to support the Explorer Post.
Auxiliary	This fund is used to account for contributions that are given to the community.

**BLUFFTON TOWNSHIP FIRE DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2015**

	<u>Cooking Team Fund</u>	<u>Emergency Fund</u>	<u>Station 35 Fund</u>	<u>Explorer Fund</u>	<u>Auxiliary Fund</u>	<u>Total</u>
ASSETS						
Cash	\$ 4,380	\$ 4,941	\$ 13,047	\$ 850	\$ 6,813	\$ 30,031
Total Assets	<u>\$ 4,380</u>	<u>\$ 4,941</u>	<u>\$ 13,047</u>	<u>\$ 850</u>	<u>\$ 6,813</u>	<u>\$ 30,031</u>
LIABILITIES						
Due to others	\$ 4,380	\$ 4,941	\$ 13,047	\$ 850	\$ 6,813	\$ 30,031
Total Liabilities	<u>\$ 4,380</u>	<u>\$ 4,941</u>	<u>\$ 13,047</u>	<u>\$ 850</u>	<u>\$ 6,813</u>	<u>\$ 30,031</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Cooking Team				
Assets				
Cash	\$ 4,590	\$ 20,540	\$ 20,750	\$ 4,380
Total Assets	<u>\$ 4,590</u>	<u>\$ 20,540</u>	<u>\$ 20,750</u>	<u>\$ 4,380</u>
Liabilities				
Due to others	\$ 4,590	\$ 20,540	\$ 20,750	\$ 4,380
Total Liabilities	<u>\$ 4,590</u>	<u>\$ 20,540</u>	<u>\$ 20,750</u>	<u>\$ 4,380</u>
Emergency				
Assets				
Cash	\$ 4,941	\$ -	\$ -	\$ 4,941
Total Assets	<u>\$ 4,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,941</u>
Liabilities				
Due to others	\$ 4,941	\$ -	\$ -	\$ 4,941
Total Liabilities	<u>\$ 4,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,941</u>
Station 35				
Assets				
Cash	\$ 16,936	\$ 11,763	\$ 15,652	\$ 13,047
Total Assets	<u>\$ 16,936</u>	<u>\$ 11,763</u>	<u>\$ 15,652</u>	<u>\$ 13,047</u>
Liabilities				
Due to others	\$ 16,936	\$ 11,763	\$ 15,652	\$ 13,047
Total Liabilities	<u>\$ 16,936</u>	<u>\$ 11,763</u>	<u>\$ 15,652</u>	<u>\$ 13,047</u>
Explorer				
Assets				
Cash	\$ -	\$ 6,470	\$ 5,620	\$ 850
Total Assets	<u>\$ -</u>	<u>\$ 6,470</u>	<u>\$ 5,620</u>	<u>\$ 850</u>
Liabilities				
Due to others	\$ -	\$ 6,470	\$ 5,620	\$ 850
Total Liabilities	<u>\$ -</u>	<u>\$ 6,470</u>	<u>\$ 5,620</u>	<u>\$ 850</u>
Auxiliary				
Assets				
Cash	\$ -	\$ 23,908	\$ 17,095	\$ 6,813
Total Assets	<u>\$ -</u>	<u>\$ 23,908</u>	<u>\$ 17,095</u>	<u>\$ 6,813</u>
Liabilities				
Due to others	\$ -	\$ 23,908	\$ 17,095	\$ 6,813
Total Liabilities	<u>\$ -</u>	<u>\$ 23,908</u>	<u>\$ 17,095</u>	<u>\$ 6,813</u>
Total All Agency Funds				
Assets				
Cash	\$ 26,467	\$ 62,681	\$ 59,117	\$ 30,031
Total Assets	<u>\$ 26,467</u>	<u>\$ 62,681</u>	<u>\$ 59,117</u>	<u>\$ 30,031</u>
Liabilities				
Due to others	\$ 26,467	\$ 62,681	\$ 59,117	\$ 30,031
Total Liabilities	<u>\$ 26,467</u>	<u>\$ 62,681</u>	<u>\$ 59,117</u>	<u>\$ 30,031</u>



STATISTICAL SECTION

**BLUFFTON TOWNSHIP FIRE DISTRICT
SOUTH CAROLINA**

STATISTICAL SECTION

This part of the Bluffton Township Fire District, South Carolina comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosure, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	56-59
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.	60-63
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	64-68
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help comparisons over time and with other governments.	69-70
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	71-73

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS**

Schedule 1

	<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>	<u>2015*</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 4,351,959	\$ 3,810,332	\$ 3,618,214	\$ 4,255,623	\$ 4,730,385	\$ 6,149,100	\$ 6,015,049	\$ 7,530,893	\$ 8,457,300	\$ 8,043,841
Restricted	1,432,503	1,140,543	3,055,572	2,384,856	2,241,287	1,028,712	1,022,468	610,753	870,085	950,479
Unrestricted	3,307,809	3,389,993	1,859,793	3,087,942	2,959,001	2,394,169	1,836,978	24,056	(3,006,436)	(14,985,918)
Total Governmental Activities Net Position	<u>\$ 9,092,271</u>	<u>\$ 8,340,868</u>	<u>\$ 8,533,579</u>	<u>\$ 9,728,421</u>	<u>\$ 9,930,673</u>	<u>\$ 9,571,981</u>	<u>\$ 8,874,495</u>	<u>\$ 8,165,702</u>	<u>\$ 6,320,949</u>	<u>\$ (5,991,598)</u>

* Implemented GASB 68 which required a restatement of \$10,887,233 for Net Pension Liability

Source: District Audit Reports

BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Personnel	\$ 5,099,259	\$ 6,201,510	\$ 7,146,834	\$ 7,455,465	\$ 8,550,982	\$ 9,154,844	\$ 9,508,638	\$ 9,593,154	\$ 11,524,137	\$ 11,571,358
Operating	1,091,701	1,417,081	1,822,161	1,059,330	1,231,127	829,966	809,859	1,163,803	1,274,286	1,247,285
Depreciation	-	-	-	429,510	437,794	440,503	419,730	378,411	402,150	446,585
Interest	-	-	-	58,227	37,510	4,316	5,975	-	-	22,602
Total Expenses	<u>6,190,960</u>	<u>7,618,591</u>	<u>8,968,995</u>	<u>9,002,532</u>	<u>10,257,413</u>	<u>10,429,629</u>	<u>10,744,202</u>	<u>11,135,368</u>	<u>13,200,573</u>	<u>13,287,830</u>
Revenues										
Governmental Activities:										
Taxes	6,763,542	7,606,710	8,828,036	9,857,442	9,628,780	9,536,444	9,459,406	9,832,674	10,160,601	11,093,230
Payments in Lieu of Taxes	5,460	14,515	7,111	25,935	-	-	-	-	-	-
Penalties and Interest	96,973	128,155	124,963	155,478	33,850	16,183	10,938	5,927	3,352	2,185
Sale of Equipment	(142)	-	-	10,758	90,092	-	-	-	-	-
Impact Fees	1,213,562	812,506	734,871	138,455	148,629	194,895	165,691	218,170	818,127	367,650
One Percent Fees	-	-	-	-	-	277,407	299,741	306,713	303,810	320,725
False Alarm Fees	22,640	27,230	5,450	-	-	-	-	-	-	-
Contributions Received	9,210	30,770	17,473	9,033	-	-	-	-	-	-
Federal Grants	-	-	-	-	211,140	-	-	-	-	-
Other	5,509	401	14,120	-	347,444	46,008	110,940	63,091	69,930	78,726
Total Revenues	<u>8,116,754</u>	<u>8,620,287</u>	<u>9,732,024</u>	<u>10,197,101</u>	<u>10,459,935</u>	<u>10,070,937</u>	<u>10,046,716</u>	<u>10,426,575</u>	<u>11,355,820</u>	<u>11,862,516</u>
Change in Net Position	1,925,794	1,001,696	763,029	1,194,569	202,522	(358,692)	(697,486)	(708,793)	(1,844,753)	(1,425,314)
Net Position-Beginning	5,286,000	7,339,172	8,340,868	8,533,582	9,728,151	9,930,673	9,571,981	8,874,495	8,165,702	6,320,949
Prior Period Adjustment	127,378	-	(570,315)	-	-	-	-	-	-	-
Prior Period Restatement (GASB 68)	-	-	-	-	-	-	-	-	-	(10,887,233)
Net Position-End	<u>\$ 7,339,172</u>	<u>\$ 8,340,868</u>	<u>\$ 8,533,582</u>	<u>\$ 9,728,151</u>	<u>\$ 9,930,673</u>	<u>\$ 9,571,981</u>	<u>\$ 8,874,495</u>	<u>\$ 8,165,702</u>	<u>\$ 6,320,949</u>	<u>\$ (5,991,598)</u>

Source: District Audit Reports

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

Schedule 3

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND										
Restricted	\$ -	\$ 36,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nondisposable	-	-	-	-	-	-	-	-	-	88,667
Assigned	-	-	-	-	-	-	2,077,411	957,490	-	-
Unassigned	1,520,248	1,672,832	2,013,460	3,109,432	3,754,142	4,054,606	2,274,046	2,405,519	1,517,701	1,370,959
Total General Fund	<u>\$ 1,520,248</u>	<u>\$ 1,709,297</u>	<u>\$ 2,013,460</u>	<u>\$ 3,109,432</u>	<u>\$ 3,754,142</u>	<u>\$ 4,054,606</u>	<u>\$ 4,351,457</u>	<u>\$ 3,363,009</u>	<u>\$ 1,517,701</u>	<u>\$ 1,459,626</u>
DEBT SERVICE FUND										
Restricted	\$ 362,692	\$ 525,709	\$ 537,866	\$ 548,124	\$ 547,814	\$ 552,705	\$ 637,191	\$ -	\$ 300	\$ 1,167
Total Debt Service Fund	<u>\$ 362,692</u>	<u>\$ 525,709</u>	<u>\$ 537,866</u>	<u>\$ 548,124</u>	<u>\$ 547,814</u>	<u>\$ 552,705</u>	<u>\$ 637,191</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 1,167</u>
SPECIAL REVENUE FUND (Impact Fees)										
Restricted	\$ 2,793,701	\$ 2,413,561	\$ 2,512,890	\$ 1,832,588	\$ 1,364,848	\$ 176,878	\$ 344,048	\$ 563,322	\$ 816,571	\$ 1,184,981
Total Capital Projects Fund	<u>\$ 2,793,701</u>	<u>\$ 2,413,561</u>	<u>\$ 2,512,890</u>	<u>\$ 1,832,588</u>	<u>\$ 1,364,848</u>	<u>\$ 176,878</u>	<u>\$ 344,048</u>	<u>\$ 563,322</u>	<u>\$ 816,571</u>	<u>\$ 1,184,981</u>
SPECIAL REVENUE FUND (One Percent Fees)										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 328,625	\$ 299,129	\$ 41,229	\$ 47,431	\$ 53,214	\$ 48,427
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,625</u>	<u>\$ 299,129</u>	<u>\$ 41,229</u>	<u>\$ 47,431</u>	<u>\$ 53,214</u>	<u>\$ 48,427</u>
CAPITAL PROJECTS FUND										
Restricted	\$ 1,654	\$ 1,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,026,363
Total Capital Projects Fund	<u>\$ 1,654</u>	<u>\$ 1,691</u>	<u>\$ -</u>	<u>\$ 8,026,363</u>						

Source: District Audit Reports

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

Schedule 4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Taxes	\$ 6,825,027	\$ 7,746,843	\$ 8,754,104	\$ 9,743,143	\$ 9,571,025	\$ 9,586,354	\$ 9,444,329	\$ 9,861,481	\$ 10,240,044	\$ 11,040,564
Payments In Lieu of Taxes	5,460	14,515	7,111	25,935	-	-	-	-	-	-
Impact Fees	1,213,562	812,506	734,871	138,455	496,073	194,895	165,691	218,170	817,816	367,650
One percent fees	-	-	-	-	-	277,407	299,741	306,713	303,810	320,725
Penalties	44,655	54,192	53,888	78,448	-	-	-	-	-	-
Interest	52,318	73,963	71,075	77,030	33,850	16,183	10,938	5,927	3,352	2,185
Contributions Received	9,210	30,770	17,473	9,033	-	-	-	-	-	-
Maintenance/CPR	-	-	-	-	-	-	53,843	47,531	64,203	78,688
Vehicle and Equipment Sales	8,525	-	-	34,604	102,077	-	-	-	305,000	-
False Alarm Fees	22,640	27,230	5,450	-	-	-	-	-	-	-
Miscellaneous	5,509	401	14,120	-	211,140	126,008	56,015	15,560	6,038	38
Total Revenues	8,186,906	8,760,420	9,658,092	10,106,648	10,414,165	10,200,847	10,030,557	10,455,382	11,740,263	11,809,850
Expenditures										
Public Safety - Fire Protection										
Personnel	5,124,247	6,159,904	7,081,602	7,458,929	7,706,130	8,327,450	8,642,162	8,797,487	10,418,396	10,508,282
Administration	275,959	330,482	425,866	406,270	416,686	318,920	360,519	447,002	414,615	434,414
Utilities	30,100	42,251	56,994	60,189	59,405	65,459	70,462	62,897	77,532	62,062
Maintenance	238,934	424,813	458,055	443,397	246,872	285,777	335,834	400,097	405,610	302,601
Training	92,175	75,977	76,796	74,281	80,363	45,101	33,294	82,815	85,851	68,722
Equipment	11,952	9,488	42,156	43,702	427,801	114,710	9,750	170,321	30,291	93,910
Capital Outlay	131,283	1,240,063	402,343	531,910	340,673	1,485,170	193,354	1,894,926	1,893,944	77,965
Debt Service										
Principal	352,036	415,317	643,155	558,855	583,867	454,047	92,325	-	-	-
Interest	102,400	90,162	93,551	71,696	47,083	16,324	2,250	-	-	-
Contributions to Beaufort County	-	-	-	31,491	-	-	-	-	-	-
Total Expenditures	6,359,086	8,788,457	9,280,518	9,680,720	9,908,880	11,112,958	9,739,950	11,855,545	13,326,239	11,547,956
Excess (deficiency) of revenues over (under) expenditures	1,827,820	(28,037)	377,574	425,928	505,285	(912,111)	290,607	(1,400,163)	(1,585,976)	261,894
Other Financing Sources (Uses)										
Proceeds of Debt	-	-	450,000	-	-	-	-	-	-	8,070,884
Change in Fund Balances	1,827,820	(28,037)	827,574	425,928	505,285	(912,111)	290,607	(1,400,163)	(1,585,976)	8,332,778
Fund Balances, Beginning of Year	2,850,475	4,678,295	4,650,258	5,064,216	5,490,144	5,995,429	5,083,318	5,373,925	3,973,762	2,387,786
Prior Period Adjustment	-	-	(413,616)	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ 4,678,295	\$ 4,650,258	\$ 5,064,216	\$ 5,490,144	\$ 5,995,429	\$ 5,083,318	\$ 5,373,925	\$ 3,973,762	\$ 2,387,786	\$ 10,720,564
Debt service as a percentage of noncapital expenditures	7.7%	7.1%	8.9%	7.3%	7.0%	4.9%	1.0%	0.0%	0.0%	0.0%

Source: District Audit Reports

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Schedule 5

FISCAL YEAR ENDED JUNE 30,	ASSESSED VALUE			TAXABLE ASSESSED VALUE AS A PERCENTAGE OF ESTIMATED ACTUAL VALUE	ACTUAL VALUE	TOTAL DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL			
	2006	\$ 299,996,201	\$ 42,686,043			
2007	331,509,902	50,746,904	382,256,806	N/A	N/A	21.00
2008	367,991,031	53,000,980	420,992,011	N/A	N/A	22.00
2009	419,794,805	67,790,589	487,585,394	N/A	N/A	22.70
2010	446,047,694	72,759,747	518,807,441	N/A	N/A	20.04
2011	397,305,961	62,152,418	459,458,379	N/A	N/A	20.05
2012	401,474,803	58,689,310	460,164,113	3.60%	\$ 12,776,346,567	20.05
2013	399,780,975	74,002,670	473,783,645	3.71%	12,786,904,195	20.49
2014	370,432,369	73,102,700	443,535,069	4.40%	10,090,544,333	24.02
2015	372,087,369	79,357,430	451,444,799	4.69%	9,633,303,353	24.02

Data Source: County Finance Director

N/A - Information is not available.

Note: Property in Beaufort County is reassessed once every five years on average. The latest reassessment was tax year 2014.

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Schedule 6

FISCAL YEAR ENDED JUNE 30,	DISTRICT DIRECT RATES			OVERLAPPING RATES								TOTAL DIRECT & OVERLAPPING RATES
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL DISTRICT MILLAGE	COUNTY				SCHOOL				
				OPERATIONS	DEBT SERVICE	REAL PROPERTY PROGRAM	TOTAL COUNTY MILLAGE	OPERATIONS	DEBT SERVICE	TOTAL SCHOOL MILLAGE	TOWN OF BLUFFTON	
2006	19.50	0.70	20.20	33.70	5.40		39.10	77.50	19.00	96.50	42.00	197.80
2007	20.30	0.70	21.00	36.70	5.40		42.10	91.70	17.00	108.70	42.00	213.80
2008	21.10	0.90	22.00	38.90	5.80		44.70	97.30	22.60	119.90	40.00	226.60
2009	22.30	0.40	22.70	45.50	4.00		49.50	102.60	28.00	130.60	40.00	242.80
2010	19.67	0.37	20.04	40.21	3.62		43.83	90.26	24.43	114.69	38.00	216.56
2011	19.67	0.38	20.05	40.21	4.57		44.78	90.26	26.33	116.59	38.00	219.42
2012	19.67	0.38	20.05	40.21	4.57		44.78	90.26	28.00	118.26	38.00	221.09
2013	20.49	-	20.49	40.21	4.44	3.87	48.52	92.26	28.00	120.26	38.00	227.27
2014	24.02	-	24.02	46.48	5.48	4.90	56.86	103.50	31.71	135.21	44.35	260.44
2015	24.02	-	24.02	46.48	5.48	4.90	56.86	103.50	31.71	135.21	44.35	260.44

91 Source: Beaufort County CAFR

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Schedule 7

TAXPAYER	FISCAL YEAR 2015 TAX YEAR 2014			FISCAL YEAR 2006 TAX YEAR 2005		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL DISTRICT TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL DISTRICT TAXABLE ASSESSED VALUE
	South Carolina Electric & Gas	\$ 4,360,910	1	0.97%	\$ 774,120	1
COROC/Hilton Head I LLC C/o Blackstone	2,528,960	2	0.56%	-	-	0.00%
Palmetto Electric Coop	1,707,700	3	0.38%	749,492	4	9.74%
Chartwell Hilton Head LLC	1,523,910	4	0.34%	-	-	0.00%
Palmetto Bluff LLC	878,170	5	0.19%	-	-	0.00%
Beaufort Oldfield LLC	852,200	6	0.19%	-	-	0.00%
South Carolina Beaufort LLC	840,000	7	0.19%	-	-	0.00%
Crowne Old Carolina LLC	826,350	8	0.18%	-	-	0.00%
Pittsburgh Hilton Head Associates	742,250	9	0.16%	-	-	0.00%
LHF1 Bluffton LLC	648,610	10	0.14%	-	-	0.00%
Equity One (Belfair Inc.)	-	-	0.00%	957,946	2	12.45%
May River Forest LLC	-	-	0.00%	661,533	3	8.60%
Rose Canyon Bluffton LLC	-	-	0.00%	478,878	5	6.22%
East Coast Newspaper Inc.	-	-	0.00%	314,722	6	4.09%
SP Forests LLC	-	-	0.00%	239,700	7	3.12%
Quinnco-D'Amico Shults LLC	-	-	0.00%	258,913	8	3.37%
Suntrust Bank	-	-	0.00%	252,128	9	3.28%
Health care REIT Inc.	-	-	0.00%	225,804	10	2.93%
Total	\$ 14,909,060		3.30%	\$ 4,913,236		63.86%

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Source: Beaufort County Fiance

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS *	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	\$ 8,636,275	\$ 8,032,732	93.01%	\$ 687,157	\$ 8,719,889	100.97%
2011	8,615,219	8,101,144	94.03%	492,956	8,594,100	99.75%
2012	8,669,847	8,416,372	97.08%	210,125	8,626,497	99.50%
2013	9,846,017	9,558,594	97.08%	147,468	9,706,062	98.58%
2014	10,152,237	9,937,073	97.88%	255,886	10,192,959	100.40%
2015	9,900,184	9,650,787	97.48%	45,789	9,696,576	97.94%

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Source: Beaufort County Finance Director

N/A - Information is not available.

* - This amount represents delinquent taxes collected in the current year.

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Schedule 9

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA	POPULATION	ESTIMATED PERSONAL INCOME (1)
	NOTES PAYABLE	LEASES PAYABLE	GENERAL OBLIGATION BOND					
2006	\$ 63,099	\$ -	\$ 1,690,000	\$ 1,753,099	0.03%	45	39,282	\$ 6,370,362,000
2007	-	447,249	1,435,000	1,882,249	0.03%	44	42,655	6,716,402,000
2008	-	584,094	1,105,000	1,689,094	0.02%	37	46,028	6,827,334,000
2009	-	425,240	705,000	1,130,240	0.02%	24	47,150	6,691,585,000
2010	-	261,372	285,000	546,372	0.01%	11	50,100	6,464,869,000
2011	-	92,325	-	92,325	0.00%	2	52,726	6,897,402,000
2012	-	-	-	-	N/A	-	53,581	7,362,045,000
2013	-	-	-	-	N/A	-	55,847	7,507,264,000
2014	-	-	-	-	N/A	-	58,080	7,507,264,000
2015	-	-	8,355,298	8,355,298	0.11%	138	60,403	7,507,264,000

Source: District Audit Report, US Census Bureau

Note: Details of the County's outstanding debt can be found in the notes to the financial statements.

(1) Bluffton Fire District data not available due to low population; Beaufort County Data provided alternatively.

N/A - Information is not available.

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ASSESSED VALUE OF PROPERTY (1)	PER CAPITA (2)
2006	\$ 1,690,000	\$ 362,692	\$ 1,327,308	0.387%	33.79
2007	1,435,000	525,709	909,291	0.238%	21.32
2008	1,105,000	537,866	567,134	0.135%	12.32
2009	705,000	548,124	156,876	0.032%	3.33
2010	285,000	547,814	(262,814)	-0.051%	(5.25)
2011	-	552,705	(552,705)	-0.120%	(10.47)
2012	-	637,191	(637,191)	-0.138%	N/A
2013	-	-	-	0.000%	N/A
2014	-	-	-	0.000%	N/A
2015	8,355,298	1,167	8,354,131	1.851%	138.00

Source: District Audit Report, US Census Bureau

Note: Details of the County's outstanding debt can be found in the notes to the financial statements.

(1) See schedule 5 for assessed value of property.

(2) See schedule 13 for population.

N/A - Information is not available.

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING (1)</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Beaufort County	\$ 233,933,174	32.50%	\$ 76,028,282
Beaufort County School District	357,440,621	32.50%	116,168,202
Town of Bluffton	16,352,090	23.40%	3,826,389
Subtotal overlapping debt	<u>607,725,885</u>		<u>196,022,873</u>
District direct debt	<u>8,355,298</u>	100.00%	8,355,298
Total direct and overlapping debt	<u><u>\$ 616,081,183</u></u>		<u><u>\$ 204,378,171</u></u>

(1) Debt outstanding data provided by each Beaufort County CAFR.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. The assessed values are used to estimate applicable percentages as provided by Beaufort County.

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	<u>\$ 451,444,799</u>
Debt limit (8% of assessed value)	36,115,584
Debt applicable to limit:	
Go Bonds	<u>(8,355,298)</u>
Legal Debt Margin	<u>\$ 27,760,286</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>	<u>2015</u>
Debt Limit	\$ 27,414,580	\$ 30,580,544	\$ 33,679,361	\$ 39,006,832	\$ 41,504,595	\$ 36,756,670	\$ 36,813,129	\$ 37,902,476	\$ 35,482,806	\$ 36,115,584
Total net debt applicable to limit	<u>(1,753,099)</u>	<u>(1,882,249)</u>	<u>(1,689,094)</u>	<u>(1,130,240)</u>	<u>(546,372)</u>	-	-	-	-	<u>(8,355,298)</u>
Legal debt margin	<u>\$ 25,661,481</u>	<u>\$ 28,698,295</u>	<u>\$ 31,990,267</u>	<u>\$ 37,876,592</u>	<u>\$ 40,958,223</u>	<u>\$ 36,756,670</u>	<u>\$ 36,813,129</u>	<u>\$ 37,902,476</u>	<u>\$ 35,482,806</u>	<u>\$ 27,760,286</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>6.39%</u>	<u>6.16%</u>	<u>5.02%</u>	<u>2.90%</u>	<u>1.32%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>23.13%</u>

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Under state finance law, the District's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

Source: District Audit Report
N/A - Information not available

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Schedule 13

NONE

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	POPULATION	PERSONAL INCOME (2)	PER CAPITA PERSONAL INCOME (2)	SCHOOL ENROLLMENT (1)	UNEMPLOYMENT RATE (3)
2006	39,282	\$ 6,386,620,000	\$ 43,384	4,052	5.0%
2007	42,655	6,733,053,000	44,469	4,423	4.4%
2008	46,028	6,845,583,000	43,770	4,625	5.3%
2009	47,150	6,698,637,000	41,935	5,256	9.0%
2010	50,100	6,472,301,000	39,713	5,345	9.1%
2011	52,726	6,901,960,000	41,978	4,913	9.5%
2012	53,581	7,217,962,000	42,952	5,245	7.3%
2013	55,847	7,507,264,000	43,688	6,232	7.9%
2014	58,080	7,507,264,000	43,688	7,003	4.7%
2015	60,403	7,507,264,000	43,688	N/A	6.0%

Data Source:

(1) National Center for Education Statistics

(2) Bluffton Fire District data not available due to low population; Beaufort County Data provided alternatively.

(3) South Carolina Employment Security Division

N/A - Information is not available.

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Schedule 15

<u>EMPLOYER</u>	<u>2015</u>			<u>2006</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL DISTRICT EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL DISTRICT EMPLOYMENT</u>
Beaufort County School District	556	1	n/a	n/a	n/a	n/a
EviCore Healthcare	354	2	n/a	n/a	n/a	n/a
Inn at Palmetto Bluff	347	3	n/a	n/a	n/a	n/a
Publix Supermarket	234	4	n/a	n/a	n/a	n/a
NHC Healthcare/Bluffton	207	5	n/a	n/a	n/a	n/a
Resort Services	180	6	n/a	n/a	n/a	n/a
Hargray Communications	150	7	n/a	n/a	n/a	n/a
Bluffton Township Fire District	129	8	n/a	n/a	n/a	n/a
Kroger Supermarket	125	9	n/a	n/a	n/a	n/a
Town of Bluffton	107	10	n/a	n/a	n/a	n/a
Total	<u>2,389</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

Source: Beaufort Regional Chamber of Commerce and Town of Bluffton Finance Department

N/A - Information is not available.

BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 16

FUNCTION/PROGRAM	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration	5	6	6	6	7	7	6	6	6	6
Fire Prevention	3	4	4	4	5	5	2	3	4	5
Maintenance	1	2	2	3	3	3	3	4	5	5
Operations	91	96	99	97	90	87	87	111	111	112
Training	1	3	3	4	4	4	4	3	3	3
Total	101	111	114	114	109	106	102	127	129	131

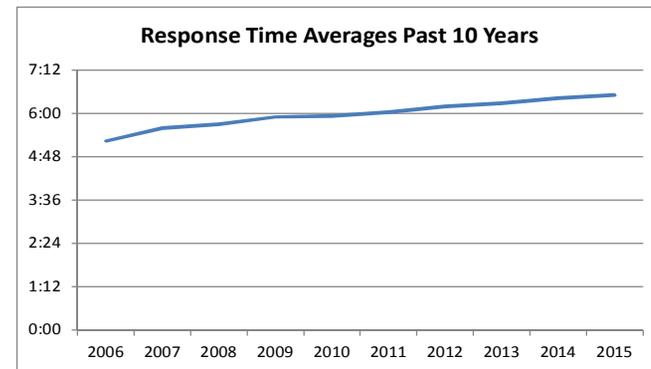
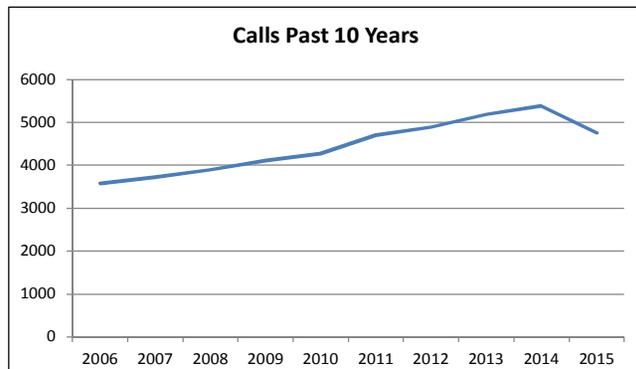
Source: BTFD Human Resources Department

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 17

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EMERGENCY SERVICES										
Territory Covered (Sq/miles)	246	246	246	246	246	246	246	246	246	246
NATURE OF CALL										
Hazardous Materials Incident	37	55	36	49	34	28	29	42	37	39
Vehicle Accidents	475	385	372	317	354	310	322	338	417	355
Structure Fires	41	38	39	49	33	58	39	29	32	26
Vehicle Fires	36	38	31	28	21	22	23	30	22	22
Brush Fires	62	76	62	72	56	86	50	44	41	44
Other Fires	95	85	82	73	66	83	79	76	84	68
EMS Calls	1,590	1,608	1,513	1,710	2,121	2,168	2,238	2,632	2,542	1,862
Service Calls	625	831	1,071	1,125	1,008	1,319	1,483	1,423	1,505	1,640
False Alarms	587	585	649	656	555	609	597	559	686	687
Specialized Rescues	20	15	25	20	16	12	16	6	6	9
Explosions	4	5	13	7	11	9	10	9	10	5
TOTAL CALLS FOR FY	3,572	3,721	3,893	4,106	4,275	4,704	4,886	5,188	5,382	4,757
AVERAGE RESPONSE TIMES										
Fire Station #30	4:49	4:56	5:12	5:27	5:51	5:57	6:10	6:11	6:24	6:24
Fire Station #31	5:11	6:32	6:48	6:39	6:23	7:00	6:38	6:55	6:09	6:59
Fire Station #32	5:32	6:49	7:18	7:02	5:56	6:23	7:29	7:57	7:48	8:04
Fire Station #33	4:40	4:46	4:49	5:17	5:22	5:17	5:55	5:25	4:54	5:14
Fire Station #34	6:01	6:40	6:34	6:23	6:31	6:29	6:18	6:32	6:58	6:49
Fire Station #35	5:26	5:49	5:33	5:49	5:35	5:37	5:52	6:00	6:18	6:12
Fire Station #36	n/a	8:37	7:18							
Fire Station #37	n/a	9:14	6:38	6:33						
District Average¹	5:14	5:36	5:42	5:54	5:56	6:02	6:12	6:17	6:25	6:31

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¹Fire Stations #36 and #37 are reserve stations housing reserve equipment. As such, there are no response times calculated on the stations.

N/A - Information is not available. Digital records for the Fire District are not available prior to FY05.

Source: Various District Divisions

**BLUFFTON TOWNSHIP FIRE DISTRICT, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 18

<u>FUNCTION/PROGRAM</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>	<u>2015</u>
EMERGENCY SERVICES:										
FIRE STATIONS										
NUMBER OF MANNED FIRE STATIONS	6	6	6	6	6	6	6	8	8	8
NUMBER OF UNMANNED FIRE STATIONS	2	2	2	2	2	2	2	-	-	-
FIRETRUCKS										
NUMBER OF FIRE ENGINES	9	10	10	9	9	9	9	9	9	9
NUMBER OF AERIAL APPARATUS	2	2	2	2	2	2	2	2	2	2
NUMBER OF WATER TENDERS	1	2	2	2	2	2	2	2	2	2
NUMBER OF AIR AND LIGHT UNITS	1	1	1	1	1	1	1	1	1	1
NUMBER OF SQUAD UNITS	-	-	-	1	2	2	2	2	2	2
NUMBER OF RESCUE BOATS	1	1	1	1	1	1	1	1	1	1
NUMBER OF SUPPORT VEHICLES ¹	10	15	15	15	16	17	17	17	17	18
Total Vehicles	24	31	31	31	33	34	34	34	34	35

¹Support vehicles include passenger cars, light pick-up trucks, and ATV's utilized for special events.

Source: District capital asset records