

BLUFFTON TOWNSHIP FIRE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2016



JOHN THOMPSON, CHIEF

BOARD OF DIRECTORS

MIKE RAYMOND, CHAIRMAN
THOMAS MIKE, JR, VICE CHAIRMAN
ELAINE LUST, SECRETARY
JOE PAOLO, TREASURER
ED OLSEN
LOUISE HAAKER
PAUL HAMILTON

PREPARED BY:
ADMINISTRATIVE DIVISION

**Bluffton Township Fire District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

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INTRODUCTORY SECTION



BLUFFTON TOWNSHIP FIRE DISTRICT

357 FORDING ISLAND ROAD
BLUFFTON, SOUTH CAROLINA 29909
843-757-2800 • FAX 843-757-7305

November 14, 2016

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, 2016.

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, 2016 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 unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2016 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 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 2015 US Census estimates is 179,589. This equates to a population increase of 144.7% 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 Walmart Super Center, Sam's Club Wholesale, Walmart Neighborhood Market, Hobby Lobby, Kroger Town Center, Chipotle, Bojangles, Michaels, Candlewood Suites, Fairfield Inn (renovation), Hilton Garden Inn, Dicks Sporting Goods and two car dealerships (Vaden Nissan and Infinity) 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 renovation is complete and expanded it to include an additional 150,000 square feet of space. There are other commercial developments that have submitted plans for review including a 78,000 sq.ft. assisted living facility. Currently there are several large, name brand retail and wholesale, stores applying for building permits in the fire district.

Looking ahead to FY17 there is nothing to indicate the situation should not continue to improve. The United States Marine Corps is continuing 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 High School in the Fire District.

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, 2016. 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. All effective retirees received certified notifications 90 days prior to the cancelation of the benefit July 1, 2016.

Major Initiatives

There were three (3) major initiatives upon which the Fire District was working on in 2016. Those initiatives required the District to take on approximately \$8.0 million in debt. The debt involved the sale of general obligation bonds in 2015.

The first initiative was 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 is constructed on property already owned by the District behind the Burnt Church Road Fire Station. The cost of the facility was budgeted at \$2.8 million dollars. Currently this project just completed and the Maintenance Division personnel are planning their transition from the old facility into the new.

The second initiative was 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 was becoming old and maintenance costs were steadily increasing. The District conducted a cost study and determined it was the time to replace the fleet. By utilizing the purchasing plan the District looked to save several thousand dollars over the next ten years. The estimated cost of the fleet replacement was \$4.2 million dollars. This project is completed and all ten new pumpers are in service.

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 \$700,000 thousand dollars. Current projections are for the contractor to start vertical construction in October 2106 with a completion date in January of 2017.

Another major Initiative is to replace several staff vehicles that provide support to the District. This is being accomplished by the above three initiatives coming in below budget. There were excess funds available in the debt services account from these actions which provides a funding solution for this initiative. There will be (5) five new pick-up trucks procured through a local state contract.

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 sixth 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**

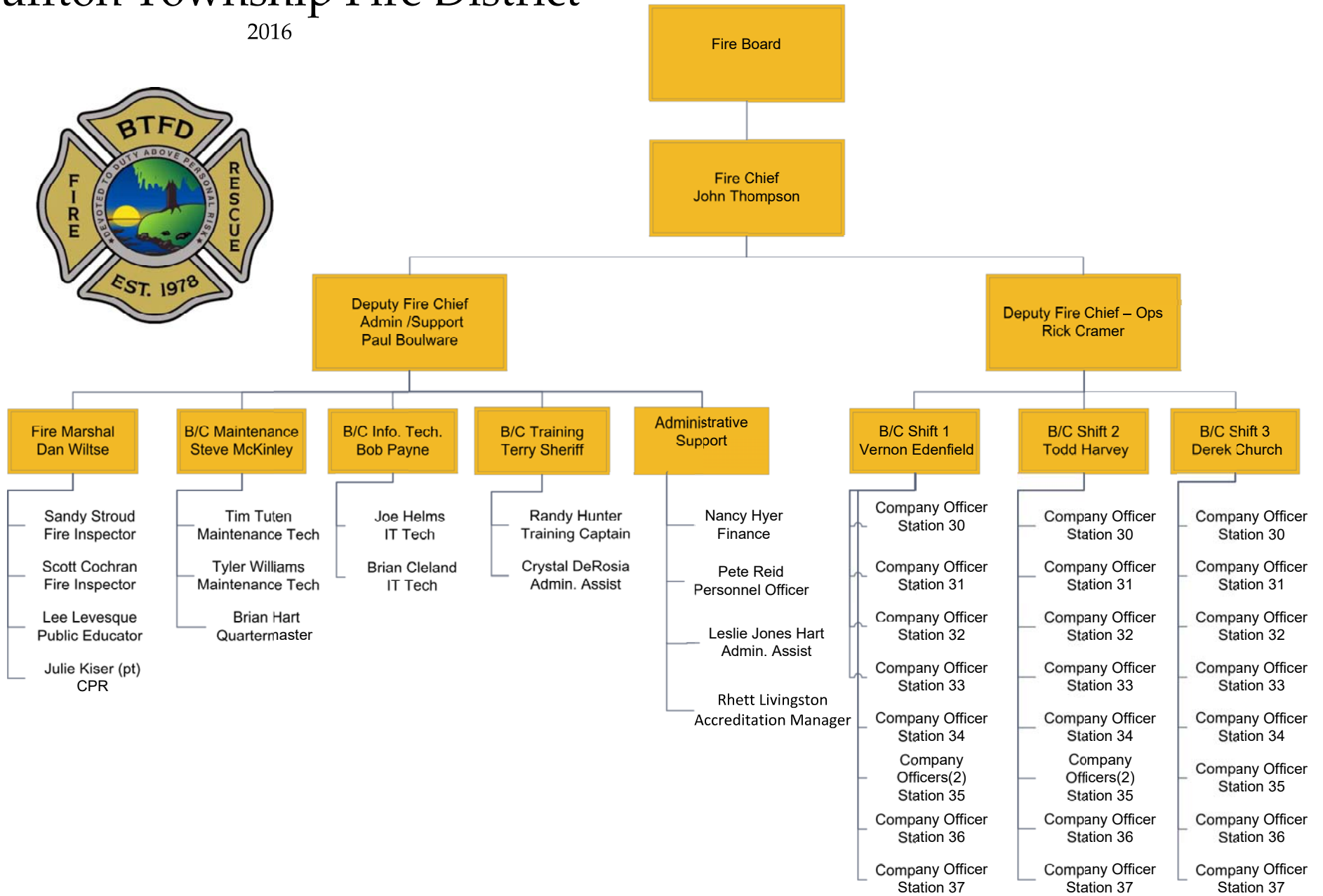
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Bluffton Township Fire District

2016



**BLUFFTON TOWNSHIP FIRE DISTRICT
SOUTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016**

TITLE	NAME (TERM)
Chairman.....	Mike Raymond (2/18)
Vice Chairman.....	Thomas Mike, Sr. (2/18)
Treasurer.....	Joseph Paolo (2/17)
Secretary.....	Elaine Lust (2/20)
Board Member.....	Louise Haaker (2/20)
Board Member.....	Ed Olsen (2/17)
Board Member.....	Paul Hamilton (2/17)
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, 2016, 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, 2016, 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.

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941 HOUSTON NORTHCUTT BLVD.
MOUNT PLEASANT, SC 29465
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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
November 14, 2016



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, 2016.

Financial Highlights

- Assets and deferred outflows of the District exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$1,021,408 (net position). Of this amount, \$2,107,420 (restricted net position) represents net assets restricted for capital projects and employee recruitment and retention. Another \$7,785,334 represents the net investment in capital assets less depreciation and debt on those assets. The remaining balance of \$(8,871,346) represents a deficit in unrestricted net position. The District's total net position increased by \$7,013,006 for the year ended June 30, 2016.
- As of the close of the current fiscal year the District's governmental funds reported a combined ending fund balance of \$5,698,578, a decrease of \$5,021,986.

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 and the debt service fund. A statement comparing actual to budgeted revenues and expenditures has been provided to demonstrate compliance with these budgets.

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, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,021,408 for 2016, and liabilities and deferred inflows exceeded assets and deferred outflows by \$5,991,598 for 2015. The following table reflects the condensed government-wide statement of net position.

BLUFFTON TOWNSHIP FIRE DISTRICT NET POSITION		
	Governmental Activities	
	2016	2015
Current Assets	\$ 6,663,901	\$ 11,166,547
Capital Assets - net	14,253,602	8,088,680
Total Assets	<u>20,917,503</u>	<u>19,255,227</u>
Deferred Outflow of Resources	<u>1,343,588</u>	<u>1,194,868</u>
Current Liabilities	829,099	271,856
Long-term Liabilities	20,126,413	24,927,231
Total Liabilities	<u>20,955,512</u>	<u>25,199,087</u>
Deferred Inflow of Resources	<u>284,171</u>	<u>1,242,606</u>
Net Position		
Net Investment in Capital Assets	7,785,334	8,043,841
Restricted	2,107,420	950,479
Unrestricted	(8,871,346)	(14,985,918)
Total Net Position	<u>\$ 1,021,408</u>	<u>\$ (5,991,598)</u>

The largest portion of the District's net position \$7,785,334 reflects its net investment in capital assets less the accumulated depreciation on capital assets and related debt. The \$2,107,420 represents the net position restricted for capital projects and employee recruitment and retention. The remaining net position of \$(8,871,346) is a deficit in unrestricted. The net position increase of \$7,013,006 was largely due to the special item – decrease in other post employment benefit costs of \$5,425,872.

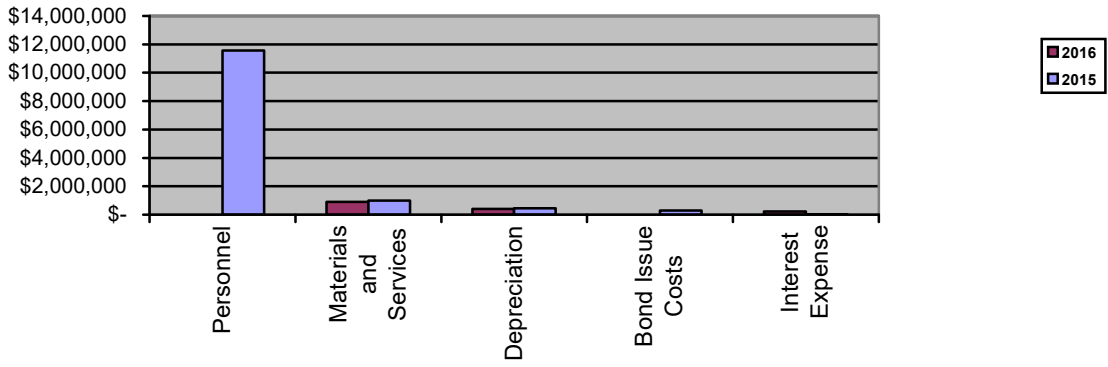
Governmental activities. The District's total net position increased by \$7,013,006. Key elements of this increase are as shown in the following table.

BLUFFTON TOWNSHIP FIRE DISTRICT CHANGE IN NET POSITION		
	Governmental Activities	
	2016	2015
Expenses		
Public Safety - Fire Protection		
Personnel	\$ 10,474,445	\$ 11,571,358
Materials and services	910,591	961,709
Depreciation	416,097	446,585
Bond Issue Costs	-	285,576
Interest Expense	225,059	22,602
Total expenses	<u>12,026,192</u>	<u>13,287,830</u>
General Revenues		
Taxes	12,589,170	11,093,230
Fees	986,539	767,063
Interest	17,974	2,185
Miscellaneous	19,643	38
Special Item - decrease in OPEB costs	5,425,872	-
Total Revenues	<u>19,039,198</u>	<u>11,862,516</u>
Change in Net Position	7,013,006	(1,425,314)
Net Position - Beginning	(5,991,598)	6,320,949
Restatement of Net Position for GASB 68	-	(10,887,233)
Net Position - Ending	<u>\$ 1,021,408</u>	<u>\$ (5,991,598)</u>

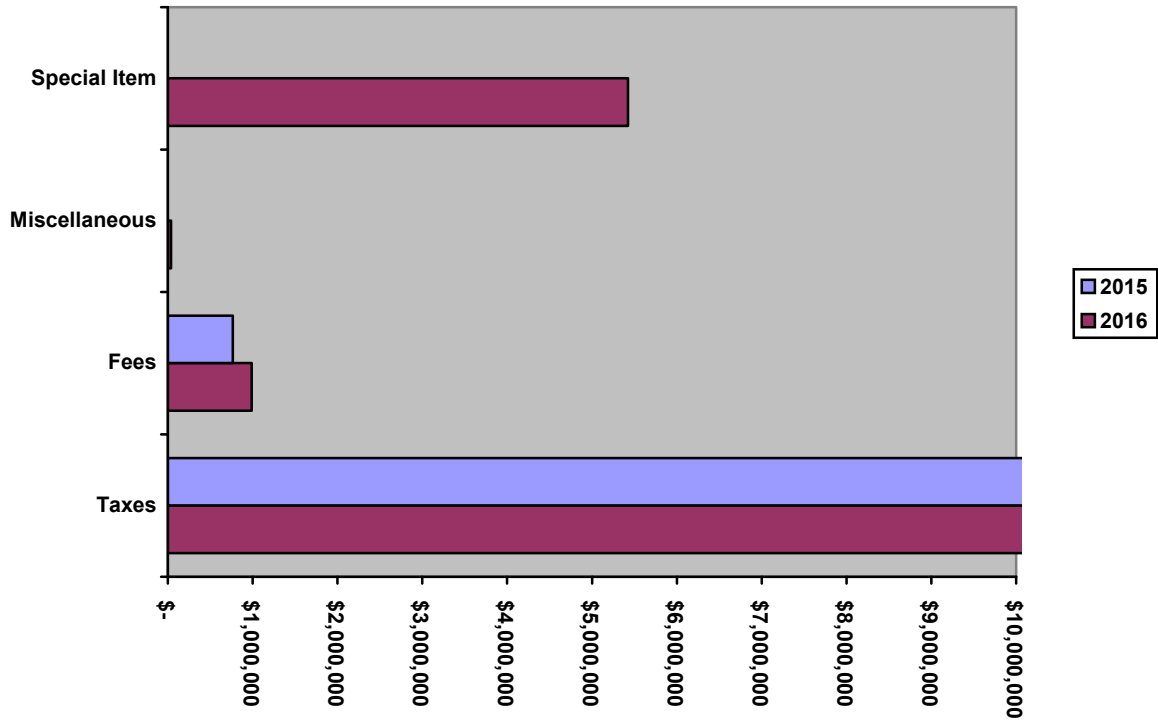
Highlights:

- The prior period restatement represents the implementation of GASB 68.
- Taxes increased approximately \$557,000 due to increase in millage of 1.22 mils for debt service while growth of 5.63% in assessed value accounted for an increase of approximately \$625,000.
- The increase in fees during year 2016 was related to an increase in impact fees of approximately \$194,000.
- The increase in interest income was due to the bond issuance from 2015 that the District used as needed for construction and vehicle costs during 2016. The increase in impact fees also contributed to the increase in interest income.
- Miscellaneous revenues were up due to reimbursements for salaries and overtime.
- The special item – decrease in other post employment benefit costs of \$5,425,872 represented the Beaufort County Resolution 2015/7 to terminate healthcare benefits for retirees. This termination of benefits also resulted in an overall decrease in personnel costs in 2016 of \$1,046,656 for the annual required contribution reported in 2015.
- Bond issue costs were non-recurring expenses from 2015.
- Maintenance and service expenses were overall kept within budget or were slightly down from 2015.
- Depreciation was down because of vehicles that were fully depreciated as of June 2015. The capital outlay for 2016 for the most part included construction in progress for the maintenance facility and vehicles that were put in service at the end of the fiscal year.
- Interest expense reflected the payments due from the issuance of bonds at the end of 2015.

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 \$5,698,578, a decrease of \$5,021,986. 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 increased \$613,441. This increase is mainly attributable to a positive revenue variance of \$486,624 as well as a positive variance in expenditures of \$123,257. The District was under budget with personnel expenses in the amount of \$89,285, administrative costs were under budget by \$41,381, utilities were under budget by \$9,311, maintenance costs were under budget by \$67,028, and training costs were under budget by \$20,510. The District had budget overages in equipment and capital outlay in the amount of \$27,671 and \$76,577, respectively.
- The impact fund increased by \$565,484 with receipts of \$565,484 in the fund and no expenditures.
- The increase of \$308,528 in the one percent fee fund represented the collections of \$336,160 less expenditures of \$27,632.
- The District's capital project fund accounted for the largest decrease of \$6,508,272. The capital project fund was established to account for the proceeds from a general obligation bond restricted for the purchase and construction of capital assets. During the year, \$2,116,954 was expended for the construction of a maintenance facility and \$4,387,488 was expended for the purchase of ten new firetrucks.
- The debt service fund did not reflect any changes. Taxes collected were \$14,476 less than the debt service payment. To eliminate the deficit a transfer of \$13,206 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 \$1,987,598 represents 17.2% 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, 2016 amounts to \$14,253,602 (net of accumulated depreciation) compared to \$8,088,680 for June 30, 2015. 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 2016 were \$6,581,019 and include \$2,131,552 for the construction in process of the maintenance facility, \$4,126,920 for ten firetrucks, \$316,807 for equipment and uniforms, and \$5,740 for a HVAC unit. In June of 2015, the District obtained bond proceeds of \$8,356,460 for the purchase of future capital assets. As of June 30, 2016, \$1,518,091 of the issuance was available for other capital projects. Depreciation expense was \$416,097 for the year compared to \$446,585 in the prior year. The decrease in depreciation expense was a result of vehicles that were fully depreciated in the prior year.

BLUFFTON TOWNSHIP FIRE DISTRICT CAPITAL ASSETS NET OF DEPRECIATION

	Governmental Activities	
	2016	2015
Construction in Progress	\$ 2,188,906	\$ 57,354
Land	1,872,395	1,872,395
Buildings and Improvements	4,188,717	4,329,290
Vehicles	5,577,949	1,685,233
Furniture and Equipment	425,635	144,408
Total	<u>\$ 14,253,602</u>	<u>\$ 8,088,680</u>

Additional information on capital assets can be found in note 4.

Long-term obligations. At the end of the current fiscal year, the District had balances due on compensated absences, net pension liability, general obligation bonds, and bond premiums. Other post employment benefit costs were eliminated as a special item on the statement of activities due to the Beaufort County Resolution 2015/7 to terminate healthcare benefits for retirees. Long-term obligations consisted of the following amounts:

BLUFFTON TOWNSHIP FIRE DISTRICT LONG TERM OBLIGATIONS

	Governmental Activities	
	2016	2015
General Obligation Bonds	\$ 7,725,000	\$ 8,080,000
Bond Premiums	261,359	275,298
Net Pension Liability	12,035,258	10,871,814
Post Retirement Health Benefits	-	5,425,872
Compensated Absences	104,796	274,247
Total	<u>\$ 20,126,413</u>	<u>\$ 24,927,231</u>

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

Economic Factors and Next Year's Budgets

The 2016-2017 approved operations budget of \$12,789,870 is to be funded with a tax levy of 24.64 mills that is expected to collect \$12,873,433 in taxes. The debt service fund budget of \$567,720 will be funded with a tax levy of 1.10 mills that is expected to collect \$574,700 in taxes.

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 POSTION
JUNE 30, 2016**

	Governmental Activities
ASSETS	
Cash	\$ 211,522
Accounts Receivable	272,245
Due from Beaufort County	6,094,665
Prepaid Insurance	85,469
Capital Assets, not being depreciated	4,061,301
Capital Assets, being depreciated	10,192,301
Total Assets	20,917,503
DEFERRED OUTFLOW OF RESOURCES	
Deferred Outflow for Pension	1,343,588
Total Deferred Outflow of Resources	1,343,588
LIABILITIES	
Accounts Payable	782,813
Interest Payable	46,286
Noncurrent Liabilities	
Due within one year	300,480
Due in more than one year	19,825,933
Total Liabilities	20,955,512
DEFERRED INFLOW OF RESOURCES	
Deferred Inflow for Pension	284,171
Total Deferred Inflow of Resources	284,171
NET POSITION	
Net investment in capital assets	7,785,334
Restricted for capital projects	1,750,465
Restricted for employee recruitment and retention	356,955
Unrestricted (deficit)	(8,871,346)
Total Net Position	\$ 1,021,408

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, 2016**

	Governmental Activities
EXPENSES	
Public Safety - Fire Protection	
Personnel	\$ 10,474,445
Depreciation	416,097
Administration	416,964
Maintenance	287,250
Equipment	61,644
Training	65,501
Utilities and Services	79,232
Interest	225,059
Total Program Expenses	12,026,192
Net Program Expense	12,026,192
 GENERAL REVENUES	
Property Taxes	12,589,170
Fees	986,539
Interest Income	17,974
Miscellaneous	19,643
Total General Revenues	13,613,326
Special Item - decrease in other post employment benefit costs (refer to note 11)	5,425,872
Change in Net Position	7,013,006
Net Position, Beginning of year	(5,991,598)
Net Position, End of year	\$ 1,021,408

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	GOVERNMENTAL FUND TYPES					TOTAL
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECT FUND	IMPACT FUND	ONE PERCENT FUND	
ASSETS						
Cash	\$ 211,522	\$ -	\$ -	\$ -	\$ -	\$ 211,522
Accounts Receivable	258,940	13,305	-	-	-	272,245
Due from Beaufort County	1,675,919	-	2,543,308	1,750,465	356,955	6,326,647
Due from Other Funds	19,884	227,839	-	-	-	247,723
Prepaid Items	85,469	-	-	-	-	85,469
Total Assets	<u>\$ 2,251,734</u>	<u>\$ 241,144</u>	<u>\$ 2,543,308</u>	<u>\$ 1,750,465</u>	<u>\$ 356,955</u>	<u>\$ 7,143,606</u>
LIABILITIES						
Accounts Payable	\$ 5,319	\$ -	\$ 777,494	\$ -	\$ -	\$ 782,813
Due to Beaufort County	-	231,982	-	-	-	231,982
Due to Other Funds	-	-	247,723	-	-	247,723
Total Liabilities	<u>5,319</u>	<u>231,982</u>	<u>1,025,217</u>	<u>-</u>	<u>-</u>	<u>1,262,518</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues - Property Taxes	173,348	9,162	-	-	-	182,510
Total Deferred Inflows of Resources	<u>173,348</u>	<u>9,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,510</u>
FUND BALANCES						
Nonspendable	85,469	-	-	-	-	85,469
Restricted	-	-	-	1,750,465	356,955	2,107,420
Assigned	-	-	1,518,091	-	-	1,518,091
Unassigned	1,987,598	-	-	-	-	1,987,598
Total Fund Balances	<u>2,073,067</u>	<u>-</u>	<u>1,518,091</u>	<u>1,750,465</u>	<u>356,955</u>	<u>5,698,578</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,251,734</u>	<u>\$ 241,144</u>	<u>\$ 2,543,308</u>	<u>\$ 1,750,465</u>	<u>\$ 356,955</u>	<u>\$ 7,143,606</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, 2016**

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

Total fund balances for governmental funds		\$ 5,698,578
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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	2,188,906		
Buildings and Improvements, net of \$1,565,880 accumulated depreciation	4,188,717		
Vehicles, net of \$3,418,123 accumulated depreciation	5,577,949		
Furniture and Equipment, net of \$263,001 accumulated depreciation	<u>425,635</u>		
Total Capital Assets			14,253,602

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.		182,510
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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	1,343,588		
Deferred inflows of resources:			
Related to pensions	<u>(284,171)</u>		
Total deferred outflows and inflows of resources			1,059,417

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, 2016 are:

Interest Payable	(46,286)		
Accrued Vacation	(104,796)		
Bonds and Notes Payable	(7,986,359)		
Net Pension Liability	<u>(12,035,258)</u>		
Total Long-Term Liabilities			<u>(20,172,699)</u>

Total net position of governmental activities		<u>\$ 1,021,408</u>
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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, 2016**

	GOVERNMENTAL FUND TYPES					TOTAL
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECT FUND	IMPACT FUND	ONE PERCENT FUND	
REVENUES						
Property Taxes	\$ 12,047,448	\$ 557,103	\$ -	\$ -	\$ -	\$ 12,604,551
Fees	89,120	-	-	562,010	335,409	986,539
Interest Income	4,373	-	9,376	3,474	751	17,974
Miscellaneous Income	19,643	-	-	-	-	19,643
Total Revenues	<u>12,160,584</u>	<u>557,103</u>	<u>9,376</u>	<u>565,484</u>	<u>336,160</u>	<u>13,628,707</u>
EXPENDITURES						
Public Safety - Fire Protection						
Personnel	10,559,975	-	-	-	27,632	10,587,607
Administration	416,964	-	-	-	-	416,964
Utilities and Services	79,232	-	-	-	-	79,232
Maintenance	287,250	-	-	-	-	287,250
Training	65,501	-	-	-	-	65,501
Equipment	61,644	-	-	-	-	61,644
Capital Outlay	76,577	-	6,504,442	-	-	6,581,019
Debt Service						
Principal	-	355,000	-	-	-	355,000
Interest	-	216,476	-	-	-	216,476
Total Expenditures	<u>11,547,143</u>	<u>571,476</u>	<u>6,504,442</u>	<u>-</u>	<u>27,632</u>	<u>18,650,693</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>613,441</u>	<u>(14,373)</u>	<u>(6,495,066)</u>	<u>565,484</u>	<u>308,528</u>	<u>(5,021,986)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	13,206	-	-	-	13,206
Transfers Out	-	-	(13,206)	-	-	(13,206)
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,206</u>	<u>(13,206)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	613,441	(1,167)	(6,508,272)	565,484	308,528	(5,021,986)
Fund Balances, Beginning of year	1,459,626	1,167	8,026,363	1,184,981	48,427	10,720,564
Fund Balances, End of year	<u>\$ 2,073,067</u>	<u>\$ -</u>	<u>\$ 1,518,091</u>	<u>\$ 1,750,465</u>	<u>\$ 356,955</u>	<u>\$ 5,698,578</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, 2016**

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	\$ (5,021,986)
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 (\$6,581,019) was less than depreciation (\$416,097) in the current period.	6,164,922
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	355,000
Interest is recorded as paid in the governmental funds but is accrued as a liability in the governmental statements. Change in accrued liability.	(22,522)
Special item consisting of decrease in post employment benefit costs.	5,425,872
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(15,381)
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	\$ 976,161
Cost of benefits earned net of employee contributions	<u>(1,032,450)</u>
	(56,289)
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.	
Amortization of Bond Premium	13,939
Compensated Absences	<u>169,451</u>
Total change in net position of governmental activities	<u><u>\$ 7,013,006</u></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, 2016**

	<u>One Percent Retirement Fund</u>	<u>Agency Fund</u>	
ASSETS			
Cash	\$ -	\$ 30,560	
Investments			
Mutual Funds	2,745,660	-	
Total Assets	<u>\$ 2,745,660</u>	<u>\$ 30,560</u>	
LIABILITIES			
Due to Others	\$ -	\$ 30,560	
Total Liabilities	<u>-</u>	<u>\$ 30,560</u>	
NET POSITION			
Held in trust for employee retirement	2,745,660		
Total Net Position	<u>\$ 2,745,660</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, 2016**

	One Percent Retirement Fund
Additions	
Interest and Dividend Income	\$ 17,979
Net increase in the fair value of investments	(81,126)
	(63,147)
 Deductions	
Employee Withdrawals	171,435
	171,435
Change in Net Position	(234,582)
Net Position, Beginning of Year	2,980,242
	\$ 2,745,660

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

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

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, 2016**

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, 2016**

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 good 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, 2016**

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 an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenues) 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, 2016**

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 2016 was 24.02 mils for operations and 1.22 mils for debt service.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016, the District had cash on deposit included in governmental funds of \$242,481. The fiduciary fund consisted of \$2,745,660 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, 2016, the District’s bank balance of \$319,711. That was fully insured by the FDIC and pledged securities.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 RECEIVABLES

Receivables at June 30, 2016, 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	\$ 261,984	\$ 13,305	\$ 275,289
Other receivables	4,030	-	4,030
Gross receivables	266,014	13,305	279,319
Allowance for uncollectible accounts	(7,074)	-	(7,074)
Net total receivables	<u>\$ 258,940</u>	<u>\$ 13,305</u>	<u>\$ 272,245</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	\$ 182,510	\$ -
Total	<u>\$ 182,510</u>	<u>\$ -</u>

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 1,872,395	\$ -	\$ -	\$ 1,872,395
Construction in progress	57,354	2,131,552	-	2,188,906
Total capital assets, not being depreciated	<u>1,929,749</u>	<u>2,131,552</u>	<u>-</u>	<u>4,061,301</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	5,748,857	5,740	-	5,754,597
Furniture and Equipment	371,829	316,807	-	688,636
Vehicles	4,869,152	4,126,920	-	8,996,072
Total capital assets being depreciated	<u>10,989,838</u>	<u>4,449,467</u>	<u>-</u>	<u>15,439,305</u>
Less accumulated depreciation for:				
Buildings and improvements	1,419,567	146,313	-	1,565,880
Furniture and Equipment	227,421	35,580	-	263,001
Vehicles	3,183,919	234,204	-	3,418,123
Total accumulated depreciation	<u>4,830,907</u>	<u>416,097</u>	<u>-</u>	<u>5,247,004</u>
Total capital assets being depreciated, net	<u>6,158,931</u>	<u>4,033,370</u>	<u>-</u>	<u>10,192,301</u>
Governmental activity capital assets, net	<u>\$ 8,088,680</u>	<u>\$ 6,164,922</u>	<u>\$ -</u>	<u>\$ 14,253,602</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 CAPITAL ASSETS- CONTINUED

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

Governmental Activities

Public Safety - Fire Protection	\$ 416,097
Total depreciation expense - governmental activities	\$ 416,097

NOTE 5 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2016:

	June 30, 2015	Increases	Decreases	June 30, 2016	Due Within A Year
Compensated absences	\$ 274,247	\$ 497,846	\$ 667,297	\$ 104,796	\$ 10,480
Bond payable	8,080,000	-	355,000	7,725,000	290,000
Bond premium	275,298	-	13,939	261,359	-
Net pension liability	10,871,814	1,956,908	793,464	12,035,258	-
OPEB	5,425,872	-	5,425,872	-	-
	\$ 24,927,231	\$ 2,454,754	\$ 7,255,572	\$ 20,126,413	\$ 300,480

Compensated Absences

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

1 Year to 4 Years	12 Days
5 Years to 9 Years	14 Days
10 Year to 14 Years	16 Days
15 Years to 19 Years	18 Days
10 Years to 14 Years	16 Days
15 Years to 19 Years	18 Days
20 Years to 24 Years	20 Days
Over 25 Years	22 Days

In the event that annual leave hours are not taken, shift employees will be allowed to carry over up to 120 total annual leave hours in the next calendar year from the previous year and administrative employees will be allowed to carryover over up to 40. Any excess annual leave not taken by January 1 of the New Year, other than the designated carryover hours, will be lost. Employees will not be compensated for carry over hours in the event employment is terminated. Shift employees accrue vacation based on a 24 hour day, and administration employees accrue vacation based on a 40 hour week. A liability of \$104,796 has been recorded to reflect accrued vacation leave which includes 21.19% 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, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

General Bond Obligation bonds

General Bond Obligation bonds payable at June 30, 2016 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, 2016, 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>
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	325,000	241,269	566,269
2022-2026	1,860,000	980,845	2,840,845
2027-2031	2,240,000	598,213	2,838,213
2032-2035	2,085,000	190,413	2,275,413
	<u>\$ 7,725,000</u>	<u>\$ 3,068,216</u>	<u>\$ 10,793,216</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, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Pension Plan

Description of the Entity

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 (State Fiscal Accountability Authority effective July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the 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.

Plan Descriptions

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.

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

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. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, 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 1% 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 1% per year.

Required employee contribution rates¹ for fiscal year 2015-2016 are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employee Class Two	8.16%	8.00%
Employee Cass Three	8.16%	8.00%
PORS		
Employee Class Two	8.74%	8.41%
Employee Class Three	8.74%	8.41%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Required employer contribution rates¹ for fiscal year 2015-2016 are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employer Class Two	10.91%	10.75%
Employer Class Three	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	13.34%	13.01%
Employer Class Three	13.34%	13.01%
Employer Accidental Death Program	0.20%	0.20%
Employer Incidental Death Benefit	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

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. Actuarial assumptions and methods used during the evaluation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time 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, performed on data through June 30, 2015, is currently underway.

The June 30, 2015, total pension liability, net pension liability, and sensitivity information were determined by consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) ¹	4.0% to 10.0% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ includes inflation at 2.75%

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

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. Assumptions used in the July 1, 2014, valuations for SCRS and PORS are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	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 and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Net Pension Liability

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. NPL totals, as of June 30, 2015, for SCRS and PORS are presented as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
SCRS	\$ 1,363,930	\$ 777,327	\$ 586,603	57.00%
PORS	32,312,275	20,863,620	11,448,655	64.60%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans funding requirements.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014 actuarial valuations, is based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant Aon Hewitt. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50% assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes 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%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	<u>100.0%</u>		<u>6.00%</u>
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u><u>8.75%</u></u>

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina Code of Laws will remain unchanged in future years. 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.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

<u>System</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
SCRS	\$ 739,538	\$ 586,603	\$ 458,423
PORS	15,595,770	11,448,655	7,741,399

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2015, are presented below:

<u>Description</u>	<u>SCRS</u>	<u>PORS</u>
Service cost (annual cost of current service)	\$ 23,018	\$ 809,483
Interest on the total pension liability	97,370	2,286,735
Changes in plan benefits	-	-
Plan administrative costs	388	10,180
Plan member contributions	(22,149)	(561,292)
Expected return on plan assets	(58,569)	(1,555,821)
Recognition of current year amortization - Difference between expected and actual experience	4,336	77,011
Recognition of current year amortization - Difference between projected and actual investment earnings	(1,824)	(41,407)
Other	41	(5,572)
Total	<u>\$ 42,611</u>	<u>\$ 1,019,317</u>

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Deferred Outflows of Resources and Deferred Inflows of Resources

The following schedule reflects the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding as of June 30, 2015.

	<u>Difference between expected and actual experience</u>			
	SCRS		PORS	
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Initial Balance	\$ 18,128	\$ (1,383)	\$ 348,941	\$ 35,567
Amortization period¹	4.233	4.164	4.856	4.796
Amortized² period ending June 30,				
2014	\$ (4,282)	-	\$ (71,858)	-
2015	(4,282)	\$ 332	(71,858)	\$ (7,416)
2016	(4,282)	332	(71,858)	(7,416)
2017	(4,282)	332	(71,858)	(7,416)
2018	(1,000)	332	(61,509)	(7,416)
2019	-	55	-	(5,903)

	<u>Difference between projected and actual investment earnings</u>			
	SCRS		PORS	
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Initial Balance	\$ (51,489)	\$ 46,996	\$ (1,501,775)	\$ 1,247,450
Amortization period³	5	5	5	5
Amortized² period ending June 30,				
2014	\$ 10,298	-	\$ 300,355	-
2015	10,298	\$ (9,399)	300,355	\$ (249,490)
2016	10,298	(9,399)	300,355	(249,490)
2017	10,298	(9,399)	300,355	(249,490)
2018	10,297	(9,399)	300,355	(249,490)
2019	-	(9,400)	-	(249,490)

¹In accordance with GASB 68, paragraph 71a, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30.

²Amount amortized and included in pension expense during the measurement period listed.

³In accordance with GASB 68, paragraph 71b, the difference between each year's projected and actual investment earnings is required to be amortized over a closed, 5 year period.

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed in Pension Expense.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 LONG-TERM OBLIGATIONS – CONTINUED

Employer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions actually remitted to the plan for the fiscal year ended June 30, 2015. Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions toward the purchase of employee service purchases and employer contributions paid by employees.

The following table provides a reconciliation of employer contributions in the plans' Statement of Changes in Fiduciary Net Position (per the Systems' separately issued financial statements) to the employer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedules of Employer Allocations.

	SCRS	PORS
Employer Contributions Reported in SCRS Statement of Changes in Net Position for the fiscal year ended June 30, 2015	\$ 31,625	\$ 874,348
Deduct: Employer Contributions Not Representative of Future Contribution Effort	(12)	(1,678)
Employer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2015 Measurement Date	\$ 31,613	\$ 872,670

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2015, and the accounting and financial reporting actuarial valuation as of June 30, 2015. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

NOTE 6 RISK MANAGEMENT

The District purchases various insurance policies providing coverage of workers compensation, tort, property and casualty, liability and natural disasters. 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.

The District is a party to two lawsuits regarding the termination of post retirement insurance benefits for which management cannot determine the outcome. Therefore, there is no provision provided in the financial statements.

**BLUFFTON TOWNSHIP FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 NET POSITION AND FUND EQUITY

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

Capital Assets	\$ 19,500,606
Less accumulated depreciation	(5,247,004)
Less debt	(7,986,359)
Plus bond issuance on hand	1,518,091
Net Investment in Capital Assets	<u>\$ 7,785,334</u>

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

Capital projects	\$ 1,750,465
Employee recruitment and retention	356,955
Total Restricted Fund Balances/Net Position	<u>\$ 2,107,420</u>

NOTE 8 – DUE TO/FROM OTHER FUNDS

The amount due to the debt service fund of \$227,839 represents the net of bond proceeds totaling \$214,633 paid from the debt service fund that is included in the due from Beaufort County in the capital project fund along with \$13,206 in a deficit in the debt service fund. The amount due to the general fund of \$19,884 is a temporary cash deficit in the capital projects fund.

NOTE 9 – SUBSEQUENT EVENTS

In July 2016, the District sold firetrucks with a net book value of \$654,595 for \$412,000 which will result in the recognition of a loss of \$242,595 next fiscal year.

The District has received approval from Beaufort County Council to use approximately \$1.2 million in impact fees that will be used as follows: \$1.1 million for the Colleton River Station and \$100,000 for a paving project at Station 38. Land will be donated to the District for the Colleton River Station.

The District is experiencing budget overages estimated to be \$247,472 in overtime and repairs and maintenance due to Hurricane Matthew in October 2016. The District anticipates a reimbursement from FEMA for approximately 75% of those costs.

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 2017 fiscal year and funded through the capital project fund. At June 30, 2016, a balance of \$593,200 remained on the contract.

NOTE 11 – SPECIAL ITEMS- DECREASE IN OTHER POST EMPLOYMENT BENEFITS

On March 23, 2015, Beaufort County adopted Resolution 2015/7 to terminate healthcare benefits effective July 1, 2016. The change in accounting estimate caused by the decision to terminate benefits resulted in an increase in the change in net position for fiscal year 2016 of \$5,425,872 which is reported as a special item.



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, 2016

GENERAL FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Property Taxes	\$ 11,673,960	\$ 11,673,960	\$ 12,047,448	\$ 373,488
Fees	-	-	89,120	89,120
Interest Income	-	-	4,373	4,373
Miscellaneous	-	-	19,643	19,643
Total Revenues	<u>11,673,960</u>	<u>11,673,960</u>	<u>12,160,584</u>	<u>486,624</u>
EXPENDITURES				
Public Safety - Fire Protection				
Current				
Personnel				
Salaries	6,659,651	6,659,651	6,643,430	16,221
Overtime	583,698	583,698	605,755	(22,057)
Insurance Medical	1,474,462	1,474,462	1,472,492	1,970
Retirement	966,126	966,126	987,010	(20,884)
Social Security Payroll Taxes	447,102	447,102	431,044	16,058
Medicare Payroll Taxes	102,847	102,847	100,809	2,038
Workmans Compensation	395,824	395,824	297,496	98,328
Unemployment Taxes	15,750	15,750	10,978	4,772
Employee Recognition	3,800	3,800	10,961	(7,161)
Total Personnel	<u>10,649,260</u>	<u>10,649,260</u>	<u>10,559,975</u>	<u>89,285</u>
Administration				
Insurance Liability	113,500	113,500	118,374	(4,874)
Uniforms	52,374	52,374	46,657	5,717
Telephone	58,100	58,100	57,278	822
Internet and Cable	48,960	48,960	42,111	6,849
Facilities Rental	36,600	36,600	34,925	1,675
Vaccinations and Physicals	38,010	38,010	34,616	3,394
Accounting and Audit	16,500	16,500	16,000	500
Human Resources	13,438	13,438	12,902	536
Janitorial	10,100	10,100	8,736	1,364
Equipment Rental	7,110	7,110	7,869	(759)
Payroll Service	7,544	7,544	7,280	264
Legal Fees	5,000	5,000	-	5,000
Office Supplies	9,252	9,252	5,215	4,037
Dues and Subscriptions	17,940	17,940	15,220	2,720
Public Education Supplies	11,100	11,100	5,085	6,015
Software and Technical Support	-	-	829	(829)
Consulting	2,692	2,692	163	2,529
Hurricane	3,650	3,650	520	3,130
Postage	2,175	2,175	1,407	768
Advertising	3,900	3,900	1,023	2,877
Website Fees	400	400	314	86
Bank Charges	-	-	440	(440)
Total Administration	<u>458,345</u>	<u>458,345</u>	<u>416,964</u>	<u>41,381</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, 2016

GENERAL FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Utilities and Services				
Electricity	\$ 58,246	\$ 58,246	\$ 51,837	\$ 6,409
Water	7,950	7,950	7,215	735
Stormwater	1,175	1,175	2,686	(1,511)
Pest Control	2,100	2,100	1,582	518
LP and Natural Gas	8,972	8,972	6,597	2,375
Garbage Pick-up	10,100	10,100	9,315	785
Total Utilities and Services	88,543	88,543	79,232	9,311
Maintenance				
Vehicle Maintenance	103,650	103,650	122,938	(19,288)
Equipment Maintenance	29,300	29,300	18,746	10,554
Communications Maintenance	12,100	12,100	9,339	2,761
Building Maintenance	32,407	32,407	21,973	10,434
Maintenance and Tech Support	26,396	26,396	26,555	(159)
Medical Supplies	25,550	25,550	24,674	876
Fuel	114,615	114,615	53,930	60,685
Small Tools	10,260	10,260	9,095	1,165
Total Maintenance	354,278	354,278	287,250	67,028
Training				
Meals and Lodging	23,834	23,834	15,636	8,198
Training and Tuition	55,978	55,978	39,545	16,433
Travel Expenses	6,199	6,199	3,348	2,851
CPR	-	-	6,972	(6,972)
Total Training	86,011	86,011	65,501	20,510
Equipment				
Furniture and Fixtures	6,800	6,800	328	6,472
Appliances	5,000	5,000	6,544	(1,544)
Hardware Replacement	7,984	7,984	7,741	243
Supplies	13,764	13,764	46,586	(32,822)
IT Equipment	415	415	445	(30)
Total Equipment	33,963	33,963	61,644	(27,681)

**BLUFFTON TOWNSHIP FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Capital Outlay				
Buildings and Equipment	\$ -	\$ -	\$ 76,577	\$ (76,577)
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>76,577</u>	<u>(76,577)</u>
 Total Expenditures	 <u>11,670,400</u>	 <u>11,670,400</u>	 <u>11,547,143</u>	 <u>123,257</u>
 Change in Fund Balances	 3,560	 3,560	 613,441	 609,881
 Fund Balances, Beginning of year	 1,459,626	 1,459,626	 1,459,626	 -
 Fund Balances, End of year	 <u>\$ 1,463,186</u>	 <u>\$ 1,463,186</u>	 <u>\$ 2,073,067</u>	 <u>\$ 609,881</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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	0.002838%	0.003093%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	\$ 488,610	\$ 586,603
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 269,079	\$ 294,245
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	181.59%	199.36%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	59.90%	57.00%

PORS - FISCAL YEAR

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	0.54237%	0.52529%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	\$ 10,383,204	\$ 11,448,655
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 6,507,606	\$ 6,567,811
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	159.55%	174.31%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	67.50%	64.60%

NA - Not Available

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

SCRS - FISCAL YEAR

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	\$ 31,613	\$ 34,790
Contributions in Relation to the Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	31,613	34,790
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 290,027	\$ 314,566
Contributions as a Percentage of Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	10.90%	11.06%

PORS - FISCAL YEAR

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	\$ 872,670	\$ 941,842
Contributions in Relation to the Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	872,670	941,842
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 6,507,606	\$ 6,854,736
Contributions as a Percentage of Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	13.41%	13.74%

NA - Not Available



SUPPLEMENTARY INFORMATION



DEBT SERVICE FUNDS

Debt Service Fund

Debt service funds are used for the accumulation of resources for payment of principal and interest on general obligation debt.

**BLUFFTON TOWNSHIP FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	DEBT SERVICE FUND			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Property Taxes	\$ 592,932	\$ 592,932	\$ 557,103	\$ (35,829)
Total Revenues	<u>592,932</u>	<u>592,932</u>	<u>557,103</u>	<u>(35,829)</u>
EXPENDITURES				
Debt Service				
Principal	355,000	355,000	355,000	-
interest	<u>235,000</u>	<u>235,000</u>	<u>216,476</u>	<u>18,524</u>
Total Expenditures	<u>590,000</u>	<u>590,000</u>	<u>571,476</u>	<u>18,524</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>2,932</u>	<u>2,932</u>	<u>(14,373)</u>	<u>(17,305)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	13,206	13,206
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>13,206</u>	<u>13,206</u>
Change in Fund Balances	2,932	2,932	(1,167)	(4,099)
Fund Balances, Beginning of year	<u>1,167</u>	<u>1,167</u>	<u>1,167</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 4,099</u>	<u>\$ 4,099</u>	<u>\$ -</u>	<u>\$ (4,099)</u>



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, 2016**

	<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	\$ 4,379	\$ 5,641	\$ 16,219	\$ 850	\$ 3,471	\$ 30,560
Total Assets	<u>\$ 4,379</u>	<u>\$ 5,641</u>	<u>\$ 16,219</u>	<u>\$ 850</u>	<u>\$ 3,471</u>	<u>\$ 30,560</u>
LIABILITIES						
Due to others	\$ 4,379	\$ 5,641	\$ 16,219	\$ 850	\$ 3,471	\$ 30,560
Total Liabilities	<u>\$ 4,379</u>	<u>\$ 5,641</u>	<u>\$ 16,219</u>	<u>\$ 850</u>	<u>\$ 3,471</u>	<u>\$ 30,560</u>

**BLUFFTON TOWNSHIP FIRE DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Cooking Team				
Assets				
Cash	\$ 4,380	\$ 312	\$ 313	\$ 4,379
Total Assets	<u>\$ 4,380</u>	<u>\$ 312</u>	<u>\$ 313</u>	<u>\$ 4,379</u>
Liabilities				
Due to others	\$ 4,380	\$ 312	\$ 313	\$ 4,379
Total Liabilities	<u>\$ 4,380</u>	<u>\$ 312</u>	<u>\$ 313</u>	<u>\$ 4,379</u>
Emergency				
Assets				
Cash	\$ 4,941	\$ 700	\$ -	\$ 5,641
Total Assets	<u>\$ 4,941</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 5,641</u>
Liabilities				
Due to others	\$ 4,941	\$ 700	\$ -	\$ 5,641
Total Liabilities	<u>\$ 4,941</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ 5,641</u>
Station 35				
Assets				
Cash	\$ 13,047	\$ 3,172	\$ -	\$ 16,219
Total Assets	<u>\$ 13,047</u>	<u>\$ 3,172</u>	<u>\$ -</u>	<u>\$ 16,219</u>
Liabilities				
Due to others	\$ 13,047	\$ 3,172	\$ -	\$ 16,219
Total Liabilities	<u>\$ 13,047</u>	<u>\$ 3,172</u>	<u>\$ -</u>	<u>\$ 16,219</u>
Explorer				
Assets				
Cash	\$ 850	\$ -	\$ -	\$ 850
Total Assets	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850</u>
Liabilities				
Due to others	\$ 850	\$ -	\$ -	\$ 850
Total Liabilities	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850</u>
Auxiliary				
Assets				
Cash	\$ 6,813	\$ 16,733	\$ 20,075	\$ 3,471
Total Assets	<u>\$ 6,813</u>	<u>\$ 16,733</u>	<u>\$ 20,075</u>	<u>\$ 3,471</u>
Liabilities				
Due to others	\$ 6,813	\$ 16,733	\$ 20,075	\$ 3,471
Total Liabilities	<u>\$ 6,813</u>	<u>\$ 16,733</u>	<u>\$ 20,075</u>	<u>\$ 3,471</u>
Total All Agency Funds				
Assets				
Cash	\$ 30,031	\$ 20,917	\$ 20,388	\$ 30,560
Total Assets	<u>\$ 30,031</u>	<u>\$ 20,917</u>	<u>\$ 20,388</u>	<u>\$ 30,560</u>
Liabilities				
Due to others	\$ 30,031	\$ 20,917	\$ 20,388	\$ 30,560
Total Liabilities	<u>\$ 30,031</u>	<u>\$ 20,917</u>	<u>\$ 20,388</u>	<u>\$ 30,560</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.	58-61
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.	62-65
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.	66-70
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.	71-72
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.	73-75

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

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015*	2016
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 7,785,334
Restricted	1,140,543	3,055,572	2,384,856	2,241,287	1,028,712	1,022,468	610,753	870,085	950,479	2,107,420
Unrestricted	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)	(8,871,346)
Total Governmental Activities Net Position	<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>	<u>\$ 1,021,408</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)

Schedule 2

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Personnel	\$ 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	\$ 10,474,445
Operating	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	910,591
Depreciation	-	-	429,510	437,794	440,503	419,730	378,411	402,150	446,585	416,097
Interest	-	-	58,227	37,510	4,316	5,975	-	-	22,602	225,059
Total Expenses	<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>	<u>12,026,192</u>
Revenues										
Governmental Activities:										
Taxes	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	12,589,170
Payments in Lieu of Taxes	14,515	7,111	25,935	-	-	-	-	-	-	-
Penalties and Interest	128,155	124,963	155,478	33,850	16,183	10,938	5,927	3,352	2,185	17,974
Sale of Equipment	-	-	10,758	90,092	-	-	-	-	-	-
Impact Fees	812,506	734,871	138,455	148,629	194,895	165,691	218,170	818,127	367,650	562,010
One Percent Fees	-	-	-	-	277,407	299,741	306,713	303,810	320,725	335,409
False Alarm Fees	27,230	5,450	-	-	-	-	-	-	-	-
Contributions Received	30,770	17,473	9,033	-	-	-	-	-	-	-
Federal Grants	-	-	-	211,140	-	-	-	-	-	-
Special Items	-	-	-	-	-	-	-	-	-	5,425,872
Other	401	14,120	-	347,444	46,008	110,940	63,091	69,930	78,726	108,763
Total Revenues	<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>	<u>19,039,198</u>
Change in Net Position	1,001,696	763,029	1,194,569	202,522	(358,692)	(697,486)	(708,793)	(1,844,753)	(1,425,314)	7,013,006
Net Position-Beginning	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	(5,991,598)
Prior Period Adjustment	-	(570,315)	-	-	-	-	-	-	-	-
Prior Period Restatement (GASB 68)	-	-	-	-	-	-	-	-	(10,887,233)	-
Net Position-End	<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>	<u>\$ 1,021,408</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

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,667	\$ 85,469
Restricted	36,465	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,077,411	957,490	-	-	-
Unassigned	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	1,987,598
Total General Fund	<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>	<u>\$ 2,073,067</u>
DEBT SERVICE FUND										
Restricted	\$ 525,709	\$ 537,866	\$ 548,124	\$ 547,814	\$ 552,705	\$ 637,191	\$ -	\$ 300	\$ 1,167	\$ -
Total Debt Service Fund	<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>	<u>\$ -</u>
SPECIAL REVENUE FUND (Impact Fees)										
Restricted	\$ 2,413,561	\$ 2,512,890	\$ 1,832,588	\$ 1,364,848	\$ 176,878	\$ 344,048	\$ 563,322	\$ 816,571	\$ 1,184,981	\$ 1,750,465
Total Special Revenue Fund	<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>	<u>\$ 1,750,465</u>
SPECIAL REVENUE FUND (One Percent Fees)										
Restricted	\$ -	\$ -	\$ -	\$ 328,625	\$ 299,129	\$ 41,229	\$ 47,431	\$ 53,214	\$ 48,427	\$ 356,955
Total Special Revenue Fund	<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>	<u>\$ 356,955</u>
CAPITAL PROJECTS FUND										
Assigned	\$ 1,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,026,363	\$ 1,518,091
Total Capital Projects Fund	<u>\$ 1,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,026,363</u>	<u>\$ 1,518,091</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

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$ 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	\$ 12,604,551
Payments In Lieu of Taxes	14,515	7,111	25,935	-	-	-	-	-	-	-
Impact Fees	812,506	734,871	138,455	496,073	194,895	165,691	218,170	817,816	367,650	562,010
One percent fees	-	-	-	-	277,407	299,741	306,713	303,810	320,725	335,409
Penalties	54,192	53,888	78,448	-	-	-	-	-	-	-
Interest	73,963	71,075	77,030	33,850	16,183	10,938	5,927	3,352	2,185	17,974
Contributions Received	30,770	17,473	9,033	-	-	-	-	-	-	-
Maintenance/CPR	-	-	-	-	-	53,843	47,531	64,203	78,688	89,120
Vehicle and Equipment Sales	-	-	34,604	102,077	-	-	-	305,000	-	-
False Alarm Fees	27,230	5,450	-	-	-	-	-	-	-	-
Miscellaneous	401	14,120	-	211,140	126,008	56,015	15,560	6,038	38	19,643
Total Revenues	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	13,628,707
Expenditures										
Public Safety - Fire Protection										
Personnel	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	10,587,607
Administration	330,482	425,866	406,270	416,686	318,920	360,519	447,002	414,615	434,414	416,964
Utilities	42,251	56,994	60,189	59,405	65,459	70,462	62,897	77,532	62,062	79,232
Maintenance	424,813	458,055	443,397	246,872	285,777	335,834	400,097	405,610	302,601	287,250
Training	75,977	76,796	74,281	80,363	45,101	33,294	82,815	85,851	68,722	65,501
Equipment	9,488	42,156	43,702	427,801	114,710	9,750	170,321	30,291	93,910	61,644
Capital Outlay	1,240,063	402,343	531,910	340,673	1,485,170	193,354	1,894,926	1,893,944	77,965	6,581,019
Debt Service										
Principal	415,317	643,155	558,855	583,867	454,047	92,325	-	-	-	355,000
Interest	90,162	93,551	71,696	47,083	16,324	2,250	-	-	-	216,476
Contributions to Beaufort County	-	-	31,491	-	-	-	-	-	-	-
Total Expenditures	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	18,650,693
Excess (deficiency) of revenues over (under) expenditures	(28,037)	377,574	425,928	505,285	(912,111)	290,607	(1,400,163)	(1,585,976)	261,894	(5,021,986)
Other Financing Sources (Uses)										
Proceeds of Debt	-	450,000	-	-	-	-	-	-	8,070,884	-
Change in Fund Balances	(28,037)	827,574	425,928	505,285	(912,111)	290,607	(1,400,163)	(1,585,976)	8,332,778	(5,021,986)
Fund Balances, Beginning 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
Prior Period Adjustment	-	(413,616)	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ 4,650,258</u>	<u>\$ 5,064,216</u>	<u>\$ 5,490,144</u>	<u>\$ 5,995,429</u>	<u>\$ 5,083,318</u>	<u>\$ 5,373,925</u>	<u>\$ 3,973,762</u>	<u>\$ 2,387,786</u>	<u>\$ 10,720,564</u>	<u>\$ 5,698,578</u>
Debt service as a percentage of noncapital expenditures	7.1%	8.9%	7.3%	7.0%	4.9%	1.0%	0.0%	0.0%	0.0%	3.2%

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			
	2007	\$ 331,509,902	\$ 50,746,904			
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
2016	388,812,397	88,040,000	476,852,397	4.51%	10,571,348,696	25.24

Data Source: County Finance Director

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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			TOWN OF BLUFFTON			
				OPERATIONS	DEBT SERVICE	REAL PROPERTY PROGRAM	TOTAL COUNTY MILLAGE	SCHOOL OPERATIONS	DEBT SERVICE		TOTAL SCHOOL MILLAGE		
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	
2016	24.02	1.22	25.24	48.77	5.48	4.90	59.15	103.50	31.71	135.21	44.35	263.95	

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 2016 TAX YEAR 2015			FISCAL YEAR 2007 TAX YEAR 2006		
	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	\$ 16,107,810	1	3.57%	\$ 4,360,910	1
COROC/Hilton Head I LLC C/o Blackstone	2,575,080	2	0.57%	2,528,960	2	0.56%
Palmetto Electric Coop	2,005,940	3	0.44%	1,707,700	3	0.38%
CPI/Blaze Myrtle Park	1,524,000	4	0.34%	-	-	0.00%
Old South Apartments/Bluffton OS 2 & 3	1,474,760	5	0.33%	-	-	0.00%
Palmetto Bluff LLC	857,600	6	0.19%	878,170	5	0.19%
Beaufort Oldfield LLC	852,200	7	0.19%	852,200	6	0.19%
South Carolina Bluffton LLC	840,000	8	0.19%	840,000	7	0.19%
Crowne Old Carolina LLC	826,350	9	0.18%	826,350	8	0.18%
Pittsburgh Hilton Head Associates	742,250	10	0.16%	742,250	9	0.16%
Chartwell Hilton Head LLC	-	-	0.00%	1,523,910	4	0.34%
LHF1 Bluffton LLC	-	-	0.00%	648,610	10	0.14%
Total	\$ 27,805,990		6.16%	\$ 14,909,060		3.30%

Source: Beaufort County Finance

**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
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	9,888,082	97.40%	255,886	10,143,968	99.92%
2015	9,900,184	9,650,787	97.48%	110,923	9,761,710	98.60%
2016	10,877,898	10,602,609	97.47%	-	10,602,609	97.47%

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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						
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	8,113,329,000	
2015	-	-	8,355,298	8,355,298	0.10%	138	60,403	8,644,345,000	
2016	-	-	7,986,359	7,986,359	0.09%	129	61,814	8,644,345,000	

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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		PERCENTAGE OF ASSESSED VALUE OF PROPERTY (1)		PER CAPITA (2)
		SERVICE FUND	TOTAL			
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	
2016	7,986,359	-	7,986,359	1.675%	129.00	

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, 2016**

Schedule 11

<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	\$ 222,157,019	32.50%	\$ 72,201,031
Beaufort County School District	329,294,621	32.50%	107,020,752
Town of Bluffton	5,875,000	23.40%	1,374,750
Subtotal overlapping debt	<u>557,326,640</u>		<u>180,596,533</u>
District direct debt	<u>7,986,359</u>	100.00%	7,986,359
Total direct and overlapping debt	<u><u>\$ 565,312,999</u></u>		<u><u>\$ 188,582,892</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 2015

Assessed Value	\$ 476,852,397
Debt limit (8% of assessed value)	38,148,192
Debt applicable to limit:	
Go Bonds	(7,986,359)
Legal Debt Margin	\$ 30,161,833

	<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>	<u>2016</u>
Debt Limit	\$ 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	\$ 38,148,192
Total net debt applicable to limit	<u>(1,882,249)</u>	<u>(1,689,094)</u>	<u>(1,130,240)</u>	<u>(546,372)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,355,298)</u>	<u>(7,986,359)</u>
Legal debt margin	<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>	<u>\$ 30,161,833</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>20.94%</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**

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2016	\$ 557,103	\$ 355,000	\$ 216,476	97.48%

Source: District Audit Report

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

**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)
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	8,113,329,000	46,137	6,547	4.7%
2015	60,403	8,644,345,000	48,134	6,894	6.0%
2016	61,813	8,644,345,000	48,134	7,003	5.2%

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>2016</u>			<u>2007</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	573	1	N/A	N/A	N/A	N/A
Inn at Palmetto Bluff	363	2	N/A	N/A	N/A	N/A
EviCore Healthcare	362	3	N/A	N/A	N/A	N/A
Publix Supermarket	246	4	N/A	N/A	N/A	N/A
Resort Services	186	5	N/A	N/A	N/A	N/A
NHC Healthcare/Bluffton	183	6	N/A	N/A	N/A	N/A
Hargray Communications	162	7	N/A	N/A	N/A	N/A
Kroger Supermarket	136	8	N/A	N/A	N/A	N/A
Town of Bluffton	133	9	N/A	N/A	N/A	N/A
Bluffton Township Fire District	130	10	N/A	N/A	N/A	N/A
Total	<u>2,474</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administration	6	6	6	7	7	6	6	6	6	7
Fire Prevention	4	4	4	5	5	2	3	4	5	5
Maintenance	2	2	3	3	3	3	4	5	5	5
Operations	96	99	97	90	87	87	111	111	112	108
Training	3	3	4	4	4	4	3	3	3	3
Total	111	114	114	109	106	102	127	129	131	128

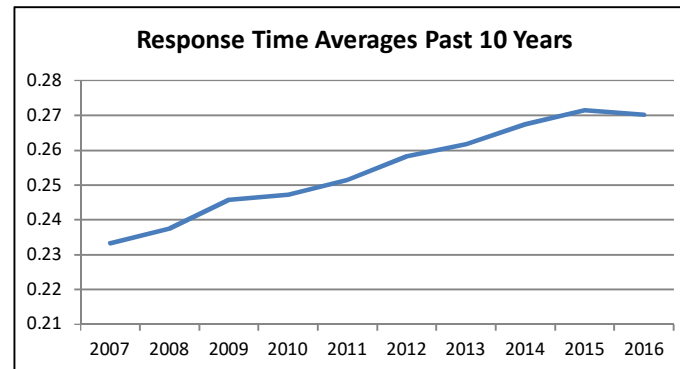
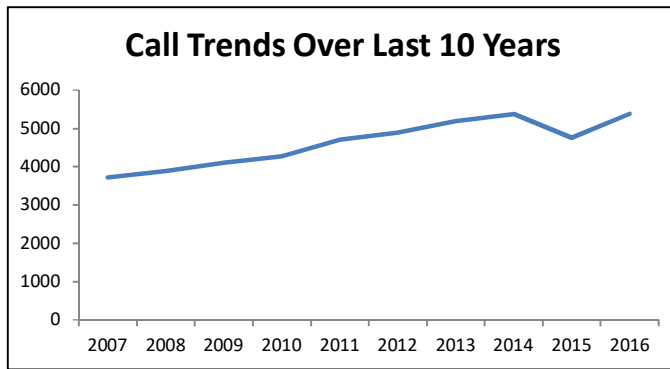
Source: BTFD Human Resources Department

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

Schedule 17

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EMERGENCY SERVICES										
Territory Covered (Sq/miles)	246	246	246	246	246	246	246	246	246	246
NATURE OF CALL										
Hazardous Materials Incident	55	36	49	34	28	29	42	37	39	48
Vehicle Accidents	385	372	317	354	310	322	338	417	355	456
Structure Fires	38	39	49	33	58	39	29	32	26	29
Vehicle Fires	38	31	28	21	22	23	30	22	22	25
Brush Fires	76	62	72	56	86	50	44	41	44	32
Other Fires	85	82	73	66	83	79	76	84	68	72
EMS Calls	1,608	1,513	1,710	2,121	2,168	2,238	2,632	2,542	1,862	2,205
Service Calls	831	1,071	1,125	1,008	1,319	1,483	1,423	1,505	1,640	1,824
False Alarms	585	649	656	555	609	597	559	686	687	677
Specialized Rescues	15	25	20	16	12	16	6	6	9	17
Explosions	5	13	7	11	9	10	9	10	5	5
TOTAL CALLS FOR FY	3,721	3,893	4,106	4,275	4,704	4,886	5,188	5,382	4,757	5,390
AVERAGE RESPONSE TIMES										
Fire Station #30	4:56	5:12	5:27	5:51	5:57	6:10	6:11	6:24	6:24	6:08
Fire Station #31	6:32	6:48	6:39	6:23	7:00	6:38	6:55	6:09	6:59	7:09
Fire Station #32	6:49	7:18	7:02	5:56	6:23	7:29	7:57	7:48	8:04	7:54
Fire Station #33	4:46	4:49	5:17	5:22	5:17	5:55	5:25	4:54	5:14	5:13
Fire Station #34	6:40	6:34	6:23	6:31	6:29	6:18	6:32	6:58	6:49	6:32
Fire Station #35	5:49	5:33	5:49	5:35	5:37	5:52	6:00	6:18	6:12	6:24
Fire Station #36	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8:37	6:43	7:10
Fire Station #37	n/a	n/a	n/a	n/a	n/a	n/a	9:14	6:38	6:33	6:57
District Average¹	5:36	5:42	5:54	5:56	6:02	6:12	6:17	6:25	6:31	6:29

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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>FISCAL YEAR</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>	<u>2016</u>
EMERGENCY SERVICES:										
FIRE STATIONS										
NUMBER OF MANNED FIRE STATIONS	6	6	6	6	6	6	8	8	8	8
NUMBER OF UNMANNED FIRE STATIONS	2	2	2	2	2	2	-	-	-	-
FIRETRUCKS										
NUMBER OF FIRE ENGINES	10	10	9	9	9	9	9	9	9	19
NUMBER OF AERIAL APPARATUS	2	2	2	2	2	2	2	2	2	2
NUMBER OF WATER TENDERS	2	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	2
NUMBER OF RESCUE BOATS	1	1	1	1	1	1	1	1	1	1
NUMBER OF SUPPORT VEHICLES ¹	15	15	15	16	17	17	17	17	17	22
Total Vehicles	<u>31</u>	<u>31</u>	<u>31</u>	<u>33</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>49</u>

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

Source: District capital asset records