

**BURTON FIRE DISTRICT**  
**Financial Statements**  
**and**  
**Supplementary Financial Information**  
**for year ended**  
**June 30, 1990**

# BURTON FIRE DISTRICT

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CERTIFIED PUBLIC  
ACCOUNTANTS

**Report of Independent Certified Public Accountants**

The Board of Commissioners  
Burton Fire District  
Burton, South Carolina

We have audited the accompanying statement of financial position of the Burton Fire District as of June 30, 1990 and the related statement of revenues, expenditures and changes in fund balance for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Burton Fire District as of June 30, 1990, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 8 to the financial statements, Burton Fire District changed its method of accounting for accrued vacation and compensatory pay.

Our examination was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Burton Fire District. The information has been subjected to the same auditing procedures applied in the examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Cherry, Bekaert & Holland*

July 27, 1990  
Beaufort, South Carolina

1) Taxes Receivable

2) Debt Service fund  
balance should reduce  
amount to be provided

## BURTON FIRE DISTRICT

Statement of Financial Position  
All fund Types and Account Groups

	June 30, 1990				Totals (Memorandum Only)	
	Governmental Fund Types		Account Groups		June 30 1990	June 30 1989
	General	Debt Service	General Assets	General Long- Term Debt		
<b>Assets</b>						
Cash and investments	\$ 49,185	\$ -	\$ -	\$ -	\$ 49,185	\$ 61,495
Cash restricted - Beaufort County	-	3,849	-	-	3,849	341
Due from County Treasurer	42,716	-	-	-	42,716	23,321
Amount to be provided for retirement of general long-term debt	-	-	-	870,660	870,660	900,369
Land	-	-	93,391	-	93,391	93,391
Buildings	-	-	717,678	-	717,678	715,721
Office equipment	-	-	34,674	-	34,674	34,374
General equipment	-	-	220,326	-	220,326	218,488
Motor vehicles	-	-	510,332	-	510,332	525,580
<b>Total assets</b>	<b>\$ 91,901</b>	<b>\$ 3,849</b>	<b>\$1,576,401</b>	<b>\$ 870,660</b>	<b>\$2,542,811</b>	<b>\$2,573,080</b>
<b>Liabilities and Fund Equity</b>						
Accounts payable	\$ 14,474	\$ -	\$ -	\$ -	\$ 14,474	\$ 2,521
Retirement and Medicare payable	-	-	-	-	-	3,082
South Carolina Unemployment payable	1,322	-	-	-	1,322	-
Accrued vacation pay	31,921	-	-	-	31,921	11,826
Notes and bonds payable	-	-	-	870,660	870,660	900,369
<b>Total liabilities</b>	<b>47,717</b>	<b>-</b>	<b>-</b>	<b>870,660</b>	<b>918,377</b>	<b>917,798</b>
<b>Fund equity:</b>						
Investment in fixed assets	-	-	1,572,601	-	1,572,601	1,583,754
Investment in fixed assets-contributions	-	-	3,800	-	3,800	3,800
Fund balance:						
Reserved for debt service	-	3,849	-	-	3,849	341
Unreserved	44,184	-	-	-	44,184	67,387
<b>Total fund equity</b>	<b>\$ 91,901</b>	<b>\$ 3,849</b>	<b>\$1,576,401</b>	<b>\$ 870,660</b>	<b>\$2,542,811</b>	<b>\$2,573,080</b>

See notes to financial statements.

BURTON FIRE DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance  
All Governmental Fund Types

	Year ended June 30, 1990		Totals (Memorandum Only)	
	Governmental Fund Types		Year ended	
	General	Debt Service	June 30 1990	June 30 1989
<b>Revenues</b>				
Beaufort County Treasurer	\$515,780	\$ 72,783	\$588,563	\$401,583
Interest	5,536	-	5,536	6,585
Miscellaneous	286	-	286	4,183
Donations	100	-	100	-
<b>Total revenues</b>	<b>521,702</b>	<b>72,783</b>	<b>594,485</b>	<b>412,351</b>
<b>Expenditures</b>				
Salaries	313,938	-	313,938	171,846
Fuel and oil	10,907	-	10,907	7,826
Tuition, travel, meals and lodging	6,602	-	6,602	4,122
Telephone and utilities	18,483	-	18,483	15,851
Firefighting supplies	11,703	-	11,703	9,259
Capital additions	3,795	-	3,795	20,294
Office equipment	849	-	849	10,911
Office supplies and photos	2,910	-	2,910	3,026
Repairs and maintenance	34,067	-	34,067	27,794
Dues and subscriptions	956	-	956	1,133
Insurance and retirement	80,702	-	80,702	56,313
South Carolina unemployment tax	4,958	-	4,958	1,974
Dispatcher fee	-	-	-	29,332
Bond and note payments - principal	7,161	22,549	29,710	14,566
Bond and note payments - interest	9,128	46,726	55,854	68,604
Printing	272	-	272	631
Uniforms	3,724	-	3,724	2,721
Miscellaneous	1,206	-	1,206	873
Fire prevention and small tools	1,628	-	1,628	1,868
Accounting and legal	2,466	-	2,466	2,471
Fire hydrant rental	13,450	-	13,450	25,350
Fire hydrant construction	16,000	-	16,000	-
Training aids	-	-	-	1,488
<b>Total expenditures</b>	<b>544,905</b>	<b>69,275</b>	<b>614,180</b>	<b>478,253</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(23,203)</b>	<b>3,508</b>	<b>(19,695)</b>	<b>(65,902)</b>
<b>Fund balance, beginning of year</b>	<b>67,387</b>	<b>341</b>	<b>67,728</b>	<b>133,630</b>
<b>Fund balance, end of year</b>	<b>\$ 44,184</b>	<b>\$ 3,849</b>	<b>\$ 48,033</b>	<b>\$ 67,728</b>

See notes to financial statements.

*Budgeted Deficit  
in excess of prior  
year fund balance ?*

## BURTON FIRE DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund

	Year ended June 30, 1990		
	Budget	Actual	Over (under) Budget
<b>Revenues</b>			
Beaufort County Treasurer	\$451,919	\$515,780	\$ 63,861
Interest	4,000	5,536	1,536
Miscellaneous	-	286	286
Donations	-	100	100
<b>Total revenues</b>	<b>455,919</b>	<b>521,702</b>	<b>65,783</b>
<b>Expenditures</b>			
Salaries	296,601	313,938	17,337
State retirement and group insurance	72,604	60,408	(12,196)
South Carolina unemployment tax	3,142	4,958	1,816
Dispatcher fee	-	-	-
Printing	750	272	(478)
Telephone	5,500	3,231	(2,269)
Office supplies and postage	1,900	2,654	754
Photo supplies	350	256	(94)
Uniforms	3,940	3,724	(216)
Accounting and legal	3,500	2,466	(1,034)
Dues and subscriptions	900	956	56
Insurance	24,126	20,294	(3,832)
Fire prevention	1,000	503	(497)
Miscellaneous	800	1,206	406
Utilities	15,185	15,252	67
Repairs and maintenance	32,000	34,067	2,067
Fuel and oil	8,000	10,907	2,907
Firefighting supplies	10,600	11,703	1,103
Tuition, travel, meals and lodging	9,250	6,602	(2,648)
Small tools	3,000	1,125	(1,875)
Capital additions	7,500	4,644	(2,856)
Fire hydrant rental	14,500	13,450	(1,050)
Fire hydrant construction	27,000	16,000	(11,000)
Note payments - principal	7,161	7,161	-
Note payments - interest	9,734	9,128	(606)
Contingency	10,000	-	(10,000)
<b>Total expenditures</b>	<b>569,043</b>	<b>544,905</b>	<b>(24,138)</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$(113,124)</b>	<b>(23,203)</b>	<b>\$ 89,921</b>
<b>Fund balance, beginning of year</b>		<b>67,387</b>	
<b>Fund balance, end of year</b>		<b>\$ 44,184</b>	

See notes to financial statements.

BURTON FIRE DISTRICT

Notes to Financial Statements  
June 30, 1990

Note 1 - Summary of significant accounting policies

The Burton Fire District was created by the General Assembly of the State of South Carolina on February 15, 1973. The Fire District is governed by five board members appointed by Beaufort County Council.

The accounting policies of the Burton Fire District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

(a) Basis of Presentation - Fund Accounting

The accounts of the Burton Fire District are organized and operated on a fund basis. A fund is an independent fiscal accounting entity with a self-balancing set of accounts recording its assets, liabilities, fund balance, revenues and expenditures. The minimum number of funds are maintained consistent with the requirements of the law.

The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Burton Fire District.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Burton Fire District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation bond principal and interest.

ACCOUNT GROUPS

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the Fire District.

General Long Term Debt Account Group - This group of accounts is established to account for all long-term debt of the Fire District.



BURTON FIRE DISTRICT

Notes to Financial Statements (continued)  
June 30, 1990

Note 1 - Summary of significant accounting policies (continued)

(b) Basis of Accounting

The Fire District maintains the modified accrual method of accounting. Under the modified accrual method, revenues are recognized when measurable and available. Expenditures are recorded when incurred. Capital expenditures and payments of principal on long-term debt are considered to be expenditures.

(c) Fixed Assets

General fixed assets are recorded at original cost or appraised value at the time of donation. No depreciation has been recorded on general fixed assets.

(d) Long-Term Debt

Long-term debt for the General Fund is included in the Long-Term Debt account group.

(e) Fund Balance

The amounts shown in the fund balance section of the Statement of Financial Position reflect fund balance as defined by "generally accepted accounting principles" and prescribed by the National Council on Governmental Accounting.

(f) Totals (Memorandum Only) Columns

In the accompanying financial statements, the "Total (Memorandum Only)" columns are not the equivalent of consolidated totals and do not represent consolidated financial information. These columns are presented only to facilitate financial analysis.

BURTON FIRE DISTRICT

Notes to Financial Statements (continued)  
June 30, 1990

**Note 1 - Summary of significant accounting policies (continued)**

**(g) Budgets and Budgetary Accounting**

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

- 1.) Prior to May 15, the Fire Chief submits to the Fire District Board of Commissioners a proposed operating budget for the fiscal year commencing on the following July 1. The operating budget includes proposed expenditures and means of financing them.
- 2.) After adoption by the Board of Commissioners, the budget is submitted to Beaufort County Council for approval prior to May 15.
- 3.) Public hearings are conducted by Beaufort County Council to obtain taxpayer comments.
- 4.) Prior to July 1, the budget is legally enacted through the passage of an ordinance.
- 5.) The Fire Chief, upon approval of the Board of Commissioners, is authorized to transfer budgeted amounts between line items within the funds of the Fire District. This is accomplished through the mid-year review process of the budget procedure.
- 6.) Formal budgetary integration is employed as a management control device during the year for the General Fund.
- 7.) The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

**(h) Comparative Data**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Fire District's financial position and operations.

**Note 2 - Pension Costs**

The Fire District participates in a State-run defined benefit pension system - The South Carolina Police Officer's Retirement System.

All full-time employees are eligible for and must become members of the Police Officer's Retirement System. The normal cost is funded by contributions from the members at a rate of 6.5%. The Fire District's share of normal cost is based on 10.3% of the members wages.

BURTON FIRE DISTRICT

Notes to Financial Statements (continued)  
June 30, 1990

Note 2 - Pension costs (continued)

No past service costs are assessed against the Fire District. The Fire District's contributions for the fiscal year ended June 30, 1990 were \$30,258.

Note 3 - Related party transactions

The Fire District is related to Beaufort County, South Carolina in that it received the major portion of its revenues through property taxes assessed by Beaufort County.

The Fire District is participating in a long-term project with The Beaufort-Jasper Water and Sewer Authority to install fire hydrants in the areas serviced by the Fire District.

Note 4 - Debt Limitation

The Fire District's general obligation debt is limited by law to eight percent of the total assessed value of all taxable real and personal property of the district. The latest projected assessed value as of June 30, 1990 was \$24,082,335. The computation of legal debt limits is as follows:

General obligation debt limit (\$24,082,335 x 8%)	\$1,926,587
General obligation debt at June 30, 1989	870,660
	-----
Excess of debt limit over general obligation debt	\$1,055,927
	=====

Note 5 - Notes payable

Notes payable at June 30, 1990 consisted of the following:

General Long-Term Debt

Notes:

Farmer's Home Administration, \$102,000 note dated October 3, 1975 at 5% interest, payable in equal annual installments of \$8,184 including interest, unsecured.	\$ 42,272
---	-----------

Farmer's Home Administration, \$98,000 note date October 23, 1975 at 5% interest, payable in equal annual installments of \$5,711 including interest, unsecured.	82,711
	-----
	\$ 124,983
	=====

BURTON FIRE DISTRICT

Notes to Financial Statements (continued)  
June 30, 1990

Note 5 - Notes payable (continued)

General Obligation Bonds

\$385,000 General Obligation Bonds, Series B of 1986 due in annual installments of \$32,576 beginning March 15, 1986 through March 15, 2026. Payments include interest of 7.125%, unsecured.

342,067

\$428,000 General Obligation Bonds, Series B of 1986 due in annual installments of \$32,576 beginning March 15, 1987 through March 15, 2026. Payments include interest of 7.125%, unsecured.

403,610

-----  
\$745,677  
=====

The annual requirements to pay all debt outstanding as of June 30, 1990, including estimated interest payments of \$1,061,915 are as follows:

Year ended June 30, -----	Total Note Requirements -----	Total Bond Requirements -----
1991 through 1995	\$ 13,895	\$ 69,275
1996 through 2006	5,711	69,275
2007 through 2015	5,711	32,576
2016 through 2026	-	31,576
	-----	-----
	\$183,695	\$1,748,920
	=====	=====

Note 6 - Cash Restricted - Beaufort County

During the years ended June 30, 1990 and 1989, Beaufort County collected monies to be used by the Fire Department to pay its debt service on the outstanding General Obligation Bonds of 1986. These funds are held in escrow by the County and are reported in the Debt Service Fund.

Note 7 - Commitments and Contingencies

The Fire District and the City of Beaufort have entered into an agreement whereby the City of Beaufort will annex a portion of the areas serviced by the Fire District, including the Fire District's Burton Hill Station. The annexation agreement is scheduled to be completed by June 1, 1992.

BURTON FIRE DISTRICT

Notes to Financial Statements (continued)  
June 30, 1990

Note 8 - Prior period adjustment

The balance sheet at June 30, 1989 has been restated to accrue vacation pay and compensatory pay as required by generally accepted accounting principles. As a result of this change in accounting principle we have reduced the June 30, 1989 unreserved fund balance of the Fire District by \$11,826.

7  
long term  
debt account  
group?

## BURTON FIRE DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance  
General Fund

	Year ended June 30	
	1990	1989
<b>Revenues</b>		
Beaufort County Treasurer	\$515,780	\$346,028
Interest	5,536	6,585
Miscellaneous	286	4,183
Donations	100	-
<b>Total revenues</b>	<b>521,702</b>	<b>356,796</b>
<b>Expenditures</b>		
Salaries	313,938	171,846
Fuel and oil	10,907	7,826
Tuition, travel, meals and lodging	6,602	4,122
Telephone and utilities	18,483	15,851
Firefighting supplies	11,703	9,259
Capital additions and equipment	4,644	32,502
Office supplies and photos	2,910	1,727
Repairs and maintenance	34,067	27,794
Dues and subscriptions	956	1,133
Insurance and retirement	80,702	56,313
South Carolina unemployment tax	4,958	1,974
Dispatcher fee	-	29,332
Note payments - principal	7,161	6,850
Note payments - interest	9,128	7,045
Printing	272	1,930
Uniforms	3,724	2,721
Miscellaneous	1,206	873
Fire prevention and small tools	1,628	571
Accounting and legal	2,466	2,471
Fire hydrant rental	13,450	25,350
Training aids	-	1,488
Fire hydrant construction	16,000	-
<b>Total expenditures</b>	<b>544,905</b>	<b>408,978</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(23,203)</b>	<b>(52,182)</b>
<b>Fund balance, beginning of year</b>	<b>67,387</b>	<b>119,569</b>
<b>Fund balance, end of year</b>	<b>\$ 44,184</b>	<b>\$ 67,387</b>

## BURTON FIRE DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Debt Service Fund

	Year ended June 30	
	1990	1989
<b>Revenues</b>	\$ 72,783	\$ 55,555
<b>Total revenues</b>	72,783	55,555
<b>Debt service</b>		
Principal	22,549	7,716
Interest	46,726	61,559
<b>Total expenditures</b>	69,275	69,275
<b>Excess of revenues over (under) expenditures</b>	3,508	(13,720)
<b>Fund balance, beginning of year</b>	341	14,061
<b>Fund balance, end of year</b>	\$ 3,849	\$ 341

BURTON FIRE DISTRICT

Schedule of Changes in General Long-Term Debt

	Year ended June 30, 1990			
General Long-Term Debt July 1, 1989	Additions	Reductions	General Long-Term Debt June 30, 1990	
Notes and Bonds	\$900,369	\$ -	\$29,709	\$870,660



## BURTON FIRE DISTRICT

## Schedule of Changes in General Fixed Assets

	Year ended June 30, 1990			Balance June 30, 1990
	Balance July 1, 1989	Additions	Retirement	
Land	\$ 93,391	\$ -	\$ -	\$ 93,391
Buildings	715,721	1,957	-	717,678
Office equipment	34,374	849	549	34,674
General equipment	218,488	1,838	-	220,326
Motor vehicles	525,580	-	15,248	510,332
	<u>\$1,587,554</u>	<u>\$ 4,644</u>	<u>\$15,797</u>	<u>\$1,576,401</u>

## REQUIRED SUPPLEMENTAL LETTER

The Board of Directors  
BURTON Fire District  
Burton, South Carolina

In accordance with the requirements of the Farmers Home Administration and the American Institute of Certified Public Accountants, the following supplemental letter is written to acquaint you with certain aspects of the Fire District which are not disclosed in the financial statements.

**A - Scope of Examination**

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

**B - Review of the System of Internal Control**

In connection with our examination, we reviewed the system of internal control and made certain observations relative to the records maintained and the accounting procedures in effect. We now submit for your consideration our comments and suggestions with respect to those matters which we believe will be of most interest to management.

We recognize that with a limited number of accounting personnel, an ideal form of internal control is not possible. However, we believe an effort should be made to improve internal control where practicable.

**ACCOUNTING SYSTEM AND RECORDS**

The financial reporting system has been set up on the cash basis and as such, adjustments to receivables, payables and prepaid items are only made at year end to convert the books to the modified accrual basis. Since the overwhelming majority of the revenues of the Fire District come from Beaufort County, there is the possibility that interim revenue figures will be materially misstated. Since it is extremely difficult to obtain regular and timely information from Beaufort County regarding amounts held by the County Treasurer, you should keep this in mind as you review the interim statements and make your decisions.

## BURTON FIRE DISTRICT

## C - Insurance Coverage

	Amount of Coverage
	-----
22VP6300980	
Volunteer Firefighters Blanket Accident Policy	
Accidental Death and Dismemberment Person	\$15,000
Accidental Total Disability Benefit Maximum Benefit	5,000
Accidental Total Disability Benefit Weekly Benefit	
Maximum Payment Period Op to age 65	75
Accidental Partial Disability Benefit	37.50
D1942134A	
Liability and Property	
Liability per occurrence (\$2,000,000 aggregate)	2,000,000
Medical Coverage per person	5,000
Real Property Coverage	
Building #1:	
Real Property	57,200
Personal Property	6,200
Building #2:	
Real Property	28,900
Personal Property	Not covered
Building #3:	
Real Property	28,900
Personal Property	6,200
Building #4:	
Real Property	116,500
Personal Property	11,300

(continued)

## BURTON FIRE DISTRICT

## C - Insurance Coverage - (continued)

		Amount of Coverage
<hr/>		
	Building #5:	
	Real Property	467,700
	Personal Property	41,200
	Personal Property off Premises	
	Coverage Limit	10,000
	Money & Securities	
	Location 1-1	
	On Premises	1,000
	Off Premises	1,000
	Location 3-1	
	On Premises	1,000
	Off Premises	1,000
	Location 4-1	
	On Premises	1,000
	Off Premises	1,000
	Location 5-1	
	On Premises	1,000
	Off Premises	1,000
S1309936	Fidelity Bond	
	Chairman	100,000
	Treasurer	100,000
HO2793969	Auto Liability and Collision	
	Liability per occurrence	1,000,000
	Comprehensive (deductible)	100
	Collision (deductible)	500
	Uninsured/Underinsured	1,000,000
	Motorist	
	Personal injury protection	1,000
XOOG13162499	Umbrella Liability	
	Liability per incident	1,000,000
VAPG102226331	Errors and Omissions	
	Liability per claim	\$1,000,000

BURTON FIRE DISTRICT

D - General

- 1.) The financial reports included in the audit are in agreement with the records of the Fire District.
- 2.) Funds are deposited in institutions insured by the Federal Government.
- 3.) The Fire District is exempt from Federal income tax.