

**DUNN'S CORNERS FIRE DISTRICT  
WESTERLY, RHODE ISLAND**

**BASIC FINANCIAL STATEMENTS  
MAY 31, 2011**

**TOGETHER WITH**

**INDEPENDENT AUDITORS' REPORT**

**AND**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DUNN’S CORNERS FIRE DISTRICT  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2011**

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CERTIFIED PUBLIC ACCOUNTANTS  
**INDEPENDENT AUDITORS' REPORT**

To the Operating Committee  
Dunn's Corners Fire District  
Westerly, Rhode Island

We have audited the accompanying financial statements of the governmental activities and each major fund of the Dunn's Corners Fire District as of and for the year ended May 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Dunn's Corners Fire District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 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 Dunn's Corners Fire District as of May 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2011, on our consideration of the Dunn's Corners Fire District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 27 through 28 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.

*Gothie, Hoyt & Filippetti, LLC*

Groton, Connecticut  
October 21, 2011

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Operating Committee  
Dunn's Corners Fire District  
Westerly, Rhode Island

We have audited the accompanying financial statements of the governmental activities and each major fund of the Dunn's Corners Fire District (the District) as of and for the year ended May 31, 2011, which collectively comprise the Dunn's Corners Fire District's basic financial statements and have issued our report thereon dated October 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the management letter dated October 21, 2011, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the management letter dated October 21, 2011 as MW-10-1, MW-10-2, and MW-10-3 to be material weaknesses.

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether Dunn's Corners Fire District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The District's response to the findings identified in our report is described in the management letter dated October 21, 2011. We did not audit the District's response and, accordingly, we express no opinion on it. This report is intended solely for the information and use of the Dunn's Corners Fire District's Operating Committee and management and is not intended to be and should not be used by anyone other than these specified parties.

*Gothie, Hoyt & Filippetti, LLC*

Groton, Connecticut  
October 21, 2011

**DUNN'S CORNERS FIRE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MAY 31, 2011**

**BASIC FINANCIAL STATEMENTS**

Our discussion and analysis of the Dunn's Corners Fire District's financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2011; as such, it should be read in conjunction with the District's audited financial statements. The audit consists of two series of financial statements: Government-Wide and Fund Financial Statements.

- 1) Government-Wide Financial Statements: These statements, which include the Statement of Net Assets and the Statement of Activities, provide information about the activity of the District as a whole. These statements also present a longer-term view of the District's finances by presenting all assets, liabilities, net assets, revenues, and expenses on the *accrual basis of accounting*, which is similar to the accounting methods used by many private-sector companies.

For purposes of the Government-Wide Financial Statements, the Dunn's Corners Fire District has the following activities:

- a) Governmental Activities – The District's primary service, fire protection, is reported here. This activity is financed primarily through an annual levy of property taxes.
- 2) Fund Financial Statements: For governmental activities, these statements present how the services provided by the District were financed in the short term as well as what remains for future spending. Additionally, these statements report the District's activities in greater detail by highlighting the District's most significant funds. The District's funds consist solely of *Governmental Funds*. These funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the *modified accrual basis of accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations; these statements help you to determine whether there are more or fewer financial resources that can be spent in the near future to finance District operations. We describe the relationship (or differences) between governmental *activities* (reported in the government-wide financial statements) and government *funds* in reconciliation at the bottom of the fund financial statements.

**DUNN'S CORNERS FIRE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED MAY 31, 2011**

**CONDENSED GOVERNMENT-WIDE STATEMENTS**

Presented below is a condensed version of the government-wide financial statements.

Statement of Net Assets

	Governmental Activities		Increase
	2011	2010	(Decrease)
Current assets	\$ 566,038	\$ 577,289	\$ (11,251)
Capital assets, net	2,533,821	2,546,482	(12,661)
Total assets	<u>\$ 3,099,859</u>	<u>\$ 3,123,771</u>	<u>\$ (23,912)</u>
Current liabilities	\$ 42,767	\$ 37,731	\$ 5,036
Noncurrent liabilities	1,517,666	1,638,333	(120,667)
Total liabilities	<u>1,560,433</u>	<u>1,676,064</u>	<u>(115,631)</u>
Net assets			
Invested in capital assets	1,016,155	908,149	108,006
Unrestricted	523,271	539,558	(16,287)
Total net assets	<u>1,539,426</u>	<u>1,447,707</u>	<u>91,719</u>
Total liabilities and net assets	<u>\$ 3,099,859</u>	<u>\$ 3,123,771</u>	<u>\$ (23,912)</u>

Net assets *increased* during the year ended May 31, 2011 primarily because many expenses for the year were less than anticipated and budgeted. Noncurrent liabilities *decreased* as expected due to the annual principal payments paid on the District's notes.

Current assets consist primarily of certificates of deposit and property tax receivables. Capital assets include real estate and fire apparatus owned by the District. The District's liabilities consist of the outstanding balances of three (3) notes payable along with the related accrued interest at year-end.

Significant capital outlays (>\$5,000) are being recorded as District capital assets and are being depreciated over their estimated useful lives. Capital assets presented here are shown net of their accumulated depreciation. Net assets have been separated into two categories on the District's financial statements: 1) Invested in capital assets and 2) Unrestricted net assets. Because capital assets are not very liquid (i.e. easily converted to cash) the District's equity in these assets has been separated and labeled as such. Unrestricted net assets, however, represents the liquid portion of the District's net assets that can be used to finance daily operations without constraints.

**DUNN'S CORNERS FIRE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED MAY 31, 2011**

**CONDENSED GOVERNMENT-WIDE STATEMENTS (Continued)**

Statement of Activities

	Governmental Activities		Increase
	2011	2010	(Decrease)
Program revenues			
Charges for services	\$ 148,199	\$ 149,070	\$ (871)
Capital grants and contributions	5,000	-	5,000
General revenues			
Property taxes and related interest	522,412	633,937	(111,525)
Interest income	1,587	1,773	(186)
Miscellaneous revenues	17,235	870	16,365
Total revenues	694,433	785,650	(91,217)
Program expenses			
Public safety - fire protection	530,808	555,556	(24,748)
Recreation - community building	13,108	11,677	1,431
Interest expense	58,798	63,701	(4,903)
Total expenses	602,714	630,934	(28,220)
Change in net assets	91,719	154,716	(62,997)
Net assets, beginning of year	1,447,707	1,292,991	154,716
Net assets, end of year	<u>\$ 1,539,426</u>	<u>\$ 1,447,707</u>	<u>\$ 91,719</u>

Governmental Activities

Property taxes and related interest revenues *decreased* from the prior year because of management's decision to lower the tax levy for the fiscal year ended May 31, 2011 and use a portion of the District's equity to support its program expenses. The District's net assets *increased* from the prior year because actual program expenses were less than anticipated.

During the year ended May 31, 2011, the District received a \$5,000 capital grant for the purpose of acquiring fire protection equipment (see *Capital Asset and Debt Administration*).

**DUNN'S CORNERS FIRE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED MAY 31, 2011**

**CONDENSED GOVERNMENT-WIDE STATEMENTS (Continued)**

General Fund Budgetary Highlights

There was only one (1) amendment to the District's budget. This \$28,000 amendment, made at the July 2010 annual meeting, was to increase the budgeted transfer from the District's General Fund to its Truck Fund (a Capital Project Fund).

Overall actual expenditures were under budget by \$42,171, with the majority of the savings attributable to lower than expected expenditures for the Board of Engineers.

Overall actual revenues came in ahead of budget by \$57,791 primarily from better than expected property tax collections and from the receipt of insurance proceeds from claims arising from the March 2010 flooding.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At May 31, 2011, the District had over \$3 million invested in various capital assets as listed below:

	Governmental Activities
Land	\$ 454,696
Buildings and improvements	1,347,345
Vehicles	1,675,822
Total	\$ 3,477,863

During the fiscal year ended May 31, 2011, the District added \$116,050 of capital assets to its governmental activities. These additions included installation of an exhaust removal system at one of the fire stations for \$33,050 and the purchase of a brush truck for \$83,000. The purchase of the brush truck was partially funded with a \$5,000 grant from the State of Rhode Island Department of Environmental Management.

Noncurrent Liabilities

During the year ended May 31, 2011, the Dunn's Corners Fire District made its scheduled principal payments on its three (3) notes payable, leaving a total outstanding balance of \$1,517,666 at year-end.

More detailed information on the District's capital assets and noncurrent liabilities is presented in the notes to the financial statements.

**DUNN'S CORNERS FIRE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*  
FOR THE YEAR ENDED MAY 31, 2011**

**NEXT YEAR'S BUDGET AND RATES**

At its annual budget meeting in July 2011, the Dunn's Corners Fire District adopted a \$702,295 budget for 2011-2012 using a tax levy of \$551,895 and fees of \$150,400.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Office at Dunn's Corners Fire District, 1 Langworthy Road, Westerly, RI 02891.

**DUNN'S CORNERS FIRE DISTRICT**  
**STATEMENT OF NET ASSETS**  
**MAY 31, 2011**

**ASSETS**

	GOVERNMENTAL ACTIVITIES
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 452,034
Receivables	102,770
Prepaid expenses	11,234
Total current assets	566,038
 <b>NONCURRENT ASSETS</b>	
Capital assets, non-depreciable	454,696
Capital assets, net of accumulated depreciation	2,079,125
Total noncurrent assets	2,533,821
Total assets	\$ 3,099,859

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 13,071
Accrued expenses	29,696
Total current liabilities	42,767
 <b>NONCURRENT LIABILITIES</b>	
Due within one year	120,667
Due in more than one year	1,396,999
Total noncurrent liabilities	1,517,666
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,016,155
Unrestricted	523,271
Total net assets	1,539,426
Total liabilities and net assets	\$ 3,099,859

*The accompanying notes are an integral part of these financial statements*

**DUNN'S CORNERS FIRE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2011**

Functions / Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Capital Grants and Contributions	Revenue and Change in Net Assets
				Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>				
Public safety - fire protection	\$ (530,808)	\$ 143,546	\$ 5,000	\$ (382,262)
Recreation - community building	(13,108)	4,653	-	(8,455)
Interest expense	(58,798)	-	-	(58,798)
	<u>\$ (602,714)</u>	<u>\$ 148,199</u>	<u>\$ 5,000</u>	<u>(449,515)</u>

**GENERAL REVENUES**

Property taxes and related interest	522,412
Interest income	1,587
Miscellaneous revenues	17,235
Total general revenues	<u>541,234</u>
Change in net assets	91,719
NET ASSETS, beginning of year	<u>1,447,707</u>
NET ASSETS, end of year	<u>\$ 1,539,426</u>

*The accompanying notes are an integral part of these financial statements*

**DUNN'S CORNERS FIRE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MAY 31, 2011**

**ASSETS**

	GENERAL FUND	SPECIAL REVENUE		CAPITAL PROJECTS			TOTAL GOVERNMENTAL FUNDS
		PREVENTION FUND	FUND	TRUCK FUND	EQUIPMENT FUND	BUILDING FUND	
CURRENT ASSETS							
Cash and cash equivalents	\$ 452,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452,034
Receivables, net	102,770	-	-	-	-	-	102,770
Due from other funds	-	7,258	23,323	80,290	11,032		121,903
Total current assets	\$ 554,804	\$ 7,258	\$ 23,323	\$ 80,290	\$ 11,032	\$	\$ 676,707

**LIABILITIES AND FUND BALANCES**

CURRENT LIABILITIES							
Accounts payable	\$ 13,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,071
Accrued expenses	11,395	-	-	-	-	-	11,395
Due to other funds	121,903	-	-	-	-	-	121,903
Deferred revenue	99,581	-	-	-	-	-	99,581
Total current liabilities	245,950	-	-	-	-	-	245,950
FUND BALANCES							
Committed	-	-	23,323	80,290	11,032		114,645
Assigned	-	7,258	-	-	-		7,258
Unassigned	308,854	-	-	-	-		308,854
Total fund balances	308,854	7,258	23,323	80,290	11,032		430,757
Total liabilities and fund balances	\$ 554,804	\$ 7,258	\$ 23,323	\$ 80,290	\$ 11,032	\$	\$ 676,707

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds  
 Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds or recorded as period expenditures  
 Liabilities that are not due and payable in the current period are not reported in the funds

Net assets of governmental activities

	2,533,821
	110,815
	(1,535,967)
	<u>\$ 1,539,426</u>

**DUNN'S CORNERS FIRE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MAY 31, 2011**

	GENERAL FUND	SPECIAL REVENUE PREVENTION FUND	TRUCK FUND	CAPITAL PROJECTS		BUILDING FUND	TOTAL GOVERNMENTAL FUNDS
				EQUIPMENT FUND			
<b>REVENUES</b>							
General property taxes	\$ 523,787	\$ -	\$ -	-	-	\$ -	\$ 523,787
Intergovernmental	132,426	-	5,000	-	-	-	137,426
Interest income	1,587	-	-	-	-	-	1,587
Other revenue	28,508	4,092	-	409	-	-	33,009
Total revenues	686,308	4,092	5,000	409	-	-	695,809
<b>EXPENDITURES</b>							
Current							
Public safety - fire protection	403,905	2,915	-	-	-	-	406,820
Recreation - community building	11,613	-	-	-	-	-	11,613
Debt service	180,763	-	-	-	-	-	180,763
Capital outlay	-	-	83,000	-	33,050	-	116,050
Total expenditures	596,281	2,915	83,000	-	33,050	-	715,246
Excess (deficiency) of revenues over expenditures	90,027	1,177	(78,000)	409	(33,050)		(19,437)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in (out)	(73,000)	-	53,000	10,000	10,000		-
Total other financing sources (uses)	(73,000)	-	53,000	10,000	10,000		-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	17,027	1,177	(25,000)	10,409	(23,050)		(19,437)
<b>FUND BALANCE, beginning of year</b>	291,827	6,081	48,323	69,881	34,082		450,194
<b>FUND BALANCE, end of year</b>	\$ 308,854	\$ 7,258	\$ 23,323	\$ 80,290	\$ 11,032	\$ -	\$ 430,757

*The accompanying notes are an integral part of these financial statements*

**DUNN'S CORNERS FIRE DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MAY 31, 2011**

Net change in fund balances - total governmental funds	\$ (19,437)
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation (\$128,711) exceeded capital additions (\$116,050) in the current period.	(12,661)
The District's governmental funds use the purchase method with regard to expenditures for insurance premiums. This is the increase in prepaid insurance premiums in the current period.	3,227
Governmental funds do not report the changes in long-term liabilities as they do not require the use of current financial resources.	121,965
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(1,375)</u>
Change in net assets of governmental activities	<u><u>\$ 91,719</u></u>

*The accompanying notes are an integral part of these financial statements*

**DUNN'S CORNERS FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Dunn's Corners Fire District ("District") operates under the direction of an Operating Committee and provides fire protection services to the residents of designated areas of Westerly and Charlestown, Rhode Island. The District also provides fire protection services to other local fire districts under individual contracts.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

**REPORTING ENTITY**

The Dunn's Corners Fire District reporting entity consists of all significant funds, agencies, boards, commissions and authorities over which the District exercises oversight responsibility. Oversight responsibility was determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Based on these criteria, the following entity was considered not to be a component unit as defined in Governmental Accounting Standards Board Statement ("GASB") 14 as amended by GASB 39, and has therefore been excluded from the District's reporting entity:

Dunn's Corners Fire Department

The District is not included in any other governmental "reporting entity" as defined by GASB because the Operating Committee members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**  
**(Continued)**

and obligations. The District's net assets are reported in two parts – invested in capital assets, net of related debt and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of the District's primary function of fire protection. This function is also supported by general government revenues (property taxes, interest, and miscellaneous income). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. The net costs of fire protection are normally covered by general revenue (property taxes, interest, and miscellaneous income). The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures. The various funds are reported by generic classification within the financial statements.

The following Fund Types are used by the District:

1) Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

- a) General Fund. This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is considered a major fund.
- b) Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources that are legally restricted or board designated for specified purposes. The District currently maintains one special revenue fund, the Prevention Fund.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS *(Continued)***  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
***(Continued)***

**BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS *(Continued)***

- b) Special Revenue Funds. *(Continued)*  
The Prevention Fund is used to account for inspection fee income which is used to pay for training activities and supplies. This fund is considered a major fund for the year ended May 31, 2011.
  
- c) Capital Project Funds. These funds are used to account for the acquisition or construction of capital assets. The District currently maintains three capital project funds: the Truck Fund, the Equipment Fund, and the Building Fund. These funds are considered major funds for the year ended May 31, 2011.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

When an expenditure is incurred for a purpose for which amounts in any unrestricted fund balance category could be used, committed fund balances are considered to have been spent first, followed by assigned fund balances and unassigned fund balances.

**BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1) Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2) Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within sixty (60) days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. The District uses the purchase method with regard to its expenditures for insurance premiums.

**DUNN'S CORNERS FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
*(Continued)***

**CAPITAL ASSETS**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over estimated useful lives ranging from five (5) to forty (40) years.

GASB Statement No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

**ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Based upon prior experience, management has not established an allowance for doubtful accounts for its delinquent property taxes in its General Fund.

**BUDGETS**

The District is required by state law to adopt an annual budget. The budget is presented on the modified accrual basis of accounting.

The budget is developed by the District's Operating Committee and then presented to eligible voters for approval at the Annual Meeting held each July. The District's tax levy is also approved by the eligible voters at the Annual Meeting.

There was one additional appropriation of \$28,000 made during the 2010-2011 fiscal year. Unexpended appropriations lapse at the end of the fiscal year.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CASH EQUIVALENTS**

The District defines cash equivalents as liquid investments with an original maturity of three months or less. The District had cash equivalents of \$429,113 at May 31, 2011 which consisted of certificates of deposit.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**FUND EQUITY AND NET ASSETS**

In the Government-Wide Financial Statements, net assets are classified in the following categories:

*Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

*Unrestricted Net Assets* – This category represents the net assets of the District, which are not restricted for any project or other purpose.

In the Fund Financial Statements, fund balances of governmental funds are composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

*Nonspendable Fund Balance* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

*Committed Fund Balance* – This represents the portion of fund balance that can only be used for specific purposes imposed by the District's highest level of decision making authority (the Operating Committee) and presented to the District's voter for approval. In the District's Capital Project Funds, these are monies earmarked by the Operating Committee awaiting approval for specific projects by the District's voters.

*Assigned Fund Balance* – This classification includes amounts that are intended for a particular purpose, but are neither Restricted nor Committed. In the District's Prevention Fund (a Special Revenue Fund), these monies are earmarked and approved by the Fire Chief.

*Unassigned Fund Balance* – This represents amounts that are available for any purpose.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Deposits and Investments - The District has no formal policy for deposits (cash and certificates of deposit treated as cash equivalents) and investments or a custodial credit risk policy and related credit risk policy for debt securities. However, as a practice, the District follows Rhode Island State Statutes which allows for the deposit of funds into savings accounts or certificates of deposit of commercial or savings banks or trust companies, or in obligations of the United States or its agencies, or in any other short term investment, as would be made by prudent persons of discretion and intelligence.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**  
**(Continued)**

Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate increases. Generally, the District does not invest in any long-term investment obligations.

Concentration of Credit Risk – At May 31, 2011, the carrying amount of the District's deposits with financial institutions (including cash and certificates of deposit) was \$452,034 and the bank balance was \$492,634 of which \$250,000 was covered by federal depository insurance and \$242,634 was collateralized by debt securities held by the financial institution.

**NOTE 3. PROPERTY TAXES**

The District's property tax is levied and due between September 1<sup>st</sup> and September 30<sup>th</sup>, based on the assessed value listed as of December 31<sup>st</sup> of the previous year. Property taxes that have been levied and are due on or before year-end are recognized as revenue on the fund financial statements if they have been collected within sixty days after year-end. Property taxes receivable represents delinquent and uncollected taxes from the prior and current levies. Delinquent taxes accrue interest at 12% per annum. Property taxes receivable not collected within sixty days after year-end are reflected as deferred revenue. An allowance has not been established for uncollectible taxes based on historical collection experience and because Rhode Island State Statutes provide for an immediate three-year lien on property related to delinquent taxes.

**NOTE 4. RISK MANAGEMENT AND LITIGATION**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has obtained coverage from commercial insurance companies and has effectively managed risk through various employee education and prevention programs. There have been no significant reductions in insurance coverage and settlements have not exceeded insurance coverage for each of the past three fiscal years. All risk management activities are accounted for in the general fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. There were no claims outstanding at May 31, 2011.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 5. RECEIVABLES**

At May 31, 2011, receivables consisted of the following:

	Government	
	Fund Financials	Wide
	General Fund	Governmental Activities
Property taxes	\$ 81,049	\$ 81,049
Interest and liens	21,497	21,497
Other	224	224
Receivables, gross	102,770	102,770
Allowance for doubtful accounts	-	-
Receivables, net	<u>\$ 102,770</u>	<u>\$ 102,770</u>

Governmental funds report *deferred revenues* in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Deferred revenues in connection with resources received that have not yet been earned and therefore do not qualify for revenue recognition are reported in both the government-wide and fund financial statements.

At May 31, 2011, the District's deferred revenues consisted of the following:

	Government	
	Fund Financials	Wide
	General Fund	Governmental Activities
Unavailable	\$ 99,581	\$ -
Unearned	-	-
	<u>\$ 99,581</u>	<u>\$ -</u>

**NOTE 6. INTERFUND BALANCES AND TRANSFERS**

Interfund balances between governmental funds arise when receipts or disbursements are processed through one fund's cash accounts on behalf of another fund or from temporary advances of receipts. All balances are expected to be repaid within one year.

**DUNN'S CORNERS FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 6. INTERFUND BALANCES AND TRANSFERS (Continued)**

As of May 31, 2011, the District's interfund balances were as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds		
General Fund	\$ 121,903	\$ -
Special Revenue Fund - Prevention Fund	-	7,258
Capital Project Fund - Truck Fund	-	23,323
Capital Project Fund - Equipment Fund	-	80,290
Capital Project Fund - Building Fund	-	11,032
	<u>\$ 121,903</u>	<u>\$121,903</u>

Transfers represent nonreciprocal transactions between funds. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

The District made the following transfers during the year ended May 31, 2011:

	<u>Transfers In</u>	<u>Transfers Out</u>
Fund Financial Statements		
Major Funds		
General Fund	\$ -	\$ 73,000
Capital Project Fund - Truck Fund	53,000	-
Capital Project Fund - Equipment Fund	10,000	-
Capital Project Fund - Building Fund	10,000	-
Total transfers - Fund Financial Statements	<u>\$ 73,000</u>	<u>\$ 73,000</u>

Transfers totaling \$73,000 were made to provide funding for current and future expenditures of the District's three capital projects funds.

**NOTE 7. BUDGET MODIFICATIONS**

At its 2010 Annual Meeting, eligible voters approved an additional appropriation of \$28,000 for the acquisition of a brush truck through the District's Truck Fund.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 8. CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES**

Changes in capital assets of governmental activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Nondepreciable assets</b>				
Land	\$ 454,696	\$ -	\$ -	\$ 454,696
Total nondepreciable assets	454,696	-	-	454,696
<b>Depreciable assets</b>				
Buildings and improvements	1,314,295	33,050	-	1,347,345
Vehicles	1,592,822	83,000	-	1,675,822
Total depreciable assets	2,907,117	116,050	-	3,023,167
Total at historical cost	3,361,813	116,050	-	3,477,863
<b>Less accumulated depreciation</b>				
Buildings and improvements	225,864	34,634	-	260,498
Vehicles	589,467	94,077	-	683,544
Total accumulated depreciation	815,331	128,711	-	944,042
Governmental activities capital assets, net	\$ 2,546,482	\$ (12,661)	\$ -	\$ 2,533,821

Depreciation expense was charged to governmental functions as follows:

Public safety - fire protection	\$ 127,216
Recreation - community building	1,495
	<u>\$ 128,711</u>

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 9. NONCURRENT LIABILITIES – GOVERNMENTAL ACTIVITIES**

Noncurrent liabilities of the governmental activities for the year ended May 31, 2011 consist of the following:

Description of Obligation	Beginning Balance	Borrowings	Repayments	Ending Balance
Note payable dated 11/13/08, payable fifteen (15) years at \$56,667 per year plus interest at a variable rate equal to 80% of the New York Prime Rate (2.60% per annum at May 31, 2011). Original indebtedness was \$850,000 for the purchase of a ladder truck.	\$ 793,333	\$ -	\$ 56,667	\$ 736,666
Note payable dated 12/07/04, payable twenty-five (25) years at \$35,000 per year plus interest at 5.25% per annum. Original indebtedness was \$875,000 for the renovation of fire station # 2.	700,000	-	35,000	665,000
Note payable dated 12/07/04, payable ten (10) years at \$29,000 per year plus quarterly interest payments equal to 80% of the lenders prime rate (2.60% per annum at May 31, 2011). Original indebtedness was \$290,000 for the purchase of fire engine #2.	145,000	-	29,000	116,000
Total notes payable	<u>\$1,638,333</u>	<u>\$ -</u>	<u>\$ 120,667</u>	<u>\$ 1,517,666</u>
				\$ 120,667
				1,396,999
				<u>\$ 1,517,666</u>

The District has pledged its full faith and credit as collateral for its indebtedness. The notes will be paid through the General Fund from taxes levied on taxable property in the District.

Interest paid by the District for the year ended May 31, 2011 was \$60,096. Total interest expense, including accrued interest of \$18,301, was \$58,798.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 9. NONCURRENT LIABILITIES – GOVERNMENTAL ACTIVITIES**  
**(Continued)**

The schedule of debt maturity (principal and interest) is as follows:

	\$850,000	\$875,000	\$290,000	
	Note	Note	Note	Total
<b>Principal Maturities</b>				
<u>May 31,</u>				
2012	\$ 56,667	\$ 35,000	\$ 29,000	\$ 120,667
2013	56,667	35,000	29,000	120,667
2014	56,667	35,000	29,000	120,667
2015	56,667	35,000	29,000	120,667
2016	56,667	35,000	-	91,667
Thereafter	453,331	490,000	-	943,331
Total	<u>\$ 736,666</u>	<u>\$ 665,000</u>	<u>\$ 116,000</u>	<u>\$ 1,517,666</u>
Due within one year	\$ 56,667	\$ 35,000	\$ 29,000	\$ 120,667
Due in more than one year	679,999	630,000	87,000	1,396,999
	<u>\$ 736,666</u>	<u>\$ 665,000</u>	<u>\$ 116,000</u>	<u>\$ 1,517,666</u>
<b>Interest Maturities</b>				
<u>May 31,</u>				
2012	\$ 19,153	\$ 34,453	\$ 2,828	\$ 56,434
2013	17,680	32,616	2,074	52,370
2014	16,207	30,778	1,319	48,304
2015	14,733	28,941	565	44,239
2016	13,260	27,103	-	40,363
Thereafter	53,044	186,506	-	239,550
Total	<u>\$ 134,077</u>	<u>\$ 340,397</u>	<u>\$ 6,786</u>	<u>\$ 481,260</u>
Due within one year	\$ 19,153	\$ 34,453	\$ 2,828	\$ 56,434
Due in more than one year	114,924	305,944	3,958	424,826
Total	<u>\$ 134,077</u>	<u>\$ 340,397</u>	<u>\$ 6,786</u>	<u>\$ 481,260</u>

**DUNN'S CORNERS FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 10. COMMITTED AND ASSIGNED FUND BALANCE**

At May 31, 2011, committed and assigned fund balances on the fund financial statements consisted of the following:

Purpose	Amount	Authority
<b>Committed</b>		
Acquisition of District vehicles	\$ 23,323	Operating Committee
Acquisition of firefighting equipment and apparatus	80,290	Operating Committee
Acquisition and improvement of District real property	11,032	Operating Committee
	<u>114,645</u>	
<b>Assigned</b>		
Fire department training and supplies	<u>\$ 7,258</u>	Fire Chief

**NOTE 11. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

For the year ended May 31, 2011, the following expenditures were in excess of their budgeted appropriations by the following amounts:

<b>Operating</b>	
Treasurer - stationary/postage	98
Tax collector - stationary/postage	1,086
Tax collector - computer supplies	350
DCFD community building - fuel	729
<b>Salary</b>	
Fire chief	1,125
<b>Board of engineers</b>	
Personal protective equipment	233
Information services	141
Fire marshall inspection expense	1,325
Copier	293
Training	18

**NOTE 12. PENSION PLAN**

The District sponsors and administers a defined contribution profit sharing retirement plan under Section 401(k) of the Internal Revenue Code. At its sole discretion, the District may make matching and profit sharing contributions to eligible employees' accounts. As of May 31, 2011, the District's plan provided matching contributions of up to 7% of gross pay for employees who have worked 1,000 hours and are at least 21 years of age. Total District contributions to the plan for the year ended May 31, 2011 were \$7,680. As of May 31, 2011, there was one participant in the plan.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (*Continued*)**  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 13. FIRE PROTECTION CONTRACTS**

As of May 31, 2011, the District had contracted with three (3) other area fire districts to provide fire protection services for an annual fee. These contracts range from five (5) to seven (7) years in length and end on May 31, 2014, and May 31, 2016, respectively. The annual fee under these contracts is based on the previous year's fee as adjusted for any increases for the District's corresponding annual budget, subject to a maximum increase percentage of 6 to 7%. For the year ended May 31, 2011, fees earned and received under these contracts totaled \$132,426.

**NOTE 14. PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to May 31, 2011 that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement 57, Other Post Employment Benefits Measurements by Agent Employers and Agent Multiple-Employer Plans. This statement is effective for the year ending May 31, 2013. The objective of the statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans.

GASB Statement 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions – an Amendment of GASB Statement 53. This statement is effective for the year ending May 31, 2013. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

GASB Statement 60, Accounting and Financial Reporting for Service Concession Arrangements. This statement is effective for the year ending May 31, 2013. This statement addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into.

GASB Statement 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements 14 and 34. This statement is effective for the year ending May 31, 2014. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity.

GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement is effective for the year ending May 31, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in other pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

**DUNN'S CORNERS FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS *(Continued)***  
**FOR THE YEAR ENDED MAY 31, 2011**

**NOTE 14. PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE**  
***(Continued)***

GASB Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement is effective for the year ending May 31, 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources: financial statement elements which are distinct from assets and liabilities.

## REQUIRED SUPPLEMENTARY INFORMATION

**DUNN'S CORNERS FIRE DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED MAY 31, 2011**

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>					
Property taxes	\$ 484,026	\$ -	\$ 484,026	\$ 523,787	\$ 39,761
Outside district fees	132,426	-	132,426	132,426	-
Commercial inspection fees	12,065	-	12,065	11,120	(945)
Community building	-	-	-	4,654	4,654
Interest income	-	-	-	1,587	1,587
Other income	-	-	-	12,734	12,734
Total revenues	<u>628,517</u>	<u>-</u>	<u>628,517</u>	<u>686,308</u>	<u>57,791</u>
<b>EXPENDITURES</b>					
Operating					
Clerk					
Stationary/postage	100	-	100	-	100
Advertising	600	-	600	86	514
Treasurer					
Stationary/postage	700	-	700	798	(98)
Tax collector					
Stationary/postage	1,438	-	1,438	2,524	(1,086)
Tax bills - Westerly/Charlestown	1,795	-	1,795	-	1,795
Operating supplies	1,300	-	1,300	553	747
Computer supplies	1,000	-	1,000	1,350	(350)
Legal advertising	40	-	40	-	40
Operating committee					
Legal services	4,500	-	4,500	2,820	1,680
Audit services	12,000	-	12,000	11,500	500
Supplies	2,400	-	2,400	1,709	691
Payroll fees	2,100	-	2,100	1,118	982
DCFD community building					
Fuel	2,500	-	2,500	3,229	(729)
Repairs/minor upgrades	8,500	-	8,500	8,384	116
Total operating	<u>38,973</u>	<u>-</u>	<u>38,973</u>	<u>34,071</u>	<u>4,902</u>
Salary					
Clerk	800	-	800	800	-
Treasurer	6,000	-	6,000	6,000	-
Tax collector/assessor	6,750	-	6,750	6,750	-
Fire chief	88,490	-	88,490	89,615	(1,125)
Fire marshals	7,000	-	7,000	4,792	2,208
District tax contribution	8,744	-	8,744	7,680	1,064
Total salary	<u>117,784</u>	<u>-</u>	<u>117,784</u>	<u>115,637</u>	<u>2,147</u>

*See accountants' report*

**DUNN'S CORNERS FIRE DISTRICT  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED MAY 31, 2011**

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>Board of engineers</b>					
Personal protective equipment	10,000	-	10,000	10,233	(233)
Radios and pagers	9,250	-	9,250	7,841	1,409
Replacement equipment	18,175	-	18,175	17,801	374
Maintenance - engines/pumps	35,700	-	35,700	24,195	11,505
Maintenance - radios/alarm system	4,650	-	4,650	3,185	1,465
Hydrant rental	10,053	-	10,053	9,489	564
Supplies - truck fuel	10,000	-	10,000	8,056	1,944
Station #1 - fuel and electric	15,500	-	15,500	13,102	2,398
Station #2 - fuel and electric	15,000	-	15,000	13,653	1,347
Insurance	42,500	-	42,500	41,373	1,127
General maintenance and supplies	24,000	-	24,000	22,794	1,206
Telephone/cable service	7,000	-	7,000	4,837	2,163
Dispatch service	11,000	-	11,000	9,928	1,072
Southern league	1,500	-	1,500	1,500	-
Dunn's Corners Fire Department	10,000	-	10,000	10,000	-
Engineers' expenses	6,000	-	6,000	5,458	542
Information services	12,000	-	12,000	12,141	(141)
Fire marshal inspection expense	6,500	-	6,500	7,825	(1,325)
Assistant chiefs' auto reimbursement	10,500	-	10,500	10,500	-
Copier	500	-	500	793	(293)
Firefighter reimbursement program	17,000	-	17,000	15,673	1,327
Training	10,000	-	10,000	10,018	(18)
Firefighter health plan	5,500	-	5,500	5,415	85
Total board of engineers	292,328	-	292,328	265,810	26,518
<b>Capital</b>					
Principal - station 2	35,000	-	35,000	35,000	-
Interest - station 2	38,200	-	38,200	35,821	2,379
Principal - engine 2	29,000	-	29,000	29,000	-
Interest - engine 2	5,500	-	5,500	3,391	2,109
Principal - tower 5	56,667	-	56,667	56,667	-
Interest - tower 5	25,000	-	25,000	20,884	4,116
Equipment fund	10,000	-	10,000	10,000	-
Truck fund	25,000	28,000	53,000	53,000	-
Buildings and grounds fund	10,000	-	10,000	10,000	-
Total capital	234,367	28,000	262,367	253,763	8,604
Total expenditures	683,452	28,000	711,452	669,281	42,171
Excess (deficiency) of revenues over expenditures	<u>\$ (54,935)</u>		<u>\$ (82,935)</u>	<u>\$ 17,027</u>	<u>\$ 99,962</u>

*See accountants' report*