

LADY'S ISLAND - ST. HELENA ISLAND
FIRE DISTRICT
FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT
JUNE 30, 1987

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J. PATRICK VANDERHOOF
CERTIFIED PUBLIC ACCOUNTANT

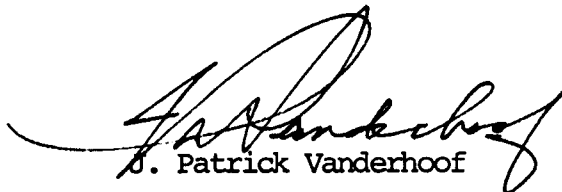
REPORT OF CERTIFIED PUBLIC ACCOUNTANT

The Board of Commissioners
Lady's Island - St. Helena Island
Beaufort, South Carolina 29902

I have examined the combined financial statements of the Lady's Island - St. Helena Island Fire District as of June 30, 1987 and 1986, and for the years then ended as listed in the table of contents. My 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 I considered necessary in the circumstances.

In my opinion, the combined financial statements referred to above present fairly the financial position of the Lady's Island - St. Helena Island Fire District at June 30, 1987 and 1986, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of preceding years.

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



J. Patrick Vanderhoof

October 15, 1987
Beaufort, South Carolina

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

COMBINED STATEMENT OF FINANCIAL POSITION - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1987 and 1986

<u>ASSETS</u>	<u>Governmental Fund Types</u> <u>General Fund</u>
Cash - Unrestricted	\$283,231
Prepaid insurance	9,843
Accrued Interest Receivable	467
Due from Beaufort County Treasurer	20,207
Cash - Restricted	
FHA Escrow Account	10,930
Capital Expenditures	50,000
Unamortized Bond Issue Cost	1,308
Amounts to be provided for:	
Series A Bond	-
Series B Bond	-
SC&B Note Payable	-
Land & Buildings	-
Fixtures & Appliances	-
Vehicles	-
Fire Fighting Equipment	-
Office Equipment	-
Communications Equipment	-
TOTAL	<u>\$375,986</u>
<u>LIABILITIES & FUND EQUITY</u>	
Accounts Payable - County Treasurer	\$ 11,217
Accrued Interest Payable	1,672
Bonds & Notes Payable	
Series A Bond	-
Series B Bond	-
SC&B Note Payable	-
Fund Equity -	
Investment in fixed assets	-
Fund Balances -	
Unreserved	302,167
Reserved	60,930
TOTAL	<u>\$375,986</u>

See Accompanying Notes

EXHIBIT A

Account Groups		Totals (Memo Only)	
General Fixed Assets	General Long-Term Debt	June 30	
		1987	1986
\$ -	\$ -	\$283,231	\$187,680
-	-	9,843	7,848
-	-	467	424
-	-	20,207	14,400
-	-	10,930	10,297
-	-	50,000	-
-	-	1,308	1,414
-	24,692	24,692	25,181
-	54,060	54,060	58,441
-	-	-	10,000
242,684	-	242,684	242,684
12,299	-	12,299	10,753
223,968	-	223,968	223,968
78,708	-	78,708	76,366
5,312	-	5,312	5,312
39,129	-	39,129	33,045
<u>\$602,100</u>	<u>\$ 78,752</u>	<u>\$1,056,838</u>	<u>\$909,813</u>
\$ -	\$ -	\$ 11,217	\$ -
-	-	1,672	2,775
-	24,692	24,692	25,181
-	54,060	54,060	58,441
-	-	-	10,000
602,100	-	602,100	\$594,128
-	-	302,167	208,991
-	-	60,930	10,297
<u>\$602,100</u>	<u>\$ 78,752</u>	<u>\$1,056,838</u>	<u>\$909,813</u>

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES

	FOR THE YEAR ENDED JUNE 30, 1987		
	General Fund	Year Ended June 30	
		1987	1986
<u>Revenues</u>			
Funds from Beaufort County	\$296,897	\$296,897	\$193,800
Interest	12,355	12,355	13,009
Donations	-	-	7,977
Insurance Recovery	40,500	40,500	4,054
Reimbursements	2,703	2,703	-
Total Revenues	<u>352,455</u>	<u>352,455</u>	<u>218,840</u>
<u>Expenditures</u>			
Operation/Maintenance of Vehicles	4,805	4,805	3,436
Repairs/Maintenance - General	17,605	17,605	9,712
Repairs/Maintenance - Fire Station	5,539	5,539	6,097
Insurance	12,393	12,393	9,161
Utilities & Telephone	8,932	8,932	6,107
Annual Audit	750	750	675
Administration & Training	4,909	4,909	2,728
Dispatch Service	20,085	20,085	19,500
Hydrant Rental	16,243	16,243	16,243
Personnel Salaries	68,825	68,825	12,500
Fringe, Including Retirement	12,778	12,778	-
Legal	-	-	378
Reserves - FHA	633	633	1,086
- Capital Expenditures	50,000	50,000	20,000
Debt Service - Principal	14,871	14,871	14,639
- Interest	4,325	4,325	5,864
Capital Outlay	11,018	11,018	146,150
Amortization Bond Issue Cost	106	106	-
Total Expenditures	<u>253,817</u>	<u>253,817</u>	<u>274,356</u>
Excess of Revenues over (under) Expenditures	98,638	98,638	(55,516)
Other Financing Services (Uses)			
Operating Transfers - in	-	-	126,595
Operating Transfers - out	-	-	-
Excess of Revenues and Other Sources Over (under) Expenditures & Other Uses	98,638	98,638	71,079
Fund Balance, Beginning of Year	203,529	203,529	136,498
Adjustments			
Salaries & Fringe, prior year	-	-	(5,463)
Fund Balance, Bond Fund	-	-	1,414
Fund Balance, end of year	<u>\$302,167</u>	<u>\$302,167</u>	<u>\$ 203,529</u>

See Accompanying Notes

 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - - GENERAL FUND

FOR YEAR ENDED JUNE 30, 1987

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues</u>			
Funds from Beaufort County	\$291,090	\$296,897	\$ 5,807
Interest	-	12,355	12,355
Insurance recovery	-	40,500	40,500
Reimbursements	-	2,703	2,703
Total Revenues	<u>291,090</u>	<u>352,455</u>	<u>61,365</u>
<u>Expenditures:</u>			
Operation/Maintenance of vehicles	10,000	4,805	5,195
Repairs / maintenance - general	10,000	17,605	(7,605)
Operation/Repair & Maintenance - Fire Station	4,000	5,539	(1,539)
Insurance	11,000	12,393	(1,393)
Utilities & Telephone	8,000	8,932	(932)
Audit	800	750	50
Administration & Training	5,000	4,909	91
Dispatch Service	20,085	20,085	-
Hydrant Rental	16,243	16,243	-
Personnel Salaries	110,515	68,825	41,690
Fringe, including retirement	14,124	12,778	1,346
Reserves - FHA	-	633	(633)
- Capital Expenditures	50,000	50,000	-
Debt Service - Principal	14,871	14,871	-
- Interest	5,452	4,325	1,127
Capital Outlay	11,000	11,018	(18)
Amortization Bond Issue Cost	-	106	(106)
Total Expenditures	<u>291,090</u>	<u>253,817</u>	<u>37,273</u>
Excess of Revenues over (under) Expenditures	<u>\$ -</u>	98,638	<u>\$ 98,638</u>
Fund Balance, Beginning of year		<u>203,529</u>	
Fund Balance, End of year		<u>\$302,167</u>	

See Accompanying Notes

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1987

Note A - Summary of Significant accounting policies:

The accounting policies of the Lady's Island - St. Helena Island 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 Lady's Island - St. Helena Island 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 Lady's Island - St. Helena Island Fire District.

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Lady's Island - St. Helena Island Fire District. It is used to account for all financial resources except those required to be accounted for in another fund. The unamortized cost of the bonds issued in 1977 have been transferred to the General Fund.

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 debts of the Fire District.

(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 debts 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.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1987

Note A - Summary of significant accounting policies: (continued)

(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" in NCGA Statement 1.

(f) Total (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.

(g) 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 B - 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 5%. The Fire District's share of normal cost is based on 10.3% of the members wages.

No past service costs are assessed against the Fire District. The Fire District's contributions for the fiscal year ended June 30, 1987 were \$6,350.

Note C - 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.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1987

Note D - 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 1986 - 1987 was \$20,177,777. The computation of legal debt limits is as follows:

General obligation debt limit (\$20,177,777 x 8%)	\$1,614,222
General obligation debt at June 30, 1987	<u>78,752</u>
Excess of debt limit over general obligation debt	<u>\$1,535,470</u>

Note E - Long-Term Debt

Long-term debt at June 30, 1987 consisted of the following:

General Obligation Bonds:

\$30,000 General Obligation Bond, Series A of 1977 due in annual installments of \$1,749 beginning January 26, 1978 through January 26, 2017 - Payments include interest of 5%	\$ 24,692
\$91,000 General Obligation Bonds, Series B of 1977 due in annual installments of \$7,303 beginning January 26, 1978 through January 26, 1997 Payments include interest of 5%	<u>54,060</u>
	<u>\$ 78,752</u>

The annual requirements to pay all debt outstanding as of June 30, 1987, including estimated interest payments of \$46,748 are as follows:

<u>Year Ended June 30</u>	<u>Total Bond Requirements</u>
1988 through 1997	\$90,520
1998 through 2007	17,490
2008 through 2017	<u>17,490</u>
	<u>\$125,500</u>

Note F - Cash restricted:

The Fire District has reserved \$50,000 for the down payment on a new fire truck. Also, \$10,930 is reserved for the purpose of meeting FHA bond requirements.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1987

Note G - History:

The Fire District was established on March 31, 1972 for the purpose of providing fire protection for the residents of Lady's Island and St. Helena Island.

 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

FOR THE YEAR ENDED JUNE 30, 1987

	<u>Balance July 1, 1986</u>	<u>Additions</u>	<u>Adjustments and Retirements</u>	<u>Balance June 30, 1987</u>
Land and Buildings	\$242,684	\$ -	\$ -	\$242,684
Vehicles	225,968	-	2,000	223,968
Fire Fighting Equip.	76,366	9,134	1,012 ⁽¹⁾ 5,780 ⁽²⁾	78,708
Communications Equip.	33,045	338 5,780 ⁽²⁾	34 ⁽¹⁾	39,129
Fixtures and Appliances	10,753	1,546	-	12,299
Office Equipment and Furniture	<u>5,312</u>	<u>-</u>	<u>-</u>	<u>5,312</u>
	<u>\$594,128</u>	<u>\$ 16,798</u>	<u>\$ 8,826</u>	<u>\$602,100</u>

Note (1) - Adjusted to reconciled inventory

Note (2) - Reclassified Radio Equipment

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

SCHEDULE OF CHANGES IN LONG-TERM DEBT FOR YEAR ENDED JUNE 30, 1987

	<u>Interest Rate</u>	<u>Date Issued</u>	<u>Outstanding June 30, 1986</u>
General Obligations Fire Protection Bonds:			
Series A Bonds	5%	December 26, 1977	\$25,181
Series B Bonds	5%	December 26, 1977	58,441
Note Payable to South Carolina National Bank	12.71%	September 16, 1981	<u>10,000</u>
			<u>\$93,622</u>

SCHEDULE 2

<u>Changes</u>		<u>Outstanding June 30, 1987</u>	<u>Debt Service Requirements Next Fiscal Year</u>	
<u>Issued</u>	<u>Retired</u>		<u>Principal</u>	<u>Interest</u>
-	\$ 490	\$24,691	\$ 524	\$1,235
-	4,381	54,060	4,600	2,703
-	10,000	-	-	-
-	\$14,871	\$78,751	\$5,114	\$3,938

J. PATRICK VANDERHOOF
CERTIFIED PUBLIC ACCOUNTANT

REQUIRED SUPPLEMENTAL LETTER

The Board of Commissioners
Lady's Island - St. Helena Island Fire District
Beaufort, 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 check and control of the operation 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.

RECOMMENDATIONS ON ACCOUNTING SYSTEM

FIXED ASSETS

The Fire District should formalize its fixed asset records to afford stronger controls over property. We encourage follow-up on this recommendation so that controls are improved.

The foregoing matters are worthy of your attention and we believe that their institution will strengthen your internal control system.

C - Insurance Coverage

22VP630929 Volunteer Fire Fighters Blanket Accident Policy

Accidental Death and Dismemberment Person	\$15,000
Accidental Medical Expense	\$ 2,500
Accidental Total Disability Benefit Weekly Benefit	\$ 100

LADY'S ISLAND - ST. HELENA'S ISLAND FIRE DISTRICT

RECOMMENDATIONS ON ACCOUNTING SYSTEM

C - Insurance Coverage Continued

Maximum Payment Period Up to Age 65

Accidental Partial Disability Benefit	50
VFEI04159603 Portable Firefighting and/or Ambulance/Rescue-Related Equipment	181,036
Portable Communication Equipment or Other Portable Firefight and/or Ambulance/Rescue - Related Equipment	32,514
CAL781775 and CAL911079 Business Auto Policy	
Liability per occurrence	500,000
Comprehensive	35,000
Collision	35,000
GLPG08859048 General Liability Policy	
Comprehensive General Liability	500,000
Division of General Services T00 485	General Tort Liability No Limit Stated
Division of General Services F00 260-88	Fire Insurance (through Beaufort County)
St. Helena Island Station	
Real property	50,000
Contents	2,000
Lady's Island Airport Station	
Real property	120,000
Contents	5,000
Sams Point Station	
Real property	36,000
Contents	2,000

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.