

LADY'S ISLAND - ST. HELENA ISLAND
FIRE DISTRICT
FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT
JUNE 30, 1988

LADY'S ISLAND - ST. HELENA ISLAND
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 AND AUDITOR'S REPORT
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J. PATRICK VANDERHOOF, CPA, P.A.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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

We have examined the combined financial statements of the Lady's Island - St. Helena Island Fire District as of June 30, 1988, and 1987, and for the years then ended as listed in the table of contents. 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.

In our 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, 1988, and 1987, 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.

Our 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 our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.


J. Patrick Vanderhoof CPA, PA

November 3, 1988
Beaufort, SC 29902

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

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

JUNE 30, 1988 AND 1987

ASSETS

Governmental Fund Types

General
Fund

Cash - Unrestricted	\$ 87,260
Prepaid Insurance	7,406
Accrued Interest Receivable	143
Due from Beaufort County Treasurer	34,308
Cash - FHA Escrow Account	11,852
Capital Expenditures	-
Unamortized Bond Issue Cost	1,203
Amounts to be provided for:	
Series A Bond	-
Series B Bond	-
Land & Buildings	-
Fixtures & Appliances	-
Vehicles	-
Fire Fighting Equipment	-
Office Equipment	-
Communications Equipment	-
TOTAL	<u>\$142,172</u> =====

LIABILITIES & FUND EQUITY

Accounts Payable - County Treasurer	\$ 10,119
Accrued Interest Payable	1,569
Bond and Notes Payable	
Series A Bond	-
Series B Bond	-
Fund Equity -	
Investment in Fixed Assets	-
Fund Balances -	
Unreserved	118,632
Reserved	11,852
TOTAL	<u>\$142,172</u> =====

See Accompanying Notes

EXHIBIT A

Account Groups		Totals (Memo Only)	
General Fixed Assets	General Long-Term Debt	June 30	
		1988	1987
\$ -	\$ -	\$ 87,260	\$ 283,231
-	-	7,406	9,843
-	-	143	467
-	-	34,308	20,207
-	-	11,852	10,930
-	-	-	50,000
-	-	1,203	1,308
-	24,177	24,177	24,692
-	49,460	49,460	54,060
242,684	-	242,684	242,684
12,299	-	12,299	12,299
517,723	-	517,723	223,968
74,204	-	74,204	78,708
5,312	-	5,312	5,312
48,056	-	48,056	39,129
<u>\$900,278</u>	<u>\$ 73,637</u>	<u>\$1,116,087</u>	<u>\$1,056,838</u>
\$ -	\$ -	\$ 10,119	\$ 11,217
-	-	1,569	1,672
-	24,177	24,177	24,692
-	49,460	49,460	54,060
900,278	-	900,278	602,100
-	-	118,632	302,167
-	-	11,852	60,930
<u>\$900,278</u>	<u>\$ 73,637</u>	<u>\$1,116,087</u>	<u>\$1,056,838</u>

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

	FOR THE YEAR ENDED JUNE 30, 1988		
	General Fund	Year Ended June 30 <u>1988</u> <u>1987</u>	
Revenues			
Funds from Beaufort County	\$325,879	\$325,879	\$296,897
Interest	14,811	14,811	12,355
Insurance Recovery	3,878	3,878	40,500
Reimbursements	1,636	1,636	2,703
Miscellaneous	3,918	3,918	-
Total Revenues	<u>350,122</u>	<u>350,122</u>	<u>\$352,455</u>
Expenditures			
Operations/Maintenance of Vehicles	4,787	4,787	4,805
Repairs/Maintenance - General	13,329	13,329	17,605
Repairs/Maintenance - Fire Station	3,607	3,607	5,539
Insurance	12,530	12,530	12,393
Utilities & Telephone	9,706	9,706	8,932
Annual Audit	1,125	1,125	750
Administration & Training	3,887	3,887	4,909
Dispatch Service	30,871	30,871	20,085
Hydrant Rental	16,243	16,243	16,243
Personnel Salaries	142,183	142,183	68,825
Fringe, Including Retirement	25,016	25,016	12,778
Reserves - FHA	923	923	633
- Capital Expenditures	-	-	50,000
Debt Service - Principal	5,114	5,114	14,871
- Interest	3,835	3,835	4,325
Capital Outlay	310,396	310,396	11,018
Amortization Bond Issue Cost	105	105	106
Total Expenditures	<u>583,657</u>	<u>583,657</u>	<u>253,817</u>
Excess of Revenues over <under> Expenditures	< 233,535>	< 233,535>	98,638
Other Financing Services (Uses)			
Operating Transfers - in	50,000	50,000	-
Operating Transfers - out	-	-	-
Excess of Revenues and Other Sources over <under> Expenditures & Other Uses	< 183,535>	< 183,535>	98,638
Fund Balance, Beginning of Year	<u>302,167</u>	<u>302,167</u>	<u>203,529</u>
Fund Balance, end of year	<u>\$118,632</u>	<u>\$118,632</u>	<u>\$302,167</u>

See Accompanying Notes

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

EXHIBIT C

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

	FOR THE YEAR ENDED JUNE 30, 1988		
	<u>Budget</u>	<u>Actual</u>	<u>FAVORABLE <Unfavorable></u>
Revenues			
Funds from Beaufort County	\$293,095	\$325,879	\$ 32,784
Interest	-	14,811	14,811
Insurance Recovery	-	3,878	3,878
Reimbursements	-	1,636	1,636
Miscellaneous	-	3,918	3,918
Total Revenues	<u>293,095</u>	<u>350,122</u>	<u>57,027</u>
Expenditures			
Operation/Maintenance of Vehicle	15,000	4,787	10,213
Repairs/Maintenance - General	7,000	13,329	< 6,329>
Operation/Repair & Maintenance - Fire Station	6,000	3,607	2,393
Insurance	13,000	12,530	470
Utilities & Telephone	9,000	9,706	< 706>
Audit	800	1,125	< 325>
Administration & Training	6,000	3,887	2,113
Dispatch Service	30,871	30,871	-
Hydrant Rental	16,243	16,243	-
Personnel Services	135,000	142,183	< 7,183>
Fringe, Including Retirement	24,000	25,016	< 1,016>
Reserves - FHA	-	923	< 923>
Debt Service - Principal	5,114	5,114	-
- Interest	3,938	3,835	103
Capital Outlay	21,129	310,396	< 289,267>
Amortization Bond Issue Cost	-	105	< 105>
Total Expenditures	<u>293,095</u>	<u>583,657</u>	<u>< 290,562></u>
Excess of Revenues over <under> Expenditures	-	< 233,535>	< 233,535>
Other Financing Services (Uses) Operating Transfers - in	-	<u>50,000</u>	<u>50,000</u>
Excess of Revenues and Other Sources over <under> Expenditures & Other Uses	\$ -	< 183,535>	\$<183,535>
Fund Balance, Beginning of Year		<u>302,167</u>	
Fund Balance, End of Year		<u>\$118,632</u>	
See Accompanying Notes			

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1988

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 fund 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 debt are considered to be expenditures.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1988

Note A - Summary of Significant Accounting Policies: (continued)

(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" 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 cost are assessed against the Fire District. The Fire District's contributions for the fiscal year ended June 30, 1988 were \$10,615.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1988

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.

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 1987 - 1988 was \$21,311,681. The computation of legal debt limits is as follows:

General obligation debt limit (\$21,311,681 X 8%)	\$1,704,934
General obligation debt at June 30, 1988	<u>73,632</u>
Excess of debt limit over general obligation debt	<u>\$1,778,566</u> =====

Note E - Long-Term Debt:

Long-term debt at June 30, 1988 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%	\$ 24,177
\$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>49,455</u> \$ 73,632 =====

LADY'S ISLAND - ST. HELENA FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1988

Note E - Long-Term Debt: (continued)

The total requirements to pay all debt outstanding as of June 30, 1988, including estimated interest payments of \$116,448 are as follows:

<u>Year Ended June 30</u>	<u>Total Bond Requirements</u>
1989 through 1997	\$ 81,468
1998 through 2007	17,490
2008 through 2017	17,490
	<u>\$116,448</u>

Note F - Cash Restricted:

The Fire District has reserved \$11,852 for the purpose of meeting FHA bond requirements.

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, 1988

	<u>Balance</u> <u>July 1, 1987</u>	<u>Additions</u>	<u>Adjustments</u> <u>and</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 1988</u>
Land & Buildings	\$242,684	\$ -	\$ -	\$242,684
Vehicles	223,968	294,655	900	517,723
Fire Fighting Equipment	78,708	5,214	9,718	74,204
Communications Equipment	39,129	10,527	1,600	48,056
Fixtures and Appliances	12,299	-	-	12,299
Office Equipment & Furniture	<u>5,312</u>	<u>-</u>	<u>-</u>	<u>5,312</u>
	<u>\$602,100</u> =====	<u>\$310,396</u> =====	<u>\$ 12,218</u> =====	<u>\$900,278</u> =====

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

SCHEDULE OF CHANGES IN LONG-TERM DEBT FOR YEAR ENDED JUNE 30, 1988

	<u>Interest Rate</u>	<u>Date Issued</u>	<u>Outstanding June 30, 1987</u>
General Obligations Fire Protection Bonds:			
Series A Bonds	5%	December 26, 1977	\$24,691
Series B Bonds	5%	December 26, 1977	54,060
			<hr/>
			\$78,751

SCHEDULE 2

<u>Changes</u>		<u>Outstanding June 30, 1988</u>	<u>Debt Service Requirements Next Fiscal Year</u>	
<u>Issued</u>	<u>Retired</u>		<u>Principal</u>	<u>Interest</u>
-	\$ 514	\$ 24,177	\$ 540	\$ 1,209
-	4,600	49,460	4,830	2,473
-	\$ 5,114	\$ 73,631	\$ 5,370	\$ 3,682
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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.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

RECOMMENDATIONS ON ACCOUNTING 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

Maximum Payment Period Up to Age 65

Accidental Partial Disability Benefit 50

Division of General Services T00485 | General Tort Liability
No Limit Stated

Division of General Services C00849 | Automobile Comprehensive & Collision
No Limit Stated

Division of General Services L09999 | Automobile Liability
\$1,000,000 Combined Single Limit
Each Person
\$1,000 Basic Economic Loss
Uninsured Motorist

Division of General Services M00560 | Inland Marine
No Limit Stated

Division of General Services F01338 | Fire and Extended Coverage
No Limit Stated

D - General

1. The financial reports included in the audit report 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.