

LADY'S ISLAND - ST. HELENA ISLAND

FIRE DISTRICT

FINANCIAL STATEMENTS

AND

AUDITOR'S REPORT

JUNE 30, 1990

LADY'S ISLAND - ST. HELENA ISLAND
FIRE DISTRICT
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
JUNE 30, 1990

EXHIBIT	TABLE OF CONTENTS ITEM	PAGE
	Report of Auditor	1
	Combined Financial Statements:	
A	Combined Balance Sheet - All Fund Types and Account Groups	2 - 3
B	Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Government Fund Types	4
C	Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	5
	Notes to Financial Statements	6 - 9
<u>SCHEDULE</u>		
1	Schedule of Changes in General Fixed Assets	10
2	Schedule of Changes in General Long-Term Debt	11 - 12
	Required Supplemental Letter	13 - 14

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Lady's Island - St. Helena Island Fire District, as of, and for the year ended June 30, 1990, as listed in the table of contents. These financial statements are the responsibility of the Fire District's 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lady's Island - St. Helena Island Fire District at June 30, 1990, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

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

Mims, Trask, Mellen & Co
Mims, Trask, Mellen & Co., P.A.

October 19, 1990

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1990 AND 1989

<u>ASSETS</u>	<u>Governmental Fund Types</u>
	<u>General</u> <u>Fund</u>
Cash - Unrestricted	\$240,797
Prepaid Insurance	6,300
Accrued Interest Receivable	88
Due from Beaufort County Treasurer	31,035
Cash - FHA Escrow Account	14,106
Capital Expenditures	-
Other Current Asset	4,023
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>\$296,349</u>
 <u>LIABILITIES & FUND EQUITY</u>	
Accounts Payable	\$ 47,515
Accrued Interest Payable	1,334
Bond and Notes Payable	
Series A Bond	-
Series B Bond	-
Total Liabilities	<u>48,849</u>
Fund Equity -	
Investment in Fixed Assets	-
Fund Balances -	
Unreserved	233,394
Reserved	14,106
Total Fund Balances	<u>247,500</u>
Total Liabilities and Fund Equity	<u>\$296,349</u>

See Accompanying Notes And Accountants' Report.

EXHIBIT A

<u>Account Groups</u>		<u>Totals (Memo Only)</u>	
<u>General Fixed</u>	<u>General Long-Term</u>	<u>June 30</u>	
<u>Assets</u>	<u>Debt</u>	<u>1990</u>	<u>1989</u>
\$ -	\$ -	\$ 240,797	\$ 185,673
-	-	6,300	8,514
-	-	88	256
-	-	31,035	30,108
-	-	14,106	12,783
-	-	-	-
-	-	4,023	1,097
-	23,051	23,051	23,619
-	39,789	39,789	44,850
242,684	-	242,684	242,684
14,488	-	14,488	14,488
490,723	-	490,723	490,723
87,424	-	87,424	82,956
13,779	-	13,779	13,779
50,671	-	50,671	48,056
<u>\$ 899,769</u>	<u>\$ 62,840</u>	<u>\$1,258,958</u>	<u>\$1,199,586</u>
\$ -	\$ -	\$ 47,515	\$ 33,962
-	-	1,334	1,449
-	23,051	23,051	23,619
-	39,789	39,789	44,850
<u>-</u>	<u>62,840</u>	<u>111,689</u>	<u>103,880</u>
899,769	-	899,769	892,686
-	-	233,394	190,237
-	-	14,106	12,783
<u>899,769</u>	<u>62,840</u>	<u>1,147,269</u>	<u>1,095,706</u>
<u>\$ 899,769</u>	<u>\$ 62,840</u>	<u>\$1,258,958</u>	<u>\$1,199,586</u>

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

	FOR THE YEAR ENDED JUNE 30, 1990		
	General	Year Ended June 30	
	Fund	1990	1989
<u>Revenues</u>			
Funds from Beaufort County	\$409,135	\$409,135	\$403,003
Interest	12,896	12,896	11,387
Insurance Recovery	-	-	-
Reimbursements	-	-	-
Sale of Assets	-	-	863
Miscellaneous	35	35	291
Total Revenues	<u>422,066</u>	<u>422,066</u>	<u>415,544</u>
<u>Expenditures</u>			
Operations/Maintenance of Vehicles	11,026	11,026	11,192
Repairs/Maintenance - General	9,928	9,928	10,086
Repairs/Maintenance - Fire Station	6,803	6,803	4,755
Insurance	34,765	34,765	13,621
Utilities & Telephone	8,286	8,286	8,261
Annual Audit	1,740	1,740	1,650
Administration & Training	3,222	3,222	4,640
Dispatch Service	-	-	32,415
Hydrant Rental	18,500	18,500	16,243
Personnel Salaries	219,755	219,755	179,165
Fringe, Including Retirement	42,376	42,376	32,536
Miscellaneous	4,000	4,000	-
Reserves - FHA	1,392	1,392	930
Debt Service - Principal	5,629	5,629	5,370
- Interest	3,308	3,308	3,562
Capital Outlay	7,082	7,082	19,408
Amortization Bond Issue Cost	1,097	1,097	105
Total Expenditures	<u>378,909</u>	<u>378,909</u>	<u>343,939</u>
Excess of Revenues Over(Under) Expenditures	43,157	43,157	71,605
Other Financing Services (Uses)			
Operating Transfers - In	-	-	-
Operating Transfers - Out	-	-	-
Excess of Revenues and Other Sources Over(Under) Expenditures & Other Uses	43,157	43,157	71,605
Fund Balance, Beginning of Year	<u>190,237</u>	<u>190,237</u>	<u>118,632</u>
Fund Balance, End of Year	<u>\$233,394</u>	<u>\$233,394</u>	<u>\$190,237</u>

See Accompanying Notes And Accountants' Report

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, 1990

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Funds from Beaufort County	\$408,208	\$409,135	\$ 927
Interest	-	12,896	12,896
Sale of Assets	-	-	-
Miscellaneous	-	35	35
Total Revenues	408,208	422,066	13,858
Expenditures			
Operation/Maintenance of			
Vehicle	14,324	11,026	3,298
Repairs/Maintenance - General	11,000	9,928	1,072
Operation/Repair & Maintenance			
- Fire Station	8,000	6,803	1,197
Insurance	26,572	34,765	(8,193)
Utilities & Telephone	14,000	8,286	5,714
Audit	1,700	1,740	(40)
Administration & Training	4,000	3,222	778
Dispatch Service	33,500	-	33,500
Hydrant Rental	18,500	18,500	-
Personnel Services	223,716	219,755	3,961
Fringe, Including Retirement	38,844	42,376	(3,532)
Miscellaneous	-	4,000	(4,000)
Reserves - FHA	-	1,392	(1,392)
Debt Service - Principal	9,052	5,629	115
- Interest	-	3,308	
Capital Outlay	5,000	7,082	(2,082)
Amortization Bond Issue Cost	-	1,097	(1,097)
Total Expenditures	408,208	378,909	29,299
Excess of Revenues Over(Under)			
Expenditures	-	43,157	43,157
Other Financing Services (Uses)			
Fund Balance Transfers - In	-	-	-
Excess of Revenues and Other Sources			
Over(Under) Expenditures			
& Other Uses	\$ -	43,157	\$ 43,157
	=====		=====
Fund Balance, Beginning of Year		190,237	
Fund Balance, End of Year		\$233,394	
		=====	

See Accompanying Notes And Accountants' Report.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1990

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.

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.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1990

Note A - 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 for donated assets. 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 Balance Sheet reflects 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.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1990

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% of salary. 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, 1990 were \$22,478.

Note C - Related Party Transactions:

The Fire District has a related party transaction with Beaufort County, South Carolina because it receives 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 1989 - 1990 was \$26,025,781. The computation of legal debt limits is as follows:

General obligation debt limit (\$26,025,781 X 8%)	\$2,082,062
General obligation debt at June 30, 1990	62,840
Excess of debt limit over general obligation debt	\$2,019,222 =====

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 1990

Note E - Long-Term Debt:

Long-term debt at June 30, 1990 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% \$23,051

\$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% 39,789

\$62,840
=====

The total requirements to pay all debt outstanding as of June 30, 1990, including estimated interest payments of \$35,504 are as follows:

<u>Year Ended June 30</u>	<u>Total Bond Requirements</u>
1991 through 1997	\$ 63,364
1998 through 2007	17,490
2008 through 2017	<u>17,490</u>
	\$ 98,344 =====

Note F - Cash Restricted:

The Fire District has reserved \$14,106 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, 1990

	<u>Balance July 1, 1988</u>	<u>Additions</u>	<u>Adjustments and Retirements</u>	<u>Balance June 30, 1990</u>
Land & Buildings	\$242,684	\$ -	\$ -	\$242,684
Vehicles	490,723	-	-	490,723
Fire Fighting Equipment	82,956	4,468	-	87,424
Communications Equipment	48,056	2,615	-	50,671
Fixtures and Appliances	14,488	-	-	14,488
Office Equipment & Furniture	<u>13,779</u>	<u>-</u>	<u>-</u>	<u>13,779</u>
	<u>\$892,686</u>	<u>\$ 7,083</u>	<u>\$ -</u>	<u>\$899,769</u>

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

SCHEDULE OF CHANGES IN LONG-TERM DEBT FOR YEAR ENDED JUNE 30, 1990

	<u>Interest Rate</u>	<u>Date Issued</u>	<u>Outstanding June 30, 1989</u>
General Obligations Fire Protection Bonds:			
Series A Bonds	5%	December 26, 1977	\$ 23,619
Series B Bonds	5%	December 26, 1977	44,850
			<hr/>
			\$ 68,469
			=====

SCHEDULE 2

<u>Changes</u>		<u>Outstanding</u> <u>June 30, 1989</u>	<u>Debt Service Requirements</u> <u>Next Fiscal Year</u>	
<u>Issued</u>	<u>Retired</u>		<u>Principal</u>	<u>Interest</u>
\$ -	\$ 568	\$ 23,051	\$ 596	\$ 1,153
-	5,061	39,789	5,312	1,990
<u>\$ -</u>	<u>\$ 5,629</u>	<u>\$ 62,840</u>	<u>\$ 5,908</u>	<u>\$ 3,143</u>

REQUIRED SUPPLEMENTAL LETTER
June 30, 1990

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

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 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.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT

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.
4. The Fire District is not exempt from state sales and use tax, and should be reporting and paying use tax on all purchases of goods out-of-state.