

LADY'S ISLAND - ST. HELENA ISLAND

FIRE DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2003

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2003

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

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, 2003. 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 auditing standards generally accepted in the United States of America. 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, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the general-purposes financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Lady's Island - St. Helena Island 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 presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Mellen & Wechsler, P.A.

Mellen & Wechsler, P.A.
Beaufort, South Carolina
December 22, 2003

**GENERAL-PURPOSE
FINANCIAL STATEMENTS**

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2003**

	<u>GOVERNMENTAL FUND TYPES</u>			<u>ACCOUNT GROUPS</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	
ASSETS AND OTHER DEBITS						
Cash	\$ 60,265	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,265
Receivables	63,570	0	2,619	0	0	66,189
Due from Beaufort County Treasurer	(158,808)	678,878	(239,629)	0	0	280,441
Amount to be provided	0	0	0	0	755,108	755,108
Property and Equipment	0	0	0	3,713,784	0	3,713,784
Total Assets	<u>\$ (34,973)</u>	<u>\$ 678,878</u>	<u>\$ (237,010)</u>	<u>\$ 3,713,784</u>	<u>\$ 755,108</u>	<u>\$ 4,875,787</u>
LIABILITIES, FUND EQUITIES AND OTHER CREDITS						
Liabilities						
Salaries and Benefits Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 78,723	\$ 78,723
Bonds, Notes & Leases Payable	0	0	0	0	676,385	676,385
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>755,108</u>	<u>755,108</u>
Fund Equities and Other Credits						
Unreserved	(34,973)	678,878	(237,010)	0	0	406,895
Investment in General Fixed Assets	0	0	0	3,713,784	0	3,713,784
Total Shareholders' Equity	<u>(34,973)</u>	<u>678,878</u>	<u>(237,010)</u>	<u>3,713,784</u>	<u>0</u>	<u>4,120,679</u>
Total Liabilities, Fund Equities and Other Credits	<u>\$ (34,973)</u>	<u>\$ 678,878</u>	<u>\$ (237,010)</u>	<u>\$ 3,713,784</u>	<u>\$ 755,108</u>	<u>\$ 4,875,787</u>

The notes to the financial statements are an integral part of this statement.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2003

	GOVERNMENTAL FUND TYPES			TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	
REVENUES				
Taxes	\$ 2,384,541	\$ 0	\$ 157,803	\$ 2,542,344
Fines, Fees and Licenses	0	224,723	0	224,723
Miscellaneous	1,801	57,964	0	59,765
Total Revenues	<u>2,386,342</u>	<u>282,687</u>	<u>157,803</u>	<u>2,826,832</u>
Expenditures				
Emergency Services	2,485,382	0	0	2,485,382
Capital Outlay	19,204	7,964	0	27,168
Debt Service	0	50,000	349,909	399,909
Total Expenditures	<u>2,504,586</u>	<u>57,964</u>	<u>349,909</u>	<u>2,912,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(118,244)</u>	<u>224,723</u>	<u>(192,106)</u>	<u>(85,627)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	0	0	142,719	142,719
Operating Transfers Out	0	(142,719)	0	(142,719)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(142,719)</u>	<u>142,719</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(118,244)</u>	<u>82,004</u>	<u>(49,387)</u>	<u>(85,627)</u>
Fund balance, beginning of year	<u>83,271</u>	<u>596,874</u>	<u>(187,623)</u>	<u>492,522</u>
Fund balance, end of year	<u>\$ (34,973)</u>	<u>\$ 678,878</u>	<u>\$ (237,010)</u>	<u>\$ 406,895</u>

The notes to the financial statements are an integral part of this statement.

LADY'S ISLAND - ST. HELENA FIRE DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 2,595,571	\$ 2,384,541	\$ (211,030)
Miscellaneous	0	1,801	1,801
Total Revenues	<u>2,595,571</u>	<u>2,386,342</u>	<u>(209,229)</u>
EXPENDITURES			
Emergency Services	2,595,571	2,485,382	110,189
Capital Outlay	0	19,204	(19,204)
Total Expenditures	<u>2,595,571</u>	<u>2,504,586</u>	<u>90,985</u>
Excess (deficiency) of revenues over (under) expenditures	0	(118,244)	(118,244)
Fund balance, beginning of year	<u>83,271</u>	<u>83,271</u>	<u>0</u>
Fund balance, end of year	<u>\$ 83,271</u>	<u>\$ (34,973)</u>	<u>\$ (118,244)</u>

The notes to the financial statements are an integral part of this statement.

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2003**

SPECIAL REVENUE FUND - CAPITAL PROJECTS			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Impact Fees	\$ 0	\$ 224,723	\$ 224,723
Miscellaneous	0	57,964	57,964
Total Revenues	0	282,687	282,687
EXPENDITURES			
Capital Outlay	0	7,964	(7,964)
Debt Service	0	50,000	(50,000)
Total Expenditures	0	57,964	(57,964)
Excess (deficiency) of revenues over (under) expenditures	0	224,723	224,723
Other Financing Sources (Uses)			
Operating Transfers Out	0	(142,719)	(142,719)
Total Other Financing Sources (Uses)	0	(142,719)	(142,719)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	0	82,004	82,004
Fund balance, beginning of year	596,874	596,874	0
Fund balance, end of year	\$ 596,874	\$ 678,878	\$ 82,004

The notes to the financial statements are an integral part of this statement.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2003

	DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 170,868	\$ 157,803	\$ (13,065)
Total Revenues	<u>170,868</u>	<u>157,803</u>	<u>(13,065)</u>
EXPENDITURES			
Debt Service	170,868	349,909	(179,041)
Total Expenditures	<u>170,868</u>	<u>349,909</u>	<u>(179,041)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>(192,106)</u>	<u>(192,106)</u>
Other Financing Sources (Uses)			
Operating Transfers Out	0	142,719	142,719
Total Other Financing Sources (Uses)	<u>0</u>	<u>142,719</u>	<u>142,719</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	0	(49,387)	(49,387)
Fund balance, beginning of year	<u>(187,623)</u>	<u>(187,623)</u>	<u>0</u>
Fund balance, end of year	<u>\$ (187,623)</u>	<u>\$ (237,010)</u>	<u>\$ (49,387)</u>

The notes to the financial statements are an integral part of this statement.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Lady's Island - St. Helena Island Fire District (Fire District) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

NATURE OF ACTIVITIES

The Fire District was established on March 31, 1982 for the purpose of providing fire protection for the residents of Lady's Island and St. Helena Island in the State of South Carolina.

REPORTING ENTITY

Generally accepted accounting principles, as established by the Governmental Accounting Standards Board, require that the financial reporting entity's financial statements include the financial operation of the primary government organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The basic criteria for including organizations as component units within the reporting entity include imposition of will, and financial benefit or burden on a primary government and selection of governing authority. Based on the above reporting criteria, there are no other organizations that must be included in the reporting entity.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Lady's Island - St. Helena Island Fire District are organized on the basis of funds and account groups, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprising its assets, liabilities, fund balances, revenues and expenditures. The minimum number of funds maintained is 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.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - FUND ACCOUNTING - Continued

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.

Special Revenue Fund

Special Revenue Funds are used to account for the specific revenue sources that are legally restricted to expenditures for specific purposes. This fund is used to account for fire impact fees assessed on new development and will be expended on major capital acquisitions.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt.

Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets.

Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with the measurement of the results of operations.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Account Groups - Continued

General Fixed Assets Account Group

This group of accounts is established to account for all fixed assets of the Fire District. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings and equipment (e.g. roadways, pathways, etc.) are not capitalized along with other general fixed assets. No depreciation is provided on general fixed assets.

General Long-Term Debt Account Group

This group of accounts is established to account for all long-term obligations of the Fire District. Long-term liabilities expected to be repaid from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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 when paid.

BUDGETS AND BUDGETARY ACCOUNTING

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

Prior to May 1, the commission submits to the County Council a proposed operating budget for its General Fund, Special Revenue Fund, and Debt Service Fund for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the county levies taxes to meet the approved expenditures.

Public hearings are conducted to obtain taxpayer comments as required by Section 4-9-130 of the South Carolina statutes.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BUDGETS AND BUDGETARY ACCOUNTING - Continued

Prior to July 1, the budget is legally enacted through passage of an ordinance.

The Treasurer is authorized to transfer budgeted amounts between accounts within any fund; however, the County Council must approve any revisions that alter the total expenditures of any fund. It is unlawful to expend or contract for an expenditure in any fiscal year more than the amount budgeted in each fund pursuant to Section 4-9-140 of the South Carolina statutes.

Revenues in excess of the current budget ordinance may be expended as directed by the revenue source or for the express purpose for which the County Council generated the funds without further approval.

The final budget included the original adopted budget on the modified accrual basis. A reconciliation to the final budget follows:

	General Fund	Special Revenue Fund	Debt Service Fund
Original Adopted Budget	\$ 2,595,571	\$ -	\$ 170,868
Final Budget	\$ 2,595,571	\$ -	\$ 170,868

Appropriations lapse at the end of the year; however, with the approval of Beaufort County Council management may designate certain unexpended budget items for expenditure in the following year.

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. Interest cost, if any, on fixed assets purchased is not capitalized. However, interest on constructed assets is capitalized.

LONG-TERM DEBT

Long-term debt for the general fund is included in the general long-term debt account group.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

ACCOUNTING ESTIMATES

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

TOTALS (MEMORANDUM ONLY) COLUMNS

In the accompanying financial statements, the "Totals (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.

ENCUMBRANCE ACCOUNTING

The Fire District does not employ encumbrance accounting; under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTE 2 CASH AND TEMPORARY INVESTMENTS

South Carolina statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and South Carolina government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes do not prescribe regulations related to demand deposits but do allow the pooling of governmental funds for investment purposes.

Deposits of the governmental funds are maintained in demand deposits or savings accounts, certificates of deposits, or repurchase agreements. The book balance and bank balance at June 30, 2003 was \$60,264 and \$118,076, respectively. Of the bank balance, \$100,00 was insured by the FDIC and the balance was covered by pledged collateral.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 3 DUE FROM BEAUFORT COUNTY

The amount due from Beaufort County represents cash held by the County Treasurer in a pooled account. These deposits were entirely covered by federal deposit insurance or by collateral held by the financial institution in the County's name.

NOTE 4 GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year.

	Balance June 30, 2002	Additions	Retirements	Balance June 30, 2003
Land	\$ 43,597	\$ -	\$ -	\$ 43,597
Buildings and Improvements	818,834	-	-	818,834
Furniture and Machinery	422,244	10,669	-	432,913
Vehicles	2,418,440	-	-	2,418,440
Total	<u>\$ 3,703,115</u>	<u>\$ 10,669</u>	<u>\$ -</u>	<u>\$ 3,713,784</u>

The Fire District has immaterial operating leases on office equipment that is short-term in length.

NOTE 5 GENERAL LONG-TERM DEBT

Changes in Long-Term Debt:

	Balance June 30, 2002	Additions	Retirements	Balance June 30, 2003
Bond Payable - Palmetto State	\$ 227,143	\$ -	\$ 113,572	\$ 113,571
Note Payable - Palmetto State	58,667	-	28,463	30,204
Note Payable - Palmetto State	166,507	-	86,380	80,127
Note Payable - Palmetto State	177,025	-	32,983	144,042
Note Payable - Palmetto State	400,000	-	91,559	308,441
Compensated Absence	74,261	4,462	-	78,723
Total	<u>\$ 1,103,603</u>	<u>\$ 4,462</u>	<u>\$ 352,957</u>	<u>\$ 755,108</u>

Interest paid for the year ended June 30, 2003, was \$46,952.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 5 GENERAL LONG-TERM DEBT – Continued

Long-term debt at June 30, 2003 consisted of the following:

	BALANCE
\$795,000 General Obligation Bonds of 1998 due in annual installments of \$139,195 beginning March 15, 1998, and continuing through and including March 15, 2004. Payments include interest of 4.5%.	\$ 113,571
\$180,292 Note payable to Palmetto State Bank due in annual installments of \$31,636 beginning February 1, 1998 and continuing through and including February 1, 2004. Payments include interest of 5.42%. Collateralized by a Pierce Saber Pumper Fire Truck and other fire fighting equipment.	30,204
\$487,008 Note payable to Palmetto State Bank due in annual installments of \$85,460 beginning March 1, 1998 and continuing through and including March 1, 2004. Payments include interest of 5.42%. Collateralized by a Pierce Land Platform Fire Truck and other fire fighting equipment.	80,127
\$250,000 Note payable to Palmetto State Bank due in annual installments of \$41,033 beginning July 1, 2001 and continuing through and including July 1, 2007. Payments include interest of 4.56%. Collateralized by a Pierce Contender Pumper Truck.	144,042
\$400,000 Note payable to Palmetto State Bank due in annual installments of \$67,791 beginning January 1, 2003 and continuing through and including January 1, 2009. Payments include interest of 4.6%. Collateralized by a E-One Quinn Ladder Truck.	308,441
Compensated Absences	78,723
Total	\$ 755,108

The total requirements to pay all debt outstanding as of June 30, 2003 is \$760,982 including estimated interest payments of \$84,597 and is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 310,028	\$ 33,791	\$ 343,819
2005	90,075	18,749	108,824
2006	94,203	14,621	108,824
2007	94,991	10,325	105,316
2008	61,845	5,946	67,791
Thereafter	25,243	1,165	26,408
Total	\$ 676,385	\$ 84,597	\$ 760,982

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 6 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 assessed value as of April 2000 was \$73,761,803. The computation of legal debt limits is as follows:

Assessed value (\$73,761,803 X 8%)	\$ 5,900,944
General obligation debt at June 30, 2003	<u>(113,571)</u>
Excess of debt limit over general obligation debt	<u>\$ 5,787,373</u>

NOTE 7 ACCRUED COMPENSATED ABSENCES

Regular employees who are separated from Lady's Island - St. Helena Island Fire District service will be paid for all accrued unused vacation hours up to a maximum of 80 hours. The Fire District has no financial liability for its unused sick leave.

The accumulated unpaid vacation earned, but not taken, by Fire District employees as of June 30, 2003 totaled \$78,723 computed at each employee's pay rate and includes an estimate of 15 percent for benefits payable that are related to the vacation pay.

NOTE 8 PENSION PLAN OBLIGATIONS

The Organization participates in the South Carolina Police Officers Retirement System. The South Carolina Police Officers Retirement System is a cost-sharing multi-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board.

Both employees and employers are required to contribute to the plan under authority of Title 9 of the South Carolina Code of Laws. All employers contribute at the actuarially required contribution rates. A summary of the required contributions rates and the amounts contributed to the plan follows:

<u>SOUTH CAROLINA POLICE OFFICERS CONTRIBUTION INFORMATION</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Current Year Payroll	\$ 1,554,068	\$ 1,382,936	\$ 1,276,439
Covered Payroll	1,554,068	1,382,936	1,276,439
Employee Contributions	101,014	89,891	82,969
Employee Contribution Rate (based upon salary)	6.5%	6.5%	6.5%
Employer Contributions	160,069	142,442	131,473
Employer Contribution Rate (based upon salary)	10.3%	10.3%	10.3%
Group Life Contributions	6,216	5,532	5,106
Group Life Contribution Rate (based upon salary)	0.4%	0.4%	0.4%

The South Carolina Police Officers Retirement System offers retirements and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The plan's provisions are established under Title 9 of the South Carolina Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11970, Columbia, South Carolina 29211-1970.

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 9 RISK MANAGEMENT

The Fire District purchases insurance policies divided into coverage of workers' compensation, property and casualty, and employee health insurance from the insurance carrier. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits.

The Fire District has recorded insurance premium expenditures in the applicable functional expenditure categories of the general fund. These expenditures do not include estimated claim losses and estimable premium adjustments.

There have not been any significant reductions in insurance coverage from the prior year.

NOTE 10 DEFICIT FUND BALANCE

The General Fund and the Debt Service Fund has a deficit fund balance of \$34,973 and \$237,010, respectively.

**SUPPLEMENTAL
INFORMATION**

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 2,595,571	\$ 2,384,541	\$ (211,030)
Miscellaneous Income	0	1,801	1,801
Total Revenues	<u>2,595,571</u>	<u>2,386,342</u>	<u>(209,229)</u>
EXPENDITURES			
Current			
Emergency Services			
Fuel	20,000	16,973	3,027
Vehicle repairs and maintenance	28,000	27,127	873
Equipment repairs and maintenance	12,000	6,940	5,060
Buildings repairs and maintenance	15,000	15,011	(11)
Inspections	4,500	4,074	426
Health insurance	300,000	297,875	2,125
Utilities	20,000	15,026	4,974
Telephone	3,500	3,799	(299)
Water	5,000	4,124	876
Professional	3,200	3,200	0
Workman's Compensation	80,000	86,976	(6,976)
Travel and Training	20,000	20,289	(289)
Office Supplies	5,000	5,254	(254)
Dues and Subscriptions	1,000	781	219
Personnel salaries	1,672,265	1,551,398	120,867
FICA/Medicare	127,880	116,209	11,671
Unemployment	5,000	4,660	340
Retirement	162,226	164,677	(2,451)
Miscellaneous	1,000	1,546	(546)
Payroll Costs	2,800	2,052	748
Uniform Replacement	41,000	42,004	(1,004)
Cleaning Supplies	6,000	6,083	(83)
Tort Liability	1,700	1,890	(190)
Vehicle Insurance	17,000	19,640	(2,640)
Building Insurance	11,500	11,409	91
Medical/Physicals	25,000	14,288	10,712
Small Tools	2,000	26,523	(24,523)
Communication Equipment	3,000	15,554	(12,554)
Total Emergency Services	<u>\$ 2,595,571</u>	<u>\$ 2,485,382</u>	<u>\$ 110,189</u>

LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
CAPITAL OUTLAY			
Property and Equipment	\$ 0	\$ 19,204	\$ (19,204)
Total Capital Outlay	<u>0</u>	<u>19,204</u>	<u>(19,204)</u>
 Total Expenditures	 <u>2,595,571</u>	 <u>2,504,586</u>	 <u>90,985</u>
 Excess (deficiency) of revenues over (under) expenditures	 0	 (118,244)	 (118,244)
 Fund balance, beginning of year	 <u>83,271</u>	 <u>83,271</u>	 <u>0</u>
 Fund balance, end of year	 <u>\$ 83,271</u>	 <u>\$ (34,973)</u>	 <u>\$ (118,244)</u>