

**LADY'S ISLAND - ST. HELENA ISLAND**

**FIRE DISTRICT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2007**

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2007**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	2
Basic Financial Statements	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Assets	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Assets	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
<i>Notes to the Financial Statements</i>	15
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	25
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund	27
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Impact Fund	28

## **FINANCIAL SECTION**

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Lisa T. Wechsler, CPA

## **INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying financial statements of the governmental activities and each major fund of the Lady's Island - St. Helena Island Fire District, as of and for the year ended June 30, 2007 which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lady's Island - St. Helena Island Fire District management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 statements presentation. I believe that my audit provides a reasonable basis for my opinions.

As discussed in Note 11 to the financial statements, the Lady's Island - St. Helena Fire District did not maintain adequate documentation to allow a sufficient audit of the expenditures of federal grants. No provision for any liability has been made in the financial statements for possible federal claims for refunds of those grant monies.

In my opinion, except for the possible effects of the federal grants as discussed above, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Lady's Island - St. Helena Island Fire District as of June 30, 2007, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis and budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

Lisa T. Wechsler, P.A.  
Beaufort, South Carolina  
November 30, 2009

## **Lady's Island - St. Helena Island Fire District**

### **Management's Discussion and Analysis**

As management of Lady's Island - St. Helena Island Fire District (LISH), we offer readers of LISH's financial statements this narrative overview and analysis of the financial activities of LISH for the fiscal year ended June 30, 2007.

#### **Financial Highlights**

- The assets of LISH exceed its liabilities at the close of the most recent fiscal year by \$3,130,093 (net assets). Of this amount, \$470,453 (restricted net assets) represents cash held by Beaufort County for debt service payments and impact fees. Another \$2,196,846 represents the investment in capital assets less depreciation and debt on those assets. The remaining balance of \$462,794 represents the equity in unrestricted net assets. LISH's total net assets increased by \$109,650.
- As of the close of the current fiscal year LISH's governmental funds reported a combined ending fund balance of \$1,155,358, an increase of \$105,113.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to LISH's basic financial statements. LISH's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of LISH's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of LISH's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in the net assets may serve as a useful indicator of whether the financial position of LISH is improving or deteriorating.

The statement of activities presents information showing how LISH's net assets changed during the most recent fiscal year. Changes in net assets are reported on a full accrual basis, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of LISH that are supported by general revenues such as taxes and fees. The governmental activities of LISH include programs related to public safety for fire protection. LISH currently has no business type activities.

The government-wide financial statements can be found on pages 9 thru 10 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been grouped for specific activities. LISH like other public agencies uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the programs of LISH can be divided into governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating LISH's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the two for similar activities and programs. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in this comparison of governmental programs and governmental activities.

LISH maintains four individual governmental programs. Information is presented by expenditure category in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund. Data from these programs are combined into a single, aggregated presentation.

LISH adopts an annual budget for the general fund, the debt service fund, and the impact fund. A schedule comparing actual to budgeted revenues and expenditures has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 thru 14 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 thru 24 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a public government's financial position. In the case of Lady's Island - St. Helena Island Fire District assets exceeded liabilities by \$3,130,093. Comparative information has been presented for 2006. The following table reflects the condensed government-wide statement of net assets.

<b>LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT NET ASSETS</b>		
	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
Current and Other Assets	\$ 1,223,247	\$ 1,106,165
Capital Assets	3,397,991	2,930,667
Total Assets	<u>4,621,238</u>	<u>4,036,832</u>
Long-term Liabilities Outstanding	1,147,258	799,204
Other Liabilities	343,887	217,185
Total Liabilities	<u>1,491,145</u>	<u>1,016,389</u>
<b>Net Assets</b>		
Investment in Capital Assets, Net of Related Debt	2,196,846	2,089,657
Unrestricted	462,794	380,792
Restricted	<u>470,453</u>	<u>549,994</u>
Total Net Assets	<u>\$ 3,130,093</u>	<u>\$ 3,020,443</u>

The largest portion of LISH's net assets \$2,196,846 (70 percent) reflects its investment in capital assets less the related debt on capital assets. These capital assets are not available for future spending. Although LISH's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At June 30, 2007, LISH had outstanding long-term debt of \$1,147,258 for the purchase of fire trucks, equipment and construction of fire stations as well as annual leave. The \$470,453 (15 percent) represents the assets restricted for payment of debt and impact fees. The remaining net assets of \$462,794 represent the equity in the unrestricted net assets.

At the end of the current fiscal year, Lady's Island - St. Helena Island Fire District is able to report positive balances in all funds.

**Governmental activities.** LISH's total net assets increased by \$109,650. Key elements of this increase are as shown in the following table.

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT CHANGE IN NET ASSETS**

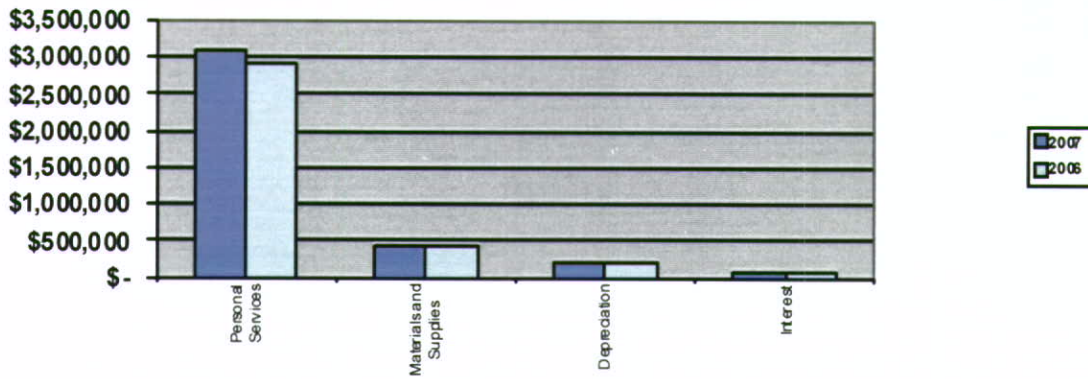
	Governmental Activities	
	2007	2006
Expenses		
Public Safety - Fire Protection		
Personal Services	\$ 3,118,310	\$ 2,912,539
Materials and Services	432,386	435,130
Depreciation	224,459	199,872
Interest	69,085	70,893
Total expenses	<u>3,844,240</u>	<u>3,618,434</u>
Program Revenues		
Operating Grants and Contributions	-	153,212
Net Program Expense	<u>3,844,240</u>	<u>3,465,222</u>
General Revenues		
Taxes	3,621,650	3,637,393
Fees	140,853	236,775
Miscellaneous	191,387	13,231
Total general revenues	<u>3,953,890</u>	<u>3,887,399</u>
Increase in net assets	109,650	422,177
Net assets - beginning	<u>3,020,443</u>	<u>2,598,266</u>
Net assets - ending	<u>\$ 3,130,093</u>	<u>\$ 3,020,443</u>

For the most part, expenses paralleled inflation and normal cost of living increases. Depreciation is up due to new assets added with proceeds of note from the bank.

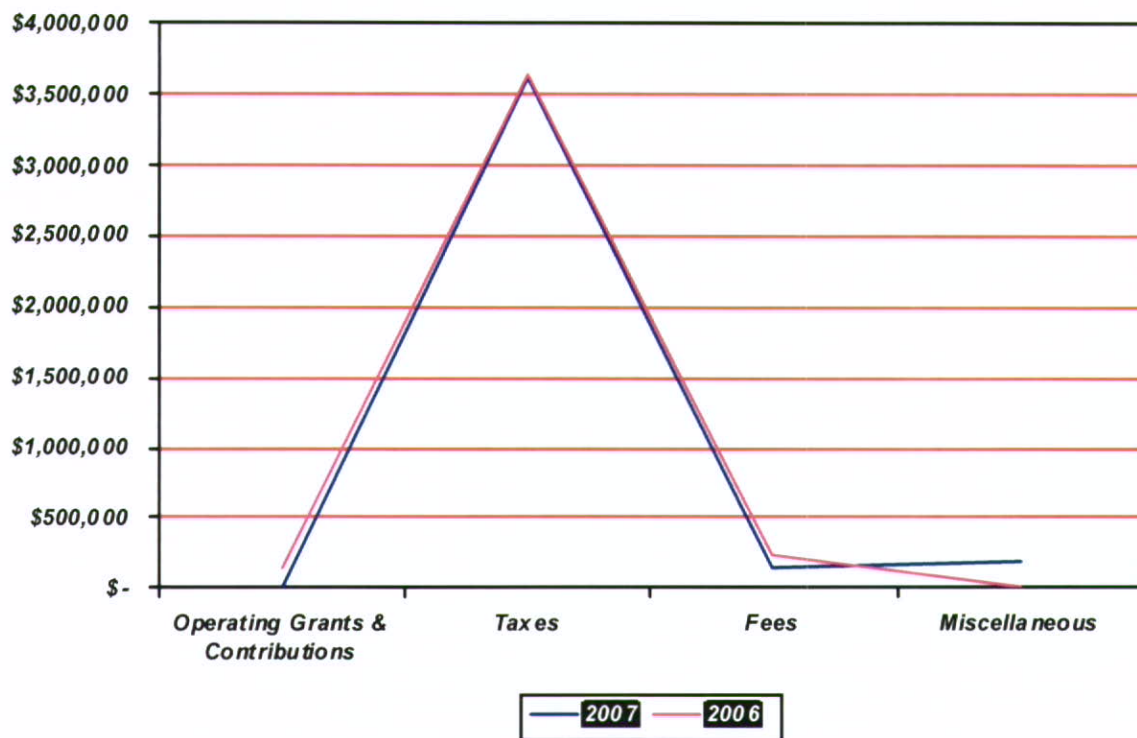
Taxes revenues are consistent with prior year because millage remained the same as prior year. Fees relate to impact of development in the district and subject to the demands of the market. The increase in miscellaneous revenues relate to the insurance proceeds from the accident of a vehicle.



**Expenses – Governmental Activities**



**Revenues by Source – Governmental Activities**



## Financial Analysis of the Government's Funds

As noted earlier, LISH uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of LISH's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing LISH's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, LISH's governmental funds reported combined ending fund balances of \$1,155,358, an increase of \$105,113. The major governmental funds consist of the general fund, the capital projects fund, the debt service fund, and the impact fund. This increase is attributable to the proceeds of the insurance settlement in the capital projects fund of \$209,750.

## Capital Assets and Debt Administration

**Capital Assets.** LISH's investment in capital assets for its governmental type activities as of June 30, 2007 amounts to \$3,397,991 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and vehicles. Increases in LISH's investment in capital assets for the current fiscal year were \$379,951 for construction in progress on fire stations, \$103,958 for extrication equipment, an air storage system, and thermal imaging cameras, and \$251,104 for vehicles. Depreciation expense was \$224,459 for the year.

### LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT CAPITAL ASSETS - NET OF DEPRECIATION

	Governmental Activities	
	2007	2006
Land and Improvements	\$ 68,597	\$ 68,597
Construction in Progress	379,951	-
Buildings and Improvements	1,240,160	1,274,403
Furniture and Equipment	246,617	175,093
Vehicles	1,462,666	1,412,574
Total	<u>\$ 3,397,991</u>	<u>\$ 2,930,667</u>

Additional information on LISH's capital assets can be found in note 5 on page 21 of this report.

**Long-term debt.** At the end of the current fiscal year, LISH had long-term debt outstanding in the amount of \$1,201,145. \$679,055 of a new loan for \$1,500,000 was added to the long-term obligations during the current fiscal year. The debt was attributable to the acquisition of fire trucks and the construction of the fire stations.

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT LONG-TERM DEBT OUTSTANDING**

	Governmental Activities	
	2007	2006
Notes Payable	\$ 1,201,145	\$ 841,010
Total	\$ 1,201,145	\$ 841,010

**Economic Factors and Next Year's Budgets**

The budget for 2007-2008 increased from \$3,637,348 to \$3,902,557 for the operating budget. The budget for debt service decreased from \$402,801 to \$361,769. Millage was adjusted from 29.7 for operations and 2.6 for debt service to 30.7 and 1.7, respectively to fund these budgets.

**Requests for information**

This financial report is designed to provide a general overview of Lady's Island - St. Helena Island Fire District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief, Lady's Island - St. Helena Island Fire District, 237 Sea Island Parkway, Ladys Island, South Carolina, 29907.

## **BASIC FINANCIAL STATEMENTS**

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

**ASSETS**

Cash	\$ 332,479
Receivables	135,474
Due from Beaufort County Treasurer	755,294
Capital assets, not being depreciated	448,548
Capital assets, being depreciated	2,949,443
Total Assets	<u>4,621,238</u>

**LIABILITIES**

Accounts Payable	26,883
Current Portion of Debt	254,774
Interest Payable	62,230
Annual Leave	200,887
Bonds, Notes & Leases Payable	946,371
Total Liabilities	<u>1,491,145</u>

**NET ASSETS**

Unrestricted	462,794
Restricted for Debt Service	9,829
Restricted for Impact Fund	460,624
Investment in Capital Assets, Net of Related Debt	2,196,846
Total Net Assets	<u>\$ 3,130,093</u>

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

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

**EXPENSES**

Personal Services	\$ 3,118,310
Materials and Supplies	432,386
Depreciation	224,459
Interest	69,085
Total Expenses	<u>3,844,240</u>

**GENERAL REVENUES**

Taxes	3,621,650
Fees	140,853
Miscellaneous	191,387
Total General Revenues	<u>3,953,890</u>
 Increase in Net Assets	 109,650
 Net Assets, beginning of year	 <u>3,020,443</u>
 Net Assets, end of year	 <u>\$ 3,130,093</u>

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

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007**

	GOVERNMENTAL FUND TYPES				TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	IMPACT FUND	
<b>ASSETS</b>					
Cash	\$ 332,479	\$ -	\$ -	\$ -	\$ 332,479
Receivables	128,130	-	7,344	-	135,474
Due from other funds	-	271,273	-	-	271,273
Due from Beaufort County	288,815	-	5,855	460,624	755,294
Total Assets	<u>\$ 749,424</u>	<u>\$ 271,273</u>	<u>\$ 13,199</u>	<u>\$ 460,624</u>	<u>\$ 1,494,520</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 26,883	\$ -	\$ -	\$ -	\$ 26,883
Due to Other Funds	271,273	-	-	-	271,273
Deferred Revenue	37,636	-	3,370	-	41,006
Total Liabilities	<u>335,792</u>	<u>-</u>	<u>3,370</u>	<u>-</u>	<u>339,162</u>
<b>Fund Balances</b>					
Unreserved	413,632	271,273	9,829	460,624	1,155,358
Total Fund Balances	<u>413,632</u>	<u>271,273</u>	<u>9,829</u>	<u>460,624</u>	<u>1,155,358</u>
Total Liabilities and Fund Balances	<u>\$ 749,424</u>	<u>\$ 271,273</u>	<u>\$ 13,199</u>	<u>\$ 460,624</u>	<u>\$ 1,494,520</u>

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

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2007**

Total net assets reported for governmental activities in the statement of net assets is different because:

Total fund balances for governmental funds		\$ 1,155,358
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Capital assets used in LISH's activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and improvements	\$ 68,597	
Construction in Progress	379,951	
Buildings and improvements, net of \$335,975 accumulated depreciation	1,240,160	
Vehicles, net of \$1,358,155 accumulated depreciation	1,462,666	
Furniture and equipment, net of \$97,651 accumulated depreciation	<u>246,617</u>	
Total Capital Assets		3,397,991

Some of LISH's receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.

41,006

Long-term liabilities applicable to LISH's activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net assets.

Balances at June 30, 2007 are:

Annual Leave	(200,887)	
Interest Payable	(62,230)	
Notes Payable	<u>(1,201,145)</u>	
Total Long-Term Liabilities		<u>(1,464,262)</u>

Total net assets of governmental activities		\$ <u>3,130,093</u>
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**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2007**

	GOVERNMENTAL FUND TYPES				TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	IMPACT FUND	
<b>REVENUES</b>					
Taxes	\$ 3,458,240	\$ -	\$ 159,987	\$ -	\$ 3,618,227
Fees	-	37,606	-	103,247	140,853
Miscellaneous	6,025	209,750	-	18,842	234,617
Total Revenues	<u>3,464,265</u>	<u>247,356</u>	<u>159,987</u>	<u>122,089</u>	<u>3,993,697</u>
<b>Expenditures</b>					
Current:					
Public Safety - Fire Protection					
Personal Services	3,038,623	-	-	-	3,038,623
Materials and Services	431,480	906	-	-	432,386
Debt Service:					
Principal	-	-	194,494	124,426	318,920
Interest	-	-	14,452	28,245	42,697
Capital Outlay:					
Fire Protection	55,958	679,055	-	-	735,013
Total Expenditures	<u>3,526,061</u>	<u>679,961</u>	<u>208,946</u>	<u>152,671</u>	<u>4,567,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,796)</u>	<u>(432,605)</u>	<u>(48,959)</u>	<u>(30,582)</u>	<u>(573,942)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt	-	679,055	-	-	679,055
Total Other Financing Sources (Uses)	<u>-</u>	<u>679,055</u>	<u>-</u>	<u>-</u>	<u>679,055</u>
Net change in fund balances	(61,796)	246,450	(48,959)	(30,582)	105,113
Fund balance, beginning of year	500,251	-	58,788	491,206	1,050,245
Prior Period Adjustment	(24,823)	24,823	-	-	-
Fund balance, end of year	<u>\$ 413,632</u>	<u>\$ 271,273</u>	<u>\$ 9,829</u>	<u>\$ 460,624</u>	<u>\$ 1,155,358</u>

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

**LADY'S ISLAND - ST. HELENA ISLAND 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 JUNE 30, 2007**

The change in net assets reported for governmental activities in the statement of activities is different because:

Net change in fund balances – total governmental funds	\$	105,113
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$735,013) was more than depreciation (\$224,459) in the current period.</p>		
		510,554
<p>Proceeds of debt are reported as a revenue in governmental funds. However, in the government wide statements proceeds of debt are treated as a liability.</p>		
		(679,055)
<p>Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.</p>		
		318,920
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.</p>		
		(43,230)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		3,423
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Annual Leave	(79,687)	
Interest	(26,388)	
		(106,075)
Total change in net assets of governmental activities	\$	109,650

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, 2007**

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

The Lady's Island – St. Helena Island Fire District (LISH) was established on March 31, 1972 for the purpose of providing fire protection for the residents of Lady's Island and St. Helena Island in Beaufort County, South Carolina.

**Reporting Entity**

LISH is an autonomous government whose appointed board controls its operations and fiscal accountability. LISH is a separate reporting entity and is not a component unit of any other governmental entity. Beaufort County is a related party in that the Beaufort County Council has final approval of budget, assesses millage, collects taxes and prepares payroll for Lady's Island - St. Helena Island.

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 criteria, the Lady's Island - St. Helena Island Fire District has no component units required to be reported in these financial statements.

The accompanying financial statements present the combined financial positions and combined results of operations of the various fund types controlled by the appointed board and the executive director.

The operating budget is funded through property taxes. The operating revenues and expenditures are included in the General Fund. The accounting policies of LISH conform to generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard – setting body for establishing governmental accounting and financial reporting.

**Government-Wide-and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information about the reporting government as a whole, except for its fiduciary activities. Governmental activities are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. LISH reports only governmental activities, as there are no business type activities.

**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

LISH reports the following major governmental funds:

The *general fund* is LISH's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* represents collections of revenues that have been designated for the purchase of capital items.

The *debt service fund* represents LISH's collection and payment of long-term obligations associated with financing arrangements. It accounts for all financial resources that are restricted for debt payment.

The *impact fund* represents LISH's collection of impact fees from developers within that district. It accounts for all financial resources that are restricted for capital assets acquired due to the impact of development.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

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

**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Assets, Liabilities, and Net Assets or Equity**

Deposits and Investments

LISH's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

LISH is authorized by state statute to invest in the following:

- Obligations of the United States and its agencies;
- General obligations of the State of South Carolina and its political units;
- Savings and loan associations to the extent that the same are insured by an agency of the Federal Government;
- Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above and are held by a third party as escrow agent or custodian, at a market value not less than the amounts of the certificates of deposit plus interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

Inventories and Prepaid Items

Inventories of the general fund consist of supplies held for consumption and are immaterial to the financial statements and accordingly are not recorded.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by LISH as property and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation. LISH does not have any significant infrastructure assets that should be recorded at this time.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-50 years
Furniture and Equipment	5-10 years
Vehicles	5-20 years

**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Assets, Liabilities, and Net Assets or Equity - Continued**

Compensated Absences

Regular employees who are separated from LISH service will be paid for all accrued unused annual leave hours up to a maximum of 240 hours. LISH has no financial liability for its unused sick leave.

The accumulated unpaid annual leave earned, but not taken, by LISH employees as of June 30, 2007 totaled \$200,887 computed at each employee's pay rate and includes an estimate of fifteen percent for benefits payable that are related to the annual leave pay. Unused annual leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. All annual leave is paid from the general fund.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Government-wide and fund financial statements must be presented using an all-inclusive format. That is, the results of the current period's activities are to be reported as an addition to (or a deduction from) equity at the beginning of the period to arrive at the closing equity balance. Thus changes in net assets on the government-wide statement of activities is added to (or deducted from) net assets – beginning of the fiscal year to arrive at net assets – end of the fiscal year.

Net assets are defined as the difference between assets and liabilities in the government-wide statement of net assets.

The government-wide statement of net assets reports all government assets; therefore, a significant portion of the net assets reported there typically reflects a government's investment in capital assets. To draw financial statement users' attention to this important information, GAAP requires the amount of net assets invested in capital assets to be reported as a separate category of net assets. Net assets invested in capital assets, net of related debt includes all capital assets less accumulated depreciation and outstanding principal of related debt.

Restrictions may be imposed on a portion of LISH's net assets by parties outside the government (such as creditors, grantors, contributors). In some cases, such restricted assets are directly associated with particular liabilities (for instance, restricted assets associated with revenue bonds). An amount equal to these restricted assets, less any related liabilities, is reported as restricted net assets.

**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Assets, Liabilities, and Net Assets or Equity - Continued**

Fund Equity - Continued

GAAP direct that the difference between total net assets and the two categories discussed above (invested in capital assets, net of related debt and restricted net assets) be reported as unrestricted net assets.

Comparative Data/Reclassifications

Comparative total data for the prior year has not been presented. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Expenses/Expenditures

Consistent with the current financial resources measurement focus, the governmental fund statement of activities report expenditures rather than expenses. Expenditures in the fund financial statements are presented by character for the governmental funds. The character of an expenditure is based upon the periods it is presumed to benefit. Expenditures that primarily benefit the present period (current expenditures) are distinguished from those presumed to benefit both the present and future periods (debt service expenditures and capital outlay expenditures). GAAP also provides for a fourth character classification, intergovernmental expenditures, for situations where one governmental entity provides resources to another.

Government-wide expenses are reported by function. The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the expenditures reported on the governmental fund financial statements and those expenses reported on the government-wide financial statements. For example, the governmental funds report capital outlay expenditures, while the government-wide financial statements report depreciation.

**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Budget and Budgetary Accounting**

Prior to the start of each fiscal year, LISH approves an operating budget prepared in accordance with generally accepted accounting principles. Beaufort County approves total budget and assesses millage to collect taxes. The appointed commissioners of LISH in conjunction with Beaufort County approval make any revisions to the budget during the year. Budgets are adopted for all funds. Accordingly, a budget to actual comparison is presented as required supplementary information.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results may differ from these estimates.

**NOTE 2 DEPOSITS AND 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.

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. LISH does not have a deposit policy for custodial credit risk. As of June 30, 2007, the bank balance of LISH's deposits was \$355,498 of which \$100,449 was covered by FDIC insurance and the balance was collateralized by securities held in LISH's name.

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2007 were as follows:

	<u>Fund Statements</u>	<u>Government-wide Statements</u>
Taxes Receivable	\$ 94,904	\$ 94,904
Reimbursements	40,570	40,570
Total Accounts Receivable	<u>\$ 135,474</u>	<u>\$ 135,474</u>

Government funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in governmental funds were as follows:

	<u>Fund Statements</u>	<u>Government-wide Statements</u>
Taxes Receivable	\$ 41,006	\$ -



**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 4 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 5 PROPERTY AND EQUIPMENT**

The following is a summary of changes in the capital assets during the fiscal year.

<u>Governmental Activities</u>	<u>June 30, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2007</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 68,597	\$ -	\$ -	\$ 68,597
Construction in Progress	-	379,951	-	379,951
Total capital assets, not being depreciated	<u>68,597</u>	<u>379,951</u>	<u>-</u>	<u>448,548</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	1,576,135	-	-	1,576,135
Furniture and equipment	240,310	103,958	-	344,268
Vehicles	2,745,568	251,104	175,851	2,820,821
Total capital assets being depreciated	<u>4,562,013</u>	<u>355,062</u>	<u>175,851</u>	<u>4,741,224</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	301,732	34,243	-	335,975
Furniture and equipment	65,217	32,434	-	97,651
Vehicles	1,332,994	157,782	132,621	1,358,155
Total accumulated depreciation	<u>1,699,943</u>	<u>224,459</u>	<u>132,621</u>	<u>1,791,781</u>
Total capital assets being depreciated, net	<u>2,862,070</u>	<u>130,603</u>	<u>43,230</u>	<u>2,949,443</u>
Governmental activities capital assets, net	<u>\$ 2,930,667</u>	<u>\$ 510,554</u>	<u>\$ 43,230</u>	<u>\$ 3,397,991</u>

Depreciation expense was \$224,459 for the year ended June 30, 2007. This amount was allocated to the functional departments as follows:

<u>Governmental Activities</u>		
Public Safety Fire Protection		\$ 224,459
Total		<u>\$ 224,459</u>

**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 6 LONG TERM OBLIGATIONS**

Changes in outstanding debt were as follows:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2007</u>
Note Payable - Palmetto State	\$ 699,851	\$ -	\$ 104,622	\$ 595,229
Note Payable - Palmetto State	-	679,055	153,018	526,037
Note Payable - Palmetto State	141,159	-	61,280	79,879
<b>Total</b>	<b>\$ 841,010</b>	<b>\$ 679,055</b>	<b>\$ 318,920</b>	<b>\$ 1,201,145</b>

Interest paid for the year ended June 30, 2007, was \$42,697.

Long-term debt at June 30, 2007 consisted of the following:

	<u>BALANCE</u>
\$800,000 Note payable to Palmetto State Bank due in annual installments of \$135,770 beginning July 14, 2005 and continuing through and including July 2011. Payments include interest of 4.50%. Collateralized by the station located at 731 Sam Point Road.	\$ 595,229
\$1,500,000 Note payable to Palmetto State Bank due in annual installments of \$158,056 beginning January 15, 2007 and continuing through and including January 15, 2016. Payments include interest of 5.25%. Collateralized by a lien on real properties at 100 Polowana Road and 632 Lands End Road, St. Helena Island, SC.	526,037
\$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.	79,879
<b>Total</b>	<b>\$ 1,201,145</b>

The total requirements to pay all debt outstanding as of June 30, 2007 are \$1,608,429 including estimated interest payments of \$407,284 and are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 254,774	\$ 106,843	\$ 361,617
2009	224,513	90,431	314,944
2010	214,385	79,441	293,826
2011	224,749	69,077	293,826
2012	234,849	58,977	293,826
2013	47,875	2,515	50,390
<b>Total</b>	<b>\$ 1,201,145</b>	<b>\$ 407,284</b>	<b>\$ 1,608,429</b>

**Operating Leases**

LISH has immaterial operating leases on office equipment that are short-term in length.

**LADY'S ISLAND -- ST. HELENA ISLAND FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 7 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 2007 was \$118,798,146. The computation of legal debt limits is as follows:

Assessed value (\$118,798,146 X 8%)	\$	9,503,852
General obligation debt at June 30, 2007		<u>(1,121,266)</u>
Excess of debt limit over general obligation debt	\$	<u>8,382,586</u>

**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:

<b>SOUTH CAROLINA POLICE OFFICERS</b>			
<b><u>CONTRIBUTION INFORMATION</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Total Current Year Payroll	\$ 2,108,762	\$ 1,974,762	\$ 1,693,234
Covered Payroll	2,108,762	1,961,740	1,666,719
Employee Contributions	137,068	127,513	109,337
Employee Contribution Rate (based upon salary)	6.5%	6.5%	6.5%
Employer Contributions	217,202	202,059	171,672
Employer Contribution Rate (based upon salary)	10.3%	10.3%	10.3%
Group Life Contributions	8,435	7,847	6,668
Group Life Contribution Rate (based upon salary)	0.4%	0.4%	0.4%
<b>SOUTH CAROLINA</b>			
<b><u>CONTRIBUTION INFORMATION</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Total Current Year Payroll	\$ 30,194	\$ 24,269	\$ -
Covered Payroll	30,194	24,269	-
Employee Contributions	1,960	1,517	-
Employee Contribution Rate (based upon salary)	6.25%	6.25%	-
Employer Contributions	2,431	1,832	-
Employer Contribution Rate (based upon salary)	7.5%	7.5%	-
Group Life Contributions	45	36	-
Group Life Contribution Rate (based upon salary)	0.15%	0.15%	-

**LADY'S ISLAND – ST. HELENA ISLAND FIRE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 8 PENSION PLAN OBLIGATIONS - CONTINUED**

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.

**NOTE 9 RISK MANAGEMENT**

LISH 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.

LISH 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 SUBSEQUENT EVENTS**

LISH took out a new loan for \$1,500,000 on September 8, 2006 that will be paid back over ten years at an interest rate of 5.25 percent. This debt is for the purpose of purchasing equipment and improving real properties. It is secured by a mortgage on real properties located at 100 Polowana Road, St. Helena Island and 632 Lands End Road, St. Helena Island. As of June 30, 2007, \$679,055 had been drawn down against this loan.

**NOTE 11 FEDERAL GRANTS**

During the year ended June 30 2006, LISH was the recipient of a federal grant for \$153,212 of which \$134,127 was spent and audited during that fiscal year. The balance of \$19,085 was spent during fiscal year ended June 30, 2007. Invoices were submitted to the federal grantor during the grant process as well as documented in the original budget. Therefore, management feels that expenditures were made in compliance with the grant requirements. However, documentation supporting these expenditures have been misplaced and were not available for the auditor's inspection. The independent auditor's report has been qualified as result of this oversight.

**REQUIRED  
SUPPLEMENTAL  
INFORMATION**

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	GENERAL FUND			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 3,637,348	\$ 3,637,348	\$ 3,458,240	\$ (179,108)
Miscellaneous	-	-	6,025	6,025
<b>Total Revenues</b>	<u>3,637,348</u>	<u>3,637,348</u>	<u>3,464,265</u>	<u>(173,083)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>Public Safety - Fire Protection</b>				
<b>Personal Services</b>				
Personnel salaries	2,180,807	2,180,807	2,138,991	41,816
FICA/Medicare	166,842	166,842	158,095	8,747
Unemployment	6,000	6,000	6,261	(261)
Retirement	233,346	233,346	228,508	4,838
Health insurance	450,000	450,000	417,301	32,699
Workman's Compensation	105,000	105,000	89,467	15,533
<b>Total Personal Services</b>	<u>3,141,995</u>	<u>3,141,995</u>	<u>3,038,623</u>	<u>103,372</u>
<b>Materials and Services</b>				
Fuel	47,600	47,600	48,975	(1,375)
Vehicle repairs and maintenance	35,000	35,000	34,540	460
Equipment repairs and maintenance	12,000	12,000	14,909	(2,909)
Buildings repairs and maintenance	15,000	15,000	11,970	3,030
Inspections	10,000	10,000	9,894	106
Utilities	20,000	20,000	17,947	2,053
Telephone	9,000	9,000	13,247	(4,247)
Water	4,400	4,400	3,965	435
Professional	8,450	8,450	10,401	(1,951)
Travel and Training	32,475	32,475	22,380	10,095
Office Supplies	10,000	10,000	9,469	531
Dues and Subscriptions	800	800	145	655
Miscellaneous	1,500	1,500	-	1,500
Uniform Replacement	55,000	55,000	51,688	3,312
Cleaning Supplies	7,500	7,500	7,896	(396)
Building Insurance	36,810	36,810	36,004	806
Medical/Physicals	20,000	20,000	15,109	4,891
Small Tools	7,500	7,500	5,819	1,681
Communication Equipment	5,000	5,000	3,434	1,566
Equipment	100,000	100,000	94,952	5,048
Grant Materials and Supplies	-	-	18,736	(18,736)
<b>Total Materials and Services</b>	<u>438,035</u>	<u>438,035</u>	<u>431,480</u>	<u>6,555</u>

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

**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<b>GENERAL FUND</b>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>CAPITAL OUTLAY</b>				
Fire Protection	\$ 57,318	\$ 57,318	\$ 55,958	\$ 1,360
Total Capital Outlay	<u>57,318</u>	<u>57,318</u>	<u>55,958</u>	<u>1,360</u>
Total Expenditures	<u>3,637,348</u>	<u>3,637,348</u>	<u>3,526,061</u>	<u>111,287</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(61,796)	(61,796)
Fund balance, beginning of year	500,251	500,251	500,251	-
Prior period adjustment	-	-	(24,823)	(24,823)
Fund balance, end of year	<u>\$ 500,251</u>	<u>\$ 500,251</u>	<u>\$ 413,632</u>	<u>\$ (86,619)</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  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2007**

	<b>DEBT SERVICE FUND</b>			
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>REVENUES</b>				
Taxes	\$ 244,745	\$ 244,745	\$ 159,987	\$ (84,758)
Total Revenues	<u>244,745</u>	<u>244,745</u>	<u>159,987</u>	<u>(84,758)</u>
<b>EXPENDITURES</b>				
Public Safety - Fire Protection				
Debt Service	<u>244,745</u>	<u>244,745</u>	<u>208,946</u>	<u>35,799</u>
Total Expenditures	<u>244,745</u>	<u>244,745</u>	<u>208,946</u>	<u>35,799</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(48,959)	(48,959)
Fund balance, beginning of year	<u>58,788</u>	<u>58,788</u>	<u>58,788</u>	-
Fund balance, end of year	<u>\$ 58,788</u>	<u>\$ 58,788</u>	<u>\$ 9,829</u>	<u>\$ (48,959)</u>

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



**LADY'S ISLAND - ST. HELENA ISLAND FIRE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007**

	<b>SPECIAL REVENUE FUND - IMPACT FUND</b>			
	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>REVENUES</b>				
Fees	\$ 150,000	\$ 150,000	\$ 103,247	\$ (46,753)
Miscellaneous	-	-	18,842	18,842
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>122,089</u>	<u>(27,911)</u>
<b>EXPENDITURES</b>				
Public Safety - Fire Protection				
Debt Service	<u>150,000</u>	<u>150,000</u>	<u>152,671</u>	<u>(2,671)</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>152,671</u>	<u>(2,671)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(30,582)	(30,582)
Fund balance, beginning of year	<u>491,206</u>	<u>491,206</u>	<u>491,206</u>	<u>-</u>
Fund balance, end of year	<u>\$ 491,206</u>	<u>\$ 491,206</u>	<u>\$ 460,624</u>	<u>\$ (30,582)</u>

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