

**FRIPP ISLAND
PUBLIC SERVICE DISTRICT**

**Financial Statements
and Accompanying Information
for year ended June 30, 1993**

FRIPP ISLAND PUBLIC SERVICE DISTRICT

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Report of Independent Certified Public Accountants

To The Commissioners
Fripp Island Public Service District
Fripp Island, South Carolina

We have examined the combined financial statements of Fripp Island Public Service District as of and for the year ended June 30, 1993, as listed in the table of contents. These financial statements are the responsibility of the 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 combined financial statements referred to above present fairly the financial position of Fripp Island Public Service District at June 30, 1993, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Cherry Bekaert - Holland

Hilton Head Island, South Carolina
August 6, 1993

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Combined Balance Sheet All Fund Types and Account Groups

June 30, 1993

	Governmental Fund Types		Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
	Special Revenue	Debt Service	Enterprise Water System	General Fixed Assets	General Long-- Term Debt	June 30, 1993	June 30, 1992
	ASSETS						
Cash	\$ 88,627	\$ -	\$ 119,214	\$ -	\$ -	\$ 207,841	\$ 301,105
Due from Beaufort County Treasurer	18,478	22,094	-	-	-	40,572	32,117
Accounts receivable - water system	-	-	88,557	-	-	88,557	74,591
Accounts receivable - other	-	-	303	-	-	303	794
Interfund receivable	4,514	-	-	-	-	4,514	1,054
Inventory	-	-	8,025	-	-	8,025	13,611
Prepaid expenses	-	-	1,396	-	-	1,396	1,285
Restricted cash:							
Cash	-	-	254,291	-	-	254,291	123,895
Interfund receivable	-	-	-	-	-	-	108,829
Due from Beaufort County Treasurer	-	-	-	-	-	-	128
Investment	-	-	-	-	-	-	86,500
Fixed assets (net of accumulated depreciation)	-	-	1,161,291	1,036,789	-	2,198,080	2,088,282
Unamortized debt acquisition costs	-	-	4,974	-	-	4,974	5,831
Amount available in debt service fund	-	-	-	-	22,094	22,094	22,964
Amount to be provided for retirement of general long-term debt	-	-	-	-	323,118	323,118	359,937
Total assets	\$ 111,619	\$ 22,094	\$ 1,638,051	\$ 1,036,789	\$ 345,212	\$ 3,153,765	\$ 3,220,923

See notes to the financial statements.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Combined Balance Sheet All Fund Types and Account Groups

June 30, 1993

	Governmental Fund Types		Proprietary Fund Types	Account Groups		Totals (Memorandum Only)	
	Special Revenue	Debt Service	Enterprise Water System	General Fixed Assets	General Long- Term Debt	June 30, 1993	June 30, 1992
LIABILITIES							
Vouchers and accounts payable	\$ 9,369	\$ -	\$ 41,147	\$ -	\$ -	\$ 50,516	\$ 32,384
Payable from restricted assets	-	-	6,533	-	-	6,533	6,387
Lease payable	-	-	-	-	45,212	45,212	57,901
General obligation and revenue bonds payable	-	-	330,000	-	300,000	630,000	675,000
Interfund payable	9	-	4,505	-	-	4,514	109,883
Total liabilities	<u>9,378</u>	<u>-</u>	<u>382,185</u>	<u>-</u>	<u>345,212</u>	<u>736,775</u>	<u>881,555</u>
FUND EQUITY							
Contributed capital	-	-	10,700	-	-	10,700	10,700
Investment in general fixed assets	-	-	-	1,036,789	-	1,036,789	1,035,152
Retained earnings							
Reserved for Revenue Bonds	-	-	362,514	-	-	362,514	312,965
Unreserved	-	-	882,652	-	-	882,652	919,434
Fund balance							
Reserved for debt service	-	22,094	-	-	-	22,094	22,964
Unreserved	102,241	-	-	-	-	102,241	38,153
Total fund equity	<u>102,241</u>	<u>22,094</u>	<u>1,255,866</u>	<u>1,036,789</u>	<u>-</u>	<u>2,416,990</u>	<u>2,339,368</u>
Total liabilities and fund equity	<u>\$ 111,619</u>	<u>\$ 22,094</u>	<u>\$ 1,638,051</u>	<u>\$ 1,036,789</u>	<u>\$ 345,212</u>	<u>\$ 3,153,765</u>	<u>\$ 3,220,923</u>

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- All Governmental Fund Types

Year ended June 30, 1993

	Governmental Fund Types		Total (Memorandum Only)
	Special Revenue	Debt Service	
Revenues			
Taxes and assessments	\$ 205,506	\$ 58,790	\$ 264,296
Interest	2,346	-	2,346
Other	2,096	-	2,096
Total revenues	209,948	58,790	268,738
Expenditures			
Current:			
General and administrative	84,591	847	85,438
Operations and maintenance	35,765	-	35,765
Capital outlay	4,935	-	4,935
Debt service:			
Principal retirement	12,689	25,000	37,689
Interest	5,125	33,813	38,938
Other financing uses	2,755	-	2,755
Total expenditures	145,860	59,660	205,520
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	64,088	(870)	63,218
Fund balance at beginning of year	38,153	22,964	61,117
Fund balance at end of year	\$ 102,241	\$ 22,094	\$ 124,335

See notes to financial statements.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Funds

Year ended June 30, 1993

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes and assessments	\$ 205,506	\$ 181,430	\$ 24,076
Interest	2,346	–	2,346
Other	2,096	–	2,096
Total revenues	<u>209,948</u>	<u>181,430</u>	<u>28,518</u>
Expenditures			
General and administrative	84,591	82,140	(2,451)
Operations and maintenance	35,765	20,650	(15,115)
Capital outlay	4,935	5,000	65
Debt service	17,814	17,820	6
Other financing uses	2,755	2,760	5
Total expenditures	<u>145,860</u>	<u>128,370</u>	<u>(17,490)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	64,088	53,060	11,028
Fund balance at beginning of year	<u>38,153</u>	<u>38,153</u>	–
Fund balance at end of year	<u>\$ 102,241</u>	<u>\$ 91,213</u>	<u>\$ 11,028</u>

See notes to financial statements.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Statement of Revenues, Expenses and Changes in Retained Earnings – Proprietary Fund

Year ended June 30, 1993

	1993	1992 (Memorandum Only)
Operating revenue	\$ 414,398	\$ 378,963
Cost of sales	205,352	189,769
Gross profit from operations	209,046	189,194
Operating expenses		
General and administrative	94,022	85,376
Operations and maintenance	45,845	46,413
Depreciation	38,691	38,773
Total expenditures	178,558	170,562
Earnings from operations	30,488	18,632
Nonoperating revenues (expenses)		
Other revenues	11,711	19,043
Other expenses	(29,432)	(28,838)
Net nonoperating revenues (expenses)	(17,721)	(9,795)
Net earnings	12,767	8,837
Retained earnings, at beginning of year	1,232,399	1,223,562
Retained earnings, at end of year	\$ 1,245,166	\$ 1,232,399

See notes to financial statements.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Statement of Cash Flows – Proprietary Fund

Year ended June 30, 1993

	1993	1992 (Memorandum Only)
Cash flows from operating activities		
Net earnings (loss)	\$ 12,767	\$ 8,837
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	39,548	39,630
(Increase) decrease in accounts receivable	(13,475)	2,167
(Increase) decrease in interfund receivable	108,829	(108,826)
(Increase) decrease in inventory	5,586	(5,056)
(Increase) in prepaid expenses	(111)	(27)
Increase (decrease) in accounts payable	14,592	(17,310)
Increase (decrease) in payable from restricted assets	88	(689)
Increase in due to other funds	3,518	845
Net cash provided (used) by operating activities	171,342	(80,429)
Cash flows from investing activities		
Additions to fixed assets	(146,852)	(12,413)
Cash flows from financing activities		
Principal payments on general obligation bonds	(20,000)	(15,000)
Net increase (decrease) in cash and cash equivalents	4,490	(107,842)
Cash and cash equivalents at beginning of year	369,015	476,857
Cash and cash equivalents at end of year	\$ 373,505	\$ 369,015

See notes to financial statements.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements

June 30, 1993

Note 1 – Summary of significant accounting policies

The Fripp Island Public Service District was created by enabling legislation Act. No. 104 of the State of South Carolina, ratified on April 16, 1962. The District was formed to provide and maintain waterworks, fire protection, and erosion control facilities as in the opinion of the Commissioners shall be necessary for development of the District.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The following funds and groups of accounts are used by the District:

GOVERNMENTAL FUND TYPES:

Special Revenue Funds –

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District has two Special Revenue Funds – the Fire Department Fund and the Erosion Fund.

Debt Service Funds –

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including capital lease obligations principal, interest and related costs.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 1 – Summary of significant accounting policies – (continued)

PROPRIETARY FUND TYPES:

Enterprise Fund –

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water services to the general public on a continuing basis is financed through user charges. The District has one Proprietary Fund -- The Water System.

GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUPS:

General Fixed Assets (GFA) –

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical costs if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group –

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 1 – Summary of significant accounting policies – (continued)

Basis of Accounting – (continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Taxpayer-assessed income and gross receipts are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets and Budgetary Accounting

The District generally enacts an operating budget for each year for the Special Revenue and Proprietary Funds. Management is authorized to transfer budgeted amounts between accounts within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Commission.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 1 – Summary of significant accounting policies – (continued)

Investments

Investments are stated at cost, which approximates market.

Inventory

Inventory consists primarily of supplies, valued at the lower of cost (first-in, first-out) or market.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements complex and difficult to read.

Property tax

Property taxes are recognized as revenues when collected. The County Treasurer is charged with collection of the current year levy of property taxes and vehicle taxes. In this capacity, the Treasurer acts as a collection agent for the District. Any property taxes not collected or abated are turned over to the Tax Collector as delinquent taxes. The mills are set at an amount sufficient to fund the budget for the next fiscal year.

Fixed Assets

General Fixed Assets Account Group –

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of Accounts, rather than in governmental funds. No depreciation has been provided on such assets.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 1 – Summary of significant accounting policies – (continued)

Fixed Assets – (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Water System –

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight–line method. Estimated useful lives are as follows:

Water system	15–40 years
Buildings	25–50 years
Improvements	10–20 years
Equipment	3–10 years

Amortization of bond expenses

The costs of issuance of bonds are being amortized, on a straight–line method, over ten years.

Total columns on Combined Statements – Overview

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 1 – Summary of significant accounting policies – (continued)

Statement of Cash Flows

For the purpose of the Statement of Cash Flows, the Water System considers all highly liquid investments held by the Beaufort County Treasurer (including restricted assets) to be cash equivalents.

Note 2 – Cash Deposits

At June 30, 1993, the carrying amount of the District's deposits was \$461,982 and the balance per the bank statements was \$462,256. Of the bank balance, \$200,000 was covered by federal depository insurance and \$332,567 was covered by collateral held by the bank in the District's name.

Note 3 – Property, Plant and Equipment

Amounts reported on the combined balance sheet as property, plant and equipment are net of accumulated depreciation. Details on these assets by fund are as follows:

	Proprietary Fund
Land	\$ 5,000
Building and fixtures	3,245
Water system	1,685,651
Equipment	7,277
	<u>1,701,173</u>
Less: accumulated depreciation	539,882
	<u>\$ 1,161,291</u>

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 3 – Property, Plant and Equipment – (continued)

A summary of changes in general fixed assets follows:

	Balance July 1, 1992	Additions	Deletions	Balance June 30, 1993
Beach erosion control improvements	\$ 713,804	\$ –	–	\$ 713,804
Fire Station building	89,096	–	–	89,096
Fire fighting equipment and furniture	232,252	1,637	–	233,889
Total General Fixed Assets	\$ 1,035,152	\$ 1,637	\$ –	\$ 1,036,789

Note 4 – Long-Term Debt (other than capitalized leases)

The following is a summary of bond transactions of the District for the year ended June 30, 1993:

	General Obligation Bonds
Bonds payable at July 1, 1992	\$ 675,000
Bonds payments	45,000
Bonds payable at June 30, 1993	\$ 630,000

Bonds payable at June 30, 1993 are comprised of the following individual issues:

General Obligation Bonds

\$525,000 – 1984 Beach Erosion bonds due in annual installments of \$25,000 and \$50,000 through May 1, 1999; interest at 9.5% to 11.25% payable on May 1 and November 1 of each year. Bonds maturing subsequent to May 1, 1994 are subject to redemption at the option of the District upon payment of a premium.

\$ 300,000

Waterworks System Revenue Bonds

\$395,000 – 1989 Waterworks bonds due in annual installments of \$15,000 to \$92,500 through April 1, 2001; interest at 7.7% payable on April 1 and October 1 of each year.

330,000
\$ 630,000

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 4 – Long–Term Debt (other than capitalized leases) – (continued)

The annual requirements to amortize all debt outstanding as of June 30, 1993, including interest payments of \$111,174 for the General Obligation Bonds and \$148,418 for the Revenue Bonds, are as follows:

Fiscal Year Ending June 30,	General Obligation	Revenue	Total
1994	\$ 81,375	\$ 45,410	\$ 126,785
1995	76,375	43,870	120,245
1996	71,250	47,330	118,580
1997	66,050	45,405	111,455
1998	60,750	43,480	104,230
1999 and later	55,374	252,923	308,297
Totals	<u>\$ 411,174</u>	<u>\$ 478,418</u>	<u>\$ 889,592</u>

Note 5 – Capitalized Leases

The District has entered into a long–term lease agreement for equipment and a fire truck.

Although the lease contains a clause which provides that the lease is cancelable if funds are not appropriated for the periodic payments for any future fiscal periods, the lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases" and National Council of Governmental Accounting Statement No. 5 "Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments".

Future minimum payments under the capital lease consists of the following at June 30, 1993:

<u>Year ending June 30</u>	<u>Amount</u>
1994	\$ 17,814
1995	17,814
1996	17,814
Total minimum lease payments	53,442
Amounts representing interest	8,230
Present value of minimum lease payments	<u>\$ 45,212</u>

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Notes to Financial Statements – (Continued)

June 30, 1993

Note 5 – Capitalized Leases – (continued)

The present value of minimum lease payments remaining is recorded as a liability in the General Long-Term Debt Group of Accounts.

Note 6 – Interfund receivables and payables

Interfund balances at June 30, 1993 consisted of the following individual fund receivables and payables:

Fund	Receivable	Payable
Proprietary Fund	\$ —	\$ 4,505
Special Revenue Fund		
Erosion	—	9
Fire Department	4,514	—
	\$ 4,514	\$ 4,514

Note 7 – Accrued vacation pay

Upon termination of the employment of the Fire Chief, the District will pay any accrued vacation to the Fire Chief. A summary of changes in the accrued vacation is as follows:

Balance July 1, 1992	\$ 4,410
Additions	1,416
Deductions – payments to Fire Chief	(992)
Balance June 30, 1993	\$ 4,834

Note 8 – Supplemental cash flow and non-cash activity information – proprietary fund only

Cash and cash equivalents consists of the following as of June 30, 1993:

Cash	\$ 119,214
Restricted assets	
Cash	254,291
	\$ 373,505

Interest paid totaled \$26,745 in the year ended June 30, 1993.



**Report of Independent Certified Public Accountants
on Accompanying Information**

To The Commissioners
Fripp Island Public Service District
Fripp Island, South Carolina

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Cherry Bekaert & Holland

Hilton Head Island, South Carolina
August 6, 1993

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Special Revenue Funds – Combining Balance Sheet

June 30, 1993

	<u>Fire Department</u>	<u>Erosion</u>	<u>Total</u>
Assets			
Cash	\$ 80,149	\$ 8,478	\$ 88,627
Due from Beaufort County Treasurer	9,429	9,049	18,478
Interfund receivable	4,514	–	4,514
Total assets	<u>\$ 94,092</u>	<u>\$ 17,527</u>	<u>\$ 111,619</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,962	\$ 1,033	\$ 2,995
Interfund payable	–	9	9
Accrued retirement expense	1,540	–	1,540
Accrued vacation pay	4,834	–	4,834
Total liabilities	<u>8,336</u>	<u>1,042</u>	<u>9,378</u>
Fund balance:			
Unreserved – undesignated	<u>85,756</u>	<u>16,485</u>	<u>102,241</u>
Total liabilities and fund balance	<u>\$ 94,092</u>	<u>\$ 17,527</u>	<u>\$ 111,619</u>

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 1993

	Fire Department	Erosion	Total
Revenues			
Taxes and assessments	\$ 109,278	\$ 96,228	\$ 205,506
Interest	1,450	896	2,346
Other	1,000	1,096	2,096
	111,728	98,220	209,948
Total revenues			
Expenditures			
General and administrative	70,803	13,788	84,591
Operations and maintenance	17,069	18,696	35,765
Capital outlay	4,935	–	4,935
Debt service	17,814	–	17,814
Other financing uses	–	2,755	2,755
	110,621	35,239	145,860
Total expenditures			
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,107	62,981	64,088
Fund balance at beginning of year	84,649	(46,496)	38,153
Fund balance at end of year	\$ 85,756	\$ 16,485	\$ 102,241

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Year ended June 30, 1993

	Fire Department Fund			Beach Erosion Fund			Total		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
Revenues									
Property taxes and tax penalties	\$ 106,378	\$ 98,920	\$ 7,458	\$ 96,228	\$ 80,510	\$ 15,718	\$ 202,606	\$ 179,430	\$ 23,176
Service assessments	2,900	2,000	900	-	-	-	2,900	2,000	900
Interest	1,450	-	1,450	896	-	896	2,346	-	2,346
Other	1,000	-	-	1,096	-	-	2,096	-	2,096
Total revenues	111,728	100,920	9,808	98,220	80,510	16,614	209,948	181,430	28,518
Expenditures									
General and administrative:									
Salaries	32,414	32,000	(414)	-	-	-	32,414	32,000	(414)
Payroll expense	2,447	2,450	3	-	-	-	2,447	2,450	3
Retirement	2,491	2,140	(351)	-	-	-	2,491	2,140	(351)
Medical, life and disability insurance	6,608	7,920	1,312	-	-	-	6,608	7,920	1,312
Workers compensation	3,650	3,500	(150)	-	-	-	3,650	3,500	(150)
Employee recognition	79	300	221	-	-	-	79	300	221
Administration	13,350	13,350	-	12,390	12,390	-	25,740	25,740	-
Office supplies	1,176	300	(876)	250	-	(250)	1,426	300	(1,126)
Dues and subscriptions	1,020	1,000	(20)	-	-	-	1,020	1,000	(20)
Gas and oil	1,711	1,500	(211)	-	-	-	1,711	1,500	(211)
Uniforms/gear	2,540	1,000	(1,540)	-	-	-	2,540	1,000	(1,540)
Postage and freight	92	100	8	-	-	-	92	100	8
Cleaning and cleaning supplies	76	150	74	-	-	-	76	150	74
Legal and accounting	2,036	2,340	304	600	1,000	400	2,636	3,340	704
Small tools	(67)	200	267	-	-	-	(67)	200	267
Fire fighting supplies	791	500	(291)	-	-	-	791	500	(291)
Bank service charges	389	-	-	548	-	(548)	937	-	(937)
Total general and administrative	70,803	68,750	(1,664)	13,788	13,390	(398)	84,591	82,140	(2,451)

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Year ended June 30, 1993

	Fire Department Fund			Beach Erosion Fund			Total		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures – (continued)									
Operation and maintenance:									
Equipment maintenance	\$ 464	\$ 300	(164)	\$ –	\$ –	\$ –	\$ 464	\$ 300	(164)
Vehicle maintenance	2,806	500	(2,306)	–	–	–	2,806	500	(2,306)
Radio maintenance	396	300	(96)	–	–	–	396	–	(396)
Station maintenance	1,195	1,000	(195)	–	–	–	1,195	1,000	(195)
Electricity	970	1,300	330	–	–	–	970	1,300	330
Water and sewer	426	700	274	–	–	–	426	700	274
Telephone	944	1,300	356	–	–	–	944	1,300	356
LP gas	149	150	1	–	–	–	149	150	1
Beverages and complements	427	200	(227)	–	–	–	427	200	(227)
Insurance	4,992	5,000	8	–	–	–	4,992	5,000	8
Schools and seminars	1,143	1,000	(143)	–	–	–	1,143	1,000	(143)
Fire prevention	27	350	323	–	–	–	27	350	323
Travel and related	176	200	24	–	–	–	176	200	24
Training aids	687	200	(487)	–	–	–	687	200	(487)
First responder training	2,050	4,300	2,250	–	–	–	2,050	4,300	2,250
Business meals	217	150	(67)	–	–	–	217	150	(67)
Groin repair	–	–	–	9,696	4,000	(5,696)	9,696	4,000	(5,696)
Revetment repair – Porpoise Dr.	–	–	–	9,000	–	(9,000)	9,000	–	(9,000)
Total operations and maintenance	17,069	16,950	(119)	18,696	4,000	(14,696)	35,765	20,650	(15,115)
Capital outlay	4,935	5,000	65	–	–	–	4,935	5,000	65
Debt Service									
Principal	12,689	12,690	1	–	–	–	12,689	12,690	1
Interest	5,125	5,130	5	–	–	–	5,125	5,130	5
Total debt service	17,814	17,820	6	–	–	–	17,814	17,820	6
Other Financing Uses									
Interest on interfund loan	–	–	–	2,755	2,760	5	2,755	2,760	5
Total other financing uses	–	–	–	2,755	2,760	5	2,755	2,760	5
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,107	(7,600)	8,096	62,981	60,360	1,525	64,088	53,060	11,028
Fund balance, beginning of year	84,649	84,649	–	(46,496)	(46,496)	–	38,153	38,153	–
Fund balance, end of year	\$ 85,756	\$ 77,049	\$ 8,096	\$ 16,485	\$ 13,864	\$ 1,525	\$ 102,241	\$ 91,213	\$ 11,028

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Proprietary Fund Statement of Revenues and Expenses – Budget and Actual

Year ended June 30, 1993

	Actual	Budget	Variance Favorable (Unfavorable)
Operating revenue			
Water consumption	\$ 309,039	\$ 287,500	\$ 21,539
Water availability and tax penalties	90,394	92,330	(1,936)
Tap-in fees	10,660	7,000	3,660
Water transport fees	2,465	2,780	(315)
Jetting	479	100	379
Reconnection fees	345	500	(155)
Repair revenue	174	600	(426)
Warehouse sales	797	-	797
Other	45	-	45
Total operating revenue	414,398	390,810	23,588
Cost of sales			
Water purchase	157,510	150,000	(7,510)
Beaufort Jasper surcharge	46,750	46,750	-
Warehouse sales	1,092	-	(1,092)
Total cost of sales	205,352	196,750	(8,602)
Gross profit from operations	209,046	194,060	14,986
Operating expenses			
General and administrative:			
Office supplies	536	320	(216)
Postage and freight	1,734	1,380	(354)
Printing and microfilming	501	300	(201)
Insurance	2,070	2,540	470
Engineering consulting	1,963	1,500	(463)
Legal fees	168	750	582
Accounting and auditing	2,164	2,480	316
Graphic services	39	400	361
Bank service charges	3,402	1,200	(2,202)
Management fees	80,970	80,970	-
Meter reading and related	-	300	300
Business meals	-	40	40
Land travel	-	60	60
Seminar and convention fees	-	300	300
Commissioners expenses	10	200	190
Dues and subscriptions	315	320	5
Licenses	150	150	-
Total general and administrative	94,022	93,210	(812)

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Proprietary Fund Statement of Revenues and Expenses – Budget and Actual

Year ended June 30, 1993

	Actual	Budget	Variance Favorable (Unfavorable)
Operating expenses – (continued)			
Operations and maintenance:			
Postage and freight	\$ 113	\$ 300	\$ 187
Small tools	138	100	(38)
Chemicals	–	100	100
Water quality monitoring	594	600	6
Water taps	5,690	4,000	(1,690)
Contract operations	24,000	24,000	–
Building maintenance	–	40	40
Support equipment maintenance	25	200	175
Fire hydrant maintenance	534	1,500	966
Water tanks maintenance	–	1,000	1,000
Water meter repairs	2,629	1,000	(1,629)
Booster pump maintenance	6,794	5,500	(1,294)
Water line maintenance	1,945	9,400	7,455
Controls and instrumentation repairs	1,280	1,000	(280)
Electricity	1,881	2,600	719
Telephone	222	250	28
Total operations and maintenance	45,845	51,590	5,745
Depreciation	38,691	40,000	1,309
Other revenues			
Interest – not restricted	7,634	4,160	3,474
Interest – restricted	1,806	7,500	(5,694)
Interest – bond reserves	2,271	3,240	(969)
Total other revenues	11,711	14,900	(3,189)
Other expenses			
Amortization of deferred debt costs	857	900	43
Trustee fees	–	500	500
Paying agent fees	503	250	(253)
Interest expense	26,745	26,950	205
Bad debt expense	400	–	(400)
Cash management fees	564	400	(164)
Other	363	–	(363)
Total other expenses	29,432	29,000	(432)
Net earnings (loss)	\$ 12,767	\$ (4,840)	\$ 17,607

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Schedule of Bonds Outstanding

June 30, 1993

1984 General Obligation Bonds

<u>Year Ending June 30</u>	Amount Due		<u>Remaining Principal Balance</u>
	Interest	Principal	
1994	\$ 31,375	\$ 50,000	\$ 250,000
1995	26,375	50,000	200,000
1996	21,250	50,000	150,000
1997	16,050	50,000	100,000
1998	10,750	50,000	50,000
1999 and later	5,374	50,000	
Totals	\$ 111,174	\$ 300,000	

These general obligation bonds, dated July 1, 1984, bear interest at variable rates of 9.5% to 11.25%. Interest is payable on May 1 and November 1 of each year. Bond principal is payable on May 1 of each year. The District is authorized to levy and collect a tax on all taxable property within the District to retire the bonds and pay the interest thereon. The original issue amount was \$525,000. The bonds maturing subsequent to May 1, 1994 are subject to redemption at the option of the District upon payment of a premium.

1989 Waterworks System Revenue Bonds

<u>Year Ending June 30</u>	Amount Due		<u>Remaining Principal Balance</u>
	Interest	Principal	
1994	\$ 25,410	\$ 20,000	\$ 310,000
1995	23,870	20,000	290,000
1996	22,330	25,000	265,000
1997	20,405	25,000	240,000
1998	18,480	25,000	215,000
1999 and later	37,923	215,000	
Totals	\$ 148,418	\$ 330,000	

These waterworks system revenue bonds, dated April 1, 1989, bear interest at the rate of 7.7% per annum. Interest is payable on April 1 and October 1 of each year. The bonds are payable from, and shall be secured by, a pledge of and a lien upon the net revenues from the operation of the waterworks system. The original issue amount was \$395,000.