

**TOWN OF SURFSIDE BEACH**  
*SOUTH CAROLINA*

**EXECUTIVE SUMMARY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**TOWN OF SURFSIDE BEACH, SOUTH CAROLINA  
EXECUTIVE SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

The Town of Surfside Beach's basic financial statements for the year ended June 30, 2011 are prepared in accordance with generally accepted accounting principles as applicable to governmental entities. Based upon our audit, we have concluded that the Town's financial statements are fairly presented in conformity with these generally accepted accounting principles and have rendered an unqualified opinion on its basic financial statements.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used, and evaluating the overall financial statement presentation.

The financial presentation for the Town meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34 and related pronouncements. This financial statement presentation provides a comprehensive, entity-wide presentation of the Town's net assets, revenues, expenses, and changes in net assets that replaces the fund perspective previously required.

Enclosed is selected financial information which is presented to provide a summary of the Town's operations for the current fiscal year. This financial information reflects a condensed summary of financial activity and encompasses significant transactions of the Town.

**TOWN OF SURFSIDE BEACH, SOUTH CAROLINA  
STATEMENT OF NET ASSETS**

The Statement of Net Assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets.

The Town's assets consist primarily of cash and investments; amounts receivable from taxpayers, sanitation customers, and other governments; and capital assets. Liabilities mainly represent accounts payable, certain accrued expenses, and long-term debt payable. Net assets, within accounting usage, is the difference between total assets and total liabilities. Theoretically, it represents the amount of cash left on hand in an entity if all assets were liquidated and converted to cash and all liabilities were paid in full.

Total assets, liabilities, and net assets as of June 30, 2011 are as follows:

**ASSETS, LIABILITIES, AND NET ASSETS**

	2011
<b>Assets</b>	
Cash and Investments	\$ 4,017,491
Receivables	879,593
Capital Assets, Net of Depreciation	16,485,257
Inventories and Prepaid Items	117,980
Other Assets	13,845
<b>Total Assets</b>	<b>\$ 21,514,166</b>
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	\$ 585,505
Bail and Drug Bonds Payable	33,378
Bonds, Capital Lease, and Compensated Absences	1,882,776
<b>Total Liabilities</b>	<b>\$ 2,501,659</b>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	\$ 14,944,342
Restricted for Tourism, Public Safety, and Street Improvements	882,459
Unrestricted	3,185,706
<b>Total Net Assets</b>	<b>\$ 19,012,507</b>

**TOWN OF SURFSIDE BEACH, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES**

The Statement of Activities provides information on the change in net assets during the current fiscal year. Revenues, expenditures, and expenses, where appropriate, are categorized into general revenues, program revenues, and direct expenses.

The total change in net assets for the year ended June 30, 2011 is as follows:

**REVENUES, EXPENSES, AND CHANGE IN NET ASSETS**

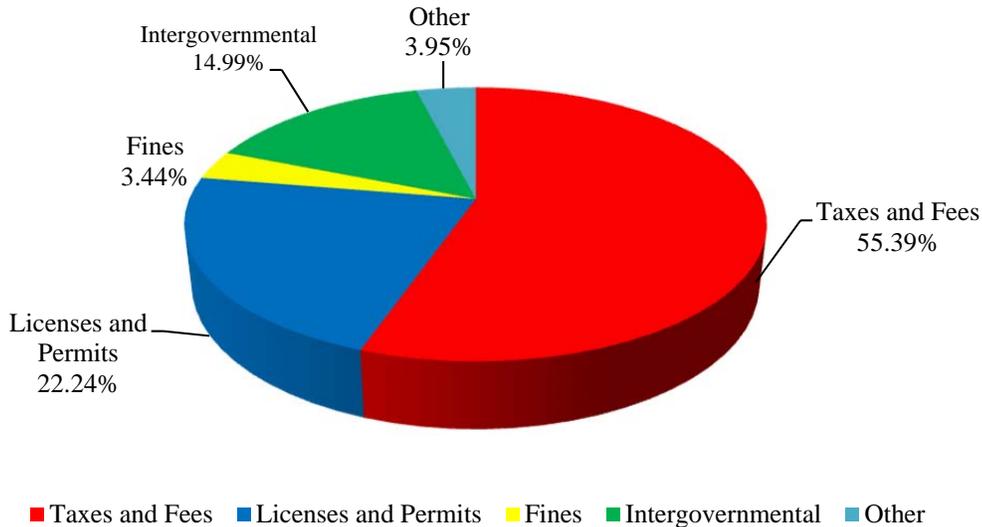
	2011
General Revenues	
Property Taxes	\$ 2,392,569
Local Accommodations Taxes	138,892
Business Licenses	1,384,337
Franchise Taxes	577,845
Hospitality Fees	654,897
Unrestricted Grants and Contributions	618,106
Interest Earnings and Other Miscellaneous Revenues	52,853
Total General Revenues	\$ 5,819,499
Program Revenues	
Charges for Services	\$ 1,990,599
Operating Grants and Contributions	159,946
Capital Grants and Contributions	243,738
Total Program Revenues	\$ 2,394,283
Expenses	
Governmental Activities	\$ 6,020,507
Business-Type Activities	1,136,321
Total Expenses	\$ 7,156,828
Change in Net Assets	\$ 1,056,954

**TOWN OF SURFSIDE BEACH, SOUTH CAROLINA  
GOVERNMENTAL FUND TYPE REVENUES**

The Town segregates transactions related to certain functions or activities into separate funds in order to aid financial management and demonstrate legal compliance. Governmental fund types focus on near-term inflows and outflows of spendable resources. The Town utilizes six governmental funds, one of which is the Town’s General Fund. Total revenues for the combined governmental fund types are presented below:

**REVENUES**

	2011
Taxes and Fees	\$ 3,737,709
Licenses and Permits	1,500,594
Fines and Forfeitures	232,464
Intergovernmental	1,011,326
Other Revenues	266,273
Total Governmental Funds Revenues	\$ 6,748,366

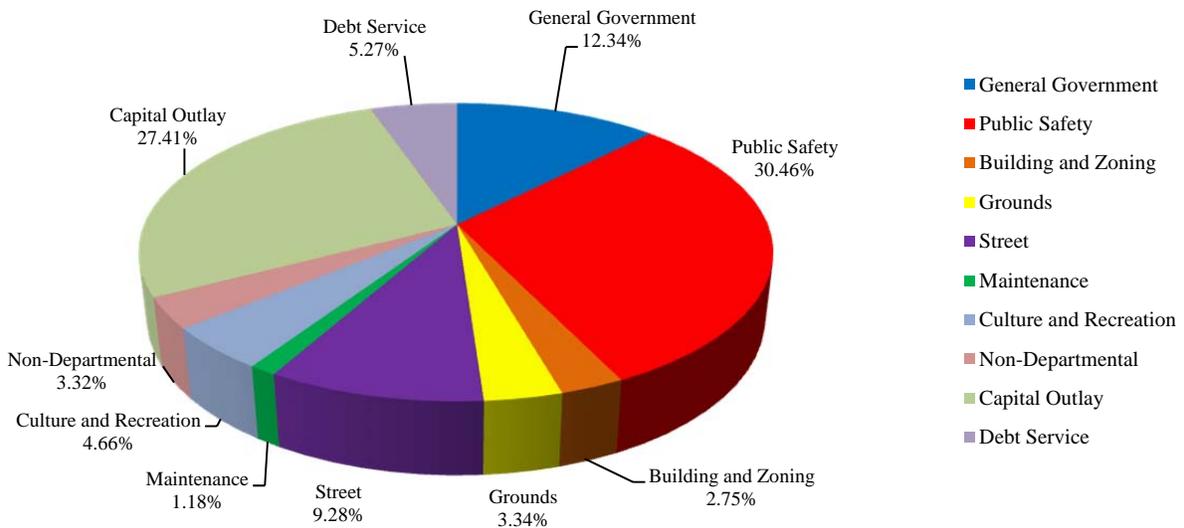


**TOWN OF SURFSIDE BEACH, SOUTH CAROLINA  
GOVERNMENTAL FUND TYPE EXPENDITURES**

The General Fund is the general operating fund of the Town and is used to account for all operating expenditures that are not required to be paid or financed by another fund. Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Capital Projects Funds account for the acquisition and/or construction of major capital facilities, such as the Town’s stormwater projects. Total departmental expenditures of the combined governmental fund types are presented below:

**EXPENDITURES**

	2011
General Government	\$ 962,978
Public Safety	2,377,915
Building and Zoning	214,470
Grounds	260,442
Street	724,004
Intragovernmental Maintenance	92,047
Culture and Recreation	363,725
Non-Departmental	258,792
Capital Outlay	2,139,536
Debt Service	411,527
Total Governmental Funds Expenditures	\$ 7,805,436



**TOWN OF SURFSIDE BEACH, SOUTH CAROLINA  
ENTERPRISE FUNDS**

Enterprise Funds account for operations of the Town that are similar to those of businesses in the private sector. The intent is that the costs of providing goods or services are recovered through sales or reimbursements to external users or customers of the Town. Following is an analysis of operations for the year ended June 30, 2011:

**ENTERPRISE FUND OPERATIONS**

	<u>2011</u>
Revenues	
Sanitation Services	\$ 1,103,958
Pier Admissions and Rentals	323,092
Other Miscellaneous Revenues	<u>11,872</u>
Total Revenues	\$ <u>1,438,922</u>
Expenses	
Operating Expenses - Sanitation	\$ 956,593
Operating Expenses - Pier	116,974
Interest Paid to General Fund for Pier Purchase	25,812
Transfers to Other Funds	<u>96,368</u>
Total Expenses	\$ <u>1,195,747</u>
Net Income (Loss)	\$ <u><u>243,175</u></u>