

1. How many adjustments were proposed by the auditors in the prior year? Can we please get a copy of them? **11 adjusting journal entries were done at the auditor's request. The copy attached contains an additional adjusting entry that was added to their list at our request.**
2. Will you require a single audit? If so, what is the major program(s)? **Not in the fiscal year ending June 30, 2023. We are applying for a grant through SCIIP and, if approved, it could require a single audit in one or both subsequent fiscal years.**
3. What was the prior year audit fee? **Decline to answer.**
4. What responsibility do you take in preparing the various sections of the financial statements- the MD&A, statements, notes, and the supplemental schedules? **We prepare the MD&A. The statements, notes and supplemental schedules have historically been prepared by the auditing firm with oversight by the District.**
5. What kind of impact has COVID-19 had on your financial condition? **None to date.**
6. Are there any significant changes from the prior year that would have an impact on our audit? **No significant changes.**
7. Is there anything in particular that you were not happy with regarding the prior auditors' performance? **No.**
8. Is it safe to assume that if COVID-19 were to preclude us being on-site for our work, that you would be able to provide what we would need electronically so we can complete the audit on a timely basis? Hopefully that is not the case, but it is always good to plan just in case. **Yes, we worked exclusively electronically with our previous auditor.**
9. Can you please describe the skills, knowledge and experience ("SKE") of your finance staff and their positions, including how long they have been with your organization?  
**Office Manager serves as accounts payable, receivable, billing technician and general bookkeeper and is skilled in all aspects of bookkeeping and accounting, 5 years with the organization – 4.5 years in current role.**

District Manager serves as Finance Director and oversees all financial and bookkeeping functions – extensive knowledge of bookkeeping and accounting, 19 years with the organization – 12 in the Office Manager role and 7 in the District Manager role.

10. Do you completely close out your general ledger and trial balance or are there adjustments you expect the auditors to help with? If you need the auditors to help, please describe your expectations and the areas you expect the auditor to help with. We do not completely close our general ledger. We request the auditor's assistance with entries related to accrued bond interest, OPEB and pension liability, and lease receivables (related to GASB 87).
11. Are their recommendations in the prior year management letter? The only recommendation from the previous auditor was related to internal controls due to a small staff. If so, can we please receive a copy of the management letter and can you please describe how these findings and recommendations have been addressed? The note regarding internal controls can be found in the Schedule of Findings and Responses included in the audited financial statements published on our website.

**Fripp Island Public Service District - Audit - 6.30.22**

0807

Year End: June 30, 2022

Trial balance

Date: 7/1/2021 To 6/30/2022

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments							310,148.00			
1	6/30/2022	Accrued Interest Payable	01-00-249-00 01	PP.02	39,228.00					
1	6/30/2022	Accrued Interest Payable	01-00-249-00 01	PP.02		34,835.00				
1	6/30/2022	Bond Interest	01-01-596-00 01	PP.02		39,228.00				
1	6/30/2022	Bond Interest	01-01-596-00 01	PP.02	34,835.00					
Reverse and accrue W&S interest										
					74,063.00	74,063.00	314,541.00	4,393.00		
2	6/30/2022	Accrued Interest	04-00-239-00 04	PP.02	25,230.00					
2	6/30/2022	Accrued Interest	04-00-239-00 04	PP.02		23,456.00				
2	6/30/2022	Interest Expense	04-00-596-00 04	PP.02		25,230.00				
2	6/30/2022	Interest Expense	04-00-596-00 04	PP.02	23,456.00					
Reverse GW PY bond interest and accrue GW CY bond interest										
					48,686.00	48,686.00	316,315.00	1,774.00		
3	6/30/2022	Def Outflows-OPEB	01-00-161-00 01	FF1.GOV.02.		8,392.00				
3	6/30/2022	Def Outflows-OPEB	01-00-161-00 01	FF1.GOV.02.	3,938.00					
3	6/30/2022	OPEB Expense	01-01-509-01 01	FF1.GOV.02.	8,392.00					
3	6/30/2022	OPEB Expense	01-01-509-01 01	FF1.GOV.02.		3,938.00				
To reverse prior year OPEB										
					12,330.00	12,330.00	311,861.00	(4,454.00)		
4	6/30/2022	Def Outflows-OPEB	01-00-161-00 01	FF1.GOV.02.		3,243.00				
4	6/30/2022	Net OPEB Liability	01-00-240-02 01	FF1.GOV.02.	40,394.00					
4	6/30/2022	Deferred inflows - OPEB	01-00-240-03 01	FF1.GOV.02.		59,577.00				
4	6/30/2022	OPEB Expense	01-01-509-01 01	FF1.GOV.02.	22,425.00					
4	6/30/2022	Deferred Outflows-OPEB	04-00-161-00 04	FF1.GOV.02.		3,103.00				
4	6/30/2022	OPEB Liability	04-00-240-01 04	FF1.GOV.02.	19,912.00					
4	6/30/2022	Deferred inflows - OPEB	04-00-241-01 04	FF1.GOV.02.		8,074.00				
4	6/30/2022	OPEB Expense	04-00-506-01 04	FF1.GOV.02.		8,734.00				
Adjustments to OPEB accounts										
					82,731.00	82,731.00	298,170.00	(13,691.00)		
6	6/30/2022	Def Outflows-Pension	01-00-160-00 01	FF1.01.01.01		29,683.00				

**Fripp Island Public Service District - Audit - 6.30.22**

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Year End: June 30, 2022

Trial balance

Date: 7/1/2021 To 6/30/2022

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
6	6/30/2022	Pension Liability	01-00-240-00 01	FF1.01.01.01	122,989.00					
6	6/30/2022	Deferred Inflows	01-00-240-01 01	FF1.01.01.01		69,138.00				
6	6/30/2022	SC Retirement	01-01-506-00 01	FF1.01.01.01		24,168.00				
6	6/30/2022	Deferred Outflows-Pension	04-00-160-00 04	FF1.01.01.01		27,886.00				
6	6/30/2022	Deferred Outflows-Pension	04-00-160-00 04	FF1.01.01.01	11,214.00					
6	6/30/2022	Pension Liability	04-00-240-00 04	FF1.01.01.01	113,417.00					
6	6/30/2022	Pension Liability	04-00-240-00 04	FF1.01.01.01		7,295.00				
6	6/30/2022	Deferred Inflows-Pension	04-00-241-00 04	FF1.01.01.01		66,260.00				
6	6/30/2022	Deferred Inflows-Pension	04-00-241-00 04	FF1.01.01.01		7,118.00				
6	6/30/2022	Pension Expense	04-00-506-00 04	FF1.01.01.01		16,072.00				
		Record changes in pension components			247,620.00	247,620.00	338,410.00	40,240.00		
7	6/30/2022	Pens Contr Subseq to meas date	01-00-160-01 01	FF1.01.01.01		50,997.00				
7	6/30/2022	SC Retirement	01-01-506-00 01	FF1.01.01.01	50,997.00					
7	6/30/2022	Pens Contr Subseq to meas date	04-00-160-01 04	FF1.01.01.01		48,414.00				
7	6/30/2022	Pens Contr Subseq to meas date	04-00-160-01 04	FF1.01.01.01		5,297.00				
7	6/30/2022	Pension Expense	04-00-506-00 04	FF1.01.01.01	53,711.00					
		Recognize contributions deferred in PY			104,708.00	104,708.00	233,702.00	(104,708.00)		
8	6/30/2022	Pens Contr Subseq to meas date	01-00-160-01 01	FF1.01.01.01	58,312.00					
8	6/30/2022	SC Retirement	01-01-506-00 01	FF1.01.01.01		58,312.00				
8	6/30/2022	Pens Contr Subseq to meas date	04-00-160-01 04	FF1.01.01.01	55,657.00					
8	6/30/2022	Pens Contr Subseq to meas date	04-00-160-01 04	FF1.01.01.01	5,092.00					
8	6/30/2022	Pension Expense	04-00-506-00 04	FF1.01.01.01		55,657.00				
8	6/30/2022	Pension Expense	04-00-506-00 04	FF1.01.01.01		5,092.00				
		Defer contributions subsequent to measurement date			119,061.00	119,061.00	352,763.00	119,061.00		
9	6/30/2022	Lease Receivable - noncurrent	01-00-122-02-WR 01	SS.04	1,252,487.00					
9	6/30/2022	Deferred inflows - Leases	01-00-240-04-WR 01	SS.04		1,252,487.00				
9	6/30/2022	Lease Receivable - current	04-00-122-02-WR 04	SS.04	36,673.00					
9	6/30/2022	Deferred inflows - Leases	04-00-241-02-WR 04	SS.04		36,673.00				
		To record the initial implementation of GASB 87								

**Fripp Island Public Service District - Audit - 6.30.22**

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Year End: June 30, 2022

Trial balance

Date: 7/1/2021 To 6/30/2022

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
					1,289,160.00	1,289,160.00	352,763.00	0.00		
10	6/30/2022	Water Tank Leases	01-00-412-00 01	SS.04	5,661.00					
10	6/30/2022	Lease Receivable - noncurrent	01-00-122-02-WR 01	SS.04		277,201.00				
10	6/30/2022	Deferred inflows - Leases	01-00-240-04-WR 01	SS.04	277,825.00					
10	6/30/2022	Lease Interest	01-00-416-00-WR 01	SS.04		6,285.00				
10	6/30/2022	Lease Receivable - current	04-00-122-02-WR 04	SS.04		17,813.00				
10	6/30/2022	Deferred inflows - Leases	04-00-241-02-WR 04	SS.04	22,004.00					
10	6/30/2022	Lease Income	04-00-400-00-WR 04	SS.04		3,428.00				
10	6/30/2022	Lease Interest	04-00-400-01-WR 04	SS.04		763.00				
		To record CY lease amortization								
					305,490.00	305,490.00	357,578.00	4,815.00		
11	6/30/2022	Lease Receivable - noncurrent	01-00-122-02-WR 01	SS.04		333,786.00				
11	6/30/2022	Lease Receivable - current portion	01-00-122-03-WR 01	SS.04	333,786.00					
		To reclass current portion of the lease receivable								
					333,786.00	333,786.00	357,578.00	0.00		
12	6/30/2022	Utility Payments Clearing	01-00-292-00 01	CLIENT		450.00				
12	6/30/2022	Water Consumption	01-00-401-00 01	CLIENT	450.00					
		PBC - related to fire flow fees								
					450.00	450.00	357,128.00	(450.00)		
					<b>2,618,085.00</b>	<b>2,618,085.00</b>	<b>357,128.00</b>	<b>46,980.00</b>		