



Comprehensive Annual
Financial Report
BEAUFORT COUNTY, SOUTH CAROLINA
For the Year Ended
June 30, 2016

Issued by
Beaufort County Finance Department
Post Office Box 1228
Beaufort, South Carolina 29901-1228

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



County Council of Beaufort County
Multi-Government Center ♦ 100 Ribaut Road
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228
Telephone (843) 255-1000 FAX (843) 255-9422

June 26, 2017

To the Chairman, Members of Beaufort County Council,
And Citizens of Beaufort County
Beaufort, South Carolina

Presented herein is the Comprehensive Annual Financial Report (CAFR) of Beaufort County, South Carolina for the fiscal year ended June 30, 2016. This report has been prepared by the County's Finance Department, and the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs are included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins LLC, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF LOCAL GOVERNMENT

Beaufort County, which was founded in 1769, operates under the Council/Administrator form of government with Council members elected for four-year terms from each of the eleven single-member districts. This report includes all funds of Beaufort County that are controlled by this governing body, and are considered to be the "reporting entity" known as Beaufort County. The services provided by this reporting entity, and therefore reflected in this financial report, include, but are not limited to: General Government (general administrative services, tax assessment and collection, courts and criminal justice administration, economic development); Public Safety (law enforcement, detention center, emergency medical services, emergency management, building codes enforcement, animal services); Public Works (facilities and grounds maintenance, roads and drainage, engineering, solid waste); Public Health (mosquito control, alcohol and drug abuse programs, disabilities and

special needs programs, various subsidies); Public Welfare (veterans services, social services, various subsidies); and Cultural and Recreation (library, parks and leisure services, education subsidies).

In light of GASB Statement 61, The Financial Reporting Entity, the County has excluded the school district, the various public service districts, the fire districts, and the municipalities located within its boundaries as County Council does not exercise oversight responsibility, and accordingly each entity has sufficient discretion in the management of its own affairs. The County Treasurer does collect property taxes and other forms of revenue on behalf of these other political entities. The results of the fiduciary responsibility are reported on the combined financial statements as Agency Funds.

LOCAL ECONOMY

Beaufort County is located in the southeastern corner of the State of South Carolina, known as the "Lowcountry." With a total area of approximately 923 square miles, of which approximately 576 square miles or 62% is land and approximately 347 square miles or 38% is water, it is bordered to the south and east by the Atlantic Ocean, to the west by Jasper County, and to the north by Hampton and Colleton Counties. Beaufort County stretches nearly 30 miles along the Atlantic Ocean and includes 64 major islands and hundreds of small islands.

The County is one of the fastest growing areas in South Carolina, with a population of 179,589 in 2016, up from 86,425 in 1990. The County is a center for tourism, retirement and the associated services, and the military in South Carolina. The County has a balanced and very stable economy, created by a diversity of public and private employers, with the unemployment rate well below the statewide average and that of the neighboring counties. The local tax base has grown an average of approximately 2% per year over the last five years (discounting the reassessment years).

In addition to the established resort community of Hilton Head Island, there are several major developments established in southern Beaufort County. These developments include Sun City Hilton Head, with more than 15,000 residents expected at build-out; Spring Island, Callawassie Island, Colleton River Plantation, Belfair, Berkeley Hall, Palmetto Bluff and Westbury Park. As expected, these developments have sparked an increase in commercial construction along the Highway 278 corridor, including a Home Depot, a Lowe's, an expanded Factory Outlet Mall, a Dick's Sporting Goods store, a Target department store, and several major supermarkets. At the end of fiscal year 2016, a Sam's Club Wholesale store and Wal-mart Superstore were under construction in southern Beaufort County. In addition to these two retailers expanding in southern Beaufort County, Buckwalter Place in Bluffton is the planned location for a Kroger Marketplace store that will be the anchor for a 34-acre mixed use development that also includes restaurant and retail space, multi-family housing and public common areas. Likewise, in northern Beaufort County, communities continue to develop at Dataw Island, Lady's Island, Cat Island, Brays Island, and Habersham and throughout the City of Beaufort, as well as the Town of Port Royal.

Beaufort County is also the location for three major military installations, the U.S. Marine Corps Recruit Depot located at Parris Island, the Marine Corps Air Station-Beaufort, and the Beaufort Naval Hospital. These locations have benefited by the Department of Defense closing certain other military bases in the nation.

MAJOR INITIATIVES

Our number one goal is to make sure that Beaufort County remains financially sound and that we maintain a respectable contingency account to take care of the true emergencies that do arise from time to time; and to provide for a sufficient fund balance to enable our cash flow to carry us through those months prior to the billing and collection of property tax revenues. We have taken a systematic, businesslike approach to the running of Beaufort County. Additionally, we want to preserve our current “Aa1” Moody’s and “AA+” Standard & Poor’s bond ratings.

In December 1997, the County adopted a Comprehensive Plan for Beaufort County. A portion of this plan is a comprehensive land use study which proposes various “preservation areas and greenways”. As a result, the County taxpayers approved four bond referendums totaling \$135,000,000 for the purchase of rural and critical lands. The County has issued \$115 million of the total bonds approved by the referendums. The fourth referendum was passed in November 2014 and the related bonds in the amount of \$20 million are planned for issuance in April/May 2017. The County had expenditures of \$5,947,018 for this initiative during fiscal year 2016.

In November 2004, County voters approved a 1% sales tax referendum, with the proceeds, along with County road impact fees, funding various major road projects throughout Beaufort County. These projects include the expansion of the Bluffton Parkway, Boundary Street improvements and the widening of South Carolina Highway 170. In addition to the sales tax and impact fee revenue, the County has obtained partial grant funding for these projects as well. The County had expenditures of \$21,472,651 for these projects during fiscal year 2016.

LONG-TERM FINANCIAL PLANNING

In December 2006, the County issued bonds for \$30,000,000 to “pay off” the County’s Bond Anticipation Notes of \$25,000,000 and provide additional funds for the construction of the Bluffton Parkway Project. This parkway is an alternative route of US Highway 278 and is expected to significantly improve the traffic flow in Southern Beaufort County. The County had expenditures of \$10,883,426 for the entire Bluffton Parkway project during fiscal year 2016. The Bluffton Parkway Flyover that connects the Bluffton Parkway to the Hilton Head Island bridges was substantially complete at the end of fiscal year 2016.

In November 2014, the County issued \$19,450,000 of general obligation bonds bearing interest rates of 2.0% to 3.25% and with varying maturity dates through 2034. The proceeds of these bonds are currently being used for various planned facility upgrades including roof replacements, HVAC replacement, technology upgrades, a new Animal Services Facility that will be centrally located within the County, as well as Hilton Head Island Airport Projects. The County had expenditures of \$7,579,957 for these projects during fiscal year 2016.

In March 2016, the County issued \$17,950,000 of general obligation advance refunding bonds bearing interest rates of 2.0% to 4.0% and with varying maturity dates through 2027. The bond proceeds were used to advance refund \$18,375,000 of outstanding 2007A general obligation bonds which had interest rates ranging from 4.0% to 4.75%.

RELEVANT FINANCIAL INFORMATION

The management of Beaufort County is responsible for developing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that

adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The County's accounting system has given consideration to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. This concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Accordingly, management believes that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaufort County, South Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

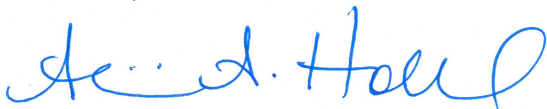
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

State statutes require an annual audit by independent certified public accountants or independent public accountants. The accounting firm of Mauldin & Jenkins LLC was selected and approved by County Council. In addition to meeting the requirements set forth in the statutes, the audit also was designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). The auditor's report on the financial statements is included in the financial section of this report. The auditor's reports, pertinent to the requirements of the Uniform Guidance, are included in the Single Audit Section.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the professional and dedicated services of the entire staff of the Finance Department throughout the fiscal year. We sincerely appreciate the efforts of other department heads and their employees who contributed to this report.

Additionally, we would like to express our appreciation to the County Administrator and to County Council for their continued support and understanding of the benefits of professional financial operations and reporting.

Respectfully submitted,



Alicia A. Holland, CPA, CGMA
Assistant County Administrator, Finance

Citizens of Beaufort County, South Carolina

Clerk to Council
A. Bennett

Beaufort County Council

Beaufort County Administrator
G. Kubic, JD

Deputy County Administrator
J. Gruber, JD, MPA
"Operations"

County Attorney

Employee Services

Auditor
Clerk of Court
Coroner
Probate Judge
Sheriff
Solicitor
Treasurer

Legislative Delegation

Voter Registration & Elections Board
Magistrates
Master-in-Equity
Veterans Affairs Officer

Boards & Commissions with Staff Liaisons

Accommodations Tax (2% State) Board • Airports Board
Alcohol & Drug Abuse Board
Construction Adjustments & Appeals Board
Design Review Board
Disabilities & Special Needs Board
Historic Preservation Review Board • Library Board*
Parks & Leisure Services Board • Planning Commission
Rural & Critical Lands Preservation Board
Solid Waste & Recycling Board
Southern Beaufort Co. Corridor Beautification Board
Stormwater Management Utility Board

*Library System

Assistant County Administrator
M. Spells, MPA
"Civic Engagement & Outreach"

Assistant County Administrator
A. Holland, CPA
"Finance"

Assistant County Administrator
P. Foot, CJM
"Public Safety"

Engineering, Infrastructure, Land Development & Transportation Division

Alcohol & Drug Abuse

Broadcast Services

Communications & Accountability

Disabilities & Special Needs

Human Services

Mapping & Applications
Information Technology Division
Applications Support
Geographical Info. Services

Systems Management
Information Technology Division
Help Desk, Network, Systems & Telephone Services

Records Management

Library System
Veterans Affairs
Voter Registration & Elections

Assessor

Business Licenses

Finance

Purchasing

Register of Deeds

Risk Management

Animal Services

Building Inspections

Code Enforcement

Detention Center

Emergency Medical Services

Mosquito Control

Parks & Leisure Services

Environmental Engineering & Land Management
E. Larson, P.E., AICP, CFM, CPSWQ

Planning & Zoning
Community Development

Public Works
Disaster Recovery
General Support
Roads & Drainage
Solid Waste & Recycling
Stormwater Operations
Stormwater Utility

Facilities & Construction Engineering
J.R. McFee, P.E.

Engineering
Construction Management
Capital Improvements Projects
Right of Way Management

Facility Management

Transportation Engineering
C. Kinton, P.E.

Airports

Traffic & Transportation Engineering



January 2017

- █ Elected Officials
- █ Appointed Officials
- █ Operations Staff
- █ Administrative Staff
- █ County Divisions
- █ County Departments
- █ State Oversight
- Indirect Oversight
- Direct Oversight

**COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT, SOUTH CAROLINA
ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2016**

COUNTY COUNCIL

D. Paul Sommerville, Chairman

Gerald W. Stewart, Vice-Chairman

Steven G. Fobes

Rick Caporale

Gerald Dawson

Stewart H. Rodman

Alice G. Howard

William L. McBride

Brian Flewelling

Cynthia M. Bensch

Roberts "Tabor" Vaux, Jr.

COUNTY ADMINISTRATOR

Gary T. Kubic

DEPUTY COUNTY ADMINISTRATOR

Joshua A. Gruber

CHIEF FINANCIAL OFFICER

Alicia A. Holland, CPA, CGMA

COUNTY AUDITOR

Jim Beckert

COUNTY TREASURER

Maria Walls, CPA



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Beaufort County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Financial Section



INDEPENDENT AUDITOR'S REPORT

**County Council
of Beaufort County
Beaufort, South Carolina**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Beaufort County, South Carolina** (the "County"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Beaufort County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 11 through 24), the Schedule of Modified Approach for Airport Infrastructure Assets (on page 65), the Schedule of the County's Proportionate Share of the Net Pension Liability (on page 66), the Schedule of the County's Contributions to the South Carolina Retirement System (on page 67), the Budgetary Comparison Schedule of the General Fund (on pages 68 through 70), the Budgetary Comparison Schedule of the County Wide General Obligations Bonds Fund (on page 71), the Budgetary Comparison Schedule of the Sales Tax Projects Fund (on page 72), and the Budgetary Comparison Schedule of the County Road Improvement Program Fund (on page 73), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beaufort County, South Carolina's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, the combining statement of changes in assets and liabilities – agency funds, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The summary schedule of court fines, assessments and surcharges is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, statement of changes in assets and liabilities – agency funds, the summary schedule of court fines, assessments and surcharges, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the statement of changes in assets and liabilities – agency funds, the summary schedule of court fines, assessments and surcharges, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
June 26, 2017

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

As management of Beaufort County, South Carolina (the County), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Beaufort County, South Carolina for the fiscal year ended June 30, 2016. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Beaufort County exceeded its liabilities and deferred inflows of resources at June 30, 2016 by \$347,595,378 (net position). The County's net position is categorized in three categories. Of the total net position \$325,682,779 is the County's investment in capital assets less the related debt, \$74,429,250 is restricted for specific purposes and (\$52,516,651) is the County's unrestricted deficit.
- The government's total net position increased by \$32,207,175 during the fiscal year ended June 30, 2016 with a \$27,638,328 increase resulting from governmental activities and a \$4,568,847 increase resulting from business type activities.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$115,866,202, a decrease of \$14,255,456 in comparison with the prior year. Approximately 23 percent, \$26,653,761 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the County's unassigned fund balance of the general fund was \$26,653,761, or approximately 25 percent of the general fund expenditures and transfers out.
- Beaufort County's net capital assets increased by \$25,169,393 during the current fiscal year. The increase in governmental activities net capital assets of \$24,611,670 was mostly the result of road project improvements and additions, purchases of property through the Real Property Purchase Program, the expansion of a recreation facility in the southern part of the County, various county facility significant repairs and maintenance, and public safety communications equipment. The increase in business type activities net capital assets of \$557,723 was mostly the result of land acquisition for the Hilton Head Island Airport runway extension project.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County'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 the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, public health, public welfare, and cultural and recreation. The business-type activities include the

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

stormwater utility, the Lady's Island Airport, and the Hilton Head Island Airport. The business-type activities function for all practical purposes as departments of the County, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found on pages 25 through 26 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 segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaufort County can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. 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 facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the County wide general obligation bonds fund, and the sales tax projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* following the notes to the financial statements in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic fund financial statements for governmental funds can be found on pages 27 through 30 of this report.

Proprietary funds – The County maintains four different types of proprietary funds, three of which are *enterprise funds*. Enterprise funds are used to report the same functions as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its stormwater utility, Lady's Island Airport, and Hilton Head Island Airport operations. These funds report the services provided by the County for which the County charges a user fee or charge intended to recover all or a significant portion of their costs.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Stormwater Utility, Lady's Island Airport, and the Hilton Head Island Airport, all of which are considered to be major funds of the County.

Internal service funds are an accounting mechanism to accumulate and allocate costs internally for the County. The County uses internal service funds to account for its garage.

The basic proprietary fund financial statements can be found on pages 31 through 34 of this report.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary net position can be found on page 35 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 both the government-wide and the fund financial statements. The notes are presented on pages 36 through 64 of the report.

Other supplemental information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information that further supports the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented within this section of this report and can be found on pages 68 through 136.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Beaufort County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$347,595,378 as of June 30, 2016.

Of this amount, \$325,682,779 (approximately 94 percent) reflects the County's investment in capital assets (land, buildings and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the County'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 repay the debt.

An additional \$74,429,250 of the County's net position (approximately 21 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$52,516,651.

At the end of the current fiscal year, Beaufort County is able to report positive balances in two categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The third category of net position is an unrestricted deficit for governmental activities of \$47,981,906 and business-type activities of \$4,534,745. These unrestricted deficits in net position are a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71 during fiscal year 2015 as well as the increased pension liability reported in fiscal year 2016.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Beaufort County's Net Position
June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2016	2015	2016	2015	2016	2015	
Current and Other Assets	\$ 129,977,532	\$ 134,648,626	\$ 6,210,799	\$ 4,383,683	\$ 136,188,331	\$ 139,032,309	-2.0%
Capital Assets	512,239,210	487,627,540	28,123,049	27,565,326	540,362,259	515,192,866	4.9%
Total Assets	<u>\$ 642,216,742</u>	<u>\$ 622,276,166</u>	<u>\$ 34,333,848</u>	<u>\$ 31,949,009</u>	<u>\$ 676,550,590</u>	<u>\$ 654,225,175</u>	<u>3.4%</u>
Total Deferred outflows of resources	\$ 13,633,068	\$ 13,091,523	\$ 342,182	\$ 322,022	\$ 13,975,250	\$ 13,413,545	4.2%
Long-Term Liabilities	\$ 300,990,983	\$ 310,596,543	\$ 3,592,931	\$ 3,336,076	\$ 304,583,914	\$ 313,932,619	-3.0%
Other Liabilities	29,297,840	22,272,435	7,430,811	9,620,689	36,728,651	31,893,124	15.2%
Total Liabilities	<u>\$ 330,288,823</u>	<u>\$ 332,868,978</u>	<u>\$ 11,023,742</u>	<u>\$ 12,956,765</u>	<u>\$ 341,312,565</u>	<u>\$ 345,825,743</u>	<u>-1.3%</u>
Total Deferred inflows of resources	\$ 1,553,913	\$ 8,340,727	\$ 63,984	\$ 294,809	\$ 1,617,897	\$ 8,635,536	-81.3%
Net Position:							
Net Investment in Capital Assets	\$ 297,559,730	\$ 258,464,624	\$ 28,123,049	\$ 27,565,326	\$ 325,682,779	\$ 286,029,950	13.9%
Restricted	74,429,250	103,427,275	-	-	74,429,250	103,427,275	-28.0%
Unrestricted (Deficit)	<u>(47,981,906)</u>	<u>(67,733,915)</u>	<u>(4,534,745)</u>	<u>(8,545,869)</u>	<u>(52,516,651)</u>	<u>(76,279,784)</u>	<u>-31.2%</u>
Total Net Position	<u>\$ 324,007,074</u>	<u>\$ 294,157,984</u>	<u>\$ 23,588,304</u>	<u>\$ 19,019,457</u>	<u>\$ 347,595,378</u>	<u>\$ 313,177,441</u>	<u>11.0%</u>

The County's total net position increased by \$32.2 million during the 2016 fiscal year. Key elements of this increase are as follows:

- The County's net capital assets increased by \$25.2 million as compared to fiscal year 2015. This increase occurred mostly from the County's \$21.5 million investment in infrastructure related to 1% sales tax referendum road projects and grants, \$2.6 million investment in infrastructure related to the County's road improvement program funded by gasoline tax and the motor vehicle fee, \$6 million in purchases of land and conservation easements through the County's rural and critical lands referendum program and \$7.6 million of capital expenditures related to the expansion of a recreation facility in the southern part of the County, various county facility significant repairs and maintenance, and public safety communications equipment. See the capital assets and debt administration section below for more detail.
- The County's long-term liabilities decreased by \$9.3 million. This decrease is attributable to retiring a net amount of \$12 million of general obligation bonds during fiscal year 2016 and reducing other post-employment benefits obligation to zero from \$1.4 million in fiscal year 2015 (See Note 11 in the notes to the financial statements for more detail). In accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71 the County reported \$100.2 million as its proportionate share of pension liability as of June 30, 2016, an increase of \$8.4 million as compared to June 30, 2015.
- In fiscal year 2016, the County had \$1.6 million of deferred inflows of resources related to the inclusion of the County's proportionate share of its pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, the net pension change in projected investment earnings and expected pension experience as well as the deferred amounts from changes in the County's proportionate share. This was a \$7 million decrease as compared to fiscal year 2015.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Beaufort County's Changes in Net Position
For the Fiscal Years Ended June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 32,494,876	\$ 33,779,735	\$ 7,561,395	\$ 5,561,633	\$ 40,056,271	\$ 39,341,368
Operating Grants and Contributions	11,249,681	11,962,524	65,440	65,450	11,315,121	12,027,974
Capital Grants and Contributions	17,613,148	16,053,234	9,782,233	1,476,192	27,395,381	17,529,426
General Revenues:						
Property Taxes	101,550,345	96,129,087	-	-	101,550,345	96,129,087
Sales Taxes	31,232	105,253	-	-	31,232	105,253
Grants and Contributions	8,513,761	8,478,141	-	-	8,513,761	8,478,141
Unrestricted Investment Earnings	495,848	269,080	14,710	3,133	510,558	272,213
Special item - decrease in other postemployment benefit cost	1,353,498	27,520,071	38,502	1,230,929	1,392,000	28,751,000
Miscellaneous	1,955,858	2,366,433	1,995	1,079	1,957,853	2,367,512
Total Revenues	175,258,247	196,663,558	17,464,275	8,338,416	192,722,522	205,001,974
Program Expenses:						
Governmental Activities:						
General Government	42,236,133	34,268,122	-	-	42,236,133	34,268,122
Public Safety	48,929,013	53,323,890	-	-	48,929,013	53,323,890
Public Works	22,106,941	24,696,310	-	-	22,106,941	24,696,310
Public Health	12,128,941	10,667,458	-	-	12,128,941	10,667,458
Public Welfare	2,108,695	3,023,487	-	-	2,108,695	3,023,487
Cultural and Recreation	13,887,875	14,936,898	-	-	13,887,875	14,936,898
Interest	6,222,321	6,641,311	-	-	6,222,321	6,641,311
Business-Type Activities:						
Stormwater Utility	-	-	3,663,825	3,534,035	3,663,825	3,534,035
Lady's Island Airport	-	-	901,521	703,949	901,521	703,949
Hilton Head Airport	-	-	8,330,082	4,517,883	8,330,082	4,517,883
Total Expenses	147,619,919	147,557,476	12,895,428	8,755,867	160,515,347	156,313,343
Change in Net Position	27,638,328	49,106,082	4,568,847	(417,451)	32,207,175	48,688,631
Net Position, Beginning, as originally reported	294,157,984	245,051,902	19,019,457	19,436,908	313,177,441	264,488,810
Prior Period Adjustment	2,210,762	-	-	-	2,210,762	-
Net Position, Beginning, as restated	296,368,746	245,051,902	19,019,457	19,436,908	315,388,203	264,488,810
Net Position, Ending	\$ 324,007,074	\$ 294,157,984	\$ 23,588,304	\$ 19,019,457	\$ 347,595,378	\$ 313,177,441

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Governmental activities increased the County's net position by \$27.6 million, thereby accounting for 85.8% of the total growth in the net position of the County. Key elements in fiscal year 2016's activity are as follows:

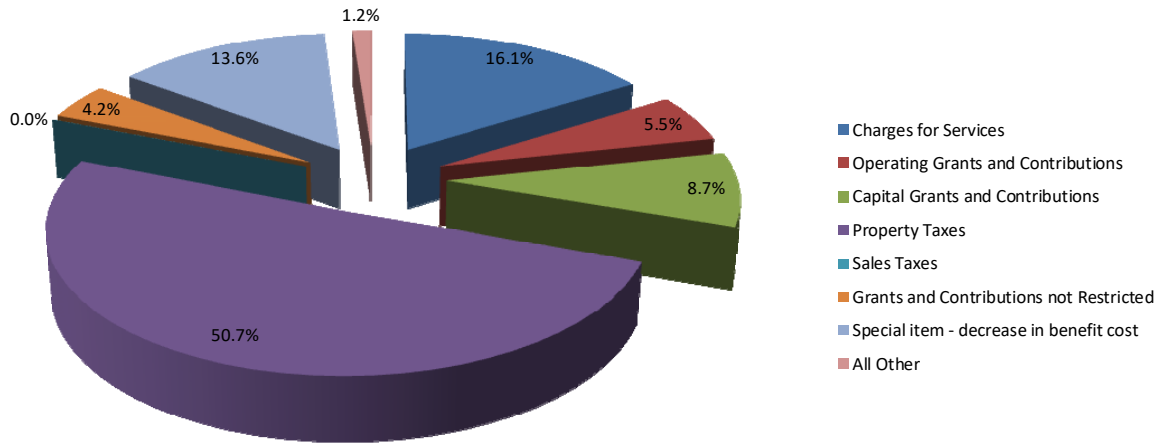
- Property tax revenues increased by \$5.4 million (or 5.6%) in fiscal year 2016 as compared to fiscal year 2015. This increase is attributable to the County recovering from the recession beginning in 2007 and a slight millage rate increase in fiscal year 2016 as compared to fiscal year 2015.
- Capital grants and contributions received by the County increased by \$1.6 million (or 9.7%) in fiscal year 2016 as compared to fiscal year 2015. This increase is attributed to grants related to the South Carolina Highway 170 Widening project, the Bluffton Parkway Phase 5A Segment 2 (Bluffton Parkway Flyover Bridge) project and the Boundary Street Redevelopment project.
- In fiscal year 2016, the special item related to other post-employment benefits decreased by \$1.4 million as compared to fiscal year 2015. This decrease is directly attributable to the termination of other post-employment benefits as discussed in Note 11 of the notes to the financial statements.

Business-type activities increased the County's net position by \$4.6 million, accounting for 14.2% of the total growth in the net position of the County. Key elements of this decrease are as follows:

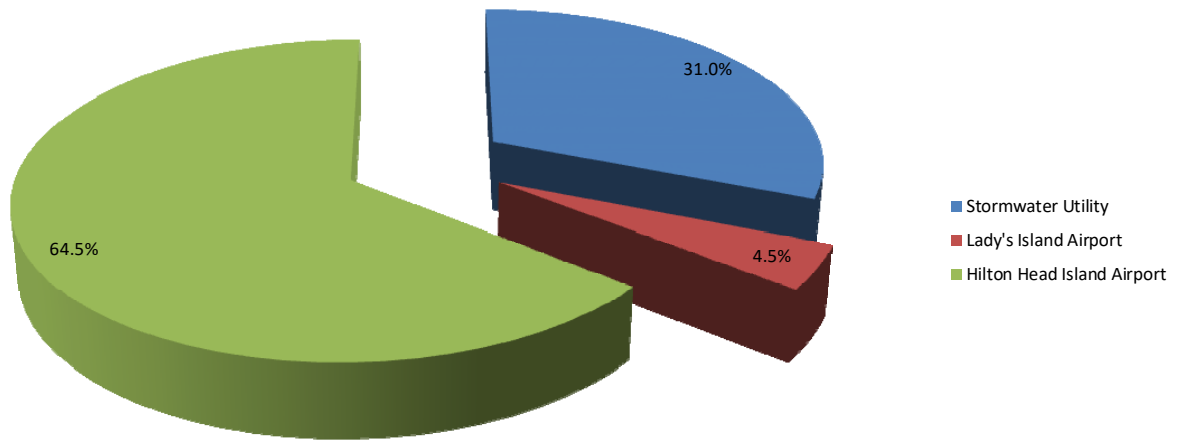
- The Hilton Head Island Airport's revenues increased \$7.8 million in fiscal year 2016, as compared to fiscal year 2015. This net increase is a result of an \$8 million increase in capital grants and contributions due to the increase of FAA funded project activity related to the runway extension project.
- The Hilton Head Island Airport expenses also increased by \$3.8 million in fiscal year 2016, as compared to fiscal year 2015. The operating expenses increased by \$80 thousand in fiscal year 2016 as compared to fiscal year 2015 while the non-operating expenses increased by \$3.7 million due to increased activity in grant funded projects and increased interest expense related to the notes payable to the debt service fund.
- In fiscal year 2016, the Stormwater Utility's revenues increased by \$2.2 million as compared to fiscal year 2015. The Stormwater Utility's expenses decreased by \$105 thousand in fiscal year 2016 as compared to fiscal year 2015.
- The Lady's Island Airport's revenues increased \$224 thousand in fiscal year 2016, as compared to fiscal year 2015. This increase is directly attributable to increased capital grant funding provided by the FAA and SCAC. The Lady's Island Airport expenses increased in fiscal year 2016 by \$198 thousand as compared to fiscal year 2015. The operating expenses decreased by \$48 thousand in fiscal year 2016 as compared to fiscal year 2015 while the non-operating expenses increased by \$246 thousand due to increased activity in grant funded projects and increased interest expense related to the notes payable to the debt service fund.

BEAUFORT COUNTY, SOUTH CAROLINA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenues by Source - Governmental Activities

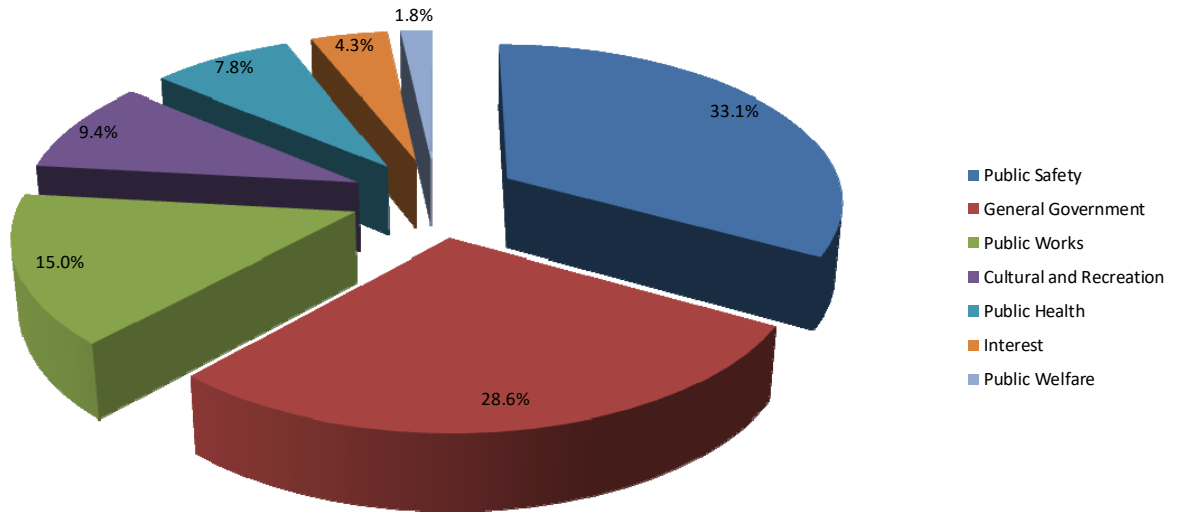


Revenues by Source - Business-Type Activities

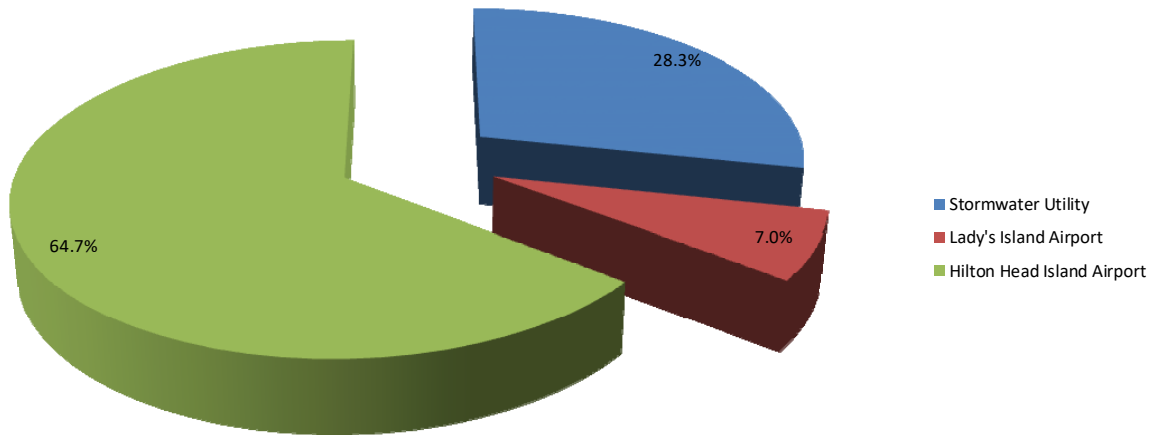


BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Expenses by Program - Governmental Activities



Expenses by Source - Business-Type Activities



BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned 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, the County's governmental funds reported combined ending fund balances of \$115,866,202, a decrease of \$14,255,456, in comparison with the prior year. Approximately 23 percent of this total fund balance, \$26,653,761 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance totaling \$89,212,441 is either nonspendable, restricted, committed, or assigned for specific spending. This includes \$1,271,779 "not in spendable form" for items that are not expected to be converted to cash within one year, such as prepaid items. The remainder includes \$87,940,662 restricted, committed, or assigned for programs.

General Fund – The general fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned portion of the fund balance of the general fund was \$26,653,761, while the total fund balance was \$28,552,962. As a measure of the general fund's liquidity, a comparison is made of both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 25 percent of total general fund expenditures and transfers out, while the total fund balance represents approximately 27 percent of total general fund expenditures and transfers out. Refer to pages 21 to 22 for the key elements of fiscal year 2016's general fund activity.

County Wide General Obligation Bonds Fund – At the end of the current fiscal year, the total fund balance of the county wide general obligation bonds fund was \$11,529,177. The county wide general obligation bonds fund balance is restricted for debt service. This fund recognized revenues of \$9,707,922, total expenditures of \$10,159,036, and \$170,471 in other financing sources, for a net change in fund balance of (\$280,643). The County has a debt fund balance policy requiring millage to be set at annual required debt service levels and for the fund balance to cover the following twelve (12) months of the County's interest only payments.

Sales Tax Projects Fund – At the end of the current fiscal year, the total fund balance of the sales tax projects fund was \$6,832,718, all of which was restricted for capital projects. The sales tax projects fund recognized revenues of \$5,122,985, total expenditures of \$21,472,651, and \$1,069,243 in other financing sources, for a net change in fund balance of (\$15,280,423). The County expected to receive an additional \$3.8 million of revenue related to the South Carolina Highway 170 Widening project mostly funded by the State Infrastructure Bank. Due to delays directly attributable to the State Infrastructure Bank, the County did not receive this expected revenue until January 2017 and therefore presents this amount of revenue as a deferred inflow of resources, unavailable revenue per the modified accrual accounting method related to the governmental funds. Sales tax collections for this project ceased during fiscal year 2013, as the intended referendum sales tax collection amount was fully collected, this fund balance will be spent in upcoming years.

County Road Improvement Program Fund – At the end of the current fiscal year, the total fund balance of the county road improvement program fund was \$12,883,990, all of which was restricted for capital projects. The county road improvement program fund recognized revenues of \$10,016,477, total expenditures of \$3,229,131, for a net change in fund balance of \$6,787,346. The County Road Improvement Program Fund has two (2) primary sources of revenue – state gasoline tax distributed to the County from the South Carolina Department of Transportation and the County Motor Vehicle Fee that is generated by County registered motor vehicles.

Further details of the County's major funds are shown on Schedule "A" and further details of the County's nonmajor governmental funds are shown on Schedules "B", "C", "D" and "E".

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Proprietary funds – The focus of the County's proprietary funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County proprietary funds' financing requirements. As restrictions, commitments, and other limitations on net position significantly affect the availability of fund resources for future use, unreserved net position may serve as a useful measure of a government's proprietary net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's proprietary funds reported combined ending net position of \$23,588,304, which is an increase of \$4,568,847 in comparison with the prior year. The proprietary funds recognized operating revenues of \$7,563,391 and operating expenses of \$6,353,192. Non-operating revenues and expenses totaled (\$6,462,087), while capital contributions totaled \$9,782,233 and a special item in the amount of \$38,502 related to the termination of other post-employment benefits in fiscal year 2016, for a change in net position of \$4,568,847.

Stormwater Utility – At the end of the current fiscal year, the net position of the stormwater utility fund was \$3,118,606, of which \$1,561,192 was invested in capital assets, net of related debt, leaving a balance of \$1,557,414 in unrestricted net position. The stormwater utility fund recognized operating revenues of \$5,395,157, total operating expenses of \$3,663,825, and \$8,576 in net non-operating revenues, for a change in net position of \$1,757,678. The stormwater utility also recognized a decrease in other postemployment benefit cost in the amount of \$17,770. The increase in net position within the Stormwater Utility Fund for the fiscal year ending June 30, 2016, was directly related to increased stormwater fees. On August 10, 2015, Council passed an ordinance amending the utility's rate structure and adjusting utility rates to meet increasing demands on the Stormwater Management Utility in the areas of federally mandated municipal separate Stormsewer Systems (MS4) permitting, capital project needs, and cost of service of operations and maintenance.

Lady's Island Airport – At the end of the current fiscal year, the net position of the Lady's Island Airport fund was \$3,270,803, of which \$3,832,968 was invested in capital assets, net of related debt, leaving a deficit balance of \$562,165 in unrestricted net position. The Lady's Island Airport recognized operating revenues of \$529,750, total operating expenses of \$543,706, \$357,688 in net non-operating expenses, \$260,646 in capital contributions and a decrease in other postemployment benefits of \$2,962, for a change in net position of (\$108,036). The decrease in the Lady's Island Airport fund balance in the 2016 fiscal year was mostly the result of increased non-operating grant expenses that will be reimbursed by the Federal Aviation Administration in the following fiscal year.

Hilton Head Island Airport – At the end of the current fiscal year, the net position of the Hilton Head Island Airport fund was \$17,198,895, of which \$22,728,889 was invested in capital assets, net of related debt, leaving a deficit balance of \$5,529,994 in unrestricted net position. The Hilton Head Island Airport recognized operating revenues of \$1,638,484, total operating expenses of \$2,145,661, \$6,112,975 in net non-operating expenses, \$9,521,587 in capital contributions and a decrease in other postemployment benefits of \$17,770, for a change in net position of \$2,919,205. The increase in net position within the Hilton Head Island Airport fund in the 2016 fiscal year was directly related to the Airport obtaining FAA grant funding for prior and current fiscal year grant related expenditures.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget to Final Budget Comparison for the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 84,195,180	\$ 84,195,180	\$ -
Licenses and Permits	3,029,000	3,029,000	-
Intergovernmental	7,865,416	7,865,416	-
Charges for Services	10,402,715	10,402,715	-
Fines and Forfeitures	750,000	750,000	-
Interest	52,805	52,805	-
Miscellaneous	251,136	251,136	-
Total Revenues	<u>106,546,252</u>	<u>106,546,252</u>	<u>-</u>
Expenditures:			
General Government	32,857,053	33,131,643	(274,590)
Public Safety	42,277,226	42,184,130	93,096
Public Works	13,639,129	13,639,129	-
Public Health	2,546,192	2,422,357	123,835
Public Welfare	807,905	807,905	-
Cultural and Recreation	10,541,286	10,361,286	180,000
Capital	1,628,397	2,260,328	(631,931)
Total Expenditures	<u>104,297,188</u>	<u>104,806,778</u>	<u>(509,590)</u>
Excess (deficiency) of Revenues Over Expenditures	2,249,064	1,739,474	(509,590)
Other Financing Sources (Uses)			
Transfers In	1,268,750	1,268,750	-
Transfers Out	<u>(3,517,814)</u>	<u>(3,702,814)</u>	<u>(185,000)</u>
Total Other Financing Sources (Uses)	(2,249,064)	(2,434,064)	(185,000)
Net Change in Fund Balance	-	(694,590)	(694,590)
Fund Balance - beginning	<u>26,694,383</u>	<u>26,694,383</u>	<u>-</u>
Fund Balance - ending	<u>\$ 26,694,383</u>	<u>\$ 25,999,793</u>	<u>\$ (694,590)</u>

The general fund original budget's net position varied from its final budget's net position by \$695 thousand. This variation is due to an ordinance established during fiscal year 2016 that amended the original budget ordinance and increased expenditure appropriation levels related to supplemental appropriations as follows:

- On March 14, 2016, Council adopted an ordinance providing supplemental appropriations for the County's Courts and Justice System.
- The Fourteenth Circuit Solicitor was provided a supplemental appropriation in the amount of \$185,000 for increased personnel funding. This same amount was provided to the Fourteenth Circuit Public Defender as well for increased personnel funding.
- The Clerk of Court was provided a supplemental appropriation in the amount of \$50,000 for increased jury service related to high profile cases being tried in Beaufort County during the fiscal year.
- \$274,590 was provided as a supplemental appropriation to the newly elected County Auditor.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Final Budget to Actual Comparison for the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 84,195,180	\$ 83,368,188	\$ (826,992)
Licenses and Permits	3,029,000	2,921,451	(107,549)
Intergovernmental	7,865,416	8,107,737	242,321
Charges for Services	10,402,715	12,001,180	1,598,465
Fines and Forfeitures	750,000	796,253	46,253
Interest	52,805	68,823	16,018
Miscellaneous	251,136	521,349	270,213
Total Revenues	<u>106,546,252</u>	<u>107,784,981</u>	<u>1,238,729</u>
Expenditures:			
General Government	33,131,643	31,905,771	1,225,872
Public Safety	42,184,130	42,654,239	(470,109)
Public Works	13,639,129	13,260,603	378,526
Public Health	2,422,357	2,370,043	52,314
Public Welfare	807,905	794,523	13,382
Cultural and Recreation	10,361,286	10,251,175	110,111
Capital	2,260,328	2,228,882	31,446
Total Expenditures	<u>104,806,778</u>	<u>103,465,236</u>	<u>1,341,542</u>
Excess (deficiency) of Revenues Over Expenditures	1,739,474	4,319,745	2,580,271
Other Financing Sources (Uses)			
Transfers In	1,268,750	1,259,505	(9,245)
Transfers Out	<u>(3,702,814)</u>	<u>(3,720,671)</u>	<u>(17,857)</u>
Total Other Financing Sources (Uses)	(2,434,064)	(2,461,166)	(27,102)
Net Change in Fund Balance	(694,590)	1,858,579	2,553,169
Fund Balance - beginning	<u>26,694,383</u>	<u>26,694,383</u>	<u>-</u>
Fund Balance - ending	<u>\$ 25,999,793</u>	<u>\$ 28,552,962</u>	<u>\$ 2,553,169</u>

The actual net position of the County's general fund varied from its final budget's net position by \$2.5 million. Key elements of this are as follows:

- The County's general fund actual revenues had a positive variance of \$1.2 million as compared to the final budget of fiscal year 2016. This positive variance is attributable to increased actual revenue as compared to expected revenue related to Register of Deeds and Emergency Medical Services fees.
- The County's general fund actual expenditures had a positive variance of \$1.3 million as compared to the final budget of fiscal year 2016. This positive variance is mainly due to natural attrition within personnel. The County has a significant percentage of its workforce that is approaching eligibility for retirement.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – Beaufort County's investment in capital assets for its governmental and business-type activities as of June 30, 2016 was \$540,362,259 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings and improvements, infrastructure, and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 4.9 percent (in which governmental activities capital assets increased by 5 percent and business-type activities capital assets increased by 2 percent).

In lieu of annual depreciation, the County has elected to use the modified approach for its airport infrastructure assets, which include runways, taxiways, and aprons. As of June 30, 2016, 100 percent of airport infrastructure assets were in a fair or better condition.

Additional information on the County's modified approach for airport infrastructure assets can be found on Schedule 1 on page 65 of this report.

Beaufort County's Capital Assets
(Net of Depreciation)
June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 114,931,381	\$ 109,742,772	\$ 11,417,675	\$ 10,581,034	\$ 126,349,056	\$ 120,323,806
Easements	18,059,927	17,791,915	-	-	18,059,927	17,791,915
Construction in Progress	124,158,272	118,994,985	257,890	257,890	124,416,162	119,252,875
Buildings and Improvements	97,833,789	103,469,667	5,787,985	6,347,972	103,621,774	109,817,639
Infrastructure	143,375,766	122,466,777	9,229,801	9,229,801	152,605,567	131,696,578
Equipment	13,880,075	15,161,424	1,429,698	1,148,629	15,309,773	16,310,053
Total Capital Assets	\$512,239,210	\$487,627,540	\$28,123,049	\$27,565,326	\$540,362,259	\$515,192,866

Major capital asset events during the current fiscal year included the following:

- The County added \$26.1 million in governmental activities infrastructure and construction in progress related to 1% sales tax referendum road projects such as South Carolina Highway 170 Widening and Bluffton Parkway and Flyover.
- The County purchased approximately \$5.2 million in governmental activities land and easements for the County's rural and critical lands program during the 2016 fiscal year.
- The Hilton Head Island Airport and Stormwater Utility acquired land during fiscal year 2016.

Additional information on the County's capital assets can be found in note 4 on pages 46 through 47 of this report.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Long-Term Debt – At the end of the current fiscal year, Beaufort County had \$219,434,622 of total long-term debt outstanding. The total amount of debt is backed by the full faith and credit of the government.

Beaufort County's Outstanding Debt
June 30, 2016 and 2015

	Governmental Activities	
	2016	2015
General Obligation Bonds	\$ 196,814,520	\$ 210,665,556
TIF Revenue Bonds	3,295,000	3,990,000
Mortgage	4,000,000	-
Capital Lease	1,432,527	1,790,659
Premiums	13,892,575	17,486,959
Total Outstanding Debt	<u>\$ 219,434,622</u>	<u>\$ 233,933,174</u>
Deferred Charge on Refundings	<u>\$ 4,755,142</u>	<u>\$ 4,770,258</u>

Major outstanding debt events during the current fiscal year included the following:

- County Council approved a general obligation bond advance refunding during fiscal year 2016. In March 2016, the County issued the advance refunding bonds in the amount of \$17,950,000. These new bonds partially refunded the 2007 General Obligations Bonds.
- The County was provided a mortgage by the South Carolina Public Service Authority in the amount of \$4 million to acquire a parcel of land and design and construct a 40,000 square foot building in the Myrtle Park Industrial Park, located off of South Carolina Highways 278 and 46. This project is intended to further the growth and development of industry in Beaufort County.

The County maintains an underlying, unsecured "AA+" bond rating from Standard & Poor's Rating Group for all of its general obligation bonds, an underlying, unsecured "Aa1" bond rating from Moody's Investors Service for all of its general obligation bonds, and an underlying, unsecured "AA" bond rating from Fitch for its 2003 through 2007B general obligations bonds. Additionally, the County maintains an underlying, unsecured "A+" bond rating for its TIF revenue bonds from Standard & Poor's Rating Group.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation less debt issued by referendum and debt issued and paid by other sources. The current debt limitation for the County is \$142,481,716. Beaufort County was \$61,081,143 under this legal limit at June 30, 2016.

Additional information on the County's long-term debt can be found in note 5 on pages 48 through 52 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Beaufort County was 5.2 percent at June 30, 2016, which is lower than the rate of 5.7 percent a year ago. This compares favorably with the State of South Carolina's average unemployment rate of 5.4 percent at June 30, 2016 and unfavorably with the national average unemployment rate of 4.9 percent at June 30, 2016.
- The cost of living in this region still compares favorably to other areas of the country.

All of these factors were considered in preparing Beaufort County's budget for the 2016 fiscal year. As of June 30, 2016, the County's unassigned general fund balance was \$26,653,761. During fiscal year 2016, there was an increase to the County's general fund balance in the amount of \$1,858,579.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Beaufort County's 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 Finance Department, Post Office Box 1228, Beaufort, SC 29901-1228.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Equity in Pooled Cash and Investments	\$ 89,595,367	\$ 3,708,311	\$ 93,303,678
Receivables, Net	4,183,951	2,294,925	6,478,876
Due from Other Governments	8,477,346	-	8,477,346
Notes Receivable	77,143	-	77,143
Inventories	-	158,914	158,914
Prepaid Items	1,273,038	48,649	1,321,687
	<u>103,606,845</u>	<u>6,210,799</u>	<u>109,817,644</u>
Noncurrent Assets			
Equity in Pooled Investments	25,483,544	-	25,483,544
Notes Receivable	887,143	-	887,143
	<u>26,370,687</u>	<u>-</u>	<u>26,370,687</u>
Capital Assets			
Non-Depreciable	257,149,580	20,905,366	278,054,946
Depreciable	255,089,630	7,217,683	262,307,313
	<u>512,239,210</u>	<u>28,123,049</u>	<u>540,362,259</u>
Total Noncurrent Assets	<u>538,609,897</u>	<u>28,123,049</u>	<u>566,732,946</u>
Total Assets	<u>642,216,742</u>	<u>34,333,848</u>	<u>676,550,590</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refundings	4,755,142	-	4,755,142
Contributions to pension plan	6,317,478	251,822	6,569,300
Pension earnings differences	775,162	30,669	805,831
Pension experience differences	1,785,286	59,691	1,844,977
Total deferred outflows of resources	<u>13,633,068</u>	<u>342,182</u>	<u>13,975,250</u>
Total assets and deferred outflows of resources	<u>\$ 655,849,810</u>	<u>\$ 34,676,030</u>	<u>\$ 690,525,840</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	10,186,053	1,936,065	12,122,118
Accrued Payroll	2,224,955	88,213	2,313,168
Accrued Compensated Absences	415,107	13,749	428,856
Internal Balances	(5,392,784)	5,392,784	-
Accrued Interest Payable	2,436,432	-	2,436,432
Current Portion of Long Term Debt	18,157,063	-	18,157,063
Due to Others	1,271,014	-	1,271,014
	<u>29,297,840</u>	<u>7,430,811</u>	<u>36,728,651</u>
Noncurrent Liabilities			
Accrued Compensated Absences	3,044,120	100,828	3,144,948
Net Pension Liability	96,669,304	3,492,103	100,161,407
Long-Term Obligations	201,277,559	-	201,277,559
	<u>300,990,983</u>	<u>3,592,931</u>	<u>304,583,914</u>
Total Liabilities	<u>330,288,823</u>	<u>11,023,742</u>	<u>341,312,565</u>
DEFERRED INFLOWS OF RESOURCES			
Net change in expected pension experience	116,956	5,166	122,122
Deferred amounts from changes in proportionate share	1,436,957	58,818	1,495,775
Total deferred inflows of resources	<u>1,553,913</u>	<u>63,984</u>	<u>1,617,897</u>
NET POSITION			
Net Investment in capital assets	297,559,730	28,123,049	325,682,779
Restricted for:			
General Government Programs	11,964,990	-	11,964,990
Public Safety Programs	5,361,100	-	5,361,100
Public Works Programs	5,979,655	-	5,979,655
Public Health Programs	2,228,849	-	2,228,849
Public Welfare Programs	24,203	-	24,203
Cultural and Recreational Programs	5,214,021	-	5,214,021
Capital Projects	27,939,644	-	27,939,644
Debt Service	15,716,788	-	15,716,788
Unrestricted (Deficit)	(47,981,906)	(4,534,745)	(52,516,651)
Total Net Position	<u>\$ 324,007,074</u>	<u>\$ 23,588,304</u>	<u>\$ 347,595,378</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 655,849,810</u>	<u>\$ 34,676,030</u>	<u>\$ 690,525,840</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business Type Activities	
Governmental Activities							
General Government	\$ 42,236,133	\$ 15,720,868	\$ 1,647,455	\$ 871,959	\$ (23,995,851)	\$ -	\$ (23,995,851)
Public Safety	48,929,013	8,153,290	1,199,446	215,477	(39,360,800)	-	(39,360,800)
Public Works	22,106,941	5,865,323	88,207	16,525,712	372,301	-	372,301
Public Health	12,128,941	591,235	6,863,620	-	(4,674,086)	-	(4,674,086)
Public Welfare	2,108,695	144,682	820,162	-	(1,143,851)	-	(1,143,851)
Cultural and Recreation	13,887,875	2,019,478	630,791	-	(11,237,606)	-	(11,237,606)
Interest	6,222,321	-	-	-	(6,222,321)	-	(6,222,321)
Total Governmental Activities	<u>147,619,919</u>	<u>32,494,876</u>	<u>11,249,681</u>	<u>17,613,148</u>	<u>(86,262,214)</u>	<u>-</u>	<u>(86,262,214)</u>
Business-Type Activities							
Stormwater Utility	3,663,825	5,393,162	-	-	-	1,729,337	1,729,337
Lady's Island Airport	901,521	529,750	-	260,646	-	(111,125)	(111,125)
Hilton Head Airport	8,330,082	1,638,483	65,440	9,521,587	-	2,895,428	2,895,428
Total Business-Type Activities	<u>12,895,428</u>	<u>7,561,395</u>	<u>65,440</u>	<u>9,782,233</u>	<u>-</u>	<u>4,513,640</u>	<u>4,513,640</u>
Total	<u>\$ 160,515,347</u>	<u>\$ 40,056,271</u>	<u>\$ 11,315,121</u>	<u>\$ 27,395,381</u>	<u>\$ (86,262,214)</u>	<u>\$ 4,513,640</u>	<u>\$ (81,748,574)</u>
General Revenues							
Property Taxes					\$ 101,550,345	\$ -	\$ 101,550,345
Sales Taxes					31,232	-	31,232
Grants and Contributions Not Restricted					8,513,761	-	8,513,761
Unrestricted Investment Earnings					495,848	14,710	510,558
Miscellaneous					1,955,858	1,995	1,957,853
Total General Revenues					<u>112,547,044</u>	<u>16,705</u>	<u>112,563,749</u>
Special Item - decrease in other postemployment benefit cost					1,353,498	38,502	1,392,000
Change in Net Position					27,638,328	4,568,847	32,207,175
Net Position, Beginning, as originally reported					<u>294,157,984</u>	<u>19,019,457</u>	<u>313,177,441</u>
Prior Period Adjustment					<u>2,210,762</u>	<u>-</u>	<u>2,210,762</u>
Net Position, Beginning, as restated					<u>296,368,746</u>	<u>19,019,457</u>	<u>315,388,203</u>
Net Position, Ending					<u>\$ 324,007,074</u>	<u>\$ 23,588,304</u>	<u>\$ 347,595,378</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	County Wide General Obligation Bonds	Sales Tax Projects	County Road Improvement Program	Nonmajor Governmental Funds	Total Governmental Funds	
<u>General</u>	<u>Bonds</u>	<u>Projects</u>	<u>Program</u>	<u>Funds</u>	<u>Funds</u>	
ASSETS						
Cash and Equity in Pooled Cash and Investments	\$ 28,691,770	\$ 7,050,290	\$ 7,185,383	\$ 13,485,180	\$ 58,666,287	\$ 115,078,910
Receivables, Net	3,192,541	273,965	-	-	511,296	3,977,802
Due from Other Governments	1,455,561	-	5,773,485	176,715	1,071,587	8,477,348
Due from Other Funds	1,964,832	-	-	-	-	1,964,832
Advances to Enterprise Funds	-	3,427,952	-	-	-	3,427,952
Note receivable	-	964,286	-	-	-	964,286
Prepaid Items	1,198,811	-	-	-	72,968	1,271,779
Total Assets	<u>\$ 36,503,515</u>	<u>\$ 11,716,493</u>	<u>\$ 12,958,868</u>	<u>\$ 13,661,895</u>	<u>\$ 60,322,138</u>	<u>\$ 135,162,909</u>
LIABILITIES						
Accounts Payable	\$ 3,696,077	\$ -	\$ 2,276,189	\$ 776,673	\$ 3,177,411	\$ 9,926,350
Accrued Payroll	1,894,341	-	2,316	1,232	327,066	2,224,955
Due to Others	693,123	-	-	-	577,893	1,271,016
Total Liabilities	<u>6,283,541</u>	<u>-</u>	<u>2,278,505</u>	<u>777,905</u>	<u>4,082,370</u>	<u>13,422,321</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,667,012	187,316	-	-	172,414	2,026,742
Unavailable revenue - capital grant contribution	-	-	3,847,645	-	-	3,847,645
Total deferred inflows of resources	<u>1,667,012</u>	<u>187,316</u>	<u>3,847,645</u>	<u>-</u>	<u>172,414</u>	<u>5,874,387</u>
FUND BALANCE						
Nonspendable	1,198,811	-	-	-	72,968	1,271,779
Restricted	-	11,529,177	6,832,718	12,883,990	55,899,476	87,145,361
Committed	247,507	-	-	-	94,911	342,418
Assigned	452,883	-	-	-	-	452,883
Unassigned	26,653,761	-	-	-	-	26,653,761
Total Fund Balances	<u>28,552,962</u>	<u>11,529,177</u>	<u>6,832,718</u>	<u>12,883,990</u>	<u>56,067,355</u>	<u>115,866,202</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,503,515</u>	<u>\$ 11,716,493</u>	<u>\$ 12,958,868</u>	<u>\$ 13,661,895</u>	<u>\$ 60,322,139</u>	<u>\$ 135,162,910</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2016

Total Governmental Fund Balances (Exhibit 3)	\$	115,866,202
Amounts reported for governmental activities in the statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds (\$512,239,210 less internal service net investment in capital assets of \$68,525).		512,170,685
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred in governmental funds.		
Property Taxes		2,026,742
Capital Grant Contribution		3,847,645
Deferred charge on refundings of debt		4,755,142
Contributions to pension plan		6,317,478
Pension earnings differences		775,162
Pension experience differences		1,785,286
Net pension change in projected investment earnings		-
Net change in expected pension experience		(116,956)
Deferred amounts from changes in proportionate share		(1,436,957)
Internal service funds are used by management to charge the costs of fleet services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		16,230
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(321,999,585)</u>
Accrued Interest Payable		(2,436,432)
Current Portion of Long Term Debt		(18,157,063)
Accrued Compensated Absences		(3,459,227)
Net Pension Liability		(96,669,304)
Long-term obligations		<u>(201,277,559)</u>
Net Position of Governmental Activities	\$	<u>324,007,074</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	General	County Wide General Obligation Bonds	Sales Tax Projects	County Road Improvement Program	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$ 83,368,188	\$ 9,311,633	\$ -	\$ -	\$ 8,996,524	\$ 101,676,345
Licenses and Permits	2,921,451	-	-	-	9,734,407	12,655,858
Intergovernmental	8,107,737	241,373	5,049,683	7,659,616	12,513,688	33,572,097
Charges for Services	12,001,180	-	-	2,294,671	3,435,440	17,731,291
Fines and Forfeitures	796,253	-	-	-	548,170	1,344,423
Interest	68,823	154,916	48,302	42,190	181,621	495,852
Miscellaneous	521,349	-	25,000	20,000	1,389,508	1,955,857
Total Revenues	<u>107,784,981</u>	<u>9,707,922</u>	<u>5,122,985</u>	<u>10,016,477</u>	<u>36,799,358</u>	<u>169,431,723</u>
Expenditures						
Current						
General Government Services	31,905,771	-	-	-	5,220,758	37,126,529
Public Safety Services	42,654,239	-	-	-	2,929,260	45,583,499
Public Works Services	13,260,603	-	-	286,331	70,719	13,617,653
Public Health Services	2,370,043	-	-	-	9,117,856	11,487,899
Public Welfare Services	794,523	-	-	-	1,314,172	2,108,695
Cultural and Recreation Services	10,251,175	-	-	-	695,144	10,946,319
Debt Service - Principal	-	6,594,137	-	279,443	7,247,458	14,121,038
Debt Service - Interest and Fees	-	3,564,899	-	93,687	4,785,680	8,444,266
Capital Projects	2,228,882	-	21,472,651	2,569,670	18,150,549	44,421,752
Total Expenditures	<u>103,465,236</u>	<u>10,159,036</u>	<u>21,472,651</u>	<u>3,229,131</u>	<u>49,531,596</u>	<u>187,857,650</u>
Excess (deficiency) of revenues over expenditures	4,319,745	(451,114)	(16,349,666)	6,787,346	(12,732,238)	(18,425,927)
Other Financing Sources (Uses)						
Issuance of Refunding Debt	-	17,950,000	-	-	-	17,950,000
Payments to Refunding Debt Escrow Agent	-	(19,091,723)	-	-	-	(19,091,723)
Issuance of Long-term Debt	-	-	-	-	4,000,000	4,000,000
Bond Premiums	-	1,312,194	-	-	-	1,312,194
Transfers In	1,259,505	-	1,069,243	-	6,430,404	8,759,152
Transfers Out	(3,720,671)	-	-	-	(5,038,481)	(8,759,152)
Total Other Financing Sources (Uses)	<u>(2,461,166)</u>	<u>170,471</u>	<u>1,069,243</u>	<u>-</u>	<u>5,391,923</u>	<u>4,170,471</u>
Net Change in Fund Balance	1,858,579	(280,643)	(15,280,423)	6,787,346	(7,340,315)	(14,255,456)
Fund Balance - beginning	26,694,383	11,809,820	22,113,141	6,096,644	63,407,670	130,121,658
Fund Balance - ending	<u>\$ 28,552,962</u>	<u>\$ 11,529,177</u>	<u>\$ 6,832,718</u>	<u>\$ 12,883,990</u>	<u>\$ 56,067,355</u>	<u>\$ 115,866,202</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
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, 2016

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Total Net Change in Fund Balances - Governmental Funds (Exhibit 4)		\$ (14,255,456)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay excluded depreciation in the current period.</p>		
Capital Outlay		44,421,752
Depreciation (\$19,984,187 less \$17,514 internal service fund depreciation)		(19,966,673)
<p>In the statement of activities, the loss on disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on disposal of capital assets.</p>		
Net Book Value of Capital Assets Disposed		173,644
<p>Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds</p>		
Decrease in Deferred Property Taxes		(125,998)
Increase in Deferred Capital Grant Contribution		3,847,645
<p>The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is net of the effect of these differences in the treatment of long-term debt and related items.</p>		
Refunding Bond Proceeds		(17,950,000)
Payments to Refunding Debt Escrow Agent		19,091,723
Addition of Long-Term Debt		(4,000,000)
Bond Principal Payments		14,121,038
Addition of Bond Premiums on Long-Term Bonds		(1,312,194)
Amortization of Bond Premiums		2,695,816
Addition of Deferred Charge on Advance Refundings		488,432
Amortization of Deferred Charge on Advance Refundings		(503,548)
Capital Lease Payments		(358,132)
<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>		
Increase in Accrued Interest		(458,755)
Decrease in claims payable		1,068,028
Decrease in Accrued Compensated Absences		801
Increase in Pension Expense		(675,083)
Special item consisting of a decrease in the liability for other post employment benefit costs		1,353,498
The net revenue (expense) of certain activities of internal service funds reported with governmental activities		<u>(18,210)</u>
Change in Net Position of Governmental Activities		<u>\$ 27,638,328</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater	Lady's Island	Hilton Head	Totals	Garage
	Utility	Airport	Airport		
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 3,707,861	\$ 250	\$ 200	\$ 3,708,311	\$ -
Receivables, Net	117,236	28,167	2,149,522	2,294,925	206,149
Inventories	107,247	51,667	-	158,914	-
Prepayments	19,493	5,512	23,644	48,649	1,259
Total Current Assets	<u>3,951,837</u>	<u>85,596</u>	<u>2,173,366</u>	<u>6,210,799</u>	<u>207,408</u>
Capital Assets	3,903,950	4,833,031	32,064,114	40,801,095	445,159
Accumulated Depreciation	<u>(2,342,758)</u>	<u>(1,000,063)</u>	<u>(9,335,225)</u>	<u>(12,678,046)</u>	<u>(376,634)</u>
	<u>1,561,192</u>	<u>3,832,968</u>	<u>22,728,889</u>	<u>28,123,049</u>	<u>68,525</u>
Total Assets	<u>5,513,029</u>	<u>3,918,564</u>	<u>24,902,255</u>	<u>34,333,848</u>	<u>275,933</u>
DEFERRED OUTFLOWS OF RESOURCES					
Contributions to pension plan	136,001	8,998	106,823	251,822	-
Pension earnings differences	15,770	1,051	13,848	30,669	-
Pension experience differences	33,737	2,863	23,091	59,691	-
Total deferred outflows of resources	<u>185,508</u>	<u>12,912</u>	<u>143,762</u>	<u>342,182</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 5,698,537</u>	<u>\$ 3,931,476</u>	<u>\$ 25,046,017</u>	<u>\$ 34,676,030</u>	<u>\$ 275,933</u>
LIABILITIES					
Current Liabilities					
Account Payable	\$ 337,610	\$ 26,317	\$ 1,572,138	\$ 1,936,065	\$ 259,703
Accrued Payroll	55,119	3,773	29,321	88,213	-
Accrued Compensated Absences	9,330	678	3,741	13,749	-
Due to General Fund	-	462,627	1,502,205	1,964,832	-
Current Portion of Due to Debt Service Fund	-	-	157,398	157,398	-
Total Current Liabilities	<u>402,059</u>	<u>493,395</u>	<u>3,264,803</u>	<u>4,160,257</u>	<u>259,703</u>
Noncurrent Liabilities					
Accrued Compensated Absences	68,424	4,970	27,434	100,828	-
Net Pension Liability	2,069,312	159,632	1,263,159	3,492,103	-
Due to Debt Service Fund	-	-	3,270,554	3,270,554	-
Total Noncurrent Liabilities	<u>2,137,736</u>	<u>164,602</u>	<u>4,561,147</u>	<u>6,863,485</u>	<u>-</u>
Total Liabilities	<u>2,539,795</u>	<u>657,997</u>	<u>7,825,950</u>	<u>11,023,742</u>	<u>259,703</u>
DEFERRED INFLOWS OF RESOURCES					
Net change in expected pension experience	4,213	281	672	5,166	-
Deferred amounts from changes in proportionate share	35,923	2,395	20,500	58,818	-
Total deferred inflows of resources	<u>40,136</u>	<u>2,676</u>	<u>21,172</u>	<u>63,984</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	1,561,192	3,832,968	22,728,889	28,123,049	68,525
Unrestricted (Deficit)	<u>1,557,414</u>	<u>(562,165)</u>	<u>(5,529,994)</u>	<u>(4,534,745)</u>	<u>(52,295)</u>
Total Net Position	<u>\$ 3,118,606</u>	<u>\$ 3,270,803</u>	<u>\$ 17,198,895</u>	<u>\$ 23,588,304</u>	<u>\$ 16,230</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,698,537</u>	<u>\$ 3,931,476</u>	<u>\$ 25,046,017</u>	<u>\$ 34,676,030</u>	<u>\$ 275,933</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater	Lady's Island	Hilton Head	Totals	Garage
	Utility	Airport	Airport		
Operating Revenues					
Garage Billings	\$ -	\$ -	\$ -	\$ -	\$ 130,264
Fuel and Oil Sales	-	380,110	-	380,110	621,122
Stormwater Utility Fees	4,924,194	-	-	4,924,194	-
Stormwater Utility Project Billings	468,968	-	-	468,968	-
Fixed Base Operator Revenue	-	-	296,178	296,178	-
Passenger Facility Charges	-	-	134,238	134,238	-
Operating Agreements/Commission Revenue	-	1,095	396,310	397,405	-
Concession Sales	-	3,161	-	3,161	-
Firefighting/Security Fees	-	-	281,731	281,731	-
Landing Fees	-	10,885	61,589	72,474	-
Parking/Taxi Fees	-	-	28,005	28,005	-
Rentals	-	-	230,663	230,663	-
Hangar Rentals	-	134,499	168,128	302,627	-
Other Charges	1,995	-	41,642	43,637	-
Total Operating Revenues	<u>5,395,157</u>	<u>529,750</u>	<u>1,638,484</u>	<u>7,563,391</u>	<u>751,386</u>
Operating Expenses					
Costs of Sales and Services	-	228,618	-	228,618	-
Personnel	2,269,477	139,996	1,107,544	3,517,017	-
Purchased Services	976,444	106,314	369,763	1,452,521	141,439
Supplies	240,278	7,588	30,585	278,451	610,643
Capital	-	-	72,977	72,977	-
Depreciation	177,626	61,190	564,792	803,608	17,514
Total Operating Expenses	<u>3,663,825</u>	<u>543,706</u>	<u>2,145,661</u>	<u>6,353,192</u>	<u>769,596</u>
Operating (Loss) Income	1,731,332	(13,956)	(507,177)	1,210,199	(18,210)
Non-Operating Revenues (Expenses)					
Operating grant - Transportation Security Administration	-	-	65,440	65,440	-
Non-Operating Grant Expenses	-	(357,813)	(6,092,626)	(6,450,439)	-
Interest Income	8,576	125	6,009	14,710	-
Interest Expense	-	-	(91,798)	(91,798)	-
Total Non-Operating Revenues (Expenses)	<u>8,576</u>	<u>(357,688)</u>	<u>(6,112,975)</u>	<u>(6,462,087)</u>	<u>-</u>
(Loss) Income before capital contributions and special items	1,739,908	(371,644)	(6,620,152)	(5,251,888)	(18,210)
Capital Contributions					
Capital Grants - Federal Aviation Administration	-	246,928	9,069,752	9,316,680	-
Capital Grants - South Carolina Aeronautical Commission	-	13,718	451,835	465,553	-
Total Capital Contributions	<u>-</u>	<u>260,646</u>	<u>9,521,587</u>	<u>9,782,233</u>	<u>-</u>
Special Item - decrease in other postemployment benefit cost	17,770	2,962	17,770	38,502	-
Change in Net Position	1,757,678	(108,036)	2,919,205	4,568,847	(18,210)
Net Position, Beginning	<u>1,360,928</u>	<u>3,378,839</u>	<u>14,279,690</u>	<u>19,019,457</u>	<u>34,440</u>
Net Position, Ending	<u>\$ 3,118,606</u>	<u>\$ 3,270,803</u>	<u>\$ 17,198,895</u>	<u>\$ 23,588,304</u>	<u>\$ 16,230</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater	Lady's Island	Hilton Head	Totals	Service Fund
	Utility	Airport	Airport		Garage
Cash Flows from Operating Activities:					
Cash Received from Customers and Users	\$ 5,395,870	\$ 534,448	\$ 1,002,783	\$ 6,933,101	\$ 893,056
Cash Paid to Employees	(2,219,347)	(137,466)	(1,097,476)	(3,454,289)	-
Cash Paid to Suppliers	(1,155,809)	(291,651)	(2,644,146)	(4,091,606)	(893,056)
Total Provided By (Used For) Operating Activities	2,020,714	105,331	(2,738,839)	(612,794)	-
Cash Flows from Noncapital Financing Activities:					
Operating Grant - TSA	-	-	65,440	65,440	-
Non-Operating Grant Expenses	-	(357,813)	(6,092,626)	(6,450,439)	-
Principal Payment on Note Payable	-	-	(153,445)	(153,445)	-
Interest Paid on Note Payable	-	-	(91,798)	(91,798)	-
Total Used For Noncapital Financing Activities	-	(357,813)	(6,272,429)	(6,630,242)	-
Cash Flows from Capital and Related Financing Activities:					
FAA Grants	-	246,928	9,069,752	9,316,680	-
SCAC Grants	-	13,718	451,835	465,553	-
Purchase of Capital Assets	(836,714)	(8,289)	(516,328)	(1,361,331)	-
Total Provided By (Used For) Capital and Related Activities	(836,714)	252,357	9,005,259	8,420,902	-
Cash Flows from Investing Activities:					
Interest Earned	8,576	125	6,009	14,710	-
Net Increase in Cash and Cash Equivalents	1,192,576	-	-	1,192,576	-
Cash and Cash Equivalents, July 1, 2015	2,515,285	250	200	2,515,735	-
Cash and Cash Equivalents, June 30, 2016	\$ 3,707,861	\$ 250	\$ 200	\$ 3,708,311	\$ -

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Garage
Reconciliation of Operating Income to Net Cash					
Flows Provided by (Used for) Operating Activities:					
Operating (Loss) Income	\$ 1,731,332	\$ (13,956)	\$ (507,177)	\$ 1,210,199	\$ (18,210)
Adjustments to Reconcile:					
Depreciation	177,626	61,190	564,792	803,608	17,514
Changes in Assets and Liabilities:					
Decrease (Increase) in Accounts Receivable	713	4,698	(635,701)	(630,290)	141,670
Decrease (Increase) in Inventories	(33,506)	22,117	-	(11,389)	-
Decrease in Other Current Assets	2,766	1,784	2,589	7,139	175
Increase (Decrease) in Accounts Payable	91,653	(49,921)	1,305,112	1,346,844	(141,149)
Increase (Decrease) in Due to General Fund	-	76,889	(3,478,522)	(3,401,633)	-
Increase (Decrease) in Accrued Payroll	12,613	935	7,560	21,108	-
Increase in Accrued Compensated Absences	(9,651)	277	(17,856)	(27,230)	-
Increase (Decrease) in pension deferred inflows/outflows and liability	47,168	1,318	20,364	68,850	-
	111,756	58,097	(2,796,454)	(2,626,601)	696
Net Cash Flow Provided by (Used for)					
Operating Activities	\$ 2,020,714	\$ 105,331	\$ (2,738,839)	\$ (612,794)	\$ -

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2016

ASSETS

Cash and Equity in Pooled Cash and Investments \$ 108,599,419

LIABILITIES

Due to Agency \$ 108,599,419

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. **Summary of Significant Accounting Policies**

The financial statements of Beaufort County, South Carolina, have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental 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.

Reporting Entity

Beaufort County operates under the Council/Administrator form of government with Council members elected for four-year terms from each of the eleven single-member districts. This report includes all funds of Beaufort County that are controlled by this governing body, and are considered to be the "reporting entity" known as Beaufort County.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund. The fiduciary fund financial statements are reported using *no 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. Property taxes are recognized as revenues in the year for which they are levied. 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.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies – Continued:

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The **general fund** is the government'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 **county wide general obligation bond fund** accounts for the expenditures of the bond proceeds of the bonds issued for various capital projects throughout the County.

The **sales tax projects fund** accounts for the expenditures of the 1% local sales tax referendum (2006) proceeds which are used for various capital projects throughout the County.

The **county road improvement programs fund** accounts for the expenditures of the state gasoline tax and the county motor vehicle maintenance fee revenues which are used for various road improvements throughout the County.

The County reports the following enterprise funds as major proprietary funds:

The **stormwater utility fund** is used to account for all revenue and expenses related to the County's Stormwater Utility operations.

The **Lady's Island Airport fund** is used to account for all revenue and expenses related to the County's Lady's Island Airport.

The **Hilton Head Island Airport fund** is used to account for all revenue and expenses related to the County's Hilton Head Island Airport.

The County's proprietary funds also include an **Internal Service Fund** to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County or to other governments, on a user charge basis. This fund include the County Garage, which accounts for the maintenance and repair of vehicles.

Additionally, the government reports the following non-major fund types:

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted or committed to expenditures for specified purposes other than debt service and capital projects.

Debt Service Funds

Debt service funds are used to account for the accumulation of restricted resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds

Capital projects funds are used to account for financial restricted resources to be used for the acquisition or construction of major capital facilities.

Agency Funds

The agency funds account for monies held on behalf of school districts, special districts, and other agencies that use the County as a depository or property taxes are collected on behalf of the other governments. These funds are custodial in nature and do not involve measurement of results of operations.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies – Continued:

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's garage function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amount 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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and *expenses* from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Net Position - Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net position invested in net capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restriction imposed by creditors, grantors, laws, or regulations of other governments. Net position invested in net capital assets was as follows:

	<u>Governmental</u>	<u>Business Type</u>
Net Capital Assets	\$ 512,239,210	\$ 28,123,049
Less: Current Portion of Long Term Debt	(18,157,063)	-
Long-Term Obligations	(201,277,559)	-
Add Deferred Charge on Refundings	4,755,142	-
	<u>\$ 297,559,730</u>	<u>\$ 28,123,049</u>

Deferred outflows/inflows of resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. These items include the deferred charge on refundings, contributions to the pension plan, pension earnings differences and pension experience differences. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Additionally, changes in net pension liability due to liability experience not included in pension expense and employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. *Unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and capital grant contributions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, changes in net pension liability due to actual versus projected investment earnings not included in pension expense are reported as deferred inflows of resources in the government-wide statement of net position.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies – Continued:

Net position flow assumption - Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Cash and cash equivalents – The County'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.

Equity in Pooled Cash and Investments - The County maintains a pooled cash and investment account for all funds for accounting and investment purposes. This gives the County the ability to invest idle cash for short periods of time and to earn the most favorable available rate of return. The "equity in pooled cash and investments" represents the amount of pooled cash and investments owned by each fund of the County. Certain individual funds may reflect a cash deficit, from time to time. These cash deficits are not considered an equity transfer since the transfer has not been approved by County Council and is considered to be temporary in nature.

Investments - Investments consist of certificates of deposit and repurchase agreements. With the majority of the County's investments maturing in less than 1 year, all investments are recorded at cost, which approximates fair value.

Receivables - All receivables are reported at their gross value and when appropriate, are reduced by the estimated portion that is uncollectible.

Inventories - Inventories consist of fuels and supplies (enterprise funds) and are stated at the lower of "first-in, first-out" cost or market.

Capital Assets - Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is calculated on the straight-line basis starting in the month of purchase/completion over the following estimated useful lives:

Buildings	25 Years
Improvements	25 Years
Infrastructure	25 Years
Equipment	5 - 10 Years

In lieu of annual depreciation, the County has elected to use the "modified approach" for its infrastructure assets within its Hilton Head Island Airport and its Lady's Island Airport, which consists of reporting as required supplemental information (RSI) the current assessed condition of the assets pursuant to its runway, taxiway, and apron management system and the estimated annual amounts to maintain and preserve such assets along with actual amounts expensed during the period.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies – Continued:

Long-Term Obligations – In the government-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as bond proceeds. Premiums received on debt issuances are reported as interest on investments while discounts and issuance costs are reported as interest and fees expenditures.

Compensated Absences – The County accrues compensated absences and associated employee-related costs when earned by the employee. The general fund is used to liquidate the liability for non-proprietary fund accrued compensated absences.

Due to and from Other Funds/Internal Balances – Interfund receivables and payables in the fund financial statements and internal balances in the government-wide financial statements arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Revenues – Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied.

Expenditures – Expenditures are recognized when the related fund liability is incurred.

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 County's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Budgets and Budgetary Accounting - The County uses GAAP as the basis for its budgeting and uses the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) The County Administrator submits to County Council, prior to June 1, proposed operating, special revenue, debt service, and capital improvement (CIP) budgets for the fiscal year commencing July 1. The operating, special revenue, debt service, and CIP budgets include proposed expenditures, revenues, and financing sources.
- (2) The Council requires such changes to be made as it deems necessary, provided the budget remains in balance and is subject to the notice of hearing requirements of Section 4-9-140 of the South Carolina Statutes.
- (3) Public hearings are held pursuant to Section 4-9-140 of the South Carolina Statutes in order for the Council to adopt the tentative and final budget.
- (4) Prior to July 1, the operating, special revenue, debt service and CIP budgets are legally enacted through passage of an ordinance setting forth anticipated revenues and appropriations by fund.
- (5) The County Administrator or his designee is authorized to transfer funds among operating accounts or among capital accounts within a department. All transfers over \$10,000 between departments and programs or between operating and capital accounts must be authorized by the Council in accordance with Section 4-9-140 of the South Carolina Statutes. In accordance with County Ordinance #2006/14, Section 12, amounts of \$10,000 or less can be approved by the Council Chairman and/or Council Finance Committee Chairman; transfers of \$5,000 or less can be approved by the County Administrator and/or his designee.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies – Continued:

- (6) Formal budgetary integration is employed as a measurement control device for all governmental funds of the County. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the department level.
- (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
- (8) Revenues in excess of the current budget ordinance may be expended as directed by the revenue source or for the purpose for which the funds were generated without further approval by County Council, as per Section 14 of County Ordinance #2006/14.

2. Cash and Equity in Pooled Cash and Investments

State Statute authorizes the County to invest in (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an "A" or better by Moody's Investors Service, Inc. and Standard and Poor's Corporation or their respective successors; (3) interest bearing accounts in financial institutions to the extent that same are insured by an agency of the Federal Government; (4) certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the Federal Government; (5) or deposit accounts with banking institutions insured and secured in the same manner. The Statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash.

A. Deposits

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2016, reported amount of the County's deposits was \$57.4 million and the bank balance was \$58.3 million. The \$58.3 million bank balance was covered by federal depository insurance or collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

B. Investments

Investment policy

All of the County's investments are presented at fair value. Securities are valued at the last reported sales price as provided by an independent pricing service. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned.

As of June 30, 2016, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities		
		Less than 1 year	More than 1 year but less than 5 years	More than 5 years
Certificates of Deposit	\$ 3,053,050	\$ 3,053,050	\$ -	\$ -
Money Market Funds	23,084,837	23,084,837	-	-
U.S. Government Agencies Securities	32,086,748	6,603,204	7,681,742	17,801,802
State of S.C. Treasurer's Investment Pool	116,118,038	116,118,038	-	-
Total Investments held in the County's name	<u>\$ 174,342,673</u>	<u>\$ 148,859,129</u>	<u>\$ 7,681,742</u>	<u>\$17,801,802</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

2. Cash and Equity in Pooled Cash and Investments – continued:

The County's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Money market mutual funds classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

	Fair Value as of	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	6/30/2016			
Certificates of Deposit	\$ 3,053,050	\$ 3,053,050	\$ -	\$ -
Money Market Funds	23,084,837	23,084,837	-	-
U.S. Government Agencies Securities	32,086,748	-	32,086,748	-
Total Investments by Fair Value Level	58,224,635	26,137,887	32,086,748	-
Investments Measured at the Net Asset Value (NAV)				
State of S.C. Treasurer's Investment Pool	116,118,038			
Total Investments at the NAV	116,118,038			
Total Investments held in the County's name	\$ 174,342,673			

B. Investments

The South Carolina Local Government Investment Pool ("State of S.C. Treasurer's Investment Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excel of current needs, which are under the custody of any county treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial Statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 2211-1950.

Custodial Credit Risk

Custodial Credit Risk for investments is the risk that in the event of a failure of the counterparty to a transaction, the County will not be able to recover the value of investments or collateral securities that are in possession of an outside party. The primary government's repurchase agreements are fully collateralized with U.S. Government Securities. The County's policy with respect to custodial credit risk is that all of the County's investments must be insured or collateralized.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

2. Cash and Equity in Pooled Cash and Investments – continued:

Credit Risk

As of June 30, 2016, the County's investments in U.S. Government Agencies Securities are rated Aaa by Moody's Investors. Statutes also allow the State Treasurer to assist local governments in investing funds. The State Treasurer also provides oversight for the State Treasurer's Investment Pool which is unrated, of which; the fair value of the County's investments is the same as the value of the pooled shares. The County's investment in the money market fund, repurchase agreement, and certificate of deposit are also unrated. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the County. The County's credit risk policy to mitigate the potential loss of principal is to purchase only high investment grade fixed-income securities. The County's repurchase agreements are fully collateralized by U.S. Government Securities and are not subject to credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The County's respective maturity dates are as noted above. The County does not have a policy with respect to interest rate risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The county does not have a policy for reducing this risk to any single issuer. As of June 30, 2016, the County had 66.6% of its investments invested with the State of S.C. Treasurer's investment pool and 33.4% with MorganStanley SmithBarney.

The County does not invest in foreign securities or have transactions with foreign currency, and as a result does not have a policy for foreign currency risk.

3. Receivables/Due from Other Governments/Note Receivable

All property taxes receivable are shown net of allowances for uncollectibles. The County considers all taxes to be collectible; therefore, no allowance for uncollectibles has been established.

The following details receivables -net by fund:

	General Fund	County Wide General Obligation Bonds	Sales Tax Projects	County Road Improvement Program	Nonmajor Governmental Funds
Property Tax Receivable	\$ 2,437,851	\$ 273,965	\$ -	\$ -	\$ 249,470
Licenses and Fees Receivable	-	-	-	-	232,746
Accounts Receivable - Other	754,690	-	-	-	29,080
	<u>\$ 3,192,541</u>	<u>\$ 273,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,296</u>
		Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Internal Service Fund - Garage
Licenses and Fees Receivable		\$ 117,236	\$ 28,167	\$ 2,149,522	\$ 206,149
		<u>\$ 117,236</u>	<u>\$ 28,167</u>	<u>\$ 2,149,522</u>	<u>\$ 206,149</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

3. Receivables/Due from Other Governments/Note Receivable- Continued:

The following details the due from other governments by fund as of June 30, 2016:

	General Fund	County Wide General Obligation Bonds	Sales Tax Projects	County Road Improvement Program	Nonmajor Governmental Funds
General Government Programs	\$ 1,455,561	\$ -	\$ -	\$ -	\$ 357,527
Public Safety Programs	-	-	-	-	224,775
Public Works Programs	-	-	-	176,715	-
Public Health Programs	-	-	-	-	147,670
Public Welfare Programs	-	-	-	-	142,280
Cultural & Recreational Programs	-	-	-	-	84,405
Capital Projects	-	-	5,773,485	-	114,930
	<u>\$ 1,455,561</u>	<u>\$ -</u>	<u>\$ 5,773,485</u>	<u>\$ 176,715</u>	<u>\$ 1,071,587</u>

In November 2006, the County issued \$17,500,000 in General Obligation bonds bearing interest rates of 3.5% to 8.0% and with varying maturities through 2026. The Technical College of the Lowcountry's portion of this bond is \$1,500,000.

The following reflects the future minimum payments receivable at June 30, 2016, under this note receivable:

Fiscal Year Ending	Amount
2017	\$ 117,054
2018	118,254
2019	119,282
2020	120,139
2021	120,825
2022-2026	605,839
Total Minimum Note Payments	1,201,393
Less Amount Representing Interest	(237,107)
Present Value of Minimum Note Payments	964,286
Less Current Portion	(77,143)
Long-Term Portion	<u>\$ 887,143</u>

Note Receivable from Hilton Head Airport Fund

In September 2007, the County issued a note for \$1,800,000 for the balance owed for the construction of hangars at the Hilton Head Island Airport. The note is payable in quarterly payments of \$24,185, including interest at 2.07% through June 2032.

Annual requirements to amortize the note receivable from Hilton Head Airport Fund outstanding at June 30, 2016, are as follows:

Fiscal Year Ending	Note Payable to Debt Service Fund	Principal	Interest
2017	\$ 96,741	\$ 70,067	\$ 26,674
2018	96,740	71,528	25,212
2019	96,740	73,020	23,720
2020	96,741	74,544	22,197
2021	96,741	76,099	20,642
2022-2026	483,702	404,979	78,723
2027-2031	483,703	449,021	34,682
2032	96,740	95,501	1,239
Total	<u>\$ 1,547,848</u>	<u>\$ 1,314,759</u>	<u>\$ 233,089</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

3. Receivables/Due from Other Governments/Note Receivable- Continued:

In November 2014, the County issued a note for \$2,260,000 for various capital projects at the Hilton Head Island Airport. The Federal Aviation Administration (FAA) provides grants that are 90% funded. The other 10% of project costs are provided by the South Carolina Aeronautical Commission (SCAC) and the Hilton Head Island Airport, 5% each. The proceeds from this note are intended to offset the Airport's share of costs for these projects. The note is payable in quarterly payments of \$37,125, including interest at 2.94% through December 2034.

Annual requirements to amortize the note receivable from Hilton Head Airport Fund outstanding at June 30, 2016, are as follows:

Fiscal Year Ending	Note Payable to Debt Service Fund	Principal	Interest
2017	\$ 148,502	\$ 87,331	\$ 61,171
2018	148,502	89,927	58,575
2019	148,502	92,600	55,902
2020	148,502	95,353	53,149
2021	148,502	98,187	50,315
2022-2026	742,510	536,490	206,020
2027-2031	742,510	621,111	121,399
2032-2035	519,757	492,194	27,563
Total	<u>\$ 2,747,287</u>	<u>\$ 2,113,193</u>	<u>\$ 634,094</u>

Interfund balances between the General Fund and the Proprietary Funds

As of June 30, 2016, the amount due to the General Fund from the Proprietary Funds was \$1,964,832. The amount due from the Lady's Island Airport and the Hilton Head Airport was \$462,627 and \$1,502,205, respectively.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

4. Capital Assets

Governmental Activities

	Balance June 30, 2015	Additions	Disposals or Transfers	Balance June 30, 2016
Capital Assets not Being Depreciated:				
Land	\$ 109,742,772	\$ 5,188,609	\$ -	\$ 114,931,381
Easements	17,791,915	268,012	-	18,059,927
Construction in Progress	118,994,985	34,796,199	29,632,912	124,158,272
Total Capital Assets not Being Depreciated	246,529,672	40,252,820	29,632,912	257,149,580
Other Capital Assets:				
Buildings & Improvements	189,093,755	1,225,990	135,950	190,183,795
Infrastructure	158,320,755	28,433,538	-	186,754,293
Equipment	76,280,870	4,395,844	2,336,234	78,340,480
Total Other Capital Assets	423,695,380	34,055,372	2,472,184	455,278,568
Less Accumulated Depreciation				
Accumulated Depreciation - Buildings & Improvements	85,624,088	6,809,754	83,836	92,350,006
Accumulated Depreciation - Infrastructure	35,853,978	7,524,549	-	43,378,527
Accumulated Depreciation - Equipment	61,119,446	5,649,884	2,308,925	64,460,405
Total Accumulated Depreciation	182,597,512	19,984,187	2,392,761	200,188,938
Other Capital Assets, Net	241,097,868	14,071,185	79,423	255,089,630
Governmental Activities Capital Assets, Net	\$ 487,627,540	\$ 54,324,005	\$ 29,712,335	\$ 512,239,210

For the capital assets of the governmental activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives of the assets, which range from five to twenty-five years. Depreciation expense for the year ended June 30, 2016 was \$19,984,187 and the accumulated depreciation as of June 30, 2016 was \$200,188,938.

The depreciation expense was allocated as follows:

General Government	\$ 3,316,334
Public Safety	4,595,970
Public Works	8,489,288
Public Health	641,041
Cultural and Recreation	2,941,554
Total	\$ 19,984,187

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

4. Capital Assets- Continued:

Business-Type Activities

	Balance June 30, 2015	Additions	Disposals or Transfers	Balance June 30, 2016
Capital Assets not Being Depreciated:				
Land	\$ 10,581,034	\$ 836,641	\$ -	\$ 11,417,675
Infrastructure	9,229,801	-	-	9,229,801
Construction in Progress	257,890	-	-	257,890
Total Capital Assets not Being Depreciated	20,068,725	836,641	-	20,905,366
Other Capital Assets:				
Buildings & Improvements	14,193,462	-	-	14,193,462
Equipment	5,177,577	524,690	-	5,702,267
Total Other Capital Assets	19,371,039	524,690	-	19,895,729
Less Accumulated Depreciation				
Accumulated Depreciation -				
Buildings & Improvements	7,845,490	559,987	-	8,405,477
Accumulated Depreciation -				
Equipment	4,028,948	243,621	-	4,272,569
Total Accumulated Depreciation	11,874,438	803,608	-	12,678,046
Other Capital Assets, Net	7,496,601	(278,918)	-	7,217,683
Business-Type Activities Capital Assets, Net	\$ 27,565,326	\$ 557,723	\$ -	\$ 28,123,049

For the capital assets of the business-type activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives of the assets, which range from five to twenty-five years. Depreciation expense for the year ended June 30, 2016 was \$803,608 and the accumulated depreciation as of June 30, 2016 was \$12,678,046.

The depreciation expense was allocated as follows:

Stormwater Utility	\$ 177,626
Lady's Island Airport	61,190
Hilton Head Airport	564,792
Total	\$ 803,608

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

5. Long-Term Obligations

	Governmental Activities
General Obligation Bonds	\$ 196,814,520
TIF Revenue Bonds	3,295,000
Mortgage	4,000,000
Capital Lease	1,432,527
Premiums	13,892,575
	\$ 219,434,622
Deferred Charge on Refundings	\$ 4,755,142

General Obligation Bonds

In September 2007, the County issued \$25,500,000 of general obligation bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2027. \$20,000,000 of the proceeds of these bonds was used for the County's rural and critical lands projects, as approved by referendum in November 2006, and the remaining \$5,500,000 of the proceeds of these bonds was used for the Buckwalter Parkway extension.

In October 2007, the County issued \$17,530,000 of general obligation refunding bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2020. These refunding bonds provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for most future debt service payments on the 2001 County Bonds. As a result, the refunded bonds were considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$809,915, as the transaction resulted in an economic gain of \$1,344,074. The 2001 County Bonds were fully retired during the 2011 fiscal year.

In March 2010, the County issued \$48,755,000 of general obligation bonds and Build America General Obligation Bonds bearing interest rates of 2.0% to 5.625% and with maturity dates through 2029. The proceeds of these bonds were used to pay off the related bond anticipation notes that were issued in March 2009. \$20,000,000 of the proceeds of the bond anticipation notes were used for the County's rural and critical lands projects and \$28,755,000 of the proceeds were used for various County projects.

In November 2010, the County issued \$8,125,000 of general obligation refunding bonds bearing interest rates of 2.0% to 4.0% and with varying maturity dates through 2022. The refunding bonds provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for most future debt service payments on the 2002 County Bonds. As a result, the refunded bonds are considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$547,943, as the transaction resulted in an economic gain of \$420,749.

In December 2011, the County issued \$10,000,000 of general obligation bonds bearing interest rates of 2.0% to 3.5% and with varying maturity dates through 2031. The proceeds of these bonds were used for the County's rural and critical lands projects, as approved by referendum in November 2006.

In January 2012, the County issued \$15,295,000 of general obligation refunding bonds bearing interest rates of 2.0% to 4.0% and with varying maturity dates through 2023. The refunding bonds provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for most future debt service payments on the 2003 County Bonds. As a result, the refunded bonds are considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$1,400,206, as the transaction resulted in an economic gain of \$2,196,519.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

5. Long Term Obligations – Continued:

In August 2012, the County issued \$25,185,000 of general obligation refunding bonds bearing interest rates of 2.0% to 5.0% and with varying maturity dates through 2025. The proceeds were used to advance refund \$27,050,000 of outstanding 2005 general obligation bonds which had interest rates ranging from 3.0% to 5.0%. The net proceeds of \$28,882,311 (including a \$3,938,020 premium and after payment of \$240,709 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the 2005 general obligation bonds are considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$1,832,311, as the transaction resulted in an economic gain of \$4,316,298.

In October 2012, the County issued \$6,000,000 of general obligation bonds through the United States Department of Agriculture bearing an interest rate of 3.5% and with varying maturity dates through 2052. The proceeds of these bonds were used for the County's St. Helena Library project.

In May 2013, the County issued \$7,580,000 of general obligation bonds bearing interest rates of 1.5% to 4.0% and with varying maturity dates through 2033. The proceeds of these bonds were used to pay off the related bond anticipation notes of \$2,500,000 and \$5,000,000 that were issued in May 2012 and October 2012, respectively.

In May 2013, the County issued \$25,000,000 of general obligation bonds bearing interest rates of 1.5% to 5.0% and with varying maturity dates through 2029. The proceeds of these bonds were used for the County's rural and critical land projects, as approved by referendum in November 2012.

In May 2013, the County issued \$33,150,000 of general obligation refunding bonds bearing interest rates of 1.5% to 5.0% and with varying maturity dates through 2026. The proceeds were used to advance refund \$11,250,000 and \$21,900,000 of outstanding 2006 and 2006B general obligation bonds which had interest rates ranging from 3.5% to 8.0% and 4.0% to 6.75%, respectively. The net proceeds of \$37,026,992 (including a \$4,174,601 premium and after payment of \$297,609 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the 2006 and 2006B general obligation bonds are considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$3,876,919, as the transaction resulted in an economic gain of \$2,013,870.

In November 2014, the County issued \$19,450,000 of general obligation bonds bearing interest rates of 2% to 5% and with varying maturity dates through 2034. The proceeds of these bonds will be used for various County and Hilton Head Island Airport capital projects.

In November 2014, the County issued \$22,570,000 of general obligation refunding bonds bearing interest rates of 2.5% to 4% and with varying maturity dates through 2029. The proceeds of these bonds will be used to advance refund the outstanding 2010B Build America General Obligation Bonds. The net proceeds of \$25,106,406 (including a \$2,246,455 premium after payment of \$289,951 in underwriting fees and other issuance costs) were deposited with an escrow agent to refund the bonds. As a result, the 2010B general obligation bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$225,674, as the transaction resulted in an economic gain of \$2,439,944.

In March 2016, the County issued \$17,950,000 of general obligation refunding bonds bearing interest rates of 2.0% to 4.0% and with varying maturity dates through 2027. The proceeds were used to advance refund \$18,375,000 of outstanding 2007 general obligation bonds which had interest rates ranging from 4.0% to 5.0%. The net proceeds of \$19,200,267 (including a \$1,312,194 premium and after payment of \$168,556 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the 2007 general obligation bonds are considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$716,723, as the transaction resulted in an economic gain of \$2,551,735.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

5. Long Term Obligations – Continued:

The 2006, 2006B, 2007, 2007B, 2010A, 2010C, 2011, 2012A, 2012C, 2012E, 2013A, 2013B, 2013C, 2014A, and 2014B general obligation bonds are collateralized by the full faith and credit of the County and are payable from ad valorem taxes.

General obligation bonds accounted for in the County's Statement of Net Position consist of the following at June 30, 2016:

Description	Rates	Dates	Maturity	Original Issue	Outstanding at June 30, 2016
2007 County Bonds	4.0% - 5.0%	3/1 and 9/1	2027	25,500,000	1,275,000
2007B County Bonds	4.0% - 5.0%	2/1 and 8/1	2020	17,530,000	8,395,000
2010A County Bonds	2.0% - 5.0%	3/1 and 9/1	2029	24,205,000	12,690,000
2010C County Bonds	2.0% - 4.0%	2/1 and 8/1	2022	8,125,000	5,655,000
2011 County Bonds	2.0% - 3.5%	3/1 and 9/1	2031	10,000,000	9,705,000
2012A County Bonds	2.0% - 4.0%	3/1 and 9/1	2023	15,295,000	11,235,000
2012C County Bonds	2.0% - 5.0%	2/1 and 8/1	2025	25,185,000	23,595,000
2012E County Bonds	3.5%	10/12	2052	6,000,000	5,779,520
2013A County Bonds	1.5% - 4.0%	5/1 and 11/1	2033	7,580,000	6,310,000
2013B County Bonds	1.5% - 4.0%	5/1 and 11/1	2029	25,000,000	20,870,000
2013C County Bonds	1.5% - 5.0%	3/1 and 9/1	2026	33,150,000	32,750,000
2014A County Bonds	2.0% - 5.0%	3/1 and 9/1	2034	19,450,000	18,035,000
2014B County Bonds	2.5% - 4.0%	3/1 and 9/1	2029	22,570,000	22,570,000
2016A County Bonds	2.0% - 4.0%	3/1 and 9/1	2027	17,950,000	17,950,000
				<u>\$ 257,540,000</u>	<u>\$ 196,814,520</u>

A schedule of the debt service requirements associated with the general obligation bonds is as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	\$ 14,318,697	\$ 7,168,449	\$ 21,487,146
2018	15,126,451	6,699,292	21,825,743
2019	15,694,302	6,167,391	21,861,693
2020	16,277,253	5,580,665	21,857,918
2021	17,235,306	4,932,962	22,168,268
2022-2026	77,101,214	14,574,726	91,675,940
2027-2031	28,840,285	4,789,468	33,629,753
2032-2036	8,667,012	1,143,395	9,810,407
Thereafter	3,554,000	1,222,660	4,776,660
Total	<u>\$ 196,814,520</u>	<u>\$ 52,279,008</u>	<u>\$ 249,093,528</u>

Total interest paid on bonds outstanding for the year ended June 30, 2016 was \$8,189,537.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

5. Long Term Obligations – Continued:

Tax Increment Financing Revenue Bonds

In January 2013, the County issued \$5,685,000 in Tax Increment Revenue Refunding Bonds for the Bluffton TIF District, bearing an interest rate of 1.42% and with varying maturities through 2019. The refunding bonds provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for most future debt service payments on the Bluffton TIF District. As a result, the refunded bonds are considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The transaction resulted in an economic gain of \$864,271.

Tax increment revenue bonds accounted for in the County's Statement of Net Position consist of the following at June 30, 2016:

Description	Rates	Dates	Maturity	Original Issue	Outstanding at June 30, 2016
Bluffton - County TIF Bonds	1.42%	2/1 and 8/1	2019	5,685,000	3,295,000
				<u>\$ 5,685,000</u>	<u>\$ 3,295,000</u>

A schedule of the debt service requirements associated with the tax increment financing revenue bonds is as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	885,000	46,789	931,789
2018	1,090,000	34,222	1,124,222
2019	1,320,000	18,744	1,338,744
Total	<u>\$ 3,295,000</u>	<u>\$ 99,755</u>	<u>\$ 3,394,755</u>

Total interest paid on bonds outstanding for the year ended June 30, 2016 as \$56,583.

For the payment of the principal and interest on the bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefore, the full faith, credit and taxing power of the County are irrevocably pledged and there shall be levied annually by the County auditor and collected by the County treasurer in the same manner as other County taxes are levied and collected, as tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the bonds as they respectively mature and to create such sinking fund as may be necessary therefore.

Mortgage

In September 2015, the County entered into a \$4,000,000 intergovernmental loan agreement with the South Carolina Public Service Authority to acquire land and design and construct a 40,000 square foot building located on property adjacent to property currently owned and utilized by the County. The initial interest rate on this mortgage is two (2%) percent, per year for the initial five (5) years. Each year thereafter for the remaining term of the mortgage, the interest rate for any outstanding principal balance will be the current interest rate in effect on ten (10) year U.S. Treasury Notes.

The mortgage accounted for in the County's Statement of Net Position consists of the following at June 30, 2016:

Description	Rates	Dates	Maturity	Original Issue	Outstanding at June 30, 2016
Mortgage	2.00%	9/15	2025	4,000,000	4,000,000
				<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>

A schedule of the debt service requirements associated with the mortgage is as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	-	80,000	80,000
2018	-	80,000	80,000
2019	-	80,000	80,000
2020	571,429	68,571	640,000
2021	571,429	57,143	628,572
2022-2026	2,857,142	-	2,857,142
Total	<u>\$ 4,000,000</u>	<u>\$ 365,714</u>	<u>\$ 4,365,714</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

5. Long Term Obligations – Continued:

Capital Lease Obligation

A capital lease is an agreement which specifies a transfer of benefits and risk of ownership to the lessee. At June 30, 2016, the County maintained a lease for a public safety computer system in governmental activities with an acquisition value of \$2,506,923. The future minimum lease payments are as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	358,132	-	358,132
2018	358,132	-	358,132
2019	358,132	-	358,132
2020	358,131	-	358,131
Total	<u>\$ 1,432,527</u>	<u>\$ -</u>	<u>\$ 1,432,527</u>

Amortization of leased equipment under capital leases is included with depreciation expense. The following is an analysis of capital assets leased under capital leases as of June 30, 2016.

	Governmental Funds
Equipment	\$ 2,506,923
Less, accumulated depreciation	(417,820)
Leased capital asset	<u>\$ 2,089,103</u>

Total Governmental Activities Debt

A schedule of the debt service requirements associated with the total governmental activities debt is as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	\$ 15,561,829	\$ 7,295,238	\$ 22,857,067
2018	16,574,583	6,813,514	23,388,097
2019	17,372,434	6,266,135	23,638,569
2020	17,206,813	5,649,236	22,856,049
2021	17,806,735	4,990,105	22,796,840
2022-2026	79,958,356	14,574,726	94,533,082
2027-2031	28,840,285	4,789,468	33,629,753
2032-2036	8,667,012	1,143,395	9,810,407
Thereafter	3,554,000	1,222,660	4,776,660
Total	<u>\$ 205,542,047</u>	<u>\$ 52,744,477</u>	<u>\$ 258,286,524</u>

Governmental Activities Changes in Long-Term Obligations

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016
General Obligation Bonds	\$ 210,665,556	\$ 17,950,000	\$ 31,801,036	\$ 196,814,520
TIF Revenue Bonds	3,990,000	-	695,000	3,295,000
Mortgage	-	4,000,000	-	4,000,000
Capital Lease	1,790,659	-	358,132	1,432,527
Premiums	15,276,197	1,312,194	2,695,816	13,892,575
Total	<u>\$ 231,722,412</u>	<u>\$ 23,262,194</u>	<u>\$ 35,549,984</u>	<u>\$ 219,434,622</u>

Current Portion of Long Term Obligations

The current portion of long term obligations is computed as follows:

General Obligation Bonds	\$ 14,318,697
TIF Revenue Bonds	885,000
Capital Lease	358,132
Premiums	2,595,234
	<u>\$ 18,157,063</u>

Deferred Charge on Refundings	<u>\$ 569,187</u>
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BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

6. Accrued Compensated Absences

The County considers accrued compensated absences to be reported as a current and long term liability. For governmental activities, compensated absences payable are liquidated by the general fund.

Governmental Activities Changes in Current and Long -Term Obligations

Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Amount Due in One Year
\$ 3,460,028	\$ 3,519,597	\$ 3,520,398	\$ 3,459,227	\$ 415,107

Business-Type Activities Changes in Current and Long -Term Obligations

Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Amount Due in One Year
\$ 141,807	\$ 141,318	\$ 168,548	\$ 114,577	\$ 13,749

7. Interfund Transfers

Interfund transfers (in/out) were used to move resources to/from other funds in accordance with budgetary authorizations, or other requirements. These transfers were permanent in nature and as such there are not any anticipated repayments. The following interfund transfers were made during the year ended June 30, 2016.

Recipient Fund	Transferring Fund	Amount
General Fund	Nonmajor Special Revenue Funds	1,259,505
Sales Tax Projects	Nonmajor Special Revenue Funds	1,069,243
Nonmajor Special Revenue Funds	General Fund	3,720,671
Nonmajor Special Revenue Funds	Nonmajor Special Revenue Funds	90,000
Nonmajor Capital Projects Fund	Nonmajor Capital Projects Fund	5,000
Nonmajor Debt Service Funds	Nonmajor Special Revenue Funds	2,614,733
		<u>\$ 8,759,152</u>

8. Operating Leases

The County leases certain office space and machinery and equipment under cancelable operating leases. Under the terms of the lease agreements, the County's obligation to continue rental obligations is contingent upon the continued appropriation of funds by the County for that purpose. Total rental expenses for the year ended June 30, 2016 were approximately \$110,000.

The following is a schedule of minimum commitments for operating lease payments:

Fiscal Year Ending	Amount
2017	\$ 87,148
2018	65,348
2019	32,680
2020	12
2021	12
2022-2027	54
Total	<u>\$ 185,254</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

9. Deferred Compensation Plans

All state and local government employees can participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, administered by the state public employee retirement system through a state approved nongovernmental third party, permits governmental employees to defer a portion of their salary until future years. The deferred compensation is not available to an employee until termination, retirement, death, or unforeseeable emergency. Contributions by employees under the 457 program totaled \$295,132 for the year ended June 30, 2016. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

County employees may participate in a 401(k) or a Roth 401(k) deferred compensation plans available to state and local governmental employees through the state public employee retirement system. The 401(k) and Roth 401(k) programs are administered by a state approved nongovernmental third party. Contributions by employees under the 401(k) and Roth 401(k) programs totaled \$653,945 and \$15,220, respectively, for the year ended June 30, 2016. There are no employer contributions made by the County to these plans. Participant account balances are not included in these financial statements.

10. Pension Plans

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (State Fiscal Accountability Authority effective July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

10. Pension Plans – continued:

Membership:

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- **SCRS** - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- **PORS** - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

- **SCRS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- **PORS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

10. Pension Plans – continued:

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

- Required **employee** contribution rates¹ are as follows:

<u>SCRS</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
Employee Class Two	8.16%	8.00%
Employee Class Three	8.16%	8.00%
 <u>PORS</u>		
Employee Class Two	8.74%	8.41%
Employee Class Three	8.74%	8.41%

- Required **employer** contribution rates¹ are as follows:

<u>SCRS</u>		
Employer Class Two	10.91%	10.75%
Employer Class Three	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
 <u>PORS</u>		
Employer Class Two	13.34%	13.01%
Employer Class Three	13.34%	13.01%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

Contributions to the SCRS and PORS pension plans from the County were \$3.9 million and \$2.6 million for the year ended June 30, 2016, respectively.

Net pension liability:

At June 30, 2016, the County reported liabilities of \$68,288,822 and \$31,872,585 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2014 projected forward to June 30, 2015. The County's proportionate shares of the net pension liabilities were based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the County's proportionate shares of the SCRS and PORS plans were 0.360069% and 1.46238%, which was the same as its proportionate shares of the net pension liabilities measured as of June 30, 2014, respectively.

Pension expense:

For the year ended June 30, 2016, the County recognized pension expense of the SCRS and PORS plans of \$4,631,410 and \$2,717,988, respectively.

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

10. Pension Plans (continued)

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to its pension liabilities from the following sources for each of the respective plans:

	SCRS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,213,259	\$ 122,122
Net difference between projected and actual earnings on pension plan investments	457,091	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,041,225
County Contributions subsequent to the measurement date	3,945,862	-
Total	\$ 5,616,212	\$ 1,163,347

	PORS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 631,718	\$ -
Net difference between projected and actual earnings on pension plan investments	348,740	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	454,550
County Contributions subsequent to the measurement date	2,623,438	-
Total	\$ 3,603,896	\$ 454,550

The \$3,945,862 and \$2,623,438 reported as deferred outflows of resources related to pensions resulting from County contributions paid subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2016 will be recognized as reduction of the net pension liabilities in the year ending June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

Year ended June 30,	SCRS	PORS
2017	\$ (36,726)	\$ (20,625)
2018	(36,726)	(20,625)
2019	(453,462)	(48,525)
2020	1,033,917	615,683

Actuarial assumptions and methods:

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

10. Pension Plans (continued)

Actuarial assumptions and methods (continued):

The June 30, 2015, total pension liability, net pension liability, and sensitivity information were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	0.075	0.075
Projected salary increases	3.5% to 12.5% (varies by service) ¹	4.0% to 10.0% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
¹ Includes inflation at 2.75%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuations for SCRS and PORS are as follows.

Former Job Class	Males	Females
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Pension plan fiduciary net position:

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2015, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension
SCRS	\$ 44,097,310,230	\$ 25,131,828,101	\$ 18,965,482,129	57.0%
PORS	6,151,321,222	3,971,824,838	2,179,496,384	64.6%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

10. Pension Plans (continued)

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014, actuarial valuations, was based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant, Aon Hewitt. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term:	5.0%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income:	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income:	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives:	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	<u>100.0%</u>		<u>6.00%</u>
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u><u>8.75%</u></u>

Discount rate:

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

10. Pension Plans (continued)

Sensitivity analysis:

The following table presents the County's proportionate share of the net pension liabilities of the respective plans calculated using the discount rate of 7.50 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 86,092,691	\$ 68,288,822	\$ 53,366,916
PORS	\$ 43,417,900	31,872,585	21,551,696

Additional Financial and Actuarial Information:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2015 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2015.

11. Other Post Employment Benefits (OPEB)

Plan Description

Resolution 2003-23 adopted November 10, 2003, by the County, provided employees, who retire under the requirements of the South Carolina Retirement System with a minimum of ten years of service with Beaufort County Council, may continue health insurance coverage for themselves and their dependents, who were on the policy prior the employees' retirement. Premium contributions were provided as the County paying 100% of the premium for those with 28 or more years of service, 75% of the premium for those with 20 years to 27 years of service and 50% of the premium for those with 15 years to 20 years of service. The plan is a single-employer defined benefit plan. On June 9, 2008, the County adopted Resolution 2008-9 and closed these benefits to all employees hired on or after June 1, 2008. As of June 30, 2016 there were 144 employees who had retired with the County and were receiving health insurance benefits. On March 23, 2015, Beaufort County Council adopted Resolution 2015-7 to terminate retirees' healthcare benefits effective July 1, 2016.

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the County. The required contribution is currently based on pay-as-you-go financing requirements.

Funded Status and Funding Progress

As of June 30, 2016, the plan was 0.0% funded and the actuarial accrued liability for benefits was determined to be zero due to termination of the benefit effective July 1, 2016. The liability is calculated as the estimated cash flows through the termination date. The change in accounting estimate caused by the decision to terminate benefits resulted in an increase in the change in net position for fiscal year 2016 and 2015 of \$1,392,000 and \$28,751,000, respectively, which is reported as a special item.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

12. Accrued Compensated Absences and Other Benefits

Effective February 15, 1993, Beaufort County adopted a new leave policy for all employees. The TOWP/SCA policy was replaced with a policy granting Personal Leave Days and Personal Disability Leave. Under the new policy, employees were entitled to a maximum Personal Leave balance of 280 hours. Upon termination, employees will be paid for all unused, unpaid Personal Leave up to this maximum. The liability recorded at June 30, 2016, to cover unused, unpaid Personal Leave including fringe benefits totaled \$3,573,804.

The County reports \$415,107 as a current liability and \$3,044,120 as a long-term liability for governmental activities, while \$13,749 as a current liability and \$100,828 as a long-term liability for business-type activities.

All leave hours accrued in excess of this Personal Leave maximum were accrued to the employee's Personal Disability leave account. A maximum of 360 hours may be maintained in an employee's Personal Disability leave account. The only accrual to this balance occurs when an employee's Personal Leave account exceeds 280 hours, at which time excess hours are "rolled over" to the Personal Disability leave account. Personal Disability leave is to be used in the case of an extended or life threatening illness. This account can only be used once all accrued hours in the Personal Leave account have been used to a balance of 80 hours or less. The employee must present a doctor's statement verifying the disability or illness in order to utilize his/her Personal Disability leave. Employees with remaining SCA leave balances may retain those balances. The same rules governing the use of Personal Disability leave apply to the use of SCA leave. Upon termination of employment with Beaufort County, no payment for any unused SCA or Personal Disability leave will be made.

The County does not provide postemployment health care benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

13. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2016, fund balances for government funds are made up of the following:

- Nonspendable Fund Balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.
- Committed Fund Balance includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, County Council. Commitments may be changed or lifted only by the County taking the same formal action that imposes the constraint originally.
- Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. County Council has by resolution authorized the County Administrator to assign fund balance. County Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned Fund Balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Beaufort County Council is the County’s highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

The County considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned, or unassigned amounts could be used, the County considers expenditures to be used in this respective order.

The County has established a General Fund fund balance policy, through Ordinance No. 2014/6, that requires the maintenance of a fund balance of at least 30% of the total General Fund expenditures of the previous fiscal year as an unassigned General Fund fund balance.

The County has established a Debt Service Fund fund balance policy, through Ordinance No. 2014/7, that requires the maintenance of a fund balance that covers the County’s interest payments, occurring on August 1st and September 1st of every fiscal year.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

13. Fund Balances – Continued

Fund balances for all the major and nonmajor funds as of June 30, 2016, were distributed as follows:

	General Fund	County Wide General Obligation Bonds	Sales Tax Projects	County Road Improvement Program	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepaid Items	\$ 1,198,811	\$ -	\$ -	\$ -	\$ 72,968	\$ 1,271,779
	<u>1,198,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,968</u>	<u>1,271,779</u>
Restricted:						
General Government Grants	-	-	-	-	11,962,784	11,962,784
Public Safety Grants	-	-	-	-	5,329,127	5,329,127
Public Works Grants	-	-	-	-	5,979,655	5,979,655
Public Health Grants	-	-	-	-	2,190,061	2,190,061
Public Welfare Grants	-	-	-	-	24,203	24,203
Cultural & Recreation Grants	-	-	-	-	5,119,109	5,119,109
Capital Projects	-	-	6,832,718	12,883,990	21,106,926	40,823,634
Debt Service	-	11,529,177	-	-	4,187,611	15,716,788
	<u>-</u>	<u>11,529,177</u>	<u>6,832,718</u>	<u>12,883,990</u>	<u>55,899,476</u>	<u>87,145,361</u>
Committed:						
Parks and Leisure Capital Program	-	-	-	-	94,911	94,911
Public Safety Special Equipment	72,172	-	-	-	-	72,172
Parks and Leisure Infrastructure Improvements	48,143	-	-	-	-	48,143
General Government Facility Improvements	127,192	-	-	-	-	127,192
	<u>247,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,911</u>	<u>342,418</u>
Assigned:						
General Government	325,000	-	-	-	-	325,000
Parks and Leisure Special Events	127,883	-	-	-	-	127,883
	<u>452,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,883</u>
Unassigned	<u>26,653,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,653,761</u>
	<u>\$ 28,552,962</u>	<u>\$ 11,529,177</u>	<u>\$ 6,832,718</u>	<u>\$ 12,883,990</u>	<u>\$ 56,067,355</u>	<u>\$ 115,866,202</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

14. Commitments and Contingencies

Arbitrage rules - State and local bonds issued after 1984 are subject to arbitrage restrictions as enacted by the Federal Government. To retain the bonds' tax exempt status, local governments must comply with the regulations as adopted by the government and expend all of the bond proceeds within designated periods which could be up to three years. The County believes it is in compliance with all arbitrage rules.

As of June 30, 2016, the County has outstanding construction contracts of \$31,840,140.

15. Risk Management and Litigation

The County is exposed to various risks of losses related to torts; thefts of; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County manages risk through employee educational and prevention programs and through the purchase of casualty and liability insurance. All risk management activities are accounted for in the General Fund.

For all of these risks, the County is a member of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to the State Insurance Reserve Fund for its insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

The County is a party to several lawsuits which seek to recover property taxes paid under protest and to overturn property sold at "tax sales." The County's attorney estimates that the amount of actual or potential claims against the County at June 30, 2016 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

The County is a party to a lawsuit regarding the termination of other post-employment healthcare insurance coverage for which management cannot determine the outcome. Therefore, there is no provision provided in the financial statements.

The County has not significantly reduced insurance coverage from the previous year nor has it settled claims in excess of insurance coverage for the last three years that were material.

16. Prior Period Adjustments

The County found that its general obligation bond premiums were overstated by \$2,210,762, as the premiums were being amortized using the straight line method versus the effective interest rate method. As a result of the prior period adjustment the prior year's government-wide liabilities were overstated and net position was understated in the amount of \$2,210,762, as reflected on Exhibit 2 on page 26.

17. Subsequent Event

In preparing the comprehensive annual financial report (CAFR) for the fiscal period ending June 30, 2016, the County evaluated events and transactions for potential recognition or disclosure through June 30, 2017.

In October 2016, the County experienced damages from Hurricane Matthew. The County has been declared a federal disaster area. The County has estimated the total cost of the response to be approximately \$45 million. The County has worked closely with the Federal Emergency Management Association (FEMA) throughout the response, and has applied for relief through federal disaster funds through FEMA and other agencies. The County also plans on submitting to the State of South Carolina requests for relief through State funds. The funds are for debris removal, emergency response, mosquito control and other activities related to the storm. At the time of publication, the County has spent approximately \$32.7 million to date and its potential share is estimated at less than \$10 million after federal and state agencies anticipated reimbursements. The County issued a \$30 million Bond Anticipation Note (BAN) on June 29, 2017, to allow for short-term cash flow until expected reimbursements are received during calendar year 2017. The County anticipates receiving substantially full reimbursement from federal and state agencies, therefore allowing the BAN to be defeased as of June 30, 2018.

Required Supplementary Information

BEAUFORT COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 MODIFIED APPROACH FOR AIRPORT INFRASTRUCTURE ASSETS
 June 30, 2016

Beaufort County's airports infrastructure assets consist of approximately 25% airport runways, 25% airport taxiways, and 50% airport aprons. The condition of the runways, taxiways, and aprons is measured using several distress factors found in pavement surfaces. The airports' pavement management system uses a measurement scale that is based on a condition index. For the Lady's Island Airport, the South Carolina Aeronautics Commission (SCAC) condition scale is used to classify runways, taxiways, and aprons. The SCAC condition scale is as follows: good or better condition (70 - 100), fair condition (50 - 69), and substandard condition (less than 50). For the Hilton Head Island Airport, the Federal Aviation Administration (FAA) condition scale is used to classify runways, taxiways, and aprons. The FAA condition scale is as follows: excellent condition (5), good condition (4), fair condition (3), poor condition (2), and failed condition (1). It is the County's policy to maintain the runways, taxiways, and aprons at a fair condition or better. Condition assessments are determined every year by the County at both airports, the SCAC at the Lady's Island Airport, and the FAA at the Hilton Head Island Airport. The County's runways, taxiways, and aprons have an estimated useful life, without resurfacing, of 25 years. Due to the strong safety concerns of airplanes landing, taking off, and taxiing on these surfaces, all surfaces are repaired immediately if and when there is a need for such repairs.

Actual maintenance of runways, taxiways, and aprons involves scraping and providing improved surface materials on an as needed basis or filling cracks within the pavement on an as needed basis.

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Percent of Runways in Fair or Better Condition	100%	100%	100%
Percent of Taxiways in Fair or Better Condition	100%	100%	100%
Percent of Aprons in Fair or Better Condition	100%	100%	100%
Percent of Annual Resurfacing of Runways Completed	0%	0%	0%
Percent of Annual Resurfacing of Taxiways Completed	0%	0%	0%
Percent of Annual Resurfacing of Aprons Completed	0%	0%	0%

The County estimates maintenance expense in the amount of \$650,000 to be incurred every five (5) years for paving costs in order to maintain and preserve at (or above) the condition level established and disclosed above. The County adopted the modified approach for its airport infrastructure assets in fiscal year 2011. There were no actual maintenance and preservation costs for fiscal years 2011, 2012, 2013, 2014 and 2015.

During Fiscal Year 2016, the Hilton Head Island Airport expended \$4.3 million related to the relocation of taxiway A and replacement of the general aviation (GA) ramp in preparation for the runway extension project. The County anticipates that the runways, taxiways and aprons will be preserved as part of the runway extension project.

BEAUFORT COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY*
 June 30, 2016

SCRS

	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered employee payroll	County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position of the total pension liability
6/30/2016	0.36%	68,288,822	35,676,873	191.41%	57.00%
6/30/2015	0.37%	63,288,017	33,748,936	187.53%	59.90%

PORS

	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered employee payroll	County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position of the total pension liability
6/30/2016	1.46%	31,872,585	19,093,405	166.93%	64.60%
6/30/2015	1.49%	28,534,997	17,973,748	158.76%	67.50%

*Note: Information is obtained from South Carolina Retirement System Annual Report. The pension schedules are intended to show information for ten (10) years. Additional years will be reported as they become available.

BEAUFORT COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS TO THE SOUTH CAROLINA RETIREMENT SYSTEM -
 LAST 10 FISCAL YEARS
 June 30, 2016

SCRS

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered- employee payroll	Contributions as a percentage of covered- employee payroll
6/30/2016	3,945,862	(3,945,862)	-	35,676,873	11.06%
6/30/2015	3,678,639	(3,678,639)	-	33,748,936	10.90%
6/30/2014	3,521,847	(3,521,847)	-	33,224,943	10.60%
6/30/2013	3,469,387	(3,469,387)	-	32,729,330	10.60%
6/30/2012	3,047,691	(3,047,691)	-	31,963,087	9.54%
6/30/2011	3,232,140	(3,232,140)	-	34,421,016	9.39%
6/30/2010	3,224,101	(3,224,101)	-	34,335,421	9.39%
6/30/2009	3,211,502	(3,211,502)	-	34,201,255	9.39%
6/30/2008	2,922,132	(2,922,132)	-	31,727,748	9.21%
6/30/2007	2,277,189	(2,277,189)	-	27,769,529	8.20%

PORS

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered- employee payroll	Contributions as a percentage of covered- employee payroll
6/30/2016	2,623,439	(2,623,439)	-	19,093,405	13.74%
6/30/2015	2,410,279	(2,410,279)	-	17,973,748	13.41%
6/30/2014	2,319,796	(2,319,796)	-	18,066,959	12.84%
6/30/2013	2,190,358	(2,190,358)	-	17,807,781	12.30%
6/30/2012	2,056,075	(2,056,075)	-	17,479,163	11.76%
6/30/2011	2,049,754	(2,049,754)	-	17,777,568	11.53%
6/30/2010	1,870,440	(1,870,440)	-	16,927,063	11.05%
6/30/2009	1,825,061	(1,825,061)	-	16,516,394	11.05%
6/30/2008	1,609,117	(1,609,117)	-	15,038,476	10.70%
6/30/2007	1,515,803	(1,515,803)	-	14,166,392	10.70%

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance from
	Original	Final		Final Budget
				Positive / (Negative)
Revenues				
Property Taxes				
Current Taxes	\$ 75,795,180	\$ 75,795,180	\$ 74,053,088	\$ (1,742,092)
Delinquent Taxes	2,900,000	2,900,000	2,734,381	(165,619)
Automobile Taxes	4,200,000	4,200,000	5,489,508	1,289,508
Penalties	1,300,000	1,300,000	1,091,211	(208,789)
Total Property Taxes	<u>84,195,180</u>	<u>84,195,180</u>	<u>83,368,188</u>	<u>(826,992)</u>
Licenses and Permits				
Business Licenses	1,620,000	1,620,000	1,380,177	(239,823)
Building Permits	773,800	773,800	1,005,470	231,670
Cable Franchise Fees	450,000	450,000	379,244	(70,756)
Marriage Licenses	90,000	90,000	83,130	(6,870)
Other Licenses and Permits	95,200	95,200	73,430	(21,770)
Total Licenses and Permits	<u>3,029,000</u>	<u>3,029,000</u>	<u>2,921,451</u>	<u>342,174</u>
Intergovernmental				
State Aid to Subdivisions	6,000,000	6,000,000	6,015,503	15,503
Homestead Exemption	1,462,233	1,462,233	1,657,227	194,994
Merchants' Inventory Tax	186,308	186,308	186,309	1
Manufacturers Tax	36,000	36,000	-	(36,000)
Motor Carrier Tax	60,000	60,000	127,114	67,114
Payments in Lieu of Taxes	85,000	85,000	69,088	(15,912)
Veterans Office Stipend	4,000	4,000	5,202	1,202
Registration and Election	3,000	3,000	8,532	5,532
Salary Supplements	7,875	7,875	7,875	-
Local Traffic Signal Maintenance	20,000	20,000	25,000	5,000
Pollution Control Penalties	1,000	1,000	5,887	4,887
Total Intergovernmental	<u>7,865,416</u>	<u>7,865,416</u>	<u>8,107,737</u>	<u>242,321</u>
Charges for Services				
Register of Deeds Fees	3,020,000	3,020,000	3,842,707	822,707
Sheriff's Service Contracts and Fees	2,700,000	2,700,000	2,859,454	159,454
Emergency Medical Service Fees	2,004,000	2,004,000	2,783,402	779,402
Court Support Services	1,698,126	1,698,126	1,686,256	(11,870)
Recreation Fees	554,408	554,408	451,657	(102,751)
Administrative Services	368,181	368,181	299,169	(69,012)
DSO / Rezoning / CRB Fees	50,000	50,000	71,185	21,185
Solid Waste Disposal Fees	5,000	5,000	7,350	2,350
Animal Shelter Fees	3,000	3,000	-	(3,000)
Total Charges for Services	<u>10,402,715</u>	<u>10,402,715</u>	<u>12,001,180</u>	<u>1,598,465</u>
Fines and Forfeitures				
Clerk of Court Fines	11,300	11,300	8,528	(2,772)
Bond Escreatment	55,000	55,000	7,107	(47,893)
Magistrates' Court Fines	607,700	607,700	682,084	74,384
Library Fines	75,000	75,000	97,067	22,067
Forfeitures	1,000	1,000	1,467	467
Total Fines and Forfeitures	<u>750,000</u>	<u>750,000</u>	<u>796,253</u>	<u>46,253</u>
Interest earned on investments	52,805	52,805	68,823	16,018
Miscellaneous				
Rental of County Property	78,000	78,000	141,175	63,175
Sale of County Property	121,136	121,136	253,100	131,964
Miscellaneous	52,000	52,000	127,074	75,074
Total Miscellaneous	<u>251,136</u>	<u>251,136</u>	<u>521,349</u>	<u>270,213</u>
Total Revenues	<u>106,546,252</u>	<u>106,546,252</u>	<u>107,784,981</u>	<u>1,238,729</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance from
	Original	Final		Final Budget
				Positive / (Negative)
Expenditures				
General Government				
Elected and State Appointed Officials				
Magistrates Court	1,888,596	1,888,596	1,876,392	12,204
Clerk of Court & Family Court	1,081,865	1,131,865	1,093,453	38,412
Treasurer	1,088,802	1,088,802	1,224,079	(135,277)
Solicitor	1,060,000	1,245,000	1,245,000	-
Probate Court	753,821	753,821	744,885	8,936
County Council	621,909	621,909	695,121	(73,212)
Auditor	577,912	782,502	603,741	178,761
Coroner	451,946	451,946	431,908	20,038
Master in Equity	306,894	306,894	265,827	41,067
Department of Social Services	147,349	147,349	79,306	68,043
Legislative Delegation	74,874	74,874	41,653	33,221
Total Elected and State Appointed Officials	8,053,968	8,493,558	8,301,365	192,193
Administrative Services				
County Administrator	860,978	860,978	653,757	207,221
Communications and Accountability	321,283	321,283	193,985	127,298
Broadcast Services	305,446	290,446	288,479	1,967
County Attorney	453,494	453,494	447,962	5,532
Finance, Risk Management & Purchasing	1,001,994	1,001,994	978,331	23,663
Assessor	1,988,020	1,978,020	1,976,176	1,844
Register of Deeds	504,968	464,968	464,728	240
Zoning and Development	180,678	180,678	175,608	5,070
Planning and Comprehensive Plan	603,049	603,049	446,195	156,854
Business License	49,359	49,359	48,632	727
Voter Registration and Elections	662,575	662,575	757,853	(95,278)
Management and Geographical Information Systems	3,080,601	2,980,601	2,988,377	(7,776)
Records Management	358,986	358,986	271,668	87,318
Employee Services	989,543	989,543	1,012,521	(22,978)
Nondepartmental	13,208,229	13,208,229	12,730,623	477,606
Total Administrative Services	24,569,203	24,404,203	23,434,895	969,308
Economic and Regional Development				
Lowcountry Council of Governments	118,882	118,882	97,340	21,542
Economic Development	90,000	90,000	47,171	42,829
Small Business Center	25,000	25,000	25,000	-
Total Economic and Regional Development	233,882	233,882	169,511	64,371
Total General Government Services	32,857,053	33,131,643	31,905,771	1,225,872
Public Safety Services				
Sheriff's Office	\$ 21,454,424	\$ 22,232,107	\$ 22,167,073	\$ 65,034
Emergency and Traffic Management	7,268,854	6,436,125	6,353,285	82,840
Emergency Medical Services	5,889,552	5,889,552	6,276,227	(386,675)
Detention Center	5,335,322	5,335,322	5,646,746	(311,424)
Building Codes and Enforcement	984,098	946,139	918,936	27,203
Animal Services	775,694	775,694	799,635	(23,941)
Traffic and Transportation Engineering	569,282	569,191	492,337	76,854
Total Public Safety Services	42,277,226	42,184,130	42,654,239	(470,109)

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance from Final Budget Positive / (Negative)
	Original	Final		
Public Works Services				
Public Works General Support	\$ 2,193,198	\$ 2,200,198	\$ 2,185,173	\$ 15,025
Engineering	352,058	352,058	332,557	19,501
Facilities Maintenance	5,283,106	5,283,106	5,089,674	193,432
Solid Waste and Recycling	5,810,767	5,803,767	5,653,199	150,568
Total Public Works Services	<u>13,639,129</u>	<u>13,639,129</u>	<u>13,260,603</u>	<u>378,526</u>
Public Health Services				
Mosquito Control	1,465,192	1,341,357	1,289,043	52,314
Medical Indigent Act Contributions	1,081,000	1,081,000	1,081,000	-
Total Public Health Services	<u>2,546,192</u>	<u>2,422,357</u>	<u>2,370,043</u>	<u>52,314</u>
Public Welfare Services				
Veterans Affairs Office	153,905	153,905	155,883	(1,978)
Human Services Alliance	598,000	598,000	582,640	15,360
HUD Home Consortium	56,000	56,000	56,000	-
Total Public Welfare Services	<u>807,905</u>	<u>807,905</u>	<u>794,523</u>	<u>13,382</u>
Cultural and Recreation Services				
Parks and Leisure Services	3,106,370	2,926,370	2,890,245	36,125
Libraries	3,434,916	3,434,916	3,360,930	73,986
Education Allocation	4,000,000	4,000,000	4,000,000	-
Total Cultural and Recreation Services	<u>10,541,286</u>	<u>10,361,286</u>	<u>10,251,175</u>	<u>110,111</u>
Capital Outlay	<u>1,628,397</u>	<u>2,260,328</u>	<u>2,228,882</u>	<u>31,446</u>
Total Expenditures	<u>104,297,188</u>	<u>104,806,778</u>	<u>103,465,236</u>	<u>1,341,542</u>
EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES	<u>2,249,064</u>	<u>1,739,474</u>	<u>4,319,745</u>	<u>(2,580,271)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,268,750	1,268,750	1,259,505	9,245
Transfers out	(3,517,814)	(3,702,814)	(3,720,671)	17,857
Total Other Financing Sources (Uses)	<u>(2,249,064)</u>	<u>(2,434,064)</u>	<u>(2,461,166)</u>	<u>27,102</u>
Net Change in Fund Balance	-	(694,590)	1,858,579	(2,553,169)
Fund Balance - beginning	<u>26,694,383</u>	<u>26,694,383</u>	<u>26,694,383</u>	<u>-</u>
Fund Balance - ending	<u>\$ 26,694,383</u>	<u>\$ 25,999,793</u>	<u>\$ 28,552,962</u>	<u>\$ (2,553,169)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL - COUNTY WIDE GENERAL OBLIGATION BONDS
 For the Year Ended June 30, 2016

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 9,553,392	\$ 9,311,633	\$ (241,759)
Intergovernmental	223,899	241,373	17,474
Interest	<u>121,000</u>	<u>154,916</u>	<u>33,916</u>
Total Revenues	<u>9,898,291</u>	<u>9,707,922</u>	<u>(190,369)</u>
Expenditures			
Debt Service - Principal	6,594,137	6,594,137	-
Debt Service - Interest and Fees	<u>3,659,219</u>	<u>3,564,899</u>	<u>94,320</u>
Total Debt Service Expenditures	<u>10,253,356</u>	<u>10,159,036</u>	<u>94,320</u>
Excess of Revenues Over (Under) Expenditures	(355,065)	(451,114)	(96,049)
Other Financing Sources (Uses)			
Refunding Bond Proceeds	19,650,000	17,950,000	(1,700,000)
Payments to Refunding Debt Escrow Agent	(21,200,000)	(19,091,723)	2,108,277
Bond Premiums	<u>1,850,000</u>	<u>1,312,194</u>	<u>(537,806)</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>170,471</u>	<u>(129,529)</u>
Net Change in Fund Balance	(55,065)	(280,643)	(225,578)
Fund Balance - beginning	<u>11,809,820</u>	<u>11,809,820</u>	<u>-</u>
Fund Balance - ending	<u>\$ 11,754,755</u>	<u>\$ 11,529,177</u>	<u>\$ (225,578)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL - 2006 SALES TAX PROJECTS
 For the Year Ended June 30, 2016

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 16,591,969	\$ 5,049,683	\$ (11,542,286)
Interest	-	48,302	48,302
Miscellaneous	-	25,000	25,000
Total Revenues	<u>16,591,969</u>	<u>5,122,985</u>	<u>(11,468,984)</u>
Expenditures			
Capital Projects	<u>39,775,354</u>	<u>21,472,651</u>	<u>18,302,703</u>
Excess (deficiency) of Revenues Over Expenditures	(23,183,385)	(16,349,666)	6,833,719
Other Financing Sources (Uses)			
Transfers In	2,103,943	1,069,243	(1,034,700)
Transfers Out	<u>(1,033,699)</u>	-	<u>1,033,699</u>
Total Other Financing Sources (Uses)	<u>1,070,244</u>	<u>1,069,243</u>	<u>(1,001)</u>
Net Change in Fund Balance	(22,113,141)	(15,280,423)	6,832,718
Fund Balance - beginning	<u>22,113,141</u>	<u>22,113,141</u>	-
Fund Balance - ending	<u>\$ -</u>	<u>\$ 6,832,718</u>	<u>\$ 6,832,718</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL - COUNTY ROAD IMPROVEMENT PROGRAM
 For the Year Ended June 30, 2016

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 8,000,000	\$ 7,659,616	\$ (340,384)
Charges for Services	1,550,000	2,294,671	744,671
Interest	8,000	42,190	34,190
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total Revenues	<u>9,578,000</u>	<u>10,016,477</u>	<u>438,477</u>
Expenditures			
Public Works			
Personnel	34,559	41,326	(6,767)
Purchased Services	211,501	182,769	28,732
Supplies	1,111,000	62,236	1,048,764
Debt Service - Principal	279,443	279,443	-
Debt Service - Interest and Fees	93,687	93,687	-
Capital	<u>7,847,810</u>	<u>2,569,670</u>	<u>5,278,140</u>
Total Expenditures	<u>9,578,000</u>	<u>3,229,131</u>	<u>6,348,869</u>
Net Change in Fund Balance	-	6,787,346	6,787,346
Fund Balance - beginning	<u>6,096,644</u>	<u>6,096,644</u>	<u>-</u>
Fund Balance - ending	<u>\$ 6,096,644</u>	<u>\$ 12,883,990</u>	<u>\$ 6,787,346</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Equity in Pooled Cash and Investments	\$ 32,157,356	\$ 4,187,611	\$ 22,321,320	\$ 58,666,287
Receivables, Net	477,632	4,914	28,750	511,296
Due from Other Governments	956,657	-	114,930	1,071,587
Notes Receivable	-	-	-	-
Prepaid Items	72,968	-	-	72,968
Total Assets	<u>\$ 33,664,613</u>	<u>\$ 4,192,525</u>	<u>\$ 22,465,000</u>	<u>\$ 60,322,138</u>
LIABILITIES				
Accounts Payable	\$ 1,819,337	\$ -	\$ 1,358,074	\$ 3,177,411
Accrued Payroll	327,066	-	-	327,066
Due to Others	577,893	-	-	577,893
Total Liabilities	<u>2,724,296</u>	<u>-</u>	<u>1,358,074</u>	<u>4,082,370</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	167,500	4,914	-	172,414
Total deferred inflows of resources	<u>167,500</u>	<u>4,914</u>	<u>-</u>	<u>172,414</u>
FUND BALANCE				
Nonspendable	72,968	-	-	72,968
Restricted	30,604,939	4,187,611	21,106,926	55,899,476
Committed	94,911	-	-	94,911
Total Fund Balance	<u>30,772,818</u>	<u>4,187,611</u>	<u>21,106,926</u>	<u>56,067,355</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,664,614</u>	<u>\$ 4,192,525</u>	<u>\$ 22,465,000</u>	<u>\$ 60,322,139</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Special Revenue Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 8,435,095	\$ 8,322,109	\$ (112,986)
Licenses and Permits	9,930,500	9,734,407	(196,093)
Intergovernmental	12,455,961	11,641,729	(814,232)
Charge for Services	2,548,977	3,435,440	886,463
Fines and Forfeitures	255,200	548,170	292,970
Interest	8,650	67,141	58,491
Miscellaneous	<u>1,051,588</u>	<u>1,239,458</u>	<u>187,870</u>
Total Revenues	<u>34,685,971</u>	<u>34,988,454</u>	<u>302,483</u>
Expenditures			
General Government	5,169,813	5,220,758	(50,945)
Public Safety	2,724,976	2,929,260	(204,284)
Public Works	524,209	70,719	453,490
Public Health	9,297,382	9,117,856	179,526
Public Welfare	1,698,464	1,314,172	384,292
Cultural and Recreation	1,193,615	695,144	498,471
Capital Projects	<u>1,450,916</u>	<u>2,327,956</u>	<u>(877,040)</u>
Total Expenditures	<u>22,059,375</u>	<u>21,675,865</u>	<u>383,510</u>
Excess (deficiency) of revenues over expenditures	12,626,596	13,312,589	685,993
Other Financing Sources (Uses)			
Debt Service - Principal	(4,961,464)	(4,961,464)	-
Debt Service - Interest and Fees	(3,693,093)	(3,704,858)	(11,765)
Transfers In	3,585,671	3,810,671	225,000
Transfers Out	<u>(5,002,726)</u>	<u>(5,033,481)</u>	<u>(30,755)</u>
Total Other Financing Sources (Uses)	<u>(10,071,612)</u>	<u>(9,889,132)</u>	<u>182,480</u>
Net Change in Fund Balance	2,554,984	3,423,457	868,473
Fund Balance - beginning	<u>27,349,361</u>	<u>27,349,361</u>	<u>-</u>
Fund Balance - ending	<u>\$ 29,904,345</u>	<u>\$ 30,772,818</u>	<u>\$ 868,473</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Debt Service Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 550,000	\$ 597,354	\$ 47,354
Interest	1,500	8,987	7,487
Total Revenues	<u>551,500</u>	<u>606,341</u>	<u>54,841</u>
Expenditures			
Debt Service - Principal	2,285,994	2,285,994	-
Debt Service - Interest and Fees	<u>1,080,897</u>	<u>1,080,822</u>	<u>75</u>
Total Expenditures	<u>3,366,891</u>	<u>3,366,816</u>	<u>75</u>
Excess (deficiency) of revenues over expenditures	(2,815,391)	(2,760,475)	54,916
Other Financing Sources (Uses)			
Transfers In	<u>2,614,733</u>	<u>2,614,733</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,614,733</u>	<u>2,614,733</u>	<u>-</u>
Net Change in Fund Balance	(200,658)	(145,742)	54,916
Fund Balance - beginning	<u>4,333,353</u>	<u>4,333,353</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,132,695</u>	<u>\$ 4,187,611</u>	<u>\$ 54,916</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Capital Projects Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 77,000	\$ 77,061	\$ 61
Intergovernmental	872,000	871,959	(41)
Interest	106,000	105,493	(507)
Miscellaneous	<u>150,000</u>	<u>150,050</u>	<u>50</u>
Total Revenues	<u>1,205,000</u>	<u>1,204,563</u>	<u>(437)</u>
Expenditures			
Capital Projects	<u>16,000,000</u>	<u>15,822,593</u>	<u>177,407</u>
Total Expenditures	<u>16,000,000</u>	<u>15,822,593</u>	<u>177,407</u>
Excess (deficiency) of revenues over expenditures	(14,795,000)	(14,618,030)	176,970
Other Financing Sources (Uses)			
Proceeds of long term debt	4,000,000	4,000,000	
Transfers In	-	5,000	5,000
Transfers Out	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Total Other Financing Sources (Uses)	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>
Net Change in Fund Balance	(10,795,000)	(10,618,030)	176,970
Fund Balance - beginning	<u>31,724,956</u>	<u>31,724,956</u>	<u>-</u>
Fund Balance - ending	<u>\$ 20,929,956</u>	<u>\$ 21,106,926</u>	<u>\$ 176,970</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

Total Nonmajor Governmental Funds			
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 9,062,095	\$ 8,996,524	\$ (65,571)
Licenses and Permits	9,930,500	9,734,407	(196,093)
Intergovernmental	13,327,961	12,513,688	(814,273)
Charge for Services	2,548,977	3,435,440	886,463
Fines and Forfeitures	255,200	548,170	292,970
Interest	116,150	181,621	65,471
Miscellaneous	<u>1,201,588</u>	<u>1,389,508</u>	<u>187,920</u>
Total Revenues	<u>36,442,471</u>	<u>36,799,358</u>	<u>356,887</u>
Expenditures			
General Government	5,169,813	5,220,758	(50,945)
Public Safety	2,724,976	2,929,260	(204,284)
Public Works	524,209	70,719	453,490
Public Health	9,297,382	9,117,856	179,526
Public Welfare	1,698,464	1,314,172	384,292
Cultural and Recreation	1,193,615	695,144	498,471
Debt Service - Principal	7,247,458	7,247,458	-
Debt Service - Interest and Fees	4,773,990	4,785,680	(11,690)
Capital Projects	<u>17,450,916</u>	<u>18,150,549</u>	<u>(699,633)</u>
Total Expenditures	<u>50,080,823</u>	<u>49,531,596</u>	<u>549,227</u>
Excess (deficiency) of revenues over expenditures	(13,638,352)	(12,732,238)	906,114
Other Financing Sources (Uses)			
Proceeds of long term debt	4,000,000	4,000,000	-
Transfers In	6,200,404	6,430,404	230,000
Transfers Out	<u>(5,002,726)</u>	<u>(5,038,481)</u>	<u>(35,755)</u>
Total Other Financing Sources (Uses)	<u>5,197,678</u>	<u>5,391,923</u>	<u>194,245</u>
Net Change in Fund Balance	(8,440,674)	(7,340,315)	1,100,359
Fund Balance - beginning	<u>63,407,670</u>	<u>63,407,670</u>	<u>-</u>
Fund Balance - ending	<u>\$ 54,966,996</u>	<u>\$ 56,067,355</u>	<u>\$ 1,100,359</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2016

	General Government Programs	Public Safety Programs	Public Works Programs	Public Health Programs	Public Welfare Programs	Cultural and Recreational Programs	Total
ASSETS							
Cash and Equity in Pooled Cash and Investments	\$ 12,061,883	\$ 5,821,433	\$ 5,987,138	\$ 3,005,400	\$ 33,138	\$ 5,248,364	\$ 32,157,356
Receivables, Net	244,556	229,135	-	330	3,611	-	477,632
Due from Other Governments	357,527	224,775	-	147,670	142,280	84,405	956,657
Notes Receivable	-	-	-	-	-	-	-
Prepaid Items	2,206	31,974	-	38,788	-	-	72,968
Total Assets	<u>\$ 12,666,172</u>	<u>\$ 6,307,317</u>	<u>\$ 5,987,138</u>	<u>\$ 3,192,188</u>	<u>\$ 179,029</u>	<u>\$ 5,332,769</u>	<u>\$ 33,664,613</u>
LIABILITIES							
Accounts Payable	\$ 455,225	\$ 372,904	\$ 7,483	\$ 722,525	\$ 148,708	\$ 112,492	\$ 1,819,337
Accrued Payroll	78,457	37,540	-	198,694	6,118	6,257	327,066
Due to Others	-	535,773	-	42,120	-	-	577,893
Total Liabilities	<u>533,682</u>	<u>946,217</u>	<u>7,483</u>	<u>963,339</u>	<u>154,826</u>	<u>118,749</u>	<u>2,724,296</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Tax Revenues	167,500	-	-	-	-	-	167,500
Total deferred inflows of resources	<u>167,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,500</u>
FUND BALANCE							
Nonspendable	2,206	31,974	-	38,788	-	-	72,968
Restricted	11,962,784	5,329,126	5,979,655	2,190,061	24,203	5,119,110	30,604,939
Committed	-	-	-	-	-	94,911	94,911
Total Fund Balances	<u>11,964,990</u>	<u>5,361,100</u>	<u>5,979,655</u>	<u>2,228,849</u>	<u>24,203</u>	<u>5,214,021</u>	<u>30,772,818</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,666,172</u>	<u>\$ 6,307,317</u>	<u>\$ 5,987,138</u>	<u>\$ 3,192,188</u>	<u>\$ 179,029</u>	<u>\$ 5,332,770</u>	<u>\$ 33,664,614</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	General Government Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 8,435,095	\$ 8,322,109	\$ (112,986)
Licenses and Permits	4,850,000	4,676,945	(173,055)
Intergovernmental	2,058,800	1,817,308	(241,492)
Charge for Services	1,075,000	1,395,931	320,931
Fines and Forfeitures	30,000	310,701	280,701
Interest	3,000	28,870	25,870
Miscellaneous	<u>633,300</u>	<u>654,527</u>	<u>21,227</u>
Total Revenues	<u>17,085,195</u>	<u>17,206,391</u>	<u>121,196</u>
Expenditures			
General Government	5,169,813	5,220,758	(50,945)
Capital	<u>-</u>	<u>47,146</u>	<u>(47,146)</u>
Total Expenditures	<u>5,169,813</u>	<u>5,267,904</u>	<u>(98,091)</u>
Excess (deficiency) of revenues over expenditures	11,915,382	11,938,487	23,105
Other Financing Sources (Uses)			
Debt Service - Principal	(4,771,210)	(4,771,210)	-
Debt Service - Interest and Fees	(3,537,408)	(3,549,173)	(11,765)
Transfers In	684,293	869,293	185,000
Transfers Out	<u>(3,293,483)</u>	<u>(3,324,238)</u>	<u>(30,755)</u>
Total Other Financing Sources (Uses)	<u>(10,917,808)</u>	<u>(10,775,328)</u>	<u>142,480</u>
Net Change in Fund Balance	997,574	1,163,159	165,585
Fund Balance - beginning	<u>10,801,831</u>	<u>10,801,831</u>	<u>-</u>
Fund Balance - ending	<u>\$ 11,799,405</u>	<u>\$ 11,964,990</u>	<u>\$ 165,585</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	Public Safety Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 25,000	\$ 33,450	\$ 8,450
Intergovernmental	1,538,795	1,414,923	(123,872)
Charge for Services	730,000	1,309,485	579,485
Fines and Forfeitures	225,200	237,469	12,269
Interest	2,230	11,108	8,878
Miscellaneous	<u>154,640</u>	<u>384,783</u>	<u>230,143</u>
Total Revenues	<u>2,675,865</u>	<u>3,391,218</u>	<u>715,353</u>
Expenditures			
Public Safety	2,724,976	2,929,260	(204,284)
Capital	<u>107,000</u>	<u>699,165</u>	<u>(592,165)</u>
Total Expenditures	<u>2,831,976</u>	<u>3,628,425</u>	<u>(796,449)</u>
Excess (deficiency) of revenues over expenditures	(156,111)	(237,207)	(81,096)
Other Financing Sources (Uses)			
Transfers In	<u>183,522</u>	<u>183,522</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>183,522</u>	<u>183,522</u>	<u>-</u>
Net Change in Fund Balance	27,411	(53,685)	(81,096)
Fund Balance - beginning	<u>5,414,785</u>	<u>5,414,785</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,442,196</u>	<u>\$ 5,361,100</u>	<u>\$ (81,096)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2016

	Public Works Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 3,630,000	\$ 3,560,602	\$ (69,398)
Intergovernmental	193,981	88,207	(105,774)
Charge for Services	2,000	2,700	700
Interest	950	9,587	8,637
Miscellaneous	<u>26,200</u>	<u>12,580</u>	<u>(13,620)</u>
Total Revenues	<u>3,853,131</u>	<u>3,673,676</u>	<u>(179,455)</u>
Expenditures			
Public Works	524,209	70,719	453,490
Capital	<u>20,250</u>	<u>-</u>	<u>20,250</u>
Total Expenditures	<u>544,459</u>	<u>70,719</u>	<u>473,740</u>
Excess (deficiency) of revenues over expenditures	3,308,672	3,602,957	294,285
Other Financing Sources (Uses)			
Transfers Out	<u>(1,709,243)</u>	<u>(1,709,243)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,709,243)</u>	<u>(1,709,243)</u>	<u>-</u>
Net Change in Fund Balance	1,599,429	1,893,714	294,285
Fund Balance - beginning	<u>4,085,941</u>	<u>4,085,941</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,685,370</u>	<u>\$ 5,979,655</u>	<u>\$ 294,285</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	Public Health Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 6,729,153	\$ 6,875,540	\$ 146,387
Charge for Services	594,777	579,316	(15,461)
Interest	100	6,184	6,084
Miscellaneous	<u>218,437</u>	<u>179,733</u>	<u>(38,704)</u>
Total Revenues	<u>7,542,467</u>	<u>7,640,773</u>	<u>98,306</u>
Expenditures			
Public Health	9,297,382	9,117,856	179,526
Capital	<u>353,175</u>	<u>498,899</u>	<u>(145,724)</u>
Total Expenditures	<u>9,650,557</u>	<u>9,616,755</u>	<u>33,802</u>
Excess (deficiency) of revenues over expenditures	(2,108,090)	(1,975,982)	132,108
Other Financing Sources (Uses)			
Transfers In	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>
Net Change in Fund Balance	291,910	424,018	132,108
Fund Balance - beginning	<u>1,804,831</u>	<u>1,804,831</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,096,741</u>	<u>\$ 2,228,849</u>	<u>\$ 132,108</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	Public Welfare Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,244,232	\$ 814,960	\$ (429,272)
Charge for Services	117,200	144,683	27,483
Miscellaneous	16,411	5,000	(11,411)
Total Revenues	<u>1,377,843</u>	<u>964,643</u>	<u>(413,200)</u>
Expenditures			
Public Welfare	<u>1,698,464</u>	<u>1,314,172</u>	<u>384,292</u>
Total Expenditures	<u>1,698,464</u>	<u>1,314,172</u>	<u>384,292</u>
Excess (deficiency) of revenues over expenditures	(320,621)	(349,529)	(28,908)
Other Financing Sources (Uses)			
Transfers In	<u>317,856</u>	<u>317,856</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>317,856</u>	<u>317,856</u>	<u>-</u>
Net Change in Fund Balance	(2,765)	(31,673)	(28,908)
Fund Balance - beginning	<u>55,876</u>	<u>55,876</u>	<u>-</u>
Fund Balance - ending	<u>\$ 53,111</u>	<u>\$ 24,203</u>	<u>\$ (28,908)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	Cultural and Recreation Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 1,425,500	\$ 1,463,410	\$ 37,910
Intergovernmental	691,000	630,791	(60,209)
Charge for Services	30,000	3,325	(26,675)
Interest	2,370	11,392	9,022
Miscellaneous	<u>2,600</u>	<u>2,835</u>	<u>235</u>
Total Revenues	<u>2,151,470</u>	<u>2,111,753</u>	<u>(39,717)</u>
Expenditures			
Cultural and Recreation	1,193,615	695,144	498,471
Capital	<u>970,491</u>	<u>1,082,746</u>	<u>(112,255)</u>
Total Expenditures	<u>2,164,106</u>	<u>1,777,890</u>	<u>386,216</u>
Excess (deficiency) of revenues over expenditures	(12,636)	333,863	346,499
Other Financing Sources (Uses)			
Debt Service - Principal	(190,254)	(190,254)	-
Debt Service - Interest and Fees	(155,685)	(155,685)	-
Transfers In	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(345,939)</u>	<u>(305,939)</u>	<u>40,000</u>
Net Change in Fund Balance	(358,575)	27,924	386,499
Fund Balance - beginning	<u>5,186,097</u>	<u>5,186,097</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,827,522</u>	<u>\$ 5,214,021</u>	<u>\$ 386,499</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2016

	Totals		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 8,435,095	\$ 8,322,109	\$ (112,986)
Licenses and Permits	9,930,500	9,734,407	(196,093)
Intergovernmental	12,455,961	11,641,729	(814,232)
Charge for Services	2,548,977	3,435,440	886,463
Fines and Forfeitures	255,200	548,170	292,970
Interest	8,650	67,141	58,491
Miscellaneous	<u>1,051,588</u>	<u>1,239,458</u>	<u>187,870</u>
Total Revenues	<u>34,685,971</u>	<u>34,988,454</u>	<u>302,483</u>
Expenditures			
General Government	5,169,813	5,220,758	(50,945)
Public Safety	2,724,976	2,929,260	(204,284)
Public Works	524,209	70,719	453,490
Public Health	9,297,382	9,117,856	179,526
Public Welfare	1,698,464	1,314,172	384,292
Cultural and Recreation	1,193,615	695,144	498,471
Capital	<u>1,450,916</u>	<u>2,327,956</u>	<u>(877,040)</u>
Total Expenditures	<u>22,059,375</u>	<u>21,675,865</u>	<u>383,510</u>
Excess (deficiency) of revenues over expenditures	12,626,596	13,312,589	685,993
Other Financing Sources (Uses)			
Debt Service - Principal	(4,961,464)	(4,961,464)	-
Debt Service - Interest and Fees	(3,693,093)	(3,704,858)	(11,765)
Transfers In	3,585,671	3,810,671	225,000
Transfers Out	<u>(5,002,726)</u>	<u>(5,033,481)</u>	<u>(30,755)</u>
Total Other Financing Sources (Uses)	<u>(10,071,612)</u>	<u>(9,889,132)</u>	<u>182,480</u>
Net Change in Fund Balance	2,554,984	3,423,457	868,473
Fund Balance - beginning	<u>27,349,361</u>	<u>27,349,361</u>	<u>-</u>
Fund Balance - ending	<u>\$ 29,904,345</u>	<u>\$ 30,772,818</u>	<u>\$ 868,473</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
 June 30, 2016

	State Accommodations Tax Program	Purchase of Real Property Program	Local Accommodations Tax Program	Local Hospitality Tax Program	Local Admissions Fee Program	Treasurer Execution Fees	Clerk of Court Incentive	Clerk of Court Unit Cost	Employer Group Benefit Trust	Public Defender Trust	Reforestation Trust	Total
ASSETS												
Cash and Equity in Pooled Cash and Investments	\$ 92,388	\$ 153,384	\$ 2,596,577	\$ 4,648,436	\$ 1,314,311	\$ 1,795,503	\$ 217,547	\$ -	\$ 331,153	\$ 381,129	\$ 531,455	\$ 12,061,883
Receivables, Net	-	244,556	-	-	-	-	-	-	-	-	-	244,556
Due from Other Governments	252,897	-	-	-	-	-	-	52,799	-	51,831	-	357,527
Prepaid Items	-	-	-	-	-	872	-	-	-	1,334	-	2,206
Total Assets	\$ 345,285	\$ 397,940	\$ 2,596,577	\$ 4,648,436	\$ 1,314,311	\$ 1,796,375	\$ 217,547	\$ 52,799	\$ 331,153	\$ 434,294	\$ 531,455	\$ 12,666,172
LIABILITIES												
Accounts Payable	\$ 75,870	\$ -	\$ 250,707	\$ 707	\$ 707	\$ 11,132	\$ -	\$ 45,672	\$ 20,041	\$ 50,389	\$ -	\$ 455,225
Accrued Payroll	-	-	873	1,363	1,852	17,248	-	7,127	-	49,994	-	78,457
Total liabilities	75,870	-	251,580	2,070	2,559	28,380	-	52,799	20,041	100,383	-	533,682
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - property taxes	-	167,500	-	-	-	-	-	-	-	-	-	167,500
Total deferred inflows of resources	-	167,500	-	-	-	-	-	-	-	-	-	167,500
FUND BALANCE												
Nonspendable	-	-	-	-	-	872	-	-	-	1,334	-	2,206
Restricted	269,415	230,440	2,344,997	4,646,366	1,311,752	1,767,123	217,547	-	311,112	332,577	531,455	11,962,784
Total Fund Balance	269,415	230,440	2,344,997	4,646,366	1,311,752	1,767,995	217,547	-	311,112	333,911	531,455	11,964,990
Total liabilities, deferred inflows of resources and fund balances	\$ 345,285	\$ 397,940	\$ 2,596,577	\$ 4,648,436	\$ 1,314,311	\$ 1,796,375	\$ 217,547	\$ 52,799	\$ 331,153	\$ 434,294	\$ 531,455	\$ 12,666,172

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
For the Year Ended June 30, 2016

	State Accomodations Tax Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 950,000	\$ 715,101	\$ (234,899)
Interest	<u>100</u>	<u>357</u>	<u>257</u>
Total Revenues	<u>950,100</u>	<u>715,458</u>	<u>(234,642)</u>
Expenditures			
General Government			
Other	<u>827,100</u>	<u>706,530</u>	<u>120,570</u>
Total Expenditures	<u>827,100</u>	<u>706,530</u>	<u>120,570</u>
Excess (deficiency) of revenues over expenditures	123,000	8,928	(114,072)
Other Financing Sources (Uses)			
Transfers Out	<u>(118,750)</u>	<u>(109,505)</u>	<u>9,245</u>
Total Other Financing Sources (Uses)	<u>(118,750)</u>	<u>(109,505)</u>	<u>9,245</u>
Net Change in Fund Balance	4,250	(100,577)	(104,827)
Fund Balance - beginning	<u>369,992</u>	<u>369,992</u>	<u>-</u>
Fund Balance - ending	<u>\$ 374,242</u>	<u>\$ 269,415</u>	<u>\$ (104,827)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2016

	Purchase of Real Property Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 8,435,095	\$ 8,322,109	\$ (112,986)
Intergovernmental	172,800	186,260	13,460
Interest	500	599	99
Miscellaneous	11,800	10,161	(1,639)
Total Revenues	<u>8,620,195</u>	<u>8,519,129</u>	<u>(101,066)</u>
Expenditures			
General Government			
Purchased Services	<u>211,000</u>	<u>117,609</u>	<u>93,391</u>
Total Expenditures	<u>211,000</u>	<u>117,609</u>	<u>93,391</u>
Excess (deficiency) of revenues over expenditures	8,409,195	8,401,520	(7,675)
Other Financing Sources (Uses)			
Debt Service - Principal	(4,771,210)	(4,771,210)	-
Debt Service - Interest and Fees	<u>(3,537,408)</u>	<u>(3,549,173)</u>	<u>(11,765)</u>
Total Other Financing Sources (Uses)	<u>(8,308,618)</u>	<u>(8,320,383)</u>	<u>(11,765)</u>
Net Change in Fund Balance	100,577	81,137	(19,440)
Fund Balance - beginning	<u>149,303</u>	<u>149,303</u>	<u>-</u>
Fund Balance - ending	<u>\$ 249,880</u>	<u>\$ 230,440</u>	<u>\$ (19,440)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2016

	Local Accomodations Tax Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 1,500,000	\$ 1,303,475	\$ (196,525)
Interest	<u>850</u>	<u>5,810</u>	<u>4,960</u>
Total Revenues	<u>1,500,850</u>	<u>1,309,285</u>	<u>(191,565)</u>
Expenditures			
General Government			
Personnel	49,240	49,114	126
Purchased Services	8,243	5,371	2,872
Supplies	1,850	1,428	422
Other	<u>850,000</u>	<u>1,100,851</u>	<u>(250,851)</u>
Total Expenditures	<u>909,333</u>	<u>1,156,764</u>	<u>(247,431)</u>
Net Change in Fund Balance	591,517	152,521	(438,996)
Fund Balance - beginning	<u>2,192,476</u>	<u>2,192,476</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,783,993</u>	<u>\$ 2,344,997</u>	<u>\$ (438,996)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2016

	Local Hospitality Tax Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 1,900,000	\$ 1,869,290	\$ (30,710)
Interest	-	10,907	10,907
Total Revenues	<u>1,900,000</u>	<u>1,880,197</u>	<u>(19,803)</u>
Expenditures			
General Government			
Personnel	49,240	49,114	126
Purchased Services	8,243	5,370	2,873
Supplies	1,850	1,370	480
Total Expenditures	<u>59,333</u>	<u>55,854</u>	<u>3,479</u>
Excess (deficiency) of revenues over expenditures	1,840,667	1,824,343	(16,324)
Other Financing Sources (Uses)			
Transfers In	50,000	50,000	-
Transfers Out	<u>(1,200,000)</u>	<u>(1,240,000)</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)	<u>(1,150,000)</u>	<u>(1,190,000)</u>	<u>(40,000)</u>
Net Change in Fund Balance	690,667	634,343	(56,324)
Fund Balance - beginning	<u>4,012,023</u>	<u>4,012,023</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,702,690</u>	<u>\$ 4,646,366</u>	<u>\$ (56,324)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2016

	Local Admissions Fee Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 1,450,000	\$ 1,504,180	\$ 54,180
Interest	<u>650</u>	<u>4,741</u>	<u>4,091</u>
Total Revenues	<u>1,450,650</u>	<u>1,508,921</u>	<u>58,271</u>
Expenditures			
General Government			
Personnel	49,240	49,112	128
Purchased Services	6,743	5,360	1,383
Supplies	<u>1,850</u>	<u>1,381</u>	<u>469</u>
Total Expenditures	<u>57,833</u>	<u>55,853</u>	<u>1,980</u>
Excess (deficiency) of revenues over expenditures	1,392,817	1,453,068	60,251
Other Financing Sources (Uses)			
Transfers Out	<u>(1,974,733)</u>	<u>(1,974,733)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,974,733)</u>	<u>(1,974,733)</u>	<u>-</u>
Net Change in Fund Balance	(581,916)	(521,665)	60,251
Fund Balance - beginning	<u>1,833,417</u>	<u>1,833,417</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,251,501</u>	<u>\$ 1,311,752</u>	<u>\$ 60,251</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2016

	Treasurer Execution Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 1,075,000	\$ 1,395,931	\$ 320,931
Interest	500	3,621	3,121
Miscellaneous	<u>10,000</u>	<u>29,932</u>	<u>19,932</u>
Total Revenues	<u>1,085,500</u>	<u>1,429,484</u>	<u>343,984</u>
Expenditures			
General Government			
Personnel	671,183	581,546	89,637
Purchased Services	395,517	305,764	89,753
Supplies	18,800	27,934	(9,134)
Other	-	5,739	(5,739)
Total Expenditures	<u>1,085,500</u>	<u>920,983</u>	<u>164,517</u>
Net Change in Fund Balance	-	508,501	508,501
Fund Balance - beginning	<u>1,259,494</u>	<u>1,259,494</u>	-
Fund Balance - ending	<u>\$ 1,259,494</u>	<u>\$ 1,767,995</u>	<u>\$ 508,501</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2016

	Clerk of Court Incentives		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 36,000	\$ 46,592	\$ 10,592
Interest	<u>50</u>	<u>440</u>	<u>390</u>
Total Revenues	<u>36,050</u>	<u>47,032</u>	<u>10,982</u>
Expenditures			
General Government			
Supplies	<u>36,050</u>	<u>-</u>	<u>36,050</u>
Total Expenditures	<u>36,050</u>	<u>-</u>	<u>36,050</u>
Net Change in Fund Balance	-	47,032	47,032
Fund Balance - beginning	<u>170,515</u>	<u>170,515</u>	<u>-</u>
Fund Balance - ending	<u>\$ 170,515</u>	<u>\$ 217,547</u>	<u>\$ 47,032</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2016

	Clerk of Court Unit Cost		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 215,000	\$ 213,214	\$ (1,786)
Total Revenues	<u>215,000</u>	<u>213,214</u>	<u>(1,786)</u>
Expenditures			
General Government			
Personnel	191,450	189,660	1,790
Purchased Services	19,700	19,710	(10)
Supplies	3,850	3,844	6
Total Expenditures	<u>215,000</u>	<u>213,214</u>	<u>1,786</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2016

	Employer Group Benefit Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 100	\$ 740	\$ 640
Miscellaneous	<u>200,000</u>	<u>203,033</u>	<u>3,033</u>
Total Revenues	<u>200,100</u>	<u>203,773</u>	<u>3,673</u>
Expenditures			
General Government			
Other	<u>200,100</u>	<u>205,100</u>	<u>(5,000)</u>
Total Expenditures	<u>200,100</u>	<u>205,100</u>	<u>(5,000)</u>
Net Change in Fund Balance	-	(1,327)	(1,327)
Fund Balance - beginning	<u>312,439</u>	<u>312,439</u>	-
Fund Balance - ending	<u>\$ 312,439</u>	<u>\$ 311,112</u>	<u>\$ (1,327)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2016

	Public Defender Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 685,000	\$ 656,141	\$ (28,859)
Interest	150	679	529
Miscellaneous	<u>411,500</u>	<u>411,401</u>	<u>(99)</u>
Total Revenues	<u>1,096,650</u>	<u>1,068,221</u>	<u>(28,429)</u>
Expenditures			
General Government			
Personnel	1,435,414	1,613,647	(178,233)
Purchased Services	81,350	162,182	(80,832)
Supplies	21,700	13,022	8,678
Capital	<u>-</u>	<u>47,146</u>	<u>(47,146)</u>
Total Expenditures	<u>1,538,464</u>	<u>1,835,997</u>	<u>(297,533)</u>
Excess (deficiency) of revenues over expenditures	(441,814)	(767,776)	(325,962)
Other Financing Sources (Uses)			
Transfers In	<u>634,293</u>	<u>819,293</u>	<u>185,000</u>
Total Other Financing Sources (Uses)	<u>634,293</u>	<u>819,293</u>	<u>185,000</u>
Net Change in Fund Balance	192,479	51,517	(140,962)
Fund Balance - beginning	<u>282,394</u>	<u>282,394</u>	<u>-</u>
Fund Balance - ending	<u>\$ 474,873</u>	<u>\$ 333,911</u>	<u>\$ (140,962)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2016

	Reforestation Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 30,000	\$ 310,701	\$ 280,701
Interest	<u>100</u>	<u>976</u>	<u>876</u>
Total Revenues	<u>30,100</u>	<u>311,677</u>	<u>281,577</u>
Expenditures			
General Government			
Purchased Services	<u>30,100</u>	<u>-</u>	<u>30,100</u>
Total Expenditures	<u>30,100</u>	<u>-</u>	<u>30,100</u>
Net Change in Fund Balance	-	311,677	311,677
Fund Balance - beginning	<u>219,778</u>	<u>219,778</u>	<u>-</u>
Fund Balance - ending	<u>\$ 219,778</u>	<u>\$ 531,455</u>	<u>\$ 311,677</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2016

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 8,435,095	\$ 8,322,109	\$ (112,986)
Licenses and Permits	4,850,000	4,676,945	(173,055)
Intergovernmental	2,058,800	1,817,308	(241,492)
Charges for Services	1,075,000	1,395,931	320,931
Fines and Forfeitures	30,000	310,701	280,701
Interest	3,000	28,870	25,870
Miscellaneous	633,300	654,527	21,227
Total Revenues	<u>17,085,195</u>	<u>17,206,391</u>	<u>121,196</u>
Expenditures			
General Government			
Personnel	2,445,767	2,532,193	(86,426)
Purchased Services	760,896	621,366	139,530
Supplies	85,950	48,979	36,971
Capital	-	47,146	(47,146)
Other	1,877,200	2,018,220	(141,020)
Total Expenditures	<u>5,169,813</u>	<u>5,267,904</u>	<u>(98,091)</u>
Excess (deficiency) of revenues over expenditures	11,915,382	11,938,487	23,105
Other Financing Sources (Uses)			
Debt Service - Principal	(4,771,210)	(4,771,210)	-
Debt Service - Interest and Fees	(3,537,408)	(3,549,173)	(11,765)
Transfers In	684,293	869,293	185,000
Transfers Out	(3,293,483)	(3,324,238)	(30,755)
Total Other Financing Sources (Uses)	<u>(10,917,808)</u>	<u>(10,775,328)</u>	<u>142,480</u>
Net Change in Fund Balance	997,574	1,163,159	165,585
Fund Balance - beginning	<u>10,801,831</u>	<u>10,801,831</u>	<u>-</u>
Fund Balance - ending	<u>\$ 11,799,405</u>	<u>\$ 11,964,990</u>	<u>\$ 165,585</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
 June 30, 2016

	E-911 Telephone Program	Victims Assistance Program	Sheriff's Office Special Projects	Public Safety Grants	Total
ASSETS					
Cash and Equity in Pooled Cash and Investments	\$ 3,812,826	\$ 232,835	\$ 1,570,866	\$ 204,906	\$ 5,821,433
Receivables, Net	221,719	-	7,416	-	229,135
Due from Other Governments	147,688	-	3,647	73,440	224,775
Prepaid Items	26,529	-	5,445	-	31,974
Total Assets	<u>\$ 4,208,762</u>	<u>\$ 232,835</u>	<u>\$ 1,587,374</u>	<u>\$ 278,346</u>	<u>\$ 6,307,317</u>
LIABILITIES					
Accounts Payable	\$ 233,123	\$ 1,098	\$ 124,304	\$ 14,379	\$ 372,904
Accrued Payroll	10,199	3,348	22,464	1,529	37,540
Due to Others	-	-	479,636	56,137	535,773
Total Liabilities	<u>243,322</u>	<u>4,446</u>	<u>626,404</u>	<u>72,045</u>	<u>946,217</u>
FUND BALANCE					
Nonspendable	26,529	-	5,445	-	31,974
Restricted	3,938,911	228,389	955,525	206,301	5,329,126
Total Fund Balance	<u>3,965,440</u>	<u>228,389</u>	<u>960,970</u>	<u>206,301</u>	<u>5,361,100</u>
Total Liabilities and Fund Balance	<u>\$ 4,208,762</u>	<u>\$ 232,835</u>	<u>\$ 1,587,374</u>	<u>\$ 278,346</u>	<u>\$ 6,307,317</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2016

	<u>E-911 Telephone Program</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 914,292	\$ 610,227	\$ (304,065)
Charges for Services	540,000	1,126,197	586,197
Interest	<u>2,000</u>	<u>8,845</u>	<u>6,845</u>
Total Revenues	<u>1,456,292</u>	<u>1,745,269</u>	<u>288,977</u>
Expenditures			
Public Safety			
Personnel	322,252	332,123	(9,871)
Purchased Services	911,603	974,493	(62,890)
Supplies	22,680	4,939	17,741
Capital	57,000	124,953	(67,953)
Other	<u>142,757</u>	<u>266,667</u>	<u>(123,910)</u>
Total Expenditures	<u>1,456,292</u>	<u>1,703,175</u>	<u>(246,883)</u>
Net Change in Fund Balance	-	42,094	42,094
Fund Balance - beginning	<u>3,923,346</u>	<u>3,923,346</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,923,346</u>	<u>\$ 3,965,440</u>	<u>\$ 42,094</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2016

	Victims Assistance Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 64,664	\$ 48,498	\$ (16,166)
Fines and Forfeitures	135,200	160,650	25,450
Interest	-	501	501
Total Revenues	<u>199,864</u>	<u>209,649</u>	<u>9,785</u>
Expenditures			
Public Safety			
Personnel	214,825	207,789	7,036
Other	-	1,586	(1,586)
Total Expenditures	<u>214,825</u>	<u>209,375</u>	<u>5,450</u>
Excess (deficiency) of revenues over expenditure:	(14,961)	274	15,235
Other Financing Sources (Uses)			
Transfers In	<u>30,296</u>	<u>30,296</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>30,296</u>	<u>30,296</u>	<u>-</u>
Net Change in Fund Balance	15,335	30,570	15,235
Fund Balance - beginning	<u>197,819</u>	<u>197,819</u>	<u>-</u>
Fund Balance - ending	<u>\$ 213,154</u>	<u>\$ 228,389</u>	<u>\$ 15,235</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2016

	Sheriff's Office Special Projects		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 25,000	\$ 33,450	\$ 8,450
Intergovernmental	482,839	488,208	5,369
Charges for Services	190,000	183,288	(6,712)
Fines and Forfeitures	90,000	76,819	(13,181)
Interest	165	1,200	1,035
Miscellaneous	40,440	267,725	227,285
Total Revenues	828,444	1,050,690	222,246
Expenditures			
Public Safety			
Personnel	748,963	711,378	37,585
Purchased Services	38,252	71,649	(33,397)
Supplies	18,500	12,973	5,527
Capital	50,000	448,839	(398,839)
Other	113,879	71,838	42,041
Total Expenditures	969,594	1,316,677	(347,083)
Excess (deficiency) of revenues over expenditure:	(141,150)	(265,987)	(124,837)
Other Financing Sources (Uses)			
Transfers In	153,226	153,226	-
Total Other Financing Sources (Uses)	153,226	153,226	-
Net Change in Fund Balance	12,076	(112,761)	(124,837)
Fund Balance - beginning	1,073,731	1,073,731	-
Fund Balance - ending	\$ 1,085,807	\$ 960,970	\$ (124,837)

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2016

	Public Safety Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 77,000	\$ 267,990	\$ 190,990
Interest	65	562	497
Miscellaneous	114,200	117,058	2,858
Total Revenues	<u>191,265</u>	<u>385,610</u>	<u>194,345</u>
Expenditures			
Public Safety			
Purchased Services	37,545	58,654	(21,109)
Supplies	24,000	118,052	(94,052)
Capital	-	125,373	(125,373)
Other	129,720	97,119	32,601
Total Expenditures	<u>191,265</u>	<u>399,198</u>	<u>(207,933)</u>
Net Change in Fund Balance	-	(13,588)	(13,588)
Fund Balance - beginning	<u>219,889</u>	<u>219,889</u>	<u>-</u>
Fund Balance - ending	<u>\$ 219,889</u>	<u>\$ 206,301</u>	<u>\$ (13,588)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2016

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Licenses and Permits	\$ 25,000	\$ 33,450	\$ 8,450
Intergovernmental	1,538,795	1,414,923	(123,872)
Charges for Services	730,000	1,309,485	579,485
Fines and Forfeitures	225,200	237,469	12,269
Interest	2,230	11,108	8,878
Miscellaneous	154,640	384,783	230,143
Total Revenues	<u>2,675,865</u>	<u>3,391,218</u>	<u>715,353</u>
Expenditures			
Public Safety			
Personnel	1,286,040	1,251,290	34,750
Purchased Services	987,400	1,104,796	(117,396)
Supplies	65,180	135,964	(70,784)
Capital	107,000	699,165	(592,165)
Other	386,356	437,210	(50,854)
Total Expenditures	<u>2,831,976</u>	<u>3,628,425</u>	<u>(796,449)</u>
Excess (deficiency) of revenues over expenditure:	(156,111)	(237,207)	(81,096)
Other Financing Sources (Uses)			
Transfers In	183,522	183,522	-
Total Other Financing Sources (Uses)	<u>183,522</u>	<u>183,522</u>	<u>-</u>
Net Change in Fund Balance	27,411	(53,685)	(81,096)
Fund Balance - beginning	5,414,785	5,414,785	-
Fund Balance - ending	<u>\$ 5,442,196</u>	<u>\$ 5,361,100</u>	<u>\$ (81,096)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 June 30, 2016

	Solid Waste & Recycling Grants	Barton's Run Agreement	Del Webb Boat Ramp Repair Fees	Road Impact Fees	Total
<u>ASSETS</u>					
Cash and Equity in Pooled Cash and Investments	\$ 224,886	\$ 23,458	\$ 2,742	\$ 5,736,052	\$ 5,987,138
Total Assets	<u>\$ 224,886</u>	<u>\$ 23,458</u>	<u>\$ 2,742</u>	<u>\$ 5,736,052</u>	<u>\$ 5,987,138</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 7,483	\$ -	\$ -	\$ -	\$ 7,483
Total Liabilities	<u>7,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,483</u>
<u>FUND BALANCE</u>					
Restricted	217,403	23,458	2,742	5,736,052	5,979,655
Total Fund Balance	<u>217,403</u>	<u>23,458</u>	<u>2,742</u>	<u>5,736,052</u>	<u>5,979,655</u>
Total Liabilities and Fund Balance	<u>\$ 224,886</u>	<u>\$ 23,458</u>	<u>\$ 2,742</u>	<u>\$ 5,736,052</u>	<u>\$ 5,987,138</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 For the Year Ended June 30, 2016

	Solid Waste and Recycling Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 193,981	\$ 88,207	\$ (105,774)
Miscellaneous	<u>25,700</u>	<u>12,200</u>	<u>(13,500)</u>
Total Revenues	<u>219,681</u>	<u>100,407</u>	<u>(119,274)</u>
Expenditures			
Public Works			
Purchased Services	102,970	53,616	49,354
Supplies	89,761	17,103	72,658
Capital	<u>18,250</u>	<u>-</u>	<u>18,250</u>
Total Expenditures	<u>210,981</u>	<u>70,719</u>	<u>140,262</u>
Net Change in Fund Balance	8,700	29,688	20,988
Fund Balance - beginning	<u>187,715</u>	<u>187,715</u>	<u>-</u>
Fund Balance - ending	<u>\$ 196,415</u>	<u>\$ 217,403</u>	<u>\$ 20,988</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 For the Year Ended June 30, 2016

	Barton's Run Agreement		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 2,000	\$ 2,700	\$ 700
Interest	-	52	52
Total Revenues	<u>2,000</u>	<u>2,752</u>	<u>752</u>
Expenditures			
Public Works			
Capital	<u>2,000</u>	-	<u>2,000</u>
Total Expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net Change in Fund Balance	-	2,752	2,752
Fund Balance - beginning	<u>20,706</u>	<u>20,706</u>	<u>-</u>
Fund Balance - ending	<u>\$ 20,706</u>	<u>\$ 23,458</u>	<u>\$ 2,752</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 For the Year Ended June 30, 2016

	<u>Del Webb Boat Ramp Repair Fees</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ -	\$ 6	\$ 6
Miscellaneous	<u>500</u>	<u>380</u>	<u>(120)</u>
Total Revenues	<u>500</u>	<u>386</u>	<u>(114)</u>
Expenditures			
Public Works			
Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	500	386	(114)
Fund Balance - beginning	<u>2,356</u>	<u>2,356</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,856</u>	<u>\$ 2,742</u>	<u>\$ (114)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 For the Year Ended June 30, 2016

	Road Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 3,630,000	\$ 3,560,602	\$ (69,398)
Interest	<u>950</u>	<u>9,529</u>	<u>8,579</u>
Total Revenues	<u>3,630,950</u>	<u>3,570,131</u>	<u>(60,819)</u>
Expenditures			
Public Works			
Purchased Services	<u>331,478</u>	<u>-</u>	<u>331,478</u>
Total Expenditures	<u>331,478</u>	<u>-</u>	<u>331,478</u>
Excess (deficiency) of revenues over expenditures	3,299,472	3,570,131	270,659
Other Financing Sources (Uses)			
Transfers Out	<u>(1,709,243)</u>	<u>(1,709,243)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,709,243)</u>	<u>(1,709,243)</u>	<u>-</u>
Net Change in Fund Balance	1,590,229	1,860,888	270,659
Fund Balance - beginning	<u>3,875,164</u>	<u>3,875,164</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,465,393</u>	<u>\$ 5,736,052</u>	<u>\$ 270,659</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
For the Year Ended June 30, 2016

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Licenses and Permits	\$ 3,630,000	\$ 3,560,602	\$ (69,398)
Intergovernmental	193,981	88,207	(105,774)
Charges for Services	2,000	2,700	700
Interest	950	9,587	8,637
Miscellaneous	<u>26,200</u>	<u>12,580</u>	<u>(13,620)</u>
Total Revenues	<u>3,853,131</u>	<u>3,673,676</u>	<u>(179,455)</u>
Expenditures			
Public Works			
Purchased Services	434,448	53,616	380,832
Supplies	89,761	17,103	72,658
Capital	<u>20,250</u>	<u>-</u>	<u>20,250</u>
Total Expenditures	<u>544,459</u>	<u>70,719</u>	<u>473,740</u>
Excess (deficiency) of revenues over expenditures	3,308,672	3,602,957	294,285
Other Financing Sources (Uses)			
Transfers Out	<u>(1,709,243)</u>	<u>(1,709,243)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,709,243)</u>	<u>(1,709,243)</u>	<u>-</u>
Net Change in Fund Balance	1,599,429	1,893,714	294,285
Fund Balance - beginning	<u>4,085,941</u>	<u>4,085,941</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,685,370</u>	<u>\$ 5,979,655</u>	<u>\$ 294,285</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
 June 30, 2016

	Alcohol and Drug Abuse Department	Disabilities and Special Needs Department	Total
<u>ASSETS</u>			
Cash and Equity in Pooled Cash and Investments	\$ 517,213	\$ 2,488,187	\$ 3,005,400
Receivables, Net	-	330	330
Due from Other Governments	126,725	20,945	147,670
Prepaid Items	3,315	35,473	38,788
Total Assets	\$ 647,253	\$ 2,544,935	\$ 3,192,188
<u>LIABILITIES</u>			
Accounts Payable	\$ 25,902	\$ 696,623	\$ 722,525
Accrued Payroll	35,633	163,061	198,694
Due to Others	-	42,120	42,120
Total Liabilities	61,535	901,804	963,339
<u>FUND BALANCE</u>			
Nonspendable	3,315	35,473	38,788
Restricted	582,403	1,607,658	2,190,061
Total Fund Balance	585,718	1,643,131	2,228,849
Total Liabilities and Fund Balance	\$ 647,253	\$ 2,544,935	\$ 3,192,188

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
For the Year Ended June 30, 2016

	Alcohol and Drug Abuse Department		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 736,219	\$ 877,761	\$ 141,542
Charges for Services	280,938	285,043	4,105
Interest	100	941	841
Miscellaneous	1,000	2,450	1,450
Total Revenues	<u>1,018,257</u>	<u>1,166,195</u>	<u>147,938</u>
Expenditures			
Public Health			
Personnel	1,237,440	1,227,910	9,530
Purchased Services	124,750	95,951	28,799
Supplies	57,450	37,455	19,995
Total Expenditures	<u>1,419,640</u>	<u>1,361,316</u>	<u>58,324</u>
Excess (deficiency) of revenues over expenditures	(401,383)	(195,121)	206,262
Other Financing Sources (Uses)			
Transfers In	400,000	400,000	-
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Net Change in Fund Balance	(1,383)	204,879	206,262
Fund Balance - beginning	380,839	380,839	-
Fund Balance - ending	<u>\$ 379,456</u>	<u>\$ 585,718</u>	<u>\$ 206,262</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
 For the Year Ended June 30, 2016

	Disabilities and Special Needs Department		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 5,992,934	\$ 5,997,779	\$ 4,845
Charges for Services	313,839	294,273	(19,566)
Interest	-	5,243	5,243
Miscellaneous	<u>217,437</u>	<u>177,283</u>	<u>(40,154)</u>
Total Revenues	<u>6,524,210</u>	<u>6,474,578</u>	<u>(49,632)</u>
Expenditures			
Public Health			
Personnel	5,876,991	5,886,487	(9,496)
Purchased Services	1,546,929	1,543,726	3,203
Supplies	453,822	326,327	127,495
Capital	<u>353,175</u>	<u>498,899</u>	<u>(145,724)</u>
Total Expenditures	<u>8,230,917</u>	<u>8,255,439</u>	<u>(24,522)</u>
Excess (deficiency) of revenues over expenditures	(1,706,707)	(1,780,861)	(74,154)
Other Financing Sources (Uses)			
Transfers In	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net Change in Fund Balance	293,293	219,139	(74,154)
Fund Balance - beginning	<u>1,423,992</u>	<u>1,423,992</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,717,285</u>	<u>\$ 1,643,131</u>	<u>\$ (74,154)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
For the Year Ended June 30, 2016

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Intergovernmental	\$ 6,729,153	\$ 6,875,540	\$ 146,387
Charges for Services	594,777	579,316	(15,461)
Interest	100	6,184	6,084
Miscellaneous	218,437	179,733	(38,704)
Total Revenues	<u>7,542,467</u>	<u>7,640,773</u>	<u>98,306</u>
Expenditures			
Public Health			
Personnel	7,114,431	7,114,397	34
Purchased Services	1,671,679	1,639,677	32,002
Supplies	511,272	363,782	147,490
Capital	353,175	498,899	(145,724)
Total Expenditures	<u>9,650,557</u>	<u>9,616,755</u>	<u>33,802</u>
Excess (deficiency) of revenues over expenditures	(2,108,090)	(1,975,982)	132,108
Other Financing Sources (Uses)			
Transfers In	2,400,000	2,400,000	-
Total Other Financing Sources (Uses)	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>
Net Change in Fund Balance	291,910	424,018	132,108
Fund Balance - beginning	1,804,831	1,804,831	-
Fund Balance - ending	<u>\$ 2,096,741</u>	<u>\$ 2,228,849</u>	<u>\$ 132,108</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 June 30, 2016

	Daufuskie Ferry Grant	HUD Homes Program	CDBG Water Grants	Collaborative Organization for Services to Youth	Total
<u>ASSETS</u>					
Cash and Equity in Pooled Cash and Investments	\$ -	\$ -	\$ 5,300	\$ 27,838	\$ 33,138
Receivables, Net	3,611	-	-	-	3,611
Due from Other Governments	<u>28,536</u>	<u>109,073</u>	<u>-</u>	<u>4,671</u>	<u>142,280</u>
Total Assets	<u>\$ 32,147</u>	<u>\$ 109,073</u>	<u>\$ 5,300</u>	<u>\$ 32,509</u>	<u>\$ 179,029</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 32,147	\$ 109,073	\$ -	\$ 7,488	\$ 148,708
Accrued Payroll	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,118</u>	<u>6,118</u>
Total Liabilities	<u>32,147</u>	<u>109,073</u>	<u>-</u>	<u>13,606</u>	<u>154,826</u>
<u>FUND BALANCE</u>					
Restricted	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>18,903</u>	<u>24,203</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>18,903</u>	<u>24,203</u>
Total Liabilities and Fund Balance	<u>\$ 32,147</u>	<u>\$ 109,073</u>	<u>\$ 5,300</u>	<u>\$ 32,509</u>	<u>\$ 179,029</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2016

	Daufuskie Ferry Grant		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 80,000	\$ 80,000	\$ -
Charges for Services	<u>35,000</u>	<u>39,390</u>	<u>4,390</u>
Total Revenues	<u>115,000</u>	<u>119,390</u>	<u>4,390</u>
Expenditures			
Public Welfare			
Other	<u>285,621</u>	<u>290,011</u>	<u>(4,390)</u>
Total Expenditures	<u>285,621</u>	<u>290,011</u>	<u>(4,390)</u>
Excess (deficiency) of revenues over expenditures	(170,621)	(170,621)	-
Other Financing Sources (Uses)			
Transfers In	<u>167,856</u>	<u>167,856</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>167,856</u>	<u>167,856</u>	<u>-</u>
Net Change in Fund Balance	(2,765)	(2,765)	-
Fund Balance - beginning	<u>2,765</u>	<u>2,765</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2016

	HUD Homes Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,000,000	\$ 556,878	\$ (443,122)
Total Revenues	<u>1,000,000</u>	<u>556,878</u>	<u>(443,122)</u>
Expenditures			
Public Welfare			
Other	<u>1,000,000</u>	<u>556,878</u>	<u>443,122</u>
Total Expenditures	<u>1,000,000</u>	<u>556,878</u>	<u>443,122</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2016

	CDBG Water Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Public Welfare			
Other	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	5,300	5,300	-
Fund Balance - ending	\$ 5,300	\$ 5,300	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
For the Year Ended June 30, 2016

	<u>Collaborative Organization for Services to Youth</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 164,232	\$ 178,082	\$ 13,850
Charges for Services	82,200	105,293	23,093
Miscellaneous	<u>16,411</u>	<u>5,000</u>	<u>(11,411)</u>
Total Revenues	<u>262,843</u>	<u>288,375</u>	<u>25,532</u>
Expenditures			
Public Welfare			
Personnel	217,212	210,216	6,996
Purchased Services	114,643	167,038	(52,395)
Supplies	1,372	1,413	(41)
Other	<u>79,616</u>	<u>88,616</u>	<u>(9,000)</u>
Total Expenditures	<u>412,843</u>	<u>467,283</u>	<u>(54,440)</u>
Excess (deficiency) of revenues over expenditures	(150,000)	(178,908)	(28,908)
Other Financing Sources (Uses)			
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balance	-	(28,908)	(28,908)
Fund Balance - beginning	<u>47,811</u>	<u>47,811</u>	<u>-</u>
Fund Balance - ending	<u>\$ 47,811</u>	<u>\$ 18,903</u>	<u>\$ (28,908)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2016

	Totals		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,244,232	\$ 814,960	\$ (429,272)
Charges for Services	117,200	144,683	27,483
Miscellaneous	<u>16,411</u>	<u>5,000</u>	<u>(11,411)</u>
Total Revenues	<u>1,377,843</u>	<u>964,643</u>	<u>(413,200)</u>
Expenditures			
Public Welfare			
Personnel	217,212	210,216	6,996
Purchased Services	114,643	167,038	(52,395)
Supplies	1,372	1,413	(41)
Other	<u>1,365,237</u>	<u>935,505</u>	<u>429,732</u>
Total Expenditures	<u>1,698,464</u>	<u>1,314,172</u>	<u>384,292</u>
Excess (deficiency) of revenues over expenditures	(320,621)	(349,529)	(28,908)
Other Financing Sources (Uses)			
Transfers In	<u>317,856</u>	<u>317,856</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>317,856</u>	<u>317,856</u>	<u>-</u>
Net Change in Fund Balance	(2,765)	(31,673)	(28,908)
Fund Balance - beginning	<u>55,876</u>	<u>55,876</u>	<u>-</u>
Fund Balance - ending	<u>\$ 53,111</u>	<u>\$ 24,203</u>	<u>\$ (28,908)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 June 30, 2016

	Library Grants	Library Trusts	Library Impact Fees	PALS Capital Program	PALS Impact Fees	PALS PARD Grant	PALS Summer Nutrition Program Grant	Total
ASSETS								
Cash and Equity in Pooled Cash and Investments	\$ 40,598	\$ 252,144	\$ 2,152,129	\$ 94,911	\$ 2,692,850	\$ 11,262	\$ 4,470	\$ 5,248,364
Due from Other Governments	-	-	-	-	-	-	84,405	84,405
Total Assets	<u>\$ 40,598</u>	<u>\$ 252,144</u>	<u>\$ 2,152,129</u>	<u>\$ 94,911</u>	<u>\$ 2,692,850</u>	<u>\$ 11,262</u>	<u>\$ 88,875</u>	<u>\$ 5,332,769</u>
LIABILITIES								
Accounts Payable	\$ 5,007	-	-	-	\$ 20,844	\$ 4,023	\$ 82,618	\$ 112,492
Accrued Payroll	-	-	-	-	-	-	6,257	6,257
Total Liabilities	<u>5,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,844</u>	<u>4,023</u>	<u>88,875</u>	<u>118,749</u>
FUND BALANCE								
Restricted	35,592	252,144	2,152,129	-	2,672,006	7,239	-	5,119,110
Committed	-	-	-	94,911	-	-	-	94,911
Total Fund Balance	<u>35,592</u>	<u>252,144</u>	<u>2,152,129</u>	<u>94,911</u>	<u>2,672,006</u>	<u>7,239</u>	<u>-</u>	<u>5,214,021</u>
Total Liabilities and Fund Balance	<u>\$ 40,599</u>	<u>\$ 252,144</u>	<u>\$ 2,152,129</u>	<u>\$ 94,911</u>	<u>\$ 2,692,850</u>	<u>\$ 11,262</u>	<u>\$ 88,875</u>	<u>\$ 5,332,770</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2016

	Library Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 291,000	\$ 316,387	\$ 25,387
Interest	<u>20</u>	<u>103</u>	<u>83</u>
Total Revenues	<u>291,020</u>	<u>316,490</u>	<u>25,470</u>
Expenditures			
Cultural and Recreation			
Purchased Services	1,000	18,812	(17,812)
Supplies	<u>290,020</u>	<u>334,036</u>	<u>(44,016)</u>
Total Expenditures	<u>291,020</u>	<u>352,848</u>	<u>(61,828)</u>
Net Change in Fund Balance	-	(36,358)	(36,358)
Fund Balance - beginning	<u>71,950</u>	<u>71,950</u>	<u>-</u>
Fund Balance - ending	<u>\$ 71,950</u>	<u>\$ 35,592</u>	<u>\$ (36,358)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2016

	Library Trusts		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 587	\$ 587
Total Revenues	<u>-</u>	<u>587</u>	<u>587</u>
Expenditures			
Cultural and Recreation			
Supplies	-	15,625	(15,625)
Other	-	5,091	(5,091)
Total Expenditures	<u>-</u>	<u>20,716</u>	<u>(20,716)</u>
Net Change in Fund Balance	-	(20,129)	(20,129)
Fund Balance - beginning	<u>272,273</u>	<u>272,273</u>	<u>-</u>
Fund Balance - ending	<u>\$ 272,273</u>	<u>\$ 252,144</u>	<u>\$ (20,129)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2016

	Library Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 475,500	\$ 559,937	\$ 84,437
Interest	1,025	4,505	3,480
Miscellaneous	<u>2,600</u>	<u>2,835</u>	<u>235</u>
Total Revenues	<u>479,125</u>	<u>567,277</u>	<u>88,152</u>
Expenditures			
Cultural and Recreation			
Supplies	481,216	6,109	475,107
Capital	<u>60,500</u>	<u>115,866</u>	<u>(55,366)</u>
Total Expenditures	<u>541,716</u>	<u>121,975</u>	<u>419,741</u>
Net Change in Fund Balance	(62,591)	445,302	507,893
Fund Balance - beginning	<u>1,706,827</u>	<u>1,706,827</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,644,236</u>	<u>\$ 2,152,129</u>	<u>\$ 507,893</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2016

	PALS Capital Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$ 30,000	\$ 3,325	\$ (26,675)
Interest	<u>25</u>	<u>232</u>	<u>207</u>
Total Revenues	<u>30,025</u>	<u>3,557</u>	<u>(26,468)</u>
Expenditures			
Cultural and Recreation Supplies	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	30,025	3,557	(26,468)
Fund Balance - beginning	<u>91,354</u>	<u>91,354</u>	<u>-</u>
Fund Balance - ending	<u>\$ 121,379</u>	<u>\$ 94,911</u>	<u>\$ (26,468)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2016

	PALS Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 950,000	\$ 903,473	\$ (46,527)
Interest	<u>1,300</u>	<u>5,965</u>	<u>4,665</u>
Total Revenues	<u>951,300</u>	<u>909,438</u>	<u>(41,862)</u>
Expenditures			
Cultural and Recreation			
Purchased Services	21,379	600	20,779
Capital	<u>909,991</u>	<u>934,119</u>	<u>(24,128)</u>
Total Expenditures	<u>931,370</u>	<u>934,719</u>	<u>(3,349)</u>
Excess (deficiency) of revenues over expenditures	19,930	(25,281)	(45,211)
Other Financing Sources (Uses)			
Debt Service - Principal	(190,254)	(190,254)	-
Debt Service - Interest and Fees	<u>(155,685)</u>	<u>(155,685)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(345,939)</u>	<u>(345,939)</u>	<u>-</u>
Net Change in Fund Balance	(326,009)	(371,220)	(45,211)
Fund Balance - beginning	<u>3,043,226</u>	<u>3,043,226</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,717,217</u>	<u>\$ 2,672,006</u>	<u>\$ (45,211)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2016

	PARD Grant		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Cultural and Recreation			
Capital	-	32,761	(32,761)
Total Expenditures	-	32,761	(32,761)
Excess (deficiency) of revenues over expenditures	-	(32,761)	(32,761)
Other Financing Sources (Uses)			
Transfers In	-	40,000	40,000
Total Other Financing Sources (Uses)	-	40,000	40,000
Net Change in Fund Balance	-	7,239	7,239
Fund Balance - beginning	-	-	-
Fund Balance - ending	\$ -	\$ 7,239	\$ 7,239

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2016

	<u>PALS Summer Nutrition Program Grant</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 400,000	\$ 314,404	\$ (85,596)
Total Revenues	<u>400,000</u>	<u>314,404</u>	<u>(85,596)</u>
Expenditures			
Cultural and Recreation			
Personnel	67,000	37,519	29,481
Purchased Services	331,800	276,982	54,818
Supplies	<u>1,200</u>	<u>370</u>	<u>830</u>
Total Expenditures	<u>400,000</u>	<u>314,871</u>	<u>85,129</u>
Net Change in Fund Balance	-	(467)	(467)
Fund Balance - beginning	<u>467</u>	<u>467</u>	<u>-</u>
Fund Balance - ending	<u>\$ 467</u>	<u>\$ -</u>	<u>\$ (467)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
For the Year Ended June 30, 2016

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Licenses and Permits	\$ 1,425,500	\$ 1,463,410	\$ 37,910
Intergovernmental	691,000	630,791	(60,209)
Charges for Services	30,000	3,325	(26,675)
Interest	2,370	11,392	9,022
Miscellaneous	<u>2,600</u>	<u>2,835</u>	<u>235</u>
Total Revenues	<u>2,151,470</u>	<u>2,111,753</u>	<u>(39,717)</u>
Expenditures			
Cultural and Recreation			
Personnel	67,000	37,519	29,481
Purchased Services	354,179	296,394	57,785
Supplies	772,436	356,140	416,296
Capital	970,491	1,082,746	(112,255)
Other	<u>-</u>	<u>5,091</u>	<u>(5,091)</u>
Total Expenditures	<u>2,164,106</u>	<u>1,777,890</u>	<u>386,216</u>
Excess (deficiency) of revenues over expenditures	(12,636)	333,863	346,499
Other Financing Sources (Uses)			
Debt Service - Principal	(190,254)	(190,254)	-
Debt Service - Interest and Fees	(155,685)	(155,685)	-
Transfers In	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(345,939)</u>	<u>(305,939)</u>	<u>40,000</u>
Net Change in Fund Balance	(358,575)	27,924	386,499
Fund Balance - beginning	<u>5,186,097</u>	<u>5,186,097</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,827,522</u>	<u>\$ 5,214,021</u>	<u>\$ 386,499</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
ALL NONMAJOR DEBT SERVICE FUNDS
June 30, 2016

	Bluffton Parkway Bonds	Bluffton County TIF Bonds	Total
<u>ASSETS</u>			
Cash and Equity in Pooled Cash and Investments	\$ 1,111,294	\$ 3,076,317	\$ 4,187,611
Receivables, Net	-	4,914	4,914
Total Assets	<u>\$ 1,111,294</u>	<u>\$ 3,081,231</u>	<u>\$ 4,192,525</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - property taxes	-	4,914	4,914
Total deferred inflows of resources	<u>-</u>	<u>4,914</u>	<u>4,914</u>
<u>FUND BALANCE</u>			
Restricted	<u>1,111,294</u>	<u>3,076,317</u>	<u>4,187,611</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,111,294</u>	<u>\$ 3,081,231</u>	<u>\$ 4,192,525</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2016

	Bluffton Parkway Bonds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 500	\$ 1,510	\$ 1,010
Total Revenues	<u>500</u>	<u>1,510</u>	<u>1,010</u>
Expenditures			
Debt Service - Principal	1,590,994	1,590,994	-
Debt Service - Interest and Fees	<u>1,024,239</u>	<u>1,024,239</u>	<u>-</u>
Total Debt Service Expenditures	<u>2,615,233</u>	<u>2,615,233</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(2,614,733)	(2,613,723)	1,010
Other Financing Sources (Uses)			
Transfers In	<u>2,614,733</u>	<u>2,614,733</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,614,733</u>	<u>2,614,733</u>	<u>-</u>
Net Change in Fund Balance	-	1,010	1,010
Fund Balance - beginning	<u>1,110,284</u>	<u>1,110,284</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,110,284</u>	<u>\$ 1,111,294</u>	<u>\$ 1,010</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR DEBT SERVICE FUNDS
 For the Year Ended June 30, 2016

	Bluffton - County TIF Bonds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$ 550,000	\$ 597,354	\$ 47,354
Interest	<u>1,000</u>	<u>7,477</u>	<u>6,477</u>
Total Revenues	<u>551,000</u>	<u>604,831</u>	<u>53,831</u>
Expenditures			
Debt Service - Principal	695,000	695,000	-
Debt Service - Interest and Fees	<u>56,658</u>	<u>56,583</u>	<u>75</u>
Total Debt Service Expenditures	<u>751,658</u>	<u>751,583</u>	<u>75</u>
Net Change in Fund Balance	(200,658)	(146,752)	53,906
Fund Balance - beginning	<u>3,223,069</u>	<u>3,223,069</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,022,411</u>	<u>\$ 3,076,317</u>	<u>\$ 53,906</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2016

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Property Taxes	\$ 550,000	\$ 597,354	\$ 47,354
Interest	<u>1,500</u>	<u>8,987</u>	<u>7,487</u>
Total Revenues	<u>551,500</u>	<u>606,341</u>	<u>54,841</u>
Expenditures			
Debt Service - Principal	2,285,994	2,285,994	-
Debt Service - Interest and Fees	<u>1,080,897</u>	<u>1,080,822</u>	<u>75</u>
Total Debt Service Expenditures	<u>3,366,891</u>	<u>3,366,816</u>	<u>75</u>
Excess (deficiency) of Revenues Over Expenditures	(2,815,391)	(2,760,475)	54,916
Other Financing Sources (Uses)			
Transfers In	<u>2,614,733</u>	<u>2,614,733</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,614,733</u>	<u>2,614,733</u>	<u>-</u>
Net Change in Fund Balance	(200,658)	(145,742)	54,916
Fund Balance - beginning	<u>4,333,353</u>	<u>4,333,353</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,132,695</u>	<u>\$ 4,187,611</u>	<u>\$ 54,916</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
ALL NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2016

	Bluffton Parkway Project	Multicounty Industrial Park	Administrative Building Renovations	Rail Trail	Myrtle Park Phase II	Real Property Purchase Program	2005 GO Bond Projects	2009 GO Bond Projects	2010 GO Bond Projects	2013 GO Bond Projects	2014 GO Bond Projects	Totals
ASSETS												
Cash and Equity in Pooled Cash and Investments	\$ 2,186,505	\$ 102,225	\$ 260,317	\$ 71,716	\$ 4,670,516	\$ 5,430,870	\$ 28,293	\$ 12,574	\$ -	\$ 487,842	\$ 9,070,462	\$ 22,321,320
Receivables, Net	-	-	-	-	28,750	-	-	-	-	-	-	28,750
Due from Other Governments	-	-	-	114,930	-	-	-	-	-	-	-	114,930
Total Assets	\$ 2,186,505	\$ 102,225	\$ 260,317	\$ 186,646	\$ 4,699,266	\$ 5,430,870	\$ 28,293	\$ 12,574	\$ -	\$ 487,842	\$ 9,070,462	\$ 22,465,000
LIABILITIES												
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,156	\$ 28,293	\$ -	\$ -	\$ 30,595	\$ 1,234,030	\$ 1,358,074
Total Liabilities	-	-	-	-	-	65,156	28,293	-	-	30,595	1,234,030	1,358,074
FUND BALANCE												
Restricted for Capital Projects	2,186,505	102,225	260,317	186,646	4,699,266	5,365,714	-	12,574	-	457,247	7,836,432	21,106,926
Total Fund Balance	2,186,505	102,225	260,317	186,646	4,699,266	5,365,714	-	12,574	-	457,247	7,836,432	21,106,926
Total Liabilities and Fund Balance	\$ 2,186,505	\$ 102,225	\$ 260,317	\$ 186,646	\$ 4,699,266	\$ 5,430,870	\$ 28,293	\$ 12,574	\$ -	\$ 487,842	\$ 9,070,462	\$ 22,465,000

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2016

	Bluffton Parkway Project	Multicounty Industrial Park	Administrative Building Renovations	Spanish Moss Rail Trail	Myrtle Park Phase II	Real Property Purchase Program	2005 GO Bond Projects	2009 GO Bond Projects	2010 GO Bond Projects	2013 GO Bond Projects	2014 GO Bond Projects	Totals
Project Authorization	\$ 37,752,337	\$ 296,117	\$ 24,881,497	\$ 2,125,797	\$ 5,594,493	\$ 144,252,735	\$ 18,079,417	\$ 5,039,223	\$ 42,950,199	\$ 7,500,000	\$ 17,190,000	\$ 305,661,815
Prior Year's Revenues	38,945,908	296,117	26,810,978	1,253,838	1,742,559	127,828,950	20,104,672	5,134,079	43,648,913	7,527,356	17,193,658	290,487,028
Prior Year's Expenditures	36,759,403	195,776	26,546,353	296,835	1,155,748	116,551,617	20,089,477	5,121,514	43,641,485	6,596,985	1,806,879	258,762,072
Fund Balances - Beginning of Year	<u>2,186,505</u>	<u>100,341</u>	<u>264,625</u>	<u>957,003</u>	<u>586,811</u>	<u>11,277,333</u>	<u>15,195</u>	<u>12,565</u>	<u>7,428</u>	<u>930,371</u>	<u>15,386,779</u>	<u>31,724,956</u>
Revenues												
Property Taxes	-	77,061	-	-	-	-	-	-	-	-	-	77,061
Intergovernmental	-	-	-	871,959	-	-	-	-	-	-	-	871,959
Interest	-	104	692	-	9,270	35,399	2,382	9	-	28,027	29,610	105,493
Miscellaneous	-	-	-	50	150,000	-	-	-	-	-	-	150,050
Total Revenues	<u>-</u>	<u>77,165</u>	<u>692</u>	<u>872,009</u>	<u>159,270</u>	<u>35,399</u>	<u>2,382</u>	<u>9</u>	<u>-</u>	<u>28,027</u>	<u>29,610</u>	<u>1,204,563</u>
Expenditures												
Capital Projects	<u>-</u>	<u>75,281</u>	<u>5,000</u>	<u>1,642,366</u>	<u>46,815</u>	<u>5,947,018</u>	<u>17,577</u>	<u>-</u>	<u>7,428</u>	<u>501,151</u>	<u>7,579,957</u>	<u>15,822,593</u>
Excess (deficiency) of revenues over expenditures	-	1,884	(4,308)	(770,357)	112,455	(5,911,619)	(15,195)	9	(7,428)	(473,124)	(7,550,347)	(14,618,030)
Other Financing Sources (Uses)												
Issuance of Bonds	-	-	-	-	4,000,000	-	-	-	-	-	-	4,000,000
Transfers In	-	-	-	-	-	5,000	-	-	-	-	-	5,000
Transfers Out	-	-	-	-	-	(5,000)	-	-	-	-	-	(5,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>
Net Change in Fund Balance	-	1,884	(4,308)	(770,357)	4,112,455	(5,911,619)	(15,195)	9	(7,428)	(473,124)	(7,550,347)	(10,618,030)
FUND BALANCES - END OF YEAR	\$ 2,186,505	\$ 102,225	\$ 260,317	\$ 186,646	\$ 4,699,266	\$ 5,365,714	\$ -	\$ 12,574	\$ -	\$ 457,247	\$ 7,836,432	\$ 21,106,926

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2016

	Balance July 01, 2015	Additions	Deductions	Balance June 30, 2016
<u>Broad Creek Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 97,136	\$ 2,148,423	\$ 2,100,932	\$ 144,627
Due to Agency:				
Operations	\$ 16,622	\$ 1,427,993	\$ 1,371,214	\$ 73,401
Water/Sewer	516	34,350	34,866	-
Debt Service	79,926	686,080	694,852	71,154
Capital Projects	72	-	-	72
	<u>\$ 97,136</u>	<u>\$ 2,148,423</u>	<u>\$ 2,100,932</u>	<u>\$ 144,627</u>
<u>Fripp Island Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 1,471,482	\$ 1,444,794	\$ 1,433,415	\$ 1,482,861
Due to Agency:				
Erosion Control	\$ 238,984	\$ 98,921	\$ 50,000	\$ 287,905
Water/Sewer	334,416	367,203	364,392	337,227
Debt Service	360,645	448,557	442,929	366,273
Fire Operations	317,597	499,169	575,000	241,766
Fire Department 1% Funds	219,840	30,944	1,094	249,690
	<u>\$ 1,471,482</u>	<u>\$ 1,444,794</u>	<u>\$ 1,433,415</u>	<u>\$ 1,482,861</u>
<u>Forest Beach Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ -	\$ 6,744	\$ 5,058	\$ 1,686
Due to Agency:				
Operations	\$ -	\$ 96	\$ 72	\$ 24
Fire Operations	-	5,913	4,435	1,478
Fire Debt Service	-	735	551	184
Fire Department 1% Funds	-	291,951	291,951	-
	<u>\$ -</u>	<u>\$ 6,744</u>	<u>\$ 5,058</u>	<u>\$ 1,686</u>
<u>Hilton Head #1 Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 780,340	\$ 3,384,153	\$ 3,311,757	\$ 852,736
Due to Agency:				
Operations	\$ 13,613	\$ 949,746	\$ 880,000	\$ 83,359
Water/Sewer	2,991	487,252	450,000	40,243
Debt Service	711,493	1,424,946	1,435,095	701,344
Assessment A	17,558	295,431	300,000	12,989
Assessment B	2,615	25,855	27,308	1,162
Assessment C	3,755	78,286	78,749	3,292
Assessment D	1,406	30,661	31,801	266
Assessment H11	2,307	33,798	34,304	1,801
Folly Field Area Front Foot Assessment	2,879	32,873	33,500	2,252
Front Foot Assessment Revenue Bonds	21,723	25,305	41,000	6,028
	<u>\$ 780,340</u>	<u>\$ 3,384,153</u>	<u>\$ 3,311,757</u>	<u>\$ 852,736</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2016

	Balance July 01, 2015	Additions	Deductions	Balance June 30, 2016
South Beach Public Service District				
Assets:				
Equity in Pooled Cash and Investments	\$ 27,371	\$ 31,483	\$ 9,699	\$ 49,155
Due to Agency:				
Water/Sewer	\$ 637	\$ 16,698	\$ -	\$ 17,335
Debt Service	26,734	1,848	-	28,582
Fire Operations	-	12,211	9,155	3,056
Fire Debt Service	-	726	544	182
	<u>\$ 27,371</u>	<u>\$ 31,483</u>	<u>\$ 9,699</u>	<u>\$ 49,155</u>
Bluffton Fire District				
Assets:				
Equity in Pooled Cash and Investments	\$ 10,492,829	\$ 13,463,879	\$ 17,376,330	\$ 6,580,378
Due to Agency:				
Operations	\$ 1,206,441	\$ 12,000,630	\$ 11,044,707	\$ 2,162,364
Debt Service	(213,466)	552,230	571,475	(232,711)
Capital Projects	8,266,447	9,376	5,732,516	2,543,307
Fire Department 1% Fund	48,426	336,160	27,632	356,954
Fire Impact Fees	1,184,981	565,483	-	1,750,464
	<u>\$ 10,492,829</u>	<u>\$ 13,463,879</u>	<u>\$ 17,376,330</u>	<u>\$ 6,580,378</u>
Burton Fire District				
Assets:				
Equity in Pooled Cash and Investments	\$ 1,655,034	\$ 4,740,927	\$ 5,532,964	\$ 862,997
Due to Agency:				
Operations	\$ 1,205,771	\$ 4,279,784	\$ 4,946,155	\$ 539,400
Debt Service	388,691	376,137	490,509	274,319
Fire Department 1% Fund	2,384	51,897	46,300	7,981
Fire Impact Fees	58,188	33,109	50,000	41,297
	<u>\$ 1,655,034</u>	<u>\$ 4,740,927</u>	<u>\$ 5,532,964</u>	<u>\$ 862,997</u>
Daufuskie Island Fire District				
Assets:				
Equity in Pooled Cash and Investments	\$ (160,607)	\$ 1,110,697	\$ 1,072,184	\$ (122,094)
Due to Agency:				
Operations	\$ (159,417)	\$ 1,056,849	\$ 1,061,895	\$ (164,463)
Debt Service	(3,100)	37,370	-	34,270
Fire Department 1% Fund	354	11,693	10,289	1,758
Fire Impact Fees	1,556	4,785	-	6,341
	<u>\$ (160,607)</u>	<u>\$ 1,110,697</u>	<u>\$ 1,072,184</u>	<u>\$ (122,094)</u>
Ladys Island/St Helena Island Fire District				
Assets:				
Equity in Pooled Cash and Investments	\$ 1,776,655	\$ 5,826,875	\$ 5,370,356	\$ 2,233,174
Due to Agency:				
Operations	\$ 800,177	\$ 5,304,088	\$ 5,024,479	\$ 1,079,786
Debt Service	22,451	318,772	310,188	31,035
Fire Department 1% Fund	462,823	89,839	35,689	516,973
Fire Impact Fees	491,204	114,176	-	605,380
	<u>\$ 1,776,655</u>	<u>\$ 5,826,875</u>	<u>\$ 5,370,356</u>	<u>\$ 2,233,174</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2016

	Balance July 01, 2015	Additions	Deductions	Balance June 30, 2016
Sheldon Fire District				
Assets:				
Equity in Pooled Cash and Investments	\$ 339,777	\$ 1,370,772	\$ 1,323,396	\$ 387,153
Due to Agency:				
Operations	\$ 213,669	\$ 1,267,625	\$ 1,231,481	\$ 249,813
Debt Service	29,047	76,865	72,405	33,507
Fire Department 1% Fund	51,916	22,288	19,510	54,694
Fire Impact Fees	45,145	3,994	-	49,139
	<u>\$ 339,777</u>	<u>\$ 1,370,772</u>	<u>\$ 1,323,396</u>	<u>\$ 387,153</u>
City of Beaufort				
Assets:				
Equity in Pooled Cash and Investments	\$ 6,421	\$ 8,582,222	\$ 8,536,552	\$ 52,091
Due to Agency:				
Municipal	\$ 4,722	\$ 7,647,809	\$ 7,600,314	\$ 52,217
Stormwater Fees	1,699	873,030	874,855	(126)
Fire Department 1% Fund	-	61,383	61,383	-
	<u>\$ 6,421</u>	<u>\$ 8,582,222</u>	<u>\$ 8,536,552</u>	<u>\$ 52,091</u>
Town of Port Royal				
Assets:				
Equity in Pooled Cash and Investments	\$ 26,286	\$ 2,422,909	\$ 2,425,652	\$ 23,543
Due to Agency:				
Municipal	\$ 24,969	\$ 2,245,950	\$ 2,247,423	\$ 23,496
Stormwater Fees	1,317	164,475	165,745	47
Fire Department 1% Fund	-	12,484	12,484	-
	<u>\$ 26,286</u>	<u>\$ 2,422,909</u>	<u>\$ 2,425,652</u>	<u>\$ 23,543</u>
Town of Bluffton				
Assets:				
Equity in Pooled Cash and Investments	\$ 32,356	\$ 7,988,137	\$ 7,955,483	\$ 65,010
Due to Agency:				
Municipal	\$ 28,316	\$ 6,762,575	\$ 6,725,887	\$ 65,004
Stormwater Fees	4,040	1,225,562	1,229,596	6
	<u>\$ 32,356</u>	<u>\$ 7,988,137</u>	<u>\$ 7,955,483</u>	<u>\$ 65,010</u>
Town of Yemassee				
Assets:				
Equity in Pooled Cash and Investments	\$ 67	\$ 34,423	\$ 34,336	\$ 154
Due to Agency:				
Municipal	\$ 67	\$ 34,278	\$ 34,191	\$ 154
Fire Department 1% Fund	-	145	145	-
	<u>\$ 67</u>	<u>\$ 34,423</u>	<u>\$ 34,336</u>	<u>\$ 154</u>
Town of Hilton Head				
Assets:				
Equity in Pooled Cash and Investments	\$ 42,124	\$ 26,205,536	\$ 27,006,215	\$ (758,555)
Due to Agency:				
Municipal	\$ 19,044	\$ 22,397,500	\$ 23,196,439	\$ (779,895)
Stormwater Fees	8,060	3,448,801	3,456,734	127
Fire Operations	-	19,777	14,833	4,944
Fire Debt Service	15,020	1,249	-	16,269
Fire Department 1% Fund	-	338,209	338,209	-
	<u>\$ 42,124</u>	<u>\$ 26,205,536</u>	<u>\$ 27,006,215</u>	<u>\$ (758,555)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2016

	Balance July 01, 2015	Additions	Deductions	Balance June 30, 2016
<u>City of Hardeeville</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ (754)	\$ 145,760	\$ 144,962	\$ 44
Due to Agency:				
Municipal	(754)	145,760	144,962	44
	<u>\$ (754)</u>	<u>\$ 145,760</u>	<u>\$ 144,962</u>	<u>\$ 44</u>
<u>Beaufort-Jasper Academy for Career Excellence</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 224,505	\$ 2,803,420	\$ 2,707,114	\$ 320,811
Due to Agency:				
General	\$ (530,431)	\$ 2,687,427	\$ 2,656,536	\$ (499,540)
Special Revenue Funds	301,103	-	(18,603)	319,706
Education Improvement Act	453,833	115,993	69,181	500,645
	<u>\$ 224,505</u>	<u>\$ 2,803,420</u>	<u>\$ 2,707,114</u>	<u>\$ 320,811</u>
<u>Beaufort County School District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 137,882,157	\$ 333,491,830	\$ 388,270,784	\$ 83,103,203
Due to Agency:				
General	\$ 30,337,388	\$ 217,349,055	\$ 219,106,622	\$ 28,579,821
Special Revenue Funds	127,450	17,100,935	16,657,146	571,239
School Lunch Program	313,152	9,081,405	8,909,759	484,798
Education Improvement Act	4,810,419	10,754,401	10,721,559	4,843,261
Debt Service	17,572,711	56,845,838	62,389,104	12,029,445
Capital Projects	1,236,428	2,935	-	1,239,363
School 8% Projects	65,776,576	22,253,405	65,076,561	22,953,420
Facilities 2005	7,372,649	37,018	-	7,409,667
Facilities 2007	30,349	-	-	30,349
Facilities 2008	10,305,035	66,838	5,410,033	4,961,840
	<u>\$ 137,882,157</u>	<u>\$ 333,491,830</u>	<u>\$ 388,270,784</u>	<u>\$ 83,103,203</u>
<u>Special Assessments</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 141,020	\$ 70,870	\$ 59,148	\$ 152,742
Due to Agency:				
Burlington Estates	\$ 23,113	\$ 935	\$ -	\$ 24,048
Burlington Land	17,050	659	-	17,709
Kings Grant II	20,760	49	-	20,809
O'Neal Place	13,883	519	-	14,402
Pleasant Farm	1	19,966	18,001	1,966
Robin Wood	18,860	733	-	19,593
Seabrook	31,086	37,428	31,075	37,439
Woodland Estates	16,081	684	-	16,765
Brown's Island	186	9,897	10,072	11
	<u>\$ 141,020</u>	<u>\$ 70,870</u>	<u>\$ 59,148</u>	<u>\$ 152,742</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2016

	Balance July 01, 2015	Additions	Deductions	Balance June 30, 2016
<u>Departmentally Held Funds</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 15,789,048	\$ 35,130,725	\$ 37,752,070	\$ 13,167,703
Due to Agency:				
Clerk of Court	\$ 3,381,801	\$ 2,055,074	\$ 1,896,193	\$ 3,540,682
Master in Equity - Foreclosures	438,845	18,063,431	18,253,695	248,581
Register of Deeds - Bonds	10,257	29,526	41,058	(1,275)
Treasurer - JPC Escrow	268,573	62,707	-	331,280
Treasurer - Bankruptcy Escrow	215,040	109,347	39,907	284,480
Treasurer - Surplus Tax Escrow	11,474,532	14,810,640	17,521,217	8,763,955
	<u>\$ 15,789,048</u>	<u>\$ 35,130,725</u>	<u>\$ 37,752,070</u>	<u>\$ 13,167,703</u>
Total - All Agency Funds				
Assets:				
Equity in Pooled Cash and Investments	\$ 170,623,247	\$ 450,404,579	\$ 512,428,407	\$ 108,599,419
Due to Agency:				
General	\$ 170,623,247	\$ 450,404,579	\$ 512,428,407	\$ 108,599,419

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES
 For the Year Ended June 30, 2016

Clerk of Court Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 402,889
Remitted to Other Agencies	38,216
Retained by the County	<u>164,407</u>
Total Fines, Fees, Assessments and Surcharges Collected	<u>\$ 605,512</u>

Magistrate Courts Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 1,123,912
Remitted to Other Agencies	54,487
Retained by the County	<u>881,503</u>
Total Fines, Fees, Assessments and Surcharges Collected	<u>\$ 2,059,902</u>

Victims Assistance Services

Funds Carried Forward from Prior Years	\$ 197,819
Fees and Assessments from the Clerk of Court	37,715
Fees and Assessments from the Magistrate Courts	115,655
Fees and Assessments from the Solicitor's Office	7,280
Town of Hilton Head Allocation	48,498
County General Fund Allocation	<u>30,797</u>
Funds Allocated to Victim Assistance Services	437,764
Victim Assistance Expenditures	<u>(209,375)</u>
Funds Available for Carryforward	<u>\$ 228,389</u>

BEAUFORT COUNTY, SOUTH CAROLINA
ALCOHOL AND DRUG ABUSE PROGRAMS - PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDING JUNE 30, 2016

	Central Administration	Safety Action Program	School Intervention Program	Community Based Treatment Program	Preventive Education Program	Intensive Outpatient Program	Drug Court	Total
Revenues								
State Mini Bottles	\$ -	\$ -	\$ 73,854	\$ 73,854	\$ 73,854	\$ 73,855	\$ -	\$ 295,417
DAODOS Consolidated Contract	-	29,007	1,753	256,683	102,884	-	-	390,327 A
DAODOS Consolidated Contract - HIV Funds	-	-	-	35,000	-	-	-	35,000 A
DAODOS State Block Grant	-	6,308	-	-	-	-	-	6,308 D
DAODOS COLA	-	9,111	3,712	9,448	6,411	5,061	-	33,743 E
DAODOS SAPT BG Assessment	-	-	-	20,800	-	-	-	20,800 B
DAODOS SynarYouth Tobacco Buys (SAPT BG)	-	-	-	-	524	-	-	524 B
DAODOS STEP Youth Tobacco Buys (FDA)	-	-	-	-	492	-	-	492 C
DAODOS STEP-UP	-	-	-	90	-	-	-	90 F
DAODOS DSS-DST	-	-	-	83,140	-	-	-	83,140 G
Charges for Services - Fees	-	166,752	-	45,647	-	-	-	212,399
Charges for Services - Medicaid	-	-	-	84,564	-	-	-	84,564
Interest Income	941	-	-	-	-	-	-	941
Miscellaneous	-	-	-	-	2,450	-	-	2,450
Total Revenues	941	211,178	79,319	609,226	186,615	78,916	-	1,166,195
Expenditures								
Personnel	190,381	130,069	60,877	487,520	188,636	170,427	-	1,227,910
Purchased Services	34,218	18,528	2,677	23,327	11,579	5,597	25	95,951
Supplies	7,041	5,813	314	3,475	897	3,062	16,853	37,455
Total Expenditures	231,640	154,410	63,868	514,322	201,112	179,086	16,878	1,361,316
Excess of Revenues Over (Under) Expenditures	(230,699)	56,768	15,451	94,904	(14,497)	(100,170)	(16,878)	(195,121)
Other Financing Sources								
Transfers In (Out)	400,000	-	-	-	-	-	-	400,000
Net Change in Fund Balance	169,301	56,768	15,451	94,904	(14,497)	(100,170)	(16,878)	204,879
Fund Balance - beginning	6,142	27,023	73,587	151,937	59,299	31,397	31,454	380,839
Fund Balance - ending	\$ 175,443	\$ 83,791	\$ 89,038	\$ 246,841	\$ 44,802	\$ (68,773)	\$ 14,576	\$ 585,718

Notes:

- A - Fiscal Year 2016 DAODAS Block Grant Award (Base and Extended Services). \$423,574 of this total is federal funds with CFDA 93.959 and \$1,753 is state funds.
B - Fiscal Year 2016 Substance Abuse Prevention and Treatment Block Grant (SAPT BG) for Assessment and Synar Youth Tobacco Buys. The total amount of \$21,324 is federal funds with CFDA 93.959.
C - Fiscal Year 2016 STEP Youth Tobacco Buys (Food and Drug Administration Program). The total amount of \$492 is federal funds with CFDA 93.999.
D - Fiscal Year 2016 DAODAS State Block Grant (state funds).
E - Fiscal Year 2016 Cost of Living Allowance (COLA) and is state funds.
F - Fiscal Year 2016 STEP UP and is identified as other funds.
G - Fiscal Year 2016 DSS-DST and is identified as other funds.

BEAUFORT COUNTY, SOUTH CAROLINA
 Daufuskie Ferry Schedule of Budgeted to Actual
 South Carolina Department of Transportation - State Mass Transit Funds (SMTF)
 Contract PT-6G699-59
 For the period beginning July 1, 2015 and ending June 30, 2016

	<u>Budget</u>	<u>Actual - SMTF</u>	<u>Actual - Local</u>	<u>Total Actual</u>	<u>Variance</u>
Revenues					
Intergovernmental ¹	\$ 80,000	\$ 80,000	\$ -	\$ 80,000	\$ -
Charges for Services ²	<u>35,000</u>	<u>-</u>	<u>39,390</u>	<u>39,390</u>	<u>4,390</u>
Total Revenues	115,000	80,000	39,390	119,390	4,390
Expenditures					
Ferry Service	268,096	80,000	192,486	272,486	(4,390)
Parking Fees	13,325	-	13,325	13,325	-
Administration	<u>4,200</u>	<u>-</u>	<u>4,200</u>	<u>4,200</u>	<u>-</u>
Total Expenditures	285,621	80,000	210,011	290,011	(4,390)
Other Financing Sources					
Transfers In ²	<u>167,856</u>	<u>-</u>	<u>167,856</u>	<u>167,856</u>	<u>-</u>
Total Other Financing Sources	167,856	-	167,856	167,856	-
Net Change in Fund Balance	(2,765)	-	(2,765)	(2,765)	-
Fund Balance - beginning	<u>2,765</u>	<u>-</u>	<u>2,765</u>	<u>2,765</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: The intergovernmental revenues are provided by the South Carolina Department of Transportation, State Mass Transit Funds.

Note 2: The Charges for Services are Ridership Fees. The transfer in is funding provided by Beaufort County's General Fund.

Statistical Section

**BEAUFORT COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016
STATISTICAL SECTION**

This part of the Beaufort County comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	145 - 150
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.	151 - 154
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	155 - 160
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	161 - 162
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	163 - 165

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

BEAUFORT COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Governmental Activities										
Net investment in capital assets	\$ 52,776,852	\$ 70,906,216	\$ 82,426,443	\$ 126,759,144	\$ 150,354,190	\$ 182,140,936	\$ 235,805,103	\$ 248,042,213	\$ 258,464,624	\$ 297,559,730
Restricted	18,695,106	48,605,864	34,763,370	76,403,806	110,042,845	109,480,674	81,168,869	94,621,380	103,427,275	74,429,250
Unrestricted	41,453,757	45,443,709	83,769,216	27,135,536	1,807,004	2,286,272	5,092,524	(9,776,030)	(67,733,915)	(47,981,906)
Total governmental activities net position	<u>\$ 112,925,715</u>	<u>\$ 164,955,789</u>	<u>\$ 200,959,029</u>	<u>\$ 230,298,486</u>	<u>\$ 262,204,039</u>	<u>\$ 293,907,882</u>	<u>\$ 322,066,496</u>	<u>\$ 332,887,563</u>	<u>\$ 294,157,984</u>	<u>\$ 324,007,074</u>
Business-Type Activities										
Net investment in capital assets	\$ 24,046,457	\$ 21,340,684	\$ 23,074,168	\$ 23,805,330	\$ 24,456,698	\$ 23,927,764	\$ 23,961,592	\$ 23,319,358	\$ 27,565,326	\$ 28,123,049
Unrestricted	(918,246)	266,120	(2,067,504)	(1,764,310)	(1,979,580)	(1,466,786)	(1,180,550)	(741,276)	(8,545,869)	(4,534,745)
Total business-type activities net position	<u>\$ 23,128,211</u>	<u>\$ 21,606,804</u>	<u>\$ 21,006,664</u>	<u>\$ 22,041,020</u>	<u>\$ 22,477,118</u>	<u>\$ 22,460,978</u>	<u>\$ 22,781,042</u>	<u>\$ 22,578,082</u>	<u>\$ 19,019,457</u>	<u>\$ 23,588,304</u>
Primary Government										
Net investment in capital assets	\$ 76,823,309	\$ 92,246,900	\$ 105,500,611	\$ 150,564,474	\$ 174,810,888	\$ 206,068,700	\$ 259,766,695	\$ 271,361,571	\$ 286,029,950	\$ 325,682,779
Restricted	18,695,106	48,605,864	34,763,370	76,403,806	110,042,845	109,480,674	81,168,869	94,621,380	103,427,275	74,429,250
Unrestricted	40,535,511	45,709,829	81,701,712	25,371,226	(172,576)	819,486	3,911,974	(10,517,306)	(76,279,784)	(52,516,651)
Total primary government net position	<u>\$ 136,053,926</u>	<u>\$ 186,562,593</u>	<u>\$ 221,965,693</u>	<u>\$ 252,339,506</u>	<u>\$ 284,681,157</u>	<u>\$ 316,368,860</u>	<u>\$ 344,847,538</u>	<u>\$ 355,465,645</u>	<u>\$ 313,177,441</u>	<u>\$ 347,595,378</u>

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<u>Expenses</u>										
<u>Governmental Activities</u>										
General Government	\$ 24,863,032	\$ 27,566,886	\$ 33,883,983	\$ 35,336,670	\$ 33,610,134	\$ 32,119,250	\$ 32,641,163	\$ 34,741,478	\$ 34,268,122	\$ 42,236,133
Public Safety	40,322,590	45,505,447	49,090,928	50,524,200	48,927,744	51,231,345	52,481,136	57,185,897	53,323,890	48,929,013
Public Works	19,507,135	21,017,930	19,920,007	20,434,597	20,753,287	19,944,114	23,403,821	22,259,047	24,696,310	22,106,941
Public Health	8,434,863	9,545,159	12,227,572	12,267,824	11,859,259	11,881,484	11,987,651	11,462,648	10,667,458	12,128,941
Public Welfare	1,460,053	2,082,811	1,935,787	2,402,787	3,143,475	2,373,551	2,317,902	3,243,469	3,023,487	2,108,695
Cultural and Recreation	10,527,430	11,682,973	16,947,113	15,963,929	15,339,501	13,863,794	16,064,581	15,583,049	14,936,898	13,887,875
Interest	9,238,679	10,691,835	10,906,551	10,812,119	11,585,371	10,596,657	9,087,049	9,293,605	6,641,311	6,222,321
Total Governmental Activities Expenses	<u>114,353,782</u>	<u>128,093,041</u>	<u>144,911,941</u>	<u>147,742,126</u>	<u>145,218,771</u>	<u>142,010,195</u>	<u>147,983,303</u>	<u>153,769,193</u>	<u>147,557,476</u>	<u>147,619,919</u>
<u>Business-Type Activities</u>										
Garage	4,186,346	4,778,275	-	-	-	-	-	-	-	-
Stormwater Utility	2,528,367	2,896,205	3,027,952	3,677,985	3,758,958	3,124,645	3,246,022	3,175,708	3,534,035	3,663,825
Lady's Island Airport	673,942	909,516	1,129,236	664,128	693,783	668,094	667,068	602,879	703,949	901,521
Hilton Head Airport	2,107,556	4,475,379	2,478,208	2,558,747	2,191,050	3,236,793	2,565,348	2,829,612	4,517,883	8,330,082
Total Business-Type Expenses	<u>9,496,211</u>	<u>13,059,375</u>	<u>6,635,396</u>	<u>6,900,860</u>	<u>6,643,791</u>	<u>7,029,532</u>	<u>6,478,438</u>	<u>6,608,199</u>	<u>8,755,867</u>	<u>12,895,428</u>
Total Government Expenses	<u>\$ 123,849,993</u>	<u>\$ 141,152,416</u>	<u>\$ 151,547,337</u>	<u>\$ 154,642,986</u>	<u>\$ 151,862,562</u>	<u>\$ 149,039,727</u>	<u>\$ 154,461,741</u>	<u>\$ 160,377,392</u>	<u>\$ 156,313,343</u>	<u>\$ 160,515,347</u>

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Program Revenues										
Governmental Activities										
Charges for services										
General Government	\$ 14,964,925	\$ 13,170,035	\$ 16,717,090	\$ 17,046,292	\$ 17,668,968	\$ 18,499,976	\$ 18,342,329	\$ 18,929,100	\$ 18,874,705	\$ 15,720,868
Public Safety	8,423,902	7,990,064	7,193,599	7,130,652	7,437,462	6,871,580	8,510,306	6,774,011	7,372,252	8,153,290
Public Works	5,678,226	7,016,889	3,125,389	3,502,896	3,031,913	3,680,979	4,283,664	4,319,788	4,545,834	5,865,323
Public Health	407,968	410,076	479,704	551,682	525,615	525,594	522,846	535,092	597,297	591,235
Public Welfare	9,725	16,525	22,429	72,702	40,715	40,913	64,283	60,147	87,992	144,682
Cultural and Recreation	2,817,775	2,809,504	1,098,497	1,279,808	1,453,157	1,602,628	1,912,336	2,035,420	2,301,655	2,019,478
Operating Grants and Contributions	6,980,330	8,312,520	8,046,928	8,353,023	9,055,697	9,549,138	9,328,245	10,398,779	11,962,524	11,249,681
Capital Grants and Contributions	8,567,228	33,285,927	4,223,966	2,654,488	1,833,055	2,405,145	13,271,813	17,270,372	16,053,234	17,613,148
Total Governmental Activities Program Revenues	<u>47,850,079</u>	<u>73,011,540</u>	<u>40,907,602</u>	<u>40,591,543</u>	<u>41,046,582</u>	<u>43,175,953</u>	<u>56,235,822</u>	<u>60,322,709</u>	<u>61,795,493</u>	<u>61,357,705</u>
Business-Type Activities										
Charges for services										
Garage	4,016,829	4,913,862	-	-	-	-	-	-	-	-
Stormwater Utility	2,880,264	3,233,196	2,845,833	3,713,687	3,381,644	3,209,895	3,155,000	3,190,705	3,232,499	5,393,162
Lady's Island Airport	676,061	729,620	535,016	490,691	530,525	567,734	560,766	528,390	552,091	529,750
Hilton Head Airport	1,314,648	1,508,468	1,473,958	1,435,463	1,449,414	1,495,360	1,793,155	1,830,654	1,777,043	1,638,483
Operating Grants and Contributions	219,079	244,468	124,881	133,223	134,837	116,234	112,695	116,090	65,450	65,440
Capital Grants and Contributions	1,334,933	1,004,624	986,411	1,862,895	1,563,425	1,562,938	1,175,792	735,231	1,476,192	9,782,233
Total Business-Type Activities Program Revenues	<u>10,441,814</u>	<u>11,634,238</u>	<u>5,966,099</u>	<u>7,635,959</u>	<u>7,059,845</u>	<u>6,952,161</u>	<u>6,797,408</u>	<u>6,401,070</u>	<u>7,103,275</u>	<u>17,409,068</u>
Total Government Program Revenues	<u>\$ 58,291,893</u>	<u>\$ 84,645,778</u>	<u>\$ 46,873,701</u>	<u>\$ 48,227,502</u>	<u>\$ 48,106,427</u>	<u>\$ 50,128,114</u>	<u>\$ 63,033,230</u>	<u>\$ 66,723,779</u>	<u>\$ 68,898,768</u>	<u>\$ 78,766,773</u>
Net (Expense) / Revenue										
Governmental Activities	\$ (66,503,703)	\$ (55,081,501)	\$ (104,004,339)	\$ (107,150,583)	\$ (104,172,189)	\$ (98,834,242)	\$ (91,747,481)	\$ (93,446,484)	\$ (85,761,983)	\$ (86,262,214)
Business-Type Activities	945,603	(1,425,137)	(669,297)	735,099	416,054	(77,371)	318,970	(207,129)	(1,652,592)	4,513,640
Total Government Net (Expense) / Revenue	<u>\$ (65,558,100)</u>	<u>\$ (56,506,638)</u>	<u>\$ (104,673,636)</u>	<u>\$ (106,415,484)</u>	<u>\$ (103,756,135)</u>	<u>\$ (98,911,613)</u>	<u>\$ (91,428,511)</u>	<u>\$ (93,653,613)</u>	<u>\$ (87,414,575)</u>	<u>\$ (81,748,574)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
<u>General Revenues and Other Changes in Net Assets</u>										
<u>Governmental Activities</u>										
Property Taxes	\$ 67,937,348	\$ 55,867,689	\$ 92,725,922	\$ 91,394,021	\$ 94,804,284	\$ 93,571,238	\$ 94,819,998	\$ 91,907,959	\$ 96,129,087	\$ 101,550,345
Sales Taxes	4,647,027	25,531,506	30,440,867	28,257,192	29,292,574	30,442,155	15,043,485	330,889	105,253	31,232
Grants and contributions not restricted	7,719,639	9,621,104	10,353,360	9,638,402	8,868,758	9,588,551	7,944,710	8,414,711	8,478,141	8,513,761
Unrestricted investment earnings	4,179,902	4,701,846	3,728,745	4,093,395	1,378,709	883,768	540,155	293,213	269,080	495,848
Special item - decrease in other post-employment benefit cost	-	-	-	-	-	-	-	-	27,520,071	1,353,498
Transfers In / (Out)	-	1,863,867	-	(250,000)	(2,500)	-	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	-	-	-	4,460	(98,017)	-	-	-	-	-
Miscellaneous	<u>2,838,808</u>	<u>9,342,263</u>	<u>2,758,685</u>	<u>3,352,570</u>	<u>1,833,934</u>	<u>1,841,926</u>	<u>1,557,747</u>	<u>3,320,779</u>	<u>2,366,433</u>	<u>1,955,858</u>
Total Governmental Activities	<u>87,322,724</u>	<u>106,928,275</u>	<u>140,007,579</u>	<u>136,490,040</u>	<u>136,077,742</u>	<u>136,327,638</u>	<u>119,906,095</u>	<u>104,267,551</u>	<u>134,868,065</u>	<u>113,900,542</u>
<u>Business-Type Activities</u>										
Unrestricted Investments Earnings	174,319	86,760	59,803	48,779	11,282	11,231	4,835	4,169	3,133	14,710
Special item - decrease in other post-employment benefit cost	-	-	-	-	-	-	-	-	1,230,929	38,502
Transfers In / (Out)	-	(1,863,867)	-	250,000	2,500	-	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	-	-	-	478	6,262	50,000	(3,741)	-	-	-
Miscellaneous	<u>4,320</u>	<u>270</u>	<u>9,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,079</u>	<u>1,995</u>
Total Business-Type Activities	<u>178,639</u>	<u>(1,776,837)</u>	<u>69,157</u>	<u>299,257</u>	<u>20,044</u>	<u>61,231</u>	<u>1,094</u>	<u>4,169</u>	<u>1,235,141</u>	<u>55,207</u>
Total Government	<u>\$ 87,501,363</u>	<u>\$ 105,151,438</u>	<u>\$ 140,076,736</u>	<u>\$ 136,789,297</u>	<u>\$ 136,097,786</u>	<u>\$ 136,388,869</u>	<u>\$ 119,907,189</u>	<u>\$ 104,271,720</u>	<u>\$ 136,103,206</u>	<u>\$ 113,955,749</u>
<u>Changes in Net Position</u>										
Governmental Activities	\$ 20,819,021	\$ 51,846,774	\$ 36,003,240	\$ 29,339,457	\$ 31,905,553	\$ 37,493,396	\$ 28,158,614	\$ 10,821,067	\$ 49,106,082	\$ 27,638,328
Business-Type Activities	<u>1,124,242</u>	<u>(3,201,974)</u>	<u>(600,140)</u>	<u>1,034,356</u>	<u>436,098</u>	<u>(16,140)</u>	<u>320,064</u>	<u>(202,960)</u>	<u>(417,451)</u>	<u>4,568,847</u>
Total Government Changes in Net Position	<u>\$ 21,943,263</u>	<u>\$ 48,644,800</u>	<u>\$ 35,403,100</u>	<u>\$ 30,373,813</u>	<u>\$ 32,341,651</u>	<u>\$ 37,477,256</u>	<u>\$ 28,478,678</u>	<u>\$ 10,618,107</u>	<u>\$ 48,688,631</u>	<u>\$ 32,207,175</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 FUND BALANCES GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
General Fund										
Reserved	\$ 2,088,746	\$ 827,243	\$ 2,168,732	\$ 2,023,487						
Unreserved	<u>19,553,774</u>	<u>18,929,748</u>	<u>18,771,412</u>	<u>16,217,306</u>						
Total General Fund	<u>\$ 21,642,520</u>	<u>\$ 19,756,991</u>	<u>\$ 20,940,144</u>	<u>\$ 18,240,793</u>						
All Other Governmental Funds										
Reserved	\$ 60,620,111	\$ 103,005,448	\$ 137,996,015	\$ 140,360,312						
Unreserved, Reported In:										
Special revenue funds	<u>26,369,167</u>	<u>32,852,969</u>	<u>34,484,177</u>	<u>-</u>						
Total All Other Governmental Funds	<u>\$ 86,989,278</u>	<u>\$ 135,858,417</u>	<u>\$ 172,480,192</u>	<u>\$ 140,360,312</u>						
Total All Governmental Funds	<u>\$ 108,631,798</u>	<u>\$ 155,615,408</u>	<u>\$ 193,420,336</u>	<u>\$ 158,601,105</u>						
General Fund										
Nonspendable					\$ 2,829,512	\$ 2,227,326	\$ 2,061,612	\$ 1,289,814	\$ 1,607,787	\$ 1,198,811
Committed					960,216	150,788	218,526	186,084	23,537	247,507
Assigned					-	23,697	1,733,143	1,047,473	381,041	452,883
Unassigned					<u>14,930,011</u>	<u>19,940,197</u>	<u>20,207,988</u>	<u>21,249,298</u>	<u>24,682,018</u>	<u>26,653,761</u>
Total General Fund					<u>\$ 18,719,739</u>	<u>\$ 22,342,008</u>	<u>\$ 24,221,269</u>	<u>\$ 23,772,669</u>	<u>\$ 26,694,383</u>	<u>\$ 28,552,962</u>
All Other Governmental Funds										
Nonspendable					\$ 2,418,050	\$ 1,268,394	\$ 1,199,446	\$ 2,514,805	\$ 4,464,642	\$ 72,968
Restricted					126,929,680	124,459,879	108,228,779	92,038,827	98,868,411	87,145,361
Committed					4,466	32,889	56,058	67,748	94,222	94,911
Unassigned (Deficit)					<u>(1,361)</u>	<u>(28,933)</u>	<u>365,494</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds					<u>\$ 129,350,835</u>	<u>\$ 125,732,229</u>	<u>\$ 109,849,777</u>	<u>\$ 94,621,380</u>	<u>\$ 103,427,275</u>	<u>\$ 87,313,240</u>
Total All Governmental Funds					<u>\$ 148,070,574</u>	<u>\$ 148,074,237</u>	<u>\$ 134,071,046</u>	<u>\$ 118,394,049</u>	<u>\$ 130,121,658</u>	<u>\$ 115,866,202</u>

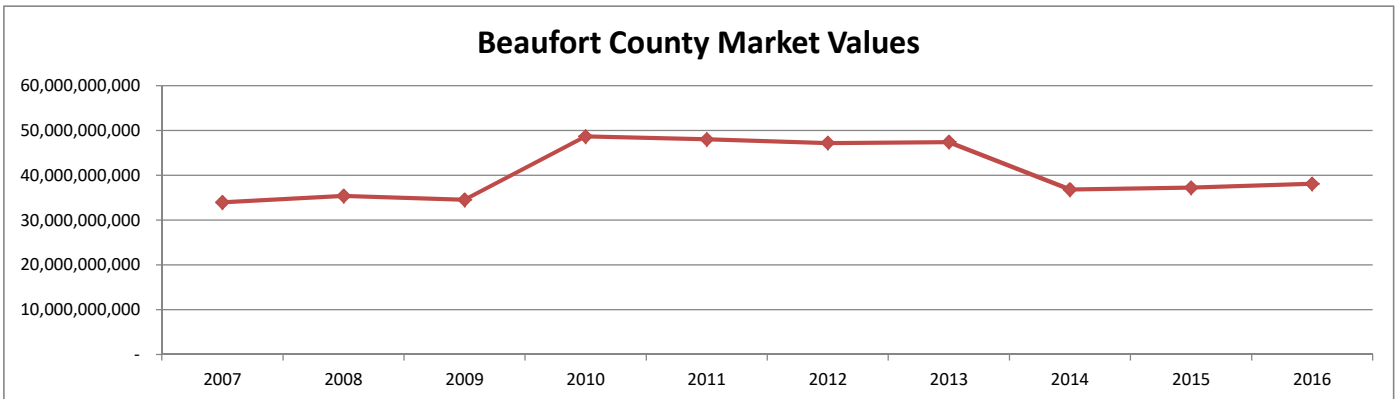
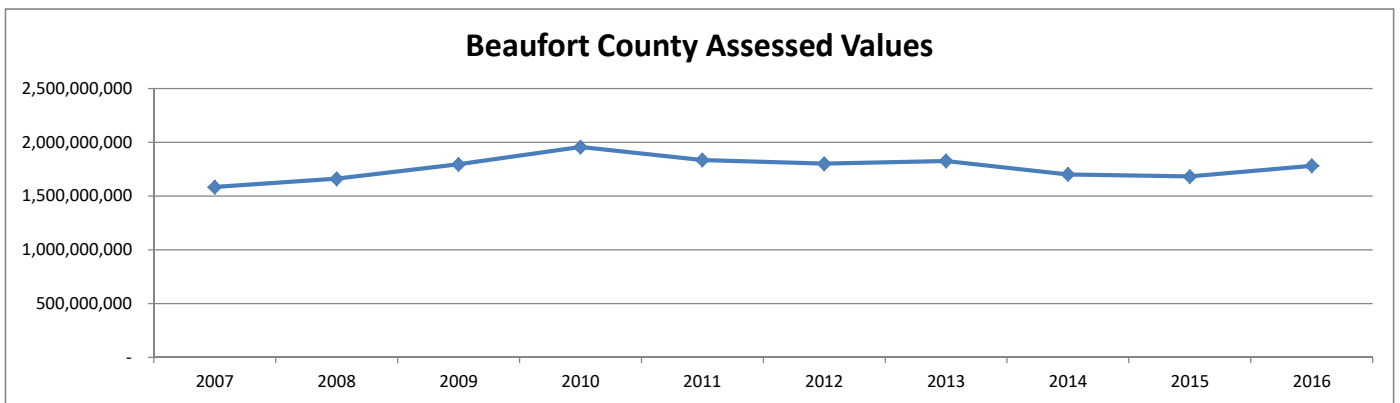
GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, became effective for fiscal year 2011 and established fund balance classifications that comprise a heirarchy based primarily on the extent to which a government is bound to honor constraints imposed upon the use of the resources reported in governmental funds.

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues										
Property Taxes	\$ 72,842,999	\$ 80,919,392	\$ 92,251,291	\$ 91,228,738	\$ 94,610,886	\$ 93,350,153	\$ 94,786,696	\$ 92,501,314	\$ 95,351,350	\$ 101,676,345
Licenses and Permits	15,282,447	15,244,516	8,289,425	8,024,048	7,960,357	9,924,740	10,705,122	11,348,536	12,074,801	12,655,858
Intergovernmental	23,267,197	51,219,551	53,065,121	48,903,105	49,050,084	51,984,989	45,588,253	36,414,751	36,611,786	33,572,097
Charges for Services	15,576,292	14,880,644	14,533,541	15,672,535	16,342,605	15,221,171	17,105,139	15,467,080	16,387,825	17,731,291
Fines and Forfeitures	1,443,782	1,287,933	1,354,535	1,483,077	1,126,116	1,015,739	898,436	1,007,091	1,073,474	1,344,423
Interest	3,999,618	4,701,846	3,728,745	1,175,420	782,749	883,768	540,155	293,213	269,082	495,852
Settlements	-	6,503,786	-	-	-	-	-	-	-	-
Miscellaneous	2,912,367	3,091,560	2,932,325	3,352,568	1,833,934	1,841,926	1,557,747	3,320,779	2,365,713	1,955,857
Total Revenues	135,324,702	177,849,228	176,154,983	169,839,491	171,706,731	174,222,486	171,181,548	160,352,764	164,134,031	169,431,723
Expenditures										
General Government	21,723,657	24,281,947	26,138,110	26,791,534	24,479,751	23,497,733	23,658,058	24,808,234	25,358,150	37,126,529
Public Safety	38,169,617	42,629,557	45,642,410	42,542,591	42,639,887	43,222,080	44,182,336	46,846,910	48,381,271	45,583,499
Public Works	19,254,211	19,505,060	17,298,711	15,414,631	16,027,746	14,792,685	17,550,180	14,480,016	15,958,306	13,617,653
Public Health	8,808,346	9,648,711	12,170,658	12,045,705	11,598,713	11,218,245	11,306,171	10,758,045	10,490,248	11,487,899
Public Welfare	1,340,276	1,552,651	1,456,197	1,823,168	2,494,653	1,915,122	1,794,172	2,720,482	2,525,257	2,108,695
Cultural and Recreation	8,714,649	9,364,666	13,980,694	13,734,989	12,897,385	11,210,985	13,132,712	12,323,751	11,961,423	10,946,319
Debt Service-Principal	31,830,000	7,615,000	25,395,000	7,565,000	10,170,000	11,820,000	72,805,000	14,280,980	13,453,464	14,121,038
Debt Service-Interest and Fees	9,339,579	10,119,245	11,039,289	10,926,464	11,491,994	11,698,673	10,443,924	8,142,957	8,754,441	8,444,266
Capital Projects	35,382,016	51,042,649	38,983,986	76,482,615	59,155,593	49,619,275	43,528,784	41,668,386	36,170,318	44,421,752
Total Expenditures	174,562,351	175,759,486	192,105,055	207,326,697	190,955,722	178,994,798	238,401,337	176,029,761	173,052,878	187,857,650
Excess (deficiency) of revenues over expenditures	(39,237,649)	2,089,742	(15,950,072)	(37,487,206)	(19,248,991)	(4,772,312)	(67,219,789)	(15,676,997)	(8,918,847)	(18,425,927)
Other Financing Sources (Uses)										
Issuance of Bonds	47,680,193	43,030,000	53,755,000	48,755,000	8,125,000	12,500,000	49,265,000	-	19,450,000	-
Debt Service-Principal - Refinancing of BANs	-	-	-	(48,755,000)	-	-	-	-	-	-
Issuance of Refunding Debt	-	-	-	-	-	15,295,000	58,335,000	-	22,570,000	17,950,000
Payments to Refunding Debt Escrow Agent	-	-	-	-	-	(17,312,305)	(65,909,303)	-	(24,811,938)	(19,091,723)
Issuance of Long-term Debt	-	-	-	-	-	-	-	-	-	4,000,000
Bond Premiums	-	-	-	2,917,975	595,960	2,368,280	11,525,901	-	3,438,394	1,312,194
Transfers In	10,350,964	18,842,778	17,631,847	19,413,742	13,351,316	15,409,058	27,323,615	23,928,262	19,629,618	8,759,152
Transfers Out	(10,350,964)	(16,978,911)	(17,631,847)	(19,663,742)	(13,353,816)	(15,409,058)	(27,323,615)	(23,928,262)	(19,629,618)	(8,759,152)
Total Other Financing Sources (Uses)	47,680,193	44,893,867	53,755,000	2,667,975	8,718,460	12,850,975	53,216,598	-	20,646,456	4,170,471
Net Change in Fund Balance	\$ 8,442,544	\$ 46,983,609	\$ 37,804,928	\$ (34,819,231)	\$ (10,530,531)	\$ 8,078,663	\$ (14,003,191)	\$ (15,676,997)	\$ 11,727,609	\$ (14,255,456)
Debt Service as a Percentage of Noncapital Expenditures	29.6%	14.2%	23.8%	14.1%	16.4%	18.2%	42.7%	16.7%	16.2%	15.7%

BEAUFORT COUNTY, SOUTH CAROLINA
 ASSESSED VALUE AND MARKET VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Personal Property			Totals		Total Direct Tax Rate
	Assessed Value	Market Value		Assessed Value	Market Value		Assessed Value	Market Value	
2007	1,397,740,562	31,569,997,800	4.43%	184,669,523	2,419,677,833	7.63%	1,582,410,085	33,989,675,633	44.60
2008	1,452,621,579	32,753,008,310	4.44%	207,538,743	2,626,086,500	7.90%	1,660,160,322	35,379,094,810	47.40
2009	1,551,233,656	32,339,226,541	4.80%	243,531,884	2,212,126,019	11.01%	1,794,765,540	34,551,352,560	51.90
2010	1,720,365,297	45,978,771,345	3.74%	234,553,487	2,691,291,572	8.72%	1,954,918,784	48,670,062,917	45.96
2011	1,610,653,303	45,535,333,122	3.54%	222,826,243	2,522,695,723	8.83%	1,833,479,546	48,058,028,845	47.54
2012	1,614,373,168	45,028,233,052	3.59%	185,451,491	2,186,088,790	8.48%	1,799,824,659	47,214,321,842	47.54
2013	1,614,166,744	44,735,468,004	3.61%	210,531,440	2,692,952,990	7.82%	1,824,698,184	47,428,420,994	48.52
2014	1,503,246,950	34,226,412,913	4.39%	197,121,500	2,573,608,850	7.66%	1,700,368,450	36,800,021,763	56.30
2015	1,456,623,792	34,326,777,040	4.24%	224,587,180	2,943,436,442	7.63%	1,681,210,972	37,270,213,482	56.86
2016	1,537,918,460	34,954,579,643	4.40%	243,102,990	3,146,262,710	7.73%	1,781,021,450	38,100,842,353	59.15



Source: Beaufort County Tax Database

BEAUFORT COUNTY, SOUTH CAROLINA
PROPERTY TAX MILLAGES-ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

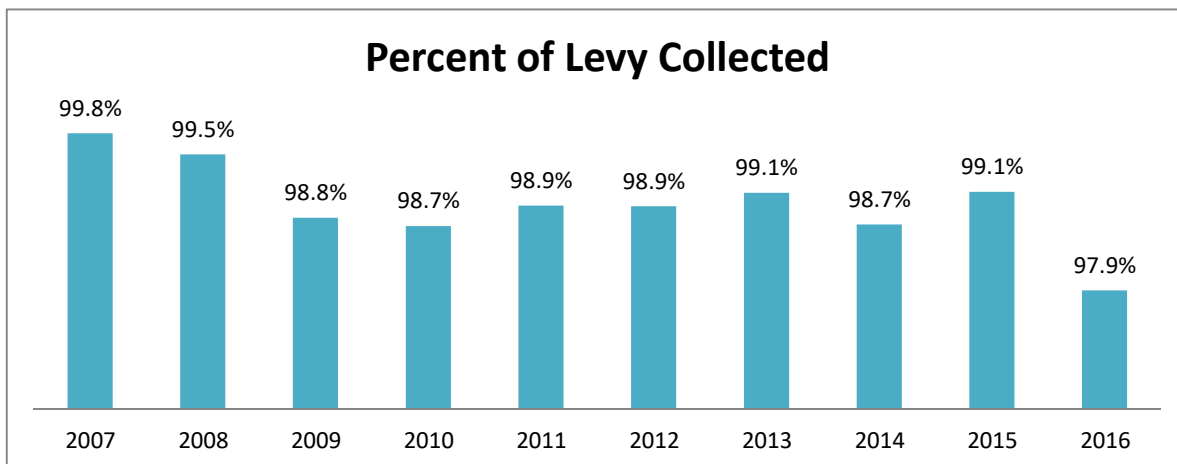
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>County-Wide Levies</u>										
County-Operations	36.70	38.90	45.50	40.21	40.21	40.21	40.21	46.48	46.48	48.77
County-Debt Service	5.40	5.80	4.00	3.62	4.57	4.57	4.44	5.48	5.48	5.48
County-Solid Waste/Recycling	-	-	-	-	-	-	-	-	-	-
County-Purchase of Real Property Program	2.50	2.70	2.40	2.13	2.76	2.76	3.87	4.34	4.90	4.90
Total Direct Tax Rate	44.60	47.40	51.90	45.96	47.54	47.54	48.52	56.30	56.86	59.15
School-Operations	91.70	97.30	102.60	90.26	90.26	90.26	92.26	97.45	103.50	103.50
School-Operations Surcharge	-	2.90	-	-	-	-	-	-	-	-
School-Debt Service	17.00	22.60	28.00	24.43	26.33	28.00	28.00	31.71	31.71	31.71
Indigent Health Care	1.50	1.50	-	-	-	-	-	-	-	-
Continuing Education	3.00	3.00	-	-	-	-	-	-	-	-
<u>Municipal Levies</u>										
City of Beaufort	52.80	52.80	52.80	60.62	60.62	60.62	60.62	66.61	72.62	72.61
Town of Port Royal	74.00	74.00	74.00	69.00	69.00	69.00	69.00	69.00	69.00	72.00
Town of Bluffton	42.00	40.00	40.00	38.00	38.00	38.00	38.00	44.35	44.35	44.35
Town of Hilton Head	19.00	19.00	19.36	18.54	18.54	19.33	19.33	20.83	21.35	22.18
Town of Yemassee	68.00	68.00	68.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
<u>Fire Levies</u>										
Bluffton Fire-Operation	20.30	21.10	22.30	19.67	19.67	19.67	20.49	24.02	24.02	24.02
Bluffton Fire-Debt Service	0.70	0.90	0.40	0.37	0.38	0.38	-	-	-	1.22
Burton Fire-Operations	51.90	55.10	58.10	55.87	55.87	55.87	58.21	60.18	60.18	60.66
Burton Fire-Debt Service	6.00	6.00	5.00	5.53	5.53	5.53	5.53	5.74	5.74	5.26
Daufuskie Island Fire-Operations	29.70	31.50	33.20	30.11	30.71	31.74	33.07	52.57	54.72	56.98
Daufuskie Island Fire-Debt Service	2.60	2.60	2.50	2.23	-	-	-	2.00	2.00	2.00
Lady's Island/St. Helena-Operations	28.90	30.70	32.40	30.39	31.00	32.04	33.34	34.82	35.94	36.94
Lady's Island/St. Helena-Debt Service	1.40	1.70	1.70	1.50	1.50	1.50	1.50	2.30	2.36	2.20
Sheldon Fire-Operations	34.90	37.00	37.50	32.09	32.22	32.22	33.11	34.53	35.82	36.33
Sheldon Fire-Debt Services	2.50	2.50	2.50	2.14	2.18	2.18	2.18	2.20	2.20	2.20

Source: Beaufort County Auditor

**BEAUFORT COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Levy (1)	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Total Collections As Percent of Levy
2007	66,162,420	63,986,885	96.7%	2,018,146	66,005,031	99.8%
2008	73,087,091	72,399,594	99.1%	330,913	72,730,507	99.5%
2009	84,939,782	82,472,648	97.1%	1,417,008	83,889,656	98.8%
2010	81,772,052	79,374,355	97.1%	1,305,354	80,679,709	98.7%
2011	85,105,603	82,724,674	97.2%	1,451,021	84,175,695	98.9%
2012	85,514,629	83,110,564	97.2%	1,463,404	84,573,968	98.9%
2013	88,456,976	85,269,158	96.4%	2,355,141	87,624,299	99.1%
2014	89,653,758	87,379,532	97.5%	1,095,086	88,474,618	98.7%
2015	92,202,243	90,049,646	97.7%	1,295,851	91,345,497	99.1%
2016	97,769,937	95,721,602	97.9%	-	95,721,602	97.9%

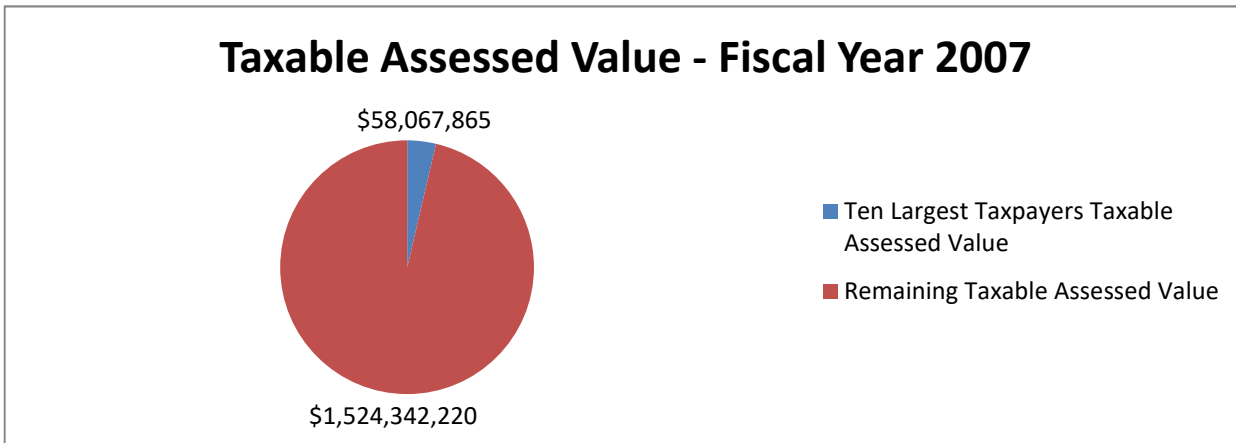
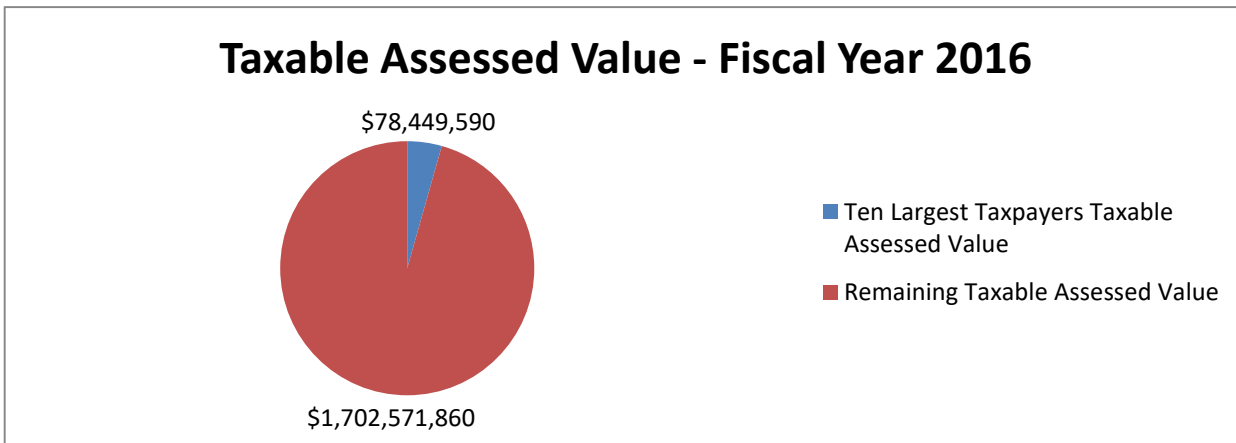
(1) - Includes County operations and maintenance levy, purchase of real property program levy, solid waste and recycling program levy, and debt service levy.



Source: Beaufort County Treasurer

BEAUFORT COUNTY, SOUTH CAROLINA
TEN LARGEST TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2016 Fiscal Year			2007 Fiscal Year		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
South Carolina Electric & Gas	\$ 19,769,880	1	1.11%	\$ 10,023,980	2	0.63%
Marriott Ownership Resorts, Inc.	19,134,930	2	1.07%	17,618,950	1	1.11%
Palmetto Electric Cooperative, Inc.	10,576,370	3	0.59%	8,290,392	3	0.52%
Columbia Properties Hilton Head LLC	7,464,090	4	0.42%	3,939,414	5	0.25%
Bluffton Telephone Company	4,999,410	5	0.28%	3,475,850	7	0.22%
Sea Pines Resort LLC	4,605,560	6	0.26%	3,380,472	8	0.21%
SCG Hilton Head Property LLC	4,260,000	7	0.24%	3,692,358	6	0.23%
Hargray Telephone Company	3,187,420	8	0.18%	4,064,160	4	0.26%
COROC/Hilton Head LLC	2,575,080	9	0.14%	N/A		N/A
Preserve at Port Royal LLC	1,876,850	10	0.11%	N/A		N/A
Palmetto Bluff Uplands LLC	N/A		N/A	1,945,829	9	0.12%
Hargray Inc.	N/A		N/A	1,636,460	10	0.10%
Total	\$ 78,449,590		4.40%	\$ 58,067,865		3.67%

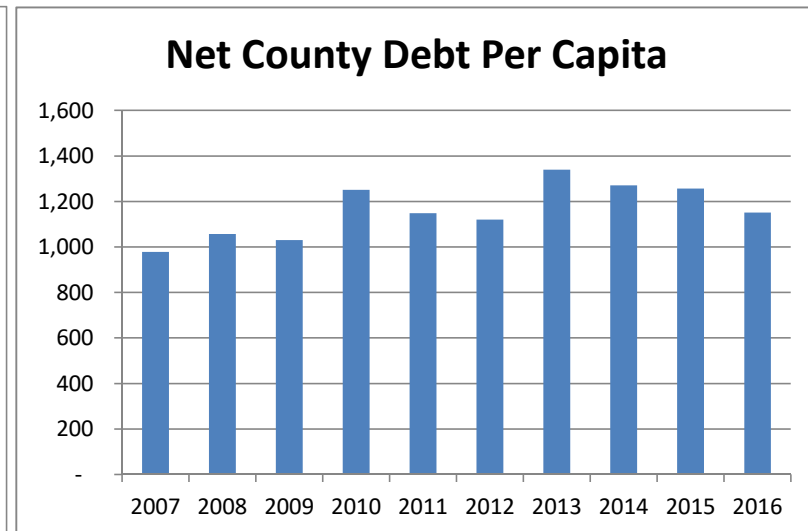
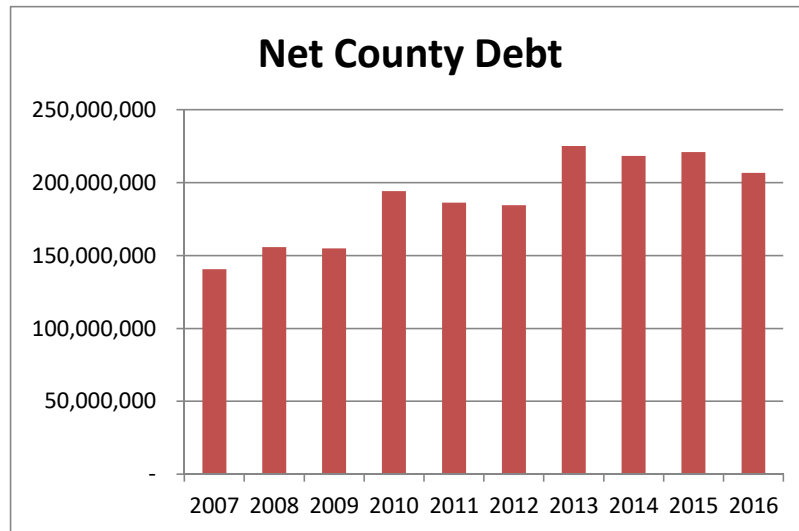


Source: Beaufort County Treasurer

BEAUFORT COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population (1)	Assessed Value	General Obligation Bonds	Less: Debt Service Funds	Net County Debt	Ratio of Net County Debt to Assessed Value	Net County Debt Per Capita
2007	143,614	1,582,410,085	141,670,000	1,091,840	140,578,160	8.88%	979
2008	147,316	1,660,160,322	177,515,000	21,807,616	155,707,384	9.38%	1,057
2009	150,415	1,794,765,540	159,305,000	4,361,432	154,943,568	8.63%	1,030
2010	155,215	1,954,918,784	201,355,000	7,107,378	194,247,622	9.94%	1,251
2011	162,233	1,833,479,546	200,555,000	14,234,168	186,320,832	10.16%	1,148
2012	164,684	1,799,824,659	190,915,000	6,428,998	184,486,002	10.25%	1,120
2013	168,049	1,824,698,184	235,811,387	10,729,541	225,081,846	12.34%	1,339
2014	171,838	1,700,368,450	228,837,985	10,426,750	218,411,235	12.84%	1,271
2015	175,852	1,681,210,972	233,933,174	12,920,104	221,013,070	13.15%	1,257
2016	179,589	1,781,021,450	219,434,622	12,640,471	206,794,151	11.61%	1,151

(1) - Source: U.S. Census Bureau



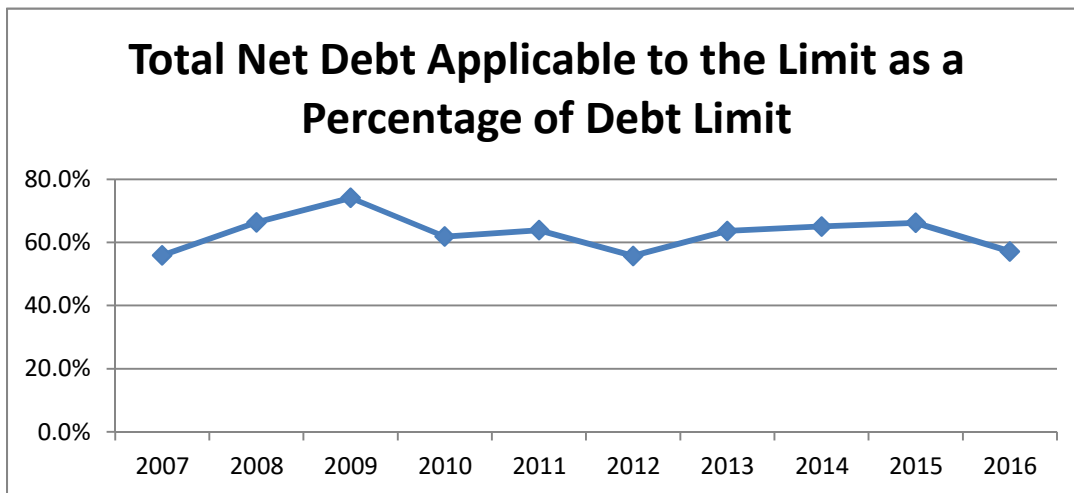
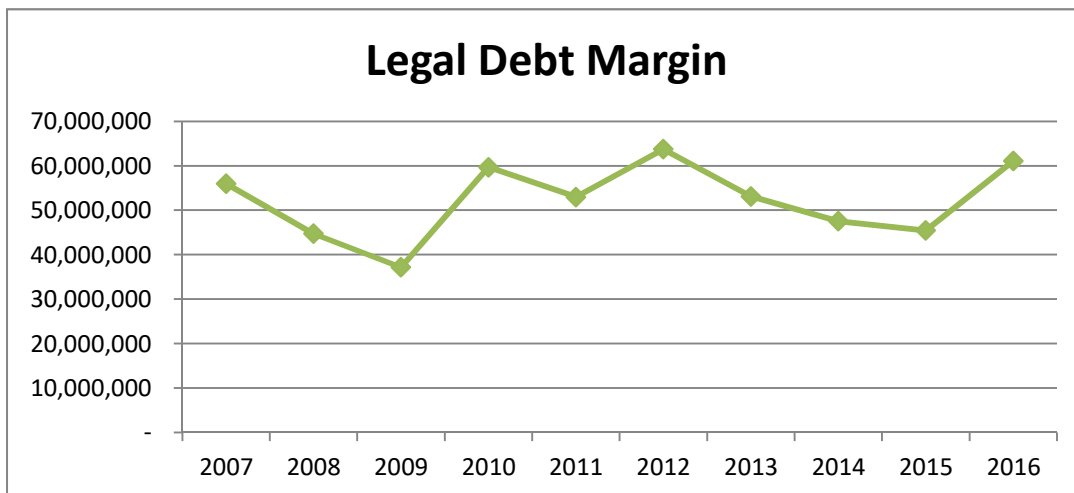
BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2016

Assessed Value - 2015 Tax Year (Fiscal Year 2016)	\$ 1,781,021,450
	<u> x 8%</u>
Constitutional Debt Limit	142,481,716
Outstanding Subject to Debt Limit	<u>81,400,573</u>
 Legal Debt Limit Remaining Without a Referendum	 <u><u>\$ 61,081,143</u></u>

Total Outstanding General Obligation Debt	\$ 219,434,622
Less General Obligation Debt Issued Under Referendum	(82,792,482)
Less General Obligation Debt Issued Paid by Other Sources	(37,348,992)
Less Premiums related to General Obligation Debt	(13,892,575)
Less Mortgage secured by real estate	<u>(4,000,000)</u>
Total Outstanding Debt Subject to Debt Limit	<u>\$ 81,400,573</u>

BEAUFORT COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN DETAIL
LAST TEN FISCAL YEARS

Fiscal Year	Debt Limit	Total Net Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2007	126,890,994	70,887,603	56,003,391	55.9%
2008	132,812,826	88,104,325	44,708,501	66.3%
2009	143,581,243	106,425,458	37,155,785	74.1%
2010	156,393,503	96,733,089	59,660,414	61.9%
2011	146,678,364	93,722,603	52,955,761	63.9%
2012	143,985,973	80,253,597	63,732,376	55.7%
2013	145,975,855	92,854,428	53,121,427	63.6%
2014	136,029,476	88,506,497	47,522,979	65.1%
2015	134,496,878	89,034,715	45,462,163	66.2%
2016	142,481,716	81,400,573	61,081,143	57.1%

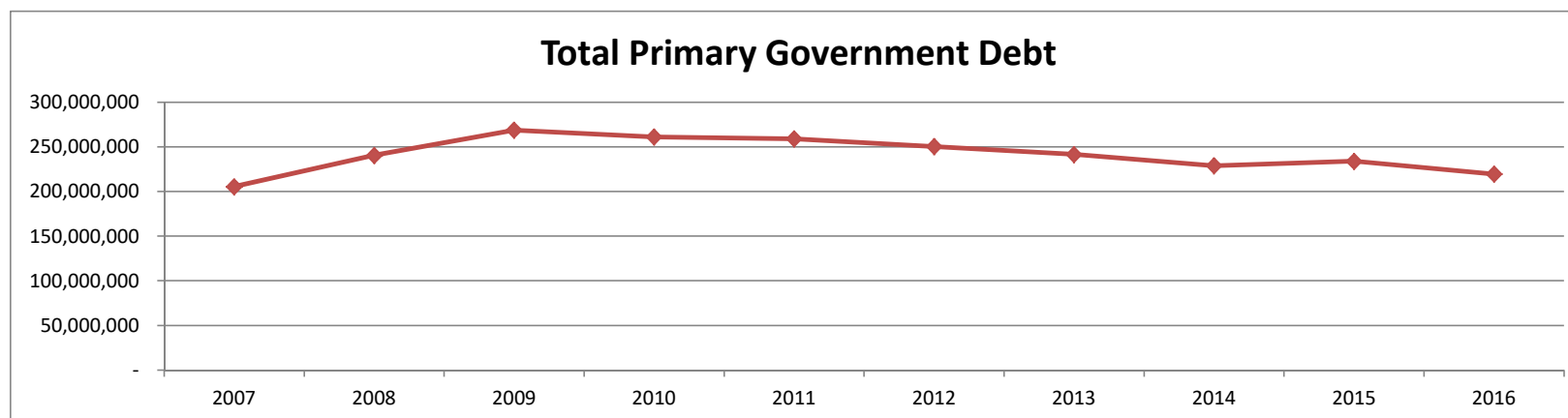


BEAUFORT COUNTY, SOUTH CAROLINA
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population (1)	Governmental Activities				Business-Type Activities		Total Primary Government Debt	Per Capita Personal Income (1)	Estimated Total Personal Income (2)	Percentage of Total Personal Income	Total Primary Government Debt Per Capita
		General Obligation Bonds	TIF Revenue Bonds and BANs	Capital Leases	Mortgage	Note Payable	Total Government Debt					
2007	143,614	141,670,000	63,190,000	240,588	-	382,191	205,482,779	43,183	6,201,683,362	3.31%	1,431	
2008	147,316	177,515,000	62,760,000	210,091	-	-	240,485,091	45,427	6,692,123,932	3.59%	1,632	
2009	150,415	159,305,000	109,330,000	178,390	-	-	268,813,390	46,790	7,037,917,850	3.82%	1,787	
2010	155,215	201,355,000	59,715,000	-	-	-	261,070,000	31,081	4,824,237,415	5.41%	1,682	
2011	162,233	200,555,000	58,470,000	-	-	-	259,025,000	32,731	5,310,048,323	4.88%	1,597	
2012	164,684	190,915,000	59,410,000	-	-	-	250,325,000	32,891	5,416,621,444	4.62%	1,520	
2013	168,049	235,811,387	5,685,000	-	-	-	241,496,387	32,725	5,499,403,525	4.39%	1,437	
2014	171,838	220,921,444	5,767,750	2,148,791	-	-	228,837,985	32,503	5,585,250,514	4.10%	1,332	
2015	175,852	227,555,765	4,586,750	1,790,659	-	-	233,933,174	32,290	5,678,261,080	4.12%	1,330	
2016	179,589	210,341,345	3,660,750	1,432,527	4,000,000	-	219,434,622	32,401	5,818,863,189	3.77%	1,222	

(1) - Source: U.S. Census Bureau

(2) - Calculated by multiplying the estimated population by the per capita income.



BEAUFORT COUNTY, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

New River Tax Increment Financing (TIF) Bonds

Fiscal Year	Collections*	Principal	Interest	Total	Coverage
2007	5,218,464	200,000	3,283,263	3,483,263	1.5
2008	6,749,228	250,000	1,983,883	2,233,883	3.0
2009	7,189,830	310,000	1,976,382	2,286,382	3.1
2010	7,337,824	580,000	1,966,463	2,546,463	2.9
2011	7,665,550	870,000	1,943,262	2,813,262	2.7
2012	6,727,091	1,085,000	1,908,463	2,993,463	2.2
2013	6,617,597	36,705,000	931,175	37,636,175	0.2
2014	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A

Bluffton (County-Owned) Tax Increment Financing (TIF) Bonds

Fiscal Year	Collections*	Impact Fees	Total Committed Revenue	Principal	Interest	Total Debt Service	Coverage
2007	346,528	2,409,275	2,755,803	155,000	1,138,380	1,293,380	2.1
2008	438,793	3,216,927	3,655,720	180,000	1,134,815	1,314,815	2.8
2009	447,015	938,804	1,385,819	1,875,000	1,116,420	2,991,420	0.5
2010	821,578	1,850,213	2,671,791	280,000	1,040,100	1,320,100	2.0
2011	649,148	1,301,364	1,950,512	375,000	1,030,650	1,405,650	1.4
2012	632,575	1,619,875	2,252,450	475,000	1,016,775	1,491,775	1.5
2013	567,755	2,131,239	2,698,994	20,205,000	1,041,406	21,246,406	0.1
2014	560,862	1,799,890	2,360,752	745,000	80,727	825,727	2.9
2015	519,544	291,701	805,245	950,000	70,060	1,020,060	0.8
2016	597,354	-	597,354	695,000	56,583	751,583	0.8

* - These collections represent the reconciled TIF revenues of the 2009 fiscal year TIF reconciliation. The TIF revenues are pledged to pay the related bonds that funded the TIF projects for the New River and Bluffton (County-Owned) TIFs.

Note: The New River TIF Bond was paid in full during fiscal year 2013. The Bluffton (County-Owned) TIF was refunded in 2013.

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 June 30, 2016

	Gross Debt Outstanding	Percentage Applicable to Beaufort County	Amount Applicable to Beaufort County
Beaufort County School District	\$ 328,572,621	100%	\$ 328,572,621
City of Beaufort	15,472,247	100%	15,472,247
Town of Bluffton	5,875,000	100%	5,875,000
Town of Hilton Head	51,680,000	100%	51,680,000
Town of Port Royal	870,345	100%	870,345
Broad Creek Public Service District	4,340,000	100%	4,340,000
Fripp Island Public Service District	8,971,520	100%	8,971,520
Hilton Head No. 1 Public Service District	49,309,257	100%	49,309,257
Burton Fire District	1,285,275	100%	1,285,275
Bluffton Fire District	7,987,521	100%	7,987,521
Lady's Island/St. Helena Island Fire District	5,585,000	100%	5,585,000
Sheldon Fire District	<u>291,434</u>	100%	<u>291,434</u>
Subtotal of Overlapping Debt	480,240,220		480,240,220
Beaufort County Direct Debt			<u>219,434,622</u>
Total of Direct and Overlapping Debt			<u>\$ 699,674,842</u>

Source: Debt outstanding provided by each governmental unit.

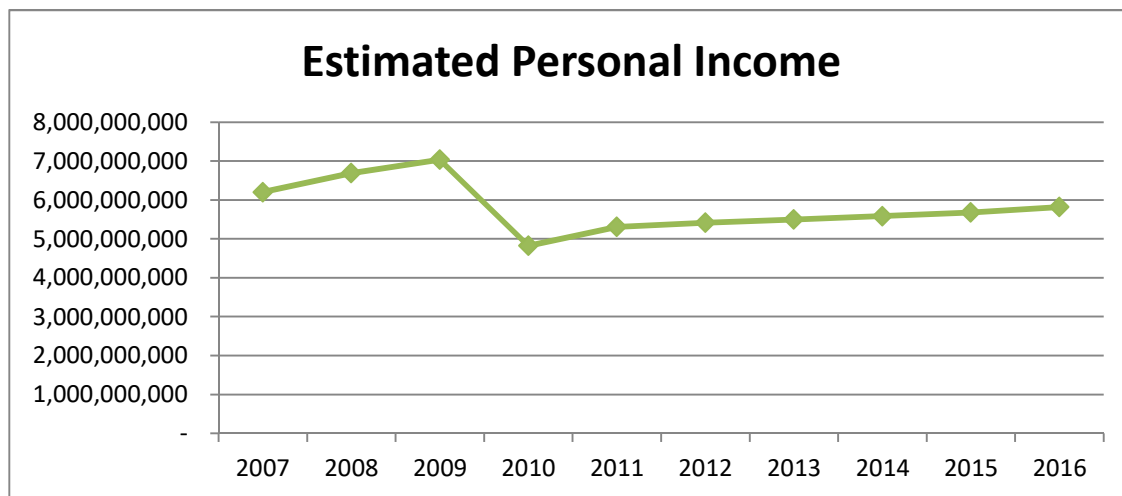
Note: As all of this debt is within Beaufort County, the percentage of applicable debt to the County is 100%. This process recognizes that, when considering the County's ability to issue long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying debt of each overlapping government.

BEAUFORT COUNTY, SOUTH CAROLINA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population (1)	Per Capita Personal Income (1)	Estimated Personal Income	Unemployment Margin	Unemployment Rate (2)
2007	143,614	43,183	6,201,683,362	100,431	2.2%
2008	147,316	45,427	6,692,123,932	101,889	2.1%
2009	150,415	46,790	7,037,917,850	103,625	4.3%
2010	155,215	31,081	4,824,237,415	124,134	5.2%
2011	162,233	32,731	5,310,048,323	129,502	9.1%
2012	164,684	32,891	5,416,621,444	131,793	8.8%
2013	168,049	32,725	5,499,403,525	135,324	8.8%
2014	171,838	32,503	5,585,250,514	139,335	7.9%
2015	175,852	32,290	5,678,261,080	143,562	5.6%
2016	179,589	32,401	5,818,863,189	147,188	6.0%

(1) - Source: United States Census Bureau

(2) - Source: United States Department of Labor - Bureau of Labor Statistics



BEAUFORT COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaufort County School District	2,511	<i>N/A</i>	<i>N/A</i>	3,400	1	<i>N/A</i>
Beaufort Memorial Hospital	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	1,800	2	<i>N/A</i>
Beaufort County	1,227	<i>N/A</i>	<i>N/A</i>	1,164	<i>N/A</i>	<i>N/A</i>
Marine Corp Community Services	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Publix Super Markets, Inc.	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Sea Pines Resort	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Wal-Mart Associates, Inc.	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	520	<i>N/A</i>	<i>N/A</i>
Tenet Physician Services of Hilton Head	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	600	<i>N/A</i>	<i>N/A</i>
Care Core National, LLC	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Department of Defense	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Cypress Club, Inc.	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	310	<i>N/A</i>	<i>N/A</i>
Hargray Communications Group, Inc.	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	300	<i>N/A</i>	<i>N/A</i>
Lowe's Home Centers, Inc.	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	300	<i>N/A</i>	<i>N/A</i>
Marriott Resorts Hosp. Corp.	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

N/A - Information Not Available

Source: South Carolina Department of Employment & Workforce

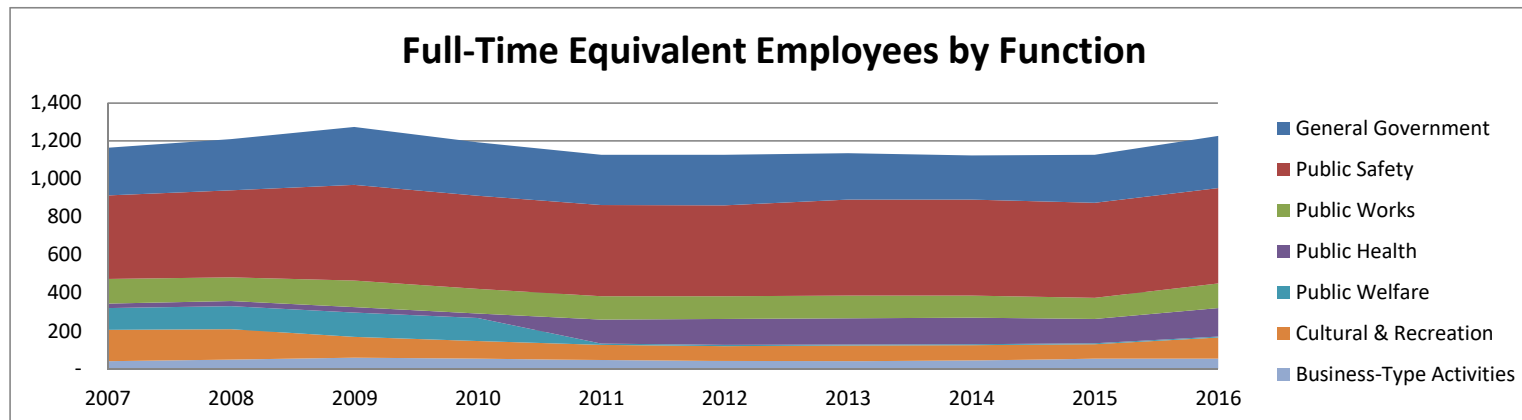
Specific information related to those employers was deemed confidential by the South Carolina Department of Employment & Workforce.

Table 17

BEAUFORT COUNTY, SOUTH CAROLINA
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>General Government</u>	251	268	304	281	264	266	244	232	252	275
<u>Public Safety</u>	440	458	503	490	480	479	505	505	501	501
<u>Public Works</u>	129	125	141	130	123	120	120	117	111	130
<u>Public Health</u>	24	27	28	24	127	136	138	140	127	150
<u>Public Welfare</u>	114	122	128	121	6	6	6	5	6	6
<u>Cultural & Recreation</u>	166	159	109	93	79	79	80	81	76	111
<u>Business-Type Activities</u>	41	50	60	54	48	42	43	44	54	54
Total Full-Time Employees	1,165	1,209	1,273	1,193	1,127	1,128	1,136	1,124	1,127	1,227

Source: Beaufort County Employee Services



BEAUFORT COUNTY, SOUTH CAROLINA
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>General Government</u>										
Number of Parcels Owned	N/A	199	202	219	225	234	245	249	284	293
Acreage of County-Owned Land	N/A	11,319	11,728	11,872	11,968	13,739	15,161	15,247	15,344	15,682
Miles of Paved (Maintained) Road	168	171	182	194	197	200	202	205	208	211
Miles of Unimproved Road	136	133	131	112	109	106	104	101	98	95
Total Miles of Road	304	304	313	306	306	306	306	306	306	306
Number of Vehicles	N/A	30	33	50	34	39	59	47	48	56
<u>Public Safety</u>										
Number of Vehicles	N/A	312	349	323	347	345	388	388	387	377
<u>Public Works</u>										
Number of Vehicles	N/A	90	86	93	93	90	92	91	89	98
<u>Public Health</u>										
Number of Vehicles	N/A	62	59	58	59	57	63	60	63	70
<u>Public Welfare</u>										
Number of Vehicles	N/A	3	3	2	2	2	3	3	3	3
<u>Cultural & Recreation</u>										
Total Acreage of Parks and Leisure Service-Owned Land	N/A	930	930	930	930	930	930	930	930	930
Number of Community Centers	N/A	13	13	13	13	13	13	13	13	13
Number of Playgrounds	N/A	19	19	19	19	20	20	20	20	20
Number of Football Fields	N/A	10	10	10	10	10	10	10	10	10
Number of Gymnasiums	N/A	4	4	4	4	4	4	4	4	4
Number of Basketball Courts	N/A	15	15	15	15	15	15	15	15	15
Number of Tennis Courts	N/A	21	21	21	21	21	21	21	21	21
Number of Baseball/Softball Fields	N/A	34	34	34	34	34	34	34	34	34
Number of Soccer Fields	N/A	23	23	23	23	23	23	23	23	23
Number of Passive Parks	N/A	6	6	6	6	6	6	6	6	6
Number of Racquetball Courts	N/A	2	2	2	2	2	2	2	2	2
Number of Fitness Centers	N/A	1	1	1	1	1	1	1	1	1
Number of Boat Landings	N/A	25	25	25	25	25	25	25	25	25
Number of Vehicles	N/A	31	28	28	27	28	31	31	31	31

Source: Beaufort County

Table 19

BEAUFORT COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Law Enforcement (1)</u>										
Number of Warrants	5,906	5,533	5,118	3,555	3,548	4,112	3,993	3,230	5,734	5,573
Number of Calls Responded to	235,339	242,320	286,489	304,634	303,717	316,297	308,224	273,768	233,409	238,374
Number of Vehicle Moving Violations Cited	20,551	22,273	75,180	18,248	27,740	29,943	22,468	16,543	15,092	19,751
<u>Emergency Medical Services (1)</u>										
Number of Calls Responded to	13,611	14,785	14,825	15,829	15,207	13,799	12,744	14,906	14,350	15,121
<u>Fire Departments (1)</u>										
Number of Calls Responded to - Beaufort Fire Department	2,786	2,850	2,926	2,917	2,917	3,042	3,192	2,883	2,816	2,983
Number of Calls Responded to - Lady's Island Fire Department	2,234	2,099	2,133	2,152	2,395	2,541	2,666	2,755	2,741	2,676
Number of Calls Responded to - Burton Fire Department	2,937	2,913	3,135	3,152	3,148	3,266	3,588	3,907	N/A	N/A
Number of Calls Responded to - Sheldon Fire Department	688	693	686	663	794	842	866	982	648	786
Number of Calls Responded to - Fripp Island Fire Department	220	216	199	225	198	195	252	290	N/A	N/A
Number of Calls Responded to - Bluffton Fire Department	3,721	3,893	4,106	4,275	4,704	4,886	5,188	5,382	4,757	5,053
Total Number of Calls Responded to - All Fire Departments	12,586	12,664	13,185	13,384	14,156	14,772	15,752	16,199	10,962	11,498
<u>Registered Voters (2)</u>										
Beaufort County	N/A	90,887	91,619	94,143	98,145	100,320	111,168	100,320	101,761	115,600
State of South Carolina	N/A	2,553,923	2,543,914	2,584,503	2,677,766	2,722,280	2,932,402	2,722,287	2,948,772	3,196,012

(1) - Source: Beaufort County

(2) - Source: South Carolina State Election Commission

N/A - Information Not Available

Single Audit Section

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

	Federal CFDA Number	Project / Award Number	Federal Award Expended	Passed Through to Subrecipients
<u>Child Nutrition Cluster</u>				
U.S. Department of Agriculture				
Passed through SC Department of Education				
Summer Food Service Program				
	10.559	SF-6373	\$ 314,404	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
HOME Investments Partnership Program - Lowcountry Regional HOME Consortium				
	14.239	M16-DC-45-0210	556,878	556,878
<u>U.S. Department of Justice</u>				
State Criminal Alien Assistance Program				
	16.606	2016-AP-BX-0705	37,276	-
<u>JAG Program Cluster</u>				
U.S. Department of Justice				
BJA FY 14 Edward Byrne Memorial Justice Assistance Grant (JAG) Program: Local				
Total JAG Program Cluster				
	16.738	2014-DJ-BX-0724	40,249	-
			40,249	-
<u>DNA Backlog Reduction Program</u>				
U.S. Department of Justice				
NIJ FY 14 DNA Capacity Enhancement and Backlog Reduction Program				
Total DNA Backlog Reduction Program				
	16.741	2014-DN-BX-0100	25,838	-
			25,838	-
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Federal Aviation Administration				
Airport Improvement Programs				
Lady's Island Airport, Conduct Environmental Assessment and Remove Obstructions (Design)				
	20.106	3-45-0008-012-2015	246,928	-
Hilton Head Island Airport, Rehabilitate Apron and Remove Obstructions				
	20.106	3-45-0030-031-2011	425,429	-
Hilton Head Island Airport, Obstruction Removal, Phase VI, Airfield Guidance Signs, and Extend Runway, Phase II - Environmental Assessment				
	20.106	3-45-0030-034-2012	40,844	-
Hilton Head Island Airport, Relocate Taxiway A & F, Improve Airport Drainage Study, and Remove Obstructions - Environmental Assessment and ATCT Line of Sight (Design)				
	20.106	3-45-0030-035-2014	56,239	-
Hilton Head Island Airport, Relocate Taxiway A, Expand GA Apron, Remove Obstructions and Acquire Land				
	20.106	3-45-0030-037-2015	8,547,240	-
Total Airport Improvement Program				
			9,316,680	-
<u>Highway Planning and Construction Cluster</u>				
U.S. Department of Transportation - Federal Highway Administration				
Passed through SC Department of Transportation				
Transportation, Community, and System Preservation Program (TCSP)				
	20.205	LPA 06-12	871,959	-
Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA)				
	20.205	IGA-13-08 (5)	1,142,180	-
Total Highway Planning and Construction Cluster				
			2,014,139	-
<u>Transit Services Programs Cluster</u>				
U.S. Department of Transportation - Federal Transit Administration				
Passed through SC Department of Transportation				
Enhanced Mobility of Seniors and Individuals with Disabilities				
Grant SC-16-X015				
	20.513	PT-65510-18	58,914	-
Total Transit Services Programs Cluster				
			58,914	-
<u>U.S. Department of Transportation</u>				
South Carolina Emergency Management Division				
Hazardous Materials Emergency Preparedness Planning Grant				
	20.703	HM-HMP-0477-15-01	23,898	-
<u>U.S. Department of Transportation</u>				
Office of the Secretary (OST) Administration Secretariate				
TIGER Discretionary Grant Program - National Infrastructure Investments				
Passed through SC Department of Transportation				
FY 2012 TIGER III Boundary Street Redevelopment				
	20.933	TR3-20	3,876,271	-

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

	Federal CFDA Number	Project / Award Number	Federal Award Expended	Passed Through to Subrecipients
<u>National Endowment for the Arts and Arts Midwest</u>				
Cooperative Agreement 2014-09, The Big Read 2015-2016	45.024	FY15-2250	16,200	-
<u>Institute of Museums and Library Services</u>				
Passed through South Carolina State Library				
Library Services and Technology Act - Harwood/ALA Public Innovators Lab	45.310	LS-00-15-0041-15 IIIA-15-06	1,000	-
Library Services and Technology Act - STEAM Carolina Mini-Grant-Comics and Cartooning	45.310	LS-00-14-0041-14 IID-14-302	600	-
Total Pass-Through South Carolina State Library			1,600	-
<u>U.S. Department of Health and Human Services</u>				
Passed through SC Department of Social Services				
Child Support Enforcement IV-D Transaction Reimbursement	93.563	C15007C	213,214	-
Child Support Enforcement IV-D Incentive Payments	93.563	C15007C	46,592	-
Child Support Enforcement IV-D Service of Process Payments	93.563	C15007C	14,470	-
Child Support Enforcement IV-D Filing Fees	93.563	C15007C	18,414	-
Total Child Support Enforcement			292,690	-
<u>Medicaid Cluster</u>				
U.S. Department of Health and Human Services				
Passed through SC Health and Human Services Finance Commission				
Collaborator / Coordinator - Medicaid Contract	93.778	A20160545A	88,616	-
<u>U.S. Department of Health and Human Services</u>				
Passed through SC Department of Alcohol and Other Drug Abuse Services (SC DAODAS)				
SC DAODAS Block Grant	93.959	BEA-BG-16	423,574	-
SAPT BG Assessment	93.959	BEA-BG-16	20,800	-
SAPT BG SynarYouth Tobacco Buys	93.959	BEA-BG-16	524	-
Total Substance Abuse Prevention and Treatment (SAPT)			444,898	-
State Tobacco Compliance Check Inspection Program (FDA)	93.999	BEA-FDA-16	492	-
Total Pass-Through from SC DAODAS			445,390	-
<u>U.S. Department of Homeland Security</u>				
Passed through the Office of the SC Adjutant General				
FY 2014 Local Emergency Management Performance Grant	97.042	14EMPG01	8,698	-
FY 2015 Local Emergency Management Performance Grant	97.042	15EMPG01	63,823	-
Total Local Emergency Management Performance			72,521	-
<u>Homeland Security Cluster</u>				
U.S. Department of Homeland Security				
Passed through SC Law Enforcement Division				
Low Country Regional Medical Assistance Team - Beaufort	97.067	13SHSP31	39,971	-
Low Country Regional WMD Bomb Team - Beaufort	97.067	14SHSP06	20,468	-
Low Country Regional WMD SWAT Team - Beaufort	97.067	14SHSP13	12,723	-
Total Homeland Security Cluster			73,162	-
<u>U.S. Department of Homeland Security</u>				
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0213HSLR026	65,440	-
Grand Total of Fiscal Year 2016 Schedule of Expenditures of Federal Awards			\$ 17,320,166	\$ 556,878

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Beaufort County, South Carolina, (the "County") for the year ended June 30, 2016 and is presented on the modified accrual basis of accounting.

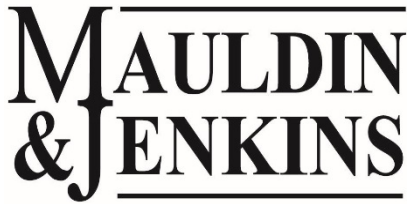
The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – De Minimis Indirect Cost Rate

The County has elected not to use the ten percent de minimis indirect cost rate for the year ended June 30, 2016.

Note 3 – Non-Cash Awards

The County did not receive non-cash federal awards during the year ended June 30, 2016.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**County Council
of Beaufort County
Beaufort, South Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina (the "County"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Beaufort County, South Carolina's basic financial statements, and have issued our report thereon dated June 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016.001 to be a material weakness.

Compliance and Other Matters

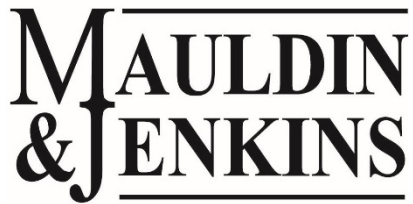
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
June 26, 2017



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**County Council
of Beaufort County
Beaufort, South Carolina**

Report on Compliance for Each Major Federal Program

We have audited Beaufort County South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Macon, Georgia
June 26, 2017

Mauldin & Jenkins, LLC

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
 Material weaknesses identified? X Yes No

Significant deficiencies identified not considered
 to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal Control over major programs:
 Material weaknesses identified? Yes X No

Significant deficiencies identified not considered to
 be material weaknesses? Yes X No

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in
 accordance with Uniform Guidance Yes X No

Identification of major programs:

CFDA Number
20.933

Name of Federal Program or Cluster
U.S. Department of Transportation –
T.I.G.E.R Discretionary Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2016-001 Amortization of Bond Premiums/Discounts

Criteria: Generally accepted accounting principles requires bond premiums to be amortized under the effective interest method.

Condition: The County has historically amortized bond premiums under the straight-line method rather than the effective interest method.

Context: We addressed this matter with County officials and they were able to determine the appropriate amount of bond premiums required to be amortized under the effective interest method.

Effect: A prior period adjustments to decrease bond premium and increase net position in the governmental activities in the amount of \$2,210,762 was required to be reported as of June 30, 2016.

Cause: Bond premiums were incorrectly amortized under the straight-line method.

Recommendation: We recommend the County implement procedures to ensure that all bond premiums are amortized under the effective interest method.

Views of Responsible Officials and Planned Corrective Action: We concur. We have implemented procedures to ensure that all bond premiums are amortized under the effective interest method.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

2015-01

Federal Agency: U.S. Department of Agriculture
Pass Through Entity: South Carolina Department of Social Services
Federal Program: CFDA #10.559 – Summer Service Food Program for Children
Award #: SF – 133
Compliance Requirement: Allowable Costs
Type of Finding: Significant Deficiency in Internal Control

Criteria: Program requirements state that the sponsor must conduct required visits and reviews of distribution sites to include, at a minimum. 1) pre-operational visits conducted for new sites and those that experienced operational problems then previous year before a site operates the summer program; 2) site visits conducted at least once during the first week of operation for new sites and sites that experienced problems in previous years to ensure the food service operation is running smoothly; and 3) site reviews conducted at least once during the first four weeks of program operations to observe delivery of meals, service of meals, children eating meals, and clean up materials. All visits and reviews must be documented.

Condition: Site reviews were not performed at (3) three of the (35) thirty-five meals sites selected for testing.

Context: The County does not have proper procedures in place to ensure the monitors are performing the required site visits and reviews.

Status: Resolved