

**COUNTY COUNCIL
OF BEAUFORT COUNTY
South Carolina**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For The Year Ended June 30, 2003

**Comprehensive Annual
Financial Report
of
Beaufort County, South Carolina**

June 30, 2003

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

**COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT, SOUTH CAROLINA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2003**

COUNTY COUNCIL

Wm. Weston J. Newton, Chairman

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Starletta Hairston

William H. Ladson

Peter Lamb

William L. McBride

Dick Stewart

INTERIM-COUNTY ADMINISTRATOR

Thomas A. Henrikson, CPA

CONTROLLER

Thomas A. Henrikson, CPA

COUNTY AUDITOR

Sharon P. Burris

COUNTY TREASURER

Joy Logan

BEAUFORT COUNTY, SOUTH CAROLINA
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INTRODUCTORY SECTION



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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, 2003. 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 account groups; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs are included.

The CAFR is organized into four sections:

1. The Introductory Section consists of this letter of transmittal.
2. The Financial Section includes the Independent Auditor's Report, management's discussion and analysis, the basic financial statements and notes that provide a combined overview of the entire governmental unit. This section also contains detailed individual and combining fund schedules. Certain selected supplemental information, that management feels is useful and informative to various report users, has also been included within this section.
3. The Single Audit Section contains information required by the Single Audit Act of 1984, and the U.S. Office of Management and Budget Circular A-133, including the Schedule of Expenditures of Federal Awards, auditor's reports related to the single audit requirements, and single audit findings, recommendations, and questioned costs.
4. The Statistical Section presents selected financial, economic and demographic trend data, generally over the past ten years.

GENERAL INFORMATION

Beaufort County, which was formed in 1785, operates under the Council/Administrator form of government with Council members elected for four-year terms from each of eleven single-member districts. This report includes all funds and account groups 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 Governmental (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); Public Works (roads and drainage, engineering, solid waste); Public Health (animal control, mosquito control, alcohol and drug programs, disabilities and special needs programs, various subsidies); Public Welfare (veterans services, social services, various subsidies); and Culture and Recreation (library, parks and leisure services).

In light of NCGA Statement 3, Defining the Governmental 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.

ECONOMIC CONDITION AND OUTLOOK

Beaufort County is located in the southeastern corner of the State of South Carolina, known as the "Lowcountry." With a land area of approximately 637 square miles, 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 120,937 in 2000, 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 national average, the statewide average and that of the neighboring counties. The local tax base has grown an average of approximately 4% per year over the last five years (discounting the reassessment year), and this trend is expected to continue.

In addition to the established resort community of Hilton Head Island, there are several major developments underway in southern Beaufort County. These developments include Sun City Hilton Head, with more than 3,500 residents and 15,000 expected at build-out; Spring Island, Callawassie

Island, Colleton River Plantation, Belfair, and Westbury park. As expected, these developments have sparked an increase in commercial construction along the Highway 278 corridor, including a Home Depot, a Wal-Mart Superstore, an expanded Factory Outlet Mall, a Target department store, and several major supermarkets.

Likewise, in northern Beaufort County, communities continue to develop at Dataw Island, Lady's Island, Cat Island, Bray's Island, 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. The Marine Corps Air Station has received two transferred Navy F-18 squadrons in 2000.

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 were going to take a systematic, businesslike approach to the running of Beaufort County. Additionally, we wanted to preserve our current "AA" bond rating.

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 a \$40,000,000 bond referendum for the purchase of rural and critical lands. During April 2001, the County issued the first bonds under this referendum for \$10,000,000, and during June 2003, the County issued bonds for an additional \$10,000,000 under this referendum.

In June 2001, the County established a Stormwater Utility fund to address the various stormwater runoff and drainage problems that exist within the County. This program is an enterprise fund and is financed through user fee charges. These fees totaled \$3,674,636 during fiscal year 2003.

In November 1999, the County established a tax increment financing district in Bluffton to fund various road improvements. This district was amended during June 2000 to include property within the Town of Bluffton and to include additional funding for road improvements, a new community park and a new library. The County had expenditures of \$5,903,642 for these projects during fiscal year 2003.

In December 2001, the County established a tax increment financing district to fund construction for the University of South Carolina Beaufort four year campus in the New River area of Beaufort County. This New River TIF will also fund construction for the Technical College of the Lowcountry. The County borrowed \$40,000,000 during December 2002 to fund these projects. The County had expenditures of \$3,271,751 for these projects during fiscal year 2003.

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 are 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 managements. Accordingly, management believes that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

SINGLE AUDIT

As a recipient of federal and state financial assistance, Beaufort County also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the County's Finance Staff.

As a part of Beaufort County's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to the expenditure of federal awards, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2003, provided no instance of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The auditor's reports are found in the Single Audit Section of the Comprehensive Annual Financial Report.

BUDGETARY CONTROLS

In addition to the aforementioned internal controls, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Activities of the general fund, certain special revenue funds, the debt service fund and certain capital project funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures

cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts outstanding at year end are reported in governmental fund types as reservations of fund balances since they do not constitute expenditures or liabilities.

As demonstrated by the statements and schedules included in the financial section of the Comprehensive Annual Financial Report, the County continues to meet its responsibility for sound financial management.

GENERAL GOVERNMENT FUNCTIONS

Revenues of all governmental fund types (general fund, special revenues funds, debt service fund, and capital projects funds) totaled \$84,530,294 in fiscal year 2003, an increase of 13.1% over fiscal year 2002. General property taxes accounted for 57.3% of the total revenues in fiscal year 2003, as compared to 58.9% in fiscal year 2002. The amount of revenues from various sources and the increase (decrease) over last year are shown in the following schedule:

**BEAUFORT COUNTY GOVERNMENTAL FUNDS
REVENUES BY SOURCE
Fiscal Year Ended June 30, 2003**

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
Property Taxes	\$ 48,464,482	57.3%	\$ 5,256,378
Licenses and Permits	5,976,258	7.1%	3,330,462
Intergovernmental	14,677,923	17.4%	298,521
Charges of Services	12,079,962	14.3%	1,980,336
Fines and Forfeitures	1,015,447	1.2%	(144,190)
Interest	1,709,644	2.0%	152,760
Miscellaneous	<u>606,578</u>	<u>.7%</u>	<u>263,341</u>
Totals	<u>\$ 84,530,294</u>	<u>100.0%</u>	<u>\$ 11,137,608</u>

Expenditures by all governmental fund types totaled \$107,083,361 in fiscal year 2003. The decrease of \$15,024,126 from fiscal year 2002 is due to a reduction in debt service resulting from refinancing that occurred during 2002. The amount of expenditures from various sources and the increase (decrease) over last year are shown in the following schedule:

**BEAUFORT COUNTY GOVERNMENTAL FUNDS
EXPENDITURES BY FUNCTION
Fiscal Year Ended June 30, 2003**

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
General Government	\$ 20,982,726	19.5%	\$ 3,452,913
Public Safety	28,612,042	26.7%	1,676,762
Public Works	11,199,052	10.5%	(914,895)
Public Health	6,364,701	5.9%	180,547
Public Welfare	927,958	.9%	(107,860)
Cultural and Recreation	6,290,212	5.9%	786,522
Debt Service	9,376,293	8.8%	(21,167,446)
Capital Projects	<u>23,330,377</u>	<u>21.8%</u>	<u>1,069,331</u>
Totals	<u>\$107,083,361</u>	<u>100.0%</u>	<u>\$(15,024,126)</u>

GENERAL FUND BALANCE

The fund balance of the general fund was \$4,048,528 as of June 30, 2003. However, this included \$1,280,763 of funds reserved for specific items. This leaves an undesignated, unreserved fund balance of \$2,767,765. Therefore, assuming 260 working days per year, divided into the total general fund expenditures and transfers of \$56,449,308, this undesignated, unreserved fund balance represents the equivalent of 12.7 working days of expenditures.

CASH MANAGEMENT

The management of cash and investments is the sole responsibility of the County Treasurer. Cash was held in demand deposits, certificates of deposit, obligations of the U.S. Treasury, repurchase agreements, or other interest bearing accounts. The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All investments are collateralized by instruments issued by or guaranteed by the U. S. Government. All collateral was held either by the County, its agent, or the trust department of a financial institution.

ENTERPRISE OPERATIONS

Beaufort County operates four separate activities as enterprise funds: Beaufort County Garage, Beaufort County Stormwater Utility, Lady's Island Airport, and Hilton Head Island Airport.

The Beaufort County Garage just completed its ninth year of operations as an enterprise fund. This facility repairs and maintains all County-owned vehicles, as well as, vehicles owned by various other state and local governmental units. As of January 1, 1995, the repairs and maintenance operations of the County garage were privatized through a contract with First Vehicle Services (this is the successor company to Managed Logistics Systems, which was party to the first contract). This contract provides for the complete operation of the garage under a fee for service basis. The Garage also provides bulk purchase of fuel for use in these vehicles and County-owned heavy equipment. Revenues are generated from the sale of fuel, and by fees charged for the repairs and maintenance of these vehicles. In addition to the cost of the contract with First Vehicle Services, expenses include salaries and wages, purchases of fuel, utilities and other operating expenses of a garage facility.

The Beaufort County Stormwater Utility was established in June 2001. The utility was formed to address various stormwater runoff and drainage problems that exist within the County. Revenues are generated from user fees assessed to the owners of all real property within the County.

The Lady's Island Airport has been in operation for several years. In the spring of 1993, a lease was negotiated with a Fixed Base Operator, who has assumed the operation of the airport. Current year revenues were generated from the lease payments from this FBO. However, in June 1996, this lease arrangement was terminated; and the County has again resumed all operational aspects of the airport.

The Hilton Head Island Airport has revenues are derived from lease payments, landing fees, etc. and the largest expense coming from providing Crash/Fire/Rescue services for commercial carriers that operate in and out of the facility. However, with the completion of the new terminal, the County has experienced increased revenues from ticket counter and automobile rental agency fees and increased operating expenses associated with this new terminal.

DEBT ADMINISTRATION

As of June 30, 2003, Beaufort County had four outstanding general obligation bond issues, totaling \$86,000,000. In accordance with the South Carolina constitution, Beaufort County's borrowing power is restricted to eight percent of its assessed property value. Excluded from this limitation are: bond indebtedness approved by the voters in a referendum and special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected.

Also outstanding as of June 30, 2003 were tax incremental financing revenue bonds totaling \$40,000,000. Additionally, a bond anticipation note for \$15,000,000 was outstanding as of June 30, 2003. Note 6 of the accompanying Notes to Financial Statements and Schedules 6, 7, 8, and 10 found in the Statistical Section of this CAFR provides very detailed information with regard to the bonded debt of the County.

Other than bonded indebtedness, the County's general long term debt account group includes capital leases for various pieces of equipment totaling \$57,352. Additionally, \$2,056,847 in compensated absences (accrued leave benefits) has been included. These items total \$143,114,199 of which the County currently has \$3,907,851 on hand to pay this debt.

FIXED ASSETS

The County's general fixed assets include those fixed assets used in the performance of general government functions and excludes the fixed assets of the enterprise funds. As of June 30, 2003 the general fixed assets of the reporting entity, amounted to \$137,561,314. This amount represents the original or estimated cost for the assets and it is considerably less than their present value. Depreciation of fixed assets is recognized in the government-wide statements. Specific details with regard to these assets can be found in Note 5 of the accompanying Notes to the Financial Statements.

RISK MANAGEMENT

The County maintains a self funded medical insurance plan whereby the County contributes an amount sufficient to meet the reimbursable medical insurance claims of its employees. This plan does carry stop-loss insurance; thereby, minimizing the County's maximum exposure to loss. Worker's compensation coverage is handled through the State of South Carolina Worker's Compensation Fund; additionally various types of insurance coverage are maintained through the State's Insurance Reserve Fund. Schedule 14 within the Statistical Section of the CAFR outlines the various types of coverages maintained by the County.

INDEPENDENT AUDIT

State statues require an annual audit by independent certified public accountants or independent public accountants. The accounting firm of Robinson Grant and Company was selected by County Council. In addition to meeting the requirements set forth in the statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, and related OMB Circular A-133. 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 single audit act, are included in the Single Audit Section.

ACKNOWLEDGEMENTS

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,

A handwritten signature in cursive script that reads "Thomas Henrikson".

Thomas A. Henrikson, CPA
Controller

FINANCIAL SECTION

Robinson Grant & Co., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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March 1, 2004

Independent Auditors' 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, as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beaufort County, South Carolina's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, 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, 2003, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, Beaufort County, South Carolina has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of June 30, 2003.

Robinson Grant & Co., P.A.

County Council of Beaufort County
Page Two
March 1, 2004

The management's discussion and analysis and budgetary comparison information on pages 12-18 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material aspects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson Grant & Co., P.A.

Robinson Grant & Co., P.A.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

As management of Beaufort County, South Carolina we offer 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, 2003. Please read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of Beaufort County exceeded its liabilities at June 30, 2003 by \$57,984,876 (net assets). Of this amount \$20,073,059 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,190,451 during the fiscal year ended June 30, 2003 with a \$2,639,415 increase resulting from governmental activities and a \$551,036 increase resulting from business type activities.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,767,765, or approximately five percent of the general fund expenditures.
- Beaufort County's long-term debt increased by \$60,158,834 during the current fiscal year. This was largely the result of the issuance of \$25,500,000 of general obligation bonds and the issuance of \$40,000,000 of tax increment financing bonds. The \$25,500,000 of general obligation bonds funded: \$10,500,000 for county capital projects; \$10,000,000 for the county's rural and critical lands program; and, \$5,000,000 for the county's road paving program. The \$40,000,000 of tax increment financing bonds funded the improvements in the New River Tax Increment Financing bonds funded the improvements in the New River Tax Increment Financing District, to include the south campus for the University of South Carolina – Beaufort and a new site for the Technical College of the Lowcountry.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: Management's Discussion and Analysis (this section), the Basic Financial Statements and Required Supplementary Information. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The County's basic financial statements also contain other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The government-wide financial statements (Statement of Net Assets and Statement of Activities) are designed to provide readers with a broad overview of the County's finances and are similar to private sector financial statements. These statements include all assets and liabilities using the accrual basis of accounting used by most private sector companies.

The statement of net assets shows the County's assets less its liabilities at June 30, 2003. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

The statement of activities follows the statement of net assets and presents information showing how the County's net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows.

Both statements attempt to 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).

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

The governmental activities reported in the statements include general government, public safety, public works, public health, public welfare, cultural and recreation. The business type activities include the garage, stormwater utility, Lady's Island Airport and Hilton Head Airport.

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. Like other state and local governments, Beaufort County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of Beaufort County government can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds – Governmental funds essentially account for the same functions as those reported under governmental activities of the government-wide statement of net assets and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year in a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, the reader 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.

Proprietary funds – Proprietary funds essentially account for the same functions as those reported under the business type activities of the government-wide statement of net assets and statement of activities. 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.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of other parties. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom these assets belong.

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 53 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The amount of net assets may serve as a useful indicator of a government's financial position. For Beaufort County, assets exceeded liabilities by \$57,984,876 as of June 30, 2003.

Of this amount, \$35,214,759 (approximately 60%) 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. 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 portion of the County's net assets, \$2,697,058 (approximately 5%), represents resources that are restricted to the repayment of the County's bonded indebtedness. The remaining balance of unrestricted net assets, \$20,073,059 (approximately 35%), may be used to meet the government's ongoing obligations to citizens and creditors.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

At the end of the current fiscal year, Beaufort County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Beaufort County's Net Assets
June 30, 2003 and 2002

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Current and other assets	\$ 120,744,530	\$ 81,726,477	\$ 1,453,824	\$ 2,068,940	\$ 122,198,354	\$ 83,795,417
Capital assets	<u>85,330,336</u>	<u>65,427,531</u>	<u>13,253,547</u>	<u>11,966,728</u>	<u>98,583,883</u>	<u>77,394,259</u>
Total assets	<u>\$ 206,074,866</u>	<u>\$ 147,154,008</u>	<u>\$ 14,707,371</u>	<u>\$ 14,035,668</u>	<u>\$ 220,782,237</u>	<u>\$ 161,189,676</u>
Long-term liabilities	\$ 138,016,847	\$ 77,559,166	\$ 888,704	\$ 1,041,427	\$ 138,905,551	\$ 78,600,593
Other liabilities	<u>22,537,361</u>	<u>26,713,599</u>	<u>1,354,449</u>	<u>1,081,059</u>	<u>23,891,810</u>	<u>27,794,658</u>
Total liabilities	<u>\$ 160,554,208</u>	<u>\$ 104,272,765</u>	<u>\$ 2,243,153</u>	<u>\$ 2,122,486</u>	<u>\$ 162,797,361</u>	<u>\$ 106,395,251</u>
Net assets:						
Invest in capital assets						
Net of related debt	\$ 23,002,639	\$ 19,058,201	\$ 12,212,120	\$ 10,779,989	\$ 35,214,759	\$ 29,838,190
Restricted	2,697,058	43,446	-	-	2,697,058	43,446
Unrestricted	<u>19,820,961</u>	<u>23,779,596</u>	<u>252,098</u>	<u>1,133,193</u>	<u>20,073,059</u>	<u>24,912,789</u>
	<u>\$ 45,520,658</u>	<u>\$ 42,881,243</u>	<u>\$ 12,464,218</u>	<u>\$ 11,913,182</u>	<u>\$ 57,984,876</u>	<u>\$ 54,794,425</u>

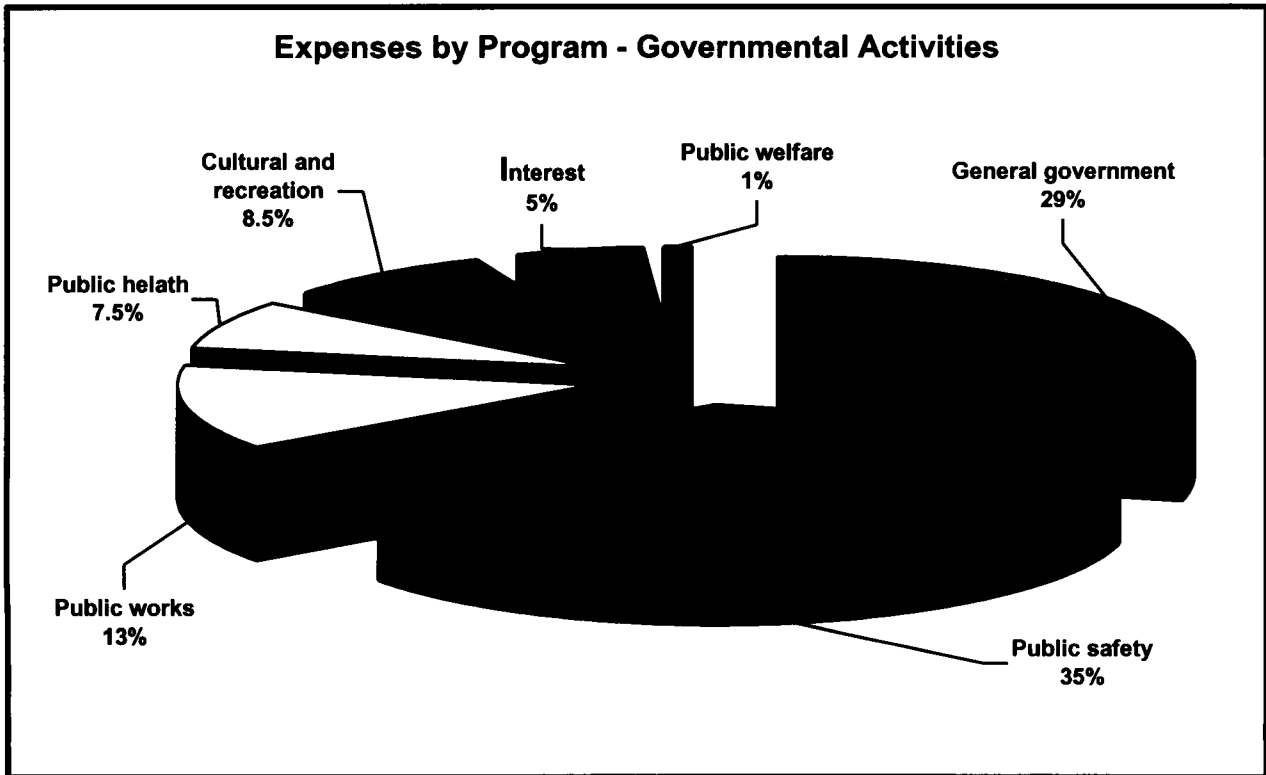
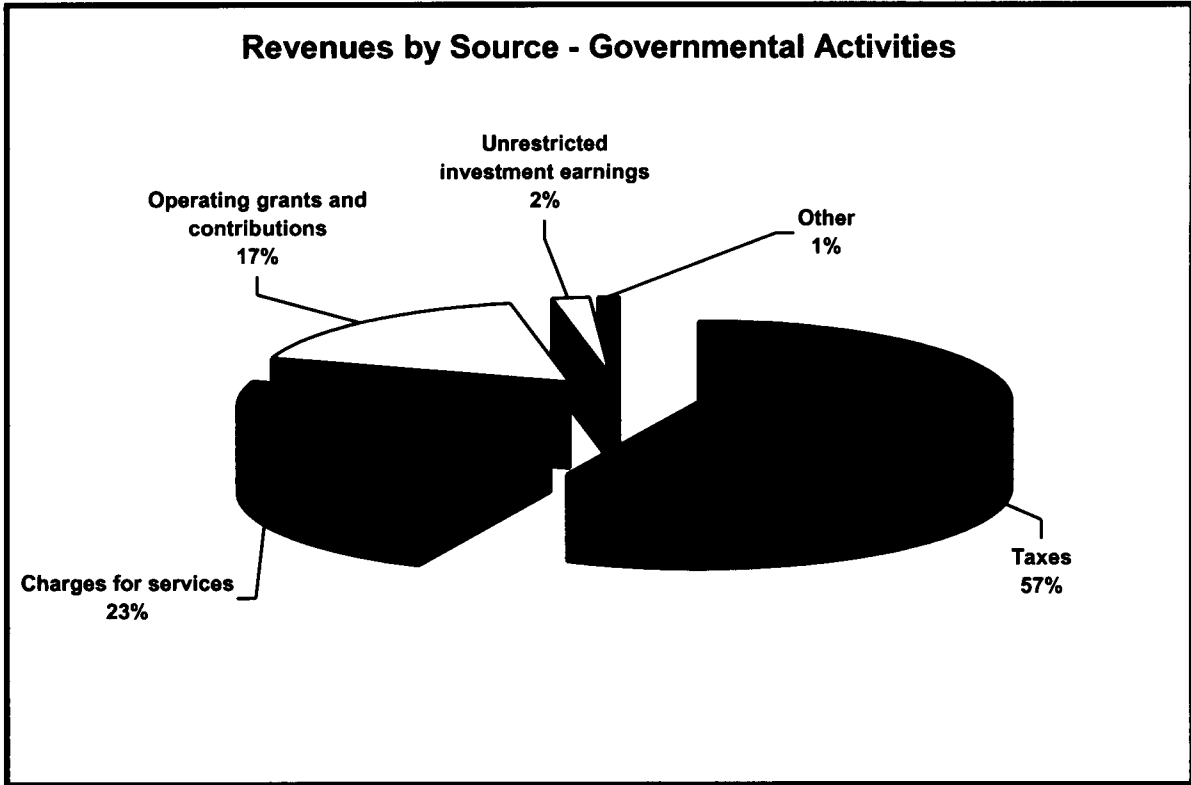
The County's net assets increased by \$3,190,451 during the fiscal year.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Beaufort County's Changes in Net Assets
For the Fiscal Years Ended June 30, 2003 and 2002

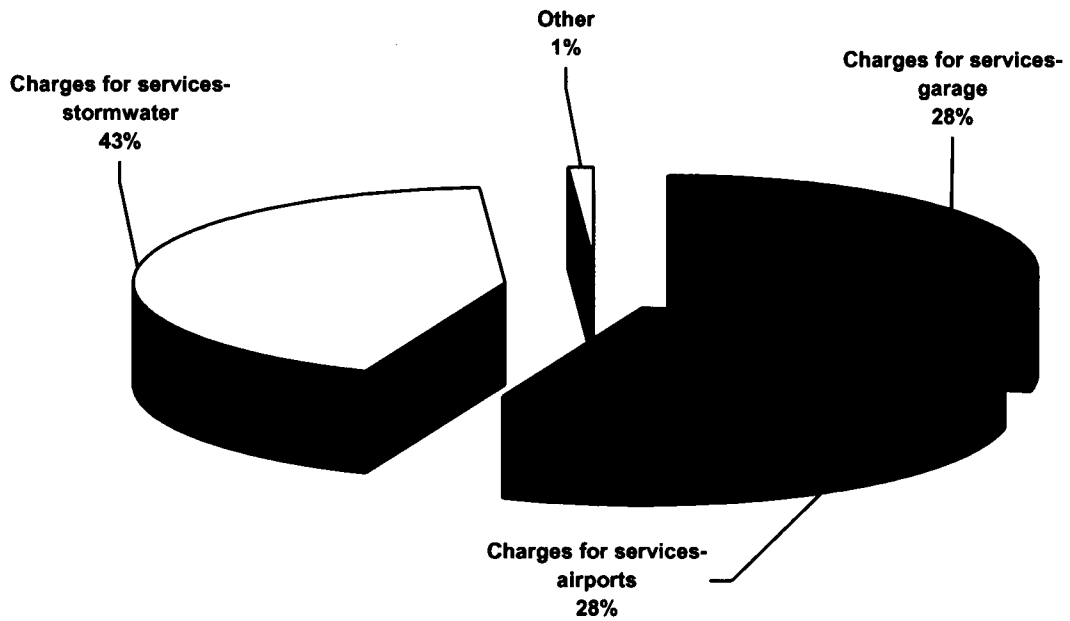
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues:						
Program Revenues:						
Charges for service	\$ 19,071,667	\$ 13,94,399	\$ 8,545,624	\$ 7,377,356	\$ 27,617,291	\$ 21,318,755
Operating grants and contributions	7,556,846	9,994,930	-	-	7,556,846	9,994,930
Capital grants and contributions	-	-	19,785	-	19,785	-
General Revenues:						
Property taxes	48,464,482	43,208,104	-	-	48,464,482	43,208,104
Grants and contributions	7,121,077	6,870,357	-	-	7,121,077	6,870,357
Unrestricted investment earnings	1,709,644	1,577,668	46,820	63,737	1,756,464	1,641,405
Miscellaneous	<u>606,578</u>	<u>420,439</u>	<u>-</u>	<u>-</u>	<u>606,578</u>	<u>420,439</u>
Total revenues	<u>84,530,294</u>	<u>76,012,897</u>	<u>8,612,229</u>	<u>7,441,093</u>	<u>93,142,523</u>	<u>83,453,990</u>
Program Expenses						
Governmental Activities:						
General government	23,749,085	22,512,978	-	-	23,749,085	22,512,978
Public safety	29,561,663	25,760,345	-	-	29,561,663	25,760,345
Public works	10,265,982	9,677,166	-	-	10,265,982	9,677,166
Public health	6,244,613	6,111,984	-	-	6,244,613	6,111,984
Public welfare	1,083,331	1,179,136	-	-	1,083,331	1,179,136
Cultural and recreation	6,897,218	5,751,240	-	-	6,897,218	5,751,240
Interest	4,088,987	3,093,683	-	-	4,088,987	3,093,683
Business-type Activities:						
Garage	-	-	2,454,837	2,092,692	2,454,837	2,092,692
Airports	-	-	1,742,811	1,988,876	1,742,811	1,988,876
Stormwater utility	-	-	<u>3,863,545</u>	<u>2,889,411</u>	<u>3,863,545</u>	<u>2,889,411</u>
Total expenses	<u>81,890,879</u>	<u>74,086,532</u>	<u>8,061,193</u>	<u>6,970,979</u>	<u>89,952,072</u>	<u>81,057,511</u>
Excess revenues over expenses	2,639,415	1,926,365	551,036	470,114	3,190,451	2,396,479
Net Assets, beginning	<u>42,881,243</u>	<u>40,954,878</u>	<u>11,913,182</u>	<u>11,443,068</u>	<u>54,794,425</u>	<u>52,397,946</u>
Net Assets, ending	<u>\$ 45,520,658</u>	<u>\$ 42,881,243</u>	<u>\$ 12,464,218</u>	<u>\$ 11,913,182</u>	<u>\$ 57,984,876</u>	<u>\$ 54,794,425</u>

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

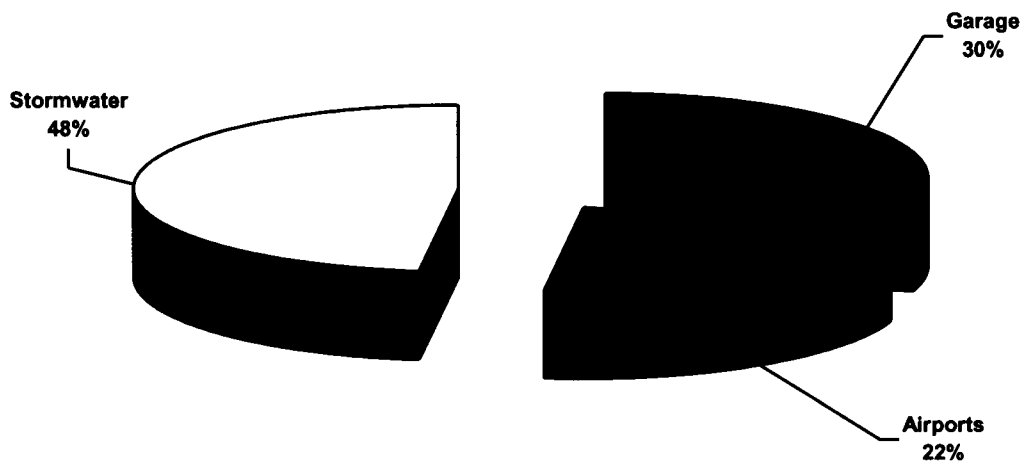


BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Revenues by Source - Business-type Activities



Expenses by Program - Business-type Activities



BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$104,515,313 an increase of \$42,946,933 in comparison with the prior year. Of this amount and increase of \$32,647,691 resulted from bonds issued for the New River TIF District, an increase of \$5,559,553 resulted from bonds issued for the Real Property Purchase Program, an increase of \$7,427,035 resulted from bonds issued for the Road Improvement Program and other operations within the other operating funds and a decrease of \$2,687,346 resulting from the operations within the General Fund.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance of the general fund was \$4,048,528, of which \$2,767,765 was unreserved. As a measure of the general fund's liquidity, a comparison of both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 5% of total general fund expenditures, while total fund balance represents approximately 7.5% of total general fund expenditures.

Details of the County's governmental funds are shown in the government-wide financial statements. Further details of the County's general fund are shown on Schedule "A" and further details of the County's nonmajor governmental funds are shown on Schedules "B", "C", "D" and "E".

Proprietary funds – The County's proprietary funds are shown in the government-wide financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget and the revised budget are shown on Exhibit 5. The \$1,127,380 difference in general fund expenditures between these two budgets is the amount of the encumbrances that were outstanding as of the previous fiscal year.

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, 2003 was \$98,583,884 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

Long-term debt – Beaufort County had \$142,098,779 of total long-term debt outstanding as of June 30, 2003. This amount increased by \$60,013,522 during this fiscal year as a result of the issuance of \$25,500,000 general obligation bonds plus the issuance of \$40,000,000 TIF revenue bonds less the amount of \$5,486,478 debt service principle paid during the fiscal year.

The County maintains a "Aa" bond rating from Moody's Investors Service, a "AA" bond rating from Standard & Poor's Rating Group and a "AA" bond rating from Fitch for its most recent general obligations bonds.

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. Requests for additional information or questions concerning any of the information contained in this report should be addressed to the Controller's Office, Post Office Box 1228, Beaufort, SC 29901-1228.

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

June 30, 2003

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets:			
Cash and equity in pooled cash and investments	\$ 89,697,740	\$ 1,014,866	\$ 90,712,606
Receivables, net	28,025,059	557,587	28,582,646
Due from other governments	2,534,380	-	2,534,380
Internal balances	241,497	(241,497)	-
Notes receivable	173,475	-	173,475
Inventories	-	51,142	51,142
Prepaid expenditures	72,379	71,726	144,105
	<u>120,744,530</u>	<u>1,453,824</u>	<u>122,198,354</u>
Capital Assets:			
Non-depreciable	24,779,058	7,658,831	32,437,889
Depreciable	60,551,278	5,594,716	66,145,994
	<u>85,330,336</u>	<u>13,253,547</u>	<u>98,583,883</u>
Total Assets	<u>206,074,866</u>	<u>14,707,371</u>	<u>220,782,237</u>
LIABILITIES			
Liabilities:			
Accounts payable	8,918,860	1,201,726	10,120,586
Current portion of long term debt	5,097,352	152,723	5,250,075
Due to others	8,477,181	-	8,477,181
Deferred revenue	43,968	-	43,968
	<u>22,537,361</u>	<u>1,354,449</u>	<u>23,891,810</u>
Long term Liabilities:			
Accrued compensated absences	2,056,847	-	2,056,847
Long-term obligations	135,960,000	888,704	136,848,704
	<u>138,016,847</u>	<u>888,704</u>	<u>138,905,551</u>
Total Liabilities	<u>160,554,208</u>	<u>2,243,153</u>	<u>162,797,361</u>
NET ASSETS			
Invested in capital assets, net of related debt	23,002,639	12,212,120	35,214,759
Restricted for debt service	2,697,058	-	2,697,058
Restricted for capital projects, net of related debt	-	-	-
Unrestricted	19,820,961	252,098	20,073,059
	<u>45,520,658</u>	<u>12,464,218</u>	<u>57,984,876</u>
Total Net Assets	<u>\$ 45,520,658</u>	<u>\$ 12,464,218</u>	<u>\$ 57,984,876</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, 2003

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 23,749,085	\$ 7,419,083	\$ -	\$ -
Public Safety	29,561,663	6,777,391	7,556,846	-
Public Works	10,265,982	2,152,936	-	-
Public Health	6,244,613	329,203	-	-
Public Welfare	1,083,331	-	-	-
Cultural and Recreation	6,897,218	2,393,054	-	-
Interest	4,088,987	-	-	-
Total Governmental Activities	81,890,879	19,071,667	7,556,846	-
 Business-type Activities				
Garage	2,454,837	2,454,761	-	-
Airports	1,742,811	2,416,227	-	19,785
Stormwater Utility	3,863,545	3,674,636	-	-
Total Business-type Activities	8,061,193	8,545,624	-	19,785
Total Primary Government	\$ 89,952,072	\$ 27,617,291	\$ 7,556,846	\$ 19,785
 General Revenues				
Taxes				
Grants and Contributions Not Restricted				
Unrestricted Investment Earnings				
Miscellaneous				
Total General Revenues and Transfers				
 Change in Net Assets				
Net Assets, Beginning				
Net Assets, Ending				

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

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Business Type		
Activities	Activities	Totals
\$ (16,330,002)	\$ -	\$ (16,330,002)
(15,227,426)	-	(15,227,426)
(8,113,046)	-	(8,113,046)
(5,915,410)	-	(5,915,410)
(1,083,331)	-	(1,083,331)
(4,504,164)	-	(4,504,164)
(4,088,987)	-	(4,088,987)
<u>(55,262,366)</u>	<u>-</u>	<u>(55,262,366)</u>
-	(76)	(76)
-	693,201	693,201
-	<u>(188,909)</u>	<u>(188,909)</u>
-	<u>504,216</u>	<u>504,216</u>
<u>\$ (55,262,366)</u>	<u>\$ 504,216</u>	<u>\$ (54,758,150)</u>
\$ 48,464,482	\$ -	\$ 48,464,482
7,121,077	-	7,121,077
1,709,644	46,820	1,756,464
<u>606,578</u>	<u>-</u>	<u>606,578</u>
<u>57,901,781</u>	<u>46,820</u>	<u>57,948,601</u>
2,639,415	551,036	3,190,451
<u>42,881,243</u>	<u>11,913,182</u>	<u>54,794,425</u>
<u>\$ 45,520,658</u>	<u>\$ 12,464,218</u>	<u>\$ 57,984,876</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2003

	General	New River TIF District	Real Property Purchase Program	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equity in pooled cash and investments	\$ 11,295,143	\$ 33,324,693	\$ 3,526,281	\$ 41,551,623	\$ 89,697,740
Receivables, net	2,155,858	-	10,000,000	15,869,201	28,025,059
Due from other governments	1,456,491	-	-	1,077,889	2,534,380
Notes receivable	152,949	-	-	20,526	173,475
Due from other funds	241,497	-	-	-	241,497
Prepaid expenditures	72,378	-	-	-	72,378
Total assets	<u>\$ 15,374,316</u>	<u>\$ 33,324,693</u>	<u>\$ 13,526,281</u>	<u>\$ 58,519,239</u>	<u>\$ 120,744,529</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 2,065,670	\$ 789,820	\$ -	\$ 3,827,707	\$ 6,683,197
Accrued payroll	826,014	-	-	198,856	1,024,870
Due to others	8,434,104	-	-	43,077	8,477,181
Deferred revenue	-	-	-	43,968	43,968
Total liabilities	<u>11,325,788</u>	<u>789,820</u>	<u>-</u>	<u>4,113,608</u>	<u>16,229,216</u>
Fund Equity:					
Reserved for encumbrances and carry forwards	1,280,763	-	-	35,617,510	40,805,584
Reserved for capital projects	-	32,534,873	13,526,281	484,528	46,545,682
Reserved for debt service	-	-	-	3,907,851	3,907,851
Unreserved fund balances	<u>2,767,765</u>	<u>-</u>	<u>-</u>	<u>14,395,742</u>	<u>17,163,507</u>
Total fund equity	<u>4,048,528</u>	<u>32,534,873</u>	<u>13,526,281</u>	<u>54,405,631</u>	<u>104,515,313</u>
Total liabilities and fund equity	<u>\$ 15,374,316</u>	<u>\$ 33,324,693</u>	<u>\$ 13,526,281</u>	<u>\$ 58,519,239</u>	<u>\$ 120,744,529</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 ASSETS
June 30, 2003

Total governmental fund balances (Exhibit 3)	\$ 104,515,313
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	85,330,337
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	
current portion of long term debt	(5,097,352)
accrued compensated absences	(2,056,847)
long-term obligations	(135,960,000)
accrued interest payable	<u>(1,210,793)</u>
Net assets of governmental activities	<u>\$ 45,520,658</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
 Year ended June 30, 2003

	General	New River TIF District	Real Property Purchase Program	Nonmajor Governmental Funds	Totals Governmental Funds
Revenues					
Property taxes	\$ 35,602,184	\$ -	\$ -	\$ 12,862,298	\$ 48,464,482
Licenses and permits	2,456,875	-	-	3,519,383	5,976,258
Intergovernmental	6,068,270	-	-	8,609,653	14,677,923
Charges for services	8,557,847	-	-	3,522,115	12,079,962
Fines and forfeitures	647,030	-	-	368,417	1,015,447
Interest	170,852	249,324	131,201	1,158,267	1,709,644
Miscellaneous	215,805	-	-	390,773	606,578
Total revenues	53,718,863	249,324	131,201	30,430,906	84,530,294
Expenditures					
General Government	18,045,305	-	-	2,937,421	20,982,726
Public Safety	25,137,795	-	-	3,474,247	28,612,042
Public Works	3,493,180	-	-	7,705,872	11,199,052
Public Health	2,043,378	-	-	4,321,323	6,364,701
Public Welfare	732,214	-	-	195,744	927,958
Cultural and Recreation	2,717,685	-	-	3,572,527	6,290,212
Debt Service - Principal	-	-	-	5,290,000	5,290,000
Debt Service - Interest and fees	-	-	-	4,086,293	4,086,293
Capital Projects	-	3,271,751	4,571,648	15,486,978	23,330,377
Total expenditures	52,169,557	3,271,751	4,571,648	47,070,405	107,083,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,549,306	(3,022,427)	(4,440,447)	(16,639,499)	(22,553,067)
Other financing sources (uses)					
Bond proceeds	-	40,000,000	10,000,000	15,500,000	65,500,000
Operating transfers in	43,099	-	-	14,785,694	14,828,793
Operating transfers out	(4,279,751)	(4,329,882)	-	(6,219,160)	(14,828,793)
Total other financing sources (uses)	(4,236,652)	35,670,118	10,000,000	24,066,534	65,500,000
Net Change in Fund Balances	(2,687,346)	32,647,691	5,559,553	7,427,035	42,946,933
Fund Balance at the Beginning of the Year	6,735,874	(112,818)	7,966,728	46,978,596	61,568,380
Fund Balance at the End of the Year	\$ 4,048,528	\$ 32,534,873	\$ 13,526,281	\$ 54,405,631	\$ 104,515,313

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
Year Ended June 30, 2003

Total net change in fund balances - governmental funds (Exhibit 4) \$ 42,946,933

Amounts reported for governmental activities in the statement of activities are different because:

Government 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 exceeded depreciation in the current period

capital outlay	28,049,717
depreciation	(8,146,912)

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 transactions has any effect on net assets

issuance of long-term debt	(65,500,000)
bond payments	5,290,000
capital lease payments	51,166

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

increase in accrued interest	(2,694)
increase in accrued compensated absences	(48,795)

Change in net assets of governmental activities \$ 2,639,415

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2003

	GENERAL			Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 37,261,970	\$ 37,261,970	\$ 35,602,184	\$ (1,659,786)
Licenses and permits	2,182,486	2,182,486	2,456,875	274,389
Intergovernmental	6,437,311	6,437,311	6,068,270	(369,041)
Charges for services	8,203,853	8,203,853	8,557,847	353,994
Fines and forfeitures	928,000	928,000	647,030	(280,970)
Interest	674,000	674,000	170,852	(503,148)
Miscellaneous	228,000	228,000	215,805	(12,195)
Total revenues	<u>55,915,620</u>	<u>55,915,620</u>	<u>53,718,863</u>	<u>(2,196,757)</u>
Expenditures				
General Government	\$ 19,014,278	19,700,165	18,045,305	1,654,860
Public Safety	26,297,899	26,585,325	25,137,795	1,447,530
Public Works	3,816,709	3,894,538	3,493,180	401,358
Public Health	2,073,987	2,112,752	2,043,378	69,374
Public Welfare	750,572	750,982	732,214	18,768
Cultural and Recreation	2,959,500	2,996,563	2,717,685	278,878
Debt Service - Principal	-	-	-	-
Debt Service - Interest and fees	-	-	-	-
Capital Projects	-	-	-	-
Total expenditures	<u>54,912,945</u>	<u>56,040,325</u>	<u>52,169,557</u>	<u>3,870,768</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,002,675	(124,705)	1,549,306	1,674,011
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Operating transfer in	39,500	39,500	43,099	3,599
Operating transfer out	(4,542,175)	(4,542,175)	(4,279,751)	262,424
Total other financing sources (uses)	<u>(4,502,675)</u>	<u>(4,502,675)</u>	<u>(4,236,652)</u>	<u>266,023</u>
Net Change in Fund Balances	(3,500,000)	(4,627,380)	(2,687,346)	1,940,034
Fund Balance at the Beginning of the year	<u>6,735,874</u>	<u>6,735,874</u>	<u>6,735,874</u>	-
Fund Balance at the End of the Year	<u>\$ 3,235,874</u>	<u>\$ 2,108,494</u>	<u>\$ 4,048,528</u>	<u>\$ 1,940,034</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
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2003

	NEW RIVER TIF DISTRICT			Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	249,324	249,324
Total revenues	<u>-</u>	<u>-</u>	<u>249,324</u>	<u>249,324</u>
Expenditures				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest and fees	-	-	-	-
Capital Projects	40,000,000	40,000,000	3,271,751	36,728,249
Total expenditures	<u>40,000,000</u>	<u>40,000,000</u>	<u>3,271,751</u>	<u>36,728,249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,000,000)	(40,000,000)	(3,022,427)	36,977,573
Other financing sources (uses)				
Bond proceeds	40,000,000	40,000,000	40,000,000	-
Operating transfer in	-	-	-	-
Operating transfer out	-	-	(4,329,882)	(4,329,882)
Total other financing sources (uses)	<u>40,000,000</u>	<u>40,000,000</u>	<u>35,670,118</u>	<u>(4,329,882)</u>
Net Change in Fund Balances	-	-	32,647,691	32,647,691
Fund Balance at the Beginning of the year	<u>(112,818)</u>	<u>(112,818)</u>	<u>(112,818)</u>	<u>-</u>
Fund Balance at the End of the Year	\$ (112,818)	\$ (112,818)	\$ 32,534,873	\$ 32,647,691

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2003

	REAL PROPERTY PURCHASE PROGRAM			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	131,201	131,201
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>131,201</u>	<u>131,201</u>
Expenditures				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service Interest and fees	-	-	-	-
Capital Projects	<u>17,900,000</u>	<u>17,900,000</u>	<u>4,571,648</u>	<u>13,328,352</u>
Total expenditures	<u>17,900,000</u>	<u>17,900,000</u>	<u>4,571,648</u>	<u>13,328,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,900,000)	(17,900,000)	(4,440,447)	13,459,553
Other financing sources (uses)				
Bond proceeds	10,000,000	10,000,000	10,000,000	-
Operating transfer in	-	-	-	-
Operating transfer out	-	-	-	-
Total other financing sources (uses)	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>
Net Change in Fund Balances	(7,900,000)	(7,900,000)	5,559,553	13,459,553
Fund Balance at the Beginning of the year	<u>7,966,728</u>	<u>7,966,728</u>	<u>7,966,728</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ 66,728</u>	<u>\$ 66,728</u>	<u>\$ 13,526,281</u>	<u>\$ 13,459,553</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
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2003

	NONMAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ 12,819,138	\$ 12,819,138	\$ 12,862,298	\$ 43,160
Licenses and permits	600,000	2,471,568	3,519,383	1,047,815
Intergovernmental	6,177,710	6,325,500	8,609,653	2,284,153
Charges for services	2,259,683	2,345,993	3,522,115	1,176,122
Fines and forfeitures	237,881	237,881	368,417	130,536
Interest	457,378	456,300	1,158,267	701,967
Miscellaneous	73,510	79,588	390,773	311,185
Total revenues	22,625,300	24,735,968	30,430,906	5,694,938
Expenditures				
General Government	2,031,879	2,138,776	2,937,421	(798,645)
Public Safety	2,383,282	2,610,820	3,474,247	(863,427)
Public Works	7,672,620	9,499,988	7,705,872	1,794,116
Public Health	4,697,237	4,771,608	4,321,323	450,285
Public Welfare	77,488	203,828	195,744	8,084
Cultural and Recreation	3,707,237	4,664,783	3,572,527	1,092,256
Debt Service - Principal	5,290,000	5,290,000	5,290,000	-
Debit Service - Interest and fees	2,998,744	2,998,744	4,086,293	(1,087,549)
Capital Projects	41,377,371	41,583,631	15,486,978	26,096,653
Total expenditures	70,235,858	73,762,178	47,070,405	26,691,773
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,610,558)	(49,026,210)	(16,639,499)	32,386,711
Other financing sources (uses)				
Bond proceeds	15,500,000	15,500,000	15,500,000	-
Operating transfer in	5,346,520	5,401,520	14,785,694	9,384,174
Operating transfer out	(849,845)	(904,845)	(6,219,160)	(5,314,315)
Total other financing sources (uses)	19,996,675	19,996,675	24,066,534	4,069,859
Net Change in Fund Balances	(27,613,883)	(29,029,535)	7,427,035	36,456,570
Fund Balance at the Beginning of the year	45,756,936	45,756,936	46,978,596	1,221,660
Fund Balance at the End of the Year	\$ 18,143,053	\$ 16,727,401	\$ 54,405,631	\$ 37,678,230

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2003

	TOTALS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ 50,081,108	\$ 50,081,108	\$ 48,464,482	\$ (1,616,626)
Licenses and permits	2,782,486	4,654,054	5,976,258	1,322,204
Intergovernmental	12,615,021	12,762,811	14,677,923	1,915,112
Charges for services	10,463,536	10,549,846	12,079,962	1,530,116
Fines and forfeitures	1,165,881	1,165,881	1,015,447	(150,434)
Interest	1,131,378	1,130,300	1,709,644	579,344
Miscellaneous	301,510	307,588	606,578	298,990
Total revenues	78,540,920	80,651,588	84,530,294	3,878,706
Expenditures				
General Government	21,046,157	21,838,941	20,982,726	856,215
Public Safety	28,681,181	29,196,145	28,612,042	584,103
Public Works	11,489,329	13,394,526	11,199,052	2,195,474
Public Health	6,771,224	6,884,360	6,364,701	519,659
Public Welfare	828,060	954,810	927,958	26,852
Cultural and Recreation	6,666,737	7,661,346	6,290,212	1,371,134
Debt Service - Principal	5,290,000	5,290,000	5,290,000	-
Debt Service - Interest and fees	2,998,744	2,998,744	4,086,293	(1,087,549)
Capital Projects	99,277,371	99,483,631	23,330,377	76,153,254
Total expenditures	183,048,803	187,702,503	107,083,361	80,619,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,507,883)	(107,050,915)	(22,553,067)	84,497,848
Other financing sources (uses)				
Bond proceeds	65,500,000	65,500,000	65,500,000	-
Operating transfer in	5,386,020	5,441,020	14,828,793	9,387,773
Operating transfer out	(5,392,020)	(5,447,020)	(14,828,793)	(9,381,773)
Total other financing sources (uses)	65,494,000	65,494,000	65,500,000	6,000
Net Change in Fund Balances	(39,013,883)	(41,556,915)	42,946,933	84,503,848
Fund Balance at the Beginning of the year	60,346,720	60,346,720	61,568,380	1,221,660
Fund Balance at the End of the Year	\$ 21,332,837	\$ 18,789,805	\$ 104,515,313	\$ 85,725,508

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2003

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
ASSETS					
Current Assets:					
Cash and investments with Trustee	\$ 154,730	\$ 859,564	\$ 372	\$ 200	\$ 1,014,866
Receivables, net	60,756	-	105,547	391,284	557,587
Internal balances	-	-	(418,361)	176,864	(241,497)
Inventories	29,199	-	21,943	-	51,142
Prepayments	71,726	-	-	-	71,726
Total current assets	316,411	859,564	(290,499)	568,348	1,453,824
Property and equipment	442,469	814,419	1,508,882	13,827,887	16,593,657
Accumulated depreciation	(254,072)	(240,659)	(296,308)	(2,549,071)	(3,340,110)
	188,397	573,760	1,212,574	11,278,816	13,253,547
Total Assets	504,808	1,433,324	922,075	11,847,164	14,707,371
LIABILITIES AND FUND EQUITY					
Liabilities:					
Account payable	216,290	335,043	54,099	516,610	1,122,042
Accrued payroll	2,459	27,457	3,399	46,369	79,684
Current portion of long term debt	-	-	-	152,723	152,723
Total current liabilities	218,749	362,500	57,498	715,702	1,354,449
Long term portion of debt	-	-	-	888,704	888,704
Total liabilities	218,749	362,500	57,498	1,604,406	2,243,153
NET ASSETS:					
Invested in capital assets, net					
of related debt	188,397	573,760	1,212,574	10,237,389	12,212,120
Unrestricted	97,662	497,064	(347,997)	5,369	252,098
Total Net Assets	\$ 286,059	\$ 1,070,824	\$ 864,577	\$ 10,242,758	\$ 12,464,218

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2003

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Operating revenues:					
Garage bilings	\$ 1,450,656	\$ -	\$ -	\$ -	\$ 1,450,656
Fuel and oil sales	1,002,395	-	279,894	-	1,282,289
Stormwater utility fees	-	3,674,636	-	-	3,674,636
Concession sales	-	-	10,844	-	10,844
FBO lease payments	-	-	-	34,545	34,545
Firefighting fees	-	-	-	136,499	136,499
Landing fees	-	-	12,623	90,348	102,971
Parking/taxi fees	-	-	-	11,880	11,880
Rentals	-	-	27,696	508,710	536,406
Passenger facilities charges	-	-	-	164,239	164,239
FAA grants	-	-	90,745	956,710	1,047,455
TSA grants	-	-	-	88,107	88,107
SCAC grants	-	-	-	-	-
Other charges	1,710	-	390	2,997	5,097
	<u>2,454,761</u>	<u>3,674,636</u>	<u>422,192</u>	<u>1,994,035</u>	<u>8,545,624</u>
Operating expenses:					
Costs of sales and services	2,350,955	-	177,275	-	2,528,230
Personnel	38,430	729,114	71,347	666,281	1,505,172
Purchased services	23,726	1,214,624	32,198	304,403	1,574,951
Supplies	6,768	241,315	5,887	56,842	310,812
Other	-	1,548,561	-	-	1,548,561
Depreciation	34,958	129,931	39,738	333,874	538,501
	<u>2,454,837</u>	<u>3,863,545</u>	<u>326,445</u>	<u>1,361,400</u>	<u>8,006,227</u>
Operating Income (loss)	(76)	(188,909)	95,747	632,635	539,397
Non-Operating Revenues (Expenses)					
Interest earned	378	24,159	-	22,283	46,820
Interest expense	-	-	-	(54,966)	(54,966)
Total non-operating revenues	<u>378</u>	<u>24,159</u>	<u>-</u>	<u>(32,683)</u>	<u>(8,146)</u>
Change in Net Assets	302	(164,750)	95,747	599,952	531,251
Net Assets, Beginning	<u>285,757</u>	<u>1,235,574</u>	<u>768,830</u>	<u>9,642,806</u>	<u>11,932,967</u>
Net Assets, Ending	<u>\$ 286,059</u>	<u>\$ 1,070,824</u>	<u>\$ 864,577</u>	<u>\$ 10,242,758</u>	<u>\$ 12,464,218</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2003

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,452,287	\$ 3,725,774	\$ 326,445	\$ 1,621,410	\$ 8,125,916
Cash paid to employees	(38,543)	(728,041)	(71,535)	(668,468)	(1,506,587)
Cash paid to suppliers	<u>(2,332,381)</u>	<u>(2,881,988)</u>	<u>(174,399)</u>	<u>40,247</u>	<u>(5,348,521)</u>
	<u>81,363</u>	<u>115,745</u>	<u>80,511</u>	<u>993,189</u>	<u>1,270,808</u>
Cash flows from noncapital financing activities:					
Operating transfers	-	-	-	-	-
Advances from County	<u>-</u>	<u>-</u>	<u>58,232</u>	<u>63,136</u>	<u>121,368</u>
	-	-	58,232	63,136	121,368
Cash flows from capital and related financing activities:					
Contributed capital	-	-	-	19,785	19,785
Purchase of fixed assets	(14,689)	(130,874)	(138,743)	(1,541,014)	(1,825,320)
Principal payment on debt	-	-	-	(145,312)	(145,312)
Interest paid on debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,966)</u>	<u>(54,966)</u>
	<u>(14,689)</u>	<u>(130,874)</u>	<u>(138,743)</u>	<u>(1,721,507)</u>	<u>(2,005,813)</u>
Cash flows from investing activities:					
Interest earned	<u>378</u>	<u>24,159</u>	<u>-</u>	<u>22,283</u>	<u>46,820</u>
Net increase (decrease) in cash and cash equivalents	67,052	9,030	-	(642,899)	(566,817)
Cash and cash equivalents, July 1, 2002	<u>87,678</u>	<u>850,534</u>	<u>372</u>	<u>643,099</u>	<u>1,581,683</u>
Cash and cash equivalents, June 30, 2003	<u>\$ 154,730</u>	<u>\$ 859,564</u>	<u>\$ 372</u>	<u>\$ 200</u>	<u>\$ 1,014,866</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2003

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (76)	\$ (188,909)	\$ 95,747	\$ 632,635	\$ 539,397
Adjustments to reconcile:					
Depreciation	34,958	129,931	39,738	333,874	538,501
Changes in assets and liabilities:					
(Increase) Decrease in account receivable	(2,474)	51,138	(95,747)	(372,625)	(419,708)
(Increase) Decrease in inventories	(7,197)	-	(6,293)	-	(13,490)
(Increase) Decrease in other current assets	-	-	-	-	-
Increase (Decrease) in accounts payable	56,265	122,512	47,254	401,492	627,523
Increase (Decrease) in accrued payroll	(113)	1,073	(188)	(2,187)	(1,415)
Increase (Decrease) in other current liabilities	-	-	-	-	-
	<u>46,481</u>	<u>174,723</u>	<u>(54,974)</u>	<u>26,680</u>	<u>192,910</u>
Net cash used by operating activities	<u>\$ 81,363</u>	<u>\$ 115,745</u>	<u>\$ 80,511</u>	<u>\$ 993,189</u>	<u>\$ 1,270,808</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2003

ASSETS

Cash and equity in pooled cash and investments	\$ 57,180,744
Receivables, net	-
Total assets	<u>57,180,744</u>

LIABILITIES

Liabilities:	
Accounts payable	-
Due to agency	<u>57,180,744</u>
Total liabilities	<u>57,180,744</u>

NET ASSETS

Reserved for encumbrances and carry forwards	-
Total net assets	<u>\$ -</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2003

1. Summary of Significant Accounting Policies

Beaufort County, South Carolina (the "County") is a political subdivision of the State of South Carolina, operating under the Council-Administrator form of government to provide services authorized by its charter. The County is governed by an elected Board (the "Council") which is governed by state statutes and regulations.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. The more significant accounting policies established in GAAP and used by the County are discussed below.

In June 1999, the Governmental Accounting Standard Board (GASB) unanimously approved Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." Certain of the significant changes in the Statement include the following:

1. For the first time the financial statements include:
 - a) A Management Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.
 - b) Financial Statements prepared using full accrual accounting for all of the County's activities, including infrastructure (roads, bridges, etc).
2. A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The County has elected to implement the general provisions of the Statement in the current year and plans to retroactively report infrastructure assets acquired prior to July 1, 2002 in the fiscal year ending June 30, 2003.

- A. Reporting Entity - These financial statements present the County as the primary government. As defined by GASB No. 14, component units are legally separate entities that are included in the County's reporting entity because of the significance of their operating or financial relationship with the County.

The following entities, which meet the scope of public service criteria, have been excluded from the reporting entity after due consideration of the oversight responsibility:

Beaufort County School District - The School District has a separately elected board. The District is authorized to issue debt, maintain financial records, and issue separate financial statements. The District reports operational and financial results to the South Carolina Department of Education.

Public Service Districts - The County has numerous public service districts established by South Carolina Public Law to provide various services such as fire protection, water services and medical care. Certain activities related to the public service districts are accounted for in the County's Agency Funds. Each of the public service districts generally has limited fiscal autonomy and a separate board. Each District maintains its own financial records, establishes its own operating budget and rate structure, issues its own financial statements and has limited borrowing powers under state statutes.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

1. Summary of Significant Accounting Policies – Continued:

Beaufort Memorial Hospital - The hospital has a separate board, which is appointed by Council upon recommendations from the existing hospital board. The hospital does not have the ability to levy taxes and therefore cannot issue its own general obligation debt without approval of Council. The hospital maintains its own financial records, issues its own financial statements and establishes its own operating budget and rate structure and hires its own management.

Beaufort/Jasper Water and Sewer Authority - The Authority has its own board, maintains its own financial records, establishes its own operating budget and rate structure, issues its own financial statements, and issues its own debt.

- B. Basic Financial Statements – Government-wide Statements - The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The County's public safety services, public works services, public health services, public welfare services, cultural and recreation services and general administrative services are classified as governmental activities. The County's garage operations, stormwater utility operations and both airport operations are classified as business-type activities.

In the government-wide Statements of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts: invested in capital assets; net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are supported by general government revenues (property taxes, licenses and permits, intergovernmental revenues, charges for service, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating – specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, licenses and permits, intergovernmental revenues, etc.).

The County does not allocate indirect costs. This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

The following fund types are used by the County:

- 1) Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

1. Summary of Significant Accounting Policies - Continued:

General Fund - The General Fund is the general operating fund of the County. The fund is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs other than those payable from Enterprise Funds.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds) and certain fixed assets.

2) Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the County:

Enterprise Funds – Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues, has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or establishes fees and charges based on a pricing policy designed to recover similar costs.

Internal Service Funds – Internal service funds are used to account for the financing of goods or services provided by an activity to other departments of the County on a cost-reimbursement basis.

3) Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses on either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The County's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

1. Summary of Significant Accounting Policies - Continued:

- C. Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.
- 1) Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
- 2) Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (both measurable and available). "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt is recognized when due.
- D. 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.
- E. Investments - Investments consist of certificates of deposit and repurchase agreements. All investments are recorded at cost, which approximates market value.
- F. Receivables - All receivables are reported at their gross value and when appropriate, are reduced by the estimated portion that is uncollectible.
- G. Inventories - Inventories consist of fuels and supplies (Enterprise Funds) and are stated at the lower of "first-in, first-out" cost or market.
- H. Capital Assets - Capital assets purchased or acquired with an original cost of \$500 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 provided on the straight-line basis over the following estimated useful lives:
- | | |
|--------------|---------------|
| Buildings | 20 - 25 years |
| Improvements | 20 - 25 years |
| Equipment | 5 - 10 years |
- I. Revenues - Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied.
- J. Expenditures - Expenditures are recognized when the related fund liability is incurred.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

1. Summary of Significant Accounting Policies - Continued:

- K. Compensated Absences – The County accrues compensated absences and associated employee-related costs when earned by the employee.
- L. 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.
- M. Budgets and Budgetary Accounting - The County 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 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 #2002/19, 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.
 - (6) Formal budgetary integration is employed as a measurement control device for all governmental funds of the County. The level on which expenditures may not legally exceed appropriations is the fund 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 express purpose for which the funds were generated without further approval by County Council, as per Section 14 of County Ordinance #2002/19.

2. Cash and Equity in Pooled Cash and Investments

The County maintains a cash and investment pool that is available for use by all funds. South Carolina Statutes authorize

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

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

investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool (invested in government guaranteed securities), obligations of the U. S. Government, and government agencies unconditionally guaranteed by the Federal Government.

At June 30, 2003, the carrying amount of the County's cash on deposit was \$147,893,350 and the bank balance of cash on deposit was \$150,620,210. These deposits were entirely covered by federal deposit insurance or by collateral held by the financial institution in the County's name.

The County's investments are categorized as follows to give an indication of the level of risk assumed by Beaufort County at June 30, 2003. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name.

The County's investments that are held in the State Treasurer's Governmental Investment Pools are invested through the pool. As such, collateral is not identified for each deposit, but rather for the fund as a whole. These deposits are collateralized by cash or governmental agency securities which are fully guaranteed as to principal and interest by the Federal Government. The State Treasurer's Government Investment Pool is subject to oversight by the State Treasurer and the State Budget and Control Board, as well as, audit by the state's internal and external auditors.

	Category			Carrying Value	Fair Value
	1	2	3		
Pooled investments	\$ -0-	\$ -0-	\$ 147,893,350	\$ 147,893,350	\$ 147,893,350

The Carrying value of investments approximates market value at June 30, 2003.

3. Receivables/Due from Other Governments

Property taxes receivable (the gross less allowance) are recognized when they become available. Available means due or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

The following details receivables-net by fund:

	General Fund	New River TIF District	Real Property Purchase Program	Nonmajor Governmental Funds
Gross property tax receivable	\$ 877,378	\$ -	\$ -	\$ 259,652
Less allowance for delinquent property tax	287,794	-	-	95,910
Subtotal	589,584	-	-	163,742
Licenses and fees receivable	657,135	-	-	416,334
Fines receivable	829,833	-	-	-
Due on Sale of bonds	-	-	10,000,000	15,245,000
Accounts receivable - other	79,306	-	-	44,125
	<u>\$2,155,858</u>	<u>\$ -</u>	<u>\$ 10,000,000</u>	<u>\$ 15,869,201</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

3. Receivables/Due from Other Governments – Continued:

Key dates in the property tax cycle for 2001-2002 are as follows:

Assessment date	1998
Property taxes levied	September 1, 2002
Tax bills rendered	October 1, 2002
Property taxes payable	March 16, 2003
Delinquency date	March 17, 2003
Tax sale date	October 1, 2003

The following details the due from other governments by fund:

	General Fund	Nonmajor Governmental Fund
State aid to subdivisions	\$ 1,445,885	\$ -
Alcohol & Drug programs	-	61,080
Disabilities and Special Needs programs	-	18,060
Parks and Leisure Services programs	-	69,878
Others	<u>10,606</u>	<u>928,871</u>
	<u>\$ 1,456,491</u>	<u>\$ 1,077,889</u>

4. Notes Receivable

Notes receivable of \$152,949 presented in the General Fund relates to a loan made to the Lowcountry Regional Transportation Authority for operational support and is to be repaid as funds become available over the next two years.

Notes receivable of \$20,526 presented in the Nonmajor Governmental Fund relate to loans made to individuals for refurbishment or replacement of low income housing. A corresponding amount has been recorded as a deferred revenue item.

5. Capital Assets

Governmental Activities

	Balance June 30, 2002	Additions	Disposals or Transfers	Balance June 30, 2003
Capital assets not being depreciated:				
Land & Improvements	\$ 7,723,880	\$ -	\$ -	\$ 7,723,880
Construction in progress	<u>4,994,462</u>	<u>18,750,969</u>	<u>6,690,253</u>	<u>17,055,178</u>
Total capital assets not being depreciated	<u>12,718,342</u>	<u>18,750,969</u>	<u>6,690,253</u>	<u>24,779,058</u>
Other capital assets:				
Buildings & improvements	65,992,042	9,959,888	-	75,951,930
Equipment	<u>34,455,594</u>	<u>6,029,113</u>	<u>3,654,381</u>	<u>36,830,326</u>
Total	100,447,636	15,989,001	3,654,381	112,782,256
Less accumulated depreciation	<u>47,738,447</u>	<u>8,146,912</u>	<u>3,654,381</u>	<u>52,230,978</u>
Other capital assets, net	<u>52,709,189</u>	<u>7,842,089</u>	-	<u>60,551,278</u>
Total Governmental Activities	<u>\$65,427,531</u>	<u>\$ 26,593,058</u>	<u>\$ 6,690,253</u>	<u>\$ 85,330,336</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

5. Capital Assets – Continued:

The beginning balance of capital assets for governmental activities has been restated to include \$6,469,720 of infrastructure assets (roads) not previously recorded as capital assets by the County.

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, 2003 was \$8,146,912 and the accumulated depreciation as of June 30, 2003 was \$52,230,978.

The depreciation expense was allocated as follows:

General Government	\$3,557,048
Public Safety	2,666,356
Public Works	847,665
Public Health	103,034
Public Welfare	156,598
Cultural and Recreation	<u>816,211</u>
Total	<u>\$8,146,912</u>

Business-type Activities

	<u>Balance June 30, 2002</u>	<u>Additions</u>	<u>Disposals or Transfers</u>	<u>Balance June 30, 2003</u>
Capital assets not being depreciated:				
Land & Improvements	\$ 6,083,572	\$ -	\$ -	\$ 6,083,572
Construction in progress	-	<u>1,575,259</u>	-	<u>1,575,259</u>
Total capital assets not being depreciated	<u>6,083,572</u>	<u>1,575,259</u>	-	<u>7,658,831</u>
Other capital assets:				
Buildings & improvements	6,671,793	-	-	6,671,793
Equipment	<u>2,046,333</u>	<u>250,061</u>	<u>33,361</u>	<u>2,263,033</u>
Total	8,718,126	250,061	33,361	8,934,826
Less accumulated depreciation	<u>2,834,970</u>	<u>538,501</u>	<u>33,361</u>	<u>3,340,110</u>
Other capital assets, net	<u>5,883,156</u>	<u>(288,440)</u>	-	<u>5,594,716</u>
Business-type activities capital assets, net	<u>\$11,966,728</u>	<u>\$ 1,286,819</u>	<u>\$ -</u>	<u>\$ 13,253,547</u>

For the capital assets of the business-type activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives, which range from five to twenty-five years, of the assets. Depreciation expense for the year ended June 30, 2003 was \$538,501 and the accumulated depreciation as of June 30, 2003 was \$3,340,110.

The depreciation expense was allocated as follows:

Garage	\$ 34,958
Stormwater Utility	129,931
Lady's Island Airport	39,738
Hilton Head Airport	<u>333,874</u>
Total	<u>\$538,501</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

6. Long-Term Obligations

	Governmental Activities	Business-type Activities
General obligation bonds	\$ 86,000,000	\$ -
TIF Revenue bonds	40,000,000	-
Bond anticipation note	15,000,000	-
Note payable	-	1,041,427
Capital leases	57,352	-
	\$ <u>141,057,352</u>	\$ <u>1,041,427</u>

General Obligation Bonds

In June 1999, the County issued \$9,100,000 in General Obligation bonds, bearing interest rates of 4.60% to 5.25% and with varying maturity dates through 2008. The proceeds of these bonds were used for various County projects including the purchase of development rights on Lemon Island, the construction of the Buckwalter Parkway, the minor renovations of various County buildings and park facilities, and other governmental projects within the County.

In April 2001, the County issued \$30,000,000 in General Obligation bonds, bearing interest rates of 4.375% to 5.25% and with varying maturity dates through 2020. The proceeds of these bonds were used as follows: \$10,000,000 for the purchase of real property programs as approved by referendum in November 2000; \$10,000,000 to pay the bond anticipation notes issued May 2000; and \$10,000,000 for various County projects including the purchase of telecommunications equipment, the construction of additional facilities for the Detention Center, the construction of additional hangars at the Lady's Island Airport and for other governmental projects within the County.

In May 2002, the County issued \$25,100,000 in General Obligation bonds, bearing interest rates of 3.0% to 4.875% and with varying maturity dates through 2022. The proceeds of these bonds were used as follows: \$10,950,000 to pay off the outstanding bonds and related costs of the 1993 General Obligation issue; and \$14,000,000 for various County projects to include the purchase of telecommunications equipment, improvements to various county parks, construction of solid waste drop off centers and for other government construction projects within the County.

In June 2003, the County issued \$25,500,000 in General Obligation bonds, bearing interest rates of 2.0% to 5.0% and with varying maturities through 2023. The proceeds of these bonds were used as follows: \$10,000,000 for the purchase of real property program as approved by referendum in November 2000; \$5,000,000 for paving and improving roads within the County; and \$10,500,000 for various County projects including the purchase of telecommunications equipment; improvements to various County parks, and for other governmental construction projects within the County.

The 1999, 2001, 2002 and 2003 general obligation bonds are collateralized by the full faith and credit of the County and are payable from ad valorem taxes.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

6. Long Term Obligations - Continued:

General obligation bonds accounted for in the County's Statement of Net Assets consist of the following at June 30, 2003:

<u>Description</u>	<u>Rates and Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2003</u>
1999 Improvement Bonds	4.6% - 5.25% 2/1 and 8/1	2008	9,100,000	8,500,000
2001 County Bonds	4.375% - 5.25% 2/1 and 8/1	2020	30,000,000	28,020,000
2002 County Bonds	3.0% - 4.875% 2/1 and 8/1	2022	25,100,000	23,980,000
2003 County Bonds	2.0% - 5.0% 2/1 and 8/1	2023	25,500,000	25,500,000
			<u>\$ 89,700,000</u>	<u>\$ 86,000,000</u>

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

<u>Fiscal Year Ending</u>	<u>1999 Improvement Bonds</u>	<u>2001 County Bonds</u>	<u>2002 County Bonds</u>	<u>2003 County Bonds</u>
2004	\$ 1,991,000	\$ 2,569,035	\$ 2,638,913	\$ 1,245,447
2005	2,017,400	2,539,785	2,643,725	1,635,500
2006	2,039,200	2,531,629	2,631,100	1,671,500
2007	2,056,400	2,521,504	2,616,600	1,706,500
2008	1,569,000	2,516,254	2,610,800	1,740,500
2009-2013	-	12,433,490	9,978,981	9,271,187
2014-2018	-	12,265,851	5,597,375	10,409,813
2019-2023	-	<u>4,849,425</u>	<u>4,532,175</u>	<u>10,497,937</u>
	9,673,000	42,226,979	33,249,669	38,178,384
Less amount representing interest	<u>1,173,000</u>	<u>14,206,979</u>	<u>9,269,669</u>	<u>12,678,384</u>
Total	<u>\$ 8,500,000</u>	<u>\$ 28,020,000</u>	<u>\$ 23,980,000</u>	<u>\$ 25,500,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2003 was \$2,989,743.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

6. Long Term Obligations - Continued:

The following is a schedule of principal payments for all general obligation bonds:

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
2004	\$ 5,040,000
2005	5,285,000
2006	5,530,000
2007	5,775,000
2008	5,550,000
2009-2013	20,120,000
2014-2018	20,935,000
2019-2023	<u>17,765,000</u>
Total	\$ <u>86,000,000</u>

Tax Increment Financing Revenue Bonds

In November 2002, the County issued \$40,000,000 in Tax Increment Financing Revenue Bonds, bearing interest rates of 3.0% to 5.5% and with varying maturities through 2027. The proceeds of these bonds were used to provide infrastructure and other improvements within the Tax Increment Financing district, including buildings for both the University of South Carolina – Beaufort and the Technical College of the Lowcountry.

The following is a schedule of the debt service requirements:

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
2004	\$ 1,989,882
2005	1,989,882
2006	1,989,882
2007	2,189,883
2008	2,233,883
2009-2013	13,811,920
2014-2018	17,506,450
2019-2023	18,226,325
2024-2027	<u>14,934,750</u>
Total	74,872,857
Less amount representing interest	<u>34,872,857</u>
Net	<u>\$40,000,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2003 as \$1,083,380.

Bond Anticipation Notes

In April 2003, the County issued \$15,000,000 in Bond Anticipation notes bearing an interest rate of 2.0% and with a maturity of January 16, 2004. The proceeds of these notes were used to pay off the \$15,000,000 Bond Anticipation notes issued during

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

6. Long Term Obligations - Continued:

April 2002. These notes were refinanced in November 2003 as part of a permanent financing of \$23,680,000 for the Bluffton TIF District. The proceeds of these revenue bonds were used to pay the outstanding bond anticipation note and to complete the infrastructure improvements within the Bluffton TIF District. The bonds have varying maturities through 2028 and the interest rates range from 2.0% to 5.0%.

Note Payable

In September, 2000, the County issued a note for \$1,325,000 for the balance owed on the purchase of land for the Hilton Head Airport. The note is payable in annual payments of \$205,836, including interest at 5.1% through September, 2008.

Capital Leases

As of June 30, 2003, the County has one lease-purchase agreement to purchase communication equipment with a lease term of 10 years and an interest rate of 7%. The communication equipment under this capital lease is included in the equipment in Note 5.

The following is a schedule of future minimum lease payments under this capital lease, together with the present value of net minimum lease payments at June 30, 2003.

<u>Fiscal Year</u> <u>Ending</u>	<u>Amount</u>
2004	\$ 61,413
Less amount representing interest	<u>4,061</u>
Net	<u>\$ 57,352</u>

The County records capital lease payments as current year expenditures in the fund to which the lease applies. The liability for capital leases and the associated assets are recorded.

Total interest paid on capital leases for the year ended June 30, 2003 was approximately \$8,200 which was recorded as an expenditure in the Special Revenue Fund for E-911 equipment.

Changes in Long-Term Liabilities

	<u>Balance</u> <u>June 30, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2003</u>
General Obligation Bonds	\$ 65,790,000	\$ 25,500,000	\$ 5,290,000	\$ 86,000,000
TIF Revenue Bonds	-	40,000,000	-	40,000,000
Bond Anticipation Notes	15,000,000	-	-	15,000,000
Notes Payable	1,186,739	-	145,312	1,041,427
Capital Leases	<u>108,518</u>	-	<u>51,166</u>	<u>57,352</u>
Totals	<u>\$ 80,898,518</u>	<u>\$ 65,500,000</u>	<u>\$ 5,341,166</u>	<u>\$ 142,098,779</u>

Of this total of long-term liabilities, \$5,250,075 is due within the next fiscal year and \$136,848,704 is due in later years.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

7. Segment Information for Business-type Activities

The County maintains four Enterprise Funds which provide garage (vehicle repair), stormwater utility and airport services. Segment information is as follows:

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Operating Revenues	\$ 2,454,761	\$ 3,674,636	\$ 422,192	\$ 1,994,035	\$ 8,545,624
Cost of Sales and Services	2,350,955	-	177,275	-	2,528,230
Operating Expenses before depreciation	68,924	3,733,614	109,432	1,027,526	4,939,496
Depreciation	<u>34,958</u>	<u>129,931</u>	<u>39,738</u>	<u>333,874</u>	<u>538,501</u>
Operating Income (loss)	<u>\$ (76)</u>	<u>\$ (188,909)</u>	<u>\$ 95,747</u>	<u>\$ 632,635</u>	<u>\$ 539,397</u>
Advances from County	-	-	58,232	63,136	121,368
Capital Contributions	-	-	-	19,785	19,785
Property/equipment additions	14,689	130,874	138,743	1,541,014	1,825,320
Working Capital	97,662	497,064	(347,997)	(147,354)	99,375
Total Assets	504,808	1,433,324	922,075	11,847,164	14,707,371
Long-term debt	-	-	-	888,704	888,704
Net Assets invested in Capital					
Assets-net of related debt	188,397	573,760	1,212,574	10,237,389	12,212,120
Unrestricted Net Assets	97,662	497,064	(347,997)	5,369	252,098

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, 2003 were approximately \$266,500. The minimum commitment for operating lease payments for the next five years will be approximately \$260,000 per year.

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.

The Small Business Job Protection Act of 1996 (the Act) eliminated the requirement that Section 457 plan assets legally remain the assets of the sponsoring government. The Act now requires that amounts deferred under a Section 457 plan be held in trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors. Only Section 457 plans meeting criteria prior to the Act should be reported in the sponsoring governments financial statements. During July 1998, the South Carolina Deferred Compensation Program complied with the provisions of the Act. Accordingly, the amount held by the South Carolina Deferred Compensation Program on behalf of the County and its participants will not be reported in the County's financial statements after June 30, 1998.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

9. Deferred Compensation Plans – Continued:

In addition, County employees may participate in a 401(k) deferred compensation plan available to state and local governmental employees through the state public employee retirement system. The 401(k) program is administered by a state approved nongovernmental third party. Contributions by employees under the 401(k) program totaled approximately \$300,000 for the year ended June 30, 2003. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

10. Retirement Plans

The Governmental Accounting Standards Board (GASB) issued Statement No. 27 entitled "Accounting for Pensions by State and Local Government Employees" in November 1994. This Statement supersedes the requirements of GASB Statement No. 5. The following information is provided in order to meet the disclosure requirements prescribed in paragraph 20 of GASB 27.

Substantially all full time, permanent County employees are required by law (Title 9 of the S. C. Code of Laws) to participate in statewide, cost sharing multiple-employer defined benefit pension plans administered by the State Retirement System.

Generally all employees, with the exception of law enforcement personnel and certain others, participate in the South Carolina Retirement System (SCRS). Law enforcement personnel and certain other employees participate in the South Carolina Police Officers Retirement System (PORS).

Both the South Carolina Retirement System and Police Officers Retirement System offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Actuarially established employer contribution rates are as follows:

	<u>Retirement Program</u>				<u>Total</u>
	<u>Normal</u>	<u>Unfunded Accrued Liability</u>	<u>Accidental Death Program</u>	<u>Group Life Insurance Program</u>	
SCRS					
State & School	5.00%	2.55%	N/A	.15%	7.70%
Other	5.00%	1.70%	N/A	.15%	6.85%
PORS	8.43%	1.87%	.20%	.20%	10.70%

Contribution rates are developed by the SCRS and PORS using the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percentage of payroll. A market related value of plan assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liabilities that are being amortized by regular annual contributions as a level percent of payroll within a 30-year period, assuming 4 1/4% annual payroll growth for SCRS and PORS.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

10. Retirement Plans – Continued

All employers contribute at the actuarially required contribution rates.

<u>Contribution information:</u>	<u>SCRS</u>	<u>PORS</u>
Covered payroll	\$ 21,346,125	\$ 10,441,787
Employee contributions	1,280,770	676,767
Employee contribution rate (based upon salary)	6.0%	6.5%
Employer contribution rate; includes group life coverage in both SCRS and PORS and accidental death coverage in PORS (based upon salary)	6.85%	10.7%

The County's employer contribution to the SCRS for the years ended June 30, 2003, 2002 and 2001 were \$1,502,947, \$1,402,249, and \$1,280,877 respectively, which are equal to the required contributions.

The County's employer contribution to the PORS for the years ended June 30, 2003, 2002 and 2001 were \$1,135,473, \$1,110,482, and \$1,008,617 respectively, which are equal to the required contributions.

Vesting Requirements:

With five years of service, an employee is entitled to a deferred annuity commencing at age 60 under the SCRS and at age 55 under the PORS.

Retirement Benefits:

Retirement benefits of participants in the **SCRS** and the **PORS** are currently determined as follows:

SCRS - The maximum monthly retirement allowance at age 65 or 30 years' service, is generally determined by the following formula:

- Total 12 highest consecutive quarters of salary (divide by 3).
- Multiply the amount by 1.82%.
- Multiply the results by the total months of creditable service.
- Divide results by 12.

PORS - The retirement benefit at age 55 or 25 years' service is generally determined consistent with the aforementioned **SCRS** formula, except that the average salary is multiplied by 2.14% for Class II members.

Early Retirement - SCRS

<u>Age</u>	<u>Service required</u>	<u>Early Retirement Penalty</u>
at least 60	None	5% for each year of age under 65
55	25	4% for each year of service under 30

Full formula retirement is available with 30 years of service, regardless of age, or age 65.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

10. Retirement Plans – Continued

There are no early retirement provisions under **PORS**. A member must have 25 years service for full retirement or must be age 55 with 5 years service; both criteria provide for full formula benefit with no reduction.

Disability Retirement

In order to receive Disability Retirement benefits, an employee must have 5 years of credited service unless the injury is job related.

Recipients receive a service retirement benefit based upon continued service to age 65 for SCRS and to age 55 for PORS with no change in compensation.

Accidental Death Program

Under this provision of the PORS, an annuity is provided to the widow (or the specified beneficiary) of a member whose death was while in performance of duty. The annuity would equal 50% of member's compensation at the time of death.

Group Life Insurance Benefits

A lump-sum payment equal to one year's salary is payable to the beneficiary upon the death of an active member with at least one year of service. There is no service requirement for death resulting from actual performance of duties. Lump-sum payments of up to \$3,000 (SCRS) or \$4,000 (PORS) are payable to a retiree's beneficiary based upon years of service at retirement.

Withdrawal of Employee Contribution

Accumulated contributions and credited interest payable are paid within 6 months but not less than 90 days after termination of all covered employment.

Post Retirement Increase

Annual increases in retirement benefits are calculated at 4% per year, provided the Consumer Price Index (CPI) for the prior calendar year was 3% or higher. If the CPI is less than 3%, CPI is granted. Increases are approved annually subject to compliance with funding policy.

Statewide Plan Actuarial Information

The South Carolina Retirement Systems do not determine separate measurements of assets and pension benefit obligations for individual employers. An actuarial valuation is performed for the systems annually. No changes in actuarial assumptions or benefit provisions have occurred subsequent to July 1, 1995. The interest rate assumption for actuarial purposes is 7.25%. An assumption of future COLA adjustments was removed (SCRS and PORS) and the method of valuing assets was changed from book value to a smoothed market value.

The Systems use a projected benefit method for actuarial valuation with level percentage entry age, normal cost and open-end unfunded accrued liability. At July 1, 2001, based upon the actuarial method used for funding purposes:

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

10. Retirement Plans – Continued

	<u>SCRS</u>	<u>PORS</u>
Unfunded Accrued Liability	\$ 3,148,400,000	\$ 176,776,000
Liquidation Period	21 years	15 years

11. 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, 2003, into the County's Long-Term Debt Account Group to cover unused, unpaid Personal Leave including fringe benefits totaled \$2,056,847.

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 has adopted a self funded medical insurance plan whereby the County contributes an amount sufficient to meet the reimbursable medical insurance claims of its employees. The plan is administered by an independent administrator on a contract basis. The County has obtained insurance for catastrophic illnesses. Claims due at June 30, 2003 totaled \$485,574 and were based on the incurrence of actual liability for claims made or incurred prior to June 30, 2003. The total amount paid or payable, including administrative costs, for the year ended June 30, 2003 was \$5,674,993.

The County does not provide post employment 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.

12. Commitments and Contingencies

On November 22, 1991, the County entered into a 20 year lease agreement with the General Services Administration of the U. S . Government (GSA) for the use of the former Beaufort County Courthouse building by GSA as a Federal Courthouse. Under this agreement, the County renovated the building in accordance with GSA specifications at an approximate cost of \$1,933,744. Financing has been arranged for the funding of these costs and the County has assigned all rights and interest in the lease payments from GSA to the lender. The terms and required payments on the lease are the same as the terms and required payments on the loan. After the payment of the loan and the end of the lease term, the asset will remain as property of the County.

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

12. Commitments and Contingencies – Continued:

U.S. Treasury Department. The proceeds from the bond issue must not be invested, for more than a temporary period, in obligations producing a materially higher yield than the bond issue. To maintain tax exempt status, the yield earned at the higher rate over the bond cost must be remitted to the U. S. Treasury every five years. Exceptions to the regulations include the requirement that the local government expend all of the bond proceeds within designated periods which could be up to three years. The County is in compliance with all arbitrage rules.

As of June 30, 2003, the County has outstanding construction contracts of \$5,043,914.

13. 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. 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, 2003 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for, and the General Long Term Debt group does not present, estimated claims.

14. Fund Equity Deficits and Subsequent Events

At June 30, 2003, the County has three individual funds with deficit fund equity. The Accommodations Tax Program within the special revenue funds has a fund deficit of \$29,018; the Local Accommodations Tax Program within the special revenue has a fund deficit of \$40,190; and the Sheldon Rehabilitation Project within the special revenue funds has a deficit of \$17,175. These three deficits will be rectified with grant and other revenues to be received during the next fiscal year.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Taxes</u>			
Current taxes	\$ 31,430,770	\$ 29,199,718	(2,231,052)
Homestead exemption	580,000	742,802	162,802
Delinquent taxes	1,850,000	1,796,123	(53,877)
Automobile taxes	2,966,200	3,099,482	133,282
Penalties	435,000	764,059	329,059
	<u>37,261,970</u>	<u>35,602,184</u>	<u>(1,659,786)</u>
<u>Licenses and Permits</u>			
Building permits	1,520,000	1,669,571	149,571
Electrician licenses	16,000	16,500	500
Mobile home permits	3,700	3,661	(39)
Marriage licenses	90,486	54,980	(35,506)
Animal licenses	4,500	6,312	1,812
Other licenses	300	1,600	1,300
Cable franchise fees	180,000	237,463	57,463
Business licenses	367,500	466,788	99,288
	<u>2,182,486</u>	<u>2,456,875</u>	<u>274,389</u>
<u>Intergovernmental</u>			
State aid to subdivisions	5,670,000	5,327,605	(342,395)
Merchants' inventory tax	143,724	143,724	-
Manufacturers tax	32,000	28,801	(3,199)
Motor carrier tax	33,000	36,795	3,795
Payments in lieu of taxes	83,000	70,040	(12,960)
Veterans Office stipend	9,300	5,720	(3,580)
Emergency Preparedness	32,206	83,110	50,904
Public Defender stipend	88,581	88,499	(82)
Registration and Election	13,500	19,152	5,652
Tax form stipend	3,457	3,457	-
Salary supplements	6,300	6,300	-
State aid to libraries	186,243	141,507	(44,736)
State aid to mapping	-	10,000	10,000
Family Court incentives	75,000	53,591	(21,409)
Family Court Title IV-D	36,000	41,067	5,067
Pollution control penalties	25,000	8,902	(16,098)
	<u>6,437,311</u>	<u>6,068,270</u>	<u>(369,041)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Charges for Services			
Register of Deeds fees	\$ 3,780,000	\$ 3,932,502	\$ 152,502
Sheriff's fees	60,000	51,683	(8,317)
Probate Court fees	434,174	379,835	(54,339)
Magistrates' Civil fees	210,000	228,766	18,766
Clerk of Court fees	77,000	135,793	58,793
Family Court fees	185,000	296,522	111,522
Master in Equity fees	88,000	137,273	49,273
Treasurer's fees	390,000	410,547	20,547
EMS fees	861,500	912,530	51,030
DSO fees	-	-	-
Vital statistics	30,000	43,507	13,507
Animal Shelter fees	29,200	36,041	6,841
Library fees	6,400	7,193	793
Sale of maps, etc	15,685	19,082	3,397
Rezoning/CRB fees	4,443	1,950	(2,493)
Sheriff's service contracts	1,750,000	1,752,737	2,737
Telephone reimbursements	34,000	36,859	2,859
Boarding of prisoners	234,951	157,485	(77,466)
Sales of supplies	7,000	10,065	3,065
Finance Department fees	6,500	7,477	977
	<u>8,203,853</u>	<u>8,557,847</u>	<u>353,994</u>
Fines and Forfeitures			
Clerk of Court fines	60,000	19,678	(40,322)
Magistrates' Court fines	785,000	557,050	(227,950)
Library fines	58,000	66,241	8,241
Other fines	-	2,015	2,015
Forfeitures	25,000	2,046	(22,954)
	<u>928,000</u>	<u>647,030</u>	<u>(280,970)</u>
Interest			
	<u>674,000</u>	<u>170,852</u>	<u>(503,148)</u>
Miscellaneous			
Rental of county property	116,000	150,688	34,688
Sale of county property	110,000	54,230	(55,770)
Miscellaneous	2,000	10,887	8,887
	<u>228,000</u>	<u>215,805</u>	<u>(12,195)</u>
Total Revenues	<u>\$ 55,915,620</u>	<u>\$ 53,718,863</u>	<u>\$ (2,196,757)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Expenditures				
General Government				
County Council				
Personnel	\$ 356,069	\$ 333,730	\$ -	\$ 22,339
Purchased Services	206,692	203,189	-	3,503
Supplies	34,778	32,580	2,079	119
Capital	29,350	29,289	-	61
Other	<u>119,000</u>	<u>95,000</u>	<u>-</u>	<u>24,000</u>
	<u>745,889</u>	<u>693,788</u>	<u>2,079</u>	<u>50,022</u>
Auditor				
Personnel	373,647	340,795	-	32,852
Purchased Services	66,481	58,337	-	8,144
Supplies	13,582	13,529	-	53
Capital	-	-	-	-
	<u>453,710</u>	<u>412,661</u>	<u>-</u>	<u>41,049</u>
Treasurer				
Personnel	523,409	523,292	-	117
Purchased Services	89,420	80,846	-	8,574
Supplies	20,650	17,594	-	3,056
Capital	<u>43,000</u>	<u>42,790</u>	<u>-</u>	<u>210</u>
	<u>676,479</u>	<u>664,522</u>	<u>-</u>	<u>11,957</u>
Clerk of Court				
Personnel	317,349	313,699	-	3,650
Purchased Services	256,107	259,143	-	(3,036)
Supplies	16,850	16,813	-	37
Capital	<u>38,800</u>	<u>38,824</u>	<u>3,738</u>	<u>(3,762)</u>
	<u>629,106</u>	<u>628,479</u>	<u>3,738</u>	<u>(3,111)</u>
Family Court				
Personnel	243,416	240,999	-	2,417
Purchased Services	49,511	53,766	-	(4,255)
Supplies	11,151	14,948	-	(3,797)
Capital	-	3,458	-	(3,458)
	<u>304,078</u>	<u>313,171</u>	<u>-</u>	<u>(9,093)</u>
Probate Court				
Personnel	600,084	573,957	-	26,127
Purchased Services	76,858	70,151	-	6,707
Supplies	15,935	11,311	-	4,624
Capital	<u>20,290</u>	<u>18,544</u>	<u>-</u>	<u>1,746</u>
	<u>713,167</u>	<u>673,963</u>	<u>-</u>	<u>39,204</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Coroner				
Personnel	\$ 133,236	\$ 134,164	\$ -	\$ (928)
Purchased Services	86,795	111,515	-	(24,720)
Supplies	12,500	14,472	-	(1,972)
Capital	1,500	2,866	-	(1,366)
	<u>234,031</u>	<u>263,017</u>	<u>-</u>	<u>(28,986)</u>
Magistrates Court				
Personnel	804,015	751,116	-	52,899
Purchased Services	167,641	118,661	-	48,980
Supplies	31,116	23,131	-	7,985
Capital	24,963	17,979	4,110	2,874
	<u>1,027,735</u>	<u>910,887</u>	<u>4,110</u>	<u>112,738</u>
Master in Equity				
Personnel	201,523	222,655	-	(21,132)
Purchased Services	8,150	6,226	-	1,924
Supplies	5,750	4,538	-	1,212
Capital	5,500	5,457	-	43
	<u>220,923</u>	<u>238,876</u>	<u>-</u>	<u>(17,953)</u>
General Subsidies	<u>392,712</u>	<u>392,709</u>	<u>-</u>	<u>3</u>
County Administrator				
Personnel	193,877	244,137	-	(50,260)
Purchased Services	69,231	68,474	-	757
Supplies	7,753	6,983	-	770
Capital	2,265	2,264	-	1
Other	103	-	-	103
	<u>273,229</u>	<u>321,858</u>	<u>-</u>	<u>(48,629)</u>
Housing Coordinator				
Personnel	-	-	-	-
Purchased Services	5,750	2,867	-	2,883
Supplies	1,200	540	-	660
Capital	-	-	-	-
Other	500,000	5,000	495,000	-
	<u>506,950</u>	<u>8,407</u>	<u>495,000</u>	<u>3,543</u>
Public Information Officer				
Personnel	66,146	63,053	-	3,093
Purchased Services	26,720	17,389	3,950	5,381
Supplies	31,763	9,447	-	22,316
Capital	-	-	-	-
	<u>124,629</u>	<u>89,889</u>	<u>3,950</u>	<u>30,790</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable <u>(Unfavorable)</u>
County Attorney				
Personnel	\$ 142,097	\$ 142,083	\$ -	\$ 14
Purchased Services	276,800	241,912	-	34,888
Supplies	6,050	4,841	-	1,209
Capital	4,105	2,561	1,391	153
	<u>429,052</u>	<u>391,397</u>	<u>1,391</u>	<u>36,264</u>
Internal Auditor				
Personnel	59,746	37,256	-	22,490
Purchased Services	4,230	4,208	-	22
Supplies	3,280	3,275	-	5
Capital	2,250	2,245	-	5
	<u>69,506</u>	<u>46,984</u>	<u>-</u>	<u>22,522</u>
Public Defender				
Personnel	456,670	479,965	-	(23,295)
Purchased Services	35,695	35,928	-	(233)
Supplies	3,900	3,881	-	19
Capital	2,130	2,126	-	4
	<u>498,395</u>	<u>521,900</u>	<u>-</u>	<u>(23,505)</u>
Voter Registration and Elections				
Personnel	242,008	214,352	-	27,656
Purchased Services	127,706	160,528	-	(32,822)
Supplies	30,444	34,234	-	(3,790)
Capital	10,300	10,266	-	34
	<u>410,458</u>	<u>419,380</u>	<u>-</u>	<u>(8,922)</u>
Assessor				
Personnel	1,336,964	1,243,107	-	93,857
Purchased Services	274,284	174,663	25,694	73,927
Supplies	38,960	28,985	-	9,975
Capital	30,050	27,539	-	2,511
	<u>1,680,258</u>	<u>1,474,294</u>	<u>25,694</u>	<u>180,270</u>
Register of Deeds				
Personnel	395,979	364,941	-	31,038
Purchased Services	156,407	105,875	33,573	16,959
Supplies	28,870	23,997	-	4,873
Capital	28,000	22,223	-	5,777
	<u>609,256</u>	<u>517,036</u>	<u>33,573</u>	<u>58,647</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Risk Management				
Personnel	\$ 79,802	\$ 62,328	\$ -	\$ 17,474
Purchased Services	10,065	5,300	-	4,765
Supplies	3,425	2,189	-	1,236
Capital	-	-	-	-
	<u>93,292</u>	<u>69,817</u>	<u>-</u>	<u>23,475</u>
Development Board				
Other	270,000	270,000	-	-
	<u>270,000</u>	<u>270,000</u>	<u>-</u>	<u>-</u>
Legislative Delegation				
Personnel	36,581	36,633	-	(52)
Purchased Services	8,669	1,758	-	6,911
Supplies	2,175	773	-	1,402
Capital	-	-	-	-
	<u>47,425</u>	<u>39,164</u>	<u>-</u>	<u>8,261</u>
Grants Management				
Personnel	72,226	72,360	-	(134)
Purchased Services	4,800	3,915	-	885
Supplies	750	330	-	420
Capital	-	-	-	-
	<u>77,776</u>	<u>76,605</u>	<u>-</u>	<u>1,171</u>
Deputy Administrator				
Personnel	100,815	54,186	-	46,629
Purchased Services	11,500	10,466	-	1,034
Supplies	960	541	-	419
Capital	4,270	4,256	-	14
	<u>117,545</u>	<u>69,449</u>	<u>-</u>	<u>48,096</u>
DA-Public Safety				
Personnel	83,236	94,115	-	(10,879)
Purchased Services	3,810	3,369	-	441
Supplies	668	421	-	247
Capital	-	-	-	-
	<u>87,714</u>	<u>97,905</u>	<u>-</u>	<u>(10,191)</u>
Facilities Management				
Personnel	64,589	64,569	-	20
Purchased Services	1,193,504	1,177,444	-	16,060
Supplies	2,700	1,901	-	799
Capital	28,507	28,497	-	10
	<u>1,289,300</u>	<u>1,272,411</u>	<u>-</u>	<u>16,889</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Building Maintenance				
Personnel	\$ 486,046	\$ 473,874	\$ -	\$ 12,172
Purchased Services	218,296	255,579	-	(37,283)
Supplies	60,523	54,019	-	6,504
Capital	55,988	53,887	-	2,101
	<u>820,853</u>	<u>837,359</u>	<u>-</u>	<u>(16,506)</u>
Grounds Maintenance				
Personnel	1,036,204	937,402	-	98,802
Purchased Services	192,033	206,211	-	(14,178)
Supplies	259,623	265,340	-	(5,717)
Capital	295,129	294,237	-	892
	<u>1,782,989</u>	<u>1,703,190</u>	<u>-</u>	<u>79,799</u>
Zoning and Development				
Personnel	199,208	150,135	-	49,073
Purchased Services	25,125	25,150	-	(25)
Supplies	13,925	13,406	-	519
Capital	1,335	1,335	-	-
	<u>239,593</u>	<u>190,026</u>	<u>-</u>	<u>49,567</u>
Codes Enforcement				
Personnel	138,728	104,984	-	33,744
Purchased Services	14,095	8,391	-	5,704
Supplies	9,782	3,980	-	5,802
Capital	-	-	-	-
	<u>162,605</u>	<u>117,355</u>	<u>-</u>	<u>45,250</u>
Planning and Comprehensive Plan				
Personnel	562,323	507,833	-	54,490
Purchased Services	282,319	189,739	47,046	45,534
Supplies	11,008	10,986	-	22
Capital	7,460	7,458	-	2
	<u>863,110</u>	<u>716,016</u>	<u>47,046</u>	<u>100,048</u>
GIS				
Personnel	196,715	196,793	-	(78)
Purchased Services	37,337	37,333	-	4
Supplies	7,570	7,615	-	(45)
Capital	6,837	9,485	-	(2,648)
	<u>248,459</u>	<u>251,226</u>	<u>-</u>	<u>(2,767)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2003

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
DA-Community Services				
Personnel	\$ 102,135	\$ 100,667	\$ -	\$ 1,468
Purchased Services	16,810	16,788	-	22
Supplies	4,710	4,688	-	22
Capital	1,630	1,630	-	-
	<u>125,285</u>	<u>123,773</u>	<u>-</u>	<u>1,512</u>
Staff Services				
Personnel	238,894	238,986	-	(92)
Purchased Services	37,413	37,426	-	(13)
Supplies	3,023	2,300	-	723
Capital	43,603	43,566	-	37
	<u>322,933</u>	<u>322,278</u>	<u>-</u>	<u>655</u>
Human Resources				
Personnel	304,242	278,490	-	25,752
Purchased Services	211,708	199,106	2,500	10,102
Supplies	14,718	14,708	-	10
Capital	13,842	13,839	-	3
Other	25,000	25,000	-	-
	<u>569,510</u>	<u>531,143</u>	<u>2,500</u>	<u>35,867</u>
Records Management				
Personnel	112,342	112,626	-	(284)
Purchased Services	31,211	27,673	1,995	1,543
Supplies	14,329	13,701	-	628
Capital	18,040	15,194	2,845	1
	<u>175,922</u>	<u>169,194</u>	<u>4,840</u>	<u>1,888</u>
Controller				
Personnel	101,900	101,992	-	(92)
Purchased Services	7,075	4,969	-	2,106
Supplies	1,750	1,743	-	7
Capital	-	-	-	-
	<u>110,725</u>	<u>108,704</u>	<u>-</u>	<u>2,021</u>
Finance				
Personnel	294,863	292,163	-	2,700
Purchased Services	78,080	76,261	-	1,819
Supplies	18,090	17,592	-	498
Capital	5,800	5,796	-	4
	<u>396,833</u>	<u>391,812</u>	<u>-</u>	<u>5,021</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Budget Analyst				
Personnel	\$ 51,667	\$ -	\$ -	\$ 51,667
Purchased Services	3,010	-	-	3,010
Supplies	1,600	-	-	1,600
Capital	-	-	-	-
	<u>56,277</u>	<u>-</u>	<u>-</u>	<u>56,277</u>
Purchasing				
Personnel	123,797	124,270	-	(473)
Purchased Services	31,588	31,551	-	37
Supplies	6,741	5,917	-	824
Capital	729	-	729	-
	<u>162,855</u>	<u>161,738</u>	<u>729</u>	<u>388</u>
Business License				
Personnel	87,310	81,024	-	6,286
Purchased Services	14,765	9,770	-	4,995
Supplies	6,135	5,532	-	603
Capital	-	-	-	-
	<u>108,210</u>	<u>96,326</u>	<u>-</u>	<u>11,884</u>
Management Information Systems				
Personnel	932,627	941,621	-	(8,994)
Purchased Services	271,377	264,235	6,986	156
Supplies	65,785	62,852	2,917	16
Capital	87,403	51,584	33,538	2,281
	<u>1,357,192</u>	<u>1,320,292</u>	<u>43,441</u>	<u>(6,541)</u>
DA-Land Management				
Personnel	75,824	-	-	75,824
Purchased Services	3,120	-	-	3,120
Supplies	1,750	-	-	1,750
Capital	-	-	-	-
	<u>80,694</u>	<u>-</u>	<u>-</u>	<u>80,694</u>
DA-Public Services				
Personnel	116,480	116,337	-	143
Purchased Services	14,275	8,182	-	6,093
Supplies	2,750	1,785	-	965
Capital	-	-	-	-
	<u>133,505</u>	<u>126,304</u>	<u>-</u>	<u>7,201</u>
Total General Government	<u>19,700,165</u>	<u>18,045,305</u>	<u>668,091</u>	<u>986,769</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Public Safety				
Sheriff's Office				
Personnel	\$ 10,060,376	\$ 9,299,904	\$ -	\$ 760,472
Purchased Services	1,391,015	1,233,632	3,990	153,393
Supplies	953,303	769,712	68,704	114,887
Capital	708,433	1,004,017	154,749	(450,333)
	<u>13,113,127</u>	<u>12,307,265</u>	<u>227,443</u>	<u>578,419</u>
Emergency Management				
Personnel	359,833	359,819	-	14
Purchased Services	112,658	108,477	-	4,181
Supplies	23,016	27,487	10,433	(14,904)
Capital	58,839	63,240	1,783	(6,184)
	<u>554,346</u>	<u>559,023</u>	<u>12,216</u>	<u>(16,893)</u>
Communications				
Personnel	1,616,328	1,514,269	-	102,059
Purchased Services	949,628	983,117	-	(33,489)
Supplies	59,298	54,449	-	4,849
Capital	61,094	59,986	-	1,108
Other	75,000	75,000	-	-
	<u>2,761,348</u>	<u>2,686,821</u>	<u>-</u>	<u>74,527</u>
Emergency Medical Services				
Personnel	3,715,224	3,439,114	-	276,110
Purchased Services	246,764	224,096	-	22,668
Supplies	240,222	231,179	133	8,910
Capital	288,942	63,679	225,215	48
Other	110,000	110,000	-	-
	<u>4,601,152</u>	<u>4,068,068</u>	<u>225,348</u>	<u>307,736</u>
Detention Center				
Personnel	3,309,121	3,308,912	-	209
Purchased Services	1,024,704	1,040,989	-	(16,285)
Supplies	118,073	117,656	-	417
Capital	50,904	50,149	-	755
	<u>4,502,802</u>	<u>4,517,706</u>	<u>-</u>	<u>(14,904)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Building Codes and Inspections				
Personnel	\$ 849,607	\$ 815,899	\$ -	\$ 33,708
Purchased Services	116,530	106,917	4,598	5,015
Supplies	28,446	23,720	-	4,726
Capital	52,967	47,376	1,250	4,341
	<u>1,047,550</u>	<u>993,912</u>	<u>5,848</u>	<u>47,790</u>
Public Safety Subsidies	<u>5,000</u>	<u>5,000</u>	-	-
Total Public Safety	<u>26,585,325</u>	<u>25,137,795</u>	<u>470,855</u>	<u>976,675</u>
Public Works				
Personnel	1,594,971	1,458,763	-	136,208
Purchased Services	431,907	400,411	900	30,596
Supplies	210,946	192,008	-	18,938
Capital	326,804	210,633	77,498	38,673
Other	650,000	570,473	-	79,527
	<u>3,214,628</u>	<u>2,832,288</u>	<u>78,398</u>	<u>303,942</u>
Engineering				
Personnel	530,460	520,753	-	9,707
Purchased Services	37,690	31,148	-	6,542
Supplies	24,610	23,583	1,011	16
Capital	33,350	33,342	-	8
	<u>626,110</u>	<u>608,826</u>	<u>1,011</u>	<u>16,273</u>
Public Works Subsidies	<u>53,800</u>	<u>52,066</u>	-	1,734
Total Public Works	<u>3,894,538</u>	<u>3,493,180</u>	<u>79,409</u>	<u>321,949</u>
Public Health				
Animal Shelter and Control				
Personnel	393,375	372,421	-	20,954
Purchased Services	46,321	44,420	-	1,901
Supplies	110,653	110,586	-	67
Capital	7,965	7,965	-	-
	<u>558,314</u>	<u>535,392</u>	-	<u>22,922</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Mosquito Control				
Personnel	\$ 595,354	\$ 556,591	\$ -	\$ 38,763
Purchased Services	242,294	241,541	-	753
Supplies	411,930	406,007	-	5,923
Capital	83,652	82,639	-	1,013
	<u>1,333,230</u>	<u>1,286,778</u>	<u>-</u>	<u>46,452</u>
Public Health Subsidies	<u>221,208</u>	<u>221,208</u>	<u>-</u>	<u>-</u>
Total Public Health	<u>2,112,752</u>	<u>2,043,378</u>	<u>-</u>	<u>69,374</u>
Public Welfare				
Veterans Affairs Office				
Personnel	113,158	113,444	-	(286)
Purchased Services	22,360	19,455	-	2,905
Supplies	3,634	3,342	-	292
Capital	1,226	1,225	-	1
	<u>140,378</u>	<u>137,466</u>	<u>-</u>	<u>2,912</u>
Department of Social Services				
Personnel	57,905	52,854	-	5,051
Purchased Services	128,535	118,044	-	10,491
Supplies	1,500	1,186	-	314
Capital	-	-	-	-
Other	61,126	61,126	-	-
	<u>249,066</u>	<u>233,210</u>	<u>-</u>	<u>15,856</u>
Public Welfare Subsidies	<u>361,538</u>	<u>361,538</u>	<u>-</u>	<u>-</u>
Total Public Welfare	<u>750,982</u>	<u>732,214</u>	<u>-</u>	<u>18,768</u>
Cultural and Recreation				
Libraries				
Personnel	1,908,622	1,711,548	-	197,074
Purchased Services	420,290	407,120	-	13,170
Supplies	544,950	537,828	996	6,126
Capital	122,701	61,189	61,412	100
	<u>2,996,563</u>	<u>2,717,685</u>	<u>62,408</u>	<u>216,470</u>
Total Expenditures	<u>\$ 56,040,325</u>	<u>\$ 52,169,557</u>	<u>\$ 1,280,763</u>	<u>\$ 2,590,005</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2003

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and equity in pooled cash and investments	\$ 19,049,581	\$ 3,834,957	\$ 18,667,085	\$ 41,551,623
Receivables, net	537,307	86,894	15,245,000	15,869,201
Due from other governments	1,077,889	-	-	1,077,889
Notes receivable	20,526	-	-	20,526
Due from other funds	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	\$ 20,685,303	\$ 3,921,851	\$ 33,912,085	\$ 58,519,239
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 2,576,090	\$ 14,000	\$ 1,237,617	\$ 3,827,707
Accrued payroll	192,888	-	5,968	198,856
Due to others	43,077	-	-	43,077
Deferred revenue	43,968	-	-	43,968
Total liabilities	2,856,023	14,000	1,243,585	4,113,608
Fund Equity:				
Reserved for encumbrances and carry forwards	3,433,538	-	32,183,972	35,617,510
Reserved for capital projects	-	-	484,528	484,528
Reserved for debt service	-	3,907,851	-	3,907,851
Unreserved fund balances	14,395,742	-	-	14,395,742
Total fund equity	17,829,280	3,907,851	32,668,500	54,405,631
Total liabilities and fund equity	\$ 20,685,303	\$ 3,921,851	\$ 33,912,085	\$ 58,519,239

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2003

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 6,064,337	\$ 6,785,430	\$ 12,531	\$ 12,862,298
Licenses and permits	3,519,383	-	-	3,519,383
Intergovernmental	8,533,026	47,964	28,663	8,609,653
Charges for services	3,522,115	-	-	3,522,115
Fines and forfeitures	368,417	-	-	368,417
Interest	510,282	8,979	639,006	1,158,267
Miscellaneous	380,773	-	10,000	390,773
Total revenues	\$ 22,898,333	\$ 6,842,373	\$ 690,200	\$ 30,430,906
Expenditures				
General government	2,937,421	-	-	2,937,421
Public safety	3,474,247	-	-	3,474,247
Public works	7,705,872	-	-	7,705,872
Public health	4,321,323	-	-	4,321,323
Public welfare	195,744	-	-	195,744
Cultural and recreation	3,572,527	-	-	3,572,527
Debt service - principal	-	5,290,000	-	5,290,000
Debt service - interest and fees	-	4,086,293	-	4,086,293
Capital projects	-	-	15,486,978	15,486,978
Total expenditures	22,207,134	9,376,293	15,486,978	47,070,405
Excess of Revenues Over (Under) Expenditures	691,199	(2,533,920)	(14,796,778)	(16,639,499)
Other financing sources (uses)				
Bond proceeds	-	-	15,500,000	15,500,000
Operating transfers in	4,305,467	5,190,227	5,290,000	14,785,694
Operating transfers out	(6,219,160)	-	-	(6,219,160)
Total other financing sources (uses)	(1,913,693)	5,190,227	20,790,000	24,066,534
Net Change in Fund Balances	(1,222,494)	2,656,307	5,993,222	7,427,035
Fund Balances at the Beginning of the Year	19,051,774	1,251,544	26,675,278	46,978,596
Fund Balances at the End of the Year	\$ 17,829,280	\$ 3,907,851	\$ 32,668,500	\$ 54,405,631

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
 June 30, 2003

	<u>General Government Programs</u>	<u>Public Safety Programs</u>	<u>Public Works Programs</u>	<u>Alcohol and Drug Programs</u>
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 2,919,763	\$ 3,388,251	\$ 8,498,151	\$ (41,632)
Accounts receivable	275,527	156,042	71,734	19,458
Due from other governments	209,866	65,086	634,158	61,080
Notes receivable	-	-	-	-
Total assets	<u>\$ 3,405,156</u>	<u>\$ 3,609,379</u>	<u>\$ 9,204,043</u>	<u>\$ 38,906</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 611,284	\$ 262,243	\$ 1,348,275	\$ 20,910
Accrued payroll	1,072	19,314	18,065	17,996
Due to others	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u>612,356</u>	<u>281,557</u>	<u>1,366,340</u>	<u>38,906</u>
Fund Equity:				
Fund balances:				
Reserved and reserved for encumbrances	17,746	36,637	2,125,300	-
Reserved for Special Revenue Funds	<u>2,775,054</u>	<u>3,291,185</u>	<u>5,712,403</u>	-
	<u>2,792,800</u>	<u>3,327,822</u>	<u>7,837,703</u>	-
Total liabilities and fund equity	<u>\$ 3,405,156</u>	<u>\$ 3,609,379</u>	<u>\$ 9,204,043</u>	<u>\$ 38,906</u>

<u>Disabilities and Special Needs Programs</u>	<u>Public Welfare Programs</u>	<u>Cultural and Recreational Programs</u>	<u>Total</u>
\$ 544,345	\$ 11,705	\$ 3,728,998	\$ 19,049,581
4,900	625	9,021	537,307
18,060	19,761	69,878	1,077,889
-	20,526	-	20,526
<u>\$ 567,305</u>	<u>\$ 52,617</u>	<u>\$ 3,807,897</u>	<u>\$ 20,685,303</u>

\$ 139,008	\$ 5,052	\$ 189,318	\$ 2,576,090
59,943	1,645	74,853	192,888
43,077	-	-	43,077
-	20,526	23,442	43,968
<u>242,028</u>	<u>27,223</u>	<u>287,613</u>	<u>2,856,023</u>

-	1,887	24,855	2,206,425
325,277	23,507	3,495,429	15,622,855
<u>325,277</u>	<u>25,394</u>	<u>3,520,284</u>	<u>17,829,280</u>
<u>\$ 567,305</u>	<u>\$ 52,617</u>	<u>\$ 3,807,897</u>	<u>\$ 20,685,303</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	General Government Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 1,855,724	\$ 1,780,777	\$ (74,947)
Licenses and permits	600,000	436,728	(163,272)
Intergovernmental	517,155	2,494,170	1,977,015
Charge for services	-	-	-
Fines and forfeitures	-	557	557
Interest	28,000	52,965	24,965
Miscellaneous	-	45,588	45,588
Total Revenues	<u>3,000,879</u>	<u>4,810,785</u>	<u>1,809,906</u>
Expenditures:			
General Government	2,138,776	2,937,421	(798,645)
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>2,138,776</u>	<u>2,937,421</u>	<u>(798,645)</u>
Excess of Revenues Over (Under) Expenditures	862,103	1,873,364	1,011,261
Other financing sources (uses):			
Operating transfers in	35,000	65,280	30,280
Operating transfers out	(899,845)	(903,444)	(3,599)
Total other financing sources (uses)	<u>(864,845)</u>	<u>(838,164)</u>	<u>26,681</u>
Net Change in Fund Balances	(2,742)	1,035,200	1,037,942
Fund Balances at Beginning of Year	<u>1,228,926</u>	<u>1,757,600</u>	<u>528,674</u>
Fund Balances at End of Year	<u>\$ 1,226,184</u>	<u>\$ 2,792,800</u>	<u>\$ 1,566,616</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	Public Safety Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	37,250	37,250
Intergovernmental	587,527	652,364	64,837
Charge for services	873,678	1,808,114	934,436
Fines and forfeitures	237,881	367,860	129,979
Interest	50,000	121,172	71,172
Miscellaneous	-	-	-
Total Revenues	<u>1,749,086</u>	<u>2,986,760</u>	<u>1,237,674</u>
Expenditures:			
General Government	-	-	-
Public Safety	2,610,820	3,474,247	(863,427)
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>2,610,820</u>	<u>3,474,247</u>	<u>(863,427)</u>
Excess of Revenues Over (Under) Expenditures	(861,734)	(487,487)	374,247
Other financing sources (uses):			
Operating transfers in	378,047	241,063	(136,984)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>378,047</u>	<u>241,063</u>	<u>(136,984)</u>
Net Change in Fund Balances	(483,687)	(246,424)	237,263
Fund Balances at Beginning of Year	<u>3,402,232</u>	<u>3,574,246</u>	<u>172,014</u>
Fund Balances at End of Year	<u>\$ 2,918,545</u>	<u>\$ 3,327,822</u>	<u>\$ 409,277</u>

BEAUFORT COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - CONTINUED**
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	Public Works Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 4,390,592	\$ 4,283,560	\$ (107,032)
Licenses and permits	914,022	1,054,431	140,409
Intergovernmental	1,352,800	1,573,855	221,055
Charge for services	935,000	1,098,505	163,505
Fines and forfeitures	-	-	-
Interest	102,000	201,516	99,516
Miscellaneous	-	27,804	27,804
Total Revenues	7,694,414	8,239,671	545,257
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	9,499,988	7,705,872	1,794,116
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	9,499,988	7,705,872	1,794,116
Excess of Revenues Over (Under) Expenditures	(1,805,574)	533,799	2,339,373
Other financing sources (uses):			
Operating transfers in	-	719,227	719,227
Operating transfers out	-	(2,330,000)	(2,330,000)
Total other financing sources (uses)	-	(1,610,773)	(1,610,773)
Net Change in Fund Balances	(1,805,574)	(1,076,974)	728,600
Fund Balances at Beginning of Year	8,914,677	8,914,677	-
Fund Balances at End of Year	\$ 7,109,103	\$ 7,837,703	\$ 728,600

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	<u>Public Health - Alcohol and Drug Programs</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	650,412	688,939	38,527
Charge for services	113,540	124,964	11,424
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	1,078	2,448	1,370
Total Revenues	<u>765,030</u>	<u>816,351</u>	<u>51,321</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	1,083,960	1,020,184	63,776
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>1,083,960</u>	<u>1,020,184</u>	<u>63,776</u>
Excess of Revenues Over (Under) Expenditures	(318,930)	(203,833)	115,097
Other financing sources (uses):			
Operating transfers in	318,930	203,833	(115,097)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>318,930</u>	<u>203,833</u>	<u>(115,097)</u>
Net Change in Fund Balances	-	-	-
Fund Balances at Beginning of Year	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	<u>Public Health-Disabilities and Special Needs Programs</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	2,740,166	2,676,346	(63,820)
Charge for services	166,275	161,886	(4,389)
Fines and forfeitures	-	-	-
Interest	15,000	17,141	2,141
Miscellaneous	<u>34,700</u>	<u>33,054</u>	<u>(1,646)</u>
Total Revenues	<u>2,956,141</u>	<u>2,888,427</u>	<u>(67,714)</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	3,687,648	3,301,139	386,509
Public Welfare	-	-	-
Cultural and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,687,648</u>	<u>3,301,139</u>	<u>386,509</u>
Excess of Revenues Over (Under) Expenditures	(731,507)	(412,712)	318,795
Other financing sources (uses):			
Operating transfers in	635,671	360,602	(275,069)
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>635,671</u>	<u>360,602</u>	<u>(275,069)</u>
Net Change in Fund Balances	(95,836)	(52,110)	43,726
Fund Balances at Beginning of Year	<u>377,387</u>	<u>377,387</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 281,551</u>	<u>\$ 325,277</u>	<u>\$ 43,726</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	Public Welfare Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	126,740	140,244	13,504
Charge for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	22,900	15,738	(7,162)
Total Revenues	<u>149,640</u>	<u>155,982</u>	<u>6,342</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	203,828	195,744	8,084
Cultural and Recreation	-	-	-
Total Expenditures	<u>203,828</u>	<u>195,744</u>	<u>8,084</u>
Excess of Revenues Over (Under) Expenditures	(54,188)	(39,762)	14,426
Other financing sources (uses):			
Operating transfers in	55,000	75,716	20,716
Operating transfers out	(5,000)	(25,716)	(20,716)
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balances	(4,188)	10,238	14,426
Fund Balances at Beginning of Year	<u>15,156</u>	<u>15,156</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 10,968</u>	<u>\$ 25,394</u>	<u>\$ 14,426</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	<u>Cultural and Recreation Programs</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	957,546	1,990,974	1,033,428
Intergovernmental	304,000	307,108	3,108
Charge for services	257,500	328,646	71,146
Fines and forfeitures	-	-	-
Interest	6,300	117,488	111,188
Miscellaneous	20,910	256,141	235,231
Total Revenues	<u>1,546,256</u>	<u>3,000,357</u>	<u>1,454,101</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	4,664,783	3,572,527	1,092,256
Total Expenditures	<u>4,664,783</u>	<u>3,572,527</u>	<u>1,092,256</u>
Excess of Revenues Over (Under) Expenditures	(3,118,527)	(572,170)	2,546,357
Other financing sources (uses):			
Operating transfers in	3,118,527	2,639,746	(478,781)
Operating transfers out	-	(2,960,000)	(2,960,000)
Total other financing sources (uses)	<u>3,118,527</u>	<u>(320,254)</u>	<u>(3,438,781)</u>
Net Change in Fund Balances	-	(892,424)	(892,424)
Fund Balances at Beginning of Year	<u>3,891,736</u>	<u>4,412,708</u>	<u>520,972</u>
Fund Balances at End of Year	<u>\$ 3,891,736</u>	<u>\$ 3,520,284</u>	<u>\$ (371,452)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 6,246,316	\$ 6,064,337	\$ (181,979)
Licenses and permits	2,471,568	3,519,383	1,047,815
Intergovernmental	6,278,800	8,533,026	2,254,226
Charge for services	2,345,993	3,522,115	1,176,122
Fines and forfeitures	237,881	368,417	130,536
Interest	201,300	510,282	308,982
Miscellaneous	79,588	380,773	301,185
Total Revenues	<u>17,861,446</u>	<u>22,898,333</u>	<u>5,036,887</u>
Expenditures:			
General Government	2,138,776	2,937,421	(798,645)
Public Safety	2,610,820	3,474,247	(863,427)
Public Works	9,499,988	7,705,872	1,794,116
Public Health	4,771,608	4,321,323	450,285
Public Welfare	203,828	195,744	8,084
Cultural and Recreation	4,664,783	3,572,527	1,092,256
Total Expenditures	<u>23,889,803</u>	<u>22,207,134</u>	<u>1,682,669</u>
Excess of Revenues Over (Under) Expenditures	(6,028,357)	691,199	6,719,556
Other financing sources (uses):			
Operating transfers in	4,541,175	4,305,467	(235,708)
Operating transfers out	(904,845)	(6,219,160)	(5,314,315)
Total other financing sources (uses)	<u>3,636,330</u>	<u>(1,913,693)</u>	<u>(5,550,023)</u>
Net Change in Fund Balances	(2,392,027)	(1,222,494)	1,169,533
Fund Balances at Beginning of Year	<u>17,830,114</u>	<u>19,051,774</u>	<u>1,221,660</u>
Fund Balances at End of Year	<u>\$ 15,438,087</u>	<u>\$ 17,829,280</u>	<u>\$ 2,391,193</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
Year ended June 30, 2003

	General Government Grant	Accommodations Tax Program	Daufuskie Ferry Grant Program	Mobility Development Authority	Del Webb Development Agreement
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	32,780	386,984	95,030	120,000	-
Charge for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	2,242
Miscellaneous	-	-	-	-	45,588
Total revenues	<u>32,780</u>	<u>386,984</u>	<u>95,030</u>	<u>120,000</u>	<u>47,830</u>
Expenditures:					
General Government					
Personnel	-	-	-	-	-
Purchased services	48,056	-	135,746	63,400	-
Supplies	-	-	-	-	-
Capital	-	-	-	-	72,962
Other	-	328,595	-	-	-
Total expenditures	<u>48,056</u>	<u>328,595</u>	<u>135,746</u>	<u>63,400</u>	<u>72,962</u>
Excess of Revenues Over (Under) Expenditures	(15,276)	58,389	(40,716)	56,600	(25,132)
Other financing sources (Uses):					
Operating transfers in	30,280	-	35,000	-	-
Operating transfers out	-	(43,099)	-	-	-
Total other financing sources (Uses)	<u>30,280</u>	<u>(43,099)</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	15,004	15,290	(5,716)	56,600	(25,132)
Fund Balances at Beginning of Year	<u>2,742</u>	<u>(44,308)</u>	<u>6,564</u>	<u>-</u>	<u>160,684</u>
Fund Balances (Deficit) at End of Year	<u>\$ 17,746</u>	<u>\$ (29,018)</u>	<u>\$ 848</u>	<u>\$ 56,600</u>	<u>\$ 135,552</u>

<u>Purchase of Real Property Program</u>	<u>Local Accommodations Tax Program</u>	<u>Employer Group Benefit Trust</u>	<u>Education Assistance Trust</u>	<u>Public Defender Trust</u>	<u>Reforestation Trust</u>	<u>Military Enhancement Committee Trust</u>	<u>Total</u>
\$ 1,780,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,780,777
-	436,728	-	-	-	-	-	436,728
2,732	-	1,767,277	25,000	64,367	-	-	2,494,170
-	-	-	-	-	-	-	-
-	-	-	-	557	-	-	557
35,642	-	7,600	774	3,326	3,019	362	52,965
-	-	-	-	-	-	-	45,588
<u>1,819,151</u>	<u>436,728</u>	<u>1,774,877</u>	<u>25,774</u>	<u>68,250</u>	<u>3,019</u>	<u>362</u>	<u>4,810,785</u>
-	34,730	-	-	58,648	-	-	93,378
11,550	975	-	-	-	-	-	259,727
-	1,558	-	-	-	-	-	1,558
-	7,327	-	-	-	-	-	80,289
-	<u>306,762</u>	<u>1,847,921</u>	<u>19,191</u>	-	-	-	<u>2,502,469</u>
<u>11,550</u>	<u>351,352</u>	<u>1,847,921</u>	<u>19,191</u>	<u>58,648</u>	-	-	<u>2,937,421</u>
1,807,601	85,376	(73,044)	6,583	9,602	3,019	362	1,873,364
-	-	-	-	-	-	-	65,280
<u>(860,345)</u>	-	-	-	-	-	-	<u>(903,444)</u>
<u>(860,345)</u>	-	-	-	-	-	-	<u>(838,164)</u>
947,256	85,376	(73,044)	6,583	9,602	3,019	362	1,035,200
<u>1,228,810</u>	<u>(125,566)</u>	<u>182,553</u>	<u>20,232</u>	<u>164,138</u>	<u>144,402</u>	<u>17,349</u>	<u>1,757,600</u>
<u>\$ 2,176,066</u>	<u>\$ (40,190)</u>	<u>\$ 109,509</u>	<u>\$ 26,815</u>	<u>\$ 173,740</u>	<u>\$ 147,421</u>	<u>\$ 17,711</u>	<u>\$ 2,792,800</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - PUBLIC SAFETY GRANTS
Year ended June 30, 2003

	E-911 Telephone Program	Public Safety Grant	Emergency Medical Services Grant	Sheriff Public Safety Grant	Highway 170 Program	Drug Task Force Program	Victims Assistance Program
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	161,416	34,752	-	-	4,500	44,244
Charge for services	877,871	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	148,819
Interest	2,817	906	-	-	113,283	-	423
Miscellaneous	-	-	-	-	-	-	-
Total revenues	880,688	162,322	34,752	-	113,283	4,500	193,486
Expenditures:							
Public Safety							
Personnel	161,610	-	-	-	131,228	-	178,736
Purchased services	409,085	3,560	14,107	966	319,320	33,764	21,926
Supplies	6,398	24,512	9,163	-	11,677	5,363	10,470
Capital	83,067	185,033	6,106	875	2,512	8,890	6,279
Other	169,108	-	7,667	-	-	-	20,000
Total expenditures	829,268	213,105	37,043	1,841	464,737	48,017	237,411
Net Changes in Fund Balances	51,420	(50,783)	(2,291)	(1,841)	(351,454)	(43,517)	(43,925)
Other financing sources (Uses):							
Operating transfers in	-	16,500	2,291	-	-	40,710	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (Uses)	-	16,500	2,291	-	-	40,710	-
Net Change in Fund Balances	51,420	(34,283)	-	(1,841)	(351,454)	(2,807)	(43,925)
Fund Balances at Beginning of Year	27,305	40,277	-	1,841	3,194,434	10,996	67,822
Fund Balances at End of Year	\$ 78,725	\$ 5,994	\$ -	\$ -	\$ 2,842,980	\$ 8,189	\$ 23,897

Sheriff's Special Program	School Resource Officer Program	Sheriff's Investigation Program	Juvenile Crime Program	Drug Lab Program	Sheriff's Drug Award Trust	Sheriff's Family Court Trust	Sheriff's Drug Seizure Trust	Detention Center Trust	Hazardous Materials Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	37,250	37,250
-	292,384	74,251	2,228	8,569	-	17,457	-	-	12,563	652,364
49,779	-	-	-	-	-	-	-	880,464	-	1,808,114
-	-	-	-	-	95,998	-	123,043	-	-	367,860
-	-	-	-	-	1,685	506	521	467	564	121,172
-	-	-	-	-	-	-	-	-	-	-
<u>49,779</u>	<u>292,384</u>	<u>74,251</u>	<u>2,228</u>	<u>8,569</u>	<u>97,683</u>	<u>17,963</u>	<u>123,564</u>	<u>880,931</u>	<u>50,377</u>	<u>2,986,760</u>
47,975	260,056	77,335	26,146	58,529	-	-	-	-	-	941,615
-	20,050	5,533	1,667	18,136	-	-	-	-	-	848,114
-	12,182	2,234	1,455	12,312	-	-	-	-	-	95,766
-	-	20,437	2,352	3,944	57,627	-	-	-	-	377,122
-	-	-	-	-	21,816	4,430	75,390	861,302	51,917	1,211,630
<u>47,975</u>	<u>292,288</u>	<u>105,539</u>	<u>31,620</u>	<u>92,921</u>	<u>79,443</u>	<u>4,430</u>	<u>75,390</u>	<u>861,302</u>	<u>51,917</u>	<u>3,474,247</u>
1,804	96	(31,288)	(29,392)	(84,352)	18,240	13,533	48,174	19,629	(1,540)	(487,487)
-	38,000	31,288	29,392	82,882	-	-	-	-	-	241,063
-	-	-	-	-	-	-	-	-	-	-
-	<u>38,000</u>	<u>31,288</u>	<u>29,392</u>	<u>82,882</u>	-	-	-	-	-	<u>241,063</u>
1,804	38,096	-	-	(1,470)	18,240	13,533	48,174	19,629	(1,540)	(246,424)
2,967	55,120	-	-	1,470	82,516	17,850	16,125	35,912	19,611	3,574,246
<u>\$ 4,771</u>	<u>\$ 93,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,756</u>	<u>\$ 31,383</u>	<u>\$ 64,299</u>	<u>\$ 55,541</u>	<u>\$ 18,071</u>	<u>\$ 3,327,822</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
Year ended June 30, 2003

	Miscellaneous Public Works Grants	County Road Improvement Program	County Drainage Program	TEA 21 Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	40,883	1,447,683	10,333	17,425
Charge for services	-	953,770	128,100	-
Fines and forfeitures	-	-	-	-
Interest	-	121,112	-	-
Miscellaneous	-	-	24,765	3,039
Total revenues	<u>40,883</u>	<u>2,522,565</u>	<u>163,198</u>	<u>20,464</u>
Expenditures:				
Public Works				
Personnel	-	112,318	-	-
Purchased services	-	7,449	-	-
Supplies	-	905	-	-
Capital	40,883	1,029,946	211,903	20,464
Other	-	-	-	-
Total expenditures	<u>40,883</u>	<u>1,150,618</u>	<u>211,903</u>	<u>20,464</u>
Excess of Revenues Over (Under) Expenditures	-	1,371,947	(48,705)	-
Other financing sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	1,371,947	(48,705)	-
Fund Balances at Beginning of Year	<u>-</u>	<u>5,352,602</u>	<u>48,705</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 6,724,549</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Oil Collection Grant</u>	<u>Keep America Beautiful Program</u>	<u>Tire Recycling Gant</u>	<u>Solid Waste Recycling Program</u>	<u>Road Impact Fees</u>	<u>Total</u>
\$ -	\$ 59,088	\$ -	\$ 4,224,472	\$ -	\$ 4,283,560
-	-	-	-	1,054,431	1,054,431
1,150	-	49,693	6,688	-	1,573,855
-	-	-	16,635	-	1,098,505
-	-	-	-	-	-
-	-	8,360	15,889	56,155	201,516
-	-	-	-	-	27,804
<u>1,150</u>	<u>59,088</u>	<u>58,053</u>	<u>4,263,684</u>	<u>1,110,586</u>	<u>8,239,671</u>
-	33,371	-	524,867	-	670,556
1,150	6,023	14,194	5,222,269	-	5,251,085
-	2,539	-	55,027	-	58,471
-	17,155	-	-	405,409	1,725,760
-	-	-	-	-	-
<u>1,150</u>	<u>59,088</u>	<u>14,194</u>	<u>5,802,163</u>	<u>405,409</u>	<u>7,705,872</u>
-	-	43,859	(1,538,479)	705,177	533,799
-	-	-	719,227	-	719,227
-	-	-	-	(2,330,000)	(2,330,000)
-	-	-	719,227	(2,330,000)	(1,610,773)
-	-	43,859	(819,252)	(1,624,823)	(1,076,974)
-	-	386,707	819,252	2,307,411	8,914,677
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,566</u>	<u>\$ -</u>	<u>\$ 682,588</u>	<u>\$ 7,837,703</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - ALCOHOL AND DRUG PROGRAMS
Year ended June 30, 2003

	<u>Central Administration</u>	<u>Safety Action Program</u>	<u>School Intervention Program</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	70,032	33,880
Charge for services	-	64,870	10,710
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>134,902</u>	<u>44,590</u>
Expenditures:			
Public Health			
Personnel	174,652	104,293	39,555
Purchased services	61,667	3,884	16,443
Supplies	20,828	5,418	180
Capital	12,577	-	-
Other	<u>(269,724)</u>	<u>40,828</u>	<u>20,191</u>
Total expenditures	<u>-</u>	<u>154,423</u>	<u>76,369</u>
Excess of Revenues Over (Under) Expenditures	-	(19,521)	(31,779)
Other financing sources (Uses):			
Operating transfers in	-	19,521	31,779
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>-</u>	<u>19,521</u>	<u>31,779</u>
Net Change in Fund Balances	-	-	-
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Community Based Treatment Program</u>	<u>Preventive Education Program</u>	<u>Intensive Outpatient Program</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
327,513	177,242	80,272	688,939
49,384	2,448	-	127,412
-	-	-	-
-	-	-	-
-	-	-	-
<u>376,897</u>	<u>179,690</u>	<u>80,272</u>	<u>816,351</u>
235,701	137,357	99,238	790,796
50,429	42,419	6,895	181,737
1,980	4,293	2,375	35,074
-	-	-	12,577
<u>103,550</u>	<u>66,157</u>	<u>38,998</u>	<u>-</u>
<u>391,660</u>	<u>250,226</u>	<u>147,506</u>	<u>1,020,184</u>
(14,763)	(70,536)	(67,234)	(203,833)
14,763	70,536	67,234	203,833
-	-	-	-
<u>14,763</u>	<u>70,536</u>	<u>67,234</u>	<u>203,833</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - DISABILITIES AND SPECIAL NEEDS PROGRAMS
Year ended June 30, 2003

	Central Admini stration	Employed Services Program	Supervised Management Program	Service Coordination Program	Family Support Program
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	824,958	54,984	238,141	18,753
Charge for services	-	28,648	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	17,141	-	-	-	-
Miscellaneous	-	13,839	443	1,869	-
Total revenues	<u>17,141</u>	<u>867,445</u>	<u>55,427</u>	<u>240,010</u>	<u>18,753</u>
Expenditures:					
Public Health					
Personnel	287,534	662,700	43,268	199,755	-
Purchased services	107,332	96,737	1,226	2,676	14,699
Supplies	21,512	47,110	1,621	7,016	-
Capital	48,240	36,169	-	8,291	-
Other	(447,477)	167,205	10,145	40,324	-
Total expenditures	<u>17,141</u>	<u>1,009,921</u>	<u>56,260</u>	<u>258,062</u>	<u>14,699</u>
Excess of Revenues Over (Under) Expenditures	-	(142,476)	(833)	(18,052)	4,054
Other financing sources (Uses):					
Operating transfers in	(24,000)	142,476	833	18,052	(4,054)
Operating transfers out	-	-	-	-	-
Total other financing sources (Uses)	<u>(24,000)</u>	<u>142,476</u>	<u>833</u>	<u>18,052</u>	<u>(4,054)</u>
Net Change in Fund Balances	(24,000)	-	-	-	-
Fund Balances at Beginning of Year	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Port Royal Residence Program</u>	<u>Early Intervention Program</u>	<u>Summer Services Program</u>	<u>Community Training Program</u>	<u>Enhanced Services Program</u>	<u>Respite Program</u>	<u>Rehabilitation Program</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
646,796	127,164	9,850	563,932	118,973	21,015	51,780	2,676,346
72,000	-	38	61,200	-	-	-	161,886
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	17,141
<u>6,634</u>	<u>1,257</u>	<u>2,000</u>	<u>6,162</u>	<u>501</u>	<u>93</u>	<u>256</u>	<u>33,054</u>
<u>725,430</u>	<u>128,421</u>	<u>11,888</u>	<u>631,294</u>	<u>119,474</u>	<u>21,108</u>	<u>52,036</u>	<u>2,888,427</u>
627,312	120,790	3,655	545,174	-	1,954	1,955	2,494,097
42,215	4,026	2,834	35,120	105,225	18,334	51,785	482,209
52,424	3,949	38	41,022	-	-	-	174,692
2,764	4,198	-	20,279	-	-	-	119,941
<u>109,196</u>	<u>28,924</u>	<u>2,000</u>	<u>94,077</u>	<u>15,213</u>	<u>2,824</u>	<u>7,769</u>	<u>30,200</u>
<u>833,911</u>	<u>161,887</u>	<u>8,527</u>	<u>735,672</u>	<u>120,438</u>	<u>23,112</u>	<u>61,509</u>	<u>3,301,139</u>
(108,481)	(33,466)	3,361	(104,378)	(964)	(2,004)	(9,473)	(412,712)
57,281	33,466	(270)	124,377	964	2,004	9,473	360,602
-	-	-	-	-	-	-	-
<u>57,281</u>	<u>33,466</u>	<u>(270)</u>	<u>124,377</u>	<u>964</u>	<u>2,004</u>	<u>9,473</u>	<u>360,602</u>
(51,200)	-	3,091	19,999	-	-	-	(52,110)
<u>93,716</u>	-	<u>7,098</u>	<u>116,926</u>	<u>115,647</u>	-	-	<u>377,387</u>
<u>\$ 42,516</u>	<u>\$ -</u>	<u>\$ 10,189</u>	<u>\$ 136,925</u>	<u>\$ 115,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,277</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
Year ended June 30, 2003

	Sheldon Rehabilitation Project	Rehabilitation Homes Project	Collaborative Organization for Services to Youth
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	71,340	68,904
Charge for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	3,750	-	11,988
Total revenues	<u>3,750</u>	<u>71,340</u>	<u>80,892</u>
Expenditures:			
Public Welfare			
Personnel	-	-	70,986
Purchased services	-	14,550	2,823
Supplies	-	-	2,011
Capital	-	82,506	-
Other	-	-	-
Total expenditures	<u>-</u>	<u>97,056</u>	<u>75,820</u>
Excess of Revenues Over (Under) Expenditures	3,750	(25,716)	5,072
Other financing sources (Uses):			
Operating transfers in	-	25,716	-
Operating transfers out	(25,716)	-	-
Total other financing sources (Uses)	<u>(25,716)</u>	<u>25,716</u>	<u>-</u>
Net Change in Fund Balances	(21,966)	-	5,072
Fund Balances at Beginning of Year	<u>4,791</u>	<u>-</u>	<u>10,365</u>
Fund Balances at End of Year	<u>\$ (17,175)</u>	<u>\$ -</u>	<u>\$ 15,437</u>

<u>Group Family Conferencing</u>	<u>Total</u>
\$ -	\$ -
-	-
-	140,244
-	-
-	-
-	-
-	15,738
<u>-</u>	<u>155,982</u>

22,190	93,176
678	18,051
-	2,011
-	82,506
-	-
<u>22,868</u>	<u>195,744</u>

(22,868) (39,762)

50,000	75,716
-	(25,716)
<u>50,000</u>	<u>50,000</u>

27,132	10,238
-	15,156

\$ 27,132 \$ 25,394

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
Year ended June 30, 2002

	Library Grants	PALS Miscellaneous	PALS General Services	Summer Nutrition Program Grants
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	52,603	-	-	254,505
Charge for services	-	-	328,646	-
Fines and forfeitures	-	-	-	-
Interest	-	152	5,392	-
Miscellaneous	52,481	-	35,624	-
Total revenues	105,084	152	369,662	254,505
Expenditures:				
Cultural and Recreation				
Personnel	-	-	1,695,659	55,981
Purchased services	-	-	1,022,389	198,410
Supplies	7,594	-	103,309	114
Capital	72,802	-	72,884	-
Other	-	-	124,000	-
Total expenditures	80,396	-	3,018,241	254,505
Excess of Revenues Over (Under) Expenditures	24,688	152	(2,648,579)	-
Other financing sources (Uses):				
Operating transfers in	-	-	2,633,746	-
Operating transfers out	-	-	-	-
Total other financing sources (Uses)	-	-	2,633,746	-
Net Change in Fund Balances	24,688	152	(14,833)	-
Fund Balances at Beginning of Year	-	5,992	15,000	-
Fund Balances at End of Year	\$ 24,688	\$ 6,144	\$ 167	\$ -

<u>State PARD Grants</u>	<u>PALS Impact Fees</u>	<u>Library Impact Fees</u>	<u>Library Trust</u>	<u>Library Special Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	751,228	1,239,746	-	-	1,990,974
-	-	-	-	-	307,108
-	-	-	-	-	328,646
-	-	-	-	-	-
-	38,781	63,249	1,352	8,562	117,488
-	-	-	168,036	-	256,141
-	790,009	1,302,995	169,388	8,562	3,000,357
-	-	-	-	-	1,751,640
-	-	-	-	-	1,220,799
-	-	-	211,022	6,033	328,072
2,330	-	-	-	-	148,016
-	-	-	-	-	124,000
2,330	-	-	211,022	6,033	3,572,527
(2,330)	790,009	1,302,995	(41,634)	2,529	(572,170)
6,000	-	-	-	-	2,639,746
-	(700,000)	(2,260,000)	-	-	(2,960,000)
6,000	(700,000)	(2,260,000)	-	-	(320,254)
3,670	90,009	(957,005)	(41,634)	2,529	(892,424)
-	1,472,942	2,397,802	108,225	412,747	4,412,708
\$ 3,670	\$ 1,562,951	\$ 1,440,797	\$ 66,591	\$ 415,276	\$ 3,520,284

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 June 30, 2003

	County Wide General Obligation Bonds	Bluffton TIF Bonds	New River TIF Bonds	Totals
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 155,045	\$ 150,647	\$ 3,529,265	\$ 3,834,957
Receivables, net	<u>86,894</u>	<u>-</u>	<u>-</u>	<u>86,894</u>
Total Assets	<u>\$ 241,939</u>	<u>\$ 150,647</u>	<u>\$ 3,529,265</u>	<u>\$ 3,921,851</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ 14,000	\$ -	\$ 14,000
Fund equity:				
Reserved for debt service	<u>241,939</u>	<u>136,647</u>	<u>3,529,265</u>	<u>3,907,851</u>
Total liabilities and fund equity	<u>\$ 241,939</u>	<u>\$ 150,647</u>	<u>\$ 3,529,265</u>	<u>\$ 3,921,851</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 Year ended June 30, 2003

	<u>County Wide General Obligations Bonds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 6,572,822	\$ 6,412,106	\$ (160,716)
Licenses and Permits	-	-	-
Intergovernmental	46,700	47,964	1,264
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	90,000	5,956	(84,044)
Miscellaneous	-	-	-
Total revenues	<u>6,709,522</u>	<u>6,466,026</u>	<u>(243,496)</u>
Expenditures:			
Debt Service - Principal	5,290,000	5,290,000	-
Debt Service - Interest and fees	<u>2,998,744</u>	<u>2,993,588</u>	<u>(5,156)</u>
	<u>8,288,744</u>	<u>8,283,588</u>	<u>(5,156)</u>
Excess of Revenues Over (Under) Expenditures	(1,579,222)	(1,817,562)	(238,340)
Other financing sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	860,345	860,345	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>860,345</u>	<u>860,345</u>	<u>-</u>
Net Change in Fund Balances	(718,877)	(957,217)	(238,340)
Fund Balances at Beginning of Year	<u>1,199,156</u>	<u>1,199,156</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 480,279</u>	<u>\$ 241,939</u>	<u>\$ (238,340)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 Year ended June 30, 2003

	Bluffton TIF		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ -	\$ 84,010	\$ 84,010
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	249	249
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>84,259</u>	<u>84,259</u>
Expenditures:			
Debt Service - Principal	-	-	-
Debt Service - Interest and fees	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	84,259	84,259
Other financing sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	84,259	84,259
Fund Balances at Beginning of Year	<u>52,388</u>	<u>52,388</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 52,388</u>	<u>\$ 136,647</u>	<u>\$ 84,259</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 Year ended June 30, 2003

	New River TIF		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ -	\$ 289,314	\$ 289,314
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	2,774	2,774
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>292,088</u>	<u>292,088</u>
Expenditures:			
Debt Service - Principal	-	-	-
Debt Service - Interest and fees	-	1,092,705	(1,092,705)
	<u>-</u>	<u>1,092,705</u>	<u>(1,092,705)</u>
Excess of Revenues Over (Under) Expenditures	-	(800,617)	(800,617)
Other financing sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	-	4,329,882	4,329,882
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>4,329,882</u>	<u>4,329,882</u>
Net Change in Fund Balances	-	3,529,265	3,529,265
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 3,529,265</u>	<u>\$ 3,529,265</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 Year ended June 30, 2003

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 6,572,822	\$ 6,785,430	\$ 212,608
Licenses and Permits	-	-	-
Intergovernmental	46,700	47,964	1,264
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	90,000	8,979	(81,021)
Miscellaneous	-	-	-
Total revenues	<u>6,709,522</u>	<u>6,842,373</u>	<u>132,851</u>
Expenditures:			
Debt Service - Principal	5,290,000	5,290,000	-
Debt Service - Interest and fees	<u>2,998,744</u>	<u>4,086,293</u>	<u>(1,087,549)</u>
	<u>8,288,744</u>	<u>9,376,293</u>	<u>(1,087,549)</u>
Excess of Revenues Over (Under) Expenditures	(1,579,222)	(2,533,920)	(954,698)
Other financing sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	860,345	5,190,227	4,329,882
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>860,345</u>	<u>5,190,227</u>	<u>4,329,882</u>
Net Change in Fund Balances	(718,877)	2,656,307	3,375,184
Fund Balances at Beginning of Year	<u>1,251,544</u>	<u>1,251,544</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 532,667</u>	<u>\$ 3,907,851</u>	<u>\$ 3,375,184</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
ALL CAPITAL PROJECT FUNDS
 June 30, 2003

	<u>Capital Improvement Program</u>	<u>Bluffton TIF District</u>	<u>Lady's Island TIF District</u>	<u>1996 Bond Projects</u>	<u>1999 Bond Projects</u>
<u>ASSETS</u>					
Equity in pooled cash and investments	\$ 245,616	\$ 2,595,025	\$ 19,061	\$ 328,450	\$ 1,074,993
Receivables, net	-	-	-	-	-
Total assets	<u>\$ 245,616</u>	<u>\$ 2,595,025</u>	<u>\$ 19,061</u>	<u>\$ 328,450</u>	<u>\$ 1,074,993</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts payable	\$ 4,206	\$ 163,987	\$ -	\$ -	\$ 37,456
Accrued payroll	5,968	-	-	-	-
Total liabilities	<u>10,174</u>	<u>163,987</u>	<u>-</u>	<u>-</u>	<u>37,456</u>
Fund equity:					
Reserved and reserved for encumbrances	1,720	2,431,038	-	256,108	1,037,537
Reserved for capital projects	<u>233,722</u>	<u>-</u>	<u>19,061</u>	<u>72,342</u>	<u>-</u>
Total fund equity	<u>235,442</u>	<u>2,431,038</u>	<u>19,061</u>	<u>328,450</u>	<u>1,037,537</u>
Total liabilities and fund equity	<u>\$ 245,616</u>	<u>\$ 2,595,025</u>	<u>\$ 19,061</u>	<u>\$ 328,450</u>	<u>\$ 1,074,993</u>

<u>2000 Bond Projects</u>	<u>2001 Bond Projects</u>	<u>2002 Bond Projects</u>	<u>2003 Bond Project</u>	<u>Totals</u>
\$ 2,822,904	\$ 5,040,413	\$ 10,767,697	\$ (4,227,074)	\$ 18,667,085
-	-	-	15,245,000	15,245,000
<u>\$ 2,822,904</u>	<u>\$ 5,040,413</u>	<u>\$ 10,767,697</u>	<u>\$ 11,017,926</u>	<u>\$ 33,912,085</u>
\$ 232,513	\$ 94,054	\$ 437,694	\$ 267,707	\$ 1,237,617
-	-	-	-	5,968
<u>232,513</u>	<u>94,054</u>	<u>437,694</u>	<u>267,707</u>	<u>1,243,585</u>
2,567,307	4,825,522	10,319,106	10,745,634	32,183,972
23,084	120,837	10,897	4,585	484,528
<u>2,590,391</u>	<u>4,946,359</u>	<u>10,330,003</u>	<u>10,750,219</u>	<u>32,668,500</u>
<u>\$ 2,822,904</u>	<u>\$ 5,040,413</u>	<u>\$ 10,767,697</u>	<u>\$ 11,017,926</u>	<u>33,912,085</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	<u>Capital Improvements Program</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ 246	\$ 246
Licenses and Permits	-	-	-
Intergovernmental	-	28,663	28,663
Charge for services	-	-	-
Fines and Forefeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>28,909</u>	<u>28,909</u>
Expenditures:			
Capital projects	<u>206,260</u>	<u>70,686</u>	<u>135,574</u>
Excess of Revenues Over (Under) Expenditures	(206,260)	(41,777)	164,483
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(206,260)	(41,777)	164,483
Fund Balances at Beginning of Year	<u>277,219</u>	<u>277,219</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 70,959</u>	<u>\$ 235,442</u>	<u>\$ 164,483</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	Bluffton TIF Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	-
Interest	-	39,209	39,209
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>39,209</u>	<u>39,209</u>
Expenditures:			
Capital projects	<u>2,417,791</u>	<u>5,903,642</u>	<u>(3,485,851)</u>
Excess of Revenues Over (Under) Expenditures	(2,417,791)	(5,864,433)	(3,446,642)
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	5,290,000	5,290,000
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>5,290,000</u>	<u>5,290,000</u>
Net Change in Fund Balances	(2,417,791)	(574,433)	1,843,358
Fund Balances at Beginning of Year	<u>3,005,471</u>	<u>3,005,471</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 587,680</u>	<u>\$ 2,431,038</u>	<u>\$ 1,843,358</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	<u>Lady's Island TIF Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ 12,285	\$ 12,285
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>12,285</u>	<u>12,285</u>
Expenditures:			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	12,285	12,285
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	12,285	12,285
Fund Balances at Beginning of Year	<u>6,776</u>	<u>6,776</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 6,776</u>	<u>\$ 19,061</u>	<u>\$ 12,285</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	1996 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Intergovernmental	-	-	-
Interest	-	8,087	8,087
Miscellaneous	-	-	-
	<u>-</u>	<u>8,087</u>	<u>8,087</u>
Expenditures:			
Capital projects	<u>364,223</u>	<u>108,115</u>	<u>256,108</u>
Excess of Revenues Over (Under) Expenditures	(364,223)	(100,028)	264,195
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(364,223)	(100,028)	264,195
Fund Balances at Beginning of Year	<u>428,478</u>	<u>428,478</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 64,255</u>	<u>\$ 328,450</u>	<u>\$ 264,195</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	1999 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	10,000	27,501	17,501
Miscellaneous	-	10,000	10,000
	<u>10,000</u>	<u>37,501</u>	<u>27,501</u>
Expenditures:			
Capital projects	<u>1,797,696</u>	<u>787,314</u>	<u>1,010,382</u>
Excess of Revenues Over (Under) Expenditures	(1,787,696)	(749,813)	1,037,883
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances	(1,787,696)	(749,813)	1,037,883
Fund Balances at Beginning of Year	<u>1,787,350</u>	<u>1,787,350</u>	-
Fund Balances at End of Year	<u>\$ (346)</u>	<u>\$ 1,037,537</u>	<u>\$ 1,037,883</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2002

	2000 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Integovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	65,000	105,341	40,341
Miscellaneous	-	-	-
	<u>65,000</u>	<u>105,341</u>	<u>40,341</u>
Expenditures:			
Capital projects	<u>4,445,780</u>	<u>1,870,456</u>	<u>2,575,324</u>
Excess of Revenues Over (Under) Expenditures	(4,380,780)	(1,765,115)	2,615,665
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances	(4,380,780)	(1,765,115)	2,615,665
Fund Balances at Beginning of Year	<u>4,355,506</u>	<u>4,355,506</u>	-
Fund Balances at End of Year	<u>\$ (25,274)</u>	<u>\$ 2,590,391</u>	<u>\$ 2,615,665</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	2001 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	119,765	119,765
Miscellaneous	-	-	-
	<u>-</u>	<u>119,765</u>	<u>119,765</u>
Expenditures:			
Capital projects	<u>6,175,828</u>	<u>1,401,055</u>	<u>4,774,773</u>
Excess of Revenues Over (Under) Expenditures	(6,175,828)	(1,281,290)	4,894,538
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(6,175,828)	(1,281,290)	4,894,538
Fund Balances at Beginning of Year	<u>6,227,649</u>	<u>6,227,649</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 51,821</u>	<u>\$ 4,946,359</u>	<u>\$ 4,894,538</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	2002 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	90,000	339,103	249,103
Miscellaneous	-	-	-
	90,000	339,103	249,103
Expenditures:			
Capital projects	10,676,053	595,929	10,080,124
Excess of Revenues Over (Under) Expenditures	(10,586,053)	(256,826)	10,329,227
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net Change in Fund Balances	(10,586,053)	(256,826)	10,329,227
Fund Balances at Beginning of Year	10,586,829	10,586,829	-
Fund Balances at End of Year	\$ 776	\$ 10,330,003	\$ 10,329,227

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	<u>2003 General Obligation Bond Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
	-	-	-
Expenditures:			
Capital projects	<u>15,500,000</u>	<u>4,749,781</u>	<u>10,750,219</u>
Excess of Revenues Over (Under) Expenditures	(15,500,000)	(4,749,781)	10,750,219
Other financing sources (uses):			
Bond proceeds	15,500,000	15,500,000	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>15,500,000</u>	<u>15,500,000</u>	<u>-</u>
Net Change in Fund Balances	-	10,750,219	10,750,219
Fund Balances at Beginning of Year	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 10,750,219</u>	<u>\$ 10,750,219</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2003

	<u>Totals</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Taxes	\$ -	\$ 12,531	\$ 12,531
Licenses and Permits	-	-	-
Intergovernmental	-	28,663	28,663
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	165,000	639,006	474,006
Miscellaneous	-	10,000	10,000
	<u>165,000</u>	<u>690,200</u>	<u>525,200</u>
Expenditures:			
Capital projects	<u>41,583,631</u>	<u>15,486,978</u>	<u>26,096,653</u>
Excess of Revenues Over (Under) Expenditures	(41,418,631)	(14,796,778)	26,621,853
Other financing sources (uses):			
Bond proceeds	15,500,000	15,500,000	-
Operating transfers in	-	5,290,000	5,290,000
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>15,500,000</u>	<u>20,790,000</u>	<u>5,290,000</u>
Net Change in Fund Balances	(25,918,631)	5,993,222	31,911,853
Fund Balances at Beginning of Year	<u>26,675,278</u>	<u>26,675,278</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 756,647</u>	<u>\$ 32,668,500</u>	<u>\$ 31,911,853</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
<u>Broad Creek Public Service District</u>				
Operations:				
Assets				
Equity in pooled cash and investments	\$ 212,219	\$ 785,986	\$ 821,485	\$ 176,720
Liabilities				
Due to agencies	\$ 212,219	\$ 785,986	\$ 821,485	\$ 176,720
Water/Sewer:				
Assets				
Equity in pooled cash and investments	\$ 595	\$ 55,700	\$ 50,000	\$ 6,295
Liabilities				
Due to agencies	\$ 595	\$ 55,700	\$ 50,000	\$ 6,295
Debt Service:				
Assets				
Equity in pooled cash and investments	\$ (180,975)	\$ 341,485	\$ 341,020	\$ (180,510)
Liabilities				
Due to agencies	\$ (180,975)	\$ 341,485	\$ 341,020	\$ (180,510)
Capital Projects:				
Assets				
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Liabilities				
Due to agencies	\$ -	\$ -	\$ -	\$ -
Fripp Island Public Service District				
Erosion Control:				
Assets				
Equity in pooled cash and investments	\$ 252	\$ 39,408	\$ -	\$ 39,660
Liabilities				
Due to agencies	\$ 252	\$ 39,408	\$ -	\$ 39,660

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Fripp Island Public Service District (cont'd)				
Water/Sewer				
Assets				
Equity in pooled cash and investments	\$ 226,422	\$ 171,670	\$ 100,000	\$ 298,092
Liabilities				
Due to agencies	\$ 226,422	\$ 171,670	\$ 100,000	\$ 298,092
Debt Service:				
Assets				
Equity in pooled cash and investments	\$ 71,957	\$ 77,237	\$ 61,103	\$ 88,091
Liabilities				
Due to agencies	\$ 71,957	\$ 77,237	\$ 61,103	\$ 88,091
Capital:				
Assets				
Equity in pooled cash and investments	\$ 40	\$ -	\$ -	\$ 40
Liabilities				
Due to agencies	\$ 40	\$ -	\$ -	\$ 40
Fire 1% Funds:				
Assets				
Equity in pooled cash and investments	\$ 21,202	\$ 13,690	\$ 23,374	\$ 11,518
Liabilities				
Due to agencies	\$ 21,202	\$ 13,690	\$ 23,374	\$ 11,518
Fire Operations:				
Assets				
Equity in pooled cash and investments	\$ 154,370	\$ 288,868	\$ 279,376	\$ 163,862
Liabilities				
Due to agencies	\$ 154,370	\$ 288,868	\$ 279,376	\$ 163,862
Forest Beach Public Service District				
Operations:				
Assets				
Equity in pooled cash and investments	\$ 791	\$ 4,206	\$ 4,997	\$ -
Liabilities				
Due to agencies	\$ 791	\$ 4,206	\$ 4,997	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
<u>Forest Beach Public Service District</u>				
Water/Sewer:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 163,967	\$ 163,967	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 163,967	\$ 163,967	\$ -
Fire Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 5,955	\$ 5,955	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 5,955	\$ 5,955	\$ -
Fire Debt:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 737	\$ 737	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 737	\$ 737	\$ -
<u>Hilton Head #1 Public Service District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 204,817	\$ 562,489	\$ -	\$ 767,306
<u>Liabilities</u>				
Due to agencies	\$ 204,817	\$ 562,489	\$ -	\$ 767,306
Water/Sewer:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 179,848	\$ 513,469	\$ -	\$ 693,317
<u>Liabilities</u>				
Due to agencies	\$ 179,848	\$ 513,469	\$ -	\$ 693,317
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 380,926	\$ 814,983	\$ 742,100	\$ 453,809
<u>Liabilities</u>				
Due to agencies	\$ 380,926	\$ 814,983	\$ 742,100	\$ 453,809

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
<u>South Beach Public Service District</u>				
Water/Sewer:				
Assets				
Equity in pooled cash and investments	\$ 5,811	\$ 238,418	\$ 241,100	\$ 3,129
Liabilities				
Due to agencies	\$ 5,811	\$ 238,418	\$ 241,100	\$ 3,129
Debt service:				
Assets				
Equity in pooled cash and investments	\$ 3,564	\$ 1,782	\$ -	\$ 5,346
Liabilities				
Due to agencies	\$ 3,564	\$ 1,782	\$ -	\$ 5,346
Fire Operations:				
Assets				
Equity in pooled cash and investments	\$ -	\$ 12,214	\$ 12,214	\$ -
Liabilities				
Due to agencies	\$ -	\$ 12,214	\$ 12,214	\$ -
Fire Debt:				
Assets				
Equity in pooled cash and investments	\$ -	\$ 726	\$ 726	\$ -
Liabilities				
Due to agencies	\$ -	\$ 726	\$ 726	\$ -
<u>Bluffton Fire District</u>				
Operations:				
Assets				
Equity in pooled cash and investments	\$ 314,653	\$ 3,965,451	\$ 4,064,958	\$ 215,146
Liabilities				
Due to agencies	\$ 314,653	\$ 3,965,451	\$ 4,064,958	\$ 215,146
Debt service:				
Assets				
Equity in pooled cash and investments	\$ 26,040	\$ 106,008	\$ 244,977	\$ (112,929)
Liabilities				
Due to agencies	\$ 26,040	\$ 106,008	\$ 244,977	\$ (112,929)

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Bluffton Fire District- (cont'd)				
Capital Projects:				
Assets				
Equity in pooled cash and investments	\$ 9,024	\$ 55	\$ 7,465	\$ 1,614
Liabilities				
Due to agencies	\$ 9,024	\$ 55	\$ 7,465	\$ 1,614
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ 83,737	\$ 116,255	\$ 186,963	\$ 13,029
Liabilities				
Due to agencies	\$ 83,737	\$ 116,255	\$ 186,963	\$ 13,029
Impact Fees:				
Assets				
Equity in pooled cash and investments	\$ 1,697,900	\$ 841,739	\$ 830,883	\$ 1,708,756
Liabilities				
Due to agencies	\$ 1,697,900	\$ 841,739	\$ 830,883	\$ 1,708,756
Burton Fire District				
Operations:				
Assets				
Equity in pooled cash and investments	\$ 310,021	\$ 2,471,927	\$ 2,389,100	\$ 392,848
Liabilities				
Due to agencies	\$ 310,021	\$ 2,471,927	\$ 2,389,100	\$ 392,848
Debt Service:				
Assets				
Equity in pooled cash and investments	\$ 212,104	\$ 267,128	\$ 306,382	\$ 172,850
Liabilities				
Due to agencies	\$ 212,104	\$ 267,128	\$ 306,382	\$ 172,850

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
Burton Fire District - (cont'd)				
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ 29,308	\$ 27,807	\$ 20,629	\$ 36,486
Liabilities				
Due to agencies	\$ 29,308	\$ 27,807	\$ 20,629	\$ 36,486
Impact fees:				
Assets				
Equity in pooled cash and investments	\$ 175,576	\$ 57,383	\$ 50,000	\$ 182,959
Liabilities				
Due to agencies	\$ 175,576	\$ 57,383	\$ 50,000	\$ 182,959
Daufuskie Island Fire District				
Operations:				
Assets				
Equity in pooled cash and investments	\$ 23,593	\$ 591,879	\$ 585,954	\$ 29,518
Liabilities				
Due to agencies	\$ 23,593	\$ 591,879	\$ 585,954	\$ 29,518
Debt Service:				
Assets				
Equity in pooled cash and investments	\$ (23,120)	\$ 65,566	\$ 60,898	\$ (18,452)
Liabilities				
Due to agencies	\$ (23,120)	\$ 65,566	\$ 60,898	\$ (18,452)
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ 3,721	\$ 5,259	-	\$ 8,980
Liabilities				
Due to agencies	\$ 3,721	\$ 5,259	-	\$ 8,980

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Dauskie Island Fire District - (cont'd)				
Impact Fees:				
Assets				
Equity in pooled cash and investments	\$ 2,043	\$ 16,712	\$ -	\$ 18,755
Liabilities				
Due to agencies	\$ 2,043	\$ 16,712	\$ -	\$ 18,755
Lady's Island/St. Helena Fire District				
Operations:				
Assets				
Equity in pooled cash and investments	\$ (55,536)	\$ 2,384,542	\$ 2,487,804	\$ (158,798)
Liabilities				
Due to agencies	\$ (55,536)	\$ 2,384,542	\$ 2,487,804	\$ (158,798)
Debt Service:				
Assets				
Equity pooled cash and investments	\$ 62,743	\$ 157,804	\$ 460,174	\$ (239,627)
Liabilities				
Due to agencies	\$ 62,743	\$ 157,804	\$ 460,174	\$ (239,627)
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ 46,826	\$ 50,960	\$ 26,691	\$ 71,095
Liabilities				
Due to agencies	\$ 46,826	\$ 50,960	\$ 26,691	\$ 71,095
Impact Fees				
Assets				
Equity in pooled cash and investments	\$ 343,889	\$ 385,832	\$ 50,843	\$ 678,878
Liabilities				
Due to agencies	\$ 343,889	\$ 385,832	\$ 50,843	\$ 678,878

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
Sheldon Fire District				
Operations:				
Assets				
Equity in pooled cash and investments	\$ 41,912	\$ 650,272	\$ 666,208	\$ 25,976
Liabilities				
Due to agencies	\$ 41,912	\$ 650,272	\$ 666,208	\$ 25,976
Debt Service:				
Assets				
Equity pooled cash and investments	\$ 10,951	\$ 46,397	\$ 50,602	\$ 6,746
Liabilities				
Due to agencies	\$ 10,951	\$ 46,397	\$ 50,602	\$ 6,746
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ 8,124	\$ 9,320	\$ 7,678	\$ 9,766
Liabilities				
Due to agencies	\$ 8,124	\$ 9,320	\$ 7,678	\$ 9,766
Impact Fees				
Assets				
Equity in pooled cash and investments	\$ 9,120	\$ 8,936	\$ 9,000	\$ 9,056
Liabilities				
Due to agencies	\$ 9,120	\$ 8,936	\$ 9,000	\$ 9,056
City of Beaufort				
Municipal:				
Assets				
Equity pooled cash and investments	\$ 36,745	\$ 2,927,204	\$ 2,929,432	\$ 34,517
Liabilities				
Due to agencies	\$ 36,745	\$ 2,927,204	\$ 2,929,432	\$ 34,517

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
City of Beaufort- (cont'd)				
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ -	\$ 28,736	\$ 28,736	\$ -
Liabilities				
Due to agencies	\$ -	\$ 28,736	\$ 28,736	\$ -
Town of Port Royal				
Municipal:				
Assets				
Equity pooled cash and investments	\$ 9,851	\$ 919,223	\$ 920,388	\$ 8,686
Liabilities				
Due to agencies	\$ 9,851	\$ 919,223	\$ 920,388	\$ 8,686
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ -	\$ 8,049	\$ 8,049	\$ -
Liabilities				
Due to agencies	\$ -	\$ 8,049	\$ 8,049	\$ -
Town of Bluffton				
Municipal:				
Assets				
Equity pooled cash and investments	\$ (880)	\$ 218,759	\$ 214,891	\$ 2,988
Liabilities				
Due to agencies	\$ (880)	\$ 218,759	\$ 214,891	\$ 2,988
Town of Yemassee				
Municipal:				
Assets				
Equity in pooled cash and investments	\$ 140	\$ 16,387	\$ 16,432	\$ 95
Liabilities				
Due to agencies	\$ 140	\$ 16,387	\$ 16,432	\$ 95

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Town of Yemassee-(cont'd)				
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ -	\$ 119	\$ 119	\$ -
Liabilities				
Due to agencies	\$ -	\$ 119	\$ 119	\$ -
Town of Hilton Head				
Municipal:				
Assets				
Equity pooled cash and investments	\$ 70,295	\$ 14,624,926	\$ 14,613,897	\$ 81,324
Liabilities				
Due to agencies	\$ 70,295	\$ 14,624,926	\$ 14,613,897	\$ 81,324
Fire Operations:				
Assets				
Equity pooled cash and investments	\$ -	\$ 19,905	\$ 19,905	\$ -
Liabilities				
Due to agencies	\$ -	\$ 19,905	\$ 19,905	\$ -
Fire Debt Service:				
Assets				
Equity in pooled cash and investments	\$ 16,648	\$ 1,258	\$ -	\$ 17,906
Liabilities				
Due to agencies	\$ 16,648	\$ 1,258	\$ -	\$ 17,906
Fire Department 1% Fund:				
Assets				
Equity in pooled cash and investments	\$ -	\$ 178,362	\$ 178,362	\$ -
Liabilities				
Due to agencies	\$ -	\$ 178,362	\$ 178,362	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Beaufort-Jasper Career Education Center				
General:				
Assets				
Equity pooled cash and investments	\$ (55,390)	\$ 3,995,409	\$ 2,774,622	\$ 165,397
Liabilities				
Due to agencies	\$ (55,390)	\$ 3,995,409	\$ 2,774,622	\$ 165,397
Special Revenue Fund:				
Assets				
Equity pooled cash and investments	\$ 340,722	\$ 428,892	\$ 554,148	\$ 215,466
Liabilities				
Due to agencies	\$ 340,722	\$ 428,892	\$ 554,148	\$ 215,466
Capital:				
Assets				
Equity pooled cash and investments	\$ (184,128)	\$ -	\$ -	\$ (184,128)
Liabilities				
Due to agencies	\$ (184,128)	\$ -	\$ -	\$ (184,128)
Education Improvement Act:				
Assets				
Equity pooled cash and investments	\$ (461,322)	\$ 64,414	\$ 231,430	\$ (628,338)
Liabilities				
Due to agencies	\$ (461,322)	\$ 64,414	\$ 231,430	\$ (628,338)
Beaufort County School District				
General:				
Assets				
Equity in pooled cash and investments	\$ 7,197,929	\$ 106,481,603	\$ 105,502,983	\$ 8,176,549
Liabilities				
Due to agencies	\$ 7,197,929	\$ 106,481,603	\$ 105,502,983	\$ 8,176,549

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Beaufort County School District-(cont'd)				
Special Revenue:				
Assets				
Equity in pooled cash and investments	\$ (2,205,814)	\$ 16,237,536	\$ 18,914,644	\$ (4,882,922)
Liabilities				
Due to agencies	\$ (2,205,814)	\$ 16,237,536	\$ 18,914,644	\$ (4,882,922)
Debt Service:				
Assets				
Equity pooled cash and investments	\$ 7,797,251	\$ 21,190,581	\$ 19,540,414	\$ 9,447,418
Liabilities				
Due to agencies	\$ 7,797,251	\$ 21,190,581	\$ 19,540,414	\$ 9,447,418
Capital:				
Assets				
Equity pooled cash and investments	\$ 11,320,389	\$ 148,352	\$ 7,404,688	\$ 4,064,053
Liabilities				
Due to agencies	\$ 11,320,389	\$ 148,352	\$ 7,404,688	\$ 4,064,053
Lunch Fund:				
Assets				
Equity pooled cash and investments	\$ (1,372,385)	\$ 6,486,331	\$ 4,880,508	\$ 233,438
Liabilities				
Due to agencies	\$ (1,372,385)	\$ 6,486,331	\$ 4,880,508	\$ 233,438
School 8% Projects:				
Assets				
Equity in pooled cash and investments	\$ (8,174,181)	\$ 52,671,726	\$ 32,388,063	\$ 12,109,482
Liabilities				
Due to agencies	\$ (8,174,181)	\$ 52,671,726	\$ 32,388,063	\$ 12,109,482
Education Improvement Act:				
Assets				
Equity in pooled cash and investments	\$ 3,029,162	\$ 11,759,438	\$ 13,242,522	\$ 1,546,078
Liabilities				
Due to agencies	\$ 3,029,162	\$ 11,759,438	\$ 13,242,522	\$ 1,546,078

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Beaufort County School District - (cont'd)				
Impact fees:				
Assets				
Equity pooled cash and investments	\$ 3,037,935	\$ 53,409	\$ 166,669	\$ 2,924,675
Liabilities				
Due to agencies	\$ 3,037,935	\$ 53,409	\$ 166,669	\$ 2,924,675
Facilities 2000:				
Assets				
Equity pooled cash and investments	\$ 6,823,321	\$ 546,018	\$ 5,299,460	\$ 2,069,879
Liabilities				
Due to agencies	\$ 6,823,321	\$ 546,018	\$ 5,299,460	\$ 2,069,879
Facilities 2005:				
Assets				
Equity pooled cash and investments	\$ (3,559,486)	\$ 53,296,283	\$ 35,105,733	\$ 14,631,064
Liabilities				
Due to agencies	\$ (3,559,486)	\$ 53,296,283	\$ 35,105,733	\$ 14,631,064
Indigent Health Care				
Assets				
Equity in pooled cash and investments	\$ 96,852	\$ 1,780,726	\$ 1,848,501	\$ 29,077
Liabilities				
Due to agencies	\$ 96,852	\$ 1,780,726	\$ 1,848,501	\$ 29,077
Continuing Education				
Assets				
Equity in pooled cash and investments	\$ 3,313,388	\$ 3,598,409	\$ 5,481,866	\$ 1,429,931
Liabilities				
Due to agencies	\$ 3,313,388	\$ 3,598,409	\$ 5,481,866	\$ 1,429,931

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
Special Assessments				
Assets				
Equity in pooled cash and investments	\$ 72,896	\$ 42,707	\$ 6,821	\$ 108,782
Liabilities				
Due to agencies				
Burlington Estates	\$ 10,730	\$ 1,041	\$ -	\$ 11,771
Burlington Land	7,681	813	-	8,494
Cedacrest	513	11	-	524
Kings Grant II	5,366	1,407	-	6,773
O'Neal Place	6,532	583	-	7,115
Robin Wood	8,499	908	-	9,407
Seabrook	6,052	36,716	6,821	35,947
Woodland Estates	7,711	814	-	8,525
Tansi Village	2,546	53	-	2,599
Bay Pines	17,266	361	-	17,627
Total liabilities	\$ 72,896	\$ 42,707	\$ 6,821	\$ 108,782
Drainage Impact fees				
Assets				
Equity in pooled cash and investments	\$ 51,581	\$ 38,862	\$ 90,443	\$ -
Liabilities				
Due to agencies				
Daufuskie Island	\$ 6,152	\$ -	\$ 6,152	-
Bluffton	70,718	-	70,718	-
Lady's Island	3,068	-	3,068	-
Port Royal Island	(38,862)	38,862	-	-
Sheldon	4,126	-	4,126	-
St. Helena Island	6,379	-	6,379	-
Total liabilities	\$ 51,581	\$ 38,862	\$ 90,443	\$ -
Totals - All Agency Funds				
Assets				
Equity in pooled cash and investments	\$ 31,815,987	\$ 313,083,846	\$ 287,719,089	\$ 57,180,744
Liabilities				
Due to agencies	\$ 31,815,987	\$ 313,083,846	\$ 287,719,089	\$ 57,180,744

SINGLE AUDIT SECTION

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2003

	Federal CFDA Number	Federal Award Expended
Direct Federal Grants:		
US Department of Transportation		
Federal Aviation Administration		
Airport Improvement Program		
Hilton Head Airport 3-45-0030-20-2002	20.106	\$ 520,547
Hilton Head Airport - 3-45-0030-22-2002	20.106	45,241
Hilton Head Airport - Tower	20.106	390,922
Hilton Head Airport - TSA	20.106	88,107
Beaufort County Airport 3-45-0008-06	20.106	90,745
US Department of Justice		
Law Enforcement Block Grants		
2002-LB-BX-1034	16.592	138,699
2002-TE-CX-0086	16.592	22,718
Federal Pass - Through Grants:		
Federal Emergency Management Agency		
Passed through Office of the SC Adjutant General		
EMA-2002-GR-0506	83.552	26,478
EMA-2002-GR-5076	83.552	18,660
EMA-2003-GR-5307	83.552	37,973
HMESC 1042090	83.552	10,398
US Department of Agriculture		
Passed through SC Department of Social Services		
Summer Food Services for Children (G-12-35-4541)	10.559	128,808
Summer Food Services for Children (G-12-35-4541)	10.559	125,696
US Department of Health and Human Services		
Passed through SC Health and Human Services Finance Commission		
Collaborator Coordinator (#A30545A)	93.778	86,854
Passed through SC Department of Alcohol and Other Drug Abuse Services		
Consolidated Contract BEA-MOA-3	93.959	370,232
Consolidated Contract BEA-JGR-0	93.959	1,018
Consolidated Contract BEA-PMOA-3	93.558	260
Medicaid	93.778	21,612
Passed through SC Department of Transportation		
ENH - 30-00	20.205	1,290
ENN - 33-00	20.205	8,413
Passed through SC Department of Transportation		
Lowcountry Regional Transportation Authority	20.509	28,333
MT-31399-94		
Passed through SC Department of Commerce		
CDBG 3-W-96-022	14.228	71,340

The accompanying notes are an integral part of this schedule.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2003

	<u>Federal CFDA Number</u>	<u>Federal Award Expended</u>
Federal Grantor/Pass-Through		
<u>Grantor/Program Title - Continued</u>		
Passed through SC Department of Health and Environmental Control		
EQ-0-249	11.419 \$	10,333
State aid to mapping	11.419	10,000
Passed through SC Department of Natural Resources		
EMA-2001-CA-0059	97.029	30,000
Passed through SC State Library		
LSTA 2001	45.310	6,252
LSTA 2002	45.310	1,135
US Department of Justice		
Passed through Office of the SC Department of Public Safety		
1F02050	16.579	74,251
1F02051	16.579	8,569
1JL0106	16.579	2,228

The accompanying notes are an integral part of this schedule.

Robinson Grant & Co., P.A.

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March 1, 2004

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditors' Report

County Council of Beaufort County
Beaufort, South Carolina

We have audited 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 as of and for the year ended June 30, 2003, which collectively comprise Beaufort County, South Carolina's basic financial statements and have issued our report thereon dated March 1, 2004. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Beaufort County, South Carolina's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beaufort County, South Carolina's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Robinson Grant & Co., P.A.

County Council of Beaufort County
Page Two
March 1, 2004

This report is intended solely for the information and use of the audit committee, management, County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson Grant & Co., P.A.
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March 1, 2004

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditors' Report

County Council of Beaufort County
Beaufort, South Carolina

Compliance

We have audited the compliance of Beaufort County, South Carolina with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. Beaufort County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Beaufort County, South Carolina's management. Our responsibility is to express an opinion on Beaufort County, South Carolina's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about Beaufort County, South Carolina'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. Our audit does not provide a legal determination on Beaufort County, South Carolina's compliance with those requirements.

In our opinion, Beaufort County, South Carolina, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Robinson Grant & Co., P.A.

County Council of Beaufort County
Page Two
March 1, 2004

Internal Control Over Compliance

The management of Beaufort County, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Beaufort County, South Carolina's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, County Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson Grant & Co., P.A.

Robinson Grant & Co., P.A.

Beaufort County, South Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

Sheet 1

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report	Unqualified
Internal control over financial reporting:	
• Material Weakness Identified	___ Yes <u>√</u> No
• Reportable condition(s) that are not considered material weaknesses	___ Yes <u>√</u> No
Noncompliance material to financial statements noted?	___ Yes <u>√</u> None reported

Federal Awards

Internal control over major programs:	
• Material Weakness Identified	___ Yes <u>√</u> No
• Reportable condition(s) that are not considered material weaknesses	___ Yes <u>√</u> None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___ Yes <u>√</u> No

Identification of Major Programs

<u>Agency</u>	<u>CFDA</u>
U.S. Department of Transportation	20.106
U.S. Department of Health and Human Services	93.959
Dollar threshold used to distinguish between type A and type B programs:	\$ <u>300,000</u>
Auditee qualified as low-risk auditee?	<u>√</u> Yes ___ No

Beaufort County, South Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

Sheet 2

Section II – Financial Statement Findings

Reportable Conditions

No matters were reported

Section III – Federal Award Findings and Questioned Costs

No matters were reported

STATISTICAL SECTION

BEAUFORT COUNTY, SOUTH CAROLINA
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Licenses and Permits	Intergov- ernmental Revenues	Charges for Services	Fines and Forefietures	Interest	Miscellaneous Revenues	Total
1994	\$ 22,524,299	\$ 583,977	\$ 3,499,961	\$ 5,191,798	\$ 475,260	\$ 168,200	\$ 455,405	\$ 32,898,900
1995	23,600,111	765,583	3,953,642	4,837,248	555,879	646,102	310,648	34,669,213
1996	23,674,555	1,028,558	4,185,477	5,270,847	541,675	809,215	309,471	35,819,798
1997	19,737,768 ⁽¹⁾	1,178,302	4,416,859	5,659,204	552,419	722,983	271,197	32,538,731
1998	20,184,982	1,289,504	4,646,311	6,299,756	698,075	853,791	149,590	34,122,009
1999	23,506,862	1,681,439	4,899,767	6,889,282	608,774	709,704	218,458	38,514,286
2000	28,336,892	1,862,577	5,701,576	7,625,056	858,908	819,756	277,479	45,482,244
2001	29,198,052	1,882,455	5,856,427	8,003,788	880,995	666,944	136,693	46,625,354
2002	29,913,377	2,521,362	6,173,477	7,832,020	962,131	279,434	169,794	47,851,595
2003	35,602,184	2,456,875	6,068,270	8,557,847	647,030	170,852	215,805	53,718,863

(1) The Solid Waste disposal function was reclassified into a special revenue fund category and a separate millage established.

BEAUFORT COUNTY, SOUTH CAROLINA
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Public Works	Public Health	Public Welfare	Cultural and Recreational	Total
1994	\$ 8,384,739	\$ 11,443,484	\$ 5,869,244	\$ 1,116,871	\$ 535,748	\$ 1,143,669	\$ 28,493,755
1995	8,707,301	12,349,430	5,701,532	1,221,922	554,997	1,213,554	29,748,736
1996	9,876,274	13,424,512	6,417,854	1,288,311	538,114	1,233,816	32,778,881
1997	9,827,019	14,520,222	2,382,098 ⁽¹⁾	1,344,586	538,805	1,603,256	30,215,986
1998	9,959,882	15,979,668	2,388,902	1,424,693	539,099	1,534,057	31,826,301
1999	11,337,609	17,233,265	2,731,306	1,630,002	572,212	1,735,328	35,239,722
2000	12,441,100	20,264,680	2,713,618	1,730,192	614,008	1,951,688	39,715,286
2001	13,815,865	20,845,372	2,980,362	1,914,512	631,184	2,102,187	42,289,482
2002	16,556,948	23,292,581	3,852,510	2,063,688	737,956	2,384,426	48,888,109
2003	18,045,305	25,137,795	3,493,180	2,043,378	732,214	2,717,685	52,169,557

(1) The Solid Waste disposal function was reclassified into a special revenue fund category.

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	Delinquent Tax Collections ⁽²⁾	Total Collections As Percent of Levy
1994	\$ 26,959,671	\$ 23,753,674	88.1%	\$ 3,282,194	100.3%
1995	27,740,748	25,542,108	93.1%	2,367,140	101.7%
1996	28,451,686	26,438,146	92.9%	2,136,843	100.4%
1997	28,921,947	27,026,961	93.5%	1,639,120	99.1%
1998	31,345,601	28,886,985	92.2%	1,991,148	98.5%
1999	34,853,858	32,481,388	93.2%	1,996,436	98.9%
2000	40,349,066	37,255,451	92.3%	3,566,048	101.1%
2001	41,934,211	39,267,259	93.6%	3,128,566	101.1%
2002	43,559,515	40,870,579	93.8%	2,337,525	99.2%
2003	47,656,212	45,147,129	94.7%	3,317,353	101.4%

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

⁽²⁾ Includes collections of penalties as established by state statutes.

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

Fiscal Year	Real Property		Personal Property		Total	
	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value
1994	\$ 327,766,881	\$ 5,992,081,920	\$ 98,346,782	\$ 936,636,020	\$ 426,113,663	\$ 6,928,717,940
1995	338,988,320	6,242,878,820	75,636,122	717,744,020	414,624,442	6,960,622,840
1996	359,797,714	6,375,596,450	99,841,811	882,050,095	459,639,525	7,257,646,545
1997	369,142,611	6,591,832,340	114,501,987	1,022,339,170	483,644,598	7,614,171,510
1998	387,874,256	7,182,856,592	139,829,470	1,331,709,238	527,703,726	8,514,565,830
1999 ⁽¹⁾	593,682,975	12,368,395,312	125,016,989	1,190,637,990	718,699,964	13,559,033,302
2000	615,986,525	12,927,605,644	137,827,004	1,344,653,698	753,813,529	14,272,259,342
2001	621,274,881	12,059,025,117	174,822,349	1,664,973,019	796,097,230	13,723,998,136
2002	708,384,471	14,171,046,525	148,572,971	1,097,274,167	856,957,442	15,268,320,692
2003	712,511,246	14,219,019,560	170,011,192	1,485,773,836	882,522,438	15,704,793,396

(1) Reassessment year.

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

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
County-Wide Levies										
County-Operations	52.1	53.1	51.1	39.6	38.6	32.6	36.3	36.0	35.2	40.1
County-Debt Service	8.9	8.9	9.9	9.7	9.4	6.8	7.2	7.2	7.2	7.2
County-Capital Improvement Program	1.9	0.9	0.9	0.8	0.8	0.2	-	-	-	-
County-Solid Waste/Recycling	-	-	-	9.7	9.6	6.2	6.7	6.9	6.2	4.7
County-Purchase of Real Property Program	-	-	-	-	1.0	2.0	2.0	2.0	2.0	2.0
School-Operations	80.9	94.0	97.9	99.4	97.5	75.7	86.7	96.7	97.6	107.0
School-Debt Service	30.5	27.5	29.5	27.4	30.6	23.8	21.7	23.1	22.2	22.2
Indigent Health Care	2.5	2.5	2.5	2.3	2.4	1.8	1.9	2.0	2.0	2.0
Continuing Education	2.0	2.0	2.0	1.9	2.0	1.5	4.2	4.0	4.0	4.0
Municipal Levies										
City of Beaufort	93.0	93.0	93.0	91.0	91.0	68.9	68.9	68.4	68.4	73.4
Town of Port Royal	98.1	97.0	97.0	99.5	99.5	85.0	85.0	85.0	85.0	85.0
Town of Bluffton	40.0	40.0	40.0	67.0	67.0	49.0	49.0	49.0	49.0	49.0
Town of Hilton Head	40.3	41.3	41.3	41.3	41.3	30.5	30.5	30.5	31.0	31.0
Town of Yemassee	49.9	55.0	55.0	65.0	65.0	65.0	65.0	68.0	68.0	68.0
Fire Levies										
Burton Fire-Operations	32.6	33.3	40.0	44.6	44.6	42.1	46.3	48.5	49.5	57.9
Burton Fire-Debt Service	4.0	7.2	4.0	5.9	5.9	6.5	6.6	6.0	6.0	6.0
Bluffton Fire-Operation	18.8	22.2	21.8	23.0	23.0	20.1	21.5	20.5	21.5	22.5
Bluffton Fire-Debt Service	1.0	1.0	1.0	0.5	0.5	0.3	0.8	0.6	0.6	0.6
Daufuskie Island Fire-Operations	6.0	18.8	25.9	32.2	32.2	34.3	36.8	40.5	40.5	42.5
Daufuskie Island Fire-Debt Service	-	-	-	-	4.0	4.4	4.9	4.7	4.7	4.7
Lady's Island/St. Helena-Operations	22.4	27.9	29.2	30.5	30.5	22.2	24.8	25.7	26.7	31.9
Lady's Island/St. Helena-Debt Service	3.2	2.3	2.4	2.2	2.2	3.5	3.0	2.1	2.1	2.1
Sheldon Fire-Operations	21.0	29.9	32.4	32.4	32.4	25.8	26.8	30.6	32.6	37.0
Sheldon Fire-Debt Services	2.6	2.9	3.3	4.6	4.6	3.3	3.3	2.6	2.6	2.6

BEAUFORT COUNTY, SOUTH CAROLINA
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population ⁽¹⁾	Assessed Value	Gross County Bonded Debt	Less Debt Service Funds	Net County Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1994	\$ 95,397	\$ 426,113,663	\$ 31,535,000	\$ 1,497,446	\$ 30,037,554	7.2%	314.87
1995	97,782	414,624,442	33,715,000	1,122,891	32,592,109	7.5%	333.31
1996	100,226	459,639,525	31,075,000	681,331	30,393,669	6.6%	303.25
1997	102,732	483,644,598	32,105,000	35,862	32,069,138	6.6%	312.16
1998	105,300	527,703,726	27,790,000	191,684	27,598,316	5.3%	262.09
1999	107,932	718,699,964	33,725,000	530,266	33,194,734	4.6%	307.55
2000	110,630	753,813,529	40,325,000	1,264,403	39,060,597	5.2%	353.07
2001	120,937	796,097,230	56,685,000	1,625,423	55,059,577	6.9%	455.27
2002	123,960	856,957,442	80,790,000	1,251,544	79,538,456	9.3%	641.65
2003	127,060	882,522,438	141,000,000	3,907,851	137,092,149	15.5%	1,078.96

(1) U. S. Bureau of the Census population for 1990 was 86,425
 Assumed rate of growth since 1990 at 2.5% per year.

(2) U.S. Bureau of the Census population for 2000 was 120,937.
 Assumed rate of growth since 2000 at 2.5% per year.

BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2003

Assessed Value - 2002 Tax Year (Fiscal Year 2003)	\$ 882,522,438
	<u> x 8%</u>
Constitutional Debt Limit	70,601,795
Outstanding Subject to Debt Limit	<u>61,660,000</u>
Legal Debt Limit Remaining Without a Referendum	<u>\$ 8,941,795</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPUTATION OF OVERLAPPING GENERAL OBLIGATION DEBT
 JUNE 30, 2003

	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Beaufort County</u>	<u>Amount Applicable to Beaufort County</u>
Beaufort County School District	\$ 247,830,000	100%	\$ 247,830,000
City of Beaufort	230,000	100%	230,000
Town of Hilton Head	19,260,000	100%	19,260,000
Town of Port Royal	-0-	100%	-0-
Broad Creek Public Service District	6,440,000	100%	6,440,000
South Beach Public Service District	1,095,000	100%	1,095,000
Fripp Island Public Service District	626,120	100%	626,120
Hilton Head No. 1 Public Service District	1,450,000	100%	1,450,000
Bluffton Fire District	2,491,814	100%	2,491,814
Burton Fire District	252,690	100%	252,690
Daufuskie Island Fire District	353,015	100%	353,015
Lady's Island/St. Helena Island Fire District	314,238	100%	314,238
Sheldon Fire District	<u>224,309</u>	100%	<u>224,309</u>
 Total	 <u>\$ 280,567,186</u>		 <u>\$ 280,567,186</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Unreserved Fund Balance</u>	<u>General Fund Annual Expenditures</u>	<u>Balance as % of Expenditures</u>
1993	\$ 4,080,810	\$ 28,224,547	14.5%
1994	6,327,284	28,493,755	22.2%
1995	9,077,172	29,748,736	30.5%
1996	9,591,930	32,778,881	29.3%
1997	4,728,472	30,215,986	15.6%
1998	7,247,285	31,826,301	22.8%
1999	7,043,324	35,239,722	20.0%
2000	9,030,512	39,715,286	22.7%
2001	9,849,453	42,289,482	23.3%
2002	5,658,492	48,888,109	11.6%
2003	2,767,765	52,169,557	5.3%

BEAUFORT COUNTY, SOUTH CAROLINA
 RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
 TO TOTAL GENERAL EXPENDITURES-LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>General Expenditures</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1994	\$ 6,317,100	\$ 28,493,755	22.2%
1995	6,608,974	29,748,736	22.2%
1996	6,853,154	32,778,881	20.9%
1997	7,061,653 ⁽¹⁾	30,215,986	23.4%
1998	5,602,965	31,826,301	17.6%
1999	4,640,938	35,239,722	13.2%
2000	4,996,926	39,715,286	12.6%
2001	5,675,489 ⁽²⁾	42,289,482	13.4%
2002	7,593,739 ⁽³⁾	48,888,109	15.5%
2003	9,376,293	52,169,557	18.0%

(1) Excludes \$5,350,000 paid to redeem the 1989 General Obligation bonds, funded by refunding bonds.

(2) Excludes \$10,000,000 paid to redeem a bond anticipation note issued May 2000, and paid April 2001.

(3) Excludes \$10,950,000 paid to redeem the 1993 General Obligation bonds, funded by the 2002 General Obligation bonds and \$12,000,000 paid to redeem a bond anticipation note issued July 2001, and paid April 2002.

BEAUFORT COUNTY, SOUTH CAROLINA
 CONSTRUCTION COSTS AND BUILDING PERMITS ISSUED
 LAST TEN FISCAL YEARS

Construction

The following table shows the approximate number of building permits issued in the County and the approximate cost of construction represented by those permits in each of the last ten years. New construction has, of course, been affected by general economic conditions in the United States affecting real estate activity.

Year Ended December 31	Residential		Commercial	
	Number of Permits	Construction Costs	Number of Permits	Construction Costs
1993	1,429	\$ 190,470,880	161	\$ 38,653,590
1994	1,562	224,555,618	242	29,182,021
1995	1,235	185,060,607	164	23,236,851
1996	1,834	196,355,130	37	19,930,691
1997	1,938	209,982,501	51	37,571,530
1998	2,266	265,296,940	59	77,936,180
1999	2,415	315,321,027	55	39,593,452
2000	2,330	337,907,402	56	39,955,141
2001	2,054	292,779,724	56	45,399,121
2002	2,312	361,418,522	39	59,819,298

Source: County Building Inspector

BEAUFORT COUNTY, SOUTH CAROLINA
DEPOSITS OF FINANCIAL INSTITUTIONS WITHIN THE COUNTY
LAST TEN FISCAL YEARS

<u>Year Ended December 31</u>	<u>Bank Deposits</u>	<u>Savings & Loan Deposits</u>	<u>Total Deposits</u>
1993	\$ 612,765,000	Not Available	\$ 612,765,000
1994	686,998,000	277,829,000	964,827,000
1995	830,556,000	254,051,000	1,084,607,000
1996	817,957,000	249,869,000	1,067,826,000
1997	878,116,000	260,935,000	1,139,051,000
1998	1,043,844,000	282,520,000	1,326,364,000
1999	1,243,704,000	285,769,000	1,529,473,000
2000	1,832,106,000	Not Available	1,832,106,000
2001	1,983,000,000	Not Available	1,983,000,000
2002	2,064,496,000	Not Available	2,064,496,000

Source:

Federal Deposit Insurance Company 1993-present

BEAUFORT COUNTY, SOUTH CAROLINA
TEN LARGEST TAXPAYERS
JUNE 30, 2003

<u>Taxpayer</u>	2002 <u>Taxes Paid</u>	Percentage of total <u>Assessed Value</u>
Marriott Ownership Resort	\$ 2,594,686	1.28%
South Carolina Electric & Gas	2,523,967	1.13%
Palmetto Electric	1,496,990	.73%
Hargray Telephone Company	1,325,365	.65%
Greenwood Development Corp	911,242	.44%
Westin Hilton Head Limited	773,787	.38%
Dunes Hotel Associates, Inc.	642,738	.32%
Smith Lynn Press	633,137	.31%
Sea Pines Plantation Co., Inc.	587,261	.29%
Meirose Group	438,592	.22%

Source: Beaufort County Treasurer

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2003

GENERAL DESCRIPTION

Beaufort County was created by Legislative Act in 1785. The County provides a full range of services to its citizenry, including but not limited to, general administration, law enforcement, a Courts systems, a detention center, emergency medical services, emergency preparedness, animal control, mosquito control, maintenance of public buildings, a full range of public works (including roads and bridges and various recreational docks, piers, and boat landings), solid waste disposal, planning and development boards, libraries, and various social and public health services.

FORM OF GOVERNMENT

The County operates under the Council-Administrator form of government, in accordance with Title 4, Chapter 9 of the Code of Laws of South Carolina, 1976 (as amended) (the "Home Rule Act"). The County Council consists of eleven (11) members who are elected to staggered terms from single member districts for four year terms beginning on January 1 following the general election.

OTHER SERVICES

Fire protection is provided by organized fire districts, public service districts, voluntary fire fighting units, and municipal fire departments. Water and sewer services are provided by the Beaufort-Jasper Water and Sewer Authority, municipalities, and public service districts within the County. County government does not control these separate bodies, but does have an obligation, as the central governing body within the County, to insure continuous service to its citizenry.

Refuse collection is franchised to private contractors. Household garbage transfer stations are provided at various locations throughout the County.

LOCATION AND CLIMATE

Beaufort County is located in the southeastern corner of the State of South Carolina, known as the "Lowcountry". With a land area of 637 square miles, 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. Included in Beaufort County is the resort island of Hilton Head, connected to the mainland by bridge, which is the largest sea islands between New Jersey and Florida, comprising approximately 42 square miles. The topography of the region is relatively flat with winding inlets and rivers and large areas of marshland. The County has a subtropical climate with average 24-hour temperatures ranging from 46.1° F in January to 89.9° F in July.

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2003

**SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Annual Salary</u>	<u>Amount of Bond</u>
<u>County Council</u>		
Weston Newton, Chairman	\$ 11,825	\$ 5,000
W.R. Von Harten, Vice Chairman	9,030	2,000
Frank Brafman	9,030	2,000
Mark D. Generales	9,030	2,000
Herbert N. Glaze	9,030	2,000
Maragret E. Griffin	9,030	2,000
Starletta Hairston	9,030	2,000
William H. Ladson	9,030	2,000
Peter Lamb	9,030	2,000
William L. McBride		
Richard Stewart		
<u>Clerk of Court</u>		
Elizabeth Smith	58,848	50,000
<u>Treasurer</u>		
Joy Logan	44,283	100,000
<u>Probate Court Judge</u>		
Frank Simon	73,797	15,000
<u>Auditor</u>		
Sharon P. Burris	43,680	4,000
<u>Sheriff</u>		
P.J. Tanner	72,416	10,000
<u>Coroner</u>		
Curt Copeland	53,435	10,000
<u>Magistrates</u>		
Rita A. Simmons, Hilton Head Island (Chief Magistrate)	57,683	75,000
Andrew Dudley, Beaufort	40,955	50,000
Charles L. Smith, Bluffton	54,142	20,000
Joseph McDomick, Jr., St. Helena	55,078	10,000
Joseph N. Kline, Sheldon	24,821	10,000
Darlene Smith, at Large	54,142	20,000
<u>Master-in-Equity</u>		
Thomas Kemmerlin, Jr.	102,182	50,000
<u>County Administrator</u>		
Vacant		35,000

BEAUFORT COUNTY, SOUTH CAROLINA
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SCHEDULE OF INSURANCE IN FORCE

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage	Liability Limits	Annual Premium
		From	To			
Property IRF*	F130070000	3/24/03	3/24/04	Building, Contents Boiler & Machinery Fire, Lighting, EC, V&MM Replacement Cost Valuation	Scheduled \$50 Deductible on Vandalism	\$81,265
EDP IRF*	D130070000	3/24/03	3/24/04	Electronic data processing equip Hardware and Software	Scheduled	\$4,865
Radio Equip. IRF*	M130070000C	3/24/03	3/24/04	Inland Marine Form Radio Equipment	Schedule of Values	\$14,740
Boat/Motors IRF*	M130070000D	3/24/03	3/24/04	Inland Marine Policy Boats and Motors	Schedule of Values	\$764
General Liability (Tort) IRF*	T130070000	1/1/03	1/1/04	Bodily Injury/Property Damage Personal Injury Liability Deductible: \$250 p/occurrence	\$1,000,000	\$183,663
Commercial (Vehicle Fleet) IRF*	L130070000	3/24/03	3/24/04	BI Liability PD liability (p/occurrence) Basic Econ. Loss (p/person) Uninsured Motorist	\$600,000 CSL	\$263,150

*IRF is Insurance Reserve Fund of State Budget & Control, State Division of General Services

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SCHEDULE OF INSURANCE IN FORCE (Cont'd)

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage	Liability Limits	Annual Premium
		From	To			
Professional Liability	P 130075500	4/9/03	4/9/04	Hospital Medical Prof. Liab. Med. Prof.-EMS	\$100,000/ \$500,000	\$5,001
Insurance	P130071799	10/1/02	10/1/03	Med. Prof. Liab. -Detention Ctr.		\$428
Reserve	P130070199	10/1/02	10/1/03	Med. Prof. Liab. -Alcohol & Drug Abuse		\$294
Fund	P130070899A	10/1/02	10/1/03	Med. Prof. Liab. -DSN		\$602
Worker's Compensation SC Counties	WC Trust	1/1/03	1/1/04	Worker's Compensation Liability Employer's Liability	SC Statutory \$1,000,000	\$579,526
Aircraft Old Republic	AV4400505	2/8/03	2/8/04	Aviation Liability 250/500/250,000 & Scheduled Property, Damage (helicopter only) Passenger, Liability and Med. Expenses Coverage		\$60,850
Chemical Liability Old Republic	AA20603	8/11/02	8/11/03	Aerial Application Liability Limits: \$100,000/\$500,000		\$4,960
Blanket Bond Insurance Company of North America	CPBJ01363815	7/10/02	7/10/05	Employee Dishonesty Faithful Performance	\$35,000 \$5,000	\$4,170 (3, yr. Prem.)

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SCHEDULE OF INSURANCE IN FORCE (Cont'd)

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage	Liability Limits	Annual Premium
		From	To			
Bond		Varies		Elected/Appointed Officials Coverage: \$2,000 to \$100,000 Relative to Office	*	Varies w/#covered
Group Life Companion	Employee Benefit Plan	10/1/82	Present	Employees/Dependents	\$ 4,000/1,000	Varies w/#covered
Group Health Beaufort County	Benefit Plan	10/1/82	Present	Employees/Dependents Major Medical (Max. \$100,000 per member)	Schedule	Varies w/#covered
Dental Connecticut General	0485519	10/1/82	Present	Employee and Dependents	Schedule (\$500/member/year)	Varies w/#covered

BEAUFORT COUNTY, SOUTH CAROLINA
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ECONOMY

The County is one of the leaders in the State in the tourist and recreation industries. Hilton Head Island, Fripp Island and Hunting Island State Park are all located in the County and are examples of the economic boom in the leisure and resort industries. In 2002, the tourism industry on Hilton Head Island generated approximately 27,000 jobs and the Town of Hilton Head received accommodations tax revenue of approximately \$2,600,000..

Several major military installations are located in the County: the Parris Island Marine Corps Recruit Depot, the U.S. Marine Corps Air Station, and the U. S. Naval Hospital at Beaufort. The substantial presence of United States military services in the County also directly affects civilian employment as the various installations employ approximately 1,250 civilians. The payroll for military and civilian employees was \$355 million in 2002. Currently there are no plans to close or reduce the number of employees at these bases. As a result of base closures and realignments nationally, the military presence in the County is actually increasing. Two new Navy Squadrons are being added to the Marine Corps Air Station.

The South Carolina Department of Agriculture reports that the 1997 (last year available) preliminary cash value of crops and livestock produced in the County amounted to \$12,556,000 and that the preliminary cash value of commercial fishing in the County amounted to \$8,964,997. In addition, the 1994 (last year available) preliminary figures for delivered value of forest products produced in the County amounted to \$7,774,000, according to the Department of Forestry of Clemson University.

RETAIL SALES

The State imposes a 5% sale tax on all retail sales. Additionally, where counties have approved it on a local-option basis, the State imposes an additional 1% sales tax on all retail sales. Beaufort County has not approved the 1% local-option sales tax. The following table shows the level of retail sales over the last five years for businesses located in the County.

<u>Year</u>	<u>Total Retail Sales</u>	<u>Increase Over Previous Year</u>
1998	\$ 2,408,109,879	\$ 141,393,154
1999	2,730,206,546	322,096,667
2000	2,905,307,405	175,100,859
2001	2,917,924,095	12,616,690
2002	2,994,734,542	76,810,447

Source: South Carolina Tax Commission

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
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UNEMPLOYMENT RATE

CPS LABOR FORCE ESTIMATES
(BY PLACE OF RESIDENCE)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Civilian Labor Force	50,360	51,820	54,070	53,970	55,580
Employment	49,300	50,630	52,950	52,570	54,030
Unemployment	1,060	1,190	1,120	1,400	1,550
% of Labor Force	2.1%	2.3%	2.1%	2.6%	2.8%

Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers.

Source: South Carolina Employment Security Commission, Labor Market and Information Division

LABOR FORCE

The Labor force of Beaufort County has experienced rapid growth in the trade and construction areas. The composition of the civilian labor force in the County, based on place-of-work basis, for the last 5 years is as follows:

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Manufacturing	1,130	1,290	1,170	1,100	1,140
Construction	3,700	3,950	4,940	5,620	6,090
Transportation & Public Utilities	1,730	1,910	1,990	1,850	1,880
Wholesale and Retail Trade	13,900	14,700	15,040	16,020	16,910
Finance, Insurance and Real Estate	3,970	4,190	3,850	3,950	4,870
Service	15,540	15,670	17,080	17,770	18,940
Government	<u>7,670</u>	<u>7,870</u>	<u>7,990</u>	<u>8,800</u>	<u>9,330</u>
Totals	47,640	49,580	52,060	55,110	59,160

Source: South Carolina Employment Security Commission, Labor Market and Information Division

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
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EDUCATION

The Beaufort County School District is coextensive with the County. The School District, established by State legislation, provides certain services with funds from taxes levied and collected for it by the County. The budget for the school district is subject to approval by the County Council. The School District currently operates 16 elementary schools, 6 middle schools, 3 senior high schools, and 1 school for exceptional children.

Public school enrollment in the County for the last 5 years (for which information is available) is shown in the following table:

<u>Year</u>	<u>Pre-K2 Kindergarten</u>	<u>Elementary Grades 1-8</u>	<u>High School Grades 9-12</u>	<u>Special Education</u>	<u>Total</u>
1998-99	1,721	9,814	4,089	496	16,120
1999-00	1,706	10,044	4,381	557	16,631
2000-01	1,643	10,102	4,435	625	16,753
2001-02	1,719	10,354	4,738	586	17,397
2002-03	1,746	10,398	4,995	618	17,757

Source: Beaufort County School District

There are also two major private schools located in the County: the Beaufort Academy, with a present enrollment of approximately 450 students in grades K4 through 12; and the Hilton Head Preparatory School, with a present enrollment of approximately 400 students in grades K5 through 12.

There are two institutions of higher education located in Beaufort County: the Technical College of the Lowcountry, as well as, the University of South Carolina at Beaufort, which has a branch office located on Hilton Head Island. USC at Beaufort is one of the fastest growing regional campuses of the University system, with a fall 2002 enrollment of 986 full-time students.

TRANSPORTATION

The County is served by U. S. Highways Nos. 21 and 278 and by South Carolina Highways Nos. 116, 170, 281, and 802. Interstate 95, a major interstate from Boston to Miami runs approximately two miles west of the County and has helped the tourist industry significantly. The County is served by approximately 32 motor freight carriers. Rail facilities are provided in the County by the CSX Railroad and AMTRAK provides passenger service.

There are two airports located in the County: the Beaufort County Airport, located on Lady's Island, which is available for general aviation services only; and the Hilton Head Island Airport, which provides service by commercial carriers and complements the services offered by the Savannah International Airport.

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
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POPULATION

Beaufort County was the fastest-growing County among 46 counties in the State of South Carolina, with a 40% increase in population from 86,425 in 1990 to 120,937 in 2000. According to the U.S. Bureau of the Census, there has been a 110.8% increase in the population for the Town of Hilton Head and a 10.9% in the population for the City of Beaufort from the period 1980 to 1990.

The following table shows population projection information for the County and the State:

<u>Year</u>	<u>Beaufort Co. Population</u>	<u>Percent Increase Prior Census</u>	<u>State Population</u>
1990	86,425	27.8%	3,487,714
1995	94,900	9.9%	3,684,000
2000	120,937	39.9%	3,914,000
2005	133,000	10.0%	4,121,000
2010	145,000	20.0%	4,327,000

Source: U. S. Bureau of the Census; U.S. Dept of Commerce

PER CAPITA INCOME

Beaufort County presently ranks first among the 46 counties of the State in per capita income. The per capita income in the County and the State for each of the last 5 years for which information is available is shown below.

<u>Year</u>	<u>County Per Capita Income</u>	<u>State Per Capita Income</u>
1997	\$ 28,248	\$ 20,998
1998	30,073	22,115
1999	31,307	22,958
2000	32,112	24,273
2001	34,029	24,886

Source: Division of Research and Statistical Services of the State Budget and Control Board of South Carolina

PROPERTY TAXATION AND ASSESSMENT

Article X, Section 1 of the State constitution, requires equal and uniform assessments of property throughout the State for the following classes of property and at the following ratios of fair market value of such property.

- (1) Real and personal property owned by or leased to manufacture, utilities and mining operations, and used in the conduct of such business - 10.5% of fair market value;

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
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PROPERTY TAXATION AND ASSESSMENT (Cont'd)

- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons of property and used in the conduct of such business - 9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres - 4% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations - 4% of use value (if the property owner makes property application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders - 6% of use value (if property owner makes proper application and qualifies);
- (6) All other property - 6% of fair market value;
- (7) Business inventories - 6% of fair market value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant);
- (8) All farm machinery and equipment except motor vehicles licensed for use on the highways - 5% of fair market value; and
- (9) All other personal property - 10.5% of fair market value.

The South Carolina Tax Commission has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order to ensure that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within the County. Upon completion of a reassessment or equalization program, the total ad valorem tax for any County or other political subdivision of the State may not exceed the total ad valorem tax of such County or other political subdivision for the year immediately prior to completion of such program by more than a state determined CPI percentage, if the increase in total taxes was caused by such reassessment or equalization program. This limitation, however, does not prohibit an increase in total ad valorem taxes as a result of assessments added for property or improvement not previously taxed, for new construction, or for renovation of existing structures taking place during the reassessment period, nor does it prohibit any County or another political subdivision from increasing the millage on all taxable property for the purpose of obtaining additional monies for increased or new services or for increased costs of existing services. The latest reassessment was completed in 1998 and was implemented in the 1998 tax year.

The County Assessor appraises and assesses all of the real property and mobile homes located within the County and certifies the results to the County Auditor. The County Auditor appraises and assesses all motor vehicles, marine equipment, business personal property and airplanes. The South Carolina Tax Commission furnishes guides for use by the County in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and business equipment.

Each year the Tax Commission certifies its assessments to the County Auditor who prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepare tax bills and then in September charges the County Treasurer with the collection. South Carolina has no statewide property tax.

TAX COLLECTION PROCEDURE

In the County, taxes are collected from a single tax bill, which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal taxes in the County are payable on or before January 15 of each year with the exception of taxes on motor vehicles. All personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for the motor vehicle expires. If real property taxes are not paid on or before January 16, a penalty of 3% is added; if not paid by February 2, an additional penalty of 7% is added; if not paid by March 15, an additional penalty of 5% added and taxes go into execution. Unpaid taxes, both real and personal, constitute a first lien against the property. The County Treasurer is empowered to seize and sell so much of the defaulting taxpayer's estate -real and personal as may be sufficient to satisfy the taxes.

BEAUFORT COUNTY, SOUTH CAROLINA
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OTHER MISCELLANEOUS FACTS

Miles of Road

Paved (Maintained)

54

Unimproved

230

LAW ENFORCEMENT

Sheriff's Department

Administrative personnel

14

Investigators

22

Civil Deputies

10

Patrol Deputies

163

Total

209

Detention Center:

Correctional officers

66

Administrative personnel

6

Total

72

EMPLOYEES

As of June 30, 2003

1,039 full time, 42 part-time

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
 JUNE 30, 2003

Court Fines

Court fines collected	\$ 560,470
Court fines retained by County	<u>(560,470)</u>
 Court Fines Remitted to the State Treasurer	 <u>\$ -</u>

Court Assessments

Court assessments collected	\$ 678,036
Court assessments retained by County	<u>(135,420)</u>
 Court Assessemnts Remitted to the State Treasurer	 <u>\$ 542,616</u>

Court Surcharges

Court surcharges collected	\$ <u>68,116</u>
 Court Surcharges Retained by County	 <u>\$ 68,116</u>

Victims Services

Court assessments allocated to Victim Services	\$ 77,818
Court surcharges allocated to Victim Services	68,166
Assessments and Surcharges collected from other years	<u>2,835</u>
 Funds allocated to Victim Services	 148,819
Victim Services expenditures	<u>(192,744)</u>
 Funds used	 (43,925)
 Funds carried forward	 <u>67,822</u>
 Funds Available for Carryforward	 <u>\$ 23,897</u>