

Lee Davis

**COUNTY COUNCIL
OF BEAUFORT COUNTY
South Carolina**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended
June 30, 2005**

Comprehensive Annual
Financial Report
of
Beaufort County, South Carolina

June 30, 2005

Issued by

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

COUNTY COUNCIL OF BEAUFORT COUNTY

BEAUFORT, SOUTH CAROLINA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2005

COUNTY COUNCIL

Wm. Weston J. Newton, Chairman

W. R. "Skeet" Von Harten, Vice-Chairman

Frank Brafman

Gerald Dawson

Mark D. Generales

Herbert N. Glaze

Margaret E. Griffin

Starletta Hairston

Peter Lamb

William McBride

Dick Stewart

COUNTY ADMINISTRATOR

Gary T. Kubic

CONTROLLER

Thomas A. Henrikson, CPA

COUNTY AUDITOR

Sharon P. Burris

COUNTY TREASURER

Joy Logan

BEAUFORT COUNTY, SOUTH CAROLINA
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 FISCAL YEAR ENDED JUNE 30, 2005
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INTRODUCTORY SECTION



County Council of Beaufort County
Multi-Government Center ♦ 100 Ribaut Road
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228
Telephone (843) 470-2800 FAX (843) 470-2751

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, 2005. 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 have taken a systematic, businesslike approach to the running of Beaufort County. Additionally, we want 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. The last \$20,000,000 of bonds authorized by this referendum were issued during November 2004.

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 \$4,207,825 during fiscal year 2005 and the expenditures totaled \$4,212,250.

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 \$1,016,724 for these projects during fiscal year 2005.

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 \$21,474,428 for these projects during fiscal year 2005.

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 management. 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, 2005, 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 \$118,622,368 in fiscal year 2005, an increase of 23.1% over fiscal year 2004. General property taxes accounted for 55.2% of the total revenues in fiscal year 2005, as compared to 56.5% in fiscal year 2004. 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, 2005

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
Property Taxes	\$ 65,483,466	55.2%	\$ 11,029,278
Licenses and Permits	8,462,749	7.1%	2,543,602
Intergovernmental	22,138,156	18.7%	1,573,860
Charges of Services	15,458,622	13.0%	2,961,427
Fines and Forfeitures	1,111,798	.9%	(105,273)
Interest	1,627,662	1.4%	627,208
Miscellaneous	<u>4,339,915</u>	<u>3.7%</u>	<u>3,691,921</u>
Totals	<u>\$118,622,368</u>	<u>100.0%</u>	<u>\$ 22,322,023</u>

Expenditures by all governmental fund types totaled \$139,516,042 in fiscal year 2005. The decrease of \$13,054,143 from fiscal year 2004 a result of decreased debt service expenditures due to the payment on bond anticipation notes during the prior fiscal year and decreased capital project expenditures from bonds issued in prior years. 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, 2005**

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
General Government	\$ 24,944,004	17.8%	\$ 2,641,222
Public Safety	32,348,721	23.2%	2,017,581
Public Works	17,833,904	12.8%	357,735
Public Health	7,131,096	5.1%	413,125
Public Welfare	948,468	.7%	(106,237)
Cultural and Recreation	7,082,111	5.1%	545,841
Debt Service	12,385,535	8.9%	(13,564,370)
Capital Projects	<u>36,842,203</u>	<u>26.4%</u>	<u>(5,359,040)</u>
Totals	<u>\$139,516,042</u>	<u>100.0%</u>	<u>\$(13,054,143)</u>

GENERAL FUND BALANCE

The fund balance of the general fund was \$11,795,350 as of June 30, 2005. However, this included \$974,741 of funds reserved for specific items. This leaves an undesignated, unreserved fund balance of \$10,820,609. Therefore, assuming 260 working days per year, divided into the total general fund expenditures and transfers of \$63,742,431, this undesignated, unreserved fund balance represents the equivalent of 44.1 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 eleventh 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 over twenty-five years. The airport revenues are generated by the sale of fuels and the rental of hangers.

The Hilton Head Island Airport has been operated by the County for twenty years. The airport revenues are generated from lease payments, landing fees, ticket counter and automobile rental agency fees, and federal grants and reimbursements.

DEBT ADMINISTRATION

As of June 30, 2005, Beaufort County had four outstanding general obligation bond issues, totaling \$106,175,000. 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, 2005 were tax incremental financing revenue bonds totaling \$63,680,000. 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 has outstanding capital leases for various pieces of equipment totaling \$298,150. These items total \$170,153,150 of which the County currently has \$9,280,423 on hand to pay this debt.

Additionally, the Hilton Head Airport enterprise fund has an outstanding loan for \$728,191. This loan is to be repaid through this enterprise fund.

CAPITAL ASSETS

The County's capital assets include those capital assets used in the performance of general government functions and excludes the capital assets of the enterprise funds. As of June 30, 2005 the capital assets of the reporting entity, amounted to \$216,249,981. This amount represents the original or estimated cost for the assets and it is considerably less than their present value. Depreciation of capital 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 provides group health insurance, disability insurance and life insurance to its employees through various insurance companies. 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 statutes require an annual audit by independent certified public accountants or independent public accountants. The accounting firm of Elliott Davis, LLC 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

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Beaufort County Council
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 as of and for the year ended June 30, 2005 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County'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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Beaufort County as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and other major governmental funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 23, 2006 on our consideration of Beaufort County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with government auditing standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 the County of Beaufort's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and accompanying Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

January 23, 2006

Ernst Davis, LLC

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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, 2005. 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, 2005 by \$77,965,720 (net assets). Of this amount \$24,085,307 (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 \$13,046,694 during the fiscal year ended June 30, 2005 with a \$13,123,302 increase resulting from governmental activities and a \$76,608 decrease resulting from business type activities.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$10,820,609, or approximately seventeen percent of the general fund expenditures and transfers.
- Beaufort County's capital assets increased by \$29,809,263 during the current fiscal year. The increase in governmental activities capital assets of \$29,127,514 was the result of: several purchases of property through the Real Property Purchase Program; the ongoing construction within the New River Tax Increment Financing District for the south campus for the University of South Carolina; the road construction within the Bluffton Tax Increment Financing District and throughout the County with the County's Road Improvement Program; and the construction at the County Regional Park at Burton Wells. The increase in business type activities capital assets of \$681,749 was the result of the purchase of equipment for the Stormwater Utility and for the Hilton Head Airport.

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, 2005. 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).

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.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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 \$77,965,720 as of June 30, 2005.

Of this amount, \$44,599,990 (approximately 57%) 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, \$9,280,423 (approximately 12%), represents resources that are restricted to the repayment of the County's bonded indebtedness. The remaining balance of unrestricted net assets, \$24,085,307 (approximately 31%), may be used to meet the government's ongoing obligations to citizens and creditors.

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, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Beaufort County's Net Assets
June 30, 2005 and 2004

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 101,113,182	\$ 88,485,698	\$ 3,480,342	\$ 422,665	\$ 104,593,524	\$ 88,888,363
Capital assets	<u>156,381,357</u>	<u>127,253,843</u>	<u>16,809,717</u>	<u>16,127,968</u>	<u>173,191,074</u>	<u>143,381,811</u>
Total assets	<u>\$ 257,494,539</u>	<u>\$ 215,719,541</u>	<u>\$ 20,290,059</u>	<u>\$ 16,550,633</u>	<u>277,784,598</u>	<u>\$ 232,270,174</u>
Long-term liabilities	\$ 166,734,793	\$ 141,816,629	\$ 559,493	\$ 728,191	\$ 167,294,286	\$ 142,544,820
Other liabilities	<u>27,706,937</u>	<u>23,973,405</u>	<u>4,817,655</u>	<u>832,923</u>	<u>32,524,592</u>	<u>24,806,328</u>
Total liabilities	<u>\$ 194,441,730</u>	<u>\$ 165,790,034</u>	<u>\$ 5,377,148</u>	<u>\$ 1,561,114</u>	<u>199,818,878</u>	<u>\$ 167,351,148</u>
Net assets:						
Invest in capital assets						
Net of related debt	\$ 28,518,464	\$ 21,299,949	\$ 16,081,526	\$ 15,239,265	\$ 44,599,990	\$ 36,539,214
Restricted	9,280,423	7,468,002	-	-	9,280,423	7,468,002
Unrestricted	<u>25,253,922</u>	<u>21,161,556</u>	<u>(1,168,615)</u>	<u>(249,746)</u>	<u>24,085,307</u>	<u>20,911,810</u>
	<u>\$ 63,052,809</u>	<u>\$ 49,929,507</u>	<u>\$ 14,912,911</u>	<u>\$ 14,989,519</u>	<u>\$ 77,865,720</u>	<u>\$ 64,919,026</u>

The County's net assets increased by \$13,046,694 during the fiscal year.

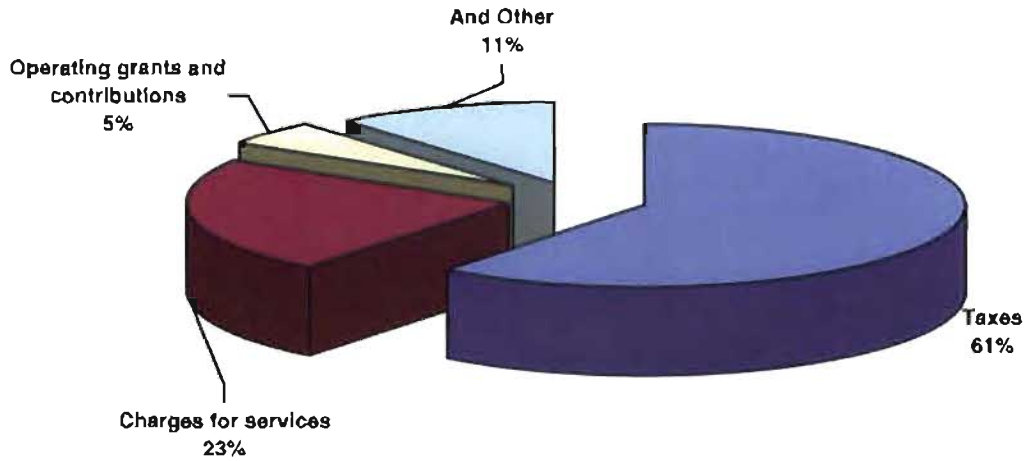
BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Beaufort County's Changes in Net Assets
For the Fiscal Years Ended June 30, 2005 and 2004

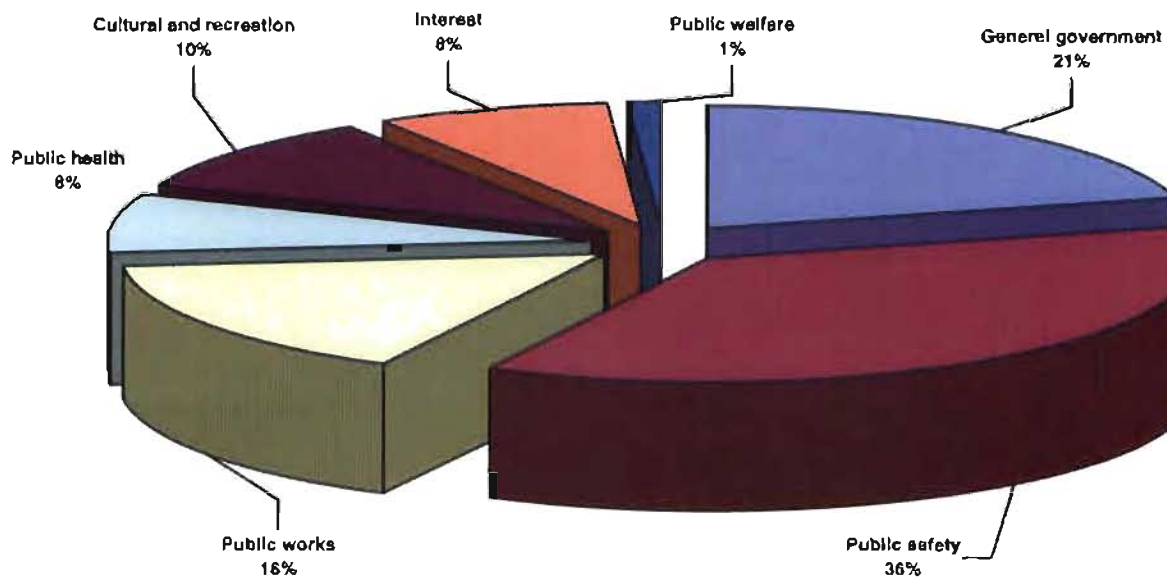
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program Revenues:						
Charges for service	\$ 25,033,169	\$ 19,633,413	\$ 8,863,835	\$ 8,050,870	\$ 33,897,104	\$ 27,684,283
Operating grants and contributions	5,893,333	6,739,125	171,894	157,085	6,065,227	6,896,210
Capital grants and contributions	3,148,936	2,770,673	240,806	2,337,140	3,389,742	5,107,813
General Revenues:						
Property taxes	65,662,852	54,454,188	-	-	65,662,852	54,454,188
Grants and contributions	5,802,176	5,930,598	-	-	5,802,176	5,930,598
Unrestricted investment earnings	1,627,662	1,000,454	63,721	31,511	1,691,383	1,031,965
Miscellaneous	<u>1,467,144</u>	<u>647,994</u>	<u>3,979</u>		<u>1,471,123</u>	<u>647,994</u>
Total revenues	<u>108,835,372</u>	<u>91,176,445</u>	<u>9,344,335</u>	<u>10,576,606</u>	<u>117,979,707</u>	<u>101,753,051</u>
Program Expenses						
Governmental Activities:						
General government	20,435,569	19,299,507	-	-	20,435,569	19,299,507
Public safety	35,659,419	32,383,389	-	-	35,659,419	32,383,389
Public works	14,904,707	13,982,695	-	-	14,904,707	13,982,695
Public health	7,343,920	6,864,153	-	-	7,343,920	6,884,153
Public welfare	948,468	1,163,940	-	-	948,468	1,163,940
Cultural and recreation	8,628,664	7,809,386	-	-	8,628,664	7,809,386
Interest	7,591,323	6,820,142	-	-	7,591,323	6,820,142
Business-type Activities:						
Garage	-	-	3,111,165	2,702,854	3,111,165	2,702,854
Stormwater utility	-	-	4,212,250	3,437,623	4,212,250	3,437,623
Lady's Island Airport	-	-	464,560	405,512	464,560	405,512
Hilton Head Airport	-	-	1,632,968	1,505,316	1,632,968	1,505,316
Total expenses	<u>95,512,070</u>	<u>88,323,212</u>	<u>9,420,943</u>	<u>8,051,305</u>	<u>104,933,013</u>	<u>96,374,517</u>
Excess revenues over expenses	13,123,302	2,853,233	(76,608)	2,525,301	13,046,694	5,378,534
Net Assets, beginning	<u>49,929,507</u>	<u>47,076,274</u>	<u>14,989,519</u>	<u>12,464,218</u>	<u>64,919,026</u>	<u>58,540,492</u>
Net Assets, ending	<u>\$ 63,052,809</u>	<u>\$ 49,929,507</u>	<u>\$ 14,912,911</u>	<u>\$ 14,989,519</u>	<u>\$ 77,965,720</u>	<u>\$ 64,919,026</u>

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Revenues by Source - Governmental Activities

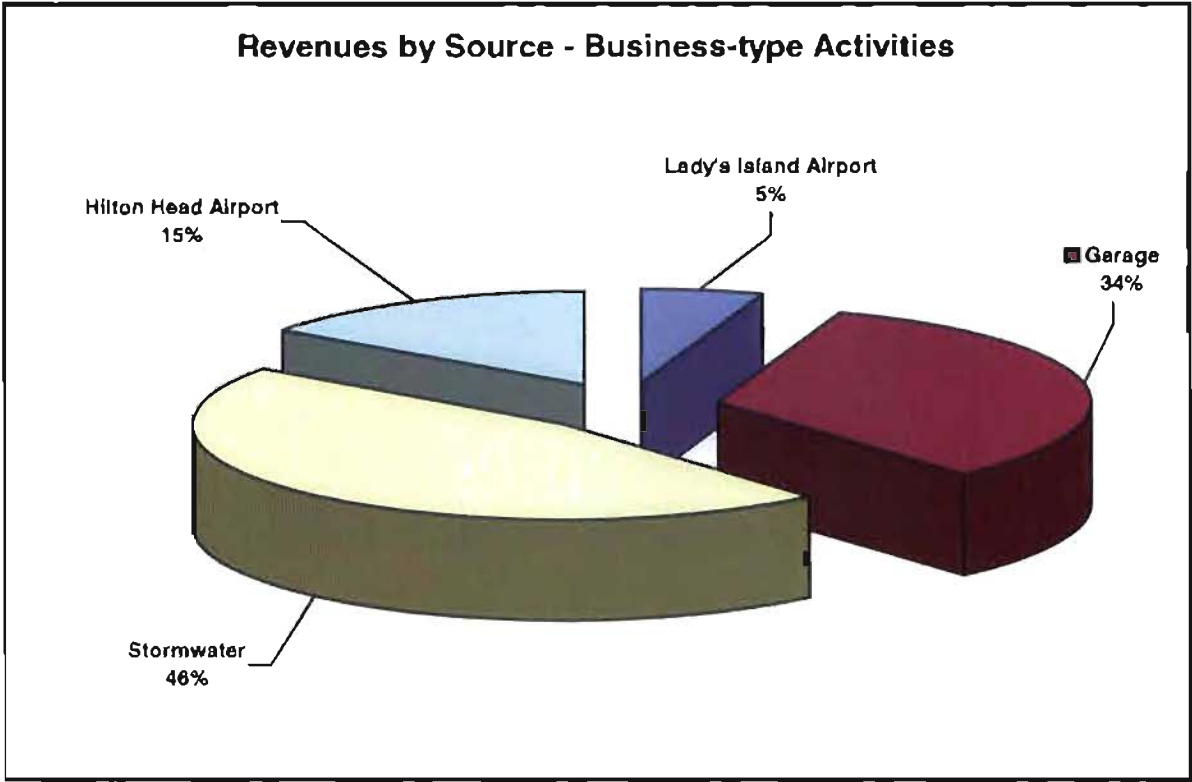


Expenses by Program - Governmental Activities

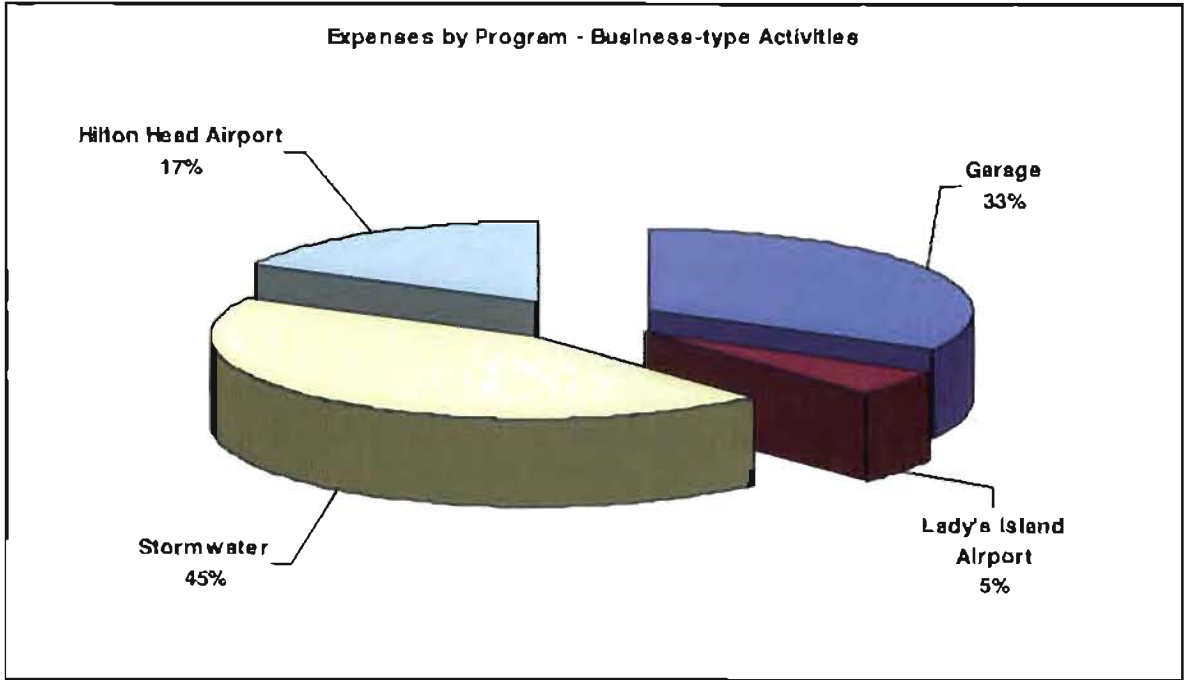


BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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, 2005

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 \$81,531,799 an increase of \$9,606,326 in comparison with the prior year. This increase was the result of the issuance of general obligation bonds which are not reflected in the governmental fund balances.

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 \$11,795,350, of which \$974,741 was reserved for encumbrances and carry forwards. 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 17% of total general fund expenditures and transfers, while total fund balance represents approximately 18.5% 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 \$3,498,597 difference in general fund expenditures between these two budgets is the result of the reclassification of the Parks and Leisure Services Programs from a special revenues fund to the general fund.

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, 2005 was \$173,191,074 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

Long-term debt – Beaufort County had \$170,881,341 of total long-term debt outstanding as of June 30, 2005. This amount increased by \$25,027,338 during this fiscal year as a result of the issuance of \$30,500,000 general obligation bonds less the amount of \$5,472,662 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, 2005

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets:			
Cash and equity in pooled cash and investments	\$ 93,896,497	\$ 2,891,171	\$ 96,787,668
Receivables, net	4,014,556	368,174	4,382,730
Due from other governments	3,062,329	-	3,062,329
Notes receivable	50,000	-	50,000
Inventories	-	149,271	149,271
Prepaid expenditures	89,800	71,726	161,526
	<u>101,113,182</u>	<u>3,480,342</u>	<u>104,593,524</u>
Capital Assets:			
Non-depreciable	63,527,349	8,466,802	71,994,151
Depreciable	92,854,008	8,342,915	101,196,923
	<u>156,381,357</u>	<u>16,809,717</u>	<u>173,191,074</u>
Total Assets	<u>257,494,539</u>	<u>20,290,059</u>	<u>277,784,598</u>
LIABILITIES			
Liabilities:			
Accounts payable	10,303,463	381,949	10,685,412
Current portion of long term debt	5,693,223	168,698	5,861,921
Due to others	11,674,004	4,267,008	15,941,012
Deferred revenues	36,247	-	36,247
	<u>27,706,937</u>	<u>4,817,655</u>	<u>32,524,592</u>
Long term Liabilities:			
Accrued compensated absences	2,274,866	-	2,274,866
Long-term obligations	164,459,927	559,493	165,019,420
	<u>166,734,793</u>	<u>559,493</u>	<u>167,294,286</u>
Total Liabilities	<u>194,441,730</u>	<u>5,377,148</u>	<u>199,818,878</u>
NET ASSETS			
Invested in capital assets, net of related debt	28,518,464	16,081,526	44,599,990
Restricted for debt service	9,280,423	-	9,280,423
Restricted for capital projects, net of related debt	-	-	-
Unrestricted	25,253,922	(1,168,615)	24,085,307
	<u>25,253,922</u>	<u>(1,168,615)</u>	<u>24,085,307</u>
Total Net Assets	<u>\$ 63,052,809</u>	<u>\$ 14,912,911</u>	<u>\$ 77,965,720</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, 2005

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 20,435,569	\$ 11,811,709	\$ 1,036,921	\$ 155,625
Public Safety	35,659,419	6,850,467	468,317	1,090,332
Public Works	14,904,707	3,198,408	80,849	1,652,979
Public Health	7,343,920	327,663	3,741,315	-
Public Welfare	948,468	21,669	124,065	-
Cultural and Recreation	8,628,664	2,823,252	441,866	250,000
Interest	7,591,323	-	-	-
Total Governmental Activities	95,512,070	25,033,169	5,893,333	3,148,936
Business-type Activities				
Garage	3,111,165	3,108,261	-	-
Stormwater Utility	4,212,250	4,207,825	-	87,800
Lady's Island Airport	464,560	471,341	-	14,280
Hilton Head Airport	1,632,968	1,076,508	171,894	138,726
Total Business-type Activities	8,420,943	8,863,935	171,894	240,806
Total	\$ 104,933,013	\$ 33,897,104	\$ 6,065,227	\$ 3,389,742
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		
Activities	Business Type Activities	Totals
\$ (7,431,314)	\$ -	\$ (7,431,314)
(27,250,303)	-	(27,250,303)
(9,972,470)	-	(9,972,470)
(3,274,942)	-	(3,274,942)
(802,734)	-	(802,734)
(5,113,546)	-	(5,113,546)
(7,591,323)	-	(7,591,323)
<u>(61,436,632)</u>	<u>-</u>	<u>(61,436,632)</u>
-	(2,904)	(2,904)
-	83,375	83,375
-	21,061	21,061
-	(245,840)	(245,840)
-	(144,308)	(144,308)
<u>\$ (61,436,632)</u>	<u>\$ (144,308)</u>	<u>\$ (61,580,940)</u>
\$ 85,662,952	\$ -	\$ 65,662,952
5,802,176	-	5,802,176
1,627,662	63,721	1,691,383
1,467,144	3,979	1,471,123
<u>74,559,934</u>	<u>67,700</u>	<u>74,627,634</u>
13,123,302	(76,608)	13,046,694
<u>49,929,507</u>	<u>14,989,519</u>	<u>64,919,026</u>
<u>\$ 63,052,809</u>	<u>\$ 14,912,911</u>	<u>\$ 77,965,720</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	General	New River TIF District	Real Property Purchase Program	2005 General Obligation Bond Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and equity in pooled cash and investments	\$ 22,924,523	\$ 8,165,731	\$ 10,828,956	\$ 11,650,216	\$ 40,327,071	\$ 93,896,497
Receivables, net	2,415,107	-	-	-	1,599,449	4,014,556
Due from other governments	1,547,943	-	-	-	1,514,386	3,062,329
Notes receivable	50,000	-	-	-	-	50,000
Due from other funds	-	-	-	-	-	-
Prepaid expenditures	88,999	-	-	-	801	89,800
Total assets	\$ 27,026,572	\$ 8,165,731	\$ 10,828,956	\$ 11,650,216	\$ 43,441,707	\$ 101,113,182
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ 2,078,323	\$ 1,032,474	\$ 40,238	\$ 38,332	\$ 2,857,213	\$ 6,046,580
Accrued payroll	1,575,337	-	-	-	69,729	1,645,066
Due to others	11,423,494	-	-	-	250,510	11,674,004
Deferred property tax revenues	133,051	-	-	-	46,435	179,486
Deferred revenue	21,017	-	-	-	15,230	36,247
Total liabilities	15,231,222	1,032,474	40,238	38,332	3,239,117	19,581,383
Fund Equity:						
Reserved for encumbrances and carry forwards	974,741	1,720,976	-	3,043,146	5,096,079	10,834,942
Reserved for capital projects	-	5,412,281	10,788,718	8,568,738	10,033,725	34,803,462
Reserved for debt service	-	-	-	-	9,280,423	9,280,423
Unreserved fund balances	10,820,609	-	-	-	15,792,363	26,612,972
Total fund equity	11,795,350	7,133,257	10,788,718	11,611,884	40,202,590	81,531,799
Total liabilities and fund equity	\$ 27,026,572	\$ 8,165,731	\$ 10,828,956	\$ 11,650,216	\$ 43,441,707	\$ 101,113,182

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, 2005

Total governmental fund balances (Exhibit 3)	\$ 81,531,799
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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	156,381,357
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Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred in governmental funds property taxes	179,486
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds	
accrued interest payable	(2,611,817)
current portion of long term debt	(5,693,223)
accrued compensated absences	(2,274,866)
long-term obligations	<u>(164,459,927)</u>

Net assets of governmental activities	\$ <u>63,052,809</u>
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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, 2005

	General	New River TIF District	Real Property Purchase Program	2005 General Obligation Bond Projects	Nonmajor Governmental Funds	Totals Governmental Funds
Revenues						
Taxes	\$ 47,419,184	\$ -	\$ -	\$ -	\$ 18,064,282	\$ 65,483,466
Licenses and Permits	3,393,994	-	-	-	5,068,755	8,462,749
Intergovernmental	6,073,748	-	155,625	-	15,908,783	22,138,156
Charges for Services	12,179,930	-	-	-	3,278,692	15,458,622
Fines and Forfeitures	882,229	-	-	-	229,569	1,111,798
Interest	64,028	131,101	155,737	888,188	388,610	1,627,662
Miscellaneous	311,610	3,694,638	-	-	333,667	4,339,915
Total Revenues	<u>70,324,723</u>	<u>3,825,739</u>	<u>311,362</u>	<u>888,186</u>	<u>43,272,358</u>	<u>118,622,368</u>
Expenditures						
General Government	15,616,654	-	-	-	9,327,350	24,944,004
Public Safety	29,301,879	-	-	-	3,046,842	32,348,721
Public Works	7,897,503	-	-	-	9,936,401	17,833,904
Public Health	2,172,343	-	-	-	4,958,753	7,131,096
Public Welfare	717,165	-	-	-	231,303	948,468
Cultural and Recreation	6,702,500	-	-	-	379,611	7,082,111
Debt Service - Principal	-	-	-	-	5,285,000	5,285,000
Debt Service - Interest and Fees	-	-	-	-	7,100,535	7,100,535
Capital Projects	-	14,684,525	14,453,059	1,879,222	5,825,397	36,842,203
Total Expenditures	<u>62,408,044</u>	<u>14,684,525</u>	<u>14,453,059</u>	<u>1,879,222</u>	<u>46,091,192</u>	<u>139,516,042</u>
Excess of Revenues Over (Under) Expenditures	7,916,679	(10,858,786)	(14,141,697)	(991,036)	(2,818,834)	(20,893,674)
Other Financing Sources (Uses)						
Bond Proceeds	-	-	20,000,000	10,500,000	-	30,500,000
Operating Transfers In	62,458	-	-	2,102,920	6,751,565	8,916,943
Operating Transfers Out	(1,334,387)	-	-	-	(7,582,556)	(8,916,943)
Total Other Financing Sources (Uses)	<u>(1,271,929)</u>	<u>-</u>	<u>20,000,000</u>	<u>12,602,920</u>	<u>(830,991)</u>	<u>30,500,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	6,644,750	(10,858,786)	5,858,303	11,611,884	(3,649,825)	9,606,326
Fund Balance at the Beginning of the Year	<u>5,150,600</u>	<u>17,992,043</u>	<u>4,930,415</u>	<u>-</u>	<u>43,852,415</u>	<u>71,925,473</u>
Fund Balance at the End of the Year	<u>\$ 11,795,350</u>	<u>\$ 7,133,257</u>	<u>\$ 10,788,718</u>	<u>\$ 11,611,884</u>	<u>\$ 40,202,590</u>	<u>\$ 81,531,799</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2005

Total net change in fund balances - governmental funds (Exhibit 4) \$ 9,606,326

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	40,650,125
depreciation	(8,649,840)

In the statement of activities, the loss on disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on disposal of capital assets.

net book value of capital assets disposed	(2,872,771)
-------------------------------------------	-------------

Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds

179,486

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 bonds	(30,500,000)
bond principal payments	5,285,000
capital lease principal payments	27,150

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	(111,386)
increase in accrued compensated absences	(490,788)

The County has allocated the costs associated with the County's employee benefits program into the various County departments. Additionally, the County records its contribution for these benefits and the payments of the associated premiums within a special revenue fund. Therefore, to avoid the doubling up of the cost of these benefits within the statement of activities there needs to be a reduction of revenues and a similar reduction of expenditures:

revenue reduction	(7,293,711)
expenditure reduction	<u>7,293,711</u>

Change in net assets of governmental activities \$ 13,123,302

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, 2005

	GENERAL			Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 45,258,045	\$ 45,258,045	\$ 47,419,184	\$ 2,161,139
Licenses and Permits	2,676,614	2,676,614	3,393,994	717,380
Intergovernmental	5,932,286	5,932,286	6,073,748	141,462
Charges for Services	9,246,081	9,614,081	12,179,830	2,565,849
Fines and Forfeitures	896,000	896,000	882,229	(13,771)
Interest	204,200	204,200	64,028	(140,172)
Miscellaneous	178,600	219,000	311,610	92,610
Total Revenues	64,391,826	64,800,226	70,324,723	5,524,497
Expenditures				
General Government	16,623,971	16,557,168	15,616,654	940,514
Public Safety	31,070,601	31,094,889	29,301,879	1,793,010
Public Works	7,765,494	7,780,856	7,897,503	(116,647)
Public Health	2,260,490	2,276,263	2,172,343	103,920
Public Welfare	741,083	736,083	717,165	18,918
Cultural and Recreation	3,346,737	6,881,714	6,702,500	159,214
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	-	-	-	-
Total Expenditures	61,808,376	65,308,973	62,408,044	2,898,929
Excess of Revenues Over (Under) Expenditures	2,583,450	(506,747)	7,916,679	8,423,426
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Transfer In	42,750	42,750	62,458	19,708
Transfer Out	(4,608,944)	(1,518,747)	(1,334,387)	184,360
Total Other Financing Sources (Uses)	(4,566,194)	(1,475,997)	(1,271,929)	204,068
Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)	(1,982,744)	(1,982,744)	6,644,750	8,627,494
Fund Balance at the Beginning of the year	5,150,600	5,150,600	5,150,600	-
Fund Balance at the End of the Year	\$ 3,167,856	\$ 3,167,856	\$ 11,795,350	\$ 8,627,494

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, 2005

	NEW RIVER TIF DISTRICT			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	131,101	131,101
Miscellaneous	-	3,694,638	3,694,638	-
Total Revenues	-	3,694,638	3,825,739	131,101
Expenditures				
General Government				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	17,779,790	21,474,428	14,684,525	6,789,903
Total Expenditures	17,779,790	21,474,428	14,684,525	6,789,903
Excess of Revenues Over (Under) Expenditures	(17,779,790)	(17,779,790)	(10,858,786)	6,921,004
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)	(17,779,790)	(17,779,790)	(10,858,786)	6,921,004
Fund Balance at the Beginning of the year	17,992,043	17,992,043	17,992,043	-
Fund Balance at the End of the Year	\$ 212,253	\$ 212,253	\$ 7,133,257	\$ 6,921,004

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, 2005

REAL PROPERTY PURCHASE PROGRAM				
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	155,625	155,625
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	50,000	50,000	155,737	105,737
Miscellaneous	-	-	-	-
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>311,362</u>	<u>261,362</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	24,980,000	24,980,000	14,453,059	10,526,941
Total Expenditures	<u>24,980,000</u>	<u>24,980,000</u>	<u>14,453,059</u>	<u>10,526,941</u>
Excess of Revenues Over (Under) Expenditures	(24,930,000)	(24,930,000)	(14,141,697)	10,788,303
Other Financing Sources (Uses)				
Bond Proceeds	20,000,000	20,000,000	20,000,000	-
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)	(4,930,000)	(4,930,000)	5,858,303	10,788,303
Fund Balance at the Beginning of the year	<u>4,930,415</u>	<u>4,930,415</u>	<u>4,930,415</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ 415</u>	<u>\$ 415</u>	<u>\$ 10,788,718</u>	<u>\$ 10,788,303</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, 2005

2005 GENERAL OBLIGATION BOND PROJECTS				
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits				
Intergovernmental	150,000	150,000	-	(150,000)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	970,000	970,000	888,186	(81,814)
Miscellaneous	-	-	-	-
Total Revenues	<u>1,120,000</u>	<u>1,120,000</u>	<u>888,186</u>	<u>(231,814)</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>11,820,000</u>	<u>13,697,190</u>	<u>1,879,222</u>	<u>11,817,968</u>
Total Expenditures	<u>11,820,000</u>	<u>13,697,190</u>	<u>1,879,222</u>	<u>11,817,968</u>
Excess of Revenues Over (Under) Expenditures	(10,700,000)	(12,577,190)	(991,036)	11,586,154
Other Financing Sources (Uses)				
Bond Proceeds	10,500,000	10,500,000	10,500,000	-
Transfer In	200,000	2,077,190	2,102,920	25,730
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>10,700,000</u>	<u>12,577,190</u>	<u>12,602,920</u>	<u>25,730</u>
Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)	-	-	11,611,884	11,611,884
Fund Balance at the Beginning of the year	-	-	-	-
Fund Balance at the End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,611,884</u>	<u>\$ 11,611,884</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, 2005

	NONMAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 16,425,314	\$ 16,425,314	\$ 18,064,282	\$ 1,638,968
Licenses and Permits	2,653,000	2,653,000	5,068,755	2,415,755
Intergovernmental	13,777,207	13,797,207	15,908,783	2,111,576
Charges for Services	2,594,153	2,595,753	3,278,692	682,939
Fines and Forfeitures	145,000	145,000	228,569	84,569
Interest	104,000	94,000	388,610	294,610
Miscellaneous	<u>181,536</u>	<u>156,536</u>	<u>333,667</u>	<u>177,131</u>
Total Revenues	<u>35,880,210</u>	<u>35,866,810</u>	<u>43,272,358</u>	<u>7,405,548</u>
Expenditures				
General Government	8,343,783	8,735,783	9,327,350	(581,567)
Public Safety	2,508,313	2,508,313	3,046,842	(538,529)
Public Works	13,698,575	12,705,533	9,936,401	2,769,132
Public Health	5,233,547	5,233,547	4,958,753	274,794
Public Welfare	296,813	296,813	231,303	65,510
Cultural and Recreation	4,868,002	1,089,465	379,611	709,854
Debt Service - Principal	5,285,000	5,285,000	5,285,000	-
Debt Service - Interest and Fees	5,835,433	7,118,475	7,100,535	17,940
Capital Projects	<u>19,378,851</u>	<u>17,494,601</u>	<u>5,825,397</u>	<u>11,689,204</u>
Total Expenditures	<u>65,448,317</u>	<u>60,467,530</u>	<u>46,091,192</u>	<u>14,376,338</u>
Excess of Revenues Over (Under) Expenditures	(29,568,107)	(24,600,720)	(2,818,834)	21,781,888
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Transfer In	6,441,745	5,610,837	6,751,565	1,140,728
Transfer Out	<u>(2,088,859)</u>	<u>(6,225,338)</u>	<u>(7,582,556)</u>	<u>(1,357,218)</u>
Total Other Financing Sources (Uses)	<u>4,352,886</u>	<u>(614,501)</u>	<u>(830,991)</u>	<u>(216,490)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)	(25,215,221)	(25,215,221)	(3,649,825)	21,565,396
Fund Balance at the Beginning of the year	<u>43,852,415</u>	<u>43,852,415</u>	<u>43,852,415</u>	-
Fund Balance at the End of the Year	<u>\$ 18,637,194</u>	<u>\$ 18,637,194</u>	<u>\$ 40,202,590</u>	<u>\$ 21,565,396</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, 2005

TOTALS

	TOTALS			Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 61,683,359	\$ 61,683,359	\$ 65,483,466	\$ 3,800,107
Licenses and Permits	5,329,614	5,329,614	8,462,749	3,133,135
Intergovernmental	19,859,493	19,879,493	22,138,156	2,258,663
Charges for Services	11,840,234	12,209,834	15,458,622	3,248,788
Fines and Forfeitures	1,041,000	1,041,000	1,111,798	70,798
Interest	1,328,200	1,318,200	1,627,662	309,462
Miscellaneous	360,136	4,070,174	4,339,915	269,741
Total Revenues	101,442,036	105,531,674	118,622,368	13,090,694
Expenditures				
General Government	24,967,754	25,292,951	24,944,004	348,947
Public Safety	33,578,914	33,603,202	32,348,721	1,254,481
Public Works	21,464,069	20,486,389	17,833,904	2,652,485
Public Health	7,494,037	7,509,810	7,131,096	378,714
Public Welfare	1,037,896	1,032,896	948,468	84,428
Cultural and Recreation	8,214,739	7,951,179	7,082,111	869,068
Debt Service - Principal	5,285,000	5,285,000	5,285,000	-
Debt Service - Interest and Fees	5,835,433	7,118,475	7,100,535	17,940
Capital Projects	73,958,641	77,846,219	36,842,203	40,804,016
Total Expenditures	181,836,483	185,928,121	139,516,042	46,410,079
Excess of Revenues Over (Under) Expenditures	(80,394,447)	(80,394,447)	(20,893,674)	59,500,773
Other Financing Sources (Uses)				
Bond proceeds	30,500,000	30,500,000	30,500,000	-
Transfer In	6,684,495	7,730,777	8,916,943	1,186,186
Transfer Out	(6,697,803)	(7,744,085)	(8,916,943)	(1,172,858)
Total Other Financing Sources (Uses)	30,486,692	30,486,692	30,500,000	13,308
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(49,907,755)	(49,907,755)	9,606,326	59,514,081
Fund Balance at the Beginning of the year	71,925,473	71,925,473	71,925,473	-
Fund Balance at the End of the Year	\$ 22,017,718	\$ 22,017,718	\$ 81,531,799	\$ 59,514,081

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2005

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
ASSETS					
Current Assets:					
Cash and Investments with Trustee	\$ (83,193)	\$ 683,615	\$ (318,435)	\$ 2,609,184	\$ 2,891,171
Receivables, net	156,174	67,621	19,808	124,571	368,174
Internal balances	-	-	(240,000)	240,000	-
Inventories	53,005	57,394	38,872	-	149,271
Prepayments	71,726	-	-	-	71,726
Total current assets	197,712	808,630	(499,755)	2,973,755	3,480,342
Capital assets	393,781	1,409,716	2,684,738	16,603,186	21,091,421
Accumulated depreciation	(281,113)	(411,658)	(420,103)	(3,168,832)	(4,281,704)
	112,668	998,060	2,264,635	13,434,354	16,809,717
Total Assets	310,380	1,806,690	1,764,880	16,408,109	20,290,059
LIABILITIES					
Liabilities:					
Account payable	69,983	73,813	5,836	142,663	292,295
Accrued payroll	1,285	39,779	5,063	43,527	89,654
Due to Federal Aviation Administration	-	-	-	4,267,008	4,267,008
Current portion of long term debt	-	-	-	168,698	168,698
Total current liabilities	71,268	113,592	10,899	4,621,896	4,817,655
Long term portion of debt	-	-	-	559,493	559,493
Total liabilities	71,268	113,592	10,899	5,181,389	5,377,148
NET ASSETS:					
Invested in capital assets, net					
of related debt	112,668	998,060	2,264,635	12,706,163	16,081,526
Unrestricted	126,444	695,038	(510,654)	(1,479,443)	(1,168,615)
Total Net Assets	\$ 239,112	\$ 1,693,098	\$ 1,753,981	\$ 11,226,720	\$ 14,912,911

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, 2005

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Operating revenues:					
Garage billings	\$ 1,577,872	\$ -	\$ -	\$ -	\$ 1,577,872
Fuel and oil sales	1,530,360	-	362,642	-	1,893,002
Stormwater utility fees	-	4,038,941	-	-	4,038,941
Stormwater utility project billings	-	168,864	-	-	168,864
Concession sales	-	-	9,265	-	9,265
FBO lease payments	-	-	-	60,880	60,880
Firefighting fees	-	-	-	97,894	97,894
Landing fees	-	-	7,561	121,756	129,317
Parking/taxi fees	-	-	-	19,207	19,207
Rentals	-	-	90,174	582,673	672,847
Passenger facilities charges	-	-	-	190,930	190,930
TSA grants	-	-	-	171,894	171,894
Other charges	29	-	1,699	3,168	4,896
Total operating revenues	<u>3,108,261</u>	<u>4,207,825</u>	<u>471,341</u>	<u>1,248,402</u>	<u>9,035,829</u>
Operating expenses:					
Costs of sales and services	3,006,954	-	231,415	-	3,238,369
Personnel	44,154	908,227	82,452	738,827	1,773,660
Purchased services	23,006	933,914	59,644	334,970	1,351,534
Supplies	3,851	232,870	15,813	54,006	306,540
Other	-	1,963,891	-	-	1,963,891
Depreciation	33,200	173,348	75,236	465,983	747,767
Total operating expenses	<u>3,111,165</u>	<u>4,212,250</u>	<u>464,560</u>	<u>1,593,786</u>	<u>9,381,761</u>
Operating income (loss)	(2,904)	(4,425)	6,781	(345,384)	(345,932)
Non-Operating Revenues (Expenses)					
Contributed assets	-	87,800	14,280	138,726	240,806
Gain (loss) on sale of property and equipment	(7,051)	38,337	(562)	(26,745)	3,979
Interest earned	-	1,789	-	61,832	63,721
Interest expense	-	-	-	(39,182)	(39,182)
Total non-operating revenues	<u>(7,051)</u>	<u>127,926</u>	<u>13,718</u>	<u>134,731</u>	<u>269,324</u>
Change in Net Assets	(9,955)	123,501	20,499	(210,653)	(76,608)
Net Assets, Beginning	<u>249,067</u>	<u>1,569,597</u>	<u>1,733,482</u>	<u>11,437,373</u>	<u>14,989,519</u>
Net Assets, Ending	<u>\$ 239,112</u>	<u>\$ 1,693,098</u>	<u>\$ 1,753,981</u>	<u>\$ 11,226,720</u>	<u>\$ 14,912,911</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, 2005

	<u>Garage</u>	<u>Stomwater 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	\$ 3,018,505	\$ 4,168,817	\$ 464,422	\$ 1,133,257	\$ 8,785,001
Cash paid to employees	(44,010)	(917,427)	(82,359)	(744,906)	(1,788,702)
Cash paid to suppliers	<u>(3,216,235)</u>	<u>(3,118,439)</u>	<u>(369,033)</u>	<u>(423,640)</u>	<u>(7,127,347)</u>
	<u>(241,740)</u>	<u>132,951</u>	<u>13,030</u>	<u>(35,289)</u>	<u>(131,048)</u>
Cash flows from noncapital financing activities:					
Advances from Federal Aviation Administration	-	-	-	4,267,008	4,267,008
Cash flows from capital and related financing activities:					
Contributed capital	-	87,800	14,280	138,726	240,806
Proceeds from sale of fixed assets	-	199,665	-	-	199,665
Purchase of capital assets	-	(443,303)	(80,861)	(1,101,038)	(1,625,202)
Principal payment on debt	-	-	-	(160,512)	(160,512)
Interest paid on debt	-	-	-	<u>(39,182)</u>	<u>(39,182)</u>
	<u>-</u>	<u>(155,838)</u>	<u>(66,581)</u>	<u>(1,162,008)</u>	<u>(1,384,425)</u>
Cash flows from investing activities:					
Interest earned	<u>-</u>	<u>1,789</u>	<u>-</u>	<u>61,932</u>	<u>63,721</u>
Net increase (decrease) in cash and cash equivalents	(241,740)	(21,098)	(53,551)	3,131,645	2,815,256
Cash and cash equivalents, July 1, 2004	<u>158,547</u>	<u>704,713</u>	<u>(264,884)</u>	<u>(522,461)</u>	<u>75,915</u>
Cash and cash equivalents, June 30, 2005	<u>\$ (83,193)</u>	<u>\$ 683,615</u>	<u>\$ (318,435)</u>	<u>\$ 2,609,184</u>	<u>\$ 2,891,171</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, 2005

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Reconciliation of operating income to net cash flows from operating activities:					
Operating Income (loss)	\$ (2,904)	\$ (4,425)	\$ 6,781	\$ (345,384)	\$ (345,932)
Adjustments to reconcile:					
Depreciation	33,200	173,348	75,236	465,983	747,767
Changes in assets and liabilities:					
(Increase) Decrease in account receivable	(89,756)	(39,008)	(6,819)	(115,145)	(250,828)
(Increase) Decrease in inventories	(19,566)	33,107	(5,134)	-	8,407
(Increase) Decrease in other current assets	-	-	-	-	-
Increase (Decrease) in accounts payable	(162,858)	(20,871)	(57,027)	(34,664)	(275,420)
Increase (Decrease) in accrued payroll	144	(9,200)	93	(6,079)	(15,042)
Increase (Decrease) in other current liabilities	-	-	-	-	-
	<u>(272,036)</u>	<u>(35,972)</u>	<u>(68,987)</u>	<u>(155,888)</u>	<u>(532,883)</u>
Net cash flow from operating activities	\$ (241,740)	\$ 132,951	\$ 13,030	\$ (35,289)	\$ (131,048)

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

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2005

ASSETS

Cash and equity in pooled cash and investments	\$ 43,584,562
Total assets	<u>43,584,562</u>

LIABILITIES

Liabilities:	
Due to agency	<u>43,584,562</u>
Total liabilities	<u>43,584,562</u>

NET ASSETS

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

Note 1 – Summary of Significant Accounting Policies

The financial statements of Beaufort County, South Carolina, have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statement and interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements

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

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

Fund financial statements

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources management focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

Note 1 – Summary of Significant Accounting Policies - Continued

considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The new river TIF district fund accounts for the expenditure of the bond proceeds of the bonds issued for the improvements within the TIF district. These improvements include the new river campus for the University of South Carolina-Beaufort and the south campus for the Technical College of the Lowcountry.

The real property purchase program fund accounts for the expenditure of bond proceeds of the bonds issued for the purchase of rural and critical lands within the County.

The 2005 general obligation bond projects fund accounts for the expenditure of the bond proceeds of the bonds issued for various capital projects throughout the County.

The County reports the following major enterprise funds:

The garage fund accounts for the activities of the County's garage operations.

The stormwater utility fund accounts for the activities of the County's stormwater utility operations.

The Lady's Island airport fund accounts for the activities of the County's airport operations on Lady's Island.

The Hilton Head airport fund accounts for the activities of the County's airport operations on Hilton Head Island.

Additionally, the government reports the following fund types:

Special revenue funds

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

Debt service fund

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

Capital projects funds

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

Note 1 – Summary of Significant Accounting Policies – Continued

Agency Fund

The agency fund accounts for monies held on behalf of school districts, special districts and other agencies that use the County as a depository or property taxes are collected on behalf of the other governments.

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

Amount reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Measurement Focus

Government-wide financial statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net assets.

Fund financial statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decrease (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

Note 1 – Summary of Significant Accounting Policies - Continued

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Net assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restriction imposed by creditors, grantors, laws, or regulations of other governments.

Deferred revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

Investments - Investments consist of certificates of deposit and repurchase agreements. All investments are recorded at cost, which approximates market value.

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

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

Capital Assets - Capital assets purchased or acquired with an original cost of \$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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

Note 1 – Summary of Significant Accounting Policies - Continued

Compensated Absences – The County accrues compensated absences and associated employee-related costs when earned by the employee.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the County's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Budgets and Budgetary Accounting - The County uses 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 #2004/22, 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 #2004/22.

2. Cash and Equity in Pooled Cash and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At June 30, 2005, the carrying amount of the County's deposits was \$28,474,510 and the bank balance was \$31,107,700. All of the County's deposits at year-end were covered by federal depository insurance or by collateral

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2005

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

held in the pledging financial institutions' trust departments in the County's name. Therefore, none of the County's deposits were exposed to custodial credit risk at June 30, 2005.

Investments

As of June 30, 2005, the County has the following investments:

Investment Type	Fair Value	Investment maturities (in years)		
		Less than 1	1 - 5	5 - 10
US Treasury Obligations	\$ 5,867,312	\$ 5,867,312	\$ -	\$ -
US Government Agency Obligations	<u>53,654,068</u>	<u>42,804,535</u>	<u>8,000,000</u>	<u>2,849,533</u>
	59,521,380	48,671,847	8,000,000	2,849,533
Federated mutual funds	7,639,488	7,639,488	-	-
South Carolina local government investment pool	8,312,025	8,312,025	-	-
Repurchase agreements	<u>36,424,847</u>	<u>36,424,847</u>	-	-
	<u>\$ 111,897,740</u>	<u>\$ 101,048,207</u>	<u>\$ 8,000,000</u>	<u>\$ 2,849,533</u>

Interest rate risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

The County has no investment policy that would further limit its investment choices other than state law. As of June 30, 2005, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. These financial statements may be obtained by writing to the following address:

The State Treasurer's Office
 Local Government Investment Pool
 Post Office Box 11778
 Columbia, SC 29211

The County's investments in U.S. Government Agency Obligations were rated Aaa by Moody's Investors Services.

Concentration of credit risk

The County places no limit on the amount the County may invest in any one issuer. As of June 30, 2005, no single issuer investment exceeded 5% of total investments.

3. Receivables/Due from Other Governments

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

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2005

3. Receivables/Due from Other Governments – Continued:

The following details receivables-net by fund:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Property tax receivable	\$ 702,803	\$ 245,096
Licenses and fees receivable	179,389	489,336
Fines receivable	829,833	-
Accounts receivable - other	<u>703,082</u>	<u>865,017</u>
	<u>\$2,415,107</u>	<u>\$ 1,599,449</u>

Key dates in the property tax cycle for tax year 2004 are as follows:

Assessment date	2003
Property taxes levied	September 1, 2004
Tax bills rendered	October 1, 2004
Property taxes payable	March 16, 2005
Delinquency date	March 17, 2005
Tax sale date	October 1, 2005

The following details the due from other governments by fund:

	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>
State aid to subdivisions	\$ 1,386,041	\$ -
General Government programs	73,405	235,399
Public Safety programs	88,497	521,950
Public Works programs	-	508,155
Alcohol & Drug programs	-	68,682
Disabilities and Special Needs programs	-	40,860
Public Welfare programs	-	52,855
Cultural & Recreational programs	<u>-</u>	<u>86,495</u>
	<u>\$ 1,547,943</u>	<u>\$ 1,514,386</u>

4. Notes Receivable

Notes receivable of \$50,000 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.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

5. Capital Assets

Governmental Activities

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Disposals or Transfers</u>	<u>Balance June 30, 2005</u>
Capital assets not being depreciated:				
Land & Improvements	\$22,207,332	\$ 16,487,400	\$ -	\$ 38,694,732
Construction In progress	<u>34,604,613</u>	<u>23,192,284</u>	<u>32,964,280</u>	<u>24,832,617</u>
Total capital assets not being depreciated	<u>56,811,945</u>	<u>39,679,684</u>	<u>32,964,280</u>	<u>83,527,349</u>
Other capital assets:				
Buildings & Improvements	90,544,033	30,904,080	199,154	121,248,959
Equipment	<u>37,868,487</u>	<u>3,030,841</u>	<u>9,525,455</u>	<u>31,473,673</u>
Total other capital assets	128,512,520	33,934,721	9,724,609	152,722,632
Less accumulated depreciation	<u>58,070,622</u>	<u>8,649,840</u>	<u>6,851,838</u>	<u>59,868,624</u>
Other capital assets, net	<u>70,441,898</u>	<u>25,284,881</u>	<u>2,872,771</u>	<u>92,854,008</u>
Total Governmental Activities	<u>\$127,253,843</u>	<u>\$ 64,964,565</u>	<u>\$35,837,051</u>	<u>\$ 156,381,357</u>

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, 2005 was \$8,649,840 and the accumulated depreciation as of June 30, 2005 was \$59,868,624.

The depreciation expense was allocated as follows:

General Government	\$ 2,673,890
Public Safety	3,655,700
Public Works	560,873
Public Health	212,824
Public Welfare	-
Cultural and Recreation	<u>1,546,553</u>
Total	<u>\$ 8,649,840</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2005

5. Capital Assets – Continued:

Business-type Activities

	Balance June 30, 2004	Additions	Disposals or Transfers	Balance June 30, 2005
Capital assets not being depreciated:				
Land & Improvements	\$ 7,713,105	\$ -	\$ -	\$ 7,713,105
Construction in progress	-	753,697	-	753,697
Total capital assets not being depreciated	<u>7,713,105</u>	<u>753,697</u>	<u>-</u>	<u>8,466,802</u>
Other capital assets:				
Buildings & Improvements	9,098,445	-	-	9,098,445
Equipment	<u>3,312,259</u>	<u>871,102</u>	<u>657,187</u>	<u>3,526,174</u>
Total other capital assets	12,410,704	871,102	657,187	12,624,619
Less accumulated depreciation	<u>3,995,841</u>	<u>747,767</u>	<u>461,904</u>	<u>4,281,704</u>
Other capital assets, net	<u>8,414,863</u>	<u>123,335</u>	<u>195,283</u>	<u>8,342,915</u>
Business-type activities capital assets, net	<u>\$ 16,127,968</u>	<u>\$ 877,032</u>	<u>\$ 195,283</u>	<u>\$ 16,809,717</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, 2005 was \$747,767 and the accumulated depreciation as of June 30, 2005 was \$4,281,704.

The depreciation expense was allocated as follows:

Garage	\$ 33,200
Stormwater Utility	173,348
Lady's Island Airport	75,236
Hilton Head Airport	<u>465,983</u>
Total	<u>\$ 747,767</u>

6. Long-Term Obligations

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation bonds	\$ 106,175,000	\$ -
TIF Revenue bonds	63,680,000	-
Note payable	-	728,191
Capital leases	<u>298,150</u>	<u>-</u>
	<u>\$ 170,153,150</u>	<u>\$ 728,191</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 Buckwatter Parkway, the minor renovations of various County buildings and park facilities, and other governmental projects within the County.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

6. Long Term Obligations - Continued:

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.

In November 2004, the County issued \$30,500,000 in General Obligation bonds bearing interest rates of 3.0% to 5.0% and with varying maturities through 2025. The proceeds of these bonds were used as follows: \$20,000,000 for the purchase of real property program as approved by referendum in November 2000; and \$10,500,000 for various County projects including the purchase of various public works and public safety vehicles; improvements to various County parks and for other governmental construction projects within the County.

The 1999, 2001, 2002, 2003, and 2005 general obligation bonds are collateralized by the full faith and credit of the County and are payable from ad valorem taxes.

General obligation bonds accounted for in the County's Statement of Net Assets consist of the following at June 30, 2005:

<u>Description</u>	<u>Rates and Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2005</u>
1999 Improvement Bonds	4.6% - 5.25% 2/1 and 8/1	2008	\$ 9,100,000	\$ 5,200,000
2001 County Bonds	4.375% - 5.25% 2/1 and 8/1	2020	30,000,000	25,620,000
2002 County Bonds	3.0% - 4.875% 2/1 and 8/1	2022	25,100,000	20,705,000
2003 County Bonds	2.0% - 5.0% 2/1 and 8/1	2023	25,500,000	24,150,000
2005 County Bonds	3.0% - 5.0% 2/1 and 8/1	2025	<u>30,500,000</u>	<u>30,500,000</u>
			<u>\$120,200,000</u>	<u>\$106,175,000</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

6. Long Term Obligations - Continued:

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>	<u>2005 County Bonds</u>	<u>Total</u>
2006	\$ 2,039,200	\$ 2,531,629	\$ 2,631,100	\$ 1,671,500	\$ 1,385,875	\$10,259,304
2007	2,056,400	2,521,504	2,616,600	1,706,500	1,685,875	10,586,879
2008	1,569,000	2,516,254	2,610,800	1,740,500	1,676,875	10,113,429
2009	-	2,493,004	2,598,225	1,773,500	1,667,875	8,532,604
2010	-	2,493,079	2,587,025	1,803,250	1,808,875	8,692,229
2011-2015	-	12,371,945	7,024,012	9,810,312	9,569,000	38,775,269
2016-2020	-	12,190,744	5,628,269	10,531,563	12,434,750	40,785,326
2021-2025	-	-	<u>2,266,000</u>	<u>6,260,312</u>	<u>22,581,250</u>	<u>31,107,562</u>
Total	5,664,600	37,118,159	27,962,031	35,297,437	52,810,375	158,852,602
Less amount representing interest	<u>464,800</u>	<u>11,498,159</u>	<u>7,257,031</u>	<u>11,147,437</u>	<u>22,310,375</u>	<u>52,677,802</u>
Net	<u>\$ 5,200,000</u>	<u>\$25,620,000</u>	<u>\$20,705,000</u>	<u>\$24,150,000</u>	<u>\$30,500,000</u>	<u>\$106,175,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2005 was \$3,959,473.

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
2006	\$ 5,530,000
2007	6,075,000
2008	5,850,000
2009	4,515,000
2010	4,840,000
2011-2015	22,275,000
2016-2020	29,750,000
2021-2025	<u>27,340,000</u>
Total	\$ <u>106,175,000</u>

Tax Increment Financing Revenue Bonds

In November 2002, the County issued \$40,000,000 in Tax Increment Financing Revenue Bonds for the New River TIF District, 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.

In November 2003, the County issued \$23,680,000 in Tax Increment Revenue Bonds for the Bluffton TIF District, bearing interest rates of 2.0% to 5.0% and with varying maturities through 2028. The proceeds of these bonds were used to pay the outstanding bond anticipation note and to provide infrastructure improvements within the Tax Increment Financing District.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2005

6. Long Term Obligations - Continued:

The following is a schedule of the debt service requirements:

Fiscal Year Ending	New River TIF	Bluffton TIF	Total
2006	\$ 1,989,882	\$ 1,276,080	\$ 3,265,962
2007	2,189,883	1,283,380	3,483,263
2008	2,233,883	1,314,815	3,548,698
2009	2,286,382	1,334,955	3,621,337
2010	2,546,463	1,403,600	3,950,063
2011-2015	15,780,450	8,801,750	24,582,200
2016-2020	17,932,900	11,091,750	29,024,650
2021-2025	18,425,000	11,308,500	29,733,500
2026-2028	<u>7,508,250</u>	<u>3,445,750</u>	<u>10,954,000</u>
Total	70,893,092	41,270,580	112,163,673
Less amount representing interest	<u>30,893,092</u>	<u>17,590,580</u>	<u>48,483,673</u>
Net	<u>\$40,000,000</u>	<u>\$23,680,000</u>	<u>\$63,680,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2005 as \$3,130,962.

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, 2005, the County has one lease-purchase agreement to purchase communication equipment with a lease term of 10 years and an interest rate of 3.95%. 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, 2005.

Fiscal Year Ending	Amount
2006	\$ 40,000
2007	40,000
2008	40,000
2009	40,000
2010	40,000
2011-2014	<u>160,000</u>
Total	360,000
Less amount representing interest	<u>61,850</u>
Net	<u>\$ 298,150</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

6. Long Term Obligations - Continued:

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, 2005 was approximately \$12,850 which was recorded as an expenditure in the Special Revenue Fund for E-911 equipment.

Changes In Long-Term Liabilities

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
General Obligation Bonds	\$ 80,960,000	\$ 30,500,000	\$ 5,285,000	\$106,175,000
TIF Revenue Bonds	63,680,000	-	-	63,680,000
Notes Payable	888,703	-	160,512	728,191
Capital Leases	<u>325,300</u>	<u>-</u>	<u>27,150</u>	<u>298,150</u>
Totals	<u>\$ 145,854,003</u>	<u>\$ 30,500,000</u>	<u>\$ 5,472,662</u>	<u>\$170,881,341</u>

Of this total of long-term liabilities, \$5,861,921 is due within the next fiscal year and \$165,019,420 is due in later years.

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	\$ 3,108,261	\$ 4,207,825	\$ 471,341	\$ 1,248,402	\$ 9,035,829
Cost of Sales and Services	3,006,854	-	231,415	-	3,238,369
Operating Expenses before depreciation	71,011	4,038,902	157,909	1,127,803	5,395,625
Depreciation	<u>33,200</u>	<u>173,348</u>	<u>75,236</u>	<u>465,983</u>	<u>747,767</u>
Operating Income (loss)	<u>\$ (2,904)</u>	<u>\$ (4,425)</u>	<u>\$ 6,781</u>	<u>\$ (345,384)</u>	<u>\$ (345,932)</u>
Capital Contributions	-	87,800	14,280	138,726	240,806
Property/equipment additions	-	442,900	-	428,202	871,102
Working Capital	126,444	695,038	(510,654)	(1,648,141)	(1,337,313)
Total Assets	310,380	1,806,690	1,764,880	16,408,109	20,290,059
Long-term debt	-	-	-	728,191	728,191
Assets-net of related debt	112,668	998,060	2,264,635	12,706,163	16,081,526
Unrestricted Net Assets	126,444	695,038	(510,654)	1,479,443	(1,168,615)

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

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, 2005 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.

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, 2005. 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.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2005

10. Retirement Plans – Continued:

Actuarially established employer contribution rates are as follows:

	<u>Retirement Program</u>			<u>Group Life Insurance Program</u>	<u>Total</u>
	<u>Normal</u>	<u>Unfunded Accrued Liability</u>	<u>Accidental Death 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.

All employers contribute at the actuarially required contribution rates.

Contribution Information:

	<u>SCRS</u>	<u>PORS</u>
Covered payroll	\$ 24,944,707	\$ 12,100,679
Employee contributions	1,431,785	721,012
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, 2005, 2004 and 2003 were \$1,669,955, \$1,581,119, and \$1,502,947 respectively, which are equal to the required contributions.

The County's employer contribution to the PORS for the years ended June 30, 2005, 2004 and 2003 were \$1,246,370, \$1,169,363, and \$1,135,473 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:

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2005

10. Retirement Plans – Continued:

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.

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.

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits.

Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts, which are issued to, and become the property of the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies. To elect participation in the ORP, eligible employees must irrevocably waive SCRS membership within their first ninety days of employment.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 7.55 percent plus the retiree surcharge of 3.25 percent from the employer in fiscal year 2005.

None of the County's employees have elected to be covered under optional retirement plans as of June 30, 2005.

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.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2005

10. Retirement Plans – Continued:

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, 2003, based upon the actuarial method used for funding purposes:

	SCRS	PORS
Unfunded Accrued Liability	\$ 4,200,995,000	\$ 233,480,000
Liquidation Period	25 years	11 years

11. Other Post Employment Benefits

The County provides post-retirement health, life and dental care benefits, as per the requirements of a local ordinance, for certain retirees. Substantially all employees who retire under the State retirement plans are eligible to continue their coverage with the County paying 100% of the premium for those with 28 or more years of service, 75% of the premium for those with 20 years to 27 years of service and 50% of the premium for those with 15 years to 20 years of service. As of year-end there were 63 employees who had retired with the County and were receiving health insurance benefits. For the year ended June 30, 2005, the County recognized expenditures of \$109,152 for healthcare premiums.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

12. Accrued Compensated Absences and Other Benefits

Effective February 15, 1993, Beaufort County adopted a new leave policy for all employees. The TOWP/SCA policy was replaced with a policy granting Personal Leave Days and Personal Disability Leave. Under the new policy, employees were entitled to a maximum Personal Leave balance of 280 hours. Upon termination, employees will be paid for all unused, unpaid Personal Leave up to this maximum. The liability recorded at June 30, 2005, to cover unused, unpaid Personal Leave including fringe benefits totaled \$2,342,788. Of this amount, \$2,274,866 is considered a long-term liability.

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

The County does not provide 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.

13. 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 government and 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, 2005, the County has outstanding construction contracts of \$4,764,122.

14. 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.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2005

14. Risk Management and Litigation – Continued:

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, 2005 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

15. Fund Equity Deficits and Subsequent Events

At June 30, 2005, there were several individual agency accounts with deficit balances. However, these individual accounts are offset by positive balances in other agency accounts held for the same or governing agency.

In November 2005, the County issued \$25,000,000 in Bond Anticipation Notes with an interest rate of 4.5% and a maturity of December 16, 2006. The proceeds of these notes will be used for road construction projects in the County.

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2005

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Taxes			
Current taxes	\$ 38,668,045	\$ 40,390,231	1,722,186
Homestead exemption	800,000	726,632	(73,368)
Delinquent taxes	1,800,000	2,081,030	281,030
Automobile taxes	3,400,000	3,669,781	269,781
Penalties	590,000	551,510	(38,490)
	<u>45,258,045</u>	<u>47,419,184</u>	<u>2,161,139</u>
Licenses and Permits			
Building permits	1,800,000	2,437,571	637,571
Electrician licenses	17,500	17,205	(295)
Mobile home permits	3,750	2,673	(1,077)
Marriage licenses	119,564	79,835	(39,729)
Animal licenses	7,200	8,360	1,160
Other licenses	35,600	89,425	53,825
Cable franchise fees	235,000	282,468	47,468
Business licenses	458,000	476,457	18,457
	<u>2,676,614</u>	<u>3,393,894</u>	<u>717,380</u>
Intergovernmental			
State aid to subdivisions	5,350,000	5,446,441	96,441
Merchants' Inventory tax	143,724	143,724	-
Manufacturers tax	28,000	28,851	851
Motor carrier tax	36,000	36,699	699
Payments in lieu of taxes	77,000	71,192	(5,808)
Veterans Office stipend	7,082	6,601	(481)
Emergency Preparedness	50,495	98,497	48,002
Public Defender stipend	88,581	72,451	(16,130)
Registration and Election	12,500	11,848	(652)
Tax form stipend	3,457	3,144	(313)
Salary supplements	7,875	7,875	-
State aid to libraries	97,572	116,218	18,646
State aid to mapping	10,000	7,000	(3,000)
Other state grants	-	5,000	5,000
Pollution control penalties	20,000	18,207	(1,793)
	<u>5,932,286</u>	<u>6,073,748</u>	<u>141,462</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2005

	Budget	Actual	Variance Favorable (Unfavorable)
Chargas for Services			
Register of Deeds fees	\$ 4,649,000	\$ 7,143,589	\$ 2,494,589
Sheriff's fees	80,000	84,819	4,819
Probate Court fees	421,224	405,500	(15,724)
Magistrates' Civil fees	250,000	212,722	(37,278)
Clerk of Court fees	123,000	158,248	35,248
Family Court fees	238,500	307,637	69,137
Master In Equity fees	175,000	241,639	66,639
Treasurer's fees	25,000	16,812	(8,188)
EMS fees	1,121,050	1,066,090	(54,960)
DSO fees	10,000	23,227	13,227
Reasoning/CRB fees	2,862	3,325	463
Vital statistics	32,000	37,310	5,310
Animal Shelter fees	35,850	36,075	225
Recreation fees	368,000	341,143	(26,857)
Sheriff's service contracts	1,981,563	1,915,731	(45,832)
Boarding of prisoners	53,990	111,295	57,305
Telephone reimbursements	29,500	22,706	(6,794)
Other fees and reimbursements	37,542	52,062	14,520
	<u>9,614,081</u>	<u>12,179,830</u>	<u>2,565,849</u>
Fines and Forfeitures			
Clerk of Court fines	66,000	8,954	(57,046)
Magistrates' Court fines	745,000	755,274	10,274
Library fines	80,000	110,462	30,462
Other fines	-	12	12
Forfeitures	5,000	7,527	2,527
	<u>896,000</u>	<u>882,229</u>	<u>(13,771)</u>
Interest	<u>204,200</u>	<u>64,028</u>	<u>(140,172)</u>
Miscellaneous			
Rental of county property	136,000	173,004	37,004
Sale of county property	60,000	104,575	44,575
Miscellaneous	23,000	34,031	11,031
	<u>219,000</u>	<u>311,610</u>	<u>92,610</u>
Total Revenues	<u>\$ 64,800,226</u>	<u>\$ 70,324,723</u>	<u>\$ 5,524,497</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2005

<u>Expenditures</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable <u>(Unfavorable)</u>
General Government				
County Council				
Personnel	\$ 386,843	\$ 378,227	\$ -	\$ 8,616
Purchased Services	156,985	153,125	-	3,860
Supplies	31,729	30,546	626	557
Capital	18,985	16,922	1,974	89
Other	<u>48,050</u>	<u>-</u>	<u>-</u>	<u>48,050</u>
	<u>642,592</u>	<u>578,820</u>	<u>2,600</u>	<u>61,172</u>
Auditor				
Personnel	402,577	379,868	-	22,709
Purchased Services	66,028	54,828	-	11,200
Supplies	11,363	9,858	626	879
Capital	<u>13,297</u>	<u>12,963</u>	<u>-</u>	<u>334</u>
	<u>493,265</u>	<u>457,517</u>	<u>626</u>	<u>35,122</u>
Treasurer				
Personnel	570,840	560,118	-	10,722
Purchased Services	67,170	63,159	-	4,011
Supplies	18,150	17,754	-	396
Capital	<u>16,474</u>	<u>16,014</u>	<u>-</u>	<u>460</u>
	<u>672,634</u>	<u>657,045</u>	<u>-</u>	<u>15,589</u>
Clerk of Court				
Personnel	379,609	387,840	-	(8,231)
Purchased Services	294,208	295,749	-	(1,541)
Supplies	13,900	24,075	-	(10,175)
Capital	<u>3,850</u>	<u>3,820</u>	<u>16,000</u>	<u>(15,970)</u>
	<u>691,567</u>	<u>711,484</u>	<u>16,000</u>	<u>(35,917)</u>
Family Court				
Personnel	281,647	261,170	-	20,477
Purchased Services	45,096	54,125	-	(9,029)
Supplies	9,151	8,321	-	830
Capital	<u>2,000</u>	<u>-</u>	<u>1,973</u>	<u>27</u>
	<u>337,894</u>	<u>323,616</u>	<u>1,973</u>	<u>12,305</u>
Probate Court				
Personnel	662,989	654,243	-	8,746
Purchased Services	79,975	73,104	-	6,871
Supplies	13,232	10,274	-	2,958
Capital	<u>9,560</u>	<u>3,006</u>	<u>6,508</u>	<u>46</u>
	<u>765,756</u>	<u>740,627</u>	<u>6,508</u>	<u>18,621</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2005

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Coroner				
Personnel	\$ 143,321	\$ 148,315	\$ -	\$ (4,994)
Purchased Services	115,765	128,755	-	(12,990)
Supplies	<u>10,813</u>	<u>6,640</u>	-	<u>4,173</u>
	<u>269,899</u>	<u>283,710</u>	-	<u>(13,811)</u>
Magistrates Court				
Personnel	1,034,208	924,424	-	109,784
Purchased Services	155,899	144,730	-	10,969
Supplies	62,733	28,934	37,179	(3,380)
Capital	<u>37,406</u>	<u>34,368</u>	<u>8,000</u>	<u>(4,962)</u>
	<u>1,290,046</u>	<u>1,132,456</u>	<u>45,179</u>	<u>112,411</u>
Master In Equity				
Personnel	214,010	219,734	-	(5,724)
Purchased Services	11,050	7,821	-	3,229
Supplies	<u>4,000</u>	<u>2,300</u>	<u>5,000</u>	<u>(3,300)</u>
	<u>229,060</u>	<u>229,855</u>	<u>5,000</u>	<u>(5,795)</u>
General Subsidies				
	<u>384,862</u>	<u>385,660</u>	-	<u>(798)</u>
County Administrator				
Personnel	224,874	250,875	-	(25,801)
Purchased Services	89,613	91,978	-	(2,365)
Supplies	7,870	6,328	-	1,542
Capital	1,512	1,512	-	-
Other	<u>1,202</u>	<u>-</u>	<u>-</u>	<u>1,202</u>
	<u>325,071</u>	<u>350,493</u>	<u>-</u>	<u>(25,422)</u>
Housing Coordinator				
Personnel				
Purchased Services	34,819	32,748	-	1,871
Supplies	800	106	-	694
Other	<u>430,000</u>	<u>-</u>	<u>430,000</u>	<u>-</u>
	<u>465,419</u>	<u>32,854</u>	<u>430,000</u>	<u>2,565</u>
Public Information Officer				
Personnel	62,983	56,091	-	6,892
Purchased Services	17,250	4,755	4,925	7,570
Supplies	<u>16,737</u>	<u>7,458</u>	<u>313</u>	<u>8,966</u>
	<u>96,970</u>	<u>68,304</u>	<u>5,238</u>	<u>23,428</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2005

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
County Attorney				
Personnel	\$ 182,037	\$ 175,936	\$ -	\$ 6,101
Purchased Services	207,015	403,232	-	(196,217)
Supplies	5,613	4,671	313	629
Capital	1,697	1,270	-	427
	<u>396,362</u>	<u>585,109</u>	<u>313</u>	<u>(189,060)</u>
Internal Auditor				
Personnel	128,830	120,054	-	8,776
Purchased Services	8,075	7,872	-	203
Supplies	9,564	8,614	940	10
Capital	7,450	7,392	-	58
	<u>153,919</u>	<u>143,932</u>	<u>940</u>	<u>9,047</u>
Public Defender				
Personnel	498,262	522,320	-	(24,058)
Purchased Services	34,595	26,547	-	8,048
Supplies	6,500	4,615	626	1,259
	<u>539,357</u>	<u>553,482</u>	<u>626</u>	<u>(14,751)</u>
Voter Registration and Elections				
Personnel	252,159	274,620	-	(22,461)
Purchased Services	163,918	231,496	1,940	(69,518)
Supplies	36,040	34,310	1,566	164
Capital	49,315	48,625	-	690
	<u>501,432</u>	<u>589,051</u>	<u>3,506</u>	<u>(91,125)</u>
Assessor				
Personnel	1,451,990	1,539,095	-	(87,105)
Purchased Services	327,024	236,880	-	90,144
Supplies	31,100	21,751	2,782	6,567
Capital	8,016	7,795	-	221
	<u>1,818,130</u>	<u>1,805,521</u>	<u>2,782</u>	<u>9,827</u>
Register of Deeds				
Personnel	434,260	427,447	-	6,813
Purchased Services	198,238	141,171	46,337	10,730
Supplies	20,000	19,737	-	263
Capital	8,281	2,055	6,153	73
	<u>660,779</u>	<u>590,410</u>	<u>52,490</u>	<u>17,879</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2005

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Development Board				
Other	\$ 270,000	\$ 270,000	\$ -	\$ -
Legislative Delegation				
Personnel	38,001	38,732	-	(731)
Purchased Services	8,199	1,940	-	6,259
Supplies	2,038	391	-	1,647
	<u>48,238</u>	<u>41,063</u>	<u>-</u>	<u>7,175</u>
Grants Management				
Personnel	74,186	54,627	-	19,569
Purchased Services	2,595	697	-	1,898
Supplies	805	64	-	741
	<u>77,586</u>	<u>55,388</u>	<u>-</u>	<u>22,198</u>
Zoning and Development				
Personnel	185,606	187,044	-	(1,438)
Purchased Services	18,250	16,667	-	1,583
Supplies	5,412	4,838	313	261
	<u>209,268</u>	<u>208,549</u>	<u>313</u>	<u>406</u>
Codes Enforcement				
Personnel	162,033	159,442	-	2,591
Purchased Services	14,633	10,756	-	3,877
Supplies	5,856	5,759	2,870	(2,973)
	<u>182,322</u>	<u>175,957</u>	<u>2,870</u>	<u>3,495</u>
Planning and Comprehensive Plan				
Personnel	577,385	583,273	-	(5,888)
Purchased Services	266,053	106,849	150,000	9,204
Supplies	9,653	9,632	-	21
Capital	6,778	-	6,778	-
	<u>859,869</u>	<u>699,754</u>	<u>156,778</u>	<u>3,337</u>
GIS				
Personnel	207,989	211,406	-	(3,417)
Purchased Services	34,832	34,555	-	277
Supplies	9,500	7,271	313	1,916
Capital	15,511	15,474	-	37
	<u>267,832</u>	<u>268,706</u>	<u>313</u>	<u>(1,187)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2005

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
DA-Community Services				
Personnel	\$ 162,026	\$ 166,130	\$ -	\$ (4,104)
Purchased Services	14,360	8,509	-	5,851
Supplies	3,050	1,790	-	1,260
	<u>179,436</u>	<u>176,429</u>	<u>-</u>	<u>3,007</u>
Staff Services				
Personnel	253,809	271,564	-	(17,755)
Purchased Services	40,569	25,559	-	15,010
Supplies	23,800	7,457	596	15,747
	<u>318,178</u>	<u>304,580</u>	<u>596</u>	<u>13,002</u>
Employee Services				
Personnel	407,985	403,254	-	4,731
Purchased Services	417,988	339,583	-	78,405
Supplies	21,259	18,401	-	2,858
Capital	4,400	4,368	-	32
	<u>851,632</u>	<u>765,606</u>	<u>-</u>	<u>86,026</u>
Records Management				
Personnel	118,408	118,815	-	(407)
Purchased Services	27,105	20,996	-	6,109
Supplies	18,982	16,478	313	2,191
Capital	2,452	1,226	-	1,226
	<u>166,947</u>	<u>157,515</u>	<u>313</u>	<u>9,119</u>
Controller				
Personnel	103,485	105,379	-	(1,894)
Purchased Services	4,540	2,515	-	2,025
Supplies	1,750	1,564	-	186
	<u>109,775</u>	<u>109,458</u>	<u>-</u>	<u>317</u>
Finance				
Personnel	260,015	207,965	-	52,050
Purchased Services	86,090	59,372	-	26,718
Supplies	21,903	11,145	-	10,758
Capital	2,000	1,998	-	2
	<u>370,008</u>	<u>280,480</u>	<u>-</u>	<u>89,528</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2005

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Purchasing				
Personnel	\$ 175,468	\$ 163,668	\$ -	\$ 11,800
Purchased Services	23,052	23,121	-	(69)
Supplies	7,150	4,430	626	2,094
	<u>205,670</u>	<u>191,219</u>	<u>626</u>	<u>13,825</u>
Business License				
Personnel	88,082	90,256	-	(2,174)
Purchased Services	15,551	11,417	-	4,134
Supplies	4,582	3,282	313	987
	<u>108,215</u>	<u>104,955</u>	<u>313</u>	<u>2,947</u>
Management Information Systems				
Personnel	1,039,690	1,039,555	-	135
Purchased Services	284,142	277,337	6,000	805
Supplies	57,007	54,976	1,879	152
Capital	72,658	78,585	-	(5,927)
	<u>1,453,497</u>	<u>1,450,453</u>	<u>7,879</u>	<u>(4,835)</u>
DA-Public Services				
Personnel	128,531	124,356	-	4,175
Purchased Services	12,700	9,984	-	2,716
Supplies	2,450	2,256	-	194
	<u>143,681</u>	<u>136,596</u>	<u>-</u>	<u>7,085</u>
Total General Government	<u>16,557,168</u>	<u>15,616,654</u>	<u>743,782</u>	<u>196,732</u>
Public Safety				
Sheriff's Office				
Personnel	11,447,101	10,995,576	-	451,525
Purchased Services	1,708,762	1,193,907	17,861	496,994
Supplies	959,174	855,501	21,180	82,493
Capital	1,112,184	928,612	120,963	62,609
	<u>15,227,221</u>	<u>13,973,596</u>	<u>160,004</u>	<u>1,093,621</u>
Emergency Management				
Personnel	380,437	395,162	-	(14,725)
Purchased Services	117,052	110,814	-	6,238
Supplies	18,886	18,859	313	1,714
Capital	9,719	8,998	-	721
Emergency operations		78,539	-	(79,539)
	<u>526,094</u>	<u>611,372</u>	<u>313</u>	<u>(85,591)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Communications				
Personnel	\$ 2,173,901	\$ 1,971,619	\$ -	\$ 202,282
Purchased Services	1,840,780	1,597,289	-	243,491
Supplies	97,565	52,496	7,478	37,591
Capital	52,304	31,450	20,848	6
Other	75,000	75,000	-	-
	<u>4,239,550</u>	<u>3,727,854</u>	<u>28,326</u>	<u>483,370</u>
Emergency Medical Services				
Personnel	4,165,650	3,885,519	-	280,131
Purchased Services	362,392	292,945	-	69,447
Supplies	233,097	239,243	626	(6,772)
Capital	10,146	10,142	-	4
Other	110,000	110,000	-	-
	<u>4,881,285</u>	<u>4,537,849</u>	<u>626</u>	<u>342,810</u>
Detention Center				
Personnel	3,836,055	4,000,017	-	(163,962)
Purchased Services	1,086,964	1,162,281	-	(75,317)
Supplies	136,289	149,855	-	(13,566)
Capital	10,120	11,842	-	(1,722)
	<u>5,069,428</u>	<u>5,323,995</u>	<u>-</u>	<u>(254,567)</u>
Building Codes and Inspections				
Personnel	987,831	988,896	-	(1,065)
Purchased Services	109,862	92,273	-	17,589
Supplies	30,227	36,489	-	(6,262)
Capital	17,141	3,305	13,818	18
	<u>1,145,061</u>	<u>1,120,963</u>	<u>13,818</u>	<u>10,280</u>
Public Safety Subsidies	6,250	6,250	-	-
Total Public Safety	<u>31,094,889</u>	<u>29,301,879</u>	<u>203,087</u>	<u>1,589,923</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2005

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Public Works				
Facilities Maintenance				
Personnel	\$ 2,118,204	\$ 2,041,071	\$ -	\$ 77,133
Purchased Services	1,753,373	1,902,251	-	(148,878)
Supplies	328,828	323,145	-	5,683
Capital	4,075	8,338	-	(4,263)
	<u>4,204,480</u>	<u>4,274,805</u>	<u>-</u>	<u>(70,325)</u>
Public Works				
Personnel	1,757,280	1,566,365	-	190,915
Purchased Services	426,137	426,058	-	79
Supplies	191,895	232,547	-	(40,652)
Capital	3,164	3,156	-	8
Other	435,800	529,564	-	(93,764)
	<u>2,814,276</u>	<u>2,757,690</u>	<u>-</u>	<u>56,586</u>
Engineering				
Personnel	662,828	715,772	-	(52,944)
Purchased Services	38,480	44,040	-	(5,560)
Supplies	19,150	25,526	939	(7,315)
Capital	17,842	55,039	-	(37,197)
	<u>738,300</u>	<u>840,377</u>	<u>939</u>	<u>(103,016)</u>
Public Works Subsidies	<u>23,800</u>	<u>24,631</u>	<u>-</u>	<u>(831)</u>
Total Public Works	<u>7,780,856</u>	<u>7,897,503</u>	<u>939</u>	<u>(117,586)</u>
Public Health				
Animal Shelter and Control				
Personnel	464,394	454,782	-	9,612
Purchased Services	54,898	57,045	-	(2,147)
Supplies	114,116	118,060	-	(3,944)
	<u>633,408</u>	<u>629,887</u>	<u>-</u>	<u>3,521</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2005

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Mosquito Control				
Personnel	\$ 724,055	\$ 689,309	\$ -	\$ 34,746
Purchased Services	195,507	137,430	8,200	49,877
Supplies	456,796	457,961	313	(1,478)
Capital	45,289	36,533	8,593	163
	<u>1,421,647</u>	<u>1,321,233</u>	<u>17,106</u>	<u>83,308</u>
Public Health Subsidies	<u>221,208</u>	<u>221,223</u>	-	(15)
Total Public Health	<u>2,276,263</u>	<u>2,172,343</u>	<u>17,106</u>	<u>86,814</u>
Public Welfare				
Veterans Affairs Office				
Personnel	119,164	121,234	-	(2,070)
Purchased Services	24,459	21,653	-	2,806
Supplies	2,765	2,267	-	498
	<u>146,388</u>	<u>145,154</u>	-	<u>1,234</u>
Department of Social Services				
Personnel	37,078	37,590	-	(512)
Purchased Services	151,400	135,715	-	15,685
Supplies	1,800	1,790	-	10
Other	60,000	60,000	-	-
	<u>250,278</u>	<u>235,095</u>	-	<u>15,183</u>
Public Welfare Subsidies	<u>339,417</u>	<u>336,916</u>	-	<u>2,501</u>
Total Public Welfare	<u>736,083</u>	<u>717,165</u>	<u>-</u>	<u>18,918</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Cultural and Recreation				
Libraries				
Personnel	\$ 2,226,407	\$ 2,212,158	\$ -	\$ 14,249
Purchased Services	512,703	495,578	-	17,125
Supplies	596,947	590,374	313	6,260
Capital	<u>10,680</u>	-	<u>9,514</u>	<u>1,166</u>
	<u>3,346,737</u>	<u>3,298,110</u>	<u>9,827</u>	<u>36,800</u>
Parks and Leisure Services				
Personnel	2,059,471	1,919,435	-	140,036
Purchased Services	1,197,146	1,208,813	-	(11,667)
Supplies	109,150	127,013	-	(17,863)
Capital	25,210	25,129	-	81
Other	<u>124,000</u>	<u>124,000</u>	-	-
	<u>3,514,977</u>	<u>3,404,390</u>	-	<u>110,587</u>
Total Cultural and Recreation	<u>6,861,714</u>	<u>6,702,500</u>	<u>9,827</u>	<u>149,387</u>
Total Expenditures	<u>\$ 65,306,973</u>	<u>\$ 82,408,044</u>	<u>\$ 974,741</u>	<u>\$ 1,924,188</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2005

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and equity in pooled cash and investments	\$ 17,875,788	\$ 9,148,602	\$ 13,302,681	\$ 40,327,071
Receivables, net	1,445,606	153,843	-	1,599,449
Due from other governments	1,514,386	-	-	1,514,386
Prepaid expenditures	801	-	-	801
Total Assets	\$ 20,836,581	\$ 9,302,445	\$ 13,302,681	\$ 43,441,707
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 2,312,891	\$ -	\$ 544,322	\$ 2,857,213
Accrued payroll	67,768	-	1,961	69,729
Due to others	250,510	-	-	250,510
Deferred property tax revenues	24,413	22,022	-	46,435
Deferred revenues	15,230	-	-	15,230
Total Liabilities	2,670,812	22,022	546,283	3,239,117
Fund Equity:				
Reserved for encumbrances and carry forwards	2,373,406	-	2,722,673	5,096,079
Reserved for capital projects	-	-	10,033,725	10,033,725
Reserved for debt service	-	9,280,423	-	9,280,423
Unreserved fund balances	15,792,363	-	-	15,792,363
Total Fund Equity	18,165,769	9,280,423	12,756,398	40,202,590
Total Liabilities and Fund Equity	\$ 20,836,581	\$ 9,302,445	\$ 13,302,681	\$ 43,441,707

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2005

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Taxes	\$ 8,648,605	\$ 9,262,206	\$ 153,471	\$ 18,064,282
Licenses and Permits	5,068,755	-	-	5,068,755
Intergovernmental	15,583,514	46,606	278,663	15,908,783
Charges for Services	3,278,692	-	-	3,278,692
Fines and Forfeitures	229,569	-	-	229,569
Interest	38,522	246,778	103,310	388,610
Miscellaneous	323,667	-	10,000	333,667
Total Revenues	<u>33,171,324</u>	<u>9,555,590</u>	<u>545,444</u>	<u>43,272,358</u>
<u>Expenditures</u>				
General Government	9,327,350	-	-	9,327,350
Public Safety	3,046,842	-	-	3,046,842
Public Works	9,936,401	-	-	9,936,401
Public Health	4,958,753	-	-	4,958,753
Public Welfare	231,303	-	-	231,303
Cultural and Recreation	379,611	-	-	379,611
Debt Service - Principal	-	5,285,000	-	5,285,000
Debt Service - Interest and Fees	-	7,100,535	-	7,100,535
Capital Projects	-	-	5,825,397	5,825,397
Total Expenditures	<u>27,880,260</u>	<u>12,385,535</u>	<u>5,825,397</u>	<u>46,091,192</u>
Excess of Revenues Over (Under) Expenditures	5,291,064	(2,829,945)	(5,279,953)	(2,818,834)
<u>Other Financing Sources (Uses)</u>				
Transfers In	1,334,386	4,428,366	988,813	6,751,565
Transfers Out	(4,690,824)	-	(2,891,732)	(7,582,556)
Total Other Financing Sources (Uses)	<u>(3,356,438)</u>	<u>4,428,366</u>	<u>(1,902,919)</u>	<u>(830,991)</u>
Net Change In Fund Balances	1,934,626	1,598,421	(7,182,872)	(3,649,825)
Fund Balances at the Beginning of the Year	<u>16,231,143</u>	<u>7,682,002</u>	<u>19,939,270</u>	<u>43,852,415</u>
Fund Balances at the End of the Year	<u>\$ 18,165,769</u>	<u>\$ 9,280,423</u>	<u>\$ 12,756,398</u>	<u>\$ 40,202,590</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 June 30, 2005

	<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	\$ 3,946,803	\$ 1,568,912	\$ 7,242,035	\$ (62,720)
Receivables, net	345,161	772,178	224,338	41,314
Due from other governments	235,399	521,950	508,155	68,682
Prepayments	-	-	801	-
Total assets	<u>\$ 4,527,363</u>	<u>\$ 2,863,040</u>	<u>\$ 7,975,329</u>	<u>\$ 47,276</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 271,309	\$ 128,977	\$ 1,635,318	\$ 7,243
Accrued payroll	1,382	7,032	11,889	9,354
Due to others	-	207,433	-	-
Deferred property tax revenues	6,098	-	18,315	-
Deferred revenues	-	-	-	-
Total liabilities	<u>278,789</u>	<u>343,442</u>	<u>1,665,522</u>	<u>16,597</u>
Fund Equity:				
Fund balances:				
Reserved for encumbrances	128,571	453,656	1,758,629	1,879
Reserved for Special Revenue Funds	4,120,003	2,065,942	4,551,178	28,800
	<u>4,248,574</u>	<u>2,519,598</u>	<u>6,309,807</u>	<u>30,679</u>
Total liabilities and fund equity	<u>\$ 4,527,363</u>	<u>\$ 2,863,040</u>	<u>\$ 7,975,329</u>	<u>\$ 47,276</u>

<u>Disabilities and Special Needs Programs</u>	<u>Public Welfare Programs</u>	<u>Cultural and Recreational Programs</u>	<u>Total</u>
\$ 331,814	\$ 27,407	\$ 4,821,537	\$ 17,875,788
29,721	24,968	7,926	1,445,606
40,850	52,855	86,495	1,514,386
-	-	-	801
<u>\$ 402,385</u>	<u>\$ 105,230</u>	<u>\$ 4,915,958</u>	<u>\$ 20,836,581</u>
\$ 111,798	\$ 37,332	\$ 120,914	\$ 2,312,891
35,194	888	2,029	67,768
43,077	-	-	250,510
-	-	-	24,413
-	15,230	-	15,230
<u>190,069</u>	<u>53,450</u>	<u>122,943</u>	<u>2,670,812</u>
25,779	4,892	-	2,373,406
<u>186,537</u>	<u>46,888</u>	<u>4,793,015</u>	<u>15,792,363</u>
<u>212,316</u>	<u>51,780</u>	<u>4,793,015</u>	<u>18,165,769</u>
<u>\$ 402,385</u>	<u>\$ 105,230</u>	<u>\$ 4,915,958</u>	<u>\$ 20,836,581</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, 2005

	General Government Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 2,105,063	\$ 2,164,735	\$ 59,672
Licenses and permits	475,000	797,001	322,001
Intergovernmental	7,303,400	8,205,107	901,707
Charge for services	370,000	689,979	319,979
Fines and forfeitures	-	-	-
Interest	12,000	13,559	1,559
Miscellaneous	40,000	77,551	37,551
Total Revenues	<u>10,305,463</u>	<u>11,947,932</u>	<u>1,642,469</u>
Expenditures:			
General Government	8,735,783	9,327,350	(591,567)
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>8,735,783</u>	<u>9,327,350</u>	<u>(591,567)</u>
Excess of Revenues Over (Under) Expenditures	1,569,680	2,620,582	1,050,902
Other financing sources (uses):			
Transfers in	2,000	2,000	-
Transfers out	(1,815,587)	(1,827,238)	(11,651)
Total other financing sources (uses)	<u>(1,813,587)</u>	<u>(1,825,238)</u>	<u>(11,651)</u>
Net Change in Fund Balances	(243,907)	795,344	1,039,251
Fund Balances at Beginning of Year	<u>3,453,230</u>	<u>3,453,230</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,209,323</u>	<u>\$ 4,248,574</u>	<u>\$ 1,039,251</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, 2005

	Public Safety Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	39,207	39,207
Intergovernmental	543,704	1,460,152	916,448
Charge for services	843,553	946,307	102,754
Fines and forfeitures	145,000	229,569	84,569
Interest	-	3,942	3,942
Miscellaneous	-	67,147	67,147
Total Revenues	<u>1,532,257</u>	<u>2,746,324</u>	<u>1,214,067</u>
Expenditures:			
General Government	-	-	-
Public Safety	2,508,313	3,046,842	(538,529)
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>2,508,313</u>	<u>3,046,842</u>	<u>(538,529)</u>
Excess of Revenues Over (Under) Expenditures	(976,056)	(300,518)	675,538
Other financing sources (uses):			
Transfers in	217,807	213,326	(4,481)
Transfers out	-	-	-
Total other financing sources (uses)	<u>217,807</u>	<u>213,326</u>	<u>(4,481)</u>
Net Change In Fund Balances	(758,249)	(87,192)	671,057
Fund Balances at Beginning of Year	<u>2,606,790</u>	<u>2,606,790</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,848,541</u>	<u>\$ 2,519,598</u>	<u>\$ 671,057</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, 2005

	Public Works Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 6,115,063	\$ 6,483,870	\$ 368,807
Licenses and permits	1,030,000	1,860,900	830,900
Intergovernmental	1,452,800	1,733,828	281,028
Charge for services	1,117,000	1,337,509	220,509
Fines and forfeitures	-	-	-
Interest	20,000	12,579	(7,421)
Miscellaneous	51,230	98,328	47,098
Total Revenues	<u>9,786,093</u>	<u>11,527,014</u>	<u>1,740,921</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	12,705,533	9,936,401	2,769,132
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>12,705,533</u>	<u>9,936,401</u>	<u>2,769,132</u>
Excess of Revenues Over (Under) Expenditures	(2,919,440)	1,590,613	4,510,053
Other financing sources (uses):			
Transfers In	-	-	-
Transfers out	(1,048,100)	(1,435,316)	(387,216)
Total other financing sources (uses)	<u>(1,048,100)</u>	<u>(1,435,316)</u>	<u>(387,216)</u>
Net Change in Fund Balances	(3,967,540)	155,297	4,122,837
Fund Balances at Beginning of Year	<u>6,154,510</u>	<u>6,154,510</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,186,970</u>	<u>\$ 6,309,807</u>	<u>\$ 4,122,837</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, 2005

	Public Health - Alcohol and Drug Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	676,003	707,692	31,689
Charge for services	110,000	139,244	29,244
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>786,003</u>	<u>846,836</u>	<u>60,933</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	1,090,961	1,004,500	86,461
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>1,090,961</u>	<u>1,004,500</u>	<u>86,461</u>
Excess of Revenues Over (Under) Expenditures	(304,958)	(157,564)	147,394
Other financing sources (uses):			
Transfers in	304,958	188,243	(116,715)
Transfers out	-	-	-
Total other financing sources (uses)	<u>304,958</u>	<u>188,243</u>	<u>(116,715)</u>
Net Change in Fund Balances	-	30,679	30,679
Fund Balances at Beginning of Year	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 30,679</u>	<u>\$ 30,679</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, 2005

	Public Health-Disabilities and Special Needs Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	2,955,068	3,033,623	78,555
Charge for services	155,200	143,984	(11,216)
Fines and forfeitures	-	-	-
Interest	12,000	894	(11,106)
Miscellaneous	32,306	39,536	7,230
Total Revenues	<u>3,154,574</u>	<u>3,218,037</u>	<u>63,463</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	4,142,586	3,954,253	188,333
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>4,142,586</u>	<u>3,954,253</u>	<u>188,333</u>
Excess of Revenues Over (Under) Expenditures	(988,012)	(736,216)	251,796
Other financing sources (uses):			
Transfers in	906,734	833,855	(72,879)
Transfers out	-	-	-
Total other financing sources (uses)	<u>906,734</u>	<u>833,855</u>	<u>(72,879)</u>
Net Change in Fund Balances	(81,278)	97,639	178,917
Fund Balances at Beginning of Year	<u>114,677</u>	<u>114,677</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 33,399</u>	<u>\$ 212,316</u>	<u>\$ 178,917</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, 2005

	Public Welfare Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	169,000	117,464	(51,536)
Charge for services	-	21,669	21,669
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	33,000	18,544	(14,456)
Total Revenues	<u>202,000</u>	<u>157,677</u>	<u>(44,323)</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	296,813	231,303	65,510
Cultural and Recreation	-	-	-
Total Expenditures	<u>296,813</u>	<u>231,303</u>	<u>65,510</u>
Excess of Revenues Over (Under) Expenditures	(94,813)	(73,626)	21,187
Other financing sources (uses):			
Transfers In	81,000	95,744	14,744
Transfers out	-	(100)	(100)
Total other financing sources (uses)	<u>81,000</u>	<u>95,644</u>	<u>14,644</u>
Net Change in Fund Balances	(13,813)	22,018	35,831
Fund Balances at Beginning of Year	<u>29,762</u>	<u>29,762</u>	-
Fund Balances at End of Year	<u>\$ 15,949</u>	<u>\$ 51,780</u>	<u>\$ 35,831</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, 2005

	Cultural and Recreation Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	1,148,000	2,371,647	1,223,647
Intergovernmental	400,532	325,648	(74,884)
Charge for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	7,548	7,548
Miscellaneous	-	22,561	22,561
Total Revenues	<u>1,548,532</u>	<u>2,727,404</u>	<u>1,178,872</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	<u>1,089,465</u>	<u>379,611</u>	<u>709,854</u>
Total Expenditures	<u>1,089,465</u>	<u>379,611</u>	<u>709,854</u>
Excess of Revenues Over (Under) Expenditures	459,067	2,347,793	1,888,726
Other financing sources (uses):			
Transfers In	-	1,218	1,218
Transfers out	<u>(490,000)</u>	<u>(1,428,170)</u>	<u>(938,170)</u>
Total other financing sources (uses)	<u>(490,000)</u>	<u>(1,426,952)</u>	<u>(936,952)</u>
Net Change In Fund Balances	(30,933)	920,841	951,774
Fund Balances at Beginning of Year	<u>3,872,174</u>	<u>3,872,174</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,841,241</u>	<u>\$ 4,793,015</u>	<u>\$ 951,774</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, 2005

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 8,220,126	\$ 8,648,605	\$ 428,479
Licenses and permits	2,653,000	5,068,755	2,415,755
Intergovernmental	13,500,507	15,583,514	2,083,007
Charge for services	2,595,753	3,278,692	682,939
Fines and forfeitures	145,000	229,569	84,569
Interest	44,000	38,522	(5,478)
Miscellaneous	156,536	323,667	167,131
Total Revenues	<u>27,314,922</u>	<u>33,171,324</u>	<u>5,856,402</u>
Expenditures:			
General Government	8,735,783	9,327,350	(591,567)
Public Safety	2,508,313	3,046,842	(538,529)
Public Works	12,705,533	9,936,401	2,769,132
Public Health	5,233,547	4,958,753	274,794
Public Welfare	296,813	231,303	65,510
Cultural and Recreation	1,089,465	379,611	709,854
Total Expenditures	<u>30,569,454</u>	<u>27,880,260</u>	<u>2,689,194</u>
Excess of Revenues Over (Under) Expenditures	(3,254,532)	5,291,064	8,545,596
Other financing sources (uses):			
Transfers in	1,512,499	1,334,386	(178,113)
Transfers out	<u>(3,353,687)</u>	<u>(4,690,824)</u>	<u>(1,337,137)</u>
Total other financing sources (uses)	<u>(1,841,188)</u>	<u>(3,356,438)</u>	<u>(1,515,250)</u>
Net Change In Fund Balances	(5,095,720)	1,934,626	7,030,346
Fund Balances at Beginning of Year	<u>16,231,143</u>	<u>16,231,143</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 11,135,423</u>	<u>\$ 18,165,769</u>	<u>\$ 7,030,346</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, 2005

	General Government Grant	Accommodations Tax Program	Del Webb Development Agreement	Purchase of Real Property Program	Sheldon Economic Development Grant
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 2,164,735	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	613,014	-	2,348	14,650
Charge for services	-	-	-	-	-
Interest	-	-	289	-	-
Miscellaneous	-	-	71,487	6,064	-
Total revenues	<u>-</u>	<u>613,014</u>	<u>71,776</u>	<u>2,173,147</u>	<u>14,650</u>
Expenditures:					
General Government					
Personnel	-	-	-	-	-
Purchased services	10,500	-	-	384,323	16,650
Supplies	-	-	8,016	-	-
Capital	-	-	-	-	-
Other	-	486,404	-	-	-
Total expenditures	<u>10,500</u>	<u>486,404</u>	<u>8,016</u>	<u>384,323</u>	<u>16,650</u>
Excess of Revenues Over (Under) Expenditures	(10,500)	126,610	61,760	1,793,195	(2,000)
Other financing sources (Uses):					
Transfers In	-	-	-	-	2,000
Transfers out	-	(54,401)	-	(1,772,837)	-
Total other financing sources (Uses)	<u>-</u>	<u>(54,401)</u>	<u>-</u>	<u>(1,772,837)</u>	<u>2,000</u>
Net Change In Fund Balances	(10,500)	72,209	61,760	20,358	-
Fund Balances at Beginning of Year	<u>10,500</u>	<u>50,055</u>	<u>132,579</u>	<u>2,420,091</u>	<u>-</u>
Fund Balances (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 122,264</u>	<u>\$ 194,339</u>	<u>\$ 2,440,449</u>	<u>\$ -</u>

Local Accommodations Tax Program	Treasurer	Clerk of Court	Education Assistance Trust	Employer Group Benefit Trust	Public Defender Trust	Reforestation Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,164,735
797,001	-	-	-	-	-	-	797,001
-	-	196,316	-	7,296,133	82,647	-	8,205,107
-	689,979	-	-	-	-	-	689,979
-	49	7,573	31	643	335	268	9,188
-	-	-	-	-	-	-	77,551
<u>797,001</u>	<u>690,028</u>	<u>203,888</u>	<u>31</u>	<u>7,296,776</u>	<u>82,982</u>	<u>268</u>	<u>11,943,561</u>
46,181	117,471	74,970	-	-	58,415	-	297,037
4,878	234,032	35,000	-	7,293,711	-	-	7,979,094
1,646	5,559	373	-	-	-	-	15,594
-	-	48,486	-	-	8,081	-	56,567
<u>475,640</u>	<u>-</u>	<u>-</u>	<u>15,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>977,058</u>
<u>528,345</u>	<u>357,062</u>	<u>158,829</u>	<u>15,014</u>	<u>7,293,711</u>	<u>66,496</u>	<u>-</u>	<u>9,325,350</u>
268,656	332,966	45,059	(14,983)	3,065	16,486	268	2,620,582
-	-	-	-	-	-	-	2,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,827,238)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,825,236)</u>
268,656	332,966	45,059	(14,983)	3,065	16,486	268	795,344
<u>184,352</u>	<u>-</u>	<u>204,736</u>	<u>25,517</u>	<u>84,699</u>	<u>189,351</u>	<u>151,350</u>	<u>3,453,230</u>
<u>\$ 453,008</u>	<u>\$ 332,966</u>	<u>\$ 249,795</u>	<u>\$ 10,534</u>	<u>\$ 87,764</u>	<u>\$ 205,837</u>	<u>\$ 151,618</u>	<u>\$ 4,248,574</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, 2005

	E-911 Telephone Program	Public Safety Grant	Emergency Medical Services Grant	Highway 170 Program	Drug Task Force Program	Victims Assistance Program	Sheriff's Special Program
Revenues:							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,090,332	27,772	-	3,156	45,377	-
Charge for services	888,050	-	-	-	-	-	58,257
Fines and forfeitures	-	-	-	-	-	150,153	-
Interest	-	-	-	3,594	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>888,050</u>	<u>1,090,332</u>	<u>27,772</u>	<u>3,594</u>	<u>3,156</u>	<u>195,530</u>	<u>58,257</u>
Expenditures:							
Public Safety							
Personnel	151,332	9,688	-	11,890	-	181,914	58,555
Purchased services	466,682	197,803	1,582	151,489	3,156	21,754	-
Supplies	5,625	101,288	13,125	908	1,252	9,837	-
Capital	41,599	828,698	7,988	159,687	12,019	2,840	-
Other	106,203	-	6,596	-	-	20,000	-
Total expenditures	<u>771,441</u>	<u>1,137,477</u>	<u>29,291</u>	<u>324,084</u>	<u>16,427</u>	<u>236,345</u>	<u>58,555</u>
Net Changes in Fund Balances	116,609	(47,145)	(1,519)	(320,490)	(13,271)	(40,815)	(298)
Other financing sources (Uses):							
Transfers In	-	15,000	1,519	-	-	101,310	-
Total other financing sources (Uses)	-	15,000	1,519	-	-	101,310	-
Net Change in Fund Balances	116,609	(32,145)	-	(320,490)	(13,271)	60,495	(298)
Fund Balances at Beginning of Year	<u>(3,799)</u>	<u>59,111</u>	<u>-</u>	<u>2,244,898</u>	<u>17,798</u>	<u>22,928</u>	<u>6,153</u>
Fund Balances at End of Year	<u>\$ 112,810</u>	<u>\$ 26,966</u>	<u>\$ -</u>	<u>\$ 1,924,408</u>	<u>\$ 4,527</u>	<u>\$ 83,423</u>	<u>\$ 5,855</u>

School Resource Officer Program	Sheriff's Grant Program	Sheriff's Drug Award Trust	Sheriff's Family Court Trust	Sheriff's Drug Seizure Trust	Detention Center Trust	Hazardous Materials Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,207	\$ 39,207
266,353	8,343	-	-	-	-	18,819	1,460,152
-	-	-	-	-	-	-	946,307
-	-	66,090	-	13,326	-	-	229,569
-	-	181	76	-	46	45	3,942
-	-	-	-	-	67,147	-	67,147
<u>266,353</u>	<u>8,343</u>	<u>66,271</u>	<u>76</u>	<u>13,326</u>	<u>67,193</u>	<u>58,071</u>	<u>2,746,324</u>
281,194	-	-	-	-	-	9,330	704,003
13,886	8,343	-	-	-	-	21,778	886,473
6,810	-	-	-	-	-	2,022	140,867
-	-	3,126	-	-	-	1,146	1,057,113
-	-	<u>35,015</u>	<u>827</u>	<u>4,800</u>	<u>73,228</u>	<u>11,717</u>	<u>258,386</u>
<u>301,890</u>	<u>8,343</u>	<u>38,141</u>	<u>827</u>	<u>4,800</u>	<u>73,228</u>	<u>45,993</u>	<u>3,046,842</u>
(35,537)	-	28,130	(751)	8,526	(6,035)	12,078	(300,518)
<u>95,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,326</u>
<u>95,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,326</u>
59,960	-	28,130	(751)	8,526	(6,035)	12,078	(87,192)
<u>81,562</u>	<u>-</u>	<u>75,636</u>	<u>43,339</u>	<u>5,039</u>	<u>33,009</u>	<u>21,116</u>	<u>2,606,790</u>
<u>\$ 141,522</u>	<u>\$ -</u>	<u>\$ 103,766</u>	<u>\$ 42,588</u>	<u>\$ 13,565</u>	<u>\$ 26,974</u>	<u>\$ 33,194</u>	<u>\$ 2,519,598</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, 2005

	County Road Improvement Program	County Drainage Program	Oil Collection Grant	Solid Waste/ Recycling Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,652,979	-	21,959	2,998
Charge for services	1,110,061	220,800	-	-
Interest	8,315	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>2,771,355</u>	<u>220,800</u>	<u>21,959</u>	<u>2,998</u>
Expenditures:				
Public Works				
Personnel	171,735	-	-	-
Purchased services	76,319	678	5,270	2,998
Supplies	1,207	28	-	-
Capital	<u>3,586,852</u>	<u>-</u>	<u>16,689</u>	<u>-</u>
Total expenditures	<u>3,836,113</u>	<u>706</u>	<u>21,959</u>	<u>2,998</u>
Excess of Revenues Over (Under) Expenditures	(1,064,758)	220,094	-	-
Other financing sources (Uses):				
Transfers out	<u>(327,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>(327,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,391,858)	220,094	-	-
Fund Balances at Beginning of Year	<u>5,161,583</u>	<u>155,577</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,769,725</u>	<u>\$ 375,671</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Tire Recycling Grant</u>	<u>Solid Waste Recycling Program</u>	<u>Road Impact Fees</u>	<u>Total</u>
\$ -	\$ 6,483,870	\$ -	\$ 6,483,870
-	-	1,860,900	1,860,900
49,738	6,154	-	1,733,828
-	6,648	-	1,337,509
823	1,729	1,712	12,579
-	<u>98,328</u>	-	<u>98,328</u>
<u>50,561</u>	<u>6,596,729</u>	<u>1,862,612</u>	<u>11,527,014</u>
-	870,547	-	1,042,282
25,490	4,659,061	28,901	4,798,717
-	76,198	-	77,433
<u>90,130</u>	<u>52,092</u>	<u>272,206</u>	<u>4,017,969</u>
<u>115,620</u>	<u>5,657,898</u>	<u>301,107</u>	<u>9,936,401</u>
(65,059)	938,831	1,561,505	1,590,613
-	-	<u>(1,108,216)</u>	<u>(1,435,316)</u>
-	-	<u>(1,108,216)</u>	<u>(1,435,316)</u>
(65,059)	938,831	453,289	155,297
<u>467,860</u>	<u>(385,527)</u>	<u>755,017</u>	<u>6,154,510</u>
<u>\$ 402,801</u>	<u>\$ 553,304</u>	<u>\$ 1,208,306</u>	<u>\$ 6,309,807</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, 2005

	<u>Central Administration</u>	<u>Safety Action Program</u>	<u>School Intervention Program</u>
Revenues:			
Intergovernmental	\$ -	\$ 60,154	\$ 38,944
Charge for services	-	<u>79,758</u>	-
Total revenues	-	<u>139,912</u>	<u>38,944</u>
Expenditures:			
Public Health			
Personnel	152,059	110,153	35,298
Purchased services	66,116	783	11,185
Supplies	10,581	2,723	231
Other	<u>(230,521)</u>	<u>33,797</u>	<u>13,891</u>
Total expenditures	<u>(1,765)</u>	<u>147,456</u>	<u>60,605</u>
Excess of Revenues Over (Under) Expenditures	1,765	(7,544)	(21,661)
Other financing sources (Uses):			
Transfers In	<u>28,914</u>	<u>7,544</u>	<u>21,661</u>
Total other financing sources (Uses)	<u>28,914</u>	<u>7,544</u>	<u>21,661</u>
Net Change in Fund Balances	30,679	-	-
Fund Balances at Beginning of Year	-	-	-
Fund Balances at End of Year	<u>\$ 30,679</u>	<u>\$ -</u>	<u>\$ -</u>

Community Based Treatment Program	Preventive Education Program	Intensive Outpatient Program	Total
\$ 299,763	\$ 213,969	\$ 94,862	\$ 707,692
<u>56,401</u>	<u>3,085</u>	<u>-</u>	<u>139,244</u>
<u>356,164</u>	<u>217,054</u>	<u>94,862</u>	<u>846,936</u>
249,539	146,335	108,551	801,935
44,753	52,905	7,960	183,702
1,468	2,039	1,821	18,863
<u>87,905</u>	<u>59,852</u>	<u>35,076</u>	<u>-</u>
<u>383,665</u>	<u>261,131</u>	<u>153,408</u>	<u>1,004,500</u>
(27,501)	(44,077)	(58,546)	(157,564)
<u>27,501</u>	<u>44,077</u>	<u>58,546</u>	<u>188,243</u>
<u>27,501</u>	<u>44,077</u>	<u>58,546</u>	<u>188,243</u>
-	-	-	30,679
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,679</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, 2005

	Central Admini stration	Employed Services Program	Supervised Management Program	Service Coordination Program	Family Support Program	Gift Store Program
Revenues:						
Intergovernmental	\$ -	\$ 858,746	\$ 47,900	\$ 270,771	\$ 13,796	\$ 20,473
Charge for services	-	-	-	-	-	-
Interest	894	-	-	-	-	-
Miscellaneous	-	33,266	3,545	-	-	2,650
Total revenues	<u>894</u>	<u>892,012</u>	<u>51,445</u>	<u>270,771</u>	<u>13,796</u>	<u>23,123</u>
Expenditures:						
Public Health						
Personnel	303,763	763,689	28,678	221,572	-	48,416
Purchased services	131,154	158,183	1,078	4,583	14,173	7,767
Supplies	21,172	53,878	994	2,075	-	4,247
Capital	1,740	49,473	-	-	-	4,916
Other	(457,248)	150,156	4,981	36,237	-	7,250
Total expenditures	<u>581</u>	<u>1,175,379</u>	<u>35,731</u>	<u>264,467</u>	<u>14,173</u>	<u>72,596</u>
Excess of Revenues Over (Under) Expenditures	313	(283,367)	15,714	6,304	(377)	(49,473)
Other financing sources (Uses):						
Transfers In	-	254,455	-	-	377	51,181
Total other financing sources (Uses)	<u>-</u>	<u>254,455</u>	<u>-</u>	<u>-</u>	<u>377</u>	<u>51,181</u>
Net Change In Fund Balances	313	(28,912)	15,714	6,304	-	1,708
Fund Balances at Beginning of Year	<u>-</u>	<u>61,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 313</u>	<u>\$ 33,059</u>	<u>\$ 15,714</u>	<u>\$ 6,304</u>	<u>\$ -</u>	<u>\$ 1,708</u>

Port Royal Residence Program	Early Intervention Program	Summer Services Program	Community Training Program	Enhanced Services Program	Vacation In your Community	Respite Program	Rehabilitation Program	Total
\$ 820,408	\$ 163,450	\$ 12,397	\$ 642,163	\$ 66,210	\$ 6,787	\$ 16,818	\$ 93,704	\$ 3,033,623
76,050	-	-	67,934	-	-	-	-	143,984
-	-	-	-	-	-	-	-	894
-	-	75	-	-	-	-	-	39,536
<u>896,458</u>	<u>163,450</u>	<u>12,472</u>	<u>710,097</u>	<u>66,210</u>	<u>6,787</u>	<u>16,818</u>	<u>93,704</u>	<u>3,218,037</u>
865,668	142,207	5,208	658,852	-	20,894	2,096	22,323	3,083,366
54,702	3,549	8,053	44,815	44,883	4,605	13,367	68,537	559,449
61,701	2,602	589	50,067	-	-	-	-	197,325
45,476	-	-	12,508	-	-	-	-	114,113
<u>119,885</u>	<u>26,845</u>	<u>-</u>	<u>92,415</u>	<u>3,386</u>	<u>3,059</u>	<u>1,855</u>	<u>11,179</u>	<u>-</u>
<u>1,147,432</u>	<u>175,203</u>	<u>13,850</u>	<u>858,657</u>	<u>48,269</u>	<u>28,558</u>	<u>17,318</u>	<u>102,039</u>	<u>3,954,253</u>
(250,974)	(11,753)	(1,378)	(148,560)	17,941	(21,771)	(500)	(8,335)	(736,216)
<u>254,074</u>	<u>11,753</u>	<u>950</u>	<u>241,630</u>	<u>-</u>	<u>9,540</u>	<u>644</u>	<u>9,251</u>	<u>833,855</u>
<u>254,074</u>	<u>11,753</u>	<u>950</u>	<u>241,630</u>	<u>-</u>	<u>9,540</u>	<u>644</u>	<u>9,251</u>	<u>833,855</u>
3,100	-	(428)	93,070	17,941	(12,231)	144	916	97,639
<u>19,307</u>	<u>-</u>	<u>13,399</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,677</u>
<u>\$ 22,407</u>	<u>\$ -</u>	<u>\$ 12,971</u>	<u>\$ 113,070</u>	<u>\$ 17,941</u>	<u>\$ (12,231)</u>	<u>\$ 144</u>	<u>\$ 916</u>	<u>\$ 212,316</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, 2005

	Daufuskie Ferry Grant	Mobility Development Authority	Sheldon Rehabilitation Project
Revenues:			
Intergovernmental	\$ 61,676	\$ -	\$ -
Charge for services	-	-	-
Miscellaneous	-	-	1,585
Total revenues	<u>61,676</u>	<u>-</u>	<u>1,585</u>
Expenditures:			
Public Welfare			
Personnel	-	-	-
Purchased services	81,951	13,400	-
Supplies	-	-	-
Capital	-	-	-
Total expenditures	<u>81,951</u>	<u>13,400</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(20,275)	(13,400)	1,585
Other financing sources (Uses):			
Transfers In	35,000	-	14,744
Transfers out	-	(100)	-
Total other financing sources (Uses)	<u>35,000</u>	<u>(100)</u>	<u>14,744</u>
Net Change in Fund Balances	14,725	(13,500)	16,329
Fund Balances at Beginning of Year	<u>16,758</u>	<u>13,500</u>	<u>(16,329)</u>
Fund Balances at End of Year	<u>\$ 31,483</u>	<u>\$ -</u>	<u>\$ -</u>

Collaborative Organization for Services to Youth	Group Family Conferencing	Total
\$ 55,788	\$ -	\$ 117,464
21,669	-	21,669
<u>16,959</u>	<u>-</u>	<u>18,544</u>
<u>84,416</u>	<u>-</u>	<u>157,677</u>
81,095	-	81,095
10,399	35,625	141,375
6,045	292	6,337
<u>2,496</u>	<u>-</u>	<u>2,496</u>
<u>100,035</u>	<u>35,917</u>	<u>231,303</u>
(5,619)	(35,917)	(73,626)
10,000	36,000	95,744
<u>-</u>	<u>-</u>	<u>(100)</u>
<u>10,000</u>	<u>36,000</u>	<u>95,644</u>
4,381	83	22,018
<u>15,833</u>	<u>-</u>	<u>29,762</u>
\$ 20,214	\$ 83	\$ 51,780

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, 2005

	<u>Library Grants</u>	<u>PALS Miscellaneous</u>	<u>PALS General Services</u>	<u>Summer Nutrition Program Grants</u>
Revenues:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	87,417	-	-	237,341
Interest	-	-	-	-
Miscellaneous	<u>11,163</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>98,580</u>	<u>-</u>	<u>-</u>	<u>237,341</u>
Expenditures:				
Cultural and Recreation				
Personnel	-	-	-	42,644
Purchased services	5,294	-	-	193,772
Supplies	18,231	-	-	925
Capital	<u>34,267</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>57,792</u>	<u>-</u>	<u>-</u>	<u>237,341</u>
Excess of Revenues Over (Under) Expenditures	40,788	-	-	-
Other financing sources (Uses):				
Transfers In	-	-	-	-
Transfers out	<u>-</u>	<u>(6,144)</u>	<u>(1,813)</u>	<u>-</u>
Total other financing sources (Uses)	<u>-</u>	<u>(6,144)</u>	<u>(1,813)</u>	<u>-</u>
Net Change In Fund Balances	40,788	(6,144)	(1,813)	-
Fund Balances at Beginning of Year	<u>90,657</u>	<u>6,144</u>	<u>1,813</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 131,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<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>
\$ -	\$ 902,672	\$ 1,468,975	\$ -	\$ -	\$ 2,371,647
890	-	-	-	-	325,648
-	4,281	2,344	226	697	7,548
-	-	-	10,898	500	22,561
<u>890</u>	<u>906,953</u>	<u>1,471,319</u>	<u>11,124</u>	<u>1,197</u>	<u>2,727,404</u>
-	-	-	-	-	42,644
-	-	-	-	-	199,066
-	-	23,715	39,541	13,514	95,926
<u>7,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,975</u>
<u>7,708</u>	<u>-</u>	<u>23,715</u>	<u>39,541</u>	<u>13,514</u>	<u>379,611</u>
(6,818)	906,953	1,447,604	(28,417)	(12,317)	2,347,793
1,218	-	-	-	-	1,218
-	(200,000)	(1,220,213)	-	-	(1,428,170)
<u>1,218</u>	<u>(200,000)</u>	<u>(1,220,213)</u>	<u>-</u>	<u>-</u>	<u>(1,426,952)</u>
(5,600)	706,953	227,391	(28,417)	(12,317)	920,841
<u>5,600</u>	<u>2,165,770</u>	<u>1,150,474</u>	<u>52,910</u>	<u>398,806</u>	<u>3,872,174</u>
\$ -	\$ 2,872,723	\$ 1,377,865	\$ 24,493	\$ 386,489	\$ 4,793,015

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 June 30, 2005

	County Wide General Obligation Bonds	Bluffton TIF Bonds	New River TIF Bonds	Totals
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 778,658	\$ 7,279,635	\$ 1,090,309	\$ 9,148,602
Receivables, net	117,719	1,512	34,612	153,843
Total Assets	<u>\$ 896,377</u>	<u>\$ 7,281,147</u>	<u>\$ 1,124,921</u>	<u>\$ 9,302,445</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred property tax revenues	22,022	-	-	22,022
Total Liabilities	<u>\$ 22,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,022</u>
Fund Equity:				
Reserved for debt service	874,355	7,281,147	1,124,921	9,280,423
Total Liabilities and Fund Equity	<u>\$ 896,377</u>	<u>\$ 7,281,147</u>	<u>\$ 1,124,921</u>	<u>\$ 9,302,445</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, 2005

	County Wide General Obligations Bonds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 7,455,188	\$ 7,791,248	\$ 336,060
Intergovernmental	46,700	46,606	\$ (94)
Interest	50,000	97,790	\$ 47,790
Total revenues	<u>7,551,888</u>	<u>7,935,644</u>	<u>383,756</u>
Expenditures:			
Debt Service - Principal	5,285,000	5,285,000	-
Debt Service - Interest and fees	<u>3,968,475</u>	<u>3,960,973</u>	<u>7,502</u>
Total debt service expenditures	<u>9,253,475</u>	<u>9,245,973</u>	<u>7,502</u>
Excess of Revenues Over (Under) Expenditures	(1,701,587)	(1,310,329)	391,258
Other financing sources (Uses):			
Transfers in	<u>2,099,937</u>	<u>2,099,937</u>	-
Total other financing sources (uses)	<u>2,099,937</u>	<u>2,099,937</u>	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	398,350	789,608	391,258
Fund Balances at Beginning of Year	<u>84,747</u>	<u>84,747</u>	-
Fund Balances at End of Year	<u>\$ 483,097</u>	<u>\$ 874,355</u>	<u>391,258</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, 2005

	Bluffton TIF		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 250,000	\$ 369,440	\$ 119,440
Intergovernmental	-	-	-
Interest	-	136,572	136,572
Total revenues	<u>250,000</u>	<u>506,012</u>	<u>256,012</u>
Expenditures:			
Debt Service - Principal			
Debt Service - Interest and fees	1,150,000	1,145,580	4,420
Total debt service expenditures	<u>1,150,000</u>	<u>1,145,580</u>	<u>4,420</u>
Excess of Revenues Over (Under) Expenditures	(900,000)	(639,568)	260,432
Other financing sources (Uses):			
Transfers In	1,011,000	2,328,429	1,317,429
Total other financing sources (uses)	<u>1,011,000</u>	<u>2,328,429</u>	<u>1,317,429</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	111,000	1,688,861	1,577,861
Fund Balances at Beginning of Year	<u>5,592,286</u>	<u>5,592,286</u>	-
Fund Balances at End of Year	\$ <u>5,703,286</u>	\$ <u>7,281,147</u>	\$ <u>1,577,861</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, 2005

	New River TIF		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 500,000	\$ 1,101,518	\$ 601,518
Intergovernmental	-	-	-
Interest	-	12,416	12,416
Total revenues	<u>500,000</u>	<u>1,113,934</u>	<u>613,934</u>
Expenditures:			
Debt Service - Principal			
Debt Service - Interest and fees	<u>2,000,000</u>	<u>1,993,982</u>	<u>6,018</u>
Total debt service expenditures	<u>2,000,000</u>	<u>1,993,982</u>	<u>6,018</u>
Excess of Revenues Over (Under) Expenditures	(1,500,000)	(880,048)	619,952
Other financing sources (Uses):			
Transfers In	-	-	-
Total other financing sources (uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,500,000)	(880,048)	619,952
Fund Balances at Beginning of Year	<u>2,004,969</u>	<u>2,004,969</u>	-
Fund Balances at End of Year	<u>\$ 504,969</u>	<u>\$ 1,124,921</u>	<u>\$ 619,952</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, 2005

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 8,205,188	\$ 9,262,206	\$ 1,057,018
Intergovernmental	46,700	46,606	(94)
Interest	50,000	246,778	196,778
Total revenues	<u>8,301,888</u>	<u>9,555,590</u>	<u>1,253,702</u>
Expenditures:			
Debt Service - Principal	5,285,000	5,285,000	-
Debt Service - Interest and fees	7,118,475	7,100,535	17,940
Total debt service expenditures	<u>12,403,475</u>	<u>12,385,535</u>	<u>17,940</u>
Excess of Revenues Over (Under) Expenditures	(4,101,587)	(2,829,945)	1,271,642
Other financing sources (Uses):			
Transfers In	3,110,937	4,428,366	1,317,429
Total other financing sources (uses)	<u>3,110,937</u>	<u>4,428,366</u>	<u>1,317,429</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(990,650)	1,598,421	2,589,071
Fund Balances at Beginning of Year	<u>7,682,002</u>	<u>7,682,002</u>	-
Fund Balances at End of Year	<u>\$ 6,691,352</u>	<u>\$ 9,280,423</u>	<u>\$ 2,589,071</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECT FUNDS
 June 30, 2005

	Capital Improvement Program	Bluffton TIF District	Lady's Island TIF District	1996 Bond Projects	1999 Bond Projects
<u>ASSETS</u>					
Equity in pooled cash and investments	\$ 84,662	\$ 1,264,259	\$ 192,769	\$ 1,542	\$ 1,600
Total assets	\$ 84,662	\$ 1,264,259	\$ 192,769	\$ 1,542	\$ 1,600
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts payable	\$ 679	\$ 100,332	\$ -	\$ 1,542	\$ 1,600
Accrued payroll	1,961	-	-	-	-
Total liabilities	2,640	100,332	-	1,542	1,600
Fund equity:					
Reserved and reserved for encumbrances	-	-	-	-	-
Reserved for capital projects	82,022	1,163,927	192,769	-	-
Total fund equity	82,022	1,163,927	192,769	-	-
Total liabilities and fund equity	\$ 84,662	\$ 1,264,259	\$ 192,769	\$ 1,542	\$ 1,600

<u>2000</u> <u>Bond</u> <u>Projects</u>	<u>2001</u> <u>Bond</u> <u>Projects</u>	<u>2002</u> <u>Bond</u> <u>Projects</u>	<u>2003</u> <u>Bond</u> <u>Projects</u>	<u>Totals</u>
\$ 153,329	\$ 1,102,497	\$ 4,576,151	\$ 5,925,872	\$ 13,302,681
<u>\$ 153,329</u>	<u>\$ 1,102,497</u>	<u>\$ 4,576,151</u>	<u>\$ 5,925,872</u>	<u>\$ 13,302,681</u>
\$ 53,685	\$ 18,300	\$ 54,429	\$ 313,755	\$ 544,322
-	-	-	-	1,961
<u>53,685</u>	<u>18,300</u>	<u>54,429</u>	<u>313,755</u>	<u>546,283</u>
-	-	654,965	2,067,708	2,722,673
<u>99,644</u>	<u>1,084,197</u>	<u>3,866,757</u>	<u>3,544,409</u>	<u>10,033,725</u>
<u>99,644</u>	<u>1,084,197</u>	<u>4,521,722</u>	<u>5,612,117</u>	<u>12,756,398</u>
<u>\$ 153,329</u>	<u>\$ 1,102,497</u>	<u>\$ 4,576,151</u>	<u>\$ 5,925,872</u>	<u>\$ 13,302,681</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, 2005

	Capital Improvements Program		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ 132	132
Intergovernmental	-	28,663	28,663
Interest	-	-	-
Total revenues	<u>-</u>	<u>28,795</u>	<u>28,795</u>
Expenditures:			
Capital projects	<u>5,501</u>	<u>146,142</u>	<u>(140,641)</u>
Excess of Revenues Over (Under) Expenditures	(5,501)	(117,347)	(111,846)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(5,501)	(117,347)	(111,846)
Fund Balances at Beginning of Year	<u>199,369</u>	<u>199,369</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 193,868</u>	<u>\$ 82,022</u>	<u>\$ (111,846)</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, 2005

	Bluffton TIF Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Total revenues	-	-	-
Expenditures:			
Capital projects	1,825,800	1,016,724	809,076
Excess of Revenues Over (Under) Expenditures	(1,825,800)	(1,016,724)	809,076
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,825,800)	(1,016,724)	809,076
Fund Balances at Beginning of Year	2,180,651	2,180,651	-
Fund Balances at End of Year	\$ 354,851	\$ 1,163,927	\$ 809,076

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, 2005

	Lady's Island TIF Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ 153,339	\$ 153,339
Intergovernmental	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	-	153,339	153,339
Expenditures:			
Capital projects			
Excess of Revenues Over (Under) Expenditures	-	153,339	153,339
Other financing sources (uses):			
Transfers In	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	153,339	153,339
Fund Balances at Beginning of Year	39,430	39,430	-
Fund Balances at End of Year	\$ 39,430	\$ 192,769	\$ 153,339

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, 2005

	1996 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	286	286
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>286</u>	<u>286</u>
Expenditures:			
Capital projects	<u>19,397</u>	<u>18,339</u>	<u>1,058</u>
Excess of Revenues Over (Under) Expenditures	(19,397)	(18,053)	1,344
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	<u>(255,144)</u>	<u>(256,488)</u>	<u>(1,344)</u>
Total other financing sources (uses)	<u>(255,144)</u>	<u>(256,488)</u>	<u>(1,344)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(274,541)	(274,541)	-
Fund Balances at Beginning of Year	<u>274,541</u>	<u>274,541</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2005

	1999 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	1,126	1,126
Miscellaneous	-	10,000	10,000
Total revenues	-	11,126	11,126
Expenditures:			
Capital projects	675,857	675,856	1
Excess of Revenues Over (Under) Expenditures	(675,857)	(664,730)	11,127
Other financing sources (uses):			
Transfers in	24,131	24,131	
Transfers out	(557,024)	(575,761)	(18,737)
Total other financing sources (uses)	(532,893)	(551,630)	(18,737)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,208,750)	(1,216,360)	(7,610)
Fund Balances at Beginning of Year	1,216,360	1,216,360	-
Fund Balances at End of Year	\$ 7,610	\$ -	\$ (7,610)

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, 2005

	2000 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	784	784
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>784</u>	<u>784</u>
Expenditures:			
Capital projects	<u>1,113,430</u>	<u>1,014,570</u>	<u>98,860</u>
Excess of Revenues Over (Under) Expenditures	(1,113,430)	(1,013,786)	99,644
Other financing sources (uses):			
Transfers in	256,633	256,633	-
Transfers out	<u>(25,100)</u>	<u>(25,100)</u>	<u>-</u>
Total other financing sources (uses)	<u>231,533</u>	<u>231,533</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(881,897)	(782,253)	99,644
Fund Balances at Beginning of Year	<u>881,897</u>	<u>881,897</u>	<u>-</u>
Fund Balances at End of Year	\$ -	\$ <u>99,644</u>	\$ <u>99,644</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, 2005

	2001 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental			
Interest	-	3,023	3,023
Miscellaneous	-	-	-
Total revenues	-	3,023	3,023
Expenditures:			
Capital projects	1,627,091	683,670	943,421
Excess of Revenues Over (Under) Expenditures	(1,627,091)	(680,647)	946,444
Other financing sources (uses):			
Transfers In	137,254	137,254	-
Transfers out	(347,515)	(347,515)	-
Total other financing sources (uses)	(210,261)	(210,261)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,837,352)	(890,908)	946,444
Fund Balances at Beginning of Year	1,975,105	1,975,105	-
Fund Balances at End of Year	\$ 137,753	\$ 1,084,197	\$ 946,444

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, 2005

	2002 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	250,000	250,000	
Interest	-	7,843	7,843
Miscellaneous	-	-	-
Total revenues	<u>250,000</u>	<u>257,843</u>	<u>7,843</u>
Expenditures:			
Capital projects	<u>5,297,546</u>	<u>836,348</u>	<u>4,461,198</u>
Excess of Revenues Over (Under) Expenditures	(5,047,546)	(578,505)	4,469,041
Other financing sources (uses):			
Transfers In	569,383	570,795	1,412
Transfers out	<u>(22,629)</u>	<u>(22,629)</u>	<u>-</u>
Total other financing sources (uses)	<u>546,754</u>	<u>548,166</u>	<u>1,412</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,500,792)	(30,339)	4,470,453
Fund Balances at Beginning of Year	<u>4,552,061</u>	<u>4,552,061</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 51,269</u>	<u>\$ 4,521,722</u>	<u>\$ 4,470,453</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, 2005

	2003 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	90,248	90,248
Miscellaneous	-	-	-
Total revenues	-	90,248	90,248
Expenditures:			
Capital projects	6,929,978	1,433,748	5,496,231
Excess of Revenues Over (Under) Expenditures	(6,929,979)	(1,343,500)	5,586,479
Other financing sources (uses):			
Transfers In			
Transfers out	(1,664,239)	(1,664,239)	-
Total other financing sources (uses)	(1,664,239)	(1,664,239)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(8,594,218)	(3,007,739)	5,586,479
Fund Balances at Beginning of Year	8,619,856	8,619,856	-
Fund Balances at End of Year	\$ 25,638	\$ 5,612,117	\$ 5,586,479

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, 2005

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ -	\$ 153,471	\$ 153,471
Intergovernmental	250,000	278,663	28,663
Interest	-	103,310	103,310
Miscellaneous	-	10,000	10,000
Total revenues	<u>250,000</u>	<u>545,444</u>	<u>295,444</u>
Expenditures:			
Capital projects	<u>17,494,601</u>	<u>5,825,397</u>	<u>11,669,204</u>
Excess of Revenues Over (Under) Expenditures	(17,244,601)	(5,279,953)	11,964,648
Other financing sources (uses):			
Transfers in	987,401	988,813	1,412
Transfers out	<u>(2,871,651)</u>	<u>(2,891,732)</u>	<u>(20,081)</u>
Total other financing sources (uses)	<u>(1,884,250)</u>	<u>(1,902,919)</u>	<u>(18,669)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(19,128,851)	(7,182,872)	11,945,979
Fund Balances at Beginning of Year	<u>19,939,270</u>	<u>19,939,270</u>	-
Fund Balances at End of Year	<u>\$ 810,419</u>	<u>\$ 12,756,398</u>	<u>\$ 11,945,979</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year ended June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<u>Broad Creek Public Service District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ 183,719	\$ 1,364,901	\$ 903,680	\$ 644,940
<u>Liabilities</u>				
Due to agencies	\$ 183,719	\$ 1,364,901	\$ 903,680	\$ 644,940
Water/Sewer:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ 57,445	\$ 65,701	\$ 123,000	\$ 146
<u>Liabilities</u>				
Due to agencies	\$ 57,445	\$ 65,701	\$ 123,000	\$ 146
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ (180,045)	\$ 340,090	\$ 339,625	\$ (179,580)
<u>Liabilities</u>				
Due to agencies	\$ (180,045)	\$ 340,090	\$ 339,625	\$ (179,580)
Capital Projects:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ -	\$ -	\$ -	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ -	\$ -	\$ -
<u>Fripp Island Public Service District</u>				
Erosion Control:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ 49,194	\$ 22,513	\$ -	\$ 71,707
<u>Liabilities</u>				
Due to agencies	\$ 49,194	\$ 22,513	\$ -	\$ 71,707

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Fripp Island Public Service District (cont'd)</u>				
<u>Water/Sewer</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 59,688	\$ 80,100	\$ -	\$ 139,788
<u>Liabilities</u>				
Due to agencies	\$ 59,688	\$ 80,100	\$ -	\$ 139,788
 <u>Debt Service:</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 98,846	\$ 100,618	\$ 85,318	\$ 114,146
<u>Liabilities</u>				
Due to agencies	\$ 98,846	\$ 100,618	\$ 85,318	\$ 114,146
 <u>Capital:</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 40	\$ 1,753,607	\$ 1,122,605	\$ 631,042
<u>Liabilities</u>				
Due to agencies	\$ 40	\$ 1,753,607	\$ 1,122,605	\$ 631,042
 <u>Fire 1% Funds:</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 10,571	\$ 19,996	\$ 8,495	\$ 22,072
<u>Liabilities</u>				
Due to agencies	\$ 10,571	\$ 19,996	\$ 8,495	\$ 22,072
 <u>Fire Operations:</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 302,324	\$ 655,510	\$ 501,202	\$ 456,632
<u>Liabilities</u>				
Due to agencies	\$ 302,324	\$ 655,510	\$ 501,202	\$ 456,632
 <u>Forest Beach Public Service District</u>				
<u>Operations:</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 276	\$ 263	\$ 13
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 276	\$ 263	\$ 13

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<u>Forest Beach Public Service District</u>				
Fire Operations:				
<u>Assets</u>				
Equity In pooled cash and investments	\$ -	\$ 6,012	\$ 4,523	\$ 1,489
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 6,012	\$ 4,523	\$ 1,489
Fire Debt:				
<u>Assets</u>				
Equity In pooled cash and investments	\$ -	\$ 753	\$ 565	\$ 188
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 753	\$ 565	\$ 188
<u>Hilton Head #1 Public Service District</u>				
Operations:				
<u>Assets</u>				
Equity In pooled cash and Investments	\$ 1,342,428	\$ 834,186	\$ 500,000	\$ 1,676,614
<u>Liabilities</u>				
Due to agencies	\$ 1,342,428	\$ 834,186	\$ 500,000	\$ 1,676,614
Water/Sewer:				
<u>Assets</u>				
Equity In pooled cash and investments	\$ 1,145,275	\$ 402,847	\$ 500,000	\$ 1,048,122
<u>Liabilities</u>				
Due to agencies	\$ 1,145,275	\$ 402,847	\$ 500,000	\$ 1,048,122
Debt Service:				
<u>Assets</u>				
Equity In pooled cash and investments	\$ 93,080	\$ 734,143	\$ 637,141	\$ 190,082
<u>Liabilities</u>				
Due to agencies	\$ 93,080	\$ 734,143	\$ 637,141	\$ 190,082

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>South Beach Public Service District</u>				
Water/Sewer:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 31,640	\$ 287,445	\$ 270,700	\$ 48,385
<u>Liabilities</u>				
Due to agencies	\$ 31,640	\$ 287,445	\$ 270,700	\$ 48,385
Debt service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 7,128	\$ 1,782	\$ -	\$ 8,910
<u>Liabilities</u>				
Due to agencies	\$ 7,128	\$ 1,782	\$ -	\$ 8,910
Fire Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 12,207	\$ 9,155	\$ 3,052
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 12,207	\$ 9,155	\$ 3,052
Fire Debt:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 726	\$ 545	\$ 181
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 726	\$ 545	\$ 181
<u>Bluffton Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 312,078	\$ 5,566,800	\$ 5,411,428	\$ 467,450
<u>Liabilities</u>				
Due to agencies	\$ 312,078	\$ 5,566,800	\$ 5,411,428	\$ 467,450
Debt service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 147,854	\$ 209,171	\$ 118,297	\$ 238,728
<u>Liabilities</u>				
Due to agencies	\$ 147,854	\$ 209,171	\$ 118,297	\$ 238,728

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<u>Bluffton Fire District- (cont'd)</u>				
Capital Projects:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,627	\$ 2	\$ -	\$ 1,629
<u>Liabilities</u>				
Due to agencies	\$ 1,627	\$ 2	\$ -	\$ 1,629
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 17,065	\$ 157,440	\$ 156,800	\$ 17,705
<u>Liabilities</u>				
Due to agencies	\$ 17,065	\$ 157,440	\$ 156,800	\$ 17,705
Impact Fees:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,610,093	\$ 826,580	\$ 543,880	\$ 1,892,793
<u>Liabilities</u>				
Due to agencies	\$ 1,610,093	\$ 826,580	\$ 543,880	\$ 1,892,793
<u>Burton Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 827,347	\$ 3,186,865	\$ 3,320,300	\$ 693,912
<u>Liabilities</u>				
Due to agencies	\$ 827,347	\$ 3,186,865	\$ 3,320,300	\$ 693,912
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 216,637	\$ 298,727	\$ 256,880	\$ 258,484
<u>Liabilities</u>				
Due to agencies	\$ 216,637	\$ 298,727	\$ 256,880	\$ 258,484

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Burton Fire District - (cont'd)</u>				
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 55,782	\$ 29,854	\$ 15,436	\$ 70,200
<u>Liabilities</u>				
Due to agencies	\$ 55,782	\$ 29,854	\$ 15,436	\$ 70,200
Impact fees:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 221,208	\$ 73,113	\$ -	\$ 294,321
<u>Liabilities</u>				
Due to agencies	\$ 221,208	\$ 73,113	\$ -	\$ 294,321
<u>Darfuskle Island Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 93,444	\$ 667,253	\$ 685,660	\$ 75,037
<u>Liabilities</u>				
Due to agencies	\$ 93,444	\$ 667,253	\$ 685,660	\$ 75,037
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ (7,414)	\$ 62,159	\$ 60,898	\$ (6,153)
<u>Liabilities</u>				
Due to agencies	\$ (7,414)	\$ 62,159	\$ 60,898	\$ (6,153)
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 7,466	\$ 9,864	\$ 9,806	\$ 7,524
<u>Liabilities</u>				
Due to agencies	\$ 7,466	\$ 9,864	\$ 9,806	\$ 7,524

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Dauskie Island Fire District - (cont'd)</u>				
Impact Fees:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ 27,182	\$ 38,260	\$ -	\$ 65,442
<u>Liabilities</u>				
Due to agencies	\$ 27,182	\$ 38,260	\$ -	\$ 65,442
<u>Lady's Island/St. Helena Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ (125,176)	\$ 3,100,284	\$ 2,814,051	\$ 161,057
<u>Liabilities</u>				
Due to agencies	\$ (125,176)	\$ 3,100,284	\$ 2,814,051	\$ 161,057
Debt Service:				
<u>Assets</u>				
Equity pooled cash and Investments	\$ (233,378)	\$ 153,130	\$ 16,948	\$ (97,196)
<u>Liabilities</u>				
Due to agencies	\$ (233,378)	\$ 153,130	\$ 16,948	\$ (97,196)
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 87,355	\$ 58,508	\$ 68,917	\$ 76,946
<u>Liabilities</u>				
Due to agencies	\$ 87,355	\$ 58,508	\$ 68,917	\$ 76,946
<u>Impact Fees</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 772,233	\$ 185,278	\$ 400,843	\$ 556,668
<u>Liabilities</u>				
Due to agencies	\$ 772,233	\$ 185,278	\$ 400,843	\$ 556,668

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Sheldon Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 22,708	\$ 728,104	\$ 760,242	\$ (9,430)
<u>Liabilities</u>				
Due to agencies	\$ 22,708	\$ 728,104	\$ 760,242	\$ (9,430)
Debt Service:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 1,954	\$ 55,471	\$ 59,010	\$ (1,585)
<u>Liabilities</u>				
Due to agencies	\$ 1,954	\$ 55,471	\$ 59,010	\$ (1,585)
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 5,492	\$ 10,202	\$ 7,078	\$ 8,616
<u>Liabilities</u>				
Due to agencies	\$ 5,492	\$ 10,202	\$ 7,078	\$ 8,616
<u>Impact Fees</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 11,863	\$ 6,569	\$ -	\$ 18,432
<u>Liabilities</u>				
Due to agencies	\$ 11,863	\$ 6,569	\$ -	\$ 18,432
<u>City of Beaufort</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 120,755	\$ 4,709,148	\$ 4,501,669	\$ 328,234
<u>Liabilities</u>				
Due to agencies	\$ 120,755	\$ 4,709,148	\$ 4,501,669	\$ 328,234

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>City of Beaufort- (cont'd)</u>				
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ -	\$ 41,956	\$ 41,956	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 41,956	\$ 41,956	\$ -
<u>Town of Port Royal</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 41,454	\$ 1,726,025	\$ 1,698,632	\$ 68,847
<u>Liabilities</u>				
Due to agencies	\$ 41,454	\$ 1,726,025	\$ 1,698,632	\$ 68,847
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ -	\$ 9,148	\$ 9,148	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 9,148	\$ 9,148	\$ -
<u>Town of Bluffton</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 13,016	\$ 792,317	\$ 724,286	\$ 81,047
<u>Liabilities</u>				
Due to agencies	\$ 13,016	\$ 792,317	\$ 724,286	\$ 81,047
<u>Town of Yemassee</u>				
Municipal:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ 149	\$ 15,875	\$ 13,017	\$ 3,007
<u>Liabilities</u>				
Due to agencies	\$ 149	\$ 15,875	\$ 13,017	\$ 3,007

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Town of Yemassee-(cont'd)</u>				
Fire Department 1% Fund:				
<u>Assets</u>				
Equity In pooled cash and investments	\$ -	\$ 144	\$ 144	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 144	\$ 144	\$ -
<u>Town of Hilton Head</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 623,590	\$ 21,171,528	\$ 20,934,191	\$ 860,927
<u>Liabilities</u>				
Due to agencies	\$ 623,590	\$ 21,171,528	\$ 20,934,191	\$ 860,927
Fire Operations:				
<u>Assets</u>				
Equity pooled cash and investments	\$ -	\$ 19,846	\$ 14,902	\$ 4,944
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 19,846	\$ 14,902	\$ 4,944
Fire Debt Service:				
<u>Assets</u>				
Equity In pooled cash and investments	\$ 19,163	\$ 1,253	\$ 17,905	\$ 2,511
<u>Liabilities</u>				
Due to agencies	\$ 19,163	\$ 1,253	\$ 17,905	\$ 2,511
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 500,040	\$ 500,040	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 500,040	\$ 500,040	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Beaufort-Jasper Academy for Career Excellence</u>				
General:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 1,095,398	\$ 2,841,900	\$ 3,161,650	\$ 775,648
<u>Liabilities</u>				
Due to agencies	\$ 1,095,398	\$ 2,841,900	\$ 3,161,650	\$ 775,648
Special Revenue Fund:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 118,485	\$ 446,593	\$ 514,384	\$ 50,694
<u>Liabilities</u>				
Due to agencies	\$ 118,485	\$ 446,593	\$ 514,384	\$ 50,694
Capital:				
<u>Assets</u>				
Equity pooled cash and investments	\$ (184,128)	\$ -	\$ -	\$ (184,128)
<u>Liabilities</u>				
Due to agencies	\$ (184,128)	\$ -	\$ -	\$ (184,128)
Education Improvement Act:				
<u>Assets</u>				
Equity pooled cash and Investments	\$ (877,336)	\$ 29,658	\$ 119,888	\$ (967,566)
<u>Liabilities</u>				
Due to agencies	\$ (877,336)	\$ 29,658	\$ 119,888	\$ (967,566)
<u>Beaufort County School District</u>				
General:				
<u>Assets</u>				
Equity in pooled cash and Investments	\$ 9,390,137	\$ 132,085,748	\$ 128,235,697	\$ 13,240,188
<u>Liabilities</u>				
Due to agencies	\$ 9,390,137	\$ 132,085,748	\$ 128,235,697	\$ 13,240,188

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Beaufort County School District-(cont'd)</u>				
Special Revenue:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ (2,590,470)	\$ 19,883,664	\$ 21,374,848	\$ (4,081,654)
<u>Liabilities</u>				
Due to agencies	\$ (2,590,470)	\$ 19,883,664	\$ 21,374,848	\$ (4,081,654)
Debt Service:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 7,304,082	\$ 27,766,423	\$ 25,547,542	\$ 9,522,963
<u>Liabilities</u>				
Due to agencies	\$ 7,304,082	\$ 27,766,423	\$ 25,547,542	\$ 9,522,963
Capital:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 10,272,184	\$ 637,703	\$ 761,903	\$ 10,147,984
<u>Liabilities</u>				
Due to agencies	\$ 10,272,184	\$ 637,703	\$ 761,903	\$ 10,147,984
Lunch Fund:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 1,725,452	\$ 3,402,237	\$ 3,373,550	\$ 1,754,139
<u>Liabilities</u>				
Due to agencies	\$ 1,725,452	\$ 3,402,237	\$ 3,373,550	\$ 1,754,139
School 8% Projects:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 334,526	\$ 13,095,947	\$ 15,215,323	\$ (1,784,850)
<u>Liabilities</u>				
Due to agencies	\$ 334,526	\$ 13,095,947	\$ 15,215,323	\$ (1,784,850)
Education Improvement Act:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 94,671	\$ 13,775,990	\$ 13,245,027	\$ 625,634
<u>Liabilities</u>				
Due to agencies	\$ 94,671	\$ 13,775,990	\$ 13,245,027	\$ 625,634

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	Balance <u>July 1, 2004</u>	Additions	Deductions	Balance <u>June 30, 2005</u>
<u>Beaufort County School District - (cont'd)</u>				
Impact fees:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 2,947,689	\$ -	\$ 2,947,689	\$ -
<u>Liabilities</u>				
Due to agencies	\$ 2,947,689	\$ -	\$ 2,947,689	\$ -
Facilities 2000:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 2,072,711	\$ -	\$ -	\$ 2,072,711
<u>Liabilities</u>				
Due to agencies	\$ 2,072,711	\$ -	\$ -	\$ 2,072,711
Facilities 2005:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 3,379,079	\$ 10,882,550	\$ 12,983,561	\$ 1,278,068
<u>Liabilities</u>				
Due to agencies	\$ 3,379,079	\$ 10,882,550	\$ 12,983,561	\$ 1,278,068
<u>Indigent Health Care</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ (46,547)	\$ 2,172,429	\$ 2,095,269	\$ 30,613
<u>Liabilities</u>				
Due to agencies	\$ (46,547)	\$ 2,172,429	\$ 2,095,269	\$ 30,613
<u>Continuing Education</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,277,894	\$ 4,323,797	\$ 5,681,364	\$ (79,673)
<u>Liabilities</u>				
Due to agencies	\$ 1,277,894	\$ 4,323,797	\$ 5,681,364	\$ (79,673)

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
<u>Special Assessments</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 120,153	\$ 76,687	\$ 31,075	\$ 165,765
<u>Liabilities</u>				
Due to agencies				
Burlington Estates	\$ 12,780	\$ 830	\$ -	\$ 13,610
Burlington Land	9,211	671	-	9,882
Cedacrest	528	35,568	-	36,096
Kings Grant II	8,153	1,299	-	9,452
O'Neal Place	7,668	563	-	8,231
Robin Wood	10,205	681	-	10,886
Seabrook	41,982	36,571	31,075	47,478
Woodland Estates	9,240	468	-	9,708
Tansl Village	2,620	4	-	2,624
Bay Pines	17,766	32	-	17,798
Total liabilities	\$ 120,153	\$ 76,687	\$ 31,075	\$ 165,765
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 44,526,860	\$ 282,515,653	\$ 283,457,951	\$ 43,584,562
<u>Liabilities</u>				
Due to agencies	\$ 44,526,860	\$ 282,515,653	\$ 283,457,951	\$ 43,584,562

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
JUNE 30, 2005

Court Fines and Fees

Court fines and fees collected	\$ 2,052,402
Court fines and fees retained by County	<u>(968,029)</u>
 Court Fines and fees Remitted to the State Treasurer	 \$ <u>1,084,373</u>

Court Assessments

Court assessments collected	\$ <u>1,127,834</u>
 Court Assessments Remitted to the State Treasurer	 \$ <u>1,127,834</u>

Court Surcharges

Court surcharges collected	\$ <u>26,125</u>
 Court Surcharges Remitted to the State Treasurer	 \$ <u>26,125</u>

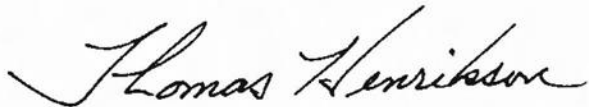
Victims Services

Court assessments allocated to Victim Services	\$ 112,435
Court surcharges allocated to Victim Services	37,718
Town of Hilton Head allocation	45,377
County general fund allocation	<u>101,310</u>
 Funds allocated to Victim Services	 296,840
Victim Services expenditures	<u>(236,345)</u>
 Funds used	 60,495
 Funds carried forward	 <u>22,928</u>
 Funds Available for Carryforward	 \$ <u>83,423</u>

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 black ink that reads "Thomas Henrikson". The signature is written in a cursive style with a large initial 'T' and a long, sweeping underline.

Thomas A. Henrikson, CPA
Controller

SINGLE AUDIT SECTION

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2005

	<u>Federal CFDA Number</u>	<u>Federal Award Expended</u>
Direct Federal Grants:		
US Department of Transportation Federal Aviation Administration Airport Improvement Program Hilton Head Airport - TSA	20.106	\$ 171,894
US Department of Justice Law Enforcement Block Grants 2004-LB-BX-0709	16.592	46,311
Federal Pass - Through Grants:		
Federal Emergency Management Agency Passed through Office of the SC Adjutant General		
EMA-2003-GR-5349	83.564	23,401
EMA-2004-GR-5006	97.067	60,852
5EMPG01	97.067	37,645
4CC01	94.004	17,951
HMESC 3042110	20.703	5,319
HMESC 4042120	20.703	13,500
US Department of Agriculture Passed through SC Department of Social Services		
Summer Food Services for Children (G-12-35-4541)	10.559	99,444
Summer Food Services for Children (G-12-35-4541)	10.559	137,897
US Department of Health and Human Services Passed through SC Health and Human Services Finance Commission		
Collaborator Coordinator (#A40545A)	93.778	101,912
Passed through SC Department of Alcohol and Other Drug Abuse Services		
Consolidated Contract BEA-MOA-4	93.959	370,232
Passed through SC Department of Transportation		
Lowcountry Regional Transportation Authority MT-41359-06	20.509	20,276
Passed through SC Department of Health and Environmental Control		
State aid to mapping	11.419	7,000
Homeland Security Grants Administration Passed through SC Law Enforcement Division		
4LETP12	97.004	57,985
4SHSP40	97.004	347,608

Note - The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting.

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

Beaufort County Council
Beaufort County
Beaufort, South Carolina

We have audited the financial statements of the County of Beaufort as of and for the year ended June 30, 2005, and have issued our report thereon dated January 23, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Beaufort's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud, 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.

Compliance and Other Matters

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

This report is intended for the information and use of the Beaufort County Council and management and is not intended to be and should not be used by anyone other than those specified parties.

January 23, 2006

ELBERT DAUBS, LLC

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

Beaufort County Council
Beaufort County
Beaufort, South Carolina

Compliance

We have audited the compliance of the County of Beaufort with the types of compliance requirements described in the *United States 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, 2005. County of Beaufort's major federal programs are identified in the Summary of Auditor's Result 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 the County of Beaufort's management. Our responsibility is to express an opinion on the County of Beaufort'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 the County of Beaufort's compliance with those requirements and performing such other procedures as we consider 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 the County of Beaufort's compliance with those requirements.

In our opinion, the County of Beaufort 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, 2005.

Internal Control Over Compliance

The management of the County of Beaufort 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 the County of Beaufort'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 reportable 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 caused by error or fraud 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 considered to be material weaknesses.

This report is intended for the information and use of the Beaufort County Council and management and is not intended to be and should not be used by anyone other than those specified parties.

January 23, 2006

Elliott Davis, LLC

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2005

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Beaufort County, South Carolina.
2. No reportable conditions relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Beaufort County, South Carolina were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Schedule of Findings and Questioned Costs.
5. The auditor's report on compliance for the major federal award program for Beaufort County, South Carolina expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Beaufort County, South Carolina are reported.
7. The programs tested as major programs were:

US Department of Justice	
Local Law Enforcement Block Grants	16.592
US Homeland Security Administration	
Homeland Security Grant Program	97.004
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Beaufort County, South Carolina qualified as a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

BEAUFORT COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2005

NONE

STATISTICAL SECTION

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

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental Revenues	Charges for Services	Fines and Forefeitures	Interest	Miscellaneous Revenues	Total
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
2004	39,902,961	2,618,619	6,018,623	9,795,154	1,023,973	113,045	238,122	59,710,497
2005	47,419,184	3,393,994	6,073,748	12,179,930	882,229	64,028	311,610	70,324,723

⁽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
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
2004	14,573,990	26,905,522	7,313,102	2,168,726	709,052	3,148,082	54,818,474
2005	15,616,654	29,301,879	7,897,503	2,172,343	717,165	6,702,500 ⁽²⁾	62,408,044

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

⁽²⁾ The Parks and Leisure Services programs were reclassified in the general 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
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%
2004	53,641,630	50,203,062	93.6%	4,251,126	101.5%
2005	63,554,010	60,416,187	95.1%	3,438,851	100.5%

⁽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
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	114,501,937	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	125,016,939	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	174,822,319	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
2004	740,613,636	15,649,673,497	184,242,051	1,897,765,656	924,855,697	17,547,439,153
2005 ⁽¹⁾	1,354,125,807	27,588,978,918	184,286,675	1,911,616,663	1,538,412,482	29,500,595,581

⁽¹⁾ Reassessment year.

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

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>County-Wide Levies</u>										
County-Operations	51.1	39.6	38.6	32.6	36.3	36.0	35.2	40.1	42.9	32.7
County-Debt Service	9.9	9.7	9.4	6.8	7.2	7.2	7.2	7.2	7.2	5.4
County-Capital Improvement Program	0.9	0.8	0.8	0.2	-	-	-	-	-	-
County-Sold Waste/Recycling	-	9.7	9.6	6.2	6.7	6.9	6.2	4.7	5.9	4.5
County-Purchase of Real Property Program	-	-	1.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5
School-Operations	97.9	99.4	97.5	75.7	86.7	96.7	97.6	107.0	108.2	75.2
School-Debt Service	29.5	27.4	30.6	23.8	21.7	23.1	22.2	22.2	22.2	19.0
Indlgent Health Care	2.5	2.3	2.4	1.8	1.9	2.0	2.0	2.0	2.0	1.5
Continuing Education	2.0	1.9	2.0	1.5	4.2	4.0	4.0	4.0	4.0	3.0
<u>Municipal Levies</u>										
City of Beaufort	93.0	91.0	91.0	68.9	68.9	68.4	68.4	73.4	73.4	55.8
Town of Port Royal	97.0	99.5	99.5	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Town of Bluffton	40.0	67.0	67.0	49.0	49.0	49.0	49.0	49.0	49.0	42.0
Town of Hilton Head	41.3	41.3	41.3	30.5	30.5	30.5	31.0	31.0	31.0	22.3
Town of Yemassee	55.0	65.0	65.0	65.0	65.0	68.0	68.0	68.0	68.0	68.0
<u>Fire Levies</u>										
Burton Fire-Operations	40.0	44.6	44.6	42.1	46.3	48.5	49.5	57.9	61.9	49.6
Burton Fire-Debt Service	4.0	5.9	5.9	6.5	6.6	6.0	6.0	6.0	6.0	4.6
Bluffton Fire-Operation	21.8	23.0	23.0	20.1	21.5	20.5	21.5	22.5	25.5	17.9
Bluffton Fire-Debt Service	1.0	0.5	0.5	0.3	0.8	0.6	0.6	0.6	0.6	0.7
Daufuskie Island Fire-Operations	25.9	32.2	32.2	34.3	36.8	40.5	40.5	42.5	47.5	27.9
Daufuskie Island Fire-Debt Service	-	-	4.0	4.4	4.9	4.7	4.7	4.7	4.7	2.6
Lady's Island/St. Helena-Operations	29.2	30.5	30.5	22.2	24.8	25.7	26.7	31.9	35.1	27.1
Lady's Island/St. Helena-Debt Service	2.4	2.2	2.2	3.5	3.0	2.1	2.1	2.1	3.5	1.4
Sheldon Fire-Operations	32.4	32.4	32.4	25.8	26.8	30.6	32.6	37.0	39.9	29.6
Sheldon Fire-Debt Services	3.3	4.6	4.6	3.3	3.3	2.6	2.6	2.6	2.6	2.3

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
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
2004	130,260	924,855,697	144,640,000	7,682,002	136,957,998	14.8%	1,110.39
2005	133,520	1,538,412,482	169,855,000	9,280,423	160,574,577	10.4%	1,272.13

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

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, 2005

Assessed Value - 2004 Tax Year (Fiscal Year 2005)	\$ 1,538,412,482
	<u> x 8%</u>
Constitutional Debt Limit	123,072,999
Outstanding Subject to Debt Limit ⁽¹⁾	<u>63,429,118</u>
 Legal Debt Limit Remaining Without a Referendum	 <u>\$ 59,643,881</u>

⁽¹⁾ Total outstanding debt	\$ 106,175,000
Less debt issued under referendum	(38,010,588)
Less debt issued paid by other sources	<u>(4,735,294)</u>
Total outstanding debt subject to debt limit	<u>\$ 63,429,118</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPUTATION OF OVERLAPPING GENERAL OBLIGATION DEBT
 JUNE 30, 2005

	Gross Debt Outstanding	Percentage Applicable to Beaufort County	Amount Applicable to Beaufort County
Beaufort County School District	\$ 238,835,000	100%	\$ 238,835,000
City of Beaufort	85,000.00	100%	85,000.00
Town of Hilton Head	74,705,000	100%	74,705,000
Town of Port Royal	-0-	100%	-0-
Broad Creek Public Service District	6,400,000	100%	6,400,000
South Beach Public Service District	490,000	100%	490,000
Fripp Island Public Service District	512,570	100%	512,570
Hilton Head No. 1 Public Service District	530,000	100%	530,000
Bluffton Fire District	2,207,472	100%	2,207,472
Burton Fire District	2,403,473	100%	2,403,473
Daufuskie Island Fire District	210,256	100%	210,256
Lady's Island/St. Helena Island Fire District	1,108,108	100%	1,108,108
Sheldon Fire District	<u>280,581</u>	100%	<u>280,581</u>
 Total	 <u>\$ 327,767,460</u>		 <u>\$ 327,767,460</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>
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%
2004	4,437,859	58,645,690	7.5%
2005	10,820,609	62,408,044	17.3%

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>
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%
2004	10,949,905 ⁽⁴⁾	58,645,690	18.7%
2005	12,385,535	62,408,044	19.8%

⁽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.

⁽⁴⁾ Excludes \$15,000,000 paid to redeem a bond anticipation note issued April 2002, and paid January 2003.

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
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
2003	2,416	291,472,103	108	75,206,835
2004	2,286	381,422,592	93	68,381,756

Source: County Building Inspector

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

<u>Year Ended</u> <u>December 31</u>	<u>Bank</u> <u>Deposits</u>	<u>Savings</u> <u>& Loan</u> <u>Deposits</u>	<u>Total</u> <u>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, 2005

<u>Taxpayer</u>	<u>2003 Taxes Paid</u>	<u>Percentage of total Assessed Value</u>
South Carolina Electric & Gas	\$ 2,793,723	1.26%
Marriott Ownership Resort	2,756,442	1.53%
Palmetto Electric	1,660,274	.79%
Hargray Telephone Company	1,225,278	.57%
Greenwood Development Corp	911,913	.42%
Westin Hilton Head Limited	791,571	.37%
Smith Lynn Press	661,038	.31%
Dunes Motel Associates	657,184	.30%
M & M Multi Services	524,455	.25%
Renwar Industries	516,186	.25%

Source: Beaufort County Treasurer

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2005

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.

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**SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2005**

	<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	9,030	2,000
Richard Stewart	9,030	2,000
<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. Buris	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 McDormick, 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>		
Gary Kubic	127,500	35,000

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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	3/24/05	3/24/06	Building, Contents Boiler & Machinery Fire, Lighting, EC, V&MM Replacement Cost Valuation	Scheduled \$50 Deductible on Vandallism	\$131,839
EDP IRF*	D130070000	3/24/05	3/24/06	Electronic data processing equip Hardware and Software	Schedule of Values	\$8,793
Radio Equip. IRF*	M130070000C	3/24/05	3/24/06	Inland Marine Form Radio Equipment	Schedule of Values	\$14,427
Boat/Motors IRF*	M130070000D	3/24/05	3/24/06	Inland Marine Policy Boats and Motors	Schedule of Values	\$2,765
Heavy Equipment IRF*	I160273	3/24/05	3/24/06	Inland Marine Policy Heavy Equipment	Schedule of Values	\$37,395
General Liability (Tort) IRF*	T130070000	1/1/05	1/1/06	Bodily Injury/Property Damage Personal Injury Liability Deductible: \$250 p/occurrence	\$1,000,000	\$267,175
Commercial (Vehicle Fleet) IRF*	L130070000	3/24/05	3/24/06	BI Liability PD Liability (p/occurrence) Basic Econ. Loss (p/person) Uninsured Motorist	\$600,000 CSL	\$320,138

*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	4/9/05	4/9/06	Hospital Medical Prof. Liab. Med. Prof.-EMS	\$100,000/ \$500,000	\$5,001
Insurance	P130071799	10/1/04	10/1/05	Med. Prof. Liab. -Detention Ctr.		\$428
Reserve	P130070199	10/1/04	10/1/05	Med. Prof. Liab. -Alcohol & Drug Abuse		\$294
Fund	P130070899A	10/1/04	10/1/05	Med. Prof. Liab. -DSN		\$602
Worker's Compensation SC Counties	WC Trust	1/1/05	1/1/06	Worker's Compensation Liability Employer's Liability	SC Statutory \$1,000,000	\$1,979,568
Aircraft Hope Aviation	AV4400505	2/8/05	2/8/06	Aviation Liability 250/500/250,000 & Scheduled Property, Damage (helicopter only) Passenger, Liability and Med. Expenses Coverage		\$37,500
Chemical Liability Old Republic	AA20603	8/11/04	8/11/05	Aerial Application Liability Limits: \$100,000/\$500,000		\$4,960
Blanket Bond Insurance Company of North America	CPBJ01363815	7/10/05	7/10/06	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 Blue Cross and Blue Shield	Benefit Plan	1/1/05	Present	Employees/Dependents Major Medical (Max. \$100,000 per member)	Schedule	Varies w/#covered
Dental Blue Cross and Blue Shield	0485519	1/1/05	Present	Employee and Dependents	Schedule (\$500/member/year)	Varies w/#covered

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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>
2000	\$ 2,905,307,405	\$ 175,100,859
2001	2,917,924,095	12,616,690
2002	2,994,734,542	76,810,447
2003	3,158,157,797	163,423,255
2004	3,414,415,525	256,257,728

Source: South Carolina Tax Commission

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UNEMPLOYMENT RATE

CPS LABOR FORCE ESTIMATES
(BY PLACE OF RESIDENCE)

	1999	2000	2001	2002	2003
Civilian Labor Force	51,820	54,070	53,970	55,580	58,122
Employment	50,630	52,950	52,570	54,030	56,375
Unemployment	1,190	1,120	1,400	1,550	1,747
% of Labor Force	2.3%	2.1%	2.6%	2.8%	3.0%

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:

	1999	2000	2001	2002 ⁽¹⁾	2003 ⁽¹⁾
Manufacturing	1,170	1,100	1,140	913	958
Construction	4,940	5,620	6,090	5,843	6,396
Transportation & Public Utilities	1,990	1,850	1,880	1,442	1,003
Wholesale and Retail Trade	15,040	16,020	16,910	19,392	19,241
Finance, Insurance and Real Estate	3,850	3,950	4,870	3,287	3,359
Service	17,080	17,770	18,940	20,563	16,445
Government	7,990	8,800	9,330	3,163 ⁽²⁾	8,660
Totals	52,060	55,110	59,160	54,603	56,062

(1) Compiled using North American Industry Classification System (NAIC) rather than SIC Division

(2) Considered Public Administration under the NAIC System

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

BEAUFORT COUNTY, SOUTH CAROLINA
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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>
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
2003-04	1,914	10,599	4,761	637	17,911
2004-05	1,978	10,815	5,135	573	18,501

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 campus 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.

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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>
1999	\$ 31,307	\$ 22,958
2000	32,112	24,273
2001	34,029	24,886
2002	34,935	25,502
2003	34,814	26,144

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

BEAUFORT COUNTY, SOUTH CAROLINA
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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;
- (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, 2005

1,061 full time, 38 part-time