



Beaufort County, South Carolina

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2017

Commitment to Transparency

Beaufort County is pleased to present this Comprehensive Annual Financial Report (CAFR), which has also been posted at our website (www.bcgov.net). The CAFR is intended to give readers an idea of what Beaufort County strives to accomplish in its financial reporting and public programs and services. The goal of the CAFR is to present correct and complete data so that County finances will be understood and to visually show the value of what the numbers represent—a treasured quality of life and amazing outdoor environment, illustrated herein with photographs of images taken locally. The CAFR offers an effective and transparent venue for delivering this important information. Transparency in government is essential for building public trust and is one of Beaufort County's top priorities. We are proud of the recognition Beaufort County has received for its commitment to transparency and excellence, including consistent Certificates of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

Issued by the Beaufort County Finance Department:

Alicia Holland, CPA, CGMA
Assistant County
Administrator for Finance &
Chief Financial Officer

Chanel Lewis
Controller

Janet Andrews
Accounting Supervisor

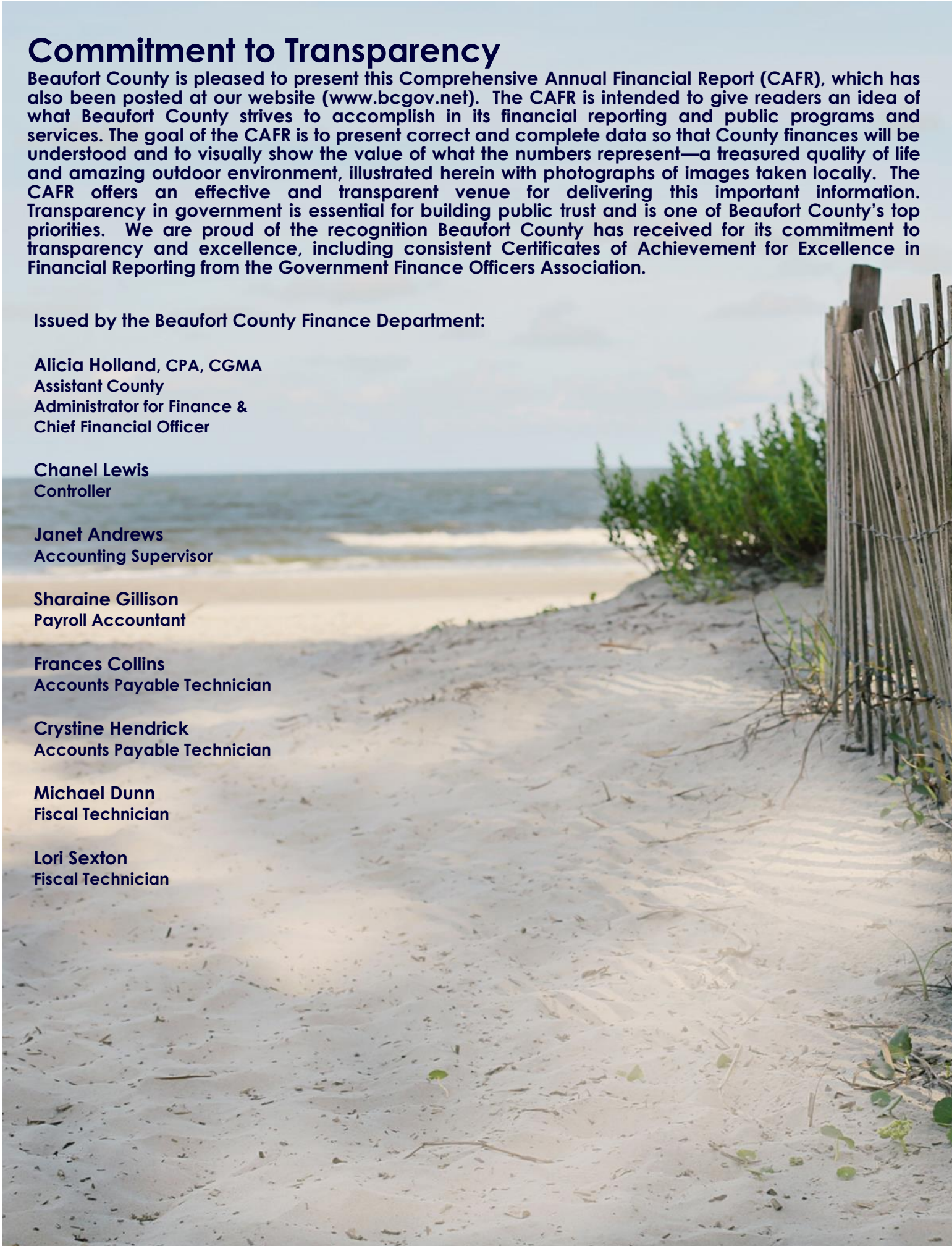
Sharaine Gillison
Payroll Accountant

Frances Collins
Accounts Payable Technician

Crystine Hendrick
Accounts Payable Technician

Michael Dunn
Fiscal Technician

Lori Sexton
Fiscal Technician





Tina Lee

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2017
 TABLE OF CONTENTS

Page

Introductory Section

| | |
|--------------------------------------|-------|
| Letter of Transmittal | 1 - 5 |
| Organizational Chart | 6 |
| Elected and Appointed Officials..... | 7 |
| GFOA Certificate of Achievement..... | 8 |

Financial Section

| | |
|---|---------|
| Report of Independent Auditor..... | 9 - 11 |
| Management’s Discussion and Analysis..... | 12 - 26 |
| Basic Financial Statements: | |
| Exhibit 1 - Statement of Net Position..... | 27 |
| Exhibit 2 - Statement of Activities..... | 28 |
| Exhibit 3 - Balance Sheet – Governmental Funds; Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 29 - 30 |
| Exhibit 4 - Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds; Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 31 - 32 |
| Exhibit 5 - Statement of Net Position Proprietary Funds..... | 33 |
| Exhibit 6 - Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds | 34 |
| Exhibit 7 - Statement of Cash Flows Proprietary Funds | 35 - 36 |
| Exhibit 8 - Statement of Fiduciary Net Position Agency Funds | 37 |
| Notes to the Financial Statements | 38 - 66 |
| Required Supplementary Information: | |
| Schedule 1 - Schedule of Modified Approach for Airport Infrastructure Assets | 67 |
| Schedule 2 - Schedule of the County’s Proportionate Share of the Net Pension Liability..... | 68 |
| Schedule 3 – Schedule of the County’s Contributions to the South Carolina Retirement System - Last 10 Fiscal Years | 69 |
| Schedule 4 - Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual General Fund | 70 - 72 |
| Other Supplementary Information: | |
| Schedule A-1 - Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual County Wide General Obligation Bonds | 73 |
| Schedule A-2 - Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual Rural and Critical Lands Program..... | 74 |
| Schedule A-3 - Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual 2017 General Obligation Bond Projects..... | 75 |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2017
 TABLE OF CONTENTS

Page

Financial Section – Continued

| | |
|---|-----------|
| Schedule B-1 - Balance Sheet Nonmajor Governmental Funds | 76 |
| Schedule B-2 - Schedule of Revenues, Expenditures and Changes in Fund Balances | |
| Nonmajor Governmental Funds | 77 - 80 |
| Schedule C-1 - Combining Balance Sheet – All Nonmajor Special Revenue Funds | 81 |
| Schedule C-2 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Budget and Actual All Nonmajor Special Revenue Funds | 82 - 88 |
| Schedule C-3 - Combining Balance Sheet - Nonmajor Special Revenue Funds - General Government Programs..... | 89 |
| Schedule C-4 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Special Revenue Funds - General Government Programs | 90 - 101 |
| Schedule C-5 - Combining Balance Sheet - Nonmajor Special Revenue Funds - Public Safety Programs..... | 102 |
| Schedule C-6 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Special Revenue Funds - Public Safety Grants | 103 - 107 |
| Schedule C-7 - Combining Balance Sheet - Nonmajor Special Revenue Funds - Public Works Programs..... | 108 |
| Schedule C-8 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Special Revenue Funds - Public Works Programs..... | 109 - 114 |
| Schedule C-9 - Combining Balance Sheet - Nonmajor Special Revenue Funds – Public Health Programs..... | 115 |
| Schedule C-10 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Special Revenue Funds – Public Health Programs..... | 116 - 118 |
| Schedule C-11 - Combining Balance Sheet - Nonmajor Special Revenue Funds - Public Welfare Programs..... | 119 |
| Schedule C-12 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Special Revenue Funds - Public Welfare Programs..... | 120 - 124 |
| Schedule C-13 - Combining Balance Sheet - Nonmajor Special Revenue Funds - Cultural and Recreation Programs | 125 |
| Schedule C-14 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Nonmajor Special Revenue Funds - Cultural and Recreation Programs | 126 - 133 |
| | |
| Schedule D-1 - Balance Sheet All Nonmajor Debt Service Funds | 134 |
| Schedule D-2 – Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - Budget and Actual All Nonmajor Debt Service Funds | 135 - 137 |
| | |
| Schedule E-1 - Combining Balance Sheet All Nonmajor Capital Project Funds..... | 138 |
| Schedule E-2 - Combining Schedule of Revenues, Expenditures and Changes in | |
| Fund Balances - All Nonmajor Capital Project Funds..... | 139 |
| | |
| Schedule F - Combining Statement of Changes in Assets and Liabilities All Agency Funds..... | 140 - 144 |
| | |
| Schedule G - Schedule of Fines, Fees, Assessments and Surcharges | 145 |
| | |
| Schedule H – Alcohol and Drug Programs - Profit and Loss Statement | 146 |
| Schedule I – Daufuskie Ferry Schedule of Budgeted to Actual..... | 147 |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2017
 TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| <u>Statistical Section</u> | |
| Table 1 - Net Position by Component | 148 |
| Table 2 - Changes in Net Position | 149 - 151 |
| Table 3 - Fund Balances Governmental Funds | 152 |
| Table 4 - Changes in Fund Balances Governmental Funds | 153 |
| Table 5 - Assessed Value and Market Value of Taxable Property | 154 |
| Table 6 - Property Tax Millages-All Overlapping Governments | 155 |
| Table 7 - Property Tax Levies and Collections | 156 |
| Table 8 - Ten Largest Taxpayers | 157 |
| Table 9 - Ratios of General Bonded Debt Outstanding | 158 |
| Table 10 - Computation of Legal Debt Margin | 159 |
| Table 11 - Legal Debt Margin Detail | 160 |
| Table 12 - Ratios of Outstanding Debt by Type | 161 |
| Table 13 - Computation of Direct and Overlapping Governmental Activities Debt | 162 |
| Table 14 - Demographic and Economic Statistics | 163 |
| Table 15 - Principal Employers | 164 |
| Table 16 - Full-Time Equivalent Employees by Function | 165 |
| Table 17 - Capital Asset Statistics by Function | 166 |
| Table 18 - Operating Indicators by Function | 167 |

Single Audit Section

| | |
|--|-----------|
| Schedule of Expenditures of Federal Awards | 168 - 169 |
| Notes to the Schedule of Expenditures of Federal Awards | 170 |
| 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 | 171 - 172 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | 173 - 174 |
| Schedule of Findings and Questioned Costs | 175 - 176 |
| Summary Schedule of Prior Audit Findings and Questioned Costs | 177 |

Lamar Nix



Introductory Section



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

June 26, 2018

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, 2017. This report has been prepared by the County's Finance Department, and the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs are included.

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

Mauldin & Jenkins LLC, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF LOCAL GOVERNMENT

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

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

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

LOCAL ECONOMY

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

The County is one of the fastest growing areas in South Carolina, with an estimated population of 183,149 in 2017, up from 86,425 in 1990. The County is a center for tourism, retirement and the associated services, and the military in South Carolina. The County has a balanced and very stable economy, created by a diversity of public and private employers, with the unemployment rate well below the statewide average and that of the neighboring counties. The local tax base has grown an average of approximately 2% per year over the last five years (discounting the reassessment years).

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

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

MAJOR INITIATIVES

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

In December 1997, the County adopted a Comprehensive Plan for Beaufort County. A portion of this plan is a comprehensive land use study which proposes various “preservation areas and greenways”. As a result, the County taxpayers approved four bond referendums totaling \$135,000,000 for the purchase of rural and critical lands. The County has issued the entire \$135 million of General Obligation bonds approved by the referendums. The County had expenditures of \$10,323,433 for this initiative during fiscal year 2017.

In November 2004, County voters approved a 1% sales tax referendum, with the proceeds, along with County road impact fees, funding various major road projects throughout Beaufort County. These projects include the expansion of the Bluffton Parkway, Boundary Street improvements and the widening of South Carolina Highway 170. In addition to the sales tax and impact fee revenue, the County has obtained partial grant funding for these projects as well. The County had expenditures of \$10,301,699 for these projects during fiscal year 2017.

LONG-TERM FINANCIAL PLANNING

In November 2014, the County issued \$19,450,000 of general obligation bonds bearing interest rates of 2.0% to 3.25% and with varying maturity dates through 2034. The proceeds of these bonds are currently being used for various planned facility upgrades including roof replacements, HVAC replacement, technology upgrades, a new Animal Services Facility that will be centrally located within the County, as well as Hilton Head Island Airport Projects. The County had expenditures of \$2,503,136 for these projects during fiscal year 2017.

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

In 2017, the County issued \$51,000,000 of general obligation bonds bearing interest rates of 3.13% to 5% and with varying maturity dates through 2037. \$31 million of the proceeds of these bonds will be used for various County and Stormwater Utility capital projects and \$20 million of the proceeds of these bonds will be used for the County’s rural and critical land projects, as approved by referendum in November 2014.

In 2017, the County issued \$6,110,000 of general obligation refunding bonds bearing interest rates of 5.0% and with varying maturity dates through 2020. The net proceeds of \$6,424,372 (including a \$362,230 premium and after payment of \$47,858 in underwriting fees and other issuance costs) were used to provide funds for the defeasance of the 2007B general obligation bonds in the amount of \$6,405,000 bearing interest rates of 4.0% to 5.0%. As a result, the 2007B general obligation bonds are considered to be fully defeased.

In 2017, the County issued \$30,250,000 of general obligation bond anticipation notes bearing interest rates of 1.4% and with a maturity date of June 2018. The proceeds were used to provide short-term cash flow as a result of debris removal efforts impacted by Hurricane Matthew. The County intends to receive sufficient reimbursements from the Federal Emergency Management Agency (FEMA) to repay the notes in June 2018.

RELEVANT FINANCIAL INFORMATION

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaufort County, South Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Alicia Holland". The signature is written in a cursive style with a large initial "A" and a long, sweeping underline.

Alicia Holland, CPA, CGMA
Assistant County Administrator, Finance

Citizens of Beaufort County, South Carolina

Clerk to Council
A. Bennett

Beaufort County Council

Beaufort County Administrator
G. Kubic, JD

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

County Attorney

Employee Services

Auditor
Clerk of Court
Coroner
Probate Judge
Sheriff
Solicitor
Treasurer

Legislative Delegation

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

**Boards & Commissions
with Staff Liaisons**

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

*Library System

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

Assistant County Administrator
A. Holland, CPA
"Finance"

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

Engineering, Infrastructure, Land Development & Transportation Division

Alcohol & Drug Abuse

Broadcast Services

Communications & Accountability

Disabilities & Special Needs

Human Services

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

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

Records Management

Library System
Veterans Affairs
Voter Registration & Elections

Assessor

Business Licenses

Finance

Purchasing

Register of Deeds

Risk Management

Animal Services

Building Inspections

Code Enforcement

Detention Center

Emergency Medical Services

Mosquito Control

Parks & Leisure Services

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

Planning & Zoning
Community Development

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

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

Engineering
Construction Management
Capital Improvements Projects
Right of Way Management

Facility Management

Transportation Engineering
C. Kinton, P.E.

Airports

Traffic & Transportation Engineering



January 2017

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

Elected and Appointed Officials

for the Fiscal Year Ended
June 30, 2017

Beaufort County Council

D. Paul Sommerville
Chairman, District 2

Gerald W. Stewart
Vice Chairman, District 6

Gerald Dawson, District 1
York Glover, Sr., District 3
Alice G. Howard, District 4
Brian E. Flewelling, District 5
Michael E. Covert, District 7
Rick Caporale, District 8
Roberts "Tabor" Vaux, Jr., District 9
Steven G. Fobes, District 10
Stewart H. Rodman, District 11

Other Elected Officials

James Beckert, Auditor
Jeri Ann Roseneau, Clerk of Court
J. Edward Allen, Coroner
Kenneth E. Fulp, Jr., Probate Court
P.J. Tanner, Sheriff
Isaac "Duffie" Stone, Solicitor
Maria Walls, CPA, Treasurer

Appointed Officials

Gary T. Kubic, County Administrator
Joshua A. Gruber, Deputy County Administrator
Ashley M. Bennett, Clerk to Council



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Beaufort County
South Carolina**

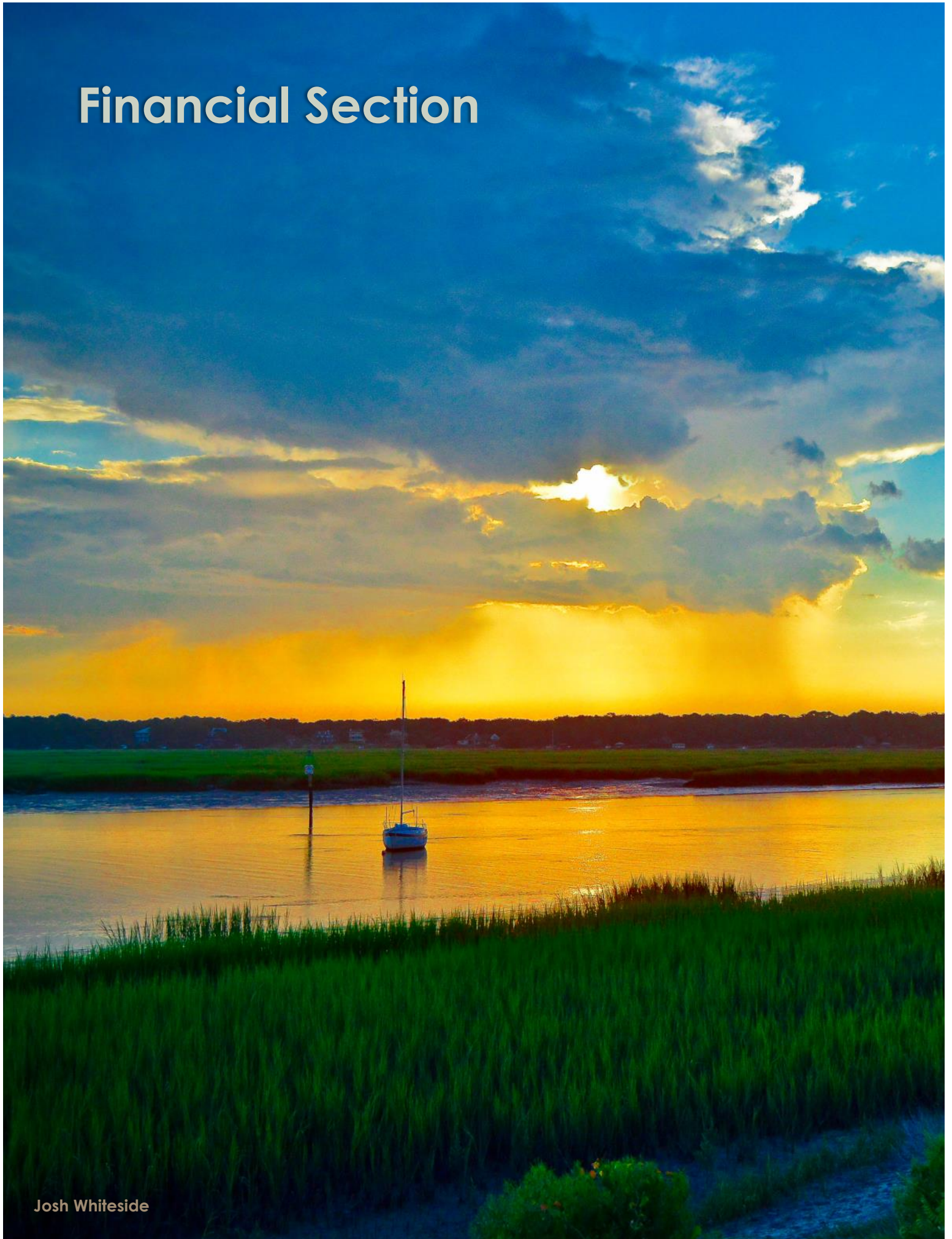
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO

Financial Section





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Beaufort County, South Carolina** (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Beaufort County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 12 through 26), the Schedule of Modified Approach for Airport Infrastructure Assets (on page 67), the Schedule of the County's Proportionate Share of the Net Pension Liability (on page 68), the Schedule of the County's Contributions to the South Carolina Retirement System (on page 69), and the Budgetary Comparison Schedule of the General Fund (on pages 70 through 72) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

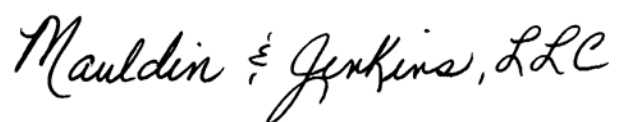
The summary schedule of court fines, assessments and surcharges is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



Macon, Georgia
June 26, 2018



Tina Lee

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

As management of Beaufort County, South Carolina (the County), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Beaufort County, South Carolina for the fiscal year ended June 30, 2017. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Beaufort County exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$339,300,040 (net position). The County's net position is categorized in three categories. Of the total net position \$278,950,953 is the County's investment in capital assets less the related debt, \$132,328,862 is restricted for specific purposes and (\$71,979,775) is the County's unrestricted deficit.
- The government's total net position decreased by \$8,295,338 during the fiscal year ended June 30, 2017 with a \$10,276,287 decrease resulting from governmental activities and a \$1,980,949 increase resulting from business type activities.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$160,096,257, an increase of \$44,230,055 in comparison with the prior year. Approximately 15 percent, \$23,772,760 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the County's unassigned fund balance of the general fund was \$23,772,760, or approximately 21 percent of the general fund expenditures and transfers out.
- Beaufort County's net capital assets increased by \$17,904,194 during the current fiscal year. The increase in governmental activities net capital assets of \$17,800,964 was mostly the result of road project improvements and additions, purchases of property through the Real Property Purchase Program, the expansion of a recreation facility in the southern part of the County, various county facility significant repairs and maintenance, and information technology equipment. The increase in business type activities net capital assets of \$103,230 was mostly the result of land acquisition for the Hilton Head Island Airport runway extension project.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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

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

Both the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, public health, public welfare, and cultural and recreation. The business-type activities include the Stormwater Utility, the Lady's Island Airport, and the Hilton Head Island Airport. The business-type activities function for all practical purposes as departments of the County, and therefore have been included as integral parts of the primary government.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The government-wide financial statements can be found on pages 27 through 28 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaufort County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

The basic fund financial statements for governmental funds can be found on pages 29 through 32 of this report.

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

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

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

The basic proprietary fund financial statements can be found on pages 33 through 36 of this report.

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

The statement of fiduciary net position can be found on page 37 of this report.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 38 through 66 of the report.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented within this section of this report and can be found on pages 73 through 139.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Beaufort County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$339,300,040 as of June 30, 2017.

Of this amount, \$278,950,953 (approximately 82 percent) reflects the County's investment in capital assets (land, buildings and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the debt.

An additional \$132,328,862 of the County's net position (approximately 39 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$71,979,775.

At the end of the current fiscal year, Beaufort County is able to report positive balances in two categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The third category of net position is an unrestricted deficit for governmental activities of \$69,322,749 and business-type activities of \$2,657,026. These unrestricted deficits in net position are a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71 during fiscal year 2015 as well as the increased pension liability reported in fiscal year 2017.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Beaufort County's Net Position

June 30, 2017 and 2016

| | Governmental Activities | | Business-Type Activities | | Total | | Percent Change |
|--------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Current and Other Assets | \$ 175,840,973 | \$ 129,977,532 | \$ 12,772,464 | \$ 6,210,799 | \$ 188,613,437 | \$ 136,188,331 | 38.5% |
| Capital Assets | 530,040,174 | 512,239,210 | 28,226,279 | 28,123,049 | 558,266,453 | 540,362,259 | 3.3% |
| Total Assets | \$ 705,881,147 | \$ 642,216,742 | \$ 40,998,743 | \$ 34,333,848 | \$ 746,879,890 | \$ 676,550,590 | 10.4% |
| Total Deferred outflows of resources | \$ 24,882,888 | \$ 13,633,068 | \$ 703,159 | \$ 342,182 | \$ 25,586,047 | \$ 13,975,250 | 83.1% |
| Long-Term Liabilities | \$ 350,023,205 | \$ 300,990,983 | \$ 4,120,359 | \$ 3,592,931 | \$ 354,143,564 | \$ 304,583,914 | 16.3% |
| Other Liabilities | 65,917,475 | 29,297,840 | 11,972,444 | 7,430,811 | 77,889,919 | 36,728,651 | 112.1% |
| Total Liabilities | \$ 415,940,680 | \$ 330,288,823 | \$ 16,092,803 | \$ 11,023,742 | \$ 432,033,483 | \$ 341,312,565 | 26.6% |
| Total Deferred inflows of resources | \$ 1,092,568 | \$ 1,553,913 | \$ 39,846 | \$ 63,984 | \$ 1,132,414 | \$ 1,617,897 | -30.0% |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | \$ 250,724,674 | \$ 297,559,730 | \$ 28,226,279 | \$ 28,123,049 | \$ 278,950,953 | \$ 325,682,779 | -14.3% |
| Restricted | 132,328,862 | 74,429,250 | - | - | 132,328,862 | 74,429,250 | 77.8% |
| Unrestricted (Deficit) | (69,322,749) | (47,981,906) | (2,657,026) | (4,534,745) | (71,979,775) | (52,516,651) | 37.1% |
| Total Net Position | \$ 313,730,787 | \$ 324,007,074 | \$ 25,569,253 | \$ 23,588,304 | \$ 339,300,040 | \$ 347,595,378 | -2.4% |

The County's total net position decreased by \$8.3 million during the 2017 fiscal year. Key elements of this decrease are as follows:

- The County's net capital assets increased by \$17.9 million as compared to fiscal year 2016. This increase occurred mostly from the County's \$10.3 million investment in infrastructure related to 1% sales tax referendum road projects and grants, \$10.3 million in purchases of land and conservation easements through the County's rural and critical lands referendum program, \$9.4 million investment in infrastructure related to the County's road improvement program funded by gasoline tax and the motor vehicle fee, and \$2.5 million of capital expenditures related to the expansion of a recreation facility in the southern part of the County, various county facility significant repairs and maintenance, and information technology equipment. See the capital assets and debt administration section below for more detail.
- The County's long-term liabilities increased by \$48 million. This increase is attributable to the issuance of \$51 million and retirement of \$19 million of general obligation bonds during fiscal year 2017. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71 the County reported \$116.7 million as its proportionate share of pension liability as of June 30, 2017, an increase of \$16.5 million as compared to June 30, 2016.
- In fiscal year 2017, the County had \$1.1 million of deferred inflows of resources related to the inclusion of the County's proportionate share of its pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, the net pension change in projected investment earnings and expected pension experience as well as the deferred amounts from changes in the County's proportionate share. This was a \$500 thousand decrease as compared to fiscal year 2016.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Beaufort County's Changes in Net Position

For the Fiscal Years Ended June 30, 2017 and 2016

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 40,826,231 | \$ 32,494,876 | \$ 7,991,557 | \$ 7,561,395 | \$ 48,817,788 | \$ 40,056,271 |
| Operating Grants and Contributions | 12,444,349 | 11,249,681 | 50,560 | 65,440 | 12,494,909 | 11,315,121 |
| Capital Grants and Contributions | 9,881,571 | 17,613,148 | 10,095,453 | 9,782,233 | 19,977,024 | 27,395,381 |
| General Revenues: | | | | | | |
| Property Taxes | 109,147,291 | 101,550,345 | - | - | 109,147,291 | 101,550,345 |
| Sales Taxes | 27,661 | 31,232 | - | - | 27,661 | 31,232 |
| Grants and Contributions | 9,342,544 | 8,513,761 | - | - | 9,342,544 | 8,513,761 |
| Unrestricted Investment Earnings | 581,229 | 495,848 | 19,694 | 14,710 | 600,923 | 510,558 |
| Special item - decrease in other postemployment benefit cost | - | 1,353,498 | - | 38,502 | - | 1,392,000 |
| Miscellaneous | 1,467,657 | 1,955,858 | 3,444 | 1,995 | 1,471,101 | 1,957,853 |
| Total Revenues | 183,718,533 | 175,258,247 | 18,160,708 | 17,464,275 | 201,879,241 | 192,722,522 |
| Program Expenses: | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | 48,649,308 | 42,236,133 | - | - | 48,649,308 | 42,236,133 |
| Public Safety | 87,661,802 | 48,929,013 | - | - | 87,661,802 | 48,929,013 |
| Public Works | 23,251,203 | 22,106,941 | - | - | 23,251,203 | 22,106,941 |
| Public Health | 12,440,379 | 12,128,941 | - | - | 12,440,379 | 12,128,941 |
| Public Welfare | 2,342,367 | 2,108,695 | - | - | 2,342,367 | 2,108,695 |
| Cultural and Recreation | 14,006,380 | 13,887,875 | - | - | 14,006,380 | 13,887,875 |
| Interest | 5,643,381 | 6,222,321 | - | - | 5,643,381 | 6,222,321 |
| Business-Type Activities: | | | | | | |
| Stormwater Utility | - | - | 4,063,867 | 3,663,825 | 4,063,867 | 3,663,825 |
| Lady's Island Airport | - | - | 610,714 | 901,521 | 610,714 | 901,521 |
| Hilton Head Airport | - | - | 11,505,178 | 8,330,082 | 11,505,178 | 8,330,082 |
| Total Expenses | 193,994,820 | 147,619,919 | 16,179,759 | 12,895,428 | 210,174,579 | 160,515,347 |
| Change in Net Position | (10,276,287) | 27,638,328 | 1,980,949 | 4,568,847 | (8,295,338) | 32,207,175 |
| Net Position, Beginning, as originally reported | 324,007,074 | 294,157,984 | 23,588,304 | 19,019,457 | 347,595,378 | 313,177,441 |
| Prior Period Adjustment | - | 2,210,762 | - | - | - | 2,210,762 |
| Net Position, Beginning, as restated | 324,007,074 | 296,368,746 | 23,588,304 | 19,019,457 | 347,595,378 | 315,388,203 |
| Net Position, Ending | \$313,730,787 | \$324,007,074 | \$25,569,253 | \$23,588,304 | \$339,300,040 | \$347,595,378 |

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Governmental activities decreased the County's net position by \$10.3 million, thereby accounting for 124% of the total decline in the net position of the County. Key elements in fiscal year 2017's activity are as follows:

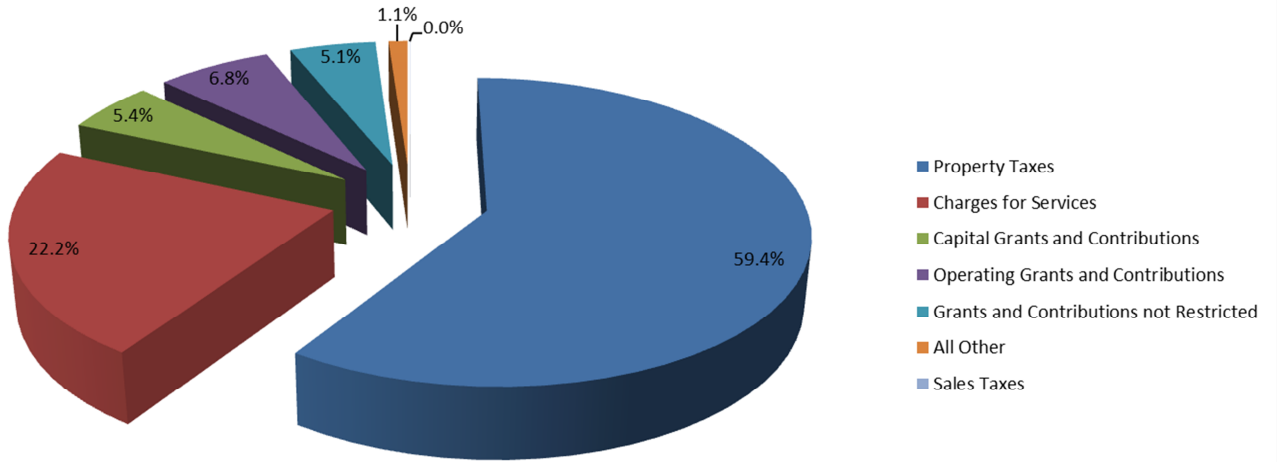
- Hurricane Matthew directly impacted the South Carolina coast in October 2016. As a result, Beaufort County incurred \$38.7 million of disaster related expenditures during fiscal year 2017. President Barack Obama signed a federal disaster declaration for twenty-four (24) South Carolina counties including Beaufort County on October 11 2016. Beaufort County applied and was awarded a FEMA grant to reimburse the County via federal and state funding for approximately 95% of the disaster related expenditures incurred during fiscal year 2017.
- Charges for services revenues increased by \$8.3 million (or 25.6%) in fiscal year 2017 as compared to fiscal year 2016. The main contributing factor of this increase is the growth throughout the County resulting in increased Business License and Register of Deeds recording fee revenues as well as Emergency Medical Services fees and impact fees.
- Property tax revenues increased by \$7.6 million (or 7.5%) in fiscal year 2017 as compared to fiscal year 2016. This increase is attributable to the County recovering from the recession that began in 2007 and a slight millage rate increase in fiscal year 2017 as compared to fiscal year 2016.
- Capital grants and contributions received by the County decreased by \$7.7 million (or 43.9%) in fiscal year 2017 as compared to fiscal year 2016. This decrease is a result of the completion of major infrastructure projects such as the South Carolina Highway 170 Widening project, the Bluffton Parkway Phase 5A Segment 2 (Bluffton Parkway Flyover Bridge) project and the Boundary Street Redevelopment project funded by federal and state grants.

Business-type activities increased the County's net position by nearly \$2 million, accounting for 24% of the total growth in the net position of the County. Key elements of this decrease are as follows:

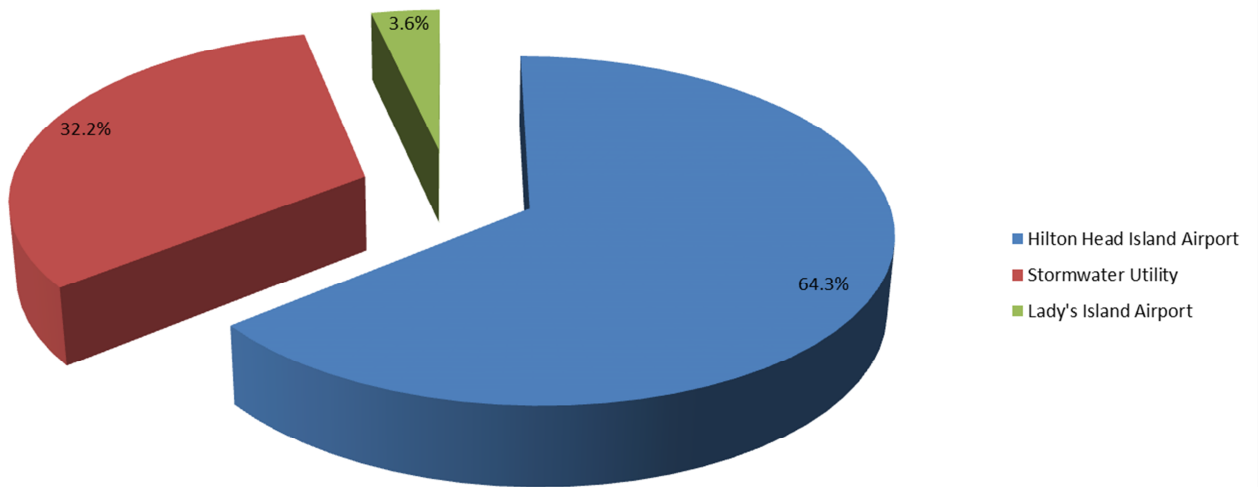
- The Hilton Head Island Airport's revenues increased \$400 thousand in fiscal year 2017, as compared to fiscal year 2016. This net increase is a result of a \$500 thousand increase in capital grants and contributions due to the increase of FAA funded project activity related to the runway extension project.
- The Hilton Head Island Airport expenses also increased by \$3.2 million in fiscal year 2017, as compared to fiscal year 2016. The operating expenses decreased by nearly \$400 thousand in fiscal year 2017 as compared to fiscal year 2016 while the non-operating expenses increased by \$3.6 million due to increased activity in grant funded projects.
- In fiscal year 2017, the Stormwater Utility's revenues increased by \$438 thousand as compared to fiscal year 2016. The Stormwater Utility's expenses increased by \$400 thousand in fiscal year 2017 as compared to fiscal year 2016.
- The Lady's Island Airport's revenues decreased \$143 thousand in fiscal year 2017, as compared to fiscal year 2016. This net decrease is a result of a \$180 thousand decrease in capital grants and contributions due to the timing of capital grant funding provided by the FAA and SCAC. Operating revenues increased by \$37 thousand. The Lady's Island Airport expenses decreased in fiscal year 2017 by \$290 thousand as compared to fiscal year 2016. The operating expenses decreased by \$26 thousand in fiscal year 2017 as compared to fiscal year 2016 while the non-operating expenses decreased by \$264 thousand due to the timing of capital grant funded projects.

BEAUFORT COUNTY, SOUTH CAROLINA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Revenues by Source - Governmental Activities

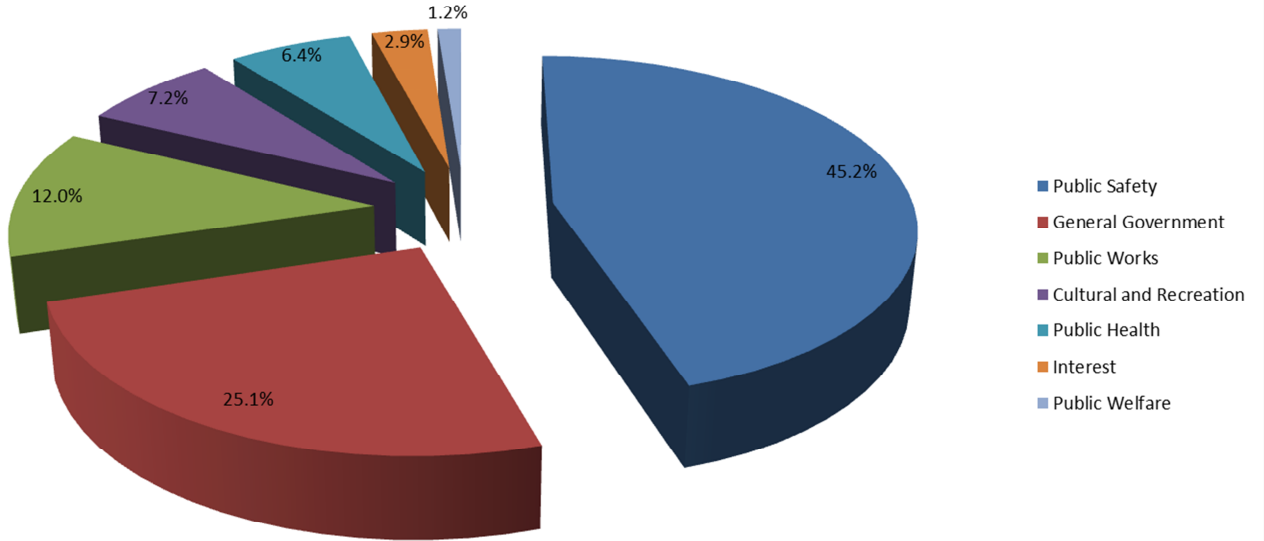


Revenues by Source - Business-Type Activities

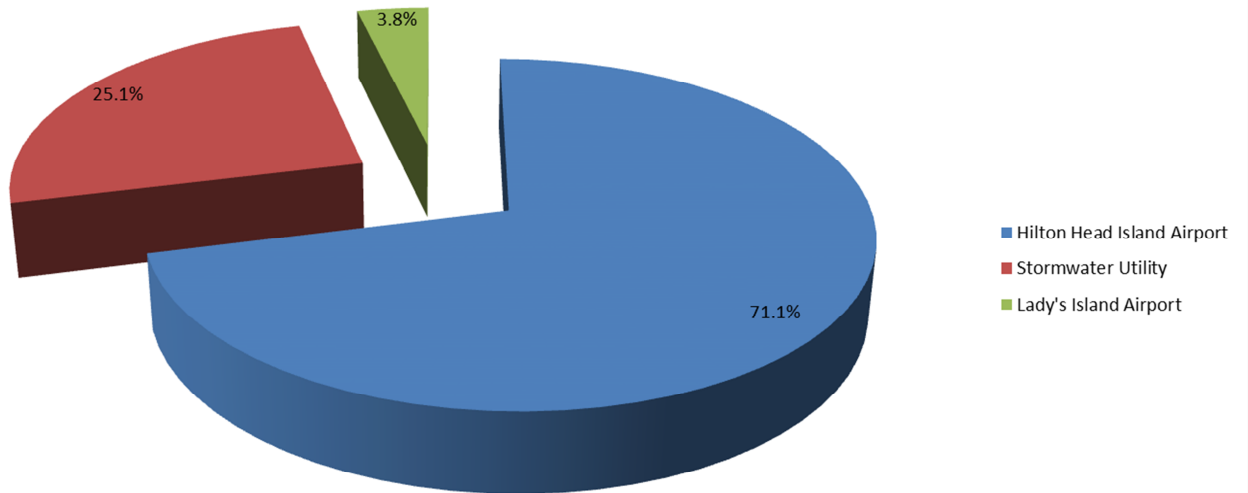


BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Expenses by Program - Governmental Activities



Expenses by Source - Business-Type Activities



BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$160,096,257, an increase of \$44,230,055, in comparison with the prior year. Approximately 15 percent of this total fund balance, \$23,772,760 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance totaling \$136,323,497 is either nonspendable, restricted, committed, or assigned for specific spending. This includes \$2,080,063 "not in spendable form" for items that are not expected to be converted to cash within one year, such as prepaid items. The remainder includes \$134,243,434 restricted, committed, or assigned for programs.

General Fund – The general fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned portion of the fund balance of the general fund was \$23,772,760, while the total fund balance was \$27,767,395. As a measure of the general fund's liquidity, a comparison is made of both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 21 percent of total general fund expenditures and transfers out, while the total fund balance represents approximately 24 percent of total general fund expenditures and transfers out. Refer to pages 22 to 23 for the key elements of fiscal year 2017's general fund activity.

County Wide General Obligation Bonds Fund – At the end of the current fiscal year, the total fund balance of the county wide general obligation bonds fund was \$20,492,165. The county wide general obligation bonds fund balance is restricted for debt service. This fund recognized revenues of \$9,927,116, total expenditures of \$10,463,463, and \$9,499,335 in other financing sources, for a net change in fund balance of \$8,962,988. The County has a debt fund balance policy requiring millage to be set at annual required debt service levels and for the fund balance to cover the following twelve (12) months of the County's interest only payments.

Rural and Critical Lands Program Fund – At the end of the current fiscal year, the total fund balance of the rural and critical lands program fund was \$15,075,311, all of which was restricted for capital projects related to land preservation. The rural and critical lands program fund recognized revenues of \$33,030, total expenditures of \$10,323,433, and \$20,000,000 in other financing sources, for a net change in fund balance of \$9,709,597.

2017 General Obligation Bond Projects Fund – At the end of the current fiscal year, the total fund balance of the 2017 general obligation bond projects fund was \$25,991,800, all of which was restricted for capital projects. The 2017 general obligation bond projects fund recognized total expenditures of \$8,200, and \$26,000,000 in other financing sources, for a net change in fund balance of \$25,991,800. The 2017 general obligation bond projects fund is a result of the County's 2017 General Obligation Bond issuance and includes a major road improvement project on Jenkins Island on the north end of Hilton Head Island, a new Animal Services Campus located near the geographic center of the County, two (2) new Emergency Medical Services facilities in the southern portion of the County, security upgrades to the County's Detention Center and public safety communications equipment.

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

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

As of the end of the current fiscal year, the County's proprietary funds reported combined ending net position of \$25,569,253, which is an increase of \$1,980,949 in comparison with the prior year. The proprietary funds recognized operating revenues of \$7,995,001 and operating expenses of \$6,335,048. Non-operating revenues and expenses totaled (\$9,774,457), while capital contributions totaled \$10,095,453 in fiscal year 2017, for a change in net position of \$1,980,949.

Stormwater Utility – At the end of the current fiscal year, the net position of the stormwater utility fund was \$4,896,124, of which \$2,151,546 was invested in capital assets, net of related debt, leaving a balance of \$2,744,578 in unrestricted net position. The stormwater utility fund recognized operating revenues of \$5,822,159, total operating expenses of \$4,063,867, and \$19,226 in net non-operating revenues, for an increase in net position of \$1,777,518. The increase in net position within the Stormwater Utility Fund for the fiscal year ending June 30, 2016, was directly related to increased stormwater fees. On August 10, 2015, Council passed an ordinance amending the utility's rate structure and adjusting utility rates to meet increasing demands on the Stormwater Management Utility in the areas of federally mandated municipal separate Stormsewer Systems (MS4) permitting, capital project needs, and cost of service of operations and maintenance.

Lady's Island Airport – At the end of the current fiscal year, the net position of the Lady's Island Airport fund was \$3,307,541, of which \$3,775,340 was invested in capital assets, net of related debt, leaving a deficit balance of \$467,799 in unrestricted net position. The Lady's Island Airport recognized operating revenues of \$567,029, total operating expenses of \$517,691, \$92,948 in net non-operating expenses and \$80,348 in capital contributions for an increase in net position of \$36,738. The increase in the Lady's Island Airport fund balance in the 2017 fiscal year was mostly the result of increased operating revenues combined with decreased operating expenses.

Hilton Head Island Airport – At the end of the current fiscal year, the net position of the Hilton Head Island Airport fund was \$17,365,588, of which \$22,299,393 was invested in capital assets, net of related debt, leaving a deficit balance of \$4,933,805 in unrestricted net position. The Hilton Head Island Airport recognized operating revenues of \$1,605,813, total operating expenses of \$1,753,490, \$9,700,735 in net non-operating expenses and \$10,015,105 in capital contributions for an increase in net position of \$166,693. The increase in net position within the Hilton Head Island Airport fund in the 2017 fiscal year was directly related to the Airport obtaining FAA grant funding for prior and current fiscal year grant related expenditures as well as decreased operating expenses.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget to Final Budget Comparison for the Fiscal Year Ended June 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | Variance with Final Budget Positive (Negative) |
|---|------------------------|----------------------|---|
| Revenues: | | | |
| Taxes | \$ 89,416,574 | \$ 89,416,574 | \$ - |
| Licenses and Permits | 3,429,000 | 3,429,000 | - |
| Intergovernmental | 9,197,645 | 9,197,645 | - |
| Charges for Services | 11,602,715 | 11,602,715 | - |
| Fines and Forfeitures | 750,000 | 750,000 | - |
| Interest | 52,805 | 52,805 | - |
| Miscellaneous | 251,136 | 251,136 | - |
| Total Revenues | <u>114,699,875</u> | <u>114,699,875</u> | - |
| Expenditures: | | | |
| General Government | 36,642,418 | 36,802,836 | (160,418) |
| Public Safety | 42,643,615 | 42,643,615 | - |
| Public Works | 15,012,465 | 15,012,465 | - |
| Public Health | 2,588,892 | 2,624,801 | (35,909) |
| Public Welfare | 858,480 | 858,480 | - |
| Cultural and Recreation | 10,835,532 | 10,835,532 | - |
| Capital | 3,866,388 | 3,895,061 | (28,673) |
| Total Expenditures | <u>112,447,790</u> | <u>112,672,790</u> | <u>(225,000)</u> |
| Excess (deficiency) of Revenues Over Expenditures | 2,252,085 | 2,027,085 | (225,000) |
| Other Financing Sources (Uses) | | | |
| Transfers In | 1,568,750 | 1,568,750 | - |
| Transfers Out | <u>(3,820,835)</u> | <u>(3,932,910)</u> | <u>(112,075)</u> |
| Total Other Financing Sources (Uses) | (2,252,085) | (2,364,160) | (112,075) |
| Net Change in Fund Balance | - | (337,075) | (337,075) |
| Fund Balance - beginning | <u>28,552,962</u> | <u>28,552,962</u> | - |
| Fund Balance - ending | <u>\$ 28,552,962</u> | <u>\$ 28,215,887</u> | <u>\$ (337,075)</u> |

The general fund original budget's net position varied from its final budget's net position by \$337 thousand. This variation is due to two (2) ordinances established during fiscal year 2017 that amended the original budget ordinance and increased expenditure appropriation levels related to supplemental appropriations as follows:

- On August 22, 2016, Council adopted an ordinance providing a supplemental appropriation in the amount of \$112,075 for the Daufuskie Island Ferry Service to the County's barrier island.
- On September 26, 2016, Council adopted an ordinance providing a supplemental appropriation for a financial incentive package with a value of \$225,000 to a manufacturing business for expansion of its current manufacturing operations in Beaufort County.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Final Budget to Actual Comparison for the Fiscal Year Ended June 30, 2017

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------|--------------|--|
| Revenues: | | | |
| Taxes | \$89,416,574 | \$90,408,180 | \$ 991,606 |
| Licenses and Permits | 3,429,000 | 3,783,566 | 354,566 |
| Intergovernmental | 9,197,645 | 9,073,332 | (124,313) |
| Charges for Services | 11,602,715 | 12,932,986 | 1,330,271 |
| Fines and Forfeitures | 750,000 | 687,234 | (62,766) |
| Interest | 52,805 | 122,859 | 70,054 |
| Miscellaneous | 251,136 | 405,252 | 154,116 |
| Total Revenues | 114,699,875 | 117,413,409 | 2,713,534 |
| Expenditures: | | | |
| General Government | 36,802,836 | 33,758,616 | 3,044,220 |
| Public Safety | 42,643,615 | 42,207,355 | 436,260 |
| Public Works | 15,012,465 | 13,448,750 | 1,563,715 |
| Public Health | 2,624,801 | 2,341,646 | 283,155 |
| Public Welfare | 858,480 | 850,124 | 8,356 |
| Cultural and Recreation | 10,835,532 | 10,524,835 | 310,697 |
| Disaster related | - | 38,727,223 | (38,727,223) |
| Capital | 3,895,061 | 3,546,981 | 348,080 |
| Total Expenditures | 112,672,790 | 145,405,530 | (32,732,740) |
| Excess (deficiency) of Revenues Over Expenditures | 2,027,085 | (27,992,121) | (30,019,206) |
| Other Financing Sources (Uses) | | | |
| Issuance of Bond Anticipation Note | - | 30,250,000 | 30,250,000 |
| Transfers In | 1,568,750 | 1,755,870 | 187,120 |
| Transfers Out | (3,932,910) | (4,799,316) | (866,406) |
| Total Other Financing Sources (Uses) | (2,364,160) | 27,206,554 | 29,570,714 |
| Net Change in Fund Balance | (337,075) | (785,567) | (448,492) |
| Fund Balance - beginning | 28,552,962 | 28,552,962 | - |
| Fund Balance - ending | \$28,215,887 | \$27,767,395 | \$ (448,492) |

The actual net position of the County's general fund varied from its final budget's net position by \$448 thousand. Key elements of this are as follows:

- The County's general fund actual revenues had a positive variance of \$2.7 million as compared to the final budget of fiscal year 2017. This positive variance is attributable to increased actual revenue as compared to expected revenue related to Business License, Register of Deeds and Emergency Medical Services fees.
- The County's general fund actual expenditures had a negative variance of \$32.7 million as compared to the final budget of fiscal year 2017. This negative variance is directly related to Hurricane Matthew and the related disaster expenditures. These expenditures will be reimbursed by FEMA through the public assistance program.
- In June 2017, the County issued a General Obligation Bond Anticipation Note in the amount of \$30.25 million to provide a short-term financing source for the disaster related expenditures until the FEMA reimbursements were received.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017 was \$558,266,452 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings and improvements, infrastructure, and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 3.3 percent (in which governmental activities capital assets increased by 3 percent and business-type activities capital assets increased by 0.3 percent).

In lieu of annual depreciation, the County has elected to use the modified approach for its airport infrastructure assets, which include runways, taxiways, and aprons. As of June 30, 2017, 100 percent of airport infrastructure assets were in a fair or better condition.

Additional information on the County's modified approach for airport infrastructure assets can be found on Schedule 1 on page 67 of this report.

Beaufort County's Capital Assets

(Net of Depreciation)

June 30, 2017 and 2016

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$ 123,983,640 | \$ 114,931,381 | \$ 11,532,675 | \$ 11,417,675 | \$ 135,516,315 | \$ 126,349,056 |
| Easements | 18,059,927 | 18,059,927 | - | - | 18,059,927 | 18,059,927 |
| Construction in Progress | 36,600,936 | 124,158,272 | 257,890 | 257,890 | 36,858,826 | 124,416,162 |
| Buildings and Improvements | 96,490,061 | 97,833,789 | 5,231,064 | 5,787,985 | 101,721,125 | 103,621,774 |
| Infrastructure | 238,933,132 | 143,375,766 | 9,229,801 | 9,229,801 | 248,162,933 | 152,605,567 |
| Equipment | 15,972,478 | 13,880,075 | 1,974,848 | 1,429,698 | 17,947,326 | 15,309,773 |
| Total Capital Assets | \$ 530,040,174 | \$ 512,239,210 | \$ 28,226,278 | \$ 28,123,049 | \$ 558,266,452 | \$ 540,362,259 |

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

- The County added \$10.3 million in governmental activities infrastructure and construction in progress related to 1% sales tax referendum road projects such as South Carolina Highway 170 Widening, Bluffton Parkway and Flyover and Boundary Street Redevelopment. An additional \$9.4 million of governmental activities infrastructure and construction in progress related to the improvement of various secondary roads throughout the County.
- The County purchased approximately \$10.3 million in governmental activities land and easements for the County's rural and critical lands program during the 2017 fiscal year.
- \$6 million was invested in governmental activities various county facilities improvements and repairs and fleet and equipment replacement and addition.
- The Hilton Head Island Airport acquired land during fiscal year 2017 related to the ongoing runway extension project.

Additional information on the County's capital assets can be found in note 4 on pages 49 through 50 of this report.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Long-Term Debt – At the end of the current fiscal year, Beaufort County had \$283,501,455 of total long-term debt outstanding. The total amount of debt is backed by the full faith and credit of the government.

Beaufort County's Outstanding Debt

June 30, 2017 and 2016

| | Governmental Activities | |
|-------------------------------|-------------------------|-----------------------|
| | 2017 | 2016 |
| General Obligation Bonds | \$ 233,200,823 | \$ 196,814,520 |
| General Obligation BAN | 30,250,000 | - |
| TIF Revenue Bonds | - | 3,295,000 |
| Mortgage | 4,000,000 | 4,000,000 |
| Capital Lease | - | 1,432,527 |
| Premiums | 16,050,632 | 13,892,575 |
| Total Outstanding Debt | <u>\$ 283,501,455</u> | <u>\$ 219,434,622</u> |
| Deferred Charge on Refundings | <u>\$ 4,185,955</u> | <u>\$ 4,755,142</u> |

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

- County Council approved a general obligation bond anticipation note during fiscal year 2017 to provide short term financing for disaster related expenditures as a result of Hurricane Matthew.
- General Obligation Bonds were approved by County Council during fiscal year 2017 and issued at the end of this fiscal year in the amount of \$51 million. These bonds provided \$26 million of bond proceeds for various County capital projects, \$20 million of bond proceeds for the Rural and Critical Lands Program and \$5 million of bond proceeds for the Stormwater Utility MS4 initiative.
- County Council also approved a general obligation bond refunding during fiscal year 2017. At the end of fiscal year 2017, the County issued the refunding bonds in the amount of \$6,110,000. These new bonds refunded the 2007B General Obligations Bonds.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation less debt issued by referendum and debt issued and paid by other sources. The current debt limitation for the County is \$145,459,091. Beaufort County was \$14,814,732 under this legal limit at June 30, 2017.

Additional information on the County's long-term debt can be found in note 5 on pages 51 through 55 of this report.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Beaufort County was 4.0 percent at June 30, 2017, which is lower than the rate of 5.0 percent a year ago. This compares favorably with the State of South Carolina's average unemployment rate of 4.2 percent at June 30, 2017 and with the national average unemployment rate of 4.4 percent at June 30, 2017.
- The cost of living in this region still compares favorably to other areas of the country.

All of these factors were considered in preparing Beaufort County's budget for the 2017 fiscal year. As of June 30, 2017, the County's unassigned general fund balance was \$23,772,760. During fiscal year 2017, there was a decrease to the County's general fund balance in the amount of \$785,567.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Beaufort County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Post Office Box 1228, Beaufort, SC 29901-1228.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2017

| | Governmental Activities | Business-Type Activities | Totals |
|--|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 58,179,273 | \$ 10,010,750 | \$ 68,190,023 |
| Receivables, Net | 4,274,691 | 2,565,780 | 6,840,471 |
| Due from Other Governments | 4,536,371 | - | 4,536,371 |
| Notes Receivable | 80,702 | - | 80,702 |
| Inventories | - | 142,018 | 142,018 |
| Prepaid Items | 2,081,784 | 53,916 | 2,135,700 |
| | <u>69,152,821</u> | <u>12,772,464</u> | <u>81,925,285</u> |
| Noncurrent Assets | | | |
| Equity in Pooled Investments | 55,687,154 | - | 55,687,154 |
| Notes Receivable | 51,000,998 | - | 51,000,998 |
| | <u>106,688,152</u> | <u>-</u> | <u>106,688,152</u> |
| Capital Assets | | | |
| Non-Depreciable | 178,644,503 | 21,020,366 | 199,664,869 |
| Depreciable | 351,395,671 | 7,205,913 | 358,601,584 |
| | <u>530,040,174</u> | <u>28,226,279</u> | <u>558,266,453</u> |
| Total Noncurrent Assets | <u>636,728,326</u> | <u>28,226,279</u> | <u>664,954,605</u> |
| Total Assets | <u>705,881,147</u> | <u>40,998,743</u> | <u>746,879,890</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Charge on Refundings | 4,185,955 | - | 4,185,955 |
| Contributions to pension plan | 7,119,228 | 241,457 | 7,360,685 |
| Deferred amounts from changes in proportionate share | 1,675,542 | 59,785 | 1,735,327 |
| Pension earnings differences | 10,567,751 | 357,318 | 10,925,069 |
| Pension experience differences | 1,334,412 | 44,599 | 1,379,011 |
| Total deferred outflows of resources | <u>24,882,888</u> | <u>703,159</u> | <u>25,586,047</u> |
| Total assets and deferred outflows of resources | <u>\$ 730,764,035</u> | <u>\$ 41,701,902</u> | <u>\$ 772,465,937</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 18,543,769 | 2,079,144 | 20,622,913 |
| Accrued Payroll | 3,072,434 | 102,792 | 3,175,226 |
| Accrued Liabilities | 772,526 | - | 772,526 |
| Accrued Compensated Absences | 432,864 | 14,055 | 446,919 |
| Internal Balances | (9,776,453) | 9,776,453 | - |
| Accrued Interest Payable | 2,289,580 | - | 2,289,580 |
| Current Portion of Long Term Debt | 49,291,451 | - | 49,291,451 |
| Due to Others | 1,291,304 | - | 1,291,304 |
| | <u>65,917,475</u> | <u>11,972,444</u> | <u>77,889,919</u> |
| Noncurrent Liabilities | | | |
| Accrued Compensated Absences | 3,174,339 | 103,067 | 3,277,406 |
| Net Pension Liability | 112,638,862 | 4,017,292 | 116,656,154 |
| Long-Term Obligations | 234,210,004 | - | 234,210,004 |
| | <u>350,023,205</u> | <u>4,120,359</u> | <u>354,143,564</u> |
| Total Liabilities | <u>415,940,680</u> | <u>16,092,803</u> | <u>432,033,483</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Net change in expected pension experience | 81,824 | 3,645 | 85,469 |
| Deferred amounts from changes in proportionate share | 1,010,744 | 36,201 | 1,046,945 |
| Total deferred inflows of resources | <u>1,092,568</u> | <u>39,846</u> | <u>1,132,414</u> |
| NET POSITION | | | |
| Net Investment in capital assets | 250,724,674 | 28,226,279 | 278,950,953 |
| Restricted for: | | | |
| General Government Programs | 13,025,769 | - | 13,025,769 |
| Public Safety Programs | 5,988,895 | - | 5,988,895 |
| Public Works Programs | 20,972,701 | - | 20,972,701 |
| Public Health Programs | 3,489,526 | - | 3,489,526 |
| Public Welfare Programs | 21,326 | - | 21,326 |
| Cultural and Recreational Programs | 7,283,789 | - | 7,283,789 |
| Capital Projects | 57,747,845 | - | 57,747,845 |
| Debt Service | 23,799,011 | - | 23,799,011 |
| Unrestricted (Deficit) | <u>(69,322,749)</u> | <u>(2,657,026)</u> | <u>(71,979,775)</u> |
| Total Net Position | <u>\$ 313,730,787</u> | <u>\$ 25,569,253</u> | <u>\$ 339,300,040</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 730,764,035</u> | <u>\$ 41,701,902</u> | <u>\$ 772,465,937</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, 2017

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|-----------------------|-------------------------|---------------------------------------|-------------------------------------|--|-----------------------------|-------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Totals |
| | | | | | Governmental Activities | Business Type Activities | |
| Governmental Activities | | | | | | | |
| General Government | \$ 48,649,308 | \$ 18,431,740 | \$ 2,176,732 | \$ - | \$ (28,040,836) | \$ - | \$ (28,040,836) |
| Public Safety | 87,661,802 | 8,674,298 | 1,486,837 | 925,401 | (76,575,266) | - | (76,575,266) |
| Public Works | 23,251,203 | 9,444,459 | 170,329 | 8,956,170 | (4,680,245) | - | (4,680,245) |
| Public Health | 12,440,379 | 626,822 | 7,312,951 | - | (4,500,606) | - | (4,500,606) |
| Public Welfare | 2,342,367 | 170,795 | 873,442 | - | (1,298,130) | - | (1,298,130) |
| Cultural and Recreation | 14,006,380 | 3,478,117 | 424,058 | - | (10,104,205) | - | (10,104,205) |
| Interest | 5,643,381 | - | - | - | (5,643,381) | - | (5,643,381) |
| Total Governmental Activities | <u>193,994,820</u> | <u>40,826,231</u> | <u>12,444,349</u> | <u>9,881,571</u> | <u>(130,842,669)</u> | <u>-</u> | <u>(130,842,669)</u> |
| Business-Type Activities | | | | | | | |
| Stormwater Utility | 4,063,867 | 5,818,715 | - | - | - | 1,754,848 | 1,754,848 |
| Lady's Island Airport | 610,714 | 567,029 | - | 80,348 | - | 36,663 | 36,663 |
| Hilton Head Airport | 11,505,178 | 1,605,813 | 50,560 | 10,015,105 | - | 166,300 | 166,300 |
| Total Business-Type Activities | <u>16,179,759</u> | <u>7,991,557</u> | <u>50,560</u> | <u>10,095,453</u> | <u>-</u> | <u>1,957,811</u> | <u>1,957,811</u> |
| Total | <u>\$ 210,174,579</u> | <u>\$ 48,817,788</u> | <u>\$ 12,494,909</u> | <u>\$ 19,977,024</u> | <u>\$ (130,842,669)</u> | <u>\$ 1,957,811</u> | <u>\$ (128,884,858)</u> |
| General Revenues | | | | | | | |
| Property Taxes | | | | | \$ 109,147,291 | \$ - | \$ 109,147,291 |
| Sales Taxes | | | | | 27,661 | - | 27,661 |
| Grants and Contributions Not Restricted | | | | | 9,342,544 | - | 9,342,544 |
| Unrestricted Investment Earnings | | | | | 581,229 | 19,694 | 600,923 |
| Miscellaneous | | | | | 1,467,657 | 3,444 | 1,471,101 |
| Total General Revenues | | | | | <u>120,566,382</u> | <u>23,138</u> | <u>120,589,520</u> |
| Change in Net Position | | | | | (10,276,287) | 1,980,949 | (8,295,338) |
| Net Position, Beginning | | | | | <u>324,007,074</u> | <u>23,588,304</u> | <u>347,595,378</u> |
| Net Position, Ending | | | | | <u>\$ 313,730,787</u> | <u>\$ 25,569,253</u> | <u>\$ 339,300,040</u> |

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



BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

| | County Wide General Obligation Bonds | Rural and Critical Lands Program | 2017 General Obligation Bond Projects | Nonmajor Governmental Funds | Total Governmental Funds | |
|--|---|-------------------------------------|--|-----------------------------------|--------------------------------|-----------------------|
| | General | | | | | |
| ASSETS | | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 33,286,797 | \$ 7,050,095 | \$ 1,326,610 | \$ - | \$ 72,202,924 | \$ 113,866,426 |
| Receivables, Net | 3,499,074 | 266,701 | - | - | 336,861 | 4,102,636 |
| Due from Other Governments | 1,517,647 | - | - | - | 3,018,724 | 4,536,371 |
| Due from Other Funds | 1,505,898 | - | - | - | - | 1,505,898 |
| Advances to Enterprise Funds | - | 8,270,555 | - | - | - | 8,270,555 |
| Notes receivable | - | 5,081,700 | 20,000,000 | 26,000,000 | - | 51,081,700 |
| Prepaid Items | 1,980,794 | - | - | - | 99,269 | 2,080,063 |
| Total Assets | <u>\$ 41,790,210</u> | <u>\$ 20,669,051</u> | <u>\$ 21,326,610</u> | <u>\$ 26,000,000</u> | <u>\$ 75,657,778</u> | <u>\$ 185,443,649</u> |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 8,536,667 | \$ 6,951 | \$ 6,251,299 | \$ 8,200 | \$ 3,508,061 | \$ 18,311,178 |
| Accrued Payroll | 2,444,398 | - | - | - | 628,036 | 3,072,434 |
| Accrued Liabilities | 772,526 | - | - | - | - | 772,526 |
| Due to Others | 691,165 | - | - | - | 600,139 | 1,291,304 |
| Total Liabilities | <u>12,444,756</u> | <u>6,951</u> | <u>6,251,299</u> | <u>8,200</u> | <u>4,736,236</u> | <u>23,447,442</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue - property taxes | 1,578,059 | 169,935 | - | - | 151,956 | 1,899,950 |
| Total deferred inflows of resources | <u>1,578,059</u> | <u>169,935</u> | <u>-</u> | <u>-</u> | <u>151,956</u> | <u>1,899,950</u> |
| FUND BALANCE | | | | | | |
| Nonspendable | 1,980,794 | - | - | - | 99,269 | 2,080,063 |
| Restricted | - | 20,492,165 | 15,075,311 | 25,991,800 | 70,617,722 | 132,176,998 |
| Committed | 313,641 | - | - | - | 52,595 | 366,236 |
| Assigned | 1,700,200 | - | - | - | - | 1,700,200 |
| Unassigned | 23,772,760 | - | - | - | - | 23,772,760 |
| Total Fund Balances | <u>27,767,395</u> | <u>20,492,165</u> | <u>15,075,311</u> | <u>25,991,800</u> | <u>70,769,586</u> | <u>160,096,257</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 41,790,210</u> | <u>\$ 20,669,051</u> | <u>\$ 21,326,610</u> | <u>\$ 26,000,000</u> | <u>\$ 75,657,778</u> | <u>\$ 185,443,649</u> |

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

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2017

| | | |
|---|----|----------------------|
| Total Governmental Fund Balances (Exhibit 3) | \$ | 160,096,257 |
| Amounts reported for governmental activities in the statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds (\$530,040,174 less internal service net investment in capital assets of \$58,814). | | 529,981,360 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred in governmental funds. | | |
| Property Taxes | | 1,899,950 |
| Deferred charge on refundings of debt | | 4,185,955 |
| Contributions to pension plan | | 7,119,228 |
| Deferred amounts from changes in proportionate share | | 1,675,542 |
| Pension earnings differences | | 10,567,751 |
| Pension experience differences | | 1,334,412 |
| Net change in expected pension experience | | (81,824) |
| Deferred amounts from changes in proportionate share | | (1,010,744) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds. | | <u>(402,037,100)</u> |
| Accrued Interest Payable | | (2,289,580) |
| Current Portion of Long Term Debt | | (49,291,451) |
| Accrued Compensated Absences | | (3,607,203) |
| Net Pension Liability | | (112,638,862) |
| Long-term obligations | | <u>(234,210,004)</u> |
| Net Position of Governmental Activities | \$ | <u>313,730,787</u> |

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

| | General | County Wide General Obligation Bonds | Rural and Critical Lands Program | 2017 General Obligation Bond Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|---|-------------------------------------|--|-----------------------------------|--------------------------------|
| Revenues | | | | | | |
| Property Taxes | \$ 90,408,180 | \$ 9,576,419 | \$ - | \$ - | \$ 9,289,484 | \$ 109,274,083 |
| Licenses and Permits | 3,783,566 | - | - | - | 14,582,466 | 18,366,032 |
| Intergovernmental | 9,073,332 | 247,530 | - | - | 26,209,834 | 35,530,696 |
| Charges for Services | 12,932,986 | - | - | - | 6,645,985 | 19,578,971 |
| Fines and Forfeitures | 687,234 | - | - | - | 235,263 | 922,497 |
| Interest | 122,859 | 103,167 | 33,030 | - | 322,104 | 581,160 |
| Miscellaneous | 405,252 | - | - | - | 1,087,406 | 1,492,658 |
| Total Revenues | <u>117,413,409</u> | <u>9,927,116</u> | <u>33,030</u> | <u>-</u> | <u>58,372,542</u> | <u>185,746,097</u> |
| Expenditures | | | | | | |
| General Government Services | 33,758,616 | - | - | - | 5,794,318 | 39,552,934 |
| Public Safety Services | 42,207,355 | - | - | - | 2,908,466 | 45,115,821 |
| Public Works Services | 13,448,750 | - | - | - | 1,046,428 | 14,495,178 |
| Public Health Services | 2,341,646 | - | - | - | 9,400,470 | 11,742,116 |
| Public Welfare Services | 850,124 | - | - | - | 1,492,243 | 2,342,367 |
| Cultural and Recreation Services | 10,524,835 | - | - | - | 514,969 | 11,039,804 |
| Disaster related expenditures | 38,727,223 | - | - | - | - | 38,727,223 |
| Debt Service - Principal | - | 6,809,539 | - | - | 10,804,160 | 17,613,699 |
| Debt Service - Interest and Fees | - | 3,653,924 | - | - | 4,203,400 | 7,857,324 |
| Capital Projects | 3,546,981 | - | 10,323,433 | 8,200 | 24,231,863 | 38,110,477 |
| Total Expenditures | <u>145,405,530</u> | <u>10,463,463</u> | <u>10,323,433</u> | <u>8,200</u> | <u>60,396,317</u> | <u>226,596,943</u> |
| Excess (deficiency) of revenues over expenditures | (27,992,121) | (536,347) | (10,290,403) | (8,200) | (2,023,775) | (40,850,846) |
| Other Financing Sources (Uses) | | | | | | |
| Issuance of Bonds | - | 5,000,000 | 20,000,000 | 26,000,000 | - | 51,000,000 |
| Issuance of Bond Anticipation Notes | 30,250,000 | - | - | - | - | 30,250,000 |
| Issuance of Refunding Debt | - | 6,110,000 | - | - | - | 6,110,000 |
| Payments to Refunding Debt Escrow Agent | - | (6,405,000) | - | - | - | (6,405,000) |
| Bond Premiums | - | 4,794,335 | - | - | - | 4,794,335 |
| Transfers In | 1,755,870 | - | - | - | 9,402,247 | 11,158,117 |
| Transfers Out | (4,799,316) | - | - | - | (7,027,235) | (11,826,551) |
| Total Other Financing Sources (Uses) | <u>27,206,554</u> | <u>9,499,335</u> | <u>20,000,000</u> | <u>26,000,000</u> | <u>2,375,012</u> | <u>85,080,901</u> |
| Net Change in Fund Balance | (785,567) | 8,962,988 | 9,709,597 | 25,991,800 | 351,237 | 44,230,055 |
| Fund Balance - beginning | 28,552,962 | 11,529,177 | 5,365,714 | - | 70,418,349 | 115,866,202 |
| Fund Balance - ending | <u>\$ 27,767,395</u> | <u>\$ 20,492,165</u> | <u>\$ 15,075,311</u> | <u>\$ 25,991,800</u> | <u>\$ 70,769,586</u> | <u>\$ 160,096,257</u> |

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

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

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

| | | |
|---|--|------------------------|
| Total Net Change in Fund Balances - Governmental Funds (Exhibit 4) | | \$ 44,230,055 |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay excluded depreciation in the current period.</p> | | |
| Capital Outlay | | 38,110,477 |
| Depreciation (\$20,226,680 less \$9,711 internal service fund depreciation) | | (20,216,969) |
| <p>In the statement of activities, the loss on disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on disposal of capital assets.</p> | | |
| Net Book Value of Capital Assets Disposed | | (82,835) |
| <p>Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds</p> | | |
| Decrease in Deferred Property Taxes | | (126,792) |
| Decrease in Deferred Capital Grant Contribution | | (3,847,645) |
| <p>The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any affect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is net of the effect of these differences in the treatment of long-term debt and related items.</p> | | |
| Issuance of Long-Term Bonds | | (51,000,000) |
| Issuance of Short-Term Bond Anticipation Notes | | (30,250,000) |
| Refunding Bond Proceeds | | (6,110,000) |
| Payments to Refunding Debt Escrow Agent | | 6,405,000 |
| Bond Principal Payments | | 17,613,699 |
| Addition of Bond Premiums on Long-Term Bonds | | (4,794,335) |
| Amortization of Bond Premiums | | 2,636,278 |
| Amortization of Deferred Charge on Advance Refundings | | (569,187) |
| Capital Lease Payments | | 1,432,527 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p> | | |
| Increase in Accrued Interest | | 146,852 |
| Decrease in Accrued Compensated Absences | | (147,976) |
| Increase in Pension Expense | | (3,689,206) |
| The net revenue (expense) of certain activities of internal service funds reported with governmental activities | | <u>(16,230)</u> |
| Change in Net Position of Governmental Activities | | <u>\$ (10,276,287)</u> |

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | | Internal |
|--|---|---------------|--------------|---------------|--------------|
| | Stormwater | Lady's Island | Hilton Head | Totals | Service Fund |
| | Utility | Airport | Airport | | Garage |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | \$10,010,300 | \$ 250 | \$ 200 | \$ 10,010,750 | \$ - |
| Receivables, Operating | 208,004 | 13,461 | 102,913 | 324,378 | 172,055 |
| Receivables, Federal and State Grants | - | 4,229 | 2,237,173 | 2,241,402 | - |
| Inventories | 75,174 | 66,844 | - | 142,018 | - |
| Prepayments | 22,648 | 6,585 | 24,683 | 53,916 | 1,721 |
| Total Current Assets | 10,316,126 | 91,369 | 2,364,969 | 12,772,464 | 173,776 |
| Capital Assets | | | | | |
| Capital Assets | 4,705,439 | 4,833,031 | 32,201,172 | 41,739,642 | 445,159 |
| Accumulated Depreciation | (2,553,893) | (1,057,691) | (9,901,779) | (13,513,363) | (386,345) |
| | 2,151,546 | 3,775,340 | 22,299,393 | 28,226,279 | 58,814 |
| Total Assets | 12,467,672 | 3,866,709 | 24,664,362 | 40,998,743 | 232,590 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Contributions to pension plan | 157,425 | 10,574 | 73,458 | 241,457 | - |
| Deferred amounts from changes in proportionate share | 40,821 | 2,760 | 16,204 | 59,785 | - |
| Pension earnings differences | 232,278 | 15,596 | 109,444 | 357,318 | - |
| Pension experience differences | 28,667 | 1,921 | 14,011 | 44,599 | - |
| Total deferred outflows of resources | 459,191 | 30,851 | 213,117 | 703,159 | - |
| Total assets and deferred outflows of resources | \$12,926,863 | \$ 3,897,560 | \$24,877,479 | \$ 41,701,902 | \$ 232,590 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Account Payable | \$ 111,800 | \$ 15,792 | \$ 1,951,552 | \$ 2,079,144 | \$ 232,590 |
| Accrued Payroll | 68,919 | 4,871 | 29,002 | 102,792 | - |
| Accrued Compensated Absences | 9,644 | 912 | 3,499 | 14,055 | - |
| Due to General Fund | - | 374,502 | 1,131,396 | 1,505,898 | - |
| Current Portion of Due to Debt Service Fund | - | - | 161,455 | 161,455 | - |
| Total Current Liabilities | 190,363 | 396,077 | 3,276,904 | 3,863,344 | 232,590 |
| Noncurrent Liabilities | | | | | |
| Accrued Compensated Absences | 70,719 | 6,692 | 25,656 | 103,067 | - |
| Net Pension Liability | 2,741,940 | 185,371 | 1,089,981 | 4,017,292 | - |
| Due to Debt Service Fund | 5,000,000 | - | 3,109,100 | 8,109,100 | - |
| Total Noncurrent Liabilities | 7,812,659 | 192,063 | 4,224,737 | 12,229,459 | - |
| Total Liabilities | 8,003,022 | 588,140 | 7,501,641 | 16,092,803 | 232,590 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Net change in expected pension experience | 2,919 | 201 | 525 | 3,645 | - |
| Deferred amounts from changes in proportionate share | 24,798 | 1,678 | 9,725 | 36,201 | - |
| Total deferred inflows of resources | 27,717 | 1,879 | 10,250 | 39,846 | - |
| NET POSITION | | | | | |
| Net investment in capital assets | 2,151,546 | 3,775,340 | 22,299,393 | 28,226,279 | 58,814 |
| Unrestricted (Deficit) | 2,744,578 | (467,799) | (4,933,805) | (2,657,026) | (58,814) |
| Total Net Position | \$ 4,896,124 | \$ 3,307,541 | \$17,365,588 | \$ 25,569,253 | \$ - |
| Total liabilities, deferred inflows of resources, and net position | \$12,926,863 | \$ 3,897,560 | \$24,877,479 | \$ 41,701,902 | \$ 232,590 |

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | | Internal Service Fund |
|--|---|--------------------------|------------------------|----------------------|--------------------------|
| | Stormwater Utility | Lady's Island Airport | Hilton Head Airport | Totals | Garage |
| Operating Revenues | | | | | |
| Garage Billings | \$ - | \$ - | \$ - | \$ - | \$ 148,578 |
| Fuel and Oil Sales | - | 403,296 | - | 403,296 | 836,174 |
| Stormwater Utility Fees | 4,956,407 | - | - | 4,956,407 | - |
| Stormwater Utility Project Billings | 862,308 | - | - | 862,308 | - |
| Fixed Base Operator Revenue | - | - | 314,544 | 314,544 | - |
| Passenger Facility Charges | - | - | 126,607 | 126,607 | - |
| Operating Agreements/Commission Revenue | - | 1,182 | 403,035 | 404,217 | - |
| Concession Sales | - | 3,121 | - | 3,121 | - |
| Firefighting/Security Fees | - | - | 281,731 | 281,731 | - |
| Landing Fees | - | 13,850 | 53,117 | 66,967 | - |
| Parking/Taxi Fees | - | - | 16,692 | 16,692 | - |
| Rentals | - | - | 194,367 | 194,367 | - |
| Hangar Rentals | - | 130,570 | 178,855 | 309,425 | - |
| Other Charges | 3,444 | 15,010 | 36,865 | 55,319 | - |
| Total Operating Revenues | <u>5,822,159</u> | <u>567,029</u> | <u>1,605,813</u> | <u>7,995,001</u> | <u>984,752</u> |
| Operating Expenses | | | | | |
| Costs of Sales and Services | - | 248,297 | - | 248,297 | - |
| Personnel | 2,504,523 | 148,995 | 639,758 | 3,293,276 | - |
| Purchased Services | 991,111 | 53,934 | 475,692 | 1,520,737 | 835,892 |
| Supplies | 357,099 | 8,836 | 71,486 | 437,421 | 823,813 |
| Depreciation | 211,134 | 57,629 | 566,554 | 835,317 | 9,711 |
| Total Operating Expenses | <u>4,063,867</u> | <u>517,691</u> | <u>1,753,490</u> | <u>6,335,048</u> | <u>1,669,416</u> |
| Operating (Loss) Income | 1,758,292 | 49,338 | (147,677) | 1,659,953 | (684,664) |
| Non-Operating Revenues (Expenses) | | | | | |
| Operating grant - Transportation Security Administration | - | - | 50,560 | 50,560 | - |
| Interfund Transfer from General Fund | - | - | - | - | 668,434 |
| Non-Operating Grant Expenses | - | (93,023) | (9,663,843) | (9,756,866) | - |
| Interest Income | 19,226 | 75 | 393 | 19,694 | - |
| Interest Expense | - | - | (87,845) | (87,845) | - |
| Total Non-Operating Revenues (Expenses) | <u>19,226</u> | <u>(92,948)</u> | <u>(9,700,735)</u> | <u>(9,774,457)</u> | <u>668,434</u> |
| (Loss) Income before capital contributions and special items | 1,777,518 | (43,610) | (9,848,412) | (8,114,504) | (16,230) |
| Capital Contributions | | | | | |
| Capital Grants - Federal Aviation Administration | - | 76,119 | 9,405,574 | 9,481,693 | - |
| Capital Grants - South Carolina Aeronautical Commission | - | 4,229 | 609,531 | 613,760 | - |
| Total Capital Contributions | <u>-</u> | <u>80,348</u> | <u>10,015,105</u> | <u>10,095,453</u> | <u>-</u> |
| Change in Net Position | 1,777,518 | 36,738 | 166,693 | 1,980,949 | (16,230) |
| Net Position, Beginning | <u>3,118,606</u> | <u>3,270,803</u> | <u>17,198,895</u> | <u>23,588,304</u> | <u>16,230</u> |
| Net Position, Ending | <u>\$ 4,896,124</u> | <u>\$ 3,307,541</u> | <u>\$ 17,365,588</u> | <u>\$ 25,569,253</u> | <u>\$ -</u> |

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | | Internal |
|---|---|--------------------------|------------------------|----------------------|------------------------|
| | Stormwater Utility | Lady's Island Airport | Hilton Head Airport | Totals | Service Fund Garage |
| Cash Flows from Operating Activities: | | | | | |
| Cash Received from Customers and Users | \$ 5,731,391 | \$ 577,505 | \$ 1,415,249 | \$ 7,724,145 | \$ 1,018,846 |
| Cash Paid to Employees | (2,101,587) | (138,938) | (895,552) | (3,136,077) | - |
| Cash Paid to Suppliers | (1,545,102) | (425,967) | (539,612) | (2,510,681) | (1,687,280) |
| Total Provided By (Used For) Operating Activities | 2,084,702 | 12,600 | (19,915) | 2,077,387 | (668,434) |
| Cash Flows from Noncapital Financing Activities: | | | | | |
| Operating Grant - TSA | - | - | 50,560 | 50,560 | - |
| Interfund transfer from the General Fund | - | - | - | - | 668,434 |
| Non-Operating Grant Expenses | - | (93,023) | (9,663,843) | (9,756,866) | - |
| Principal Payment on Note Payable | - | - | (157,397) | (157,397) | - |
| Interest Paid on Note Payable | - | - | (87,845) | (87,845) | - |
| Total Provided by (Used For) Noncapital Financing Activities | - | (93,023) | (9,858,525) | (9,951,548) | 668,434 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| FAA Grants | - | 76,119 | 9,405,574 | 9,481,693 | - |
| SCAC Grants | - | 4,229 | 609,531 | 613,760 | - |
| Advance from Debt Service Fund | 5,000,000 | - | - | 5,000,000 | - |
| Purchase of Capital Assets | (801,489) | - | (137,058) | (938,547) | - |
| Total Provided By Capital and Related Activities | 4,198,511 | 80,348 | 9,878,047 | 14,156,906 | - |
| Cash Flows from Investing Activities: | | | | | |
| Interest Earned | 19,226 | 75 | 393 | 19,694 | - |
| Net Increase in Cash and Cash Equivalents | 6,302,439 | - | - | 6,302,439 | - |
| Cash and Cash Equivalents, July 1, 2016 | 3,707,861 | 250 | 200 | 3,708,311 | - |
| Cash and Cash Equivalents, June 30, 2017 | \$ 10,010,300 | \$ 250 | \$ 200 | \$ 10,010,750 | \$ - |

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

| | Business-Type Activities - Enterprise Funds | | | | Internal |
|--|---|---------------|--------------|--------------|--------------|
| | Stormwater | Lady's Island | Hilton Head | Totals | Service Fund |
| | Utility | Airport | Airport | | Garage |
| Reconciliation of Operating (Loss) Income to Net Cash | | | | | |
| Flows Provided by (Used for) Operating Activities: | | | | | |
| Operating (Loss) Income | \$ 1,758,292 | \$ 49,338 | \$ (147,677) | \$ 1,659,953 | \$ (684,664) |
| Adjustments to Reconcile: | | | | | |
| Depreciation | 211,134 | 57,629 | 566,554 | 835,317 | 9,711 |
| Changes in Assets and Liabilities: | | | | | |
| Decrease (Increase) in Accounts Receivable | (90,768) | 10,476 | (190,564) | (270,856) | 34,094 |
| Decrease (Increase) in Inventories | 32,073 | (15,177) | - | 16,896 | - |
| Increase in Other Current Assets | (3,155) | (1,073) | (1,039) | (5,267) | (462) |
| Increase (Decrease) in Accounts Payable | (225,809) | (10,525) | 379,414 | 143,080 | (27,113) |
| Decrease in Due to General Fund | - | (88,125) | (370,809) | (458,934) | - |
| Increase (Decrease) in Accrued Payroll | 13,800 | 1,098 | (319) | 14,579 | - |
| Increase (Decrease) in Accrued Compensated Absences | 2,609 | 1,956 | (2,020) | 2,545 | - |
| Increase (Decrease) in pension deferred inflows/outflows and liability | 386,526 | 7,003 | (253,455) | 140,074 | - |
| | 115,276 | (94,367) | (438,792) | (417,883) | 6,519 |
| Net Cash Flow Provided by (Used for) | | | | | |
| Operating Activities | \$ 2,084,702 | \$ 12,600 | \$ (19,915) | \$ 2,077,387 | \$ (668,434) |

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2017

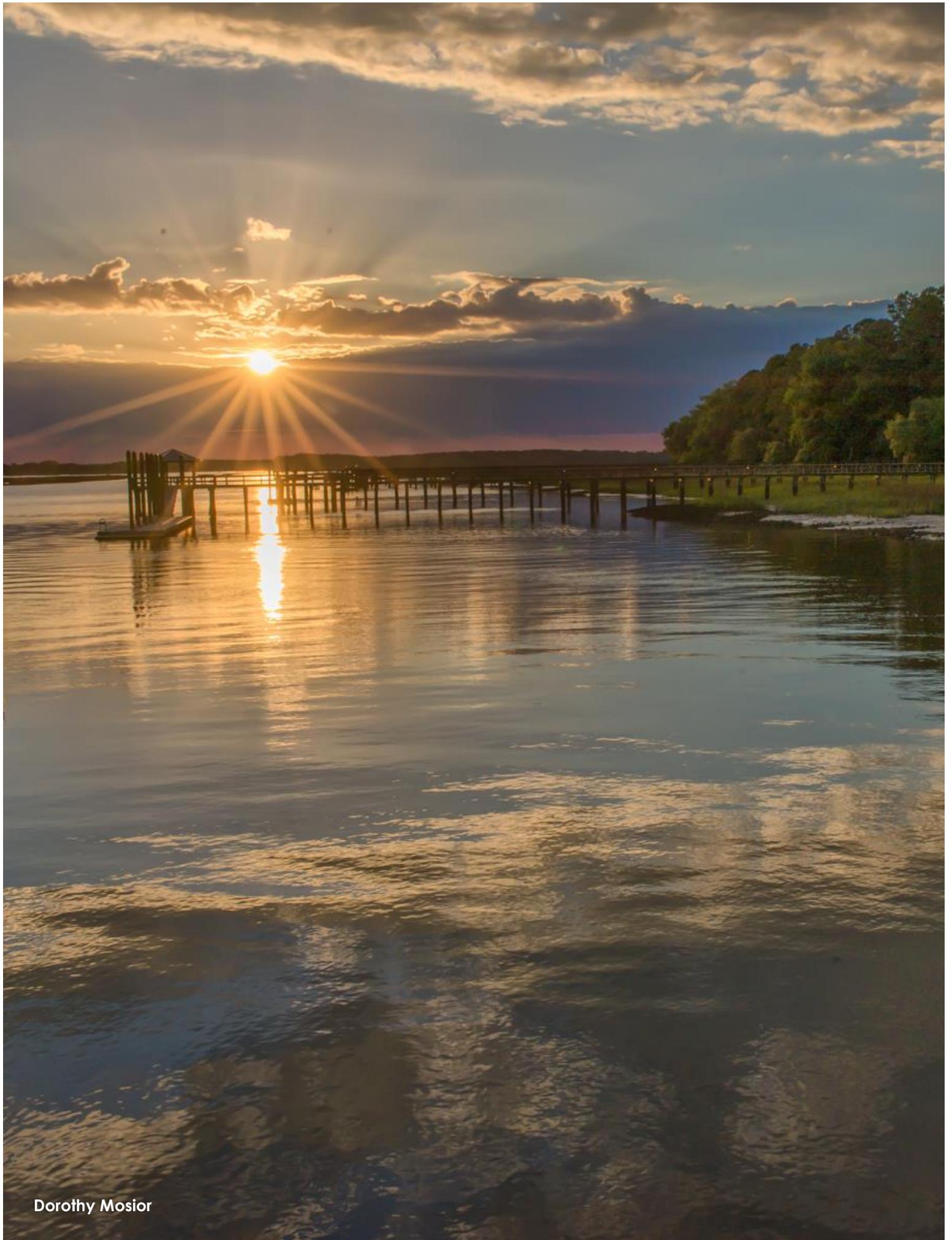
ASSETS

| | |
|--|-----------------------|
| Cash and Equity in Pooled Cash and Investments | <u>\$ 104,360,789</u> |
|--|-----------------------|

LIABILITIES

| | |
|--|-----------------------|
| Due to other taxing districts and agencies | <u>\$ 104,360,789</u> |
|--|-----------------------|

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



Dorothy Mosior

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies**

The financial statements of Beaufort County, South Carolina, have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund. The fiduciary fund financial statements are reported using *no measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies – Continued:

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

The government reports the following major governmental funds:

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

The **county wide general obligation bond fund** accounts for the debt service of the bonds issued for various capital projects throughout the County.

The **rural and critical lands program fund** accounts for the expenditures of the rural and critical lands program. This program began in 2000 and preserves real property to preserve the rural character of Beaufort County and to protect other environmentally sensitive areas such as wetlands, marsh lands and headwater areas.

The **2017 general obligation bond projects fund** accounts for bond proceeds intended to fund capital expenditures. The projects funded by these bond proceeds include public safety communications equipment, critical road improvements in the southern portion of the County, a new animal services campus centrally located in the County, new facilities for emergency medical services and detention center security upgrades.

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

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

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

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

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

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

Agency Funds

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies – Continued:

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

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

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

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

| | <u>Governmental</u> | <u>Business Type</u> |
|---|-----------------------|----------------------|
| Net Capital Assets | \$ 530,040,174 | \$ 28,226,279 |
| Less: Current Portion of Long Term Debt | (51,428,836) | - |
| Long-Term Obligations | (232,072,619) | - |
| Add Deferred Charge on Refundings | 4,185,955 | - |
| | <u>\$ 250,724,674</u> | <u>\$ 28,226,279</u> |

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies – Continued:

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

Cash and cash equivalents – The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

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

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

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies – Continued:

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

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

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

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

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

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

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

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

- (1) The County Administrator submits to County Council, prior to June 1, proposed operating, special revenue, debt service, and capital improvement (CIP) budgets for the fiscal year commencing July 1. The operating, special revenue, debt service, and CIP budgets include proposed expenditures, revenues, and financing sources.
- (2) The Council requires such changes to be made as it deems necessary, provided the budget remains in balance and is subject to the notice of hearing requirements of Section 4-9-140 of the South Carolina Statutes.
- (3) Public hearings are held pursuant to Section 4-9-140 of the South Carolina Statutes in order for the Council to adopt the tentative and final budget.
- (4) Prior to July 1, the operating, special revenue, debt service and CIP budgets are legally enacted through passage of an ordinance setting forth anticipated revenues and appropriations by fund.
- (5) The County Administrator or his designee is authorized to transfer funds among operating accounts or among capital accounts within a department. All transfers over \$25,000 between departments and programs or between operating and capital accounts must be authorized by the Council in accordance with Section 4-9-140 of the South Carolina Statutes. In accordance with County Ordinance 2012/07, Section 10, amounts of \$25,000 or less can be approved by the County Administrator and/or his designee. Any transfer in excess of \$25,000 for individual expenditures or in excess of \$50,000 cumulatively during any fiscal year is to be authorized by County Council, or its designee.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies – Continued:

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

2. Cash and Equity in Pooled Cash and Investments

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

A. Deposits

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2017, reported amount of the County's deposits was \$34.3 million and the bank balance was \$26.4 million. The \$26.4 million bank balance was covered by federal depository insurance or collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

B. Investments

Investment policy

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

As of June 30, 2017, the County had the following investments and maturities:

| Investment Type | Fair Value | Investment Maturities | | |
|---|-----------------------|-----------------------|--|---------------------|
| | | Less than 1 year | More than 1 year but less than 5 years | More than 5 years |
| Certificates of Deposit | \$ 5,515,061 | \$ 5,515,061 | \$ - | \$ - |
| Money Market Funds | 19,884,870 | 19,884,870 | - | - |
| Municipal Bonds | 3,323,735 | 255,656 | 1,006,824 | 2,061,255 |
| U.S. Government Agencies Securities | 86,184,819 | 33,565,744 | 43,264,155 | 9,354,920 |
| State of S.C. Treasurer's Investment Pool | <u>79,051,032</u> | <u>79,051,032</u> | - | - |
| Total Investments held in the County's name | <u>\$ 193,959,517</u> | <u>\$ 138,272,363</u> | <u>\$44,270,979</u> | <u>\$11,416,175</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

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

Level 1 – Investments reflect prices quoted in active markets.

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

Level 3 – Investments reflect prices based upon unobservable sources.

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

| Investments by Fair Value Level | Fair Value as of 6/30/2017 | Fair Value Measurements Using | | |
|--|-------------------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Certificates of Deposit | \$ 5,515,061 | \$ 5,515,061 | \$ - | \$ - |
| Money Market Funds | 19,884,870 | 19,884,870 | - | - |
| Municipal Bonds | 3,323,735 | - | 3,323,735 | - |
| U.S. Government Agencies Securities | 86,184,819 | - | 86,184,819 | - |
| Total Investments by Fair Value Level | 114,908,485 | 25,399,931 | 89,508,554 | - |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| State of S.C. Treasurer's Investment Pool | 79,051,032 | | | |
| Total Investments at the NAV | 79,051,032 | | | |
| Total Investments held in the County's name | \$ 193,959,517 | | | |

B. Investments

The South Carolina Local Government Investment Pool ("State of S.C. Treasurer's Investment Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any county treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial Statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

Custodial Credit Risk

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

Credit Risk

As of June 30, 2017, the County's investments in U.S. Government Agencies Securities are rated Aaa by Moody's Investors. Statutes also allow the State Treasurer to assist local governments in investing funds. The State Treasurer also provides oversight for the State Treasurer's Investment Pool which is unrated, of which; the fair value of the County's investments is the same as the value of the pooled shares. The County's investment in the money market fund, repurchase agreement, and certificate of deposit are also unrated. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the County. The County's credit risk policy to mitigate the potential loss of principal is to purchase only high investment grade fixed-income securities. The County's repurchase agreements are fully collateralized by U.S. Government Securities and are not subject to credit risk.

Interest Rate Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The county does not have a policy for reducing this risk to any single issuer. As of June 30, 2017, the County had 40.75% of its investments invested with the State of S.C. Treasurer's investment pool and 58.92% with MorganStanley SmithBarney.

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

3. Receivables/Due from Other Governments/Note Receivable

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

The following details receivables -net by fund:

| | <u>General Fund</u> | <u>County Wide General Obligation Bonds</u> | <u>Rural and Critical Lands Program</u> | <u>2017 General Obligation Bond Projects</u> | <u>Nonmajor Governmental Funds</u> |
|-----------------------------|---------------------|---|---|--|--|
| Property Tax Receivable | \$ 2,664,082 | \$ 266,701 | \$ - | \$ - | \$ 283,751 |
| Accounts Receivable - Other | 834,992 | - | - | - | 53,110 |
| | <u>\$ 3,499,074</u> | <u>\$ 266,701</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 336,861</u> |

| | <u>Stormwater Utility</u> | <u>Lady's Island Airport</u> | <u>Hilton Head Airport</u> | <u>Internal Service Fund - Garage</u> |
|------------------------------|-------------------------------|--------------------------------------|--------------------------------|---|
| Licenses and Fees Receivable | \$ 208,004 | \$ 13,461 | \$ 102,913 | \$ 172,055 |
| | <u>\$ 208,004</u> | <u>\$ 13,461</u> | <u>\$ 102,913</u> | <u>\$ 172,055</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

The following details the due from other governments and bond receivables by fund as of June 30, 2017:

| | General Fund | County Wide General Obligation Bonds | Rural and Critical Lands Program | 2017 General Obligation Bond Projects | Nonmajor Governmental Funds |
|----------------------------------|---------------------|--|--|---|-----------------------------------|
| General Government Programs | \$ 1,517,647 | \$ - | \$ - | \$ - | \$ 301,698 |
| Public Safety Programs | - | - | - | - | 490,469 |
| Public Works Programs | - | - | - | - | 193,817 |
| Public Health Programs | - | - | - | - | 142,835 |
| Public Welfare Programs | - | - | - | - | 24,060 |
| Cultural & Recreational Programs | - | - | - | - | - |
| Capital Projects | - | - | - | - | 1,865,845 |
| Bond Proceeds and Premiums | - | 4,271,765 | 20,000,000 | 26,000,000 | - |
| | <u>\$ 1,517,647</u> | <u>\$ 4,271,765</u> | <u>\$20,000,000</u> | <u>\$ 26,000,000</u> | <u>\$ 3,018,724</u> |

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

The following reflects the future minimum payments receivable at June 30, 2017, under this note receivable:

| Fiscal Year Ending | Amount |
|--|-------------------|
| 2018 | \$ 102,724 |
| 2019 | 102,724 |
| 2020 | 102,724 |
| 2021 | 102,724 |
| 2022 | 102,724 |
| 2023-2027 | 410,895 |
| Total Minimum Note Payments | 924,515 |
| Less Amount Representing Interest | (114,580) |
| Present Value of Minimum Note Payments | 809,935 |
| Less Current Portion | (80,702) |
| Long-Term Portion | <u>\$ 729,233</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

Note Receivable from Hilton Head Airport Fund

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

Annual requirements to amortize the note receivable from Hilton Head Airport Fund outstanding at June 30, 2017, are as follows:

| Fiscal Year Ending | Note Payable to Debt Service Fund | Principal | Interest |
|--------------------|---|---------------------|-------------------|
| 2018 | \$ 96,740 | \$ 71,528 | \$ 25,212 |
| 2019 | 96,740 | 73,020 | 23,720 |
| 2020 | 96,740 | 74,543 | 22,197 |
| 2021 | 96,740 | 76,098 | 20,642 |
| 2022 | 96,740 | 77,685 | 19,055 |
| 2023-2027 | 483,700 | 413,426 | 70,274 |
| 2028-2032 | 483,700 | 458,384 | 25,316 |
| Total | <u>\$ 1,451,100</u> | <u>\$ 1,244,684</u> | <u>\$ 206,416</u> |

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

Annual requirements to amortize the note receivable from Hilton Head Airport Fund outstanding at June 30, 2017, are as follows:

| Fiscal Year Ending | Note Payable to Debt Service Fund | Principal | Interest |
|--------------------|---|---------------------|-------------------|
| 2018 | \$ 148,502 | \$ 89,927 | \$ 58,575 |
| 2019 | 148,502 | 92,600 | 55,902 |
| 2020 | 148,502 | 95,353 | 53,149 |
| 2021 | 148,502 | 98,187 | 50,315 |
| 2022 | 148,502 | 101,106 | 47,396 |
| 2023-2027 | 742,510 | 552,437 | 190,073 |
| 2028-2032 | 742,510 | 639,574 | 102,936 |
| 2033-2037 | 371,264 | 356,687 | 14,577 |
| Total | <u>\$ 2,598,794</u> | <u>\$ 2,025,871</u> | <u>\$ 572,923</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

Note Receivable from Stormwater Utility Fund

In June 2017, the County issued a bond for \$5,000,000 to provide capital funding for the MS4 Stormwater initiative. The bond is payable in semi-annual payments, including interest at 2.88% through June 2037.

Annual requirements to amortize the note receivable from Stormwater Utility Fund outstanding at June 30, 2017, are as follows:

| Fiscal Year Ending | Note Payable to Debt Service Fund | Principal | Interest |
|--------------------|---|---------------------|---------------------|
| 2018 | \$ 85,244 | \$ - | \$ 85,244 |
| 2019 | 188,268 | - | 188,268 |
| 2020 | 188,268 | - | 188,268 |
| 2021 | 188,268 | - | 188,268 |
| 2022 | 247,092 | 58,824 | 188,268 |
| 2023-2027 | 1,529,088 | 631,866 | 897,222 |
| 2028-2032 | 2,542,646 | 1,949,511 | 593,135 |
| 2033-2037 | <u>2,584,428</u> | <u>2,359,799</u> | <u>224,629</u> |
| Total | <u>\$ 7,553,302</u> | <u>\$ 5,000,000</u> | <u>\$ 2,553,302</u> |

Interfund balances between the General Fund and the Proprietary Funds

As of June 30, 2017, the amount due to the General Fund from the Proprietary Funds was \$1,505,898. The amount due from the Lady's Island Airport and the Hilton Head Airport was \$374,502 and \$1,131,396, respectively.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

4. **Capital Assets**

Governmental Activities

| | Balance June 30, 2016 | Additions | Disposals or Transfers | Balance June 30, 2017 |
|---|--------------------------|-----------------------|---------------------------|--------------------------|
| Capital Assets not Being Depreciated: | | | | |
| Land | \$ 114,931,381 | \$ 9,052,259 | \$ - | \$ 123,983,640 |
| Easements | 18,059,927 | - | - | 18,059,927 |
| Construction in Progress | <u>124,158,272</u> | <u>24,690,702</u> | <u>112,248,038</u> | <u>36,600,936</u> |
| Total Capital Assets not Being Depreciated | <u>257,149,580</u> | <u>33,742,961</u> | <u>112,248,038</u> | <u>178,644,503</u> |
| Other Capital Assets: | | | | |
| Buildings & Improvements | 190,183,795 | 5,646,134 | - | 195,829,929 |
| Infrastructure | 186,754,293 | 103,926,447 | - | 290,680,740 |
| Equipment | <u>78,340,480</u> | <u>7,042,975</u> | <u>968,660</u> | <u>84,414,795</u> |
| Total Other Capital Assets | 455,278,568 | 116,615,556 | 968,660 | 570,925,464 |
| Less Accumulated Depreciation | | | | |
| Accumulated Depreciation - Buildings & Improvements | 92,350,006 | 6,989,862 | - | 99,339,868 |
| Accumulated Depreciation - Infrastructure | 43,378,527 | 8,369,081 | - | 51,747,608 |
| Accumulated Depreciation - Equipment | <u>64,460,405</u> | <u>4,867,737</u> | <u>885,825</u> | <u>68,442,317</u> |
| Total Accumulated Depreciation | <u>200,188,938</u> | <u>20,226,680</u> | <u>885,825</u> | <u>219,529,793</u> |
| Other Capital Assets, Net | <u>255,089,630</u> | <u>96,388,876</u> | <u>82,835</u> | <u>351,395,671</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 512,239,210</u> | <u>\$ 130,131,837</u> | <u>\$ 112,330,873</u> | <u>\$ 530,040,174</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, 2017 was \$20,226,680 and the accumulated depreciation as of June 30, 2017 was \$219,529,793.

The depreciation expense was allocated as follows:

| | |
|-------------------------|----------------------|
| General Government | \$ 3,805,786 |
| Public Safety | 3,977,412 |
| Public Works | 8,756,022 |
| Public Health | 698,267 |
| Cultural and Recreation | <u>2,989,193</u> |
| Total | <u>\$ 20,226,680</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

4. Capital Assets- Continued:

Business-Type Activities

| | Balance June 30, 2016 | Additions | Disposals or Transfers | Balance June 30, 2017 |
|---|--------------------------|-------------------|---------------------------|--------------------------|
| Capital Assets not Being Depreciated: | | | | |
| Land | \$ 11,417,675 | \$ 115,000 | \$ - | \$ 11,532,675 |
| Infrastructure | 9,229,801 | - | - | 9,229,801 |
| Construction in Progress | 257,890 | - | - | 257,890 |
| Total Capital Assets not Being Depreciated | <u>20,905,366</u> | <u>115,000</u> | <u>-</u> | <u>21,020,366</u> |
| Other Capital Assets: | | | | |
| Buildings & Improvements | 14,193,462 | - | - | 14,193,462 |
| Equipment | 5,702,267 | 823,547 | - | 6,525,814 |
| Total Other Capital Assets | <u>19,895,729</u> | <u>823,547</u> | <u>-</u> | <u>20,719,276</u> |
| Less Accumulated Depreciation | | | | |
| Accumulated Depreciation - Buildings & Improvements | 8,405,477 | 556,921 | - | 8,962,398 |
| Accumulated Depreciation - Equipment | 4,272,569 | 278,397 | - | 4,550,966 |
| Total Accumulated Depreciation | <u>12,678,046</u> | <u>835,318</u> | <u>-</u> | <u>13,513,364</u> |
| Other Capital Assets, Net | <u>7,217,683</u> | <u>(11,771)</u> | <u>-</u> | <u>7,205,912</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 28,123,049</u> | <u>\$ 103,229</u> | <u>\$ -</u> | <u>\$ 28,226,278</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 of the assets, which range from five to twenty-five years. Depreciation expense for the year ended June 30, 2017 was \$835,318 and the accumulated depreciation as of June 30, 2017 was \$13,513,364.

The depreciation expense was allocated as follows:

| | |
|-----------------------|-------------------|
| Stormwater Utility | \$ 211,135 |
| Lady's Island Airport | 57,629 |
| Hilton Head Airport | 566,554 |
| Total | <u>\$ 835,318</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

5. Long-Term Obligations

| | Governmental Activities |
|---|----------------------------|
| General Obligation Bonds | \$ 233,200,823 |
| General Obligation Bond Anticipation Note | \$ 30,250,000 |
| Mortgage | 4,000,000 |
| Premiums | 16,050,632 |
| | \$ 283,501,455 |
| | |
| Deferred Charge on Refundings | \$ 4,185,955 |

General Obligation Bonds

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

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

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

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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

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

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

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

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

In March 2016, the County issued \$17,950,000 of general obligation refunding bonds bearing interest rates of 2.0% to 4.0% and with varying maturity dates through 2027. The proceeds were used to advance refund \$18,375,000 of outstanding 2007 general obligation bonds which had interest rates ranging from 4.0% to 5.0%. The net proceeds of \$19,200,267 (including a \$1,312,194 premium and after payment of \$168,556 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the 2007 general obligation bonds are considered to be partially defeased and the liability has been removed from the governmental activities column of the statement of net position. The prior debt service, \$24,241,000, exceeded the refunding debt service, \$21,453,453, and results in cash flow savings in the amount of \$2,787,547. The reacquisition price exceeded the net carrying value of the old debt by \$716,723, as the transaction resulted in an economic gain of \$2,551,735.

In June 2017, the County issued \$51,000,000 of general obligation bonds bearing interest rates of 3.13% to 5% and with varying maturity dates through 2037. \$31 million of the proceeds of these bonds will be used for various County and Stormwater Utility capital projects and \$20 million of the proceeds of these bonds will be used for the County's rural and critical land projects, as approved by referendum in November 2014.

In June 2017, the County issued \$6,110,000 of general obligation refunding bonds bearing interest rates of 5.0% and with varying maturity dates through 2020. The net proceeds of \$6,424,372 (including a \$362,230 premium and after payment of \$47,858 in underwriting fees and other issuance costs) were used to provide funds for the defeasance of the 2007B general obligation bonds in the amount of \$6,405,000 bearing interest rates of 4.0% to 5.0%. As a result, the 2007B general obligation bonds are considered to be fully defeased and the liability has been removed from the governmental activities column of the statement of net position. The prior debt service, \$6,794,700, exceeded the refunding debt service, \$6,556,679, and results in cash flow savings in the amount of \$238,021. The reacquisition price exceeded the net carrying value of the old debt by \$14,945, as the transaction resulted in an economic gain of \$237,486.



Gregg J. Hunt

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

5. Long Term Obligations – Continued:

In June 2017, the County issued \$30,250,000 of general obligation bond anticipation notes bearing interest rates of 1.4% and with a maturity date of June 2018. The proceeds were used to provide short-term cash flow as a result of debris removal efforts impacted by Hurricane Matthew. The County intends to receive sufficient reimbursements from the Federal Emergency Management Agency (FEMA) to repay the notes in June 2018.

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

General obligation bonds accounted for in the County's Statement of Net Position consist of the following at June 30, 2017:

| Description | Rates | Dates | Maturity | Original Issue | Outstanding at June 30, 2017 |
|-------------------------------------|-------------|--------------|----------|-----------------------|---------------------------------|
| 2010A County Bonds | 2.0% - 5.0% | 3/1 and 9/1 | 2029 | 24,205,000 | 9,385,000 |
| 2010C County Bonds | 2.0% - 4.0% | 2/1 and 8/1 | 2022 | 8,125,000 | 4,795,000 |
| 2011 County Bonds | 2.0% - 3.5% | 3/1 and 9/1 | 2031 | 10,000,000 | 9,645,000 |
| 2012A County Bonds | 2.0% - 4.0% | 3/1 and 9/1 | 2023 | 15,295,000 | 9,795,000 |
| 2012C County Bonds | 2.0% - 5.0% | 2/1 and 8/1 | 2025 | 25,185,000 | 22,525,000 |
| 2012E County Bonds | 3.5% | 10/12 | 2052 | 6,000,000 | 5,700,823 |
| 2013A County Bonds | 1.5% - 4.0% | 5/1 and 11/1 | 2033 | 7,580,000 | 6,040,000 |
| 2013B County Bonds | 1.5% - 4.0% | 5/1 and 11/1 | 2029 | 25,000,000 | 20,020,000 |
| 2013C County Bonds | 1.5% - 5.0% | 3/1 and 9/1 | 2026 | 33,150,000 | 30,385,000 |
| 2014A County Bonds | 2.0% - 5.0% | 3/1 and 9/1 | 2034 | 19,450,000 | 17,280,000 |
| 2014B County Bonds | 2.5% - 4.0% | 3/1 and 9/1 | 2029 | 22,570,000 | 22,570,000 |
| 2016A County Bonds | 2.0% - 4.0% | 3/1 and 9/1 | 2027 | 17,950,000 | 17,950,000 |
| 2017A County Bonds | 3.0% - 5.0% | 2/1 and 8/1 | 2037 | 51,000,000 | 51,000,000 |
| 2017B County Bonds | 5.0% | 2/1 and 8/1 | 2020 | 6,110,000 | 6,110,000 |
| 2017 County Bond Anticipation Notes | 1.4% | 6/29 | 2018 | 30,250,000 | 30,250,000 |
| | | | | <u>\$ 301,870,000</u> | <u>\$ 263,450,823</u> |

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

| Fiscal Year Ending | Principal | Interest | Total |
|--------------------|-----------------------|----------------------|-----------------------|
| 2018 | \$ 45,291,451 | \$ 7,871,807 | \$ 53,163,258 |
| 2019 | 15,579,302 | 8,121,429 | 23,700,731 |
| 2020 | 16,182,253 | 7,539,053 | 23,721,306 |
| 2021 | 17,235,306 | 6,853,300 | 24,088,606 |
| 2022 | 17,908,467 | 6,166,439 | 24,074,906 |
| 2023-2027 | 71,743,757 | 20,827,521 | 92,571,278 |
| 2028-2032 | 46,626,120 | 9,894,865 | 56,520,985 |
| 2033-2037 | 29,486,757 | 3,156,393 | 32,643,150 |
| Thereafter | 3,397,410 | 1,098,270 | 4,495,680 |
| Total | <u>\$ 263,450,823</u> | <u>\$ 71,529,077</u> | <u>\$ 334,979,900</u> |

Total interest paid on bonds outstanding for the year ended June 30, 2017 was \$7,360,339.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

5. Long Term Obligations – Continued:

Mortgage

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

The mortgage accounted for in the County's Statement of Net Position consists of the following at June 30, 2017:

| Description | Rates | Dates | Maturity | Original Issue | Outstanding at June 30, 2017 |
|-------------|-------|-------|----------|---------------------|------------------------------|
| Mortgage | 2.00% | 9/15 | 2017 | 4,000,000 | 4,000,000 |
| | | | | <u>\$ 4,000,000</u> | <u>\$ 4,000,000</u> |

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

| Fiscal Year Ending | Principal | Interest | Total |
|--------------------|---------------------|------------------|---------------------|
| 2018 | 4,000,000 | 80,000 | 4,080,000 |
| Total | <u>\$ 4,000,000</u> | <u>\$ 80,000</u> | <u>\$ 4,080,000</u> |

Total Governmental Activities Debt

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

| Fiscal Year Ending | Principal | Interest | Total |
|--------------------|-----------------------|----------------------|-----------------------|
| 2018 | \$ 49,291,451 | \$ 7,951,807 | \$ 57,243,258 |
| 2019 | 15,579,302 | 8,121,429 | 23,700,731 |
| 2020 | 16,182,253 | 7,539,053 | 23,721,306 |
| 2021 | 17,235,306 | 6,853,300 | 24,088,606 |
| 2022 | 17,908,467 | 6,166,439 | 24,074,906 |
| 2023-2027 | 71,743,757 | 20,827,521 | 92,571,278 |
| 2028-2032 | 46,626,120 | 9,894,865 | 56,520,985 |
| 2033-2037 | 29,486,757 | 3,156,393 | 32,643,150 |
| Thereafter | 3,397,410 | 1,098,270 | 4,495,680 |
| Total | <u>\$ 267,450,823</u> | <u>\$ 71,609,077</u> | <u>\$ 339,059,900</u> |

Governmental Activities Changes in Long-Term Obligations

| | Balance June 30, 2016 | Additions | Retirements | Balance June 30, 2017 |
|---|-----------------------|----------------------|----------------------|-----------------------|
| General Obligation Bonds | \$ 196,814,520 | \$ 57,110,000 | \$ 20,723,697 | \$ 233,200,823 |
| General Obligation Bond Anticipation Note | - | 30,250,000 | - | 30,250,000 |
| TIF Revenue Bonds | 3,295,000 | - | 3,295,000 | - |
| Mortgage | 4,000,000 | - | - | 4,000,000 |
| Capital Lease | 1,432,527 | - | 1,432,527 | - |
| Premiums | 13,892,575 | 4,794,335 | 2,636,278 | 16,050,632 |
| Total | <u>\$ 219,434,622</u> | <u>\$ 92,154,335</u> | <u>\$ 28,087,502</u> | <u>\$ 283,501,455</u> |
| Deferred Charge on Refundings | <u>\$ 4,755,142</u> | <u>\$ -</u> | <u>\$ 569,187</u> | <u>\$ 4,185,955</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

5. Long Term Obligations – Continued:

Current Portion of Long Term Obligations

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

| | |
|---|----------------------|
| General Obligation Bonds | \$ 15,041,451 |
| General Obligation Bond Anticipation Note | 30,250,000 |
| Mortgage | 4,000,000 |
| Premiums | 2,137,385 |
| | <u>\$ 51,428,836</u> |
| | |
| Deferred Charge on Refundings | <u>\$ 569,187</u> |

6. Accrued Compensated Absences

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

Governmental Activities Changes in Current and Long -Term Obligations

| Balance June 30, 2016 | Additions | Retirements | Balance June 30, 2017 | Amount Due in One Year |
|--------------------------|---------------------|---------------------|--------------------------|---------------------------|
| <u>\$ 3,459,227</u> | <u>\$ 2,374,995</u> | <u>\$ 2,227,019</u> | <u>\$ 3,607,203</u> | <u>\$ 432,864</u> |

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

| Balance June 30, 2016 | Additions | Retirements | Balance June 30, 2017 | Amount Due in One Year |
|--------------------------|------------------|------------------|--------------------------|---------------------------|
| <u>\$ 114,577</u> | <u>\$ 84,571</u> | <u>\$ 82,026</u> | <u>\$ 117,122</u> | <u>\$ 14,055</u> |

7. Interfund Transfers

Interfund transfers (in/out) were used to move resources to/from other funds in accordance with budgetary authorizations, or other requirements. These transfers were permanent in nature and as such there are not any anticipated repayments. The following interfund transfers were made during the year ended June 30, 2017.

| Recipient Fund | Transferring Fund | Amount |
|--------------------------------|--------------------------------|---------------------|
| General Fund | Nonmajor Special Revenue Funds | 1,707,103 |
| Nonmajor Special Revenue Funds | General Fund | 4,082,113 |
| Internal Service Fund | General Fund | 668,434 |
| Nonmajor Special Revenue Funds | Nonmajor Special Revenue Funds | 198,713 |
| Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | 273,419 |
| Nonmajor Debt Service Funds | Nonmajor Special Revenue Funds | 2,701,219 |
| Nonmajor Debt Service Funds | Nonmajor Capital Projects Fund | <u>2,195,550</u> |
| | | <u>\$11,826,551</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017 were approximately \$143,000.

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

| Fiscal Year Ending | Amount |
|--------------------|------------|
| 2018 | \$ 127,026 |
| 2019 | 612 |
| 2020 | 12 |
| 2021 | 12 |
| 2022 | 12 |
| 2023-2028 | 36 |
| Total | \$ 127,710 |

9. Deferred Compensation Plans

All state and local government employees can participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, administered by the state public employee retirement system through a state approved nongovernmental third party, permits governmental employees to defer a portion of their salary until future years. The deferred compensation is not available to an employee until termination, retirement, death, or unforeseeable emergency. Contributions by employees under the 457 program totaled \$296,982 for the year ended June 30, 2017. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

County employees may participate in a 401(k) or a Roth 401(k) deferred compensation plans available to state and local governmental employees through the state public employee retirement system. The 401(k) and Roth 401(k) programs are administered by a state approved nongovernmental third party. Contributions by employees under the 401(k) and Roth 401(k) programs totaled \$631,281 and \$11,480, respectively, for the year ended June 30, 2017. There are no employer contributions made by the County to these plans. Participant account balances are not included in these financial statements.

10. Self-Insured Health Insurance

The County is self-insured for health claims incurred by employees and/or their dependents. The plan establishes a "Stop Loss" of \$200,000 per person per contract year. There are not any individuals excluded from the stop loss coverage with a specific deductible. At June 30, 2017, claims due and payable total approximately \$772,526 and are recorded as a liability and expenditure within the General Fund.

The following indicates claims versus premiums for the past fiscal year:

| For the Year Ended June 30, | Beginning Liability | Current Year Claims and Changes in Estimate | Claim Payments | Ending Liability |
|--------------------------------|------------------------|---|-------------------|---------------------|
| 2017 | \$ - | \$ 13,911,455 | \$ 13,138,929 | \$ 772,526 |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

11. **Pension Plans**

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

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description:

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

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

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

Membership:

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

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

- **State ORP** – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

11. Pension Plans – continued:

member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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

Benefits:

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

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

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

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

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

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

11. Pension Plans – continued:

employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

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

| <u>SCRS</u> | <u>Fiscal Year 2017</u> | <u>Fiscal Year 2016</u> |
|-------------------------|--------------------------------|--------------------------------|
| Employee Class Two | 8.66% | 8.16% |
| Employee Class Three | 8.66% | 8.16% |
| <u>State ORP</u> | | |
| Employee | 8.66% | 8.16% |
| <u>PORS</u> | | |
| Employee Class Two | 9.24% | 8.74% |
| Employee Class Three | 9.24% | 8.74% |

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

| | | |
|------------------------------------|--------|--------|
| <u>SCRS</u> | | |
| Employer Class Two | 11.41% | 10.91% |
| Employer Class Three | 11.41% | 10.91% |
| Employer Incidental Death Benefit | 0.15% | 0.15% |
| <u>State ORP</u> | | |
| Employer Contribution ² | 11.41% | 10.91% |
| Employer Incidental Death Benefit | 0.15% | 0.15% |
| <u>PORS</u> | | |
| Employer Class Two | 13.84% | 13.34% |
| Employer Class Three | 13.84% | 13.34% |
| Employer Incidental Death Benefit | 0.20% | 0.20% |
| Employer Accidental Death Benefit | 0.20% | 0.20% |

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

²Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Contributions to the SCRS and PORS pension plans from the County were \$4.5 million and \$2.9 million for the year ended June 30, 2017, respectively.

Actuarial assumptions and methods:

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

11. Pension Plans – continued:

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015. The June 30, 2016, total pension liability, net pension liability, and sensitivity information were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year end June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

Actuarial assumptions and methods (continued):

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

| | SCRS | PORS |
|--|--|--|
| Actuarial cost method | Entry age normal | Entry age normal |
| Investment rate of return ¹ | 7.5% | 7.5% |
| Projected salary increases | 3.5% to 12.5% (varies by service) ¹ | 4.0% to 10.0% (varies by service) ¹ |
| Benefit adjustments | lesser of 1% or \$500 annually | lesser of 1% or \$500 annually |
| ¹ Includes inflation at 2.75% | | |

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015, valuations for SCRS and PORS are as follows.

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

Net pension liability:

At June 30, 2017, the County reported liabilities of \$78,700,803 and \$37,955,351 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2015 projected forward to June 30, 2016. The County's proportionate shares of the net pension liabilities were based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the County's proportionate shares of the SCRS and PORS plans were 0.368452% and 1.49638%, which was the same as its proportionate shares of the net pension liabilities measured as of June 30, 2015, respectively.

Pension expense:

For the year ended June 30, 2017, the County recognized pension expense of the SCRS and PORS plans of \$7,053,942 and \$4,134,062, respectively.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

11. Pension Plans (continued)

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to its pension liabilities from the following sources for each of the respective plans:

| | SCRS | |
|--|-----------------------------------|----------------------------------|
| | Deferred outflows of resources | Deferred inflows of resources |
| Differences between expected and actual experience | \$ 815,826 | \$ 85,469 |
| Net difference between projected and actual earnings on pension plan investments | 6,621,266 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,171,733 | 712,140 |
| County Contributions subsequent to the measurement date | 4,489,430 | - |
| Total | \$ 13,098,255 | \$ 797,609 |

| | PORS | |
|--|-----------------------------------|----------------------------------|
| | Deferred outflows of resources | Deferred inflows of resources |
| Differences between expected and actual experience | \$ 563,185 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | 4,303,803 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 563,594 | 334,805 |
| County Contributions subsequent to the measurement date | 2,871,255 | - |
| Total | \$ 8,301,837 | \$ 334,805 |

The \$4,489,430 and \$2,871,255 reported as deferred outflows of resources related to pensions resulting from County contributions paid subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2017 will be recognized as reduction of the net pension liabilities in the year ending June 30, 2018.

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

| Year ended June 30, | SCRS | PORS |
|---------------------|--------------|--------------|
| 2018 | \$ 1,871,987 | \$ 1,129,857 |
| 2019 | 1,445,550 | 1,101,309 |
| 2020 | 2,961,153 | 1,780,393 |
| 2021 | 1,532,526 | 1,084,218 |

Pension plan fiduciary net position:

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2016, for SCRS and PORS are presented below.

| System | Total Pension Liability | Plan Fiduciary Net Position | Employers' Net Pension Liability (Asset) | Plan Fiduciary Net Position as a Percentage of the Total Pension |
|-------------|----------------------------|--------------------------------|--|---|
| SCRS | \$ 167,115,880 | \$ 88,415,077 | \$ 78,700,803 | 52.9% |
| PORS | 95,955,549 | 58,000,198 | 37,955,351 | 60.4% |



Thomas Hanley

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

11. Pension Plans (continued)

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

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital markets outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Long Term Expected Portfolio Real Rate of Return |
|----------------------------------|--------------------------------|--|---|
| Global Equity | 43.0% | | |
| Global Public Equity | 34.0% | 6.52% | 2.22% |
| Private Equity | 9.0% | 9.30% | 0.84% |
| Real Assets | 8.0% | | |
| Real Estate | 5.0% | 4.32% | 0.22% |
| Commodities | 3.0% | 4.56% | 0.13% |
| Opportunistic | 20.0% | | |
| GTAA/Risk Parity | 10.0% | 3.90% | 0.39% |
| HF (Low Beta) | 10.0% | 3.87% | 0.39% |
| Diversified Credit | 17.0% | | |
| Mixed Credit | 5.0% | 3.52% | 0.17% |
| Emerging Markets Debt | 5.0% | 4.91% | 0.25% |
| Private Debt | 7.0% | 4.47% | 0.31% |
| Conservative Fixed Income | 12.0% | | |
| Core Fixed Income | 10.0% | 1.72% | 0.17% |
| Cash and Short Duration (Net) | 2.0% | 0.71% | 0.01% |
| Total Expected Real Return | <u>100.0%</u> | | <u>5.10%</u> |
| Inflation for Actuarial Purposes | | | <u>2.75%</u> |
| Total Expected Nominal Return | | | <u><u>7.85%</u></u> |

Discount rate:

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

11. Pension Plans – continued:

Sensitivity analysis:

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

| Sensitivity of the Net Pension Liability to Changes in the Discount Rate | | | |
|---|-----------------------------------|----------------------------------|-----------------------------------|
| System | 1.00% Decrease (6.50%) | Discount Rate (7.50%) | 1.00% Increase (8.50%) |
| SCRS | \$ 98,177,097 | \$ 78,700,803 | \$ 62,487,523 |
| PORS | \$ 49,743,672 | 37,955,351 | 27,361,237 |

Additional Financial and Actuarial Information:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2016 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2016.

12. Accrued Compensated Absences and Other Benefits

Effective February 15, 1993, Beaufort County adopted a new leave policy for all employees. The TOWP/SCA policy was replaced with a policy granting Personal Leave Days and Personal Disability Leave. Under the new policy, employees were entitled to a maximum Personal Leave balance of 280 hours. Upon termination, employees will be paid for all unused, unpaid Personal Leave up to this maximum. The liability recorded at June 30, 2017, to cover unused, unpaid Personal Leave including fringe benefits totaled \$3,724,325.

The County reports \$432,107 as a current liability and \$3,174,339 as a long-term liability for governmental activities, while \$14,055 as a current liability and \$103,067 as a long-term liability for business-type activities.

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

13. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2017, fund balances for government funds are made up of the following:

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

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

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

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

13. Fund Balances – Continued

Fund balances for all the major and nonmajor funds as of June 30, 2017, were distributed as follows:

| | General Fund | County Wide General Obligation Bonds | Rural and Critical Lands Program | 2017 General Obligation Bond Projects | Nonmajor Governmental Funds | Total |
|---|----------------------|--|--|--|-----------------------------------|-----------------------|
| Nonspendable: | | | | | | |
| Prepaid Items | \$ 1,980,794 | \$ - | \$ - | \$ - | \$ 99,269 | \$ 2,080,063 |
| | <u>1,980,794</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>99,269</u> | <u>2,080,063</u> |
| Restricted: | | | | | | |
| General Government Grants | - | - | - | - | 13,021,579 | 13,021,579 |
| Public Safety Grants | - | - | - | - | 5,933,066 | 5,933,066 |
| Public Works Grants | - | - | - | - | 20,972,701 | 20,972,701 |
| Public Health Grants | - | - | - | - | 3,450,276 | 3,450,276 |
| Public Welfare Grants | - | - | - | - | 21,326 | 21,326 |
| Cultural & Recreation Grants | - | - | - | - | 7,231,194 | 7,231,194 |
| Capital Projects | - | - | 15,075,311 | 25,991,800 | 16,680,734 | 57,747,845 |
| Debt Service | - | 20,492,165 | - | - | 3,306,846 | 23,799,011 |
| | <u>-</u> | <u>20,492,165</u> | <u>15,075,311</u> | <u>25,991,800</u> | <u>70,617,722</u> | <u>132,176,998</u> |
| Committed: | | | | | | |
| Parks and Leisure Capital Program | - | - | - | - | 52,595 | 52,595 |
| General Government Facility Improvements | 313,641 | - | - | - | - | 313,641 |
| | <u>313,641</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>52,595</u> | <u>366,236</u> |
| Assigned: | | | | | | |
| General Government | 1,513,857 | - | - | - | - | 1,513,857 |
| Traffic Engineering | 48,768 | - | - | - | - | 48,768 |
| Parks and Leisure Special Events | 137,575 | - | - | - | - | 137,575 |
| | <u>1,700,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,700,200</u> |
| Unassigned | <u>23,772,760</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,772,760</u> |
| | <u>\$ 27,767,395</u> | <u>\$ 20,492,165</u> | <u>\$ 15,075,311</u> | <u>\$ 25,991,800</u> | <u>\$ 70,769,586</u> | <u>\$ 160,096,257</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

14. Commitments and Contingencies

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

As of June 30, 2017, the County has outstanding construction contracts of \$45,090,312.

15. Risk Management and Litigation

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

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

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

The County is a party to several lawsuits which seek to recover property taxes paid under protest and to overturn property sold at "tax sales." The County's attorney estimates that the amount of actual or potential claims against the County at June 30, 2017 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

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

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

Nicole Henry



Required Supplementary Information

BEAUFORT COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 MODIFIED APPROACH FOR AIRPORT INFRASTRUCTURE ASSETS
 June 30, 2017

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

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

| | <u>FY 2017</u> | <u>FY 2016</u> | <u>FY 2015</u> |
|---|----------------|----------------|----------------|
| Percent of Runways in Fair or Better Condition | 100% | 100% | 100% |
| Percent of Taxiways in Fair or Better Condition | 100% | 100% | 100% |
| Percent of Aprons in Fair or Better Condition | 100% | 100% | 100% |
| Percent of Annual Resurfacing of Runways Completed | 0% | 0% | 0% |
| Percent of Annual Resurfacing of Taxiways Completed | 0% | 0% | 0% |
| Percent of Annual Resurfacing of Aprons Completed | 0% | 0% | 0% |

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

During Fiscal Year 2017 and 2016, the Hilton Head Island Airport expended \$9.2 million and \$4.3 million, respectively, related to the relocation of taxiways A and F and replacement of the general aviation (GA) ramp and the runway extension project. The County anticipates that the runways, taxiways and aprons will be preserved as part of the runway extension project.

BEAUFORT COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY*
 June 30, 2017

SCRS

| | County's proportion of the net pension liability | County's proportionate share of the net pension liability | County's covered employee payroll | County's proportionate share of the net pension liability as a percentage of its covered-employee payroll | Plan fiduciary net position of the total pension liability |
|-----------|---|---|--|---|---|
| 6/30/2017 | 0.37% | 78,700,803 | 35,677,230 | 220.59% | 52.90% |
| 6/30/2016 | 0.36% | 68,288,822 | 33,748,204 | 202.35% | 57.00% |
| 6/30/2015 | 0.37% | 63,288,017 | 33,248,858 | 190.35% | 59.90% |

PORS

| | County's proportion of the net pension liability | County's proportionate share of the net pension liability | County's covered employee payroll | County's proportionate share of the net pension liability as a percentage of its covered-employee payroll | Plan fiduciary net position of the total pension liability |
|-----------|---|---|--|---|---|
| 6/30/2017 | 1.50% | 37,955,351 | 19,093,765 | 198.78% | 60.40% |
| 6/30/2016 | 1.46% | 31,872,585 | 17,974,479 | 177.32% | 64.60% |
| 6/30/2015 | 1.49% | 28,534,997 | 18,070,889 | 157.91% | 67.50% |

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

BEAUFORT COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS TO THE SOUTH CAROLINA RETIREMENT SYSTEM -
 LAST 10 FISCAL YEARS
 June 30, 2017

SCRS

| | Contractually required contribution | Contributions in relation to the contractually required contribution | Contribution deficiency (excess) | County's covered- employee payroll | Contributions as a percentage of covered- employee payroll |
|-----------|---|--|--|---|--|
| 6/30/2017 | 4,488,733 | (4,488,733) | - | 38,829,871 | 11.56% |
| 6/30/2016 | 3,945,902 | (3,945,902) | - | 35,677,230 | 11.06% |
| 6/30/2015 | 3,678,554 | (3,678,554) | - | 33,748,204 | 10.90% |
| 6/30/2014 | 3,521,517 | (3,521,517) | - | 33,248,858 | 10.59% |
| 6/30/2013 | 3,469,387 | (3,469,387) | - | 31,963,087 | 10.85% |
| 6/30/2012 | 3,047,691 | (3,047,691) | - | 34,421,016 | 8.85% |
| 6/30/2011 | 3,232,140 | (3,232,140) | - | 34,335,421 | 9.41% |
| 6/30/2010 | 3,224,101 | (3,224,101) | - | 34,201,255 | 9.43% |
| 6/30/2009 | 3,211,502 | (3,211,502) | - | 31,727,748 | 10.12% |
| 6/30/2008 | 2,922,132 | (2,922,132) | - | 27,769,529 | 10.52% |

PORS

| | Contractually required contribution | Contributions in relation to the contractually required contribution | Contribution deficiency (excess) | County's covered- employee payroll | Contributions as a percentage of covered- employee payroll |
|-----------|---|--|--|---|--|
| 6/30/2017 | 2,873,395 | (2,873,395) | - | 20,178,336 | 14.24% |
| 6/30/2016 | 2,623,483 | (2,623,483) | - | 19,093,765 | 13.74% |
| 6/30/2015 | 2,410,378 | (2,410,378) | - | 17,974,479 | 13.41% |
| 6/30/2014 | 2,320,302 | (2,320,302) | - | 18,070,889 | 12.84% |
| 6/30/2013 | 2,190,358 | (2,190,358) | - | 17,479,163 | 12.53% |
| 6/30/2012 | 2,056,075 | (2,056,075) | - | 17,777,568 | 11.57% |
| 6/30/2011 | 2,049,754 | (2,049,754) | - | 16,927,063 | 12.11% |
| 6/30/2010 | 1,870,440 | (1,870,440) | - | 16,516,394 | 11.32% |
| 6/30/2009 | 1,825,061 | (1,825,061) | - | 15,038,476 | 12.14% |
| 6/30/2008 | 1,609,117 | (1,609,117) | - | 14,166,392 | 11.36% |

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance from Final Budget Positive / (Negative) |
|--------------------------------------|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | | | | |
| Current Taxes | \$ 79,593,117 | \$ 79,593,117 | \$ 78,795,811 | \$ (797,306) |
| Delinquent Taxes | 3,026,440 | 3,026,440 | 3,455,333 | 428,893 |
| Automobile Taxes | 5,572,125 | 5,572,125 | 5,994,604 | 422,479 |
| Penalties | 1,224,892 | 1,224,892 | 2,162,432 | 937,540 |
| Total Property Taxes | <u>89,416,574</u> | <u>89,416,574</u> | <u>90,408,180</u> | <u>991,606</u> |
| Licenses and Permits | | | | |
| Business Licenses | 1,650,000 | 1,650,000 | 2,113,190 | 463,190 |
| Building Permits | 1,143,800 | 1,143,800 | 1,012,756 | (131,044) |
| Cable Franchise Fees | 450,000 | 450,000 | 512,481 | 62,481 |
| Marriage Licenses | 90,000 | 90,000 | 56,989 | (33,011) |
| Other Licenses and Permits | 95,200 | 95,200 | 88,150 | (7,050) |
| Total Licenses and Permits | <u>3,429,000</u> | <u>3,429,000</u> | <u>3,783,566</u> | <u>354,566</u> |
| Intergovernmental | | | | |
| State Aid to Subdivisions | 7,152,193 | 7,152,193 | 6,293,704 | (858,489) |
| Homestead Exemption | 1,602,269 | 1,602,269 | 1,781,336 | 179,067 |
| Merchants' Inventory Tax | 186,308 | 186,308 | 186,309 | 1 |
| Manufacturers Tax | 36,000 | 36,000 | 117,805 | 81,805 |
| Motor Carrier Tax | 100,000 | 100,000 | 149,724 | 49,724 |
| Payments in Lieu of Taxes | 85,000 | 85,000 | 98,193 | 13,193 |
| Veterans Office Stipend | 4,000 | 4,000 | 5,371 | 1,371 |
| Registration and Election | 3,000 | 3,000 | 11,564 | 8,564 |
| Salary Supplements | 7,875 | 7,875 | 7,875 | - |
| Local Traffic Signal Maintenance | 20,000 | 20,000 | 247,547 | 227,547 |
| Local, State and Federal Grant Funds | - | - | 165,000 | 165,000 |
| Pollution Control Penalties | 1,000 | 1,000 | 8,904 | 7,904 |
| Total Intergovernmental | <u>9,197,645</u> | <u>9,197,645</u> | <u>9,073,332</u> | <u>(124,313)</u> |
| Charges for Services | | | | |
| Register of Deeds Fees | 3,606,907 | 3,606,907 | 4,183,358 | 576,451 |
| Sheriff's Service Contracts and Fees | 2,864,593 | 2,864,593 | 3,083,410 | 218,817 |
| Emergency Medical Service Fees | 2,579,000 | 2,579,000 | 2,971,176 | 392,176 |
| Court Support Services | 1,698,126 | 1,698,126 | 1,514,875 | (183,251) |
| Recreation Fees | 554,408 | 554,408 | 547,647 | (6,761) |
| Administrative Services | 241,681 | 241,681 | 564,962 | 323,281 |
| DSO / Rezoning / CRB Fees | 50,000 | 50,000 | 61,058 | 11,058 |
| Solid Waste Disposal Fees | 5,000 | 5,000 | 6,500 | 1,500 |
| Animal Shelter Fees | 3,000 | 3,000 | - | (3,000) |
| Total Charges for Services | <u>11,602,715</u> | <u>11,602,715</u> | <u>12,932,986</u> | <u>1,330,271</u> |
| Fines and Forfeitures | | | | |
| Clerk of Court Fines | 11,300 | 11,300 | 14,682 | 3,382 |
| Bond Escreatment | 55,000 | 55,000 | 15,276 | (39,724) |
| Magistrates' Court Fines | 607,700 | 607,700 | 562,788 | (44,912) |
| Library Fines | 75,000 | 75,000 | 92,928 | 17,928 |
| Forfeitures | 1,000 | 1,000 | 1,560 | 560 |
| Total Fines and Forfeitures | <u>750,000</u> | <u>750,000</u> | <u>687,234</u> | <u>(62,766)</u> |
| Interest earned on investments | 52,805 | 52,805 | 122,859 | 70,054 |
| Miscellaneous | | | | |
| Rental of County Property | 78,000 | 78,000 | 121,684 | 43,684 |
| Sale of County Property | 121,136 | 121,136 | 258,050 | 136,914 |
| Miscellaneous | 52,000 | 52,000 | 25,518 | (26,482) |
| Total Miscellaneous | <u>251,136</u> | <u>251,136</u> | <u>405,252</u> | <u>154,116</u> |
| Total Revenues | <u>114,699,875</u> | <u>114,699,875</u> | <u>117,413,409</u> | <u>2,713,534</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance from Final Budget Positive / (Negative) |
|---|------------------|------------|------------|--|
| | Original | Final | | |
| Expenditures | | | | |
| General Government | | | | |
| Elected and State Appointed Officials | | | | |
| Magistrates Court | 1,894,965 | 1,894,965 | 1,830,971 | 63,994 |
| Clerk of Court & Family Court | 1,110,126 | 1,110,126 | 1,049,153 | 60,973 |
| Treasurer | 1,090,405 | 1,090,405 | 1,214,984 | (124,579) |
| Solicitor | 1,245,000 | 1,245,000 | 1,245,000 | - |
| Probate Court | 761,622 | 761,622 | 769,577 | (7,955) |
| County Council | 623,418 | 848,418 | 925,349 | (76,931) |
| Auditor | 855,551 | 855,551 | 801,395 | 54,156 |
| Coroner | 502,785 | 502,785 | 563,439 | (60,654) |
| Master in Equity | 314,129 | 314,129 | 277,079 | 37,050 |
| Department of Social Services | 147,349 | 147,349 | 73,605 | 73,744 |
| Legislative Delegation | 65,175 | 65,175 | 37,494 | 27,681 |
| Total Elected and State Appointed Officials | 8,610,525 | 8,835,525 | 8,788,046 | 47,479 |
| Administrative Services | | | | |
| County Administrator | 2,792,869 | 2,792,869 | 873,833 | 1,919,036 |
| Communications and Accountability | 397,273 | 397,273 | 360,463 | 36,810 |
| Broadcast Services | 306,476 | 306,476 | 331,720 | (25,244) |
| County Attorney | 380,021 | 380,021 | 388,397 | (8,376) |
| Finance, Risk Management & Purchasing | 1,055,621 | 1,055,621 | 953,073 | 102,548 |
| Assessor | 2,141,021 | 2,134,521 | 2,148,695 | (14,174) |
| Register of Deeds | 506,613 | 506,613 | 499,199 | 7,414 |
| Community Planning and Development | 786,620 | 758,738 | 699,320 | 59,418 |
| Business License | 59,523 | 59,523 | 50,065 | 9,458 |
| Voter Registration and Elections | 630,761 | 630,761 | 575,547 | 55,214 |
| Management and Geographical Information Systems | 3,226,755 | 3,226,755 | 3,441,167 | (214,412) |
| Records Management | 589,812 | 559,612 | 440,216 | 119,396 |
| Employee Services | 990,724 | 990,724 | 686,445 | 304,279 |
| Nondepartmental | 13,708,225 | 13,708,225 | 13,205,910 | 502,315 |
| Total Administrative Services | 27,572,314 | 27,507,732 | 24,654,050 | 2,853,682 |
| Economic and Regional Development | | | | |
| Lowcountry Council of Governments | 144,579 | 144,579 | 150,623 | (6,044) |
| Economic Development | 290,000 | 290,000 | 140,897 | 149,103 |
| Small Business Center | 25,000 | 25,000 | 25,000 | - |
| Total Economic and Regional Development | 459,579 | 459,579 | 316,520 | 143,059 |
| Total General Government Services | 36,642,418 | 36,802,836 | 33,758,616 | 3,044,220 |
| Public Safety Services | | | | |
| Sheriff's Office | 21,777,093 | 21,777,093 | 21,583,367 | 193,726 |
| Emergency and Traffic Management | 6,563,833 | 6,563,833 | 6,164,372 | 399,461 |
| Emergency Medical Services | 6,264,401 | 6,264,401 | 6,473,830 | (209,429) |
| Detention Center | 5,551,832 | 5,551,832 | 5,584,741 | (32,909) |
| Building Codes and Enforcement | 1,087,874 | 1,087,874 | 942,803 | 145,071 |
| Animal Services | 827,793 | 827,793 | 924,024 | (96,231) |
| Traffic and Transportation Engineering | 570,789 | 570,789 | 534,218 | 36,571 |
| Total Public Safety Services | 42,643,615 | 42,643,615 | 42,207,355 | 436,260 |

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance from |
|--|----------------------|----------------------|----------------------|-----------------------|
| | Original | Final | | Final Budget |
| | | | | Positive / (Negative) |
| Public Works Services | | | | |
| Public Works General Support | 2,249,813 | 2,249,813 | 2,104,101 | 145,712 |
| Engineering | 353,370 | 353,370 | 327,254 | 26,116 |
| Facilities Maintenance | 6,292,748 | 6,292,748 | 5,118,616 | 1,174,132 |
| Solid Waste and Recycling | 6,116,534 | 6,116,534 | 5,898,779 | 217,755 |
| Total Public Works Services | <u>15,012,465</u> | <u>15,012,465</u> | <u>13,448,750</u> | <u>1,563,715</u> |
| Public Health Services | | | | |
| Mosquito Control | 1,507,892 | 1,543,801 | 1,260,646 | 283,155 |
| Medical Indigent Act Contributions | 1,081,000 | 1,081,000 | 1,081,000 | - |
| Total Public Health Services | <u>2,588,892</u> | <u>2,624,801</u> | <u>2,341,646</u> | <u>283,155</u> |
| Public Welfare Services | | | | |
| Veterans Affairs Office | 164,480 | 164,480 | 157,517 | 6,963 |
| Human Services Alliance | 638,000 | 638,000 | 636,607 | 1,393 |
| HUD Home Consortium | 56,000 | 56,000 | 56,000 | - |
| Total Public Welfare Services | <u>858,480</u> | <u>858,480</u> | <u>850,124</u> | <u>8,356</u> |
| Cultural and Recreation Services | | | | |
| Parks and Leisure Services | 3,113,584 | 3,113,584 | 2,698,550 | 415,034 |
| Libraries | 3,721,948 | 3,721,948 | 3,826,285 | (104,337) |
| Education Allocation | 4,000,000 | 4,000,000 | 4,000,000 | - |
| Total Cultural and Recreation Services | <u>10,835,532</u> | <u>10,835,532</u> | <u>10,524,835</u> | <u>310,697</u> |
| Disaster related expenditures | - | - | 38,727,223 | (38,727,223) |
| Capital Outlay | 3,866,388 | 3,895,061 | 3,546,981 | 348,080 |
| Total Expenditures | <u>112,447,790</u> | <u>112,672,790</u> | <u>145,405,530</u> | <u>(32,732,740)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER / (UNDER) EXPENDITURES | <u>2,252,085</u> | <u>2,027,085</u> | <u>(27,992,121)</u> | <u>35,446,274</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of BAN | - | - | 30,250,000 | (30,250,000) |
| Transfers in | 1,568,750 | 1,568,750 | 1,755,870 | (187,120) |
| Transfers out | (3,820,835) | (3,932,910) | (4,799,316) | 866,406 |
| Total Other Financing Sources (Uses) | <u>(2,252,085)</u> | <u>(2,364,160)</u> | <u>27,206,554</u> | <u>(29,570,714)</u> |
| Net Change in Fund Balance | - | (337,075) | (785,567) | 448,492 |
| Fund Balance - beginning | 28,552,962 | 28,552,962 | 28,552,962 | - |
| Fund Balance - ending | <u>\$ 28,552,962</u> | <u>\$ 28,215,887</u> | <u>\$ 27,767,395</u> | <u>\$ 448,492</u> |



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Other Supplementary Information

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL - COUNTY WIDE GENERAL OBLIGATION BONDS
 For the Year Ended June 30, 2017

| | Final Budget | Actual | Variance Positive (Negative) |
|--|----------------------|----------------------|------------------------------------|
| Revenues | | | |
| Property Taxes | \$ 9,494,028 | \$ 9,576,419 | \$ 82,391 |
| Intergovernmental | 246,500 | 247,530 | 1,030 |
| Interest | <u>103,000</u> | <u>103,167</u> | <u>167</u> |
| Total Revenues | <u>9,843,528</u> | <u>9,927,116</u> | <u>83,588</u> |
| Expenditures | | | |
| Debt Service - Principal | 6,809,539 | 6,809,539 | - |
| Debt Service - Interest and Fees | <u>3,654,404</u> | <u>3,653,924</u> | <u>480</u> |
| Total Debt Service Expenditures | <u>10,463,943</u> | <u>10,463,463</u> | <u>480</u> |
| Excess of Revenues Over (Under) Expenditures | (620,415) | (536,347) | 84,068 |
| Other Financing Sources (Uses) | | | |
| Issuance of Bonds | 5,000,000 | 5,000,000 | - |
| Refunding Bond Proceeds | 6,110,000 | 6,110,000 | - |
| Payments to Refunding Debt Escrow Agent | (6,405,000) | (6,405,000) | - |
| Bond Premiums | <u>4,794,335</u> | <u>4,794,335</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>9,499,335</u> | <u>9,499,335</u> | <u>-</u> |
| Net Change in Fund Balance | 8,878,920 | 8,962,988 | 84,068 |
| Fund Balance - beginning | <u>11,529,177</u> | <u>11,529,177</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 20,408,097</u> | <u>\$ 20,492,165</u> | <u>\$ 84,068</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL - RURAL AND CRITICAL LANDS PROGRAM
 For the Year Ended June 30, 2017

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---------------------|----------------------|------------------------------------|
| Revenues | | | |
| Interest | \$ 30,500 | \$ 33,030 | \$ 2,530 |
| Total Revenues | <u>30,500</u> | <u>33,030</u> | <u>2,530</u> |
| Expenditures | | | |
| Capital Projects | <u>20,222,826</u> | <u>10,323,433</u> | <u>9,899,393</u> |
| Excess (deficiency) of Revenues Over Expenditures | (20,192,326) | (10,290,403) | 9,901,923 |
| Other Financing Sources (Uses) | | | |
| Issuance of Bonds | <u>20,000,000</u> | <u>20,000,000</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>20,000,000</u> | <u>20,000,000</u> | <u>-</u> |
| Net Change in Fund Balance | (192,326) | 9,709,597 | 9,901,923 |
| Fund Balance - beginning | <u>5,365,714</u> | <u>5,365,714</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 5,173,388</u> | <u>\$ 15,075,311</u> | <u>\$ 9,901,923</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL - 2017 GENERAL OBLIGATION BOND PROJECTS
 For the Year Ended June 30, 2017

| | Final Budget | Actual | Variance Positive (Negative) |
|---|----------------------|----------------------|------------------------------------|
| Revenues | | | |
| Interest | \$ - | \$ - | \$ - |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | |
| Capital Projects | <u>10,000</u> | <u>8,200</u> | <u>1,800</u> |
| Excess (deficiency) of revenues over expenditures | (10,000) | (8,200) | (1,800) |
| Other Financing Sources (Uses) | | | |
| Issuance of Bonds | <u>26,000,000</u> | <u>26,000,000</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>26,000,000</u> | <u>26,000,000</u> | <u>-</u> |
| Net Change in Fund Balance | 25,990,000 | 25,991,800 | (1,800) |
| Fund Balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 25,990,000</u> | <u>\$ 25,991,800</u> | <u>\$ (1,800)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|-----------------------------|--------------------------|------------------------------|--|
| ASSETS | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 53,103,495 | \$ 3,306,846 | \$ 15,792,583 | \$ 72,202,924 |
| Receivables, Net | 336,861 | - | - | 336,861 |
| Due from Other Governments | 1,152,879 | - | 1,865,845 | 3,018,724 |
| Prepaid Items | 99,269 | - | - | 99,269 |
| Total Assets | <u>\$ 54,692,504</u> | <u>\$ 3,306,846</u> | <u>\$ 17,658,428</u> | <u>\$ 75,657,778</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 2,532,919 | \$ - | \$ 975,142 | \$ 3,508,061 |
| Accrued Payroll | 625,484 | - | 2,552 | 628,036 |
| Due to Others | 600,139 | - | - | 600,139 |
| Total Liabilities | <u>3,758,542</u> | <u>-</u> | <u>977,694</u> | <u>4,736,236</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | 151,956 | - | - | 151,956 |
| Total deferred inflows of resources | <u>151,956</u> | <u>-</u> | <u>-</u> | <u>151,956</u> |
| FUND BALANCE | | | | |
| Nonspendable | 99,269 | - | - | 99,269 |
| Restricted | 50,630,142 | 3,306,846 | 16,680,734 | 70,617,722 |
| Committed | 52,595 | - | - | 52,595 |
| Total Fund Balance | <u>50,782,006</u> | <u>3,306,846</u> | <u>16,680,734</u> | <u>70,769,586</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 54,692,504</u> | <u>\$ 3,306,846</u> | <u>\$ 17,658,428</u> | <u>\$ 75,657,778</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

| | Special Revenue Funds | | |
|---|-----------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 8,960,632 | \$ 8,560,393 | \$ (400,239) |
| Licenses and Permits | 9,990,500 | 14,582,466 | 4,591,966 |
| Intergovernmental | 17,226,120 | 17,030,460 | (195,660) |
| Charge for Services | 4,878,439 | 6,645,985 | 1,767,546 |
| Fines and Forfeitures | 275,200 | 235,263 | (39,937) |
| Interest | 12,550 | 206,283 | 193,733 |
| Miscellaneous | <u>1,087,116</u> | <u>1,075,941</u> | <u>(11,175)</u> |
| Total Revenues | <u>42,430,557</u> | <u>48,336,791</u> | <u>5,906,234</u> |
| Expenditures | | | |
| General Government | 5,878,332 | 5,794,318 | 84,014 |
| Public Safety | 2,721,697 | 2,908,466 | (186,769) |
| Public Works | 519,810 | 1,046,428 | (526,618) |
| Public Health | 10,408,104 | 9,400,470 | 1,007,634 |
| Public Welfare | 1,398,464 | 1,492,243 | (93,779) |
| Cultural and Recreation | 1,221,741 | 514,969 | 706,772 |
| Capital Projects | <u>7,754,740</u> | <u>11,038,658</u> | <u>(3,283,918)</u> |
| Total Expenditures | <u>29,902,888</u> | <u>32,195,552</u> | <u>(2,292,664)</u> |
| Excess (deficiency) of revenues over expenditures | 12,527,669 | 16,141,239 | 3,613,570 |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (5,665,025) | (5,671,823) | (6,798) |
| Debt Service - Interest and Fees | (3,282,354) | (3,291,430) | (9,076) |
| Transfers In | 4,061,648 | 4,505,478 | 443,830 |
| Transfers Out | <u>(4,495,424)</u> | <u>(4,558,266)</u> | <u>(62,842)</u> |
| Total Other Financing Sources (Uses) | <u>(9,381,155)</u> | <u>(9,016,041)</u> | <u>365,114</u> |
| Net Change in Fund Balance | 3,146,514 | 7,125,198 | 3,978,684 |
| Fund Balance - beginning | <u>43,656,808</u> | <u>43,656,808</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 46,803,322</u> | <u>\$ 50,782,006</u> | <u>\$ 3,978,684</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

| | Debt Service Funds | | |
|---|---------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 266,773 | \$ 540,192 | \$ 273,419 |
| Interest | 500 | - | (500) |
| Total Revenues | <u>267,273</u> | <u>540,192</u> | <u>272,919</u> |
| Expenditures | | | |
| Debt Service - Principal | 5,132,337 | 5,132,337 | - |
| Debt Service - Interest and Fees | 911,970 | 911,970 | - |
| Total Expenditures | <u>6,044,307</u> | <u>6,044,307</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (5,777,034) | (5,504,115) | 272,919 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 2,701,217 | 4,896,769 | 2,195,552 |
| Transfers Out | - | (273,419) | (273,419) |
| Total Other Financing Sources (Uses) | <u>2,701,217</u> | <u>4,623,350</u> | <u>1,922,133</u> |
| Net Change in Fund Balance | (3,075,817) | (880,765) | 2,195,052 |
| Fund Balance - beginning | <u>4,187,611</u> | <u>4,187,611</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 1,111,794</u> | <u>\$ 3,306,846</u> | <u>\$ 2,195,052</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

| | Capital Projects Funds | | |
|---|------------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 75,000 | \$ 188,899 | \$ 113,899 |
| Intergovernmental | - | 9,179,374 | 9,179,374 |
| Interest | 65,500 | 115,821 | 50,321 |
| Miscellaneous | - | 11,465 | 11,465 |
| Total Revenues | <u>140,500</u> | <u>9,495,559</u> | <u>9,355,059</u> |
| Expenditures | | | |
| Capital Projects | <u>37,750,175</u> | <u>13,193,205</u> | <u>24,556,970</u> |
| Total Expenditures | <u>37,750,175</u> | <u>13,193,205</u> | <u>24,556,970</u> |
| Excess (deficiency) of revenues over expenditures | (37,609,675) | (3,697,646) | 33,912,029 |
| Other Financing Sources (Uses) | | | |
| Transfers Out | - | (2,195,550) | (2,195,550) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(2,195,550)</u> | <u>(2,195,550)</u> |
| Net Change in Fund Balance | (37,609,675) | (5,893,196) | 31,716,479 |
| Fund Balance - beginning | <u>22,573,930</u> | <u>22,573,930</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ (15,035,745)</u> | <u>\$ 16,680,734</u> | <u>\$ 31,716,479</u> |

COUNTY, SOUTH CAROLINA
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR GOVERNMENTAL FUNDS
Year Ended June 30, 2017

| Total Nonmajor Governmental Funds | | | |
|---|----------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 9,302,405 | \$ 9,289,484 | \$ (12,921) |
| Licenses and Permits | 9,990,500 | 14,582,466 | 4,591,966 |
| Intergovernmental | 17,226,120 | 26,209,834 | 8,983,714 |
| Charge for Services | 4,878,439 | 6,645,985 | 1,767,546 |
| Fines and Forfeitures | 275,200 | 235,263 | (39,937) |
| Interest | 78,550 | 322,104 | 243,554 |
| Miscellaneous | <u>1,087,116</u> | <u>1,087,406</u> | <u>290</u> |
| Total Revenues | <u>42,838,330</u> | <u>58,372,542</u> | <u>15,534,212</u> |
| Expenditures | | | |
| General Government | 5,878,332 | 5,794,318 | 84,014 |
| Public Safety | 2,721,697 | 2,908,466 | (186,769) |
| Public Works | 519,810 | 1,046,428 | (526,618) |
| Public Health | 10,408,104 | 9,400,470 | 1,007,634 |
| Public Welfare | 1,398,464 | 1,492,243 | (93,779) |
| Cultural and Recreation | 1,221,741 | 514,969 | 706,772 |
| Debt Service - Principal | 10,797,362 | 10,804,160 | (6,798) |
| Debt Service - Interest and Fees | 4,194,324 | 4,203,400 | (9,076) |
| Capital Projects | <u>45,504,915</u> | <u>24,231,863</u> | <u>21,273,052</u> |
| Total Expenditures | <u>82,644,749</u> | <u>60,396,317</u> | <u>22,248,432</u> |
| Excess (deficiency) of revenues over expenditures | (39,806,419) | (2,023,775) | 37,782,644 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 6,762,865 | 9,402,247 | 2,639,382 |
| Transfers Out | <u>(4,495,424)</u> | <u>(7,027,235)</u> | <u>(2,531,811)</u> |
| Total Other Financing Sources (Uses) | <u>2,267,441</u> | <u>2,375,012</u> | <u>107,571</u> |
| Net Change in Fund Balance | (37,538,978) | 351,237 | 37,890,215 |
| Fund Balance - beginning | <u>70,418,349</u> | <u>70,418,349</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 32,879,371</u> | <u>\$ 70,769,586</u> | <u>\$ 37,890,215</u> |



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BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2017

| | General Government Programs | Public Safety Programs | Public Works Programs | Public Health Programs | Public Welfare Programs | Cultural and Recreational Programs | Total |
|---|-----------------------------------|------------------------------|-----------------------------|------------------------------|-------------------------------|---|----------------------|
| <u>ASSETS</u> | | | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 13,006,521 | \$ 6,671,102 | \$ 21,539,772 | \$ 4,210,512 | \$ 77,152 | \$ 7,598,436 | \$ 53,103,495 |
| Receivables, Net | 283,751 | 52,700 | - | 410 | - | - | 336,861 |
| Due from Other Governments | 301,698 | 490,469 | 193,817 | 142,835 | 24,060 | - | 1,152,879 |
| Prepaid Items | 4,190 | 55,829 | - | 39,250 | - | - | 99,269 |
| Total Assets | <u>\$ 13,596,160</u> | <u>\$ 7,270,100</u> | <u>\$ 21,733,589</u> | <u>\$ 4,393,007</u> | <u>\$ 101,212</u> | <u>\$ 7,598,436</u> | <u>\$ 54,692,504</u> |
| <u>LIABILITIES</u> | | | | | | | |
| Accounts Payable | \$ 307,126 | \$ 473,996 | \$ 759,808 | \$ 605,611 | \$ 71,731 | \$ 314,647 | \$ 2,532,919 |
| Accrued Payroll | 111,309 | 252,657 | 1,080 | 252,283 | 8,155 | - | 625,484 |
| Due to Others | - | 554,552 | - | 45,587 | - | - | 600,139 |
| Total Liabilities | <u>418,435</u> | <u>1,281,205</u> | <u>760,888</u> | <u>903,481</u> | <u>79,886</u> | <u>314,647</u> | <u>3,758,542</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | | |
| Deferred Property Tax Revenues | 151,956 | - | - | - | - | - | 151,956 |
| Total deferred inflows of resources | <u>151,956</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>151,956</u> |
| <u>FUND BALANCE</u> | | | | | | | |
| Nonspendable | 4,190 | 55,829 | - | 39,250 | - | - | 99,269 |
| Restricted | 13,021,579 | 5,933,066 | 20,972,701 | 3,450,276 | 21,326 | 7,231,194 | 50,630,142 |
| Committed | - | - | - | - | - | 52,595 | 52,595 |
| Total Fund Balances | <u>13,025,769</u> | <u>5,988,895</u> | <u>20,972,701</u> | <u>3,489,526</u> | <u>21,326</u> | <u>7,283,789</u> | <u>50,782,006</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 13,596,160</u> | <u>\$ 7,270,100</u> | <u>\$ 21,733,589</u> | <u>\$ 4,393,007</u> | <u>\$ 101,212</u> | <u>\$ 7,598,436</u> | <u>\$ 54,692,504</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017

| | General Government Programs | | |
|---|-----------------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 8,960,632 | \$ 8,560,393 | \$ (400,239) |
| Licenses and Permits | 4,900,000 | 5,237,314 | 337,314 |
| Intergovernmental | 2,286,000 | 2,203,788 | (82,212) |
| Charge for Services | 1,075,000 | 1,433,148 | 358,148 |
| Fines and Forfeitures | 50,000 | 64,176 | 14,176 |
| Interest | 4,700 | 49,991 | 45,291 |
| Miscellaneous | <u>642,300</u> | <u>596,885</u> | <u>(45,415)</u> |
| Total Revenues | <u>17,918,632</u> | <u>18,145,695</u> | <u>227,063</u> |
| Expenditures | | | |
| General Government | 5,878,332 | 5,794,318 | 84,014 |
| Capital | <u>-</u> | <u>59,099</u> | <u>(59,099)</u> |
| Total Expenditures | <u>5,878,332</u> | <u>5,853,417</u> | <u>24,915</u> |
| Excess (deficiency) of revenues over expenditures | 12,040,300 | 12,292,278 | 251,978 |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (5,195,328) | (5,195,328) | - |
| Debt Service - Interest and Fees | (3,032,982) | (3,054,246) | (21,264) |
| Transfers In | 749,293 | 860,547 | 111,254 |
| Transfers Out | <u>(3,621,250)</u> | <u>(3,842,472)</u> | <u>(221,222)</u> |
| Total Other Financing Sources (Uses) | <u>(11,100,267)</u> | <u>(11,231,499)</u> | <u>(131,232)</u> |
| Net Change in Fund Balance | 940,033 | 1,060,779 | 120,746 |
| Fund Balance - beginning | <u>11,964,990</u> | <u>11,964,990</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 12,905,023</u> | <u>\$ 13,025,769</u> | <u>\$ 120,746</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 ALL NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2017

| | Public Safety Programs | | |
|---|------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 25,000 | \$ 34,750 | \$ 9,750 |
| Intergovernmental | 1,829,157 | 2,412,239 | 583,082 |
| Charge for Services | 730,000 | 1,443,125 | 713,125 |
| Fines and Forfeitures | 225,200 | 171,087 | (54,113) |
| Interest | 2,230 | 21,007 | 18,777 |
| Miscellaneous | 154,640 | 173,331 | 18,691 |
| Total Revenues | <u>2,966,227</u> | <u>4,255,539</u> | <u>1,289,312</u> |
| Expenditures | | | |
| Public Safety | 2,721,697 | 2,908,466 | (186,769) |
| Capital | 413,819 | 890,820 | (477,001) |
| Total Expenditures | <u>3,135,516</u> | <u>3,799,286</u> | <u>(663,770)</u> |
| Excess (deficiency) of revenues over expenditures | (169,289) | 456,253 | 625,542 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 171,542 | 171,542 | - |
| Total Other Financing Sources (Uses) | <u>171,542</u> | <u>171,542</u> | <u>-</u> |
| Net Change in Fund Balance | 2,253 | 627,795 | 625,542 |
| Fund Balance - beginning | <u>5,361,100</u> | <u>5,361,100</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 5,363,353</u> | <u>\$ 5,988,895</u> | <u>\$ 625,542</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017

| | Public Works Programs | | |
|---|-----------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 3,640,000 | \$ 6,453,946 | \$ 2,813,946 |
| Intergovernmental | 4,639,000 | 3,822,431 | (816,569) |
| Charge for Services | 2,302,000 | 2,984,013 | 682,013 |
| Interest | 3,150 | 94,039 | 90,889 |
| Miscellaneous | <u>32,500</u> | <u>37,240</u> | <u>4,740</u> |
| Total Revenues | <u>10,616,650</u> | <u>13,391,669</u> | <u>2,775,019</u> |
| Expenditures | | | |
| Public Works | 519,810 | 1,046,428 | (526,618) |
| Capital | <u>6,082,060</u> | <u>9,397,675</u> | <u>(3,315,615)</u> |
| Total Expenditures | <u>6,601,870</u> | <u>10,444,103</u> | <u>(3,842,233)</u> |
| Excess (deficiency) of revenues over expenditures | 4,014,780 | 2,947,566 | (1,067,214) |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | 230,395 | 230,395 |
| Transfers Out | <u>(701,217)</u> | <u>(701,217)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(1,074,347)</u> | <u>(838,510)</u> | <u>235,837</u> |
| Net Change in Fund Balance | 2,940,433 | 2,109,056 | (831,377) |
| Fund Balance - beginning | <u>18,863,645</u> | <u>18,863,645</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 21,804,078</u> | <u>\$ 20,972,701</u> | <u>\$ (831,377)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017

| | Public Health Programs | | |
|---|------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 6,837,731 | \$ 7,324,871 | \$ 487,140 |
| Charge for Services | 624,239 | 614,903 | (9,336) |
| Interest | 100 | 15,990 | 15,890 |
| Miscellaneous | <u>238,665</u> | <u>223,970</u> | <u>(14,695)</u> |
| Total Revenues | <u>7,700,735</u> | <u>8,179,734</u> | <u>478,999</u> |
| Expenditures | | | |
| Public Health | 10,408,104 | 9,400,470 | 1,007,634 |
| Capital | <u>704,000</u> | <u>168,587</u> | <u>535,413</u> |
| Total Expenditures | <u>11,112,104</u> | <u>9,569,057</u> | <u>1,543,047</u> |
| Excess (deficiency) of revenues over expenditures | (3,411,369) | (1,389,323) | 2,022,046 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 2,822,957 | 2,664,577 | (158,380) |
| Transfers Out | <u>(172,957)</u> | <u>(14,577)</u> | <u>158,380</u> |
| Total Other Financing Sources (Uses) | <u>2,650,000</u> | <u>2,650,000</u> | <u>-</u> |
| Net Change in Fund Balance | (761,369) | 1,260,677 | 2,022,046 |
| Fund Balance - beginning | <u>2,228,849</u> | <u>2,228,849</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 1,467,480</u> | <u>\$ 3,489,526</u> | <u>\$ 2,022,046</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017

| | Public Welfare Programs | | |
|---|-------------------------|------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 944,232 | \$ 868,072 | \$ (76,160) |
| Charge for Services | 117,200 | 170,796 | 53,596 |
| Miscellaneous | 16,411 | 16,855 | 444 |
| Total Revenues | <u>1,077,843</u> | <u>1,055,723</u> | <u>(22,120)</u> |
| Expenditures | | | |
| Public Welfare | <u>1,398,464</u> | <u>1,492,243</u> | <u>(93,779)</u> |
| Total Expenditures | <u>1,398,464</u> | <u>1,492,243</u> | <u>(93,779)</u> |
| Excess (deficiency) of revenues over expenditures | (320,621) | (436,520) | (115,899) |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>317,856</u> | <u>433,643</u> | <u>115,787</u> |
| Total Other Financing Sources (Uses) | <u>317,856</u> | <u>433,643</u> | <u>115,787</u> |
| Net Change in Fund Balance | (2,765) | (2,877) | (112) |
| Fund Balance - beginning | <u>24,203</u> | <u>24,203</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 21,438</u> | <u>\$ 21,326</u> | <u>\$ (112)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017

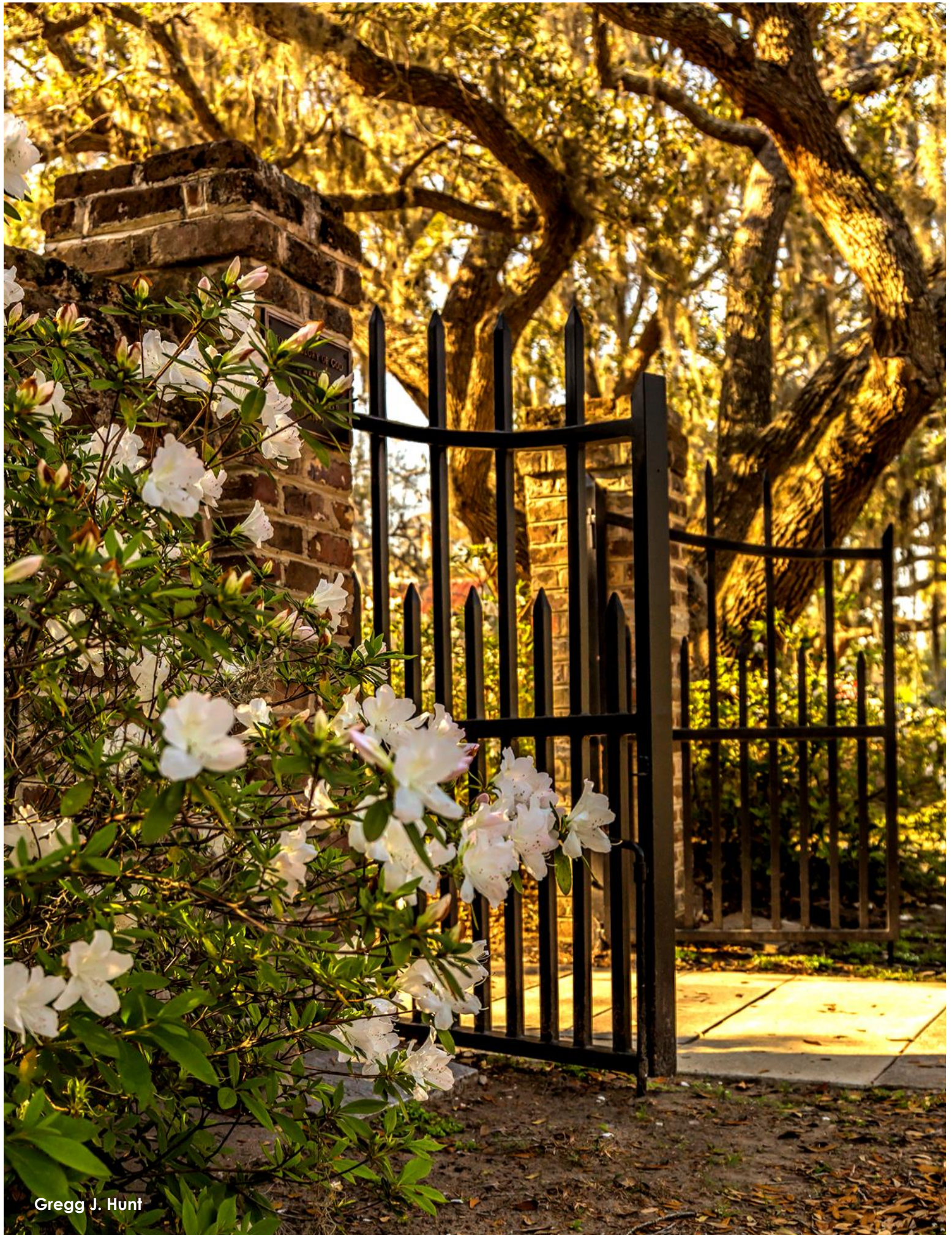
| | Cultural and Recreation Programs | | |
|---|----------------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 1,425,500 | \$ 2,856,456 | \$ 1,430,956 |
| Intergovernmental | 690,000 | 399,059 | (290,941) |
| Charge for Services | 30,000 | - | (30,000) |
| Interest | 2,370 | 25,256 | 22,886 |
| Miscellaneous | <u>2,600</u> | <u>27,660</u> | <u>25,060</u> |
| Total Revenues | <u>2,150,470</u> | <u>3,308,431</u> | <u>1,157,961</u> |
| Expenditures | | | |
| Cultural and Recreation | 1,221,741 | 514,969 | 706,772 |
| Capital | <u>554,861</u> | <u>522,477</u> | <u>32,384</u> |
| Total Expenditures | <u>1,776,602</u> | <u>1,037,446</u> | <u>739,156</u> |
| Excess (deficiency) of revenues over expenditures | 373,868 | 2,270,985 | 1,897,117 |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (190,254) | (194,111) | (3,857) |
| Debt Service - Interest and Fees | (155,685) | (151,880) | 3,805 |
| Transfers In | <u>-</u> | <u>144,774</u> | <u>144,774</u> |
| Total Other Financing Sources (Uses) | <u>(345,939)</u> | <u>(201,217)</u> | <u>144,722</u> |
| Net Change in Fund Balance | 27,929 | 2,069,768 | 2,041,839 |
| Fund Balance - beginning | <u>5,214,021</u> | <u>5,214,021</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 5,241,950</u> | <u>\$ 7,283,789</u> | <u>\$ 2,041,839</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017

| | Totals | | |
|---|----------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 8,960,632 | \$ 8,560,393 | \$ (400,239) |
| Licenses and Permits | 9,990,500 | 14,582,466 | 4,591,966 |
| Intergovernmental | 17,226,120 | 17,030,460 | (195,660) |
| Charge for Services | 4,878,439 | 6,645,985 | 1,767,546 |
| Fines and Forfeitures | 275,200 | 235,263 | (39,937) |
| Interest | 12,550 | 206,283 | 193,733 |
| Miscellaneous | <u>1,087,116</u> | <u>1,075,941</u> | <u>(11,175)</u> |
| Total Revenues | <u>42,430,557</u> | <u>48,336,791</u> | <u>5,906,234</u> |
| Expenditures | | | |
| General Government | 5,878,332 | 5,794,318 | 84,014 |
| Public Safety | 2,721,697 | 2,908,466 | (186,769) |
| Public Works | 519,810 | 1,046,428 | (526,618) |
| Public Health | 10,408,104 | 9,400,470 | 1,007,634 |
| Public Welfare | 1,398,464 | 1,492,243 | (93,779) |
| Cultural and Recreation | 1,221,741 | 514,969 | 706,772 |
| Capital | <u>7,754,740</u> | <u>11,038,658</u> | <u>(3,283,918)</u> |
| Total Expenditures | <u>29,902,888</u> | <u>32,195,552</u> | <u>(2,292,664)</u> |
| Excess (deficiency) of revenues over expenditures | 12,527,669 | 16,141,239 | 3,613,570 |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (5,665,025) | (5,671,823) | (6,798) |
| Debt Service - Interest and Fees | (3,282,354) | (3,291,430) | (9,076) |
| Transfers In | 4,061,648 | 4,505,478 | 443,830 |
| Transfers Out | <u>(4,495,424)</u> | <u>(4,558,266)</u> | <u>(62,842)</u> |
| Total Other Financing Sources (Uses) | <u>(9,381,155)</u> | <u>(9,016,041)</u> | <u>365,114</u> |
| Net Change in Fund Balance | 3,146,514 | 7,125,198 | 3,978,684 |
| Fund Balance - beginning | <u>43,656,808</u> | <u>43,656,808</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 46,803,322</u> | <u>\$ 50,782,006</u> | <u>\$ 3,978,684</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
 June 30, 2017

| | State Accommodations Tax Program | Purchase of Real Property Program | Local Accommodations Tax Program | Local Hospitality Tax Program | Local Admissions Fee Program | Treasurer Execution Fees | Clerk of Court Incentive | Clerk of Court Unit Cost | Employer Group Benefit Trust | Public Defender Trust | Reforestation Trust | Total |
|--|---|---|---|--|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|-----------------------------|------------------------|---------------|
| ASSETS | | | | | | | | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ - | \$ 618,305 | \$ 2,499,359 | \$ 5,319,298 | \$ 944,644 | \$ 2,275,861 | \$ 247,202 | \$ - | \$ 324,369 | \$ 255,903 | \$ 521,580 | \$ 13,006,521 |
| Receivables, Net | 15,000 | 238,751 | - | - | - | - | - | 30,000 | - | - | - | 283,751 |
| Due from Other Governments | 268,625 | - | - | - | - | - | 1,295 | 31,778 | - | - | - | 301,698 |
| Prepaid Items | - | - | - | - | - | 894 | - | - | - | 3,296 | - | 4,190 |
| Total Assets | \$ 283,625 | \$ 857,056 | \$ 2,499,359 | \$ 5,319,298 | \$ 944,644 | \$ 2,276,755 | \$ 248,497 | \$ 61,778 | \$ 324,369 | \$ 259,199 | \$ 521,580 | \$ 13,596,160 |
| LIABILITIES | | | | | | | | | | | | |
| Accounts Payable | \$ 142,658 | \$ 11,103 | \$ 1,232 | \$ 1,850 | \$ 1,232 | \$ 27,104 | \$ 1,392 | \$ 54,734 | \$ 17,803 | \$ 48,018 | \$ - | \$ 307,126 |
| Accrued Payroll | - | - | 1,153 | 1,646 | 2,133 | 21,292 | - | 7,044 | - | 78,041 | - | 111,309 |
| Total liabilities | 142,658 | 11,103 | 2,385 | 3,496 | 3,365 | 48,396 | 1,392 | 61,778 | 17,803 | 126,059 | - | 418,435 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | | | |
| Unavailable revenue - property taxes | - | 151,956 | - | - | - | - | - | - | - | - | - | 151,956 |
| Total deferred inflows of resources | - | 151,956 | - | - | - | - | - | - | - | - | - | 151,956 |
| FUND BALANCE | | | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | 894 | - | - | - | 3,296 | - | 4,190 |
| Restricted | 140,967 | 693,997 | 2,496,974 | 5,315,802 | 941,279 | 2,227,465 | 247,105 | - | 306,566 | 129,844 | 521,580 | 13,021,579 |
| Total Fund Balance | 140,967 | 693,997 | 2,496,974 | 5,315,802 | 941,279 | 2,228,359 | 247,105 | - | 306,566 | 133,140 | 521,580 | 13,025,769 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 283,625 | \$ 857,056 | \$ 2,499,359 | \$ 5,319,298 | \$ 944,644 | \$ 2,276,755 | \$ 248,497 | \$ 61,778 | \$ 324,369 | \$ 259,199 | \$ 521,580 | \$ 13,596,160 |



Gregg J. Hunt

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
For the Year Ended June 30, 2017

| | State Accomodations Tax Program | | |
|---|---------------------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 950,000 | \$ 782,057 | \$ (167,943) |
| Interest | <u>100</u> | <u>215</u> | <u>115</u> |
| Total Revenues | <u>950,100</u> | <u>782,272</u> | <u>(167,828)</u> |
| Expenditures | | | |
| General Government | | | |
| Other | <u>828,850</u> | <u>798,617</u> | <u>30,233</u> |
| Total Expenditures | <u>828,850</u> | <u>798,617</u> | <u>30,233</u> |
| Excess (deficiency) of revenues over expenditures | 121,250 | (16,345) | (137,595) |
| Other Financing Sources (Uses) | | | |
| Transfers Out | <u>(121,250)</u> | <u>(112,103)</u> | <u>9,147</u> |
| Total Other Financing Sources (Uses) | <u>(121,250)</u> | <u>(112,103)</u> | <u>9,147</u> |
| Net Change in Fund Balance | - | (128,448) | (128,448) |
| Fund Balance - beginning | <u>269,415</u> | <u>269,415</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 269,415</u> | <u>\$ 140,967</u> | <u>\$ (128,448)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Purchase of Real Property Program | | |
|---|-----------------------------------|--------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 8,960,632 | \$ 8,560,393 | \$ (400,239) |
| Intergovernmental | 185,000 | 186,495 | 1,495 |
| Interest | 500 | 2,696 | 2,196 |
| Miscellaneous | 10,800 | 8,006 | (2,794) |
| Total Revenues | <u>9,156,932</u> | <u>8,757,590</u> | <u>(399,342)</u> |
| Expenditures | | | |
| General Government | | | |
| Purchased Services | 211,000 | 44,459 | 166,541 |
| Total Expenditures | <u>211,000</u> | <u>44,459</u> | <u>166,541</u> |
| Excess (deficiency) of revenues over expenditures | 8,945,932 | 8,713,131 | (232,801) |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (5,195,328) | (5,195,328) | - |
| Debt Service - Interest and Fees | (3,032,982) | (3,054,246) | (21,264) |
| Total Other Financing Sources (Uses) | <u>(8,228,310)</u> | <u>(8,249,574)</u> | <u>(21,264)</u> |
| Net Change in Fund Balance | 717,622 | 463,557 | (254,065) |
| Fund Balance - beginning | <u>230,440</u> | <u>230,440</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 948,062</u> | <u>\$ 693,997</u> | <u>\$ (254,065)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Local Accomodations Tax Program | | |
|---|---------------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 1,500,000 | \$ 1,310,936 | \$ (189,064) |
| Interest | <u>850</u> | <u>10,487</u> | <u>9,637</u> |
| Total Revenues | <u>1,500,850</u> | <u>1,321,423</u> | <u>(179,427)</u> |
| Expenditures | | | |
| General Government | | | |
| Personnel | 49,240 | 47,212 | 2,028 |
| Purchased Services | 8,243 | 5,750 | 2,493 |
| Supplies | 1,850 | 600 | 1,250 |
| Capital | - | 4,043 | (4,043) |
| Other | <u>850,000</u> | <u>966,841</u> | <u>(116,841)</u> |
| Total Expenditures | <u>909,333</u> | <u>1,024,446</u> | <u>(115,113)</u> |
| Excess (deficiency) of revenues over expenditures | 591,517 | 296,977 | (294,540) |
| Other Financing Sources (Uses) | | | |
| Transfers Out | <u>-</u> | <u>(145,000)</u> | <u>(145,000)</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(145,000)</u> | <u>(145,000)</u> |
| Net Change in Fund Balance | 591,517 | 151,977 | (439,540) |
| Fund Balance - beginning | <u>2,344,997</u> | <u>2,344,997</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 2,936,514</u> | <u>\$ 2,496,974</u> | <u>\$ (439,540)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Local Hospitality Tax Program | | |
|---|-------------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 1,900,000 | \$ 2,241,842 | \$ 341,842 |
| Interest | - | 20,295 | 20,295 |
| Total Revenues | <u>1,900,000</u> | <u>2,262,137</u> | <u>362,137</u> |
| Expenditures | | | |
| General Government | | | |
| Personnel | 59,404 | 46,296 | 13,108 |
| Purchased Services | 8,243 | 6,369 | 1,874 |
| Supplies | 1,850 | 624 | 1,226 |
| Capital | - | 4,043 | (4,043) |
| Total Expenditures | <u>69,497</u> | <u>57,332</u> | <u>12,165</u> |
| Excess (deficiency) of revenues over expenditures | 1,830,503 | 2,204,805 | 374,302 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 50,000 | 50,000 | - |
| Transfers Out | (1,500,000) | (1,585,369) | (85,369) |
| Total Other Financing Sources (Uses) | <u>(1,450,000)</u> | <u>(1,535,369)</u> | <u>(85,369)</u> |
| Net Change in Fund Balance | 380,503 | 669,436 | 288,933 |
| Fund Balance - beginning | <u>4,646,366</u> | <u>4,646,366</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 5,026,869</u> | <u>\$ 5,315,802</u> | <u>\$ 288,933</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2017

| | Local Admissions Fee Program | | |
|---|------------------------------|--------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 1,500,000 | \$ 1,684,536 | \$ 184,536 |
| Interest | <u>2,000</u> | <u>1,648</u> | <u>(352)</u> |
| Total Revenues | <u>1,502,000</u> | <u>1,686,184</u> | <u>184,184</u> |
| Expenditures | | | |
| General Government | | | |
| Personnel | 49,240 | 46,296 | 2,944 |
| Purchased Services | 6,743 | 5,718 | 1,025 |
| Supplies | 1,850 | 600 | 1,250 |
| Capital | <u>-</u> | <u>4,043</u> | <u>(4,043)</u> |
| Total Expenditures | <u>57,833</u> | <u>56,657</u> | <u>1,176</u> |
| Excess (deficiency) of revenues over expenditures | 1,444,167 | 1,629,527 | 185,360 |
| Other Financing Sources (Uses) | | | |
| Transfers Out | <u>(2,000,000)</u> | <u>(2,000,000)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(2,000,000)</u> | <u>(2,000,000)</u> | <u>-</u> |
| Net Change in Fund Balance | (555,833) | (370,473) | 185,360 |
| Fund Balance - beginning | <u>1,311,752</u> | <u>1,311,752</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 755,919</u> | <u>\$ 941,279</u> | <u>\$ 185,360</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Treasurer Execution Fees | | |
|---|--------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Charges for Services | \$ 1,075,000 | \$ 1,433,148 | \$ 358,148 |
| Interest | 500 | 8,376 | 7,876 |
| Miscellaneous | <u>10,000</u> | <u>35,445</u> | <u>25,445</u> |
| Total Revenues | <u>1,085,500</u> | <u>1,476,969</u> | <u>391,469</u> |
| Expenditures | | | |
| General Government | | | |
| Personnel | 671,183 | 569,831 | 101,352 |
| Purchased Services | 395,517 | 410,274 | (14,757) |
| Supplies | 18,800 | 19,891 | (1,091) |
| Capital | - | 9,940 | (9,940) |
| Other | <u>-</u> | <u>6,669</u> | <u>(6,669)</u> |
| Total Expenditures | <u>1,085,500</u> | <u>1,016,605</u> | <u>68,895</u> |
| Excess (deficiency) of revenues over expenditures | - | 460,364 | 460,364 |
| Other Financing Sources (Uses) | | | |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | - | 460,364 | 460,364 |
| Fund Balance - beginning | <u>1,767,995</u> | <u>1,767,995</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 1,767,995</u> | <u>\$ 2,228,359</u> | <u>\$ 460,364</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2017

| | Clerk of Court Incentives | | |
|---|---------------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 36,000 | \$ 59,673 | \$ 23,673 |
| Interest | <u>50</u> | <u>880</u> | <u>830</u> |
| Total Revenues | <u>36,050</u> | <u>60,553</u> | <u>24,503</u> |
| Expenditures | | | |
| General Government | | | |
| Purchased Services | - | 8,505 | (8,505) |
| Supplies | <u>36,050</u> | <u>22,490</u> | <u>13,560</u> |
| Total Expenditures | <u>36,050</u> | <u>30,995</u> | <u>5,055</u> |
| Excess (deficiency) of revenues over expenditures | - | 29,558 | 29,558 |
| Fund Balance - beginning | <u>217,547</u> | <u>217,547</u> | - |
| Fund Balance - ending | <u>\$ 217,547</u> | <u>\$ 247,105</u> | <u>\$ 29,558</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Clerk of Court Unit Cost | | |
|---|--------------------------|----------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 215,000 | \$ 164,926 | \$ (50,074) |
| Total Revenues | <u>215,000</u> | <u>164,926</u> | <u>(50,074)</u> |
| Expenditures | | | |
| General Government | | | |
| Personnel | 191,450 | 250,426 | (58,976) |
| Purchased Services | 19,700 | 25,332 | (5,632) |
| Supplies | 3,850 | 422 | 3,428 |
| Total Expenditures | <u>215,000</u> | <u>276,180</u> | <u>(61,180)</u> |
| Excess (deficiency) of revenues over expenditures | - | (111,254) | (111,254) |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | 111,254 | 111,254 |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>111,254</u> | <u>111,254</u> |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Employer Group Benefit Trust | | |
|---|------------------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Interest | \$ 100 | \$ 1,277 | \$ 1,177 |
| Miscellaneous | <u>200,000</u> | <u>190,758</u> | <u>(9,242)</u> |
| Total Revenues | <u>200,100</u> | <u>192,035</u> | <u>(8,065)</u> |
| Expenditures | | | |
| General Government | | | |
| Other | <u>200,100</u> | <u>196,581</u> | <u>3,519</u> |
| Total Expenditures | <u>200,100</u> | <u>196,581</u> | <u>3,519</u> |
| Excess (deficiency) of revenues over expenditures | - | (4,546) | (4,546) |
| Fund Balance - beginning | <u>311,112</u> | <u>311,112</u> | - |
| Fund Balance - ending | <u>\$ 311,112</u> | <u>\$ 306,566</u> | <u>\$ (4,546)</u> |



Joanne Paduch

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Public Defender Trust | | |
|---|-----------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 900,000 | \$ 1,010,637 | \$ 110,637 |
| Interest | 500 | 1,811 | 1,311 |
| Miscellaneous | <u>421,500</u> | <u>362,676</u> | <u>(58,824)</u> |
| Total Revenues | <u>1,322,000</u> | <u>1,375,124</u> | <u>53,124</u> |
| Expenditures | | | |
| General Government | | | |
| Personnel | 2,112,019 | 2,107,278 | 4,741 |
| Purchased Services | 81,350 | 106,049 | (24,699) |
| Supplies | 21,700 | 24,831 | (3,131) |
| Capital | - | 37,030 | (37,030) |
| Total Expenditures | <u>2,215,069</u> | <u>2,275,188</u> | <u>(60,119)</u> |
| Excess (deficiency) of revenues over expenditures | (893,069) | (900,064) | (6,995) |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>699,293</u> | <u>699,293</u> | - |
| Total Other Financing Sources (Uses) | <u>699,293</u> | <u>699,293</u> | - |
| Net Change in Fund Balance | (193,776) | (200,771) | (6,995) |
| Fund Balance - beginning | <u>333,911</u> | <u>333,911</u> | - |
| Fund Balance - ending | <u>\$ 140,135</u> | <u>\$ 133,140</u> | <u>\$ (6,995)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2017

| | Reforestation Trust | | |
|---|---------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Fines and Forfeitures | \$ 50,000 | \$ 64,176 | \$ 14,176 |
| Interest | 100 | 2,306 | 2,206 |
| Total Revenues | <u>50,100</u> | <u>66,482</u> | <u>16,382</u> |
| Expenditures | | | |
| General Government | | | |
| Purchased Services | 50,100 | 76,357 | (26,257) |
| Total Expenditures | <u>50,100</u> | <u>76,357</u> | <u>(26,257)</u> |
| Excess (deficiency) of revenues over expenditures | - | (9,875) | (9,875) |
| Fund Balance - beginning | <u>531,455</u> | <u>531,455</u> | - |
| Fund Balance - ending | <u>\$ 531,455</u> | <u>\$ 521,580</u> | <u>\$ (9,875)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
For the Year Ended June 30, 2017

| | Total | | |
|---|----------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 8,960,632 | \$ 8,560,393 | \$ (400,239) |
| Licenses and Permits | 4,900,000 | 5,237,314 | 337,314 |
| Intergovernmental | 2,286,000 | 2,203,788 | (82,212) |
| Charges for Services | 1,075,000 | 1,433,148 | 358,148 |
| Fines and Forfeitures | 50,000 | 64,176 | 14,176 |
| Interest | 4,700 | 49,991 | 45,291 |
| Miscellaneous | 642,300 | 596,885 | (45,415) |
| Total Revenues | <u>17,918,632</u> | <u>18,145,695</u> | <u>227,063</u> |
| Expenditures | | | |
| General Government | | | |
| Personnel | 3,132,536 | 3,067,339 | 65,197 |
| Purchased Services | 780,896 | 688,813 | 92,083 |
| Supplies | 85,950 | 69,458 | 16,492 |
| Capital | - | 59,099 | (59,099) |
| Other | 1,878,950 | 1,968,708 | (89,758) |
| Total Expenditures | <u>5,878,332</u> | <u>5,853,417</u> | <u>24,915</u> |
| Excess (deficiency) of revenues over expenditures | 12,040,300 | 12,292,278 | 251,978 |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (5,195,328) | (5,195,328) | - |
| Debt Service - Interest and Fees | (3,032,982) | (3,054,246) | (21,264) |
| Transfers In | 749,293 | 860,547 | 111,254 |
| Transfers Out | (3,621,250) | (3,842,472) | (221,222) |
| Total Other Financing Sources (Uses) | <u>(11,100,267)</u> | <u>(11,231,499)</u> | <u>(131,232)</u> |
| Net Change in Fund Balance | 940,033 | 1,060,779 | 120,746 |
| Fund Balance - beginning | <u>11,964,990</u> | <u>11,964,990</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 12,905,023</u> | <u>\$ 13,025,769</u> | <u>\$ 120,746</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
 June 30, 2017

| | E-911 Telephone Program | Victims Assistance Program | Sheriff's Office Special Projects | Public Safety Grants | Total |
|--|-------------------------------|----------------------------------|--------------------------------------|----------------------------|---------------------|
| ASSETS | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 3,977,339 | \$ 465,049 | \$ 1,617,600 | \$ 611,114 | \$ 6,671,102 |
| Receivables, Net | 19,875 | 15,886 | 16,822 | 117 | 52,700 |
| Due from Other Governments | 412,824 | - | 11,220 | 66,425 | 490,469 |
| Prepaid Items | 51,201 | - | 4,628 | - | 55,829 |
| Total Assets | <u>\$ 4,461,239</u> | <u>\$ 480,935</u> | <u>\$ 1,650,270</u> | <u>\$ 677,656</u> | <u>\$ 7,270,100</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 68,419 | \$ 2,338 | \$ 25,225 | \$ 378,014 | \$ 473,996 |
| Accrued Payroll | 14,857 | 213,458 | 23,262 | 1,080 | 252,657 |
| Due to Others | - | - | 511,575 | 42,977 | 554,552 |
| Total Liabilities | <u>83,276</u> | <u>215,796</u> | <u>560,062</u> | <u>422,071</u> | <u>1,281,205</u> |
| FUND BALANCE | | | | | |
| Nonspendable | 51,201 | - | 4,628 | - | 55,829 |
| Restricted | 4,326,762 | 265,139 | 1,085,580 | 255,585 | 5,933,066 |
| Total Fund Balance | <u>4,377,963</u> | <u>265,139</u> | <u>1,090,208</u> | <u>255,585</u> | <u>5,988,895</u> |
| Total Liabilities and Fund Balance | <u>\$ 4,461,239</u> | <u>\$ 480,935</u> | <u>\$ 1,650,270</u> | <u>\$ 677,656</u> | <u>\$ 7,270,100</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2017

| | <u>E-911 Telephone Program</u> | | |
|---|--------------------------------|---------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
| Revenues | | | |
| Intergovernmental | \$ 914,292 | \$ 891,652 | \$ (22,640) |
| Charges for Services | 540,000 | 1,251,931 | 711,931 |
| Interest | <u>2,000</u> | <u>16,310</u> | <u>14,310</u> |
| Total Revenues | <u>1,456,292</u> | <u>2,159,893</u> | <u>703,601</u> |
| Expenditures | | | |
| Public Safety | | | |
| Personnel | 322,252 | 417,341 | (95,089) |
| Purchased Services | 911,603 | 939,219 | (27,616) |
| Supplies | 22,680 | 38,594 | (15,914) |
| Capital | 57,000 | 222,612 | (165,612) |
| Other | <u>142,757</u> | <u>129,604</u> | <u>13,153</u> |
| Total Expenditures | <u>1,456,292</u> | <u>1,747,370</u> | <u>(291,078)</u> |
| Excess (deficiency) of revenues over expenditures | - | 412,523 | 412,523 |
| Fund Balance - beginning | <u>3,965,440</u> | <u>3,965,440</u> | - |
| Fund Balance - ending | <u>\$ 3,965,440</u> | <u>\$ 4,377,963</u> | <u>\$ 412,523</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2017

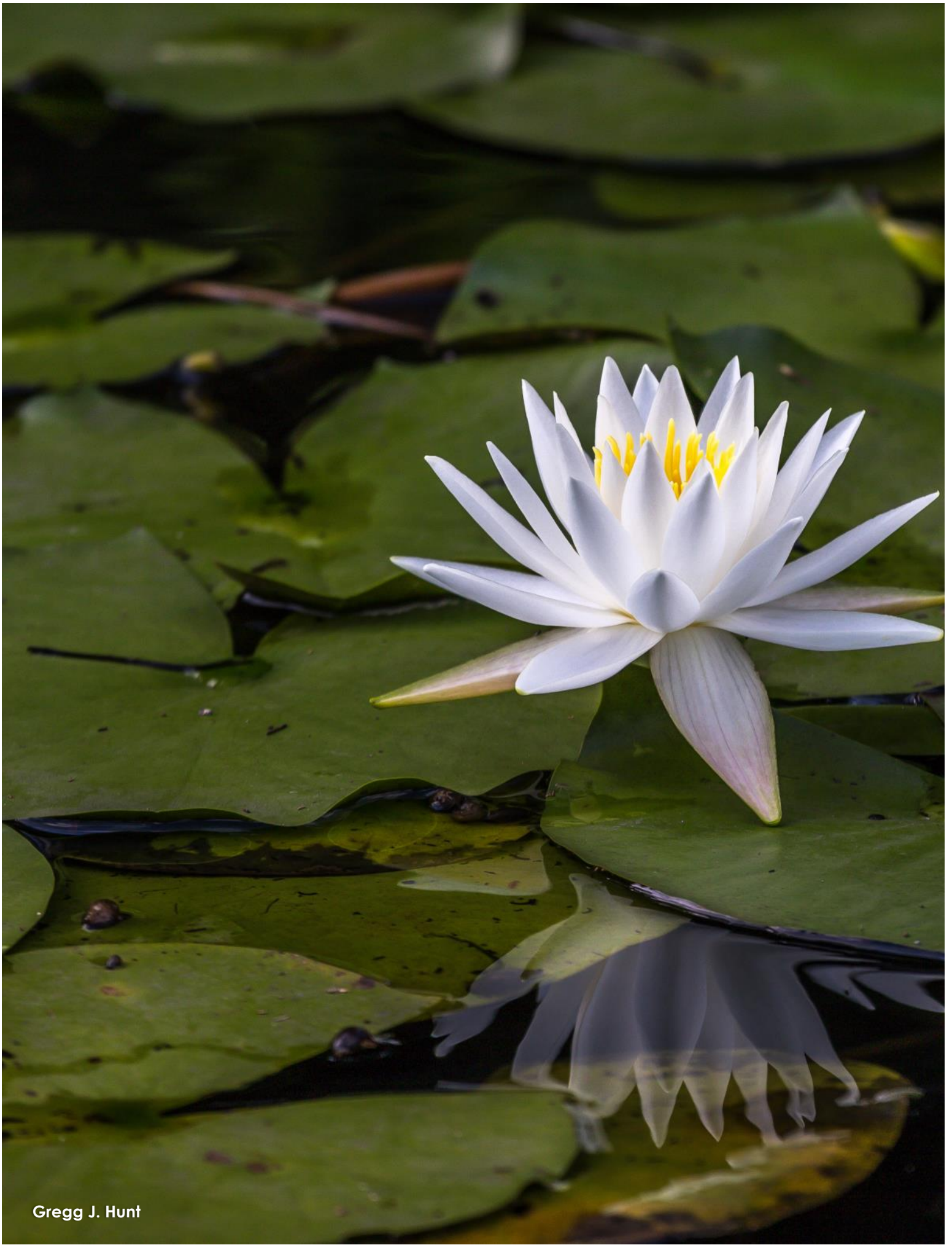
| | <u>Victims Assistance Program</u> | | |
|---|-----------------------------------|-------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
| Revenues | | | |
| Intergovernmental | \$ 48,207 | \$ 79,708 | \$ 31,501 |
| Fines and Forfeitures | 135,200 | 132,882 | (2,318) |
| Interest | - | 1,587 | 1,587 |
| Total Revenues | <u>183,407</u> | <u>214,177</u> | <u>30,770</u> |
| Expenditures | | | |
| Public Safety | | | |
| Personnel | 211,546 | 198,894 | 12,652 |
| Other | - | 6,672 | (6,672) |
| Total Expenditures | <u>211,546</u> | <u>205,566</u> | <u>5,980</u> |
| Excess (deficiency) of revenues over expenditures | (28,139) | 8,611 | 36,750 |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>28,139</u> | <u>28,139</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>28,139</u> | <u>28,139</u> | <u>-</u> |
| Net Change in Fund Balance | - | 36,750 | 36,750 |
| Fund Balance - beginning | <u>228,389</u> | <u>228,389</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 228,389</u> | <u>\$ 265,139</u> | <u>\$ 36,750</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2017

| | Sheriff's Office Special Projects | | |
|---|-----------------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 25,000 | \$ 34,750 | \$ 9,750 |
| Intergovernmental | 482,839 | 530,556 | 47,717 |
| Charges for Services | 190,000 | 191,194 | 1,194 |
| Fines and Forfeitures | 90,000 | 38,205 | (51,795) |
| Interest | 165 | 2,065 | 1,900 |
| Miscellaneous | 40,440 | 53,770 | 13,330 |
| Total Revenues | <u>828,444</u> | <u>850,540</u> | <u>22,096</u> |
| Expenditures | | | |
| Public Safety | | | |
| Personnel | 748,963 | 588,531 | 160,432 |
| Purchased Services | 38,252 | 74,325 | (36,073) |
| Supplies | 18,500 | 25,205 | (6,705) |
| Capital | 50,000 | 53,924 | (3,924) |
| Other | 113,879 | 122,720 | (8,841) |
| Total Expenditures | <u>969,594</u> | <u>864,705</u> | <u>104,889</u> |
| Excess (deficiency) of revenues over expenditures | (141,150) | (14,165) | 126,985 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 143,403 | 143,403 | - |
| Total Other Financing Sources (Uses) | <u>143,403</u> | <u>143,403</u> | <u>-</u> |
| Net Change in Fund Balance | 2,253 | 129,238 | 126,985 |
| Fund Balance - beginning | <u>960,970</u> | <u>960,970</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 963,223</u> | <u>\$ 1,090,208</u> | <u>\$ 126,985</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2017

| | Public Safety Grants | | |
|---|----------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 383,819 | \$ 910,323 | \$ 526,504 |
| Interest | 65 | 1,045 | 980 |
| Miscellaneous | 114,200 | 119,561 | 5,361 |
| Total Revenues | <u>498,084</u> | <u>1,030,929</u> | <u>532,845</u> |
| Expenditures | | | |
| Public Safety | | | |
| Purchased Services | 37,545 | 124,511 | (86,966) |
| Supplies | 24,000 | 94,356 | (70,356) |
| Capital | 306,819 | 614,284 | (307,465) |
| Other | 129,720 | 148,494 | (18,774) |
| Total Expenditures | <u>498,084</u> | <u>981,645</u> | <u>(483,561)</u> |
| Excess (deficiency) of revenues over expenditures | - | 49,284 | 49,284 |
| Fund Balance - beginning | <u>206,301</u> | <u>206,301</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 206,301</u> | <u>\$ 255,585</u> | <u>\$ 49,284</u> |



Gregg J. Hunt

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
For the Year Ended June 30, 2017

| | Total | | Variance Positive (Negative) |
|---|---------------------|---------------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Licenses and Permits | \$ 25,000 | \$ 34,750 | \$ 9,750 |
| Intergovernmental | 1,829,157 | 2,412,239 | 583,082 |
| Charges for Services | 730,000 | 1,443,125 | 713,125 |
| Fines and Forfeitures | 225,200 | 171,087 | (54,113) |
| Interest | 2,230 | 21,007 | 18,777 |
| Miscellaneous | 154,640 | 173,331 | 18,691 |
| Total Revenues | <u>2,966,227</u> | <u>4,255,539</u> | <u>1,289,312</u> |
| Expenditures | | | |
| Public Safety | | | |
| Personnel | 1,282,761 | 1,204,766 | 77,995 |
| Purchased Services | 987,400 | 1,138,055 | (150,655) |
| Supplies | 65,180 | 158,155 | (92,975) |
| Capital | 413,819 | 890,820 | (477,001) |
| Other | 386,356 | 407,490 | (21,134) |
| Total Expenditures | <u>3,135,516</u> | <u>3,799,286</u> | <u>(663,770)</u> |
| Excess (deficiency) of revenues over expenditures | (169,289) | 456,253 | 625,542 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 171,542 | 171,542 | - |
| Total Other Financing Sources (Uses) | <u>171,542</u> | <u>171,542</u> | <u>-</u> |
| Net Change in Fund Balance | 2,253 | 627,795 | 625,542 |
| Fund Balance - beginning | <u>5,361,100</u> | <u>5,361,100</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 5,363,353</u> | <u>\$ 5,988,895</u> | <u>\$ 625,542</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 June 30, 2017

| | Solid Waste & Recycling Grants | County Road Improvement Program | Barton's Run Agreement | Del Webb Boat Ramp Repair Fees | Road Impact Fees | Total |
|--|---|---------------------------------------|------------------------------|--------------------------------------|------------------------|----------------------|
| ASSETS | | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 273,057 | \$ 9,495,173 | \$ 26,258 | \$ 2,994 | \$ 11,742,290 | \$ 21,539,772 |
| Due from Other Governments | 19,608 | 174,209 | - | - | - | 193,817 |
| Total Assets | <u>\$ 292,665</u> | <u>\$ 9,669,382</u> | <u>\$ 26,258</u> | <u>\$ 2,994</u> | <u>\$ 11,742,290</u> | <u>\$ 21,733,589</u> |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 13,245 | \$ 737,771 | - | - | \$ 8,792 | \$ 759,808 |
| Accrued Payroll | - | 1,080 | - | - | - | 1,080 |
| Total Liabilities | <u>13,245</u> | <u>738,851</u> | <u>-</u> | <u>-</u> | <u>8,792</u> | <u>760,888</u> |
| FUND BALANCE | | | | | | |
| Restricted | <u>279,420</u> | <u>8,930,531</u> | <u>26,258</u> | <u>2,994</u> | <u>11,733,498</u> | <u>20,972,701</u> |
| Total Fund Balance | <u>279,420</u> | <u>8,930,531</u> | <u>26,258</u> | <u>2,994</u> | <u>11,733,498</u> | <u>20,972,701</u> |
| Total Liabilities and Fund Balance | <u>\$ 292,665</u> | <u>\$ 9,669,382</u> | <u>\$ 26,258</u> | <u>\$ 2,994</u> | <u>\$ 11,742,290</u> | <u>\$ 21,733,589</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 For the Year Ended June 30, 2017

| | Solid Waste and Recycling Grants | | |
|---|----------------------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 139,000 | \$ 170,329 | \$ 31,329 |
| Miscellaneous | <u>12,000</u> | <u>12,000</u> | <u>-</u> |
| Total Revenues | <u>151,000</u> | <u>182,329</u> | <u>31,329</u> |
| Expenditures | | | |
| Public Works | | | |
| Purchased Services | 98,750 | 38,655 | 60,095 |
| Supplies | 34,000 | 81,657 | (47,657) |
| Capital | <u>18,250</u> | <u>-</u> | <u>18,250</u> |
| Total Expenditures | <u>151,000</u> | <u>120,312</u> | <u>30,688</u> |
| Excess (deficiency) of revenues over expenditures | - | 62,017 | 62,017 |
| Fund Balance - beginning | <u>217,403</u> | <u>217,403</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 217,403</u> | <u>\$ 279,420</u> | <u>\$ 62,017</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
For the Year Ended June 30, 2017

| | County Road Improvement Program | | |
|---|---------------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 4,500,000 | \$ 3,652,102 | \$ (847,898) |
| Charges for Services | 2,300,000 | 2,981,313 | 681,313 |
| Interest | 2,000 | 62,043 | 60,043 |
| Miscellaneous | <u>20,000</u> | <u>25,000</u> | <u>5,000</u> |
| Total Revenues | <u>6,822,000</u> | <u>6,720,458</u> | <u>(101,542)</u> |
| Expenditures | | | |
| Public Works | | | |
| Personnel | 34,559 | 150,148 | (115,589) |
| Purchased Services | 211,501 | 733,074 | (521,573) |
| Supplies | 141,000 | 25,332 | 115,668 |
| Capital | <u>6,061,810</u> | <u>9,397,675</u> | <u>(3,335,865)</u> |
| Total Expenditures | <u>6,448,870</u> | <u>10,306,229</u> | <u>(3,335,865)</u> |
| Excess (deficiency) of revenues over expenditures | 373,130 | (3,585,771) | (3,437,407) |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (279,443) | (282,384) | (2,941) |
| Debt Service - Interest and Fees | <u>(93,687)</u> | <u>(85,304)</u> | <u>8,383</u> |
| Total Other Financing Sources (Uses) | <u>(373,130)</u> | <u>(367,688)</u> | <u>-</u> |
| Net Change in Fund Balance | - | (3,953,459) | (3,437,407) |
| Fund Balance - beginning | <u>12,883,990</u> | <u>12,883,990</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 12,883,990</u> | <u>\$ 8,930,531</u> | <u>\$ (3,437,407)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 For the Year Ended June 30, 2017

| | Barton's Run Agreement | | |
|---|------------------------|------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Charges for Services | \$ 2,000 | \$ 2,700 | \$ 700 |
| Interest | - | 100 | 100 |
| Total Revenues | <u>2,000</u> | <u>2,800</u> | <u>800</u> |
| Expenditures | | | |
| Public Works | | | |
| Capital | <u>2,000</u> | - | <u>2,000</u> |
| Total Expenditures | <u>2,000</u> | <u>-</u> | <u>2,000</u> |
| Excess (deficiency) of revenues over expenditures | - | 2,800 | 2,800 |
| Fund Balance - beginning | <u>23,458</u> | <u>23,458</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 23,458</u> | <u>\$ 26,258</u> | <u>\$ 2,800</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 For the Year Ended June 30, 2017

| | Del Webb Boat Ramp Repair Fees | | |
|---|--------------------------------|----------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Interest | \$ - | \$ 12 | \$ 12 |
| Miscellaneous | 500 | 240 | (260) |
| Total Revenues | 500 | 252 | (248) |
| Expenditures | | | |
| Public Works | | | |
| Capital | - | - | - |
| Total Expenditures | - | - | - |
| Excess (deficiency) of revenues over expenditures | 500 | 252 | (248) |
| Fund Balance - beginning | 2,742 | 2,742 | - |
| Fund Balance - ending | \$ 3,242 | \$ 2,994 | \$ (248) |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
For the Year Ended June 30, 2017

| | Road Impact Fees | | |
|---|---------------------|----------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 3,640,000 | \$ 6,453,946 | \$ 2,813,946 |
| Interest | <u>1,150</u> | <u>31,884</u> | <u>30,734</u> |
| Total Revenues | <u>3,641,150</u> | <u>6,485,830</u> | <u>2,844,680</u> |
| Expenditures | | | |
| Public Works | | | |
| Purchased Services | <u>-</u> | <u>17,562</u> | <u>(17,562)</u> |
| Total Expenditures | <u>-</u> | <u>17,562</u> | <u>(17,562)</u> |
| Excess (deficiency) of revenues over expenditures | 3,641,150 | 6,468,268 | 2,827,118 |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | 230,395 | 230,395 |
| Transfers Out | <u>(701,217)</u> | <u>(701,217)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(701,217)</u> | <u>(470,822)</u> | <u>230,395</u> |
| Net Change in Fund Balance | 2,939,933 | 5,997,446 | 3,057,513 |
| Fund Balance - beginning | <u>5,736,052</u> | <u>5,736,052</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 8,675,985</u> | <u>\$ 11,733,498</u> | <u>\$ 3,057,513</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
For the Year Ended June 30, 2017

| | Total | | Variance Positive (Negative) |
|---|----------------------|----------------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Licenses and Permits | \$ 3,640,000 | \$ 6,453,946 | \$ 2,813,946 |
| Intergovernmental | 4,639,000 | 3,822,431 | (816,569) |
| Charges for Services | 2,302,000 | 2,984,013 | 682,013 |
| Interest | 3,150 | 94,039 | 90,889 |
| Miscellaneous | <u>32,500</u> | <u>37,240</u> | <u>4,740</u> |
| Total Revenues | <u>10,616,650</u> | <u>13,391,669</u> | <u>2,775,019</u> |
| Expenditures | | | |
| Public Works | | | |
| Personnel | 34,559 | 150,148 | (115,589) |
| Purchased Services | 310,251 | 789,291 | (479,040) |
| Supplies | 175,000 | 106,989 | 68,011 |
| Capital | <u>6,082,060</u> | <u>9,397,675</u> | <u>(3,315,615)</u> |
| Total Expenditures | <u>6,601,870</u> | <u>10,444,103</u> | <u>(3,842,233)</u> |
| Excess (deficiency) of revenues over expenditures | 4,014,780 | 2,947,566 | (1,067,214) |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (279,443) | (282,384) | (2,941) |
| Debt Service - Interest and Fees | (93,687) | (85,304) | 8,383 |
| Transfers In | - | 230,395 | 230,395 |
| Transfers Out | <u>(701,217)</u> | <u>(701,217)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(1,074,347)</u> | <u>(838,510)</u> | <u>235,837</u> |
| Net Change in Fund Balance | 2,940,433 | 2,109,056 | (831,377) |
| Fund Balance - beginning | <u>18,863,645</u> | <u>18,863,645</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 21,804,078</u> | <u>\$ 20,972,701</u> | <u>\$ (831,377)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
 June 30, 2017

| | Alcohol and Drug Abuse Department | Disabilities and Special Needs Department | Total |
|--|---|---|---------------------|
| <u>ASSETS</u> | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 870,956 | \$ 3,339,556 | \$ 4,210,512 |
| Receivables, Net | - | 410 | 410 |
| Due from Other Governments | 142,835 | - | 142,835 |
| Prepaid Items | <u>3,399</u> | <u>35,851</u> | <u>39,250</u> |
| Total Assets | <u>\$ 1,017,190</u> | <u>\$ 3,375,817</u> | <u>\$ 4,393,007</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 195,463 | \$ 410,148 | \$ 605,611 |
| Accrued Payroll | 45,217 | 207,066 | 252,283 |
| Due to Others | <u>-</u> | <u>45,587</u> | <u>45,587</u> |
| Total Liabilities | <u>240,680</u> | <u>662,801</u> | <u>903,481</u> |
| <u>FUND BALANCE</u> | | | |
| Nonspendable | 3,399 | 35,851 | 39,250 |
| Restricted | <u>773,111</u> | <u>2,677,165</u> | <u>3,450,276</u> |
| Total Fund Balance | <u>776,510</u> | <u>2,713,016</u> | <u>3,489,526</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,017,190</u> | <u>\$ 3,375,817</u> | <u>\$ 4,393,007</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
For the Year Ended June 30, 2017

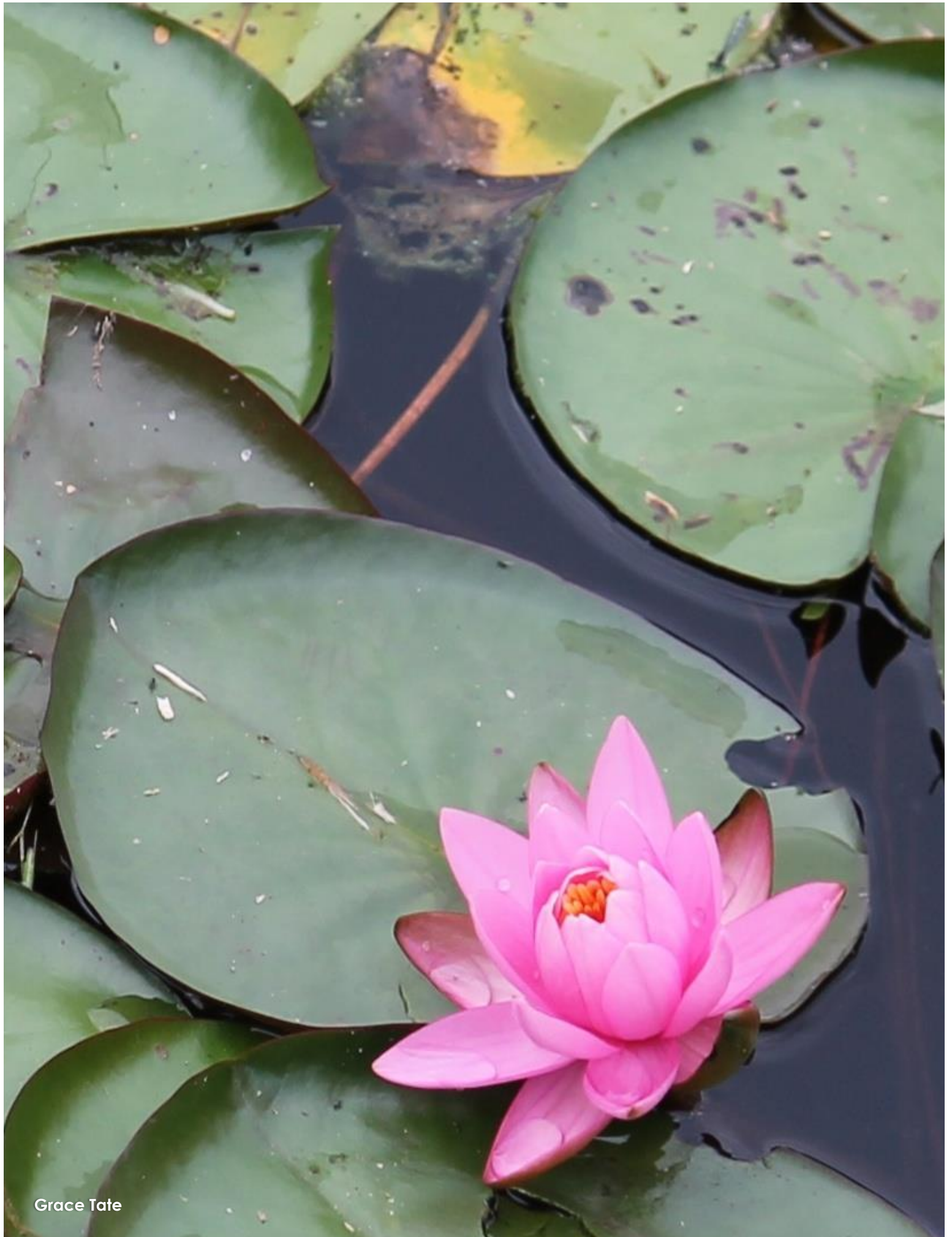
| | Alcohol and Drug Abuse Department | | |
|---|-----------------------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 711,844 | \$ 880,827 | \$ 168,983 |
| Charges for Services | 280,654 | 285,411 | 4,757 |
| Interest | 100 | 2,592 | 2,492 |
| Miscellaneous | 1,500 | 791 | (709) |
| Total Revenues | <u>994,098</u> | <u>1,169,621</u> | <u>175,523</u> |
| Expenditures | | | |
| Public Health | | | |
| Personnel | 1,237,440 | 1,252,453 | (15,013) |
| Purchased Services | 138,600 | 90,609 | 47,991 |
| Supplies | 70,677 | 35,767 | 34,910 |
| Total Expenditures | <u>1,446,717</u> | <u>1,378,829</u> | <u>67,888</u> |
| Excess (deficiency) of revenues over expenditures | (452,619) | (209,208) | 243,411 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 572,957 | 414,577 | (158,380) |
| Transfers Out | (172,957) | (14,577) | 158,380 |
| Total Other Financing Sources (Uses) | <u>400,000</u> | <u>400,000</u> | <u>-</u> |
| Net Change in Fund Balance | (52,619) | 190,792 | 243,411 |
| Fund Balance - beginning | <u>585,718</u> | <u>585,718</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 533,099</u> | <u>\$ 776,510</u> | <u>\$ 243,411</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
 For the Year Ended June 30, 2017

| | Disabilities and Special Needs Department | | |
|---|---|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 6,125,887 | \$ 6,444,044 | \$ 318,157 |
| Charges for Services | 343,585 | 329,492 | (14,093) |
| Interest | - | 13,398 | 13,398 |
| Miscellaneous | <u>237,165</u> | <u>223,179</u> | <u>(13,986)</u> |
| Total Revenues | <u>6,706,637</u> | <u>7,010,113</u> | <u>303,476</u> |
| Expenditures | | | |
| Public Health | | | |
| Personnel | 6,911,778 | 5,941,002 | 970,776 |
| Purchased Services | 1,638,209 | 1,727,666 | (89,457) |
| Supplies | 411,400 | 352,973 | 58,427 |
| Capital | <u>704,000</u> | <u>168,587</u> | <u>535,413</u> |
| Total Expenditures | <u>9,665,387</u> | <u>8,190,228</u> | <u>1,475,159</u> |
| Excess (deficiency) of revenues over expenditures | (2,958,750) | (1,180,115) | 1,778,635 |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>2,250,000</u> | <u>2,250,000</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>2,250,000</u> | <u>2,250,000</u> | <u>-</u> |
| Net Change in Fund Balance | (708,750) | 1,069,885 | 1,778,635 |
| Fund Balance - beginning | <u>1,643,131</u> | <u>1,643,131</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 934,381</u> | <u>\$ 2,713,016</u> | <u>\$ 1,778,635</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
For the Year Ended June 30, 2017

| | Total | | Variance Positive (Negative) |
|---|---------------------|---------------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Intergovernmental | \$ 6,837,731 | \$ 7,324,871 | \$ 487,140 |
| Charges for Services | 624,239 | 614,903 | (9,336) |
| Interest | 100 | 15,990 | 15,890 |
| Miscellaneous | <u>238,665</u> | <u>223,970</u> | <u>(14,695)</u> |
| Total Revenues | <u>7,700,735</u> | <u>8,179,734</u> | <u>478,999</u> |
| Expenditures | | | |
| Public Health | | | |
| Personnel | 8,149,218 | 7,193,455 | 955,763 |
| Purchased Services | 1,776,809 | 1,818,275 | (41,466) |
| Supplies | 482,077 | 388,740 | 93,337 |
| Capital | <u>704,000</u> | <u>168,587</u> | <u>535,413</u> |
| Total Expenditures | <u>11,112,104</u> | <u>9,569,057</u> | <u>1,543,047</u> |
| Excess (deficiency) of revenues over expenditures | (3,411,369) | (1,389,323) | 2,022,046 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 2,822,957 | 2,664,577 | (158,380) |
| Transfers Out | <u>(172,957)</u> | <u>(14,577)</u> | <u>158,380</u> |
| Total Other Financing Sources (Uses) | <u>2,650,000</u> | <u>2,650,000</u> | <u>-</u> |
| Net Change in Fund Balance | (761,369) | 1,260,677 | 2,022,046 |
| Fund Balance - beginning | <u>2,228,849</u> | <u>2,228,849</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 1,467,480</u> | <u>\$ 3,489,526</u> | <u>\$ 2,022,046</u> |



Grace Tate

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2017

| | PALS Capital Program | | |
|---|----------------------|------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Charges for Services | \$ 30,000 | \$ - | \$ (30,000) |
| Interest | <u>25</u> | <u>241</u> | <u>216</u> |
| Total Revenues | <u>30,025</u> | <u>241</u> | <u>(29,784)</u> |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Supplies | <u>-</u> | <u>42,557</u> | <u>(42,557)</u> |
| Total Expenditures | <u>-</u> | <u>42,557</u> | <u>(42,557)</u> |
| Excess (deficiency) of revenues over expenditures | 30,025 | (42,316) | (72,341) |
| Fund Balance - beginning | <u>94,911</u> | <u>94,911</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 124,936</u> | <u>\$ 52,595</u> | <u>\$ (72,341)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 June 30, 2017

| | Daufuskie Ferry Grant | HUD Homes Program | CDBG Water Grants | Collaborative Organization for Services to Youth | Total |
|--|-----------------------------|-------------------------|-------------------------|---|-------------------|
| <u>ASSETS</u> | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 43,933 | \$ - | \$ 5,300 | \$ 27,919 | \$ 77,152 |
| Due from Other Governments | - | 19,159 | - | 4,901 | 24,060 |
| Total Assets | <u>\$ 43,933</u> | <u>\$ 19,159</u> | <u>\$ 5,300</u> | <u>\$ 32,820</u> | <u>\$ 101,212</u> |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 43,933 | \$ 19,159 | \$ 3,450 | \$ 5,189 | \$ 71,731 |
| Accrued Payroll | - | - | - | 8,155 | 8,155 |
| Total Liabilities | <u>43,933</u> | <u>19,159</u> | <u>3,450</u> | <u>13,344</u> | <u>79,886</u> |
| <u>FUND BALANCE</u> | | | | | |
| Restricted | - | - | 1,850 | 19,476 | 21,326 |
| Total Fund Balance | <u>-</u> | <u>-</u> | <u>1,850</u> | <u>19,476</u> | <u>21,326</u> |
| Total Liabilities and Fund Balance | <u>\$ 43,933</u> | <u>\$ 19,159</u> | <u>\$ 5,300</u> | <u>\$ 32,820</u> | <u>\$ 101,212</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2017

| | Daufuskie Ferry Grant | | |
|---|-----------------------|----------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 80,000 | \$ 80,000 | \$ - |
| Charges for Services | <u>35,000</u> | <u>47,137</u> | <u>12,137</u> |
| Total Revenues | <u>115,000</u> | <u>127,137</u> | <u>12,137</u> |
| Expenditures | | | |
| Public Welfare | | | |
| Other | <u>285,621</u> | <u>410,780</u> | <u>(125,159)</u> |
| Total Expenditures | <u>285,621</u> | <u>410,780</u> | <u>(125,159)</u> |
| Excess (deficiency) of revenues over expenditures | (170,621) | (283,643) | (113,022) |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>167,856</u> | <u>283,643</u> | <u>115,787</u> |
| Total Other Financing Sources (Uses) | <u>167,856</u> | <u>283,643</u> | <u>115,787</u> |
| Net Change in Fund Balance | (2,765) | - | 2,765 |
| Fund Balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ (2,765)</u> | <u>\$ -</u> | <u>\$ 2,765</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2017

| | HUD Homes Program | | |
|----------------------------|-------------------|----------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 700,000 | \$ 600,840 | \$ (99,160) |
| Total Revenues | <u>700,000</u> | <u>600,840</u> | <u>(99,160)</u> |
| Expenditures | | | |
| Public Welfare | | | |
| Other | <u>700,000</u> | <u>600,840</u> | <u>99,160</u> |
| Total Expenditures | <u>700,000</u> | <u>600,840</u> | <u>99,160</u> |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2017

| | CDBG Water Grants | | |
|---|-------------------|----------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - |
| Expenditures | | | |
| Public Welfare | | | |
| Purchased Services | - | 3,450 | (3,450) |
| Total Expenditures | - | 3,450 | (3,450) |
| Excess (deficiency) of revenues over expenditures | - | (3,450) | (3,450) |
| Fund Balance - beginning | 5,300 | 5,300 | - |
| Fund Balance - ending | \$ 5,300 | \$ 1,850 | \$ (3,450) |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2017

| | <u>Collaborative Organization for Services to Youth</u> | | |
|---|---|------------------|---|
| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
| Revenues | | | |
| Intergovernmental | \$ 164,232 | \$ 187,232 | \$ 23,000 |
| Charges for Services | 82,200 | 123,659 | 41,459 |
| Miscellaneous | <u>16,411</u> | <u>16,855</u> | <u>444</u> |
| Total Revenues | <u>262,843</u> | <u>327,746</u> | <u>64,903</u> |
| Expenditures | | | |
| Public Welfare | | | |
| Personnel | 217,212 | 213,207 | 4,005 |
| Purchased Services | 114,643 | 168,900 | (54,257) |
| Supplies | 1,372 | 1,450 | (78) |
| Other | <u>79,616</u> | <u>93,616</u> | <u>(14,000)</u> |
| Total Expenditures | <u>412,843</u> | <u>477,173</u> | <u>(64,330)</u> |
| Excess (deficiency) of revenues over expenditures | (150,000) | (149,427) | 573 |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>150,000</u> | <u>150,000</u> | <u>-</u> |
| Transfers Out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>150,000</u> | <u>150,000</u> | <u>-</u> |
| Net Change in Fund Balance | - | 573 | 573 |
| Fund Balance - beginning | <u>18,903</u> | <u>18,903</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 18,903</u> | <u>\$ 19,476</u> | <u>\$ 573</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 For the Year Ended June 30, 2017

| | Totals | | |
|---|------------------|------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 944,232 | \$ 868,072 | \$ (76,160) |
| Charges for Services | 117,200 | 170,796 | 53,596 |
| Miscellaneous | <u>16,411</u> | <u>16,855</u> | <u>444</u> |
| Total Revenues | <u>1,077,843</u> | <u>1,055,723</u> | <u>(22,120)</u> |
| Expenditures | | | |
| Public Welfare | | | |
| Personnel | 217,212 | 213,207 | 4,005 |
| Purchased Services | 114,643 | 172,350 | (57,707) |
| Supplies | 1,372 | 1,450 | (78) |
| Other | <u>1,065,237</u> | <u>1,105,236</u> | <u>(39,999)</u> |
| Total Expenditures | <u>1,398,464</u> | <u>1,492,243</u> | <u>(93,779)</u> |
| Excess (deficiency) of revenues over expenditures | (320,621) | (436,520) | (115,899) |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>317,856</u> | <u>433,643</u> | <u>115,787</u> |
| Total Other Financing Sources (Uses) | <u>317,856</u> | <u>433,643</u> | <u>115,787</u> |
| Net Change in Fund Balance | (2,765) | (2,877) | (112) |
| Fund Balance - beginning | <u>24,203</u> | <u>24,203</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 21,438</u> | <u>\$ 21,326</u> | <u>\$ (112)</u> |



BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 June 30, 2017

| | Library Grants | Library Trusts | Library Impact Fees | PALS Capital Program | PALS Impact Fees | PALS PARD Grant | PALS Summer Nutrition Program Grant | Total |
|--|-------------------|-------------------|---------------------------|----------------------------|------------------------|--------------------|--|---------------------|
| ASSETS | | | | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 80,879 | \$ 245,202 | \$ 3,050,487 | \$ 68,755 | \$ 4,061,203 | \$ 91,910 | \$ - | \$ 7,598,436 |
| Total Assets | <u>\$ 80,879</u> | <u>\$ 245,202</u> | <u>\$ 3,050,487</u> | <u>\$ 68,755</u> | <u>\$ 4,061,203</u> | <u>\$ 91,910</u> | <u>\$ -</u> | <u>\$ 7,598,436</u> |
| LIABILITIES | | | | | | | | |
| Accounts Payable | \$ 37,820 | \$ 59 | \$ 7,824 | \$ 16,160 | \$ 251,084 | \$ 1,700 | \$ - | \$ 314,647 |
| Total Liabilities | <u>37,820</u> | <u>59</u> | <u>7,824</u> | <u>16,160</u> | <u>251,084</u> | <u>1,700</u> | <u>-</u> | <u>314,647</u> |
| FUND BALANCE | | | | | | | | |
| Restricted | 43,059 | 245,143 | 3,042,663 | - | 3,810,119 | 90,210 | - | 7,231,194 |
| Committed | - | - | - | 52,595 | - | - | - | 52,595 |
| Total Fund Balance | <u>43,059</u> | <u>245,143</u> | <u>3,042,663</u> | <u>52,595</u> | <u>3,810,119</u> | <u>90,210</u> | <u>-</u> | <u>7,283,789</u> |
| Total Liabilities and Fund Balance | <u>\$ 80,879</u> | <u>\$ 245,202</u> | <u>\$ 3,050,487</u> | <u>\$ 68,755</u> | <u>\$ 4,061,203</u> | <u>\$ 91,910</u> | <u>\$ -</u> | <u>\$ 7,598,436</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2017

| | Library Grants | | |
|---|------------------|------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 290,000 | \$ 301,569 | \$ 11,569 |
| Interest | 20 | 217 | 197 |
| Miscellaneous | - | 25,000 | 25,000 |
| Total Revenues | <u>290,020</u> | <u>326,786</u> | <u>36,766</u> |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Purchased Services | - | 16,711 | (16,711) |
| Supplies | 290,020 | 302,608 | (12,588) |
| Total Expenditures | <u>290,020</u> | <u>319,319</u> | <u>(29,299)</u> |
| Excess (deficiency) of revenues over expenditures | - | 7,467 | 7,467 |
| Fund Balance - beginning | <u>35,592</u> | <u>35,592</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 35,592</u> | <u>\$ 43,059</u> | <u>\$ 7,467</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2017

| | Library Trusts | | |
|---|-------------------|-------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Interest | \$ - | \$ 965 | \$ 965 |
| Miscellaneous | - | 1,850 | 1,850 |
| Total Revenues | <u>-</u> | <u>2,815</u> | <u>2,815</u> |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Supplies | - | 9,362 | (9,362) |
| Other | - | 454 | (454) |
| Total Expenditures | <u>-</u> | <u>9,816</u> | <u>(9,816)</u> |
| Excess (deficiency) of revenues over expenditures | - | (7,001) | (7,001) |
| Fund Balance - beginning | <u>252,144</u> | <u>252,144</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 252,144</u> | <u>\$ 245,143</u> | <u>\$ (7,001)</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
For the Year Ended June 30, 2017

| | Library Impact Fees | | |
|---|---------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 475,500 | \$ 1,008,898 | \$ 533,398 |
| Interest | 1,025 | 10,753 | 9,728 |
| Miscellaneous | 2,600 | 810 | (1,790) |
| Total Revenues | <u>479,125</u> | <u>1,020,461</u> | <u>541,336</u> |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Purchased Services | - | 317 | (317) |
| Supplies | 481,221 | 29,089 | 452,132 |
| Capital | - | 143,545 | (143,545) |
| Total Expenditures | <u>481,221</u> | <u>172,951</u> | <u>308,270</u> |
| Excess (deficiency) of revenues over expenditures | (2,096) | 847,510 | 849,606 |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | 43,024 | 43,024 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>43,024</u> | <u>43,024</u> |
| Net Change in Fund Balance | (2,096) | 890,534 | 892,630 |
| Fund Balance - beginning | <u>2,152,129</u> | <u>2,152,129</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 2,150,033</u> | <u>\$ 3,042,663</u> | <u>\$ 892,630</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
For the Year Ended June 30, 2017

| | PALS Impact Fees | | |
|---|---------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Licenses and Permits | \$ 950,000 | \$ 1,847,558 | \$ 897,558 |
| Interest | <u>1,300</u> | <u>13,080</u> | <u>11,780</u> |
| Total Revenues | <u>951,300</u> | <u>1,860,638</u> | <u>909,338</u> |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Purchased Services | 50,500 | - | 50,500 |
| Capital | <u>554,861</u> | <u>376,534</u> | <u>178,327</u> |
| Total Expenditures | <u>605,361</u> | <u>376,534</u> | <u>228,827</u> |
| Excess (deficiency) of revenues over expenditures | 345,939 | 1,484,104 | 1,138,165 |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (190,254) | (194,111) | 3,857 |
| Debt Service - Interest and Fees | <u>(155,685)</u> | <u>(151,880)</u> | <u>(3,805)</u> |
| Total Other Financing Sources (Uses) | <u>(345,939)</u> | <u>(345,991)</u> | <u>52</u> |
| Net Change in Fund Balance | - | 1,138,113 | 1,138,217 |
| Fund Balance - beginning | <u>2,672,006</u> | <u>2,672,006</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 2,672,006</u> | <u>\$ 3,810,119</u> | <u>\$ 1,138,217</u> |



Thomas Hanley

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
For the Year Ended June 30, 2017

| | PARD Grant | | Variance Positive (Negative) |
|---|-----------------|------------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Intergovernmental | \$ - | \$ - | \$ - |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Capital | - | 2,398 | (2,398) |
| Total Expenditures | <u>-</u> | <u>2,398</u> | <u>(2,398)</u> |
| Excess (deficiency) of revenues over expenditures | - | (2,398) | (2,398) |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | 85,369 | 85,369 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>85,369</u> | <u>85,369</u> |
| Net Change in Fund Balance | - | 82,971 | 82,971 |
| Fund Balance - beginning | <u>7,239</u> | <u>7,239</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 7,239</u> | <u>\$ 90,210</u> | <u>\$ 82,971</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2017

| | PALS Summer Nutrition Program Grant | | |
|---|-------------------------------------|-----------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Intergovernmental | \$ 400,000 | \$ 97,490 | \$ (302,510) |
| Total Revenues | 400,000 | 97,490 | (302,510) |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Personnel | 67,000 | 20,281 | 46,719 |
| Purchased Services | 331,800 | 93,590 | 238,210 |
| Supplies | 1,200 | - | 1,200 |
| Total Expenditures | 400,000 | 113,871 | 286,129 |
| Excess (deficiency) of revenues over expenditures | - | (16,381) | (16,381) |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | 16,381 | 16,381 |
| Total Other Financing Sources (Uses) | - | 16,381 | 16,381 |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - beginning | - | - | - |
| Fund Balance - ending | \$ - | \$ - | \$ - |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
For the Year Ended June 30, 2017

| | Total | | Variance Positive (Negative) |
|---|---------------------|---------------------|------------------------------------|
| | Final Budget | Actual | |
| Revenues | | | |
| Licenses and Permits | \$ 1,425,500 | \$ 2,856,456 | \$ 1,430,956 |
| Intergovernmental | 690,000 | 399,059 | (290,941) |
| Charges for Services | 30,000 | - | (30,000) |
| Interest | 2,370 | 25,256 | 22,886 |
| Miscellaneous | <u>2,600</u> | <u>27,660</u> | <u>25,060</u> |
| Total Revenues | <u>2,150,470</u> | <u>3,308,431</u> | <u>1,157,961</u> |
| Expenditures | | | |
| Cultural and Recreation | | | |
| Personnel | 67,000 | 20,281 | 46,719 |
| Purchased Services | 382,300 | 110,618 | 271,682 |
| Supplies | 772,441 | 383,616 | 388,825 |
| Capital | 554,861 | 522,477 | 32,384 |
| Other | <u>-</u> | <u>454</u> | <u>(454)</u> |
| Total Expenditures | <u>1,776,602</u> | <u>1,037,446</u> | <u>739,156</u> |
| Excess (deficiency) of revenues over expenditures | 373,868 | 2,270,985 | 1,897,117 |
| Other Financing Sources (Uses) | | | |
| Debt Service - Principal | (190,254) | (194,111) | 3,857 |
| Debt Service - Interest and Fees | (155,685) | (151,880) | (3,805) |
| Transfers In | <u>-</u> | <u>144,774</u> | <u>144,774</u> |
| Total Other Financing Sources (Uses) | <u>(345,939)</u> | <u>(201,217)</u> | <u>144,826</u> |
| Net Change in Fund Balance | 27,929 | 2,069,768 | 2,041,943 |
| Fund Balance - beginning | <u>5,214,021</u> | <u>5,214,021</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 5,241,950</u> | <u>\$ 7,283,789</u> | <u>\$ 2,041,943</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
ALL NONMAJOR DEBT SERVICE FUNDS
June 30, 2017

| | Bluffton Parkway Bonds | Bluffton County TIF Bonds | Total |
|---|------------------------------|---------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 3,306,846 | \$ - | \$ 3,306,846 |
| Total Assets | <u>\$ 3,306,846</u> | <u>\$ -</u> | <u>\$ 3,306,846</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Unavailable revenue - property taxes | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>FUND BALANCE</u> | | | |
| Restricted | <u>3,306,846</u> | <u>-</u> | <u>3,306,846</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 3,306,846</u> | <u>\$ -</u> | <u>\$ 3,306,846</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2017

| | Bluffton Parkway Bonds | | |
|---|------------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Interest | \$ 500 | \$ - | \$ (500) |
| Total Revenues | <u>500</u> | <u>-</u> | <u>(500)</u> |
| Expenditures | | | |
| Debt Service - Principal | 1,837,337 | 1,837,337 | - |
| Debt Service - Interest and Fees | <u>863,880</u> | <u>863,880</u> | <u>-</u> |
| Total Debt Service Expenditures | <u>2,701,217</u> | <u>2,701,217</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (2,700,717) | (2,701,217) | (500) |
| Other Financing Sources (Uses) | | | |
| Transfers In | <u>2,701,217</u> | <u>4,896,769</u> | <u>2,195,552</u> |
| Total Other Financing Sources (Uses) | <u>2,701,217</u> | <u>4,896,769</u> | <u>2,195,552</u> |
| Net Change in Fund Balance | 500 | 2,195,552 | 2,195,052 |
| Fund Balance - beginning | <u>1,111,294</u> | <u>1,111,294</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 1,111,794</u> | <u>\$ 3,306,846</u> | <u>\$ 2,195,052</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2017

| | Bluffton - County TIF Bonds | | |
|---|-----------------------------|------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 266,773 | \$ 540,192 | \$ 273,419 |
| Total Revenues | <u>266,773</u> | <u>540,192</u> | <u>273,419</u> |
| Expenditures | | | |
| Debt Service - Principal | 3,295,000 | 3,295,000 | - |
| Debt Service - Interest and Fees | <u>48,090</u> | <u>48,090</u> | <u>-</u> |
| Total Debt Service Expenditures | <u>3,343,090</u> | <u>3,343,090</u> | <u>-</u> |
| Excess (deficiency) of Revenues Over Expenditures | (3,076,317) | (2,802,898) | 273,419 |
| Other Financing Sources (Uses) | | | |
| Transfers Out | - | (273,419) | (273,419) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(273,419)</u> | <u>(273,419)</u> |
| Net Change in Fund Balance | (3,076,317) | (3,076,317) | - |
| Fund Balance - beginning | <u>3,076,317</u> | <u>3,076,317</u> | <u>-</u> |
| Fund Balance - ending | \$ - | \$ - | \$ - |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR DEBT SERVICE FUNDS
 For the Year Ended June 30, 2017

| | Total | | |
|---|---------------------|---------------------|------------------------------------|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues | | | |
| Property Taxes | \$ 266,773 | \$ 540,192 | \$ 273,419 |
| Interest | <u>500</u> | <u>-</u> | <u>(500)</u> |
| Total Revenues | <u>267,273</u> | <u>540,192</u> | <u>272,919</u> |
| Expenditures | | | |
| Debt Service - Principal | 5,132,337 | 5,132,337 | - |
| Debt Service - Interest and Fees | <u>911,970</u> | <u>911,970</u> | <u>-</u> |
| Total Debt Service Expenditures | <u>6,044,307</u> | <u>6,044,307</u> | <u>-</u> |
| Excess (deficiency) of Revenues Over Expenditures | (5,777,034) | (5,504,115) | 272,919 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 2,701,217 | 4,896,769 | 2,195,552 |
| Transfers Out | <u>-</u> | <u>(273,419)</u> | <u>(273,419)</u> |
| Total Other Financing Sources (Uses) | <u>2,701,217</u> | <u>4,623,350</u> | <u>1,922,133</u> |
| Net Change in Fund Balance | (3,075,817) | (880,765) | 2,195,052 |
| Fund Balance - beginning | <u>4,187,611</u> | <u>4,187,611</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 1,111,794</u> | <u>\$ 3,306,846</u> | <u>\$ 2,195,052</u> |



BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 June 30, 2017

| | 2009 GO Bond Projects | 2013 GO Bond Projects | 2014 GO Bond Projects | Multicounty Industrial Park | 2006 Sales Tax Projects | Bluffton Parkway Project | Administrative Building Renovations | Rail Trail | Myrtle Park Phase II |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------------------|---|------------------|----------------------------|
| ASSETS | | | | | | | | | |
| Cash and Equity in Pooled Cash and Investments | \$ 12,673 | \$ 439,009 | \$ 5,409,775 | \$ 216,572 | \$ 4,957,634 | \$ - | \$ - | \$ 28,991 | \$ 4,727,929 |
| Due from Other Governments | - | - | - | - | 1,865,845 | - | - | - | - |
| Total Assets | <u>\$ 12,673</u> | <u>\$ 439,009</u> | <u>\$ 5,409,775</u> | <u>\$ 216,572</u> | <u>\$ 6,823,479</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 28,991</u> | <u>\$ 4,727,929</u> |
| LIABILITIES | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 50,991 | \$ - | \$ 1,081,894 | \$ - | \$ (157,743) | \$ - | \$ - |
| Accrued Payroll | - | - | - | - | 2,552 | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>50,991</u> | <u>-</u> | <u>1,084,446</u> | <u>-</u> | <u>(157,743)</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE | | | | | | | | | |
| Restricted for Capital Projects | 12,673 | 439,009 | 5,358,784 | 216,572 | 5,739,033 | - | 157,743 | 28,991 | 4,727,929 |
| Total Fund Balance | <u>12,673</u> | <u>439,009</u> | <u>5,358,784</u> | <u>216,572</u> | <u>5,739,033</u> | <u>-</u> | <u>157,743</u> | <u>28,991</u> | <u>4,727,929</u> |
| Total Liabilities and Fund Balance | <u>\$ 12,673</u> | <u>\$ 439,009</u> | <u>\$ 5,409,775</u> | <u>\$ 216,572</u> | <u>\$ 6,823,479</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 28,991</u> | <u>\$ 4,727,929</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2017

| | 2009 GO Bond Projects | 2013 GO Bond Projects | 2014 GO Bond Projects | Multicounty Industrial Park | 2006 Sales Tax Projects | Bluffton Parkway Project | Administrative Building Renovations | Spanish Moss Rail Trail | Myrtle Park Phase II | Totals |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------------------|---|-------------------------------|----------------------------|-----------------------|
| Project Authorization | \$ 5,134,088 | \$ 7,555,383 | \$ 17,223,268 | \$ 373,282 | \$ 212,073,986 | \$ 38,945,908 | \$ 26,811,670 | \$ 2,125,847 | \$ 5,901,829 | \$ 316,145,261 |
| Prior Year's Revenues | 5,134,088 | 7,555,383 | 17,223,268 | 373,282 | 212,073,986 | 38,945,908 | 26,811,670 | 2,125,847 | 5,901,829 | 316,145,261 |
| Prior Year's Expenditures | 5,121,514 | 7,098,136 | 9,386,836 | 271,057 | 205,241,268 | 36,759,403 | 26,551,353 | 1,939,201 | 1,202,563 | 293,571,331 |
| Fund Balances - Beginning of Year | 12,574 | 457,247 | 7,836,432 | 102,225 | 6,832,718 | 2,186,505 | 260,317 | 186,646 | 4,699,266 | 22,573,930 |
| | - | - | - | - | - | - | - | - | - | - |
| Revenues | | | | | | | | | | |
| Property Taxes | - | - | - | 188,899 | - | - | - | - | - | 188,899 |
| Intergovernmental | - | - | - | - | 9,179,374 | - | - | - | - | 9,179,374 |
| Interest | 99 | 32,842 | 25,488 | 294 | 28,640 | 9,045 | - | - | 19,413 | 115,821 |
| Miscellaneous | - | - | - | 2,215 | - | - | - | - | 9,250 | 11,465 |
| Total Revenues | 99 | 32,842 | 25,488 | 191,408 | 9,208,014 | 9,045 | - | - | 28,663 | 9,495,559 |
| Expenditures | | | | | | | | | | |
| Capital Projects | - | 51,080 | 2,503,136 | 77,061 | 10,301,699 | - | 102,574 | 157,655 | - | 13,193,205 |
| Excess (deficiency) of revenues over expenditures | 99 | (18,238) | (2,477,648) | 114,347 | (1,093,685) | 9,045 | (102,574) | (157,655) | 28,663 | (3,697,646) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of Bonds | - | - | - | - | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | (2,195,550) | - | - | - | (2,195,550) |
| Total Other Financing Sources (Uses) | - | - | - | - | - | (2,195,550) | - | - | - | (2,195,550) |
| Net Change in Fund Balance | 99 | (18,238) | (2,477,648) | 114,347 | (1,093,685) | (2,186,505) | (102,574) | (157,655) | 28,663 | (5,893,196) |
| FUND BALANCES - END OF YEAR | \$ 12,673 | \$ 439,009 | \$ 5,358,784 | \$ 216,572 | \$ 5,739,033 | \$ - | \$ 157,743 | \$ 28,991 | \$ 4,727,929 | \$ 16,680,734 |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| <u>Broad Creek Public Service District</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 144,627 | \$ 2,163,551 | \$ 1,675,600 | \$ 632,578 |
| Due to Agency: | | | | |
| Operations | \$ 73,401 | \$ 1,448,243 | \$ 983,292 | \$ 538,352 |
| Water/Sewer | - | 32,017 | - | 32,017 |
| Debt Service | 71,154 | 683,291 | 692,308 | 62,137 |
| Capital Projects | 72 | - | - | 72 |
| | <u>\$ 144,627</u> | <u>\$ 2,163,551</u> | <u>\$ 1,675,600</u> | <u>\$ 632,578</u> |
| <u>Fripp Island Public Service District</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 1,482,861 | \$ 1,451,763 | \$ 1,569,460 | \$ 1,365,164 |
| Due to Agency: | | | | |
| Erosion Control | \$ 287,905 | \$ 54,315 | \$ 200,000 | \$ 142,220 |
| Water/Sewer | 337,227 | 370,078 | 364,336 | 342,969 |
| Debt Service | 366,273 | 442,376 | 442,932 | 365,717 |
| Fire Operations | 241,766 | 553,075 | 550,000 | 244,841 |
| Fire Department 1% Funds | 249,690 | 31,919 | 12,192 | 269,417 |
| | <u>\$ 1,482,861</u> | <u>\$ 1,451,763</u> | <u>\$ 1,569,460</u> | <u>\$ 1,365,164</u> |
| <u>Forest Beach Public Service District</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 1,686 | \$ 6,744 | \$ 6,744 | \$ 1,686 |
| Due to Agency: | | | | |
| Operations | \$ 24 | \$ 96 | \$ 96 | \$ 24 |
| Water/Sewer | - | - | - | - |
| Debt Service | - | - | - | - |
| Fire Operations | 1,478 | 5,913 | 5,913 | 1,478 |
| Fire Debt Service | 184 | 735 | 735 | 184 |
| Fire Department 1% Funds | - | 290,658 | 290,658 | - |
| | <u>\$ 1,686</u> | <u>\$ 6,744</u> | <u>\$ 6,744</u> | <u>\$ 1,686</u> |
| <u>Hilton Head #1 Public Service District</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 852,736 | \$ 3,041,601 | \$ 3,090,241 | \$ 804,096 |
| Due to Agency: | | | | |
| Operations | \$ 83,359 | \$ 956,476 | \$ 960,000 | \$ 79,835 |
| Water/Sewer | 40,243 | 467,316 | 478,000 | 29,559 |
| Debt Service | 701,344 | 1,378,287 | 1,396,642 | 682,989 |
| Assessment A | 12,989 | 17,571 | 30,000 | 560 |
| Assessment B | 1,162 | 25,748 | 26,000 | 910 |
| Assessment C | 3,292 | 77,483 | 77,000 | 3,775 |
| Assessment D | 266 | 30,795 | 31,000 | 61 |
| Assessment H11 | 1,801 | 36,548 | 37,999 | 350 |
| Folly Field Area Front Foot Assessment | 2,252 | 32,043 | 31,600 | 2,695 |
| Front Foot Assessment Revenue Bonds | 6,028 | 19,334 | 22,000 | 3,362 |
| | <u>\$ 852,736</u> | <u>\$ 3,041,601</u> | <u>\$ 3,090,241</u> | <u>\$ 804,096</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|--|--------------------------|----------------------|----------------------|--------------------------|
| South Beach Public Service District | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 49,155 | \$ 30,460 | \$ 42,937 | \$ 36,678 |
| Due to Agency: | | | | |
| Water/Sewer | \$ 17,335 | \$ 15,614 | \$ 30,000 | \$ 2,949 |
| Debt Service | 28,582 | 1,904 | - | 30,486 |
| Fire Operations | 3,056 | 12,216 | 12,211 | 3,061 |
| Fire Debt Service | 182 | 726 | 726 | 182 |
| | <u>\$ 49,155</u> | <u>\$ 30,460</u> | <u>\$ 42,937</u> | <u>\$ 36,678</u> |
| Bluffton Fire District | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 6,580,378 | \$ 14,456,003 | \$ 16,663,254 | \$ 4,373,127 |
| Due to Agency: | | | | |
| Operations | \$ 2,162,364 | \$ 12,567,399 | \$ 12,925,395 | \$ 1,804,368 |
| Debt Service | (232,711) | 563,946 | 286,243 | 44,992 |
| Capital Projects | 2,543,307 | 132,803 | 2,654,939 | 21,171 |
| Fire Department 1% Fund | 356,954 | 348,536 | 637,565 | 67,925 |
| Fire Impact Fees | 1,750,464 | 843,319 | 159,112 | 2,434,671 |
| | <u>\$ 6,580,378</u> | <u>\$ 14,456,003</u> | <u>\$ 16,663,254</u> | <u>\$ 4,373,127</u> |
| Burton Fire District | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 862,997 | \$ 4,903,069 | \$ 5,117,318 | \$ 648,748 |
| Due to Agency: | | | | |
| Operations | \$ 539,400 | \$ 4,448,402 | \$ 4,691,509 | \$ 296,293 |
| Debt Service | 274,319 | 377,114 | 384,971 | 266,462 |
| Fire Department 1% Fund | 7,981 | 52,922 | 40,838 | 20,065 |
| Fire Impact Fees | 41,297 | 24,631 | - | 65,928 |
| | <u>\$ 862,997</u> | <u>\$ 4,903,069</u> | <u>\$ 5,117,318</u> | <u>\$ 648,748</u> |
| Daufuskie Island Fire District | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ (122,094) | \$ 1,227,279 | \$ 1,151,307 | \$ (46,122) |
| Due to Agency: | | | | |
| Operations | \$ (164,463) | \$ 1,205,823 | \$ 1,140,679 | \$ (99,319) |
| Debt Service | 34,270 | 5,288 | - | 39,558 |
| Fire Department 1% Fund | 1,758 | 11,733 | 10,628 | 2,863 |
| Fire Impact Fees | 6,341 | 4,435 | - | 10,776 |
| | <u>\$ (122,094)</u> | <u>\$ 1,227,279</u> | <u>\$ 1,151,307</u> | <u>\$ (46,122)</u> |
| Ladys Island/St Helena Island Fire District | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 2,233,174 | \$ 5,932,009 | \$ 6,570,599 | \$ 1,594,584 |
| Due to Agency: | | | | |
| Operations | \$ 1,079,786 | \$ 5,414,847 | \$ 5,815,518 | \$ 679,115 |
| Debt Service | 31,035 | 314,841 | 312,138 | 33,738 |
| Fire Department 1% Fund | 516,973 | 90,472 | 442,943 | 164,502 |
| Fire Impact Fees | 605,380 | 111,849 | - | 717,229 |
| | <u>\$ 2,233,174</u> | <u>\$ 5,932,009</u> | <u>\$ 6,570,599</u> | <u>\$ 1,594,584</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---------------------------------------|--------------------------|----------------------|----------------------|--------------------------|
| <u>Sheldon Fire District</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 387,153 | \$ 1,393,761 | \$ 1,394,343 | \$ 386,571 |
| Due to Agency: | | | | |
| Operations | \$ 249,813 | \$ 1,289,887 | \$ 1,305,643 | \$ 234,057 |
| Debt Service | 33,507 | 77,033 | 72,230 | 38,310 |
| Fire Department 1% Fund | 54,694 | 22,315 | 5,998 | 71,011 |
| Fire Impact Fees | 49,139 | 4,526 | 10,472 | 43,193 |
| | <u>\$ 387,153</u> | <u>\$ 1,393,761</u> | <u>\$ 1,394,343</u> | <u>\$ 386,571</u> |
| <u>City of Beaufort</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 52,091 | \$ 8,931,947 | \$ 8,751,982 | \$ 232,056 |
| Due to Agency: | | | | |
| Municipal | \$ 52,217 | \$ 8,028,426 | \$ 7,849,030 | \$ 231,613 |
| Stormwater Fees | (126) | 841,727 | 841,158 | 443 |
| Fire Department 1% Fund | - | 61,794 | 61,794 | - |
| | <u>\$ 52,091</u> | <u>\$ 8,931,947</u> | <u>\$ 8,751,982</u> | <u>\$ 232,056</u> |
| <u>Town of Port Royal</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 23,543 | \$ 2,507,387 | \$ 2,453,853 | \$ 77,077 |
| Due to Agency: | | | | |
| Municipal | \$ 23,496 | \$ 2,330,758 | \$ 2,280,430 | \$ 73,824 |
| Stormwater Fees | 47 | 164,300 | 161,094 | 3,253 |
| Fire Department 1% Fund | - | 12,329 | 12,329 | - |
| | <u>\$ 23,543</u> | <u>\$ 2,507,387</u> | <u>\$ 2,453,853</u> | <u>\$ 77,077</u> |
| <u>Town of Bluffton</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 65,010 | \$ 8,513,234 | \$ 8,428,371 | \$ 149,873 |
| Due to Agency: | | | | |
| Municipal | \$ 65,004 | \$ 7,209,329 | \$ 7,137,925 | \$ 136,408 |
| Stormwater Fees | 6 | 1,303,905 | 1,290,446 | 13,465 |
| | <u>\$ 65,010</u> | <u>\$ 8,513,234</u> | <u>\$ 8,428,371</u> | <u>\$ 149,873</u> |
| <u>Town of Yemassee</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 154 | \$ 33,319 | \$ 32,749 | \$ 724 |
| Due to Agency: | | | | |
| Municipal | \$ 154 | \$ 33,177 | \$ 32,607 | \$ 724 |
| Fire Department 1% Fund | - | 142 | 142 | - |
| | <u>\$ 154</u> | <u>\$ 33,319</u> | <u>\$ 32,749</u> | <u>\$ 724</u> |
| <u>Town of Hilton Head</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ (758,555) | \$ 27,426,565 | \$ 25,926,537 | \$ 741,473 |
| Due to Agency: | | | | |
| Municipal | \$ (779,895) | \$ 22,820,570 | \$ 21,551,820 | \$ 488,855 |
| Motor Vehicle Fee | - | 770,694 | 587,350 | 183,344 |
| Stormwater Fees | 127 | 3,476,247 | 3,429,562 | 46,812 |
| Fire Operations | 4,944 | 19,777 | 19,777 | 4,944 |
| Fire Debt Service | 16,269 | 1,249 | - | 17,518 |
| Fire Department 1% Fund | - | 338,028 | 338,028 | - |
| | <u>\$ (758,555)</u> | <u>\$ 27,426,565</u> | <u>\$ 25,926,537</u> | <u>\$ 741,473</u> |



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BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|--|--------------------------|-----------------------|-----------------------|--------------------------|
| <u>City of Hardeeville</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 44 | \$ 94,205 | \$ 94,246 | \$ 3 |
| Due to Agency: | | | | |
| Municipal | 44 | 94,205 | 94,246 | 3 |
| | <u>\$ 44</u> | <u>\$ 94,205</u> | <u>\$ 94,246</u> | <u>\$ 3</u> |
| <u>Beaufort-Jasper Academy for Career Excellence</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 320,811 | \$ 3,525,636 | \$ 3,202,487 | \$ 643,960 |
| Due to Agency: | | | | |
| General | \$ (499,540) | \$ 3,338,478 | \$ 2,274,858 | \$ 564,080 |
| Special Revenue Funds | 319,706 | - | 305,267 | 14,439 |
| Education Improvement Act | 500,645 | 187,158 | 622,362 | 65,441 |
| | <u>\$ 320,811</u> | <u>\$ 3,525,636</u> | <u>\$ 3,202,487</u> | <u>\$ 643,960</u> |
| <u>Beaufort County School District</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 83,103,203 | \$ 351,877,816 | \$ 355,728,949 | \$ 79,252,070 |
| Due to Agency: | | | | |
| General | \$ 28,579,821 | \$ 238,484,708 | \$ 228,917,481 | \$ 38,147,048 |
| Special Revenue Funds | 571,239 | 15,293,252 | 14,569,244 | 1,295,247 |
| School Lunch Program | 484,798 | 7,148,174 | 8,556,356 | (923,384) |
| Education Improvement Act | 4,843,261 | 12,743,991 | 12,756,881 | 4,830,371 |
| Debt Service | 12,029,445 | 57,602,997 | 55,175,596 | 14,456,846 |
| Capital Projects | 1,239,363 | 5,128 | - | 1,244,491 |
| School 8% Projects | 22,953,420 | 20,471,741 | 35,720,344 | 7,704,817 |
| Facilities 2005 | 7,409,667 | 66,169 | - | 7,475,836 |
| Facilities 2007 | 30,349 | - | - | 30,349 |
| Facilities 2008 | 4,961,840 | 61,656 | 33,047 | 4,990,449 |
| | <u>\$ 83,103,203</u> | <u>\$ 351,877,816</u> | <u>\$ 355,728,949</u> | <u>\$ 79,252,070</u> |
| <u>Special Assessments</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 152,742 | \$ 47,722 | \$ 50,005 | \$ 150,459 |
| Due to Agency: | | | | |
| Burlington Estates | \$ 24,048 | \$ 99 | \$ - | \$ 24,147 |
| Burlington Land | 17,709 | 73 | - | 17,782 |
| Kings Grant II | 20,809 | 86 | - | 20,895 |
| O'Neal Place | 14,402 | 59 | - | 14,461 |
| Pleasant Farm | 1,966 | - | 1,959 | 7 |
| Robin Wood | 19,593 | 81 | - | 19,674 |
| Seabrook Point | 37,439 | 36,638 | 37,439 | 36,638 |
| Woodland Estates | 16,765 | 69 | - | 16,834 |
| Brown's Island | 11 | 10,617 | 10,607 | 21 |
| | <u>\$ 152,742</u> | <u>\$ 47,722</u> | <u>\$ 50,005</u> | <u>\$ 150,459</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2017

| | Balance July 01, 2016 | Additions | Deductions | Balance June 30, 2017 |
|---------------------------------------|--------------------------|----------------------|----------------------|--------------------------|
| <u>Departmentally Held Funds</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 13,167,703 | \$ 34,022,514 | \$ 33,874,233 | \$ 13,315,984 |
| Due to Agency: | | | | |
| Clerk of Court | \$ 3,540,682 | \$ 2,241,744 | \$ 2,833,511 | \$ 2,948,915 |
| Master in Equity - Foreclosures | 248,581 | 12,886,817 | 12,611,021 | 524,377 |
| Register of Deeds - Bonds | (1,275) | 18,020 | 34,375 | (17,630) |
| Treasurer - JPC Escrow | 331,280 | 75,378 | - | 406,658 |
| Treasurer - Bankruptcy Escrow | 284,480 | 262,269 | 308,730 | 238,019 |
| Treasurer - Surplus Tax Escrow | 8,763,955 | 18,538,286 | 18,086,596 | 9,215,645 |
| | <u>\$ 13,167,703</u> | <u>\$ 34,022,514</u> | <u>\$ 33,874,233</u> | <u>\$ 13,315,984</u> |
| Total - All Agency Funds | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 108,599,419 | \$ 471,586,585 | \$ 475,825,215 | \$ 104,360,789 |
| Due to Agency: | | | | |
| General | \$ 108,599,419 | \$ 471,586,585 | \$ 475,825,215 | \$ 104,360,789 |

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES
 For the Year Ended June 30, 2017

Clerk of Court Fines, Fees, Assessments and Surcharges

| | |
|---|-------------------|
| Remitted to the State Treasurer | \$ 370,561 |
| Remitted to Other Agencies | 31,654 |
| Retained by the County | <u>138,883</u> |
| Total Fines, Fees, Assessments and Surcharges Collected | <u>\$ 541,098</u> |

Magistrate Courts Fines, Fees, Assessments and Surcharges

| | |
|---|---------------------|
| Remitted to the State Treasurer | \$ 865,407 |
| Remitted to Other Agencies | 47,630 |
| Retained by the County | <u>756,209</u> |
| Total Fines, Fees, Assessments and Surcharges Collected | <u>\$ 1,669,246</u> |

Victims Assistance Services

| | |
|--|-------------------|
| Funds Carried Forward from Prior Years | \$ 228,389 |
| Fees and Assessments from the Clerk of Court | 35,753 |
| Fees and Assessments from the Magistrate Courts | 92,229 |
| Fees and Assessments from the Solicitor's Office | 4,900 |
| Town of Hilton Head Allocation | 79,708 |
| County General Fund Allocation | <u>29,726</u> |
| Funds Allocated to Victim Assistance Services | 470,705 |
| Victim Assistance Expenditures | <u>(205,566)</u> |
| Funds Available for Carryforward | <u>\$ 265,139</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
ALCOHOL AND DRUG ABUSE PROGRAMS - PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDING JUNE 30, 2017

| | Central Administration | Safety Action | School Intervention | Community Based Treatment | Preventive Education | Intensive Outpatient | Drug Court | Total |
|--|---------------------------|------------------|------------------------|---------------------------------|-------------------------|-------------------------|-------------|------------|
| Revenues | | | | | | | | |
| State Mini Bottles | \$ - | \$ - | \$ 78,593 | \$ 78,593 | \$ 78,593 | \$ 78,593 | \$ - | \$ 314,372 |
| DAODAS Block Grant: ¹ | | | | | | | | |
| IOP Uninsured Treatment | - | - | - | 5,444 | - | 26,898 | - | 32,342 F |
| Outpatient - TB Testing | - | - | - | 1,356 | - | - | - | 1,356 F |
| Outpatient | - | - | - | 179,237 | - | - | - | 179,237 F |
| Outpatient Uninsured Treatment | - | - | - | 12,708 | - | - | - | 12,708 F |
| Outpatient - Adolescent | - | - | 7,750 | 23,250 | - | - | - | 31,000 F |
| Outpatient - Adolescent Uninsured Treatment | - | - | 20 | 20 | - | - | - | 40 F |
| Outpatient - HIV | - | - | - | 35,000 | - | - | - | 35,000 F |
| ADSAP | - | 29,007 | - | - | - | - | - | 29,007 F |
| Adolescent Intervention | - | - | 1,753 | - | - | - | - | 1,753 S |
| Primary Prevention | - | - | - | - | 103,384 | - | - | 103,384 F |
| SAPT BG Assessment ² | - | - | - | 12,480 | - | - | - | 12,480 F |
| Synar/STEP Youth Tobacco Buys ³ | - | - | - | - | 1,557 | - | - | 1,557 F |
| SBG (State Block Grant) ⁴ | - | 6,308 | - | - | - | - | - | 6,308 S |
| COLA (Cost of Living Allowance) ⁵ | - | 9,657 | 3,935 | 10,015 | 6,796 | 5,365 | - | 35,768 S |
| DSS DTS ⁶ | - | - | - | 57,243 | - | - | - | 57,243 O |
| STEP UP ⁷ | - | - | - | 3,352 | - | - | - | 3,352 O |
| Charges for Services - Fees | - | 156,785 | - | 69,027 | - | - | - | 225,812 |
| Charges for Services - Medicaid | - | - | - | 71,519 | - | - | - | 71,519 |
| Interest Income | 2,592 | - | - | - | - | - | - | 2,592 |
| Miscellaneous | 41 | - | - | - | 12,750 | - | - | 12,791 |
| Total Revenues | 2,633 | 201,757 | 92,051 | 559,244 | 203,080 | 110,856 | - | 1,169,621 |
| Expenditures | | | | | | | | |
| Personnel | 186,603 | 156,064 | 60,126 | 458,206 | 211,079 | 180,375 | - | 1,252,453 |
| Purchased Services | 42,100 | 15,719 | 2,632 | 18,128 | 10,819 | 1,211 | - | 90,609 |
| Supplies | 7,865 | 9,668 | 3,560 | 8,300 | 528 | 5,846 | - | 35,767 |
| Total Expenditures | 236,568 | 181,451 | 66,318 | 484,634 | 222,426 | 187,432 | - | 1,378,829 |
| Excess of Revenues Over (Under) Expenditures | (233,935) | 20,306 | 25,733 | 74,610 | (19,346) | (76,576) | - | (209,208) |
| Other Financing Sources | | | | | | | | |
| Transfers In (Out) | 429,153 | - | - | - | - | - | (29,153) | 400,000 |
| Net Change in Fund Balance | 195,218 | 20,306 | 25,733 | 74,610 | (19,346) | (76,576) | (29,153) | 190,792 |
| Fund Balance - beginning | 175,443 | 83,791 | 89,038 | 246,841 | 44,802 | (68,773) | 14,576 | 585,718 |
| Fund Balance - ending | \$ 370,661 | \$ 104,097 | \$ 114,771 | \$ 321,451 | \$ 25,456 | \$ (145,349) | \$ (14,577) | \$ 776,510 |

Notes:

- 1: Fiscal Year 2017 Department of Alcohol and Other Drug Abuse Services (DAODAS) Block Grant is contract number BEA-BG-17 and is comprised of federal funds in the amount of \$424,074 and state funds in the amount of \$1,753, for a total annual contract amount of \$425,827 (contract number BEA-BG-17; CFDA No. 93.959).
- 2: Fiscal Year 2017 Substance Abuse Prevention and Treatment Block Grant (SAPT BG) for Assessment consists of federal funds in the amount of \$12,480 (CFDA No. 93.959).
- 3: Fiscal Year 2017 Synar/STEP Youth Tobacco Buys consists of federal funds in the amount of \$1,557 (CFDA No. 93.959).
- 4: Fiscal Year 2017 DAODAS State Block Grant consists of state funds in the amount of \$6,308 (contract number BEA-SBG-17).
- 5: Fiscal Year 2017 Cost of Living Allowance (COLA) is state funds in the amount of \$35,768 (contract number BEA-COLA-17).
- 6: Fiscal Year 2017 DSS-DTS is identified as other funds in the amount of \$57,243 (contract number BER-DTS).
- 7: Fiscal Year 2017 STEP UP is identified as other funds in the amount of \$3,352 (contract number STEP UP).

Legend:

| | |
|-------------------|-------------------|
| F - Federal Funds | 438,111 |
| S - State Funds | 43,829 |
| O - Other Funds | 60,595 |
| | <u>\$ 542,535</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
 Daufuskie Ferry Schedule of Budgeted to Actual
 South Carolina Department of Transportation - State Mass Transit Funds (SMTF)
 Contract PT-7G699-57
 For the period beginning July 1, 2016 and ending June 30, 2017

| | <u>Budget</u> | <u>Actual - SMTF</u> | <u>Actual - Local</u> | <u>Total Actual</u> | <u>Variance</u> |
|-----------------------------------|--------------------|----------------------|-----------------------|---------------------|--------------------|
| Revenues | | | | | |
| Intergovernmental ¹ | \$ 80,000 | \$ 80,000 | \$ - | \$ 80,000 | \$ - |
| Charges for Services ² | <u>50,000</u> | <u>-</u> | <u>47,137</u> | <u>47,137</u> | <u>(2,863)</u> |
| Total Revenues | 130,000 | 80,000 | 47,137 | 127,137 | (2,863) |
| Expenditures | | | | | |
| Ferry Service | 405,470 | 80,000 | 325,470 | 405,470 | - |
| Parking Fees | 1,110 | - | 1,110 | 1,110 | - |
| Administration | <u>4,200</u> | <u>-</u> | <u>4,200</u> | <u>4,200</u> | <u>-</u> |
| Total Expenditures | 410,780 | 80,000 | 330,780 | 410,780 | - |
| Other Financing Sources | | | | | |
| Transfers In ² | <u>262,075</u> | <u>-</u> | <u>283,643</u> | <u>283,643</u> | <u>(21,568)</u> |
| Total Other Financing Sources | 262,075 | - | 283,643 | 283,643 | (21,568) |
| Net Change in Fund Balance | (18,705) | - | - | - | (24,431) |
| Fund Balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ (18,705)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (24,431)</u> |

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

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

Statistical Section

Hank Hearn

**BEAUFORT COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017
STATISTICAL SECTION**

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

| CONTENTS | PAGE |
|---|-------------|
| Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | 148 - 153 |
| Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, property tax. | 154 - 157 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. | 158 - 162 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | 163 - 164 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | 165 - 167 |

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

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

| | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 70,906,216 | \$ 82,426,443 | \$ 126,759,144 | \$ 150,354,190 | \$ 182,140,936 | \$ 235,805,103 | \$ 248,042,213 | \$ 258,464,624 | \$ 297,559,730 | \$ 250,724,674 |
| Restricted | 48,605,864 | 34,763,370 | 76,403,806 | 110,042,845 | 109,480,674 | 81,168,869 | 94,621,380 | 103,427,275 | 74,429,250 | 132,328,862 |
| Unrestricted | 45,443,709 | 83,769,216 | 27,135,536 | 1,807,004 | 2,286,272 | 5,092,524 | (9,776,030) | (67,733,915) | (47,981,906) | (69,322,749) |
| Total governmental activities net position | \$ 164,955,789 | \$ 200,959,029 | \$ 230,298,486 | \$ 262,204,039 | \$ 293,907,882 | \$ 322,066,496 | \$ 332,887,563 | \$ 294,157,984 | \$ 324,007,074 | \$ 313,730,787 |
| Business-Type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 21,340,684 | \$ 23,074,168 | \$ 23,805,330 | \$ 24,456,698 | \$ 23,927,764 | \$ 23,961,592 | \$ 23,319,358 | \$ 27,565,326 | \$ 28,123,049 | \$ 28,226,279 |
| Unrestricted | 266,120 | (2,067,504) | (1,764,310) | (1,979,580) | (1,466,786) | (1,180,550) | (741,276) | (8,545,869) | (4,534,745) | (2,657,026) |
| Total business-type activities net position | \$ 21,606,804 | \$ 21,006,664 | \$ 22,041,020 | \$ 22,477,118 | \$ 22,460,978 | \$ 22,781,042 | \$ 22,578,082 | \$ 19,019,457 | \$ 23,588,304 | \$ 25,569,253 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 92,246,900 | \$ 105,500,611 | \$ 150,564,474 | \$ 174,810,888 | \$ 206,068,700 | \$ 259,766,695 | \$ 271,361,571 | \$ 286,029,950 | \$ 325,682,779 | \$ 278,950,953 |
| Restricted | 48,605,864 | 34,763,370 | 76,403,806 | 110,042,845 | 109,480,674 | 81,168,869 | 94,621,380 | 103,427,275 | 74,429,250 | 132,328,862 |
| Unrestricted | 45,709,829 | 81,701,712 | 25,371,226 | (172,576) | 819,486 | 3,911,974 | (10,517,306) | (76,279,784) | (52,516,651) | (71,979,775) |
| Total primary government net position | \$ 186,562,593 | \$ 221,965,693 | \$ 252,339,506 | \$ 284,681,157 | \$ 316,368,860 | \$ 344,847,538 | \$ 355,465,645 | \$ 313,177,441 | \$ 347,595,378 | \$ 339,300,040 |

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

| | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>Expenses</u> | | | | | | | | | | |
| <u>Governmental Activities</u> | | | | | | | | | | |
| General Government | \$ 27,566,886 | \$ 33,883,983 | \$ 35,336,670 | \$ 33,610,134 | \$ 32,119,250 | \$ 32,641,163 | \$ 34,741,478 | \$ 34,268,122 | \$ 42,236,133 | \$ 48,649,308 |
| Public Safety | 45,505,447 | 49,090,928 | 50,524,200 | 48,927,744 | 51,231,345 | 52,481,136 | 57,185,897 | 53,323,890 | 48,929,013 | 87,661,802 |
| Public Works | 21,017,930 | 19,920,007 | 20,434,597 | 20,753,287 | 19,944,114 | 23,403,821 | 22,259,047 | 24,696,310 | 22,106,941 | 23,251,203 |
| Public Health | 9,545,159 | 12,227,572 | 12,267,824 | 11,859,259 | 11,881,484 | 11,987,651 | 11,462,648 | 10,667,458 | 12,128,941 | 12,440,379 |
| Public Welfare | 2,082,811 | 1,935,787 | 2,402,787 | 3,143,475 | 2,373,551 | 2,317,902 | 3,243,469 | 3,023,487 | 2,108,695 | 2,342,367 |
| Cultural and Recreation | 11,682,973 | 16,947,113 | 15,963,929 | 15,339,501 | 13,863,794 | 16,064,581 | 15,583,049 | 14,936,898 | 13,887,875 | 14,006,380 |
| Interest | 10,691,835 | 10,906,551 | 10,812,119 | 11,585,371 | 10,596,657 | 9,087,049 | 9,293,605 | 6,641,311 | 6,222,321 | 5,643,381 |
| Total Governmental Activities Expenses | <u>128,093,041</u> | <u>144,911,941</u> | <u>147,742,126</u> | <u>145,218,771</u> | <u>142,010,195</u> | <u>147,983,303</u> | <u>153,769,193</u> | <u>147,557,476</u> | <u>147,619,919</u> | <u>193,994,820</u> |
| <u>Business-Type Activities</u> | | | | | | | | | | |
| Garage | 4,778,275 | - | - | - | - | - | - | - | - | - |
| Stormwater Utility | 2,896,205 | 3,027,952 | 3,677,985 | 3,758,958 | 3,124,645 | 3,246,022 | 3,175,708 | 3,534,035 | 3,663,825 | 4,063,867 |
| Lady's Island Airport | 909,516 | 1,129,236 | 664,128 | 693,783 | 668,094 | 667,068 | 602,879 | 703,949 | 901,521 | 610,714 |
| Hilton Head Airport | 4,475,379 | 2,478,208 | 2,558,747 | 2,191,050 | 3,236,793 | 2,565,348 | 2,829,612 | 4,517,883 | 8,330,082 | 11,505,178 |
| Total Business-Type Expenses | <u>13,059,375</u> | <u>6,635,396</u> | <u>6,900,860</u> | <u>6,643,791</u> | <u>7,029,532</u> | <u>6,478,438</u> | <u>6,608,199</u> | <u>8,755,867</u> | <u>12,895,428</u> | <u>16,179,759</u> |
| Total Government Expenses | <u>\$ 141,152,416</u> | <u>\$ 151,547,337</u> | <u>\$ 154,642,986</u> | <u>\$ 151,862,562</u> | <u>\$ 149,039,727</u> | <u>\$ 154,461,741</u> | <u>\$ 160,377,392</u> | <u>\$ 156,313,343</u> | <u>\$ 160,515,347</u> | <u>\$ 210,174,579</u> |

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

| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|---|------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General Government | \$ 13,170,035 | \$ 16,717,090 | \$ 17,046,292 | \$ 17,668,968 | \$ 18,499,976 | \$ 18,342,329 | \$ 18,929,100 | \$ 18,874,705 | \$ 15,720,868 | \$ 18,431,740 |
| Public Safety | 7,990,064 | 7,193,599 | 7,130,652 | 7,437,462 | 6,871,580 | 8,510,306 | 6,774,011 | 7,372,252 | 8,153,290 | 8,674,298 |
| Public Works | 7,016,889 | 3,125,389 | 3,502,896 | 3,031,913 | 3,680,979 | 4,283,664 | 4,319,788 | 4,545,834 | 5,865,323 | 9,444,459 |
| Public Health | 410,076 | 479,704 | 551,682 | 525,615 | 525,594 | 522,846 | 535,092 | 597,297 | 591,235 | 626,822 |
| Public Welfare | 16,525 | 22,429 | 72,702 | 40,715 | 40,913 | 64,283 | 60,147 | 87,992 | 144,682 | 170,795 |
| Cultural and Recreation | 2,809,504 | 1,098,497 | 1,279,808 | 1,453,157 | 1,602,628 | 1,912,336 | 2,035,420 | 2,301,655 | 2,019,478 | 3,478,117 |
| Operating Grants and Contributions | 8,312,520 | 8,046,928 | 8,353,023 | 9,055,697 | 9,549,138 | 9,328,245 | 10,398,779 | 11,962,524 | 11,249,681 | 12,444,349 |
| Capital Grants and Contributions | 33,285,927 | 4,223,966 | 2,654,488 | 1,833,055 | 2,405,145 | 13,271,813 | 17,270,372 | 16,053,234 | 17,613,148 | 9,881,571 |
| Total Governmental Activities Program Revenues | <u>73,011,540</u> | <u>40,907,602</u> | <u>40,591,543</u> | <u>41,046,582</u> | <u>43,175,953</u> | <u>56,235,822</u> | <u>60,322,709</u> | <u>61,795,493</u> | <u>61,357,705</u> | <u>63,152,151</u> |
| Business-Type Activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Garage | 4,913,862 | - | - | - | - | - | - | - | - | - |
| Stormwater Utility | 3,233,196 | 2,845,833 | 3,713,687 | 3,381,644 | 3,209,895 | 3,155,000 | 3,190,705 | 3,232,499 | 5,393,162 | 5,818,715 |
| Lady's Island Airport | 729,620 | 535,016 | 490,691 | 530,525 | 567,734 | 560,766 | 528,390 | 552,091 | 529,750 | 567,029 |
| Hilton Head Airport | 1,508,468 | 1,473,958 | 1,435,463 | 1,449,414 | 1,495,360 | 1,793,155 | 1,830,654 | 1,777,043 | 1,638,483 | 1,605,813 |
| Operating Grants and Contributions | 244,468 | 124,881 | 133,223 | 134,837 | 116,234 | 112,695 | 116,090 | 65,450 | 65,440 | 50,560 |
| Capital Grants and Contributions | 1,004,624 | 986,411 | 1,862,895 | 1,563,425 | 1,562,938 | 1,175,792 | 735,231 | 1,476,192 | 9,782,233 | 10,095,453 |
| Total Business-Type Activities Program Revenues | <u>11,634,238</u> | <u>5,966,099</u> | <u>7,635,959</u> | <u>7,059,845</u> | <u>6,952,161</u> | <u>6,797,408</u> | <u>6,401,070</u> | <u>7,103,275</u> | <u>17,409,068</u> | <u>18,137,570</u> |
| Total Government Program Revenues | \$ 84,645,778 | \$ 46,873,701 | \$ 48,227,502 | \$ 48,106,427 | \$ 50,128,114 | \$ 63,033,230 | \$ 66,723,779 | \$ 68,898,768 | \$ 78,766,773 | \$ 81,289,721 |
| Net (Expense) / Revenue | | | | | | | | | | |
| Governmental Activities | \$ (55,081,501) | \$ (104,004,339) | \$ (107,150,583) | \$ (104,172,189) | \$ (98,834,242) | \$ (91,747,481) | \$ (93,446,484) | \$ (85,761,983) | \$ (86,262,214) | \$ (130,842,669) |
| Business-Type Activities | (1,425,137) | (669,297) | 735,099 | 416,054 | (77,371) | 318,970 | (207,129) | (1,652,592) | 4,513,640 | 1,957,811 |
| Total Government Net (Expense) / Revenue | \$ (56,506,638) | \$ (104,673,636) | \$ (106,415,484) | \$ (103,756,135) | \$ (98,911,613) | \$ (91,428,511) | \$ (93,653,613) | \$ (87,414,575) | \$ (81,748,574) | \$ (128,884,858) |

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

| | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>General Revenues and Other Changes in Net Assets</u> | | | | | | | | | | |
| <u>Governmental Activities</u> | | | | | | | | | | |
| Property Taxes | \$ 55,867,689 | \$ 92,725,922 | \$ 91,394,021 | \$ 94,804,284 | \$ 93,571,238 | \$ 94,819,998 | \$ 91,907,959 | \$ 96,129,087 | \$ 101,550,345 | \$ 109,147,291 |
| Sales Taxes | 25,531,506 | 30,440,867 | 28,257,192 | 29,292,574 | 30,442,155 | 15,043,485 | 330,889 | 105,253 | 31,232 | 27,661 |
| Grants and contributions not restricted | 9,621,104 | 10,353,360 | 9,638,402 | 8,868,758 | 9,588,551 | 7,944,710 | 8,414,711 | 8,478,141 | 8,513,761 | 9,342,544 |
| Unrestricted investment earnings | 4,701,846 | 3,728,745 | 4,093,395 | 1,378,709 | 883,768 | 540,155 | 293,213 | 269,080 | 495,848 | 581,229 |
| Special item - decrease in other post-employment benefit cost | - | - | - | - | - | - | - | 27,520,071 | 1,353,498 | - |
| Transfers In / (Out) | 1,863,867 | - | (250,000) | (2,500) | - | - | - | - | - | - |
| Gain/(Loss) on Sale of Capital Assets | - | - | 4,460 | (98,017) | - | - | - | - | - | - |
| Miscellaneous | 9,342,263 | 2,758,685 | 3,352,570 | 1,833,934 | 1,841,926 | 1,557,747 | 3,320,779 | 2,366,433 | 1,955,858 | 1,467,657 |
| Total Governmental Activities | 106,928,275 | 140,007,579 | 136,490,040 | 136,077,742 | 136,327,638 | 119,906,095 | 104,267,551 | 134,868,065 | 113,900,542 | 120,566,382 |
| <u>Business-Type Activities</u> | | | | | | | | | | |
| Unrestricted Investments Earnings | 86,760 | 59,803 | 48,779 | 11,282 | 11,231 | 4,835 | 4,169 | 3,133 | 14,710 | 19,694 |
| Special item - decrease in other post-employment benefit cost | - | - | - | - | - | - | - | 1,230,929 | 38,502 | - |
| Transfers In / (Out) | (1,863,867) | - | 250,000 | 2,500 | - | - | - | - | - | - |
| Gain/(Loss) on Sale of Capital Assets | - | - | 478 | 6,262 | 50,000 | (3,741) | - | - | - | - |
| Miscellaneous | 270 | 9,354 | - | - | - | - | - | 1,079 | 1,995 | 3,444 |
| Total Business-Type Activities | (1,776,837) | 69,157 | 299,257 | 20,044 | 61,231 | 1,094 | 4,169 | 1,235,141 | 55,207 | 23,138 |
| Total Government | \$ 105,151,438 | \$ 140,076,736 | \$ 136,789,297 | \$ 136,097,786 | \$ 136,388,869 | \$ 119,907,189 | \$ 104,271,720 | \$ 136,103,206 | \$ 113,955,749 | \$ 120,589,520 |
| <u>Changes in Net Position</u> | | | | | | | | | | |
| Governmental Activities | \$ 51,846,774 | \$ 36,003,240 | \$ 29,339,457 | \$ 31,905,553 | \$ 37,493,396 | \$ 28,158,614 | \$ 10,821,067 | \$ 49,106,082 | \$ 27,638,328 | \$ (10,276,287) |
| Business-Type Activities | (3,201,974) | (600,140) | 1,034,356 | 436,098 | (16,140) | 320,064 | (202,960) | (417,451) | 4,568,847 | 1,980,949 |
| Total Government Changes in Net Position | \$ 48,644,800 | \$ 35,403,100 | \$ 30,373,813 | \$ 32,341,651 | \$ 37,477,256 | \$ 28,478,678 | \$ 10,618,107 | \$ 48,688,631 | \$ 32,207,175 | \$ (8,295,338) |

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

| | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>FY 2017</u> |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 827,243 | \$ 2,168,732 | \$ 2,023,487 | | | | | | | |
| Unreserved | <u>18,929,748</u> | <u>18,771,412</u> | <u>16,217,306</u> | | | | | | | |
| Total General Fund | <u>\$ 19,756,991</u> | <u>\$ 20,940,144</u> | <u>\$ 18,240,793</u> | | | | | | | |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 103,005,448 | \$ 137,996,015 | \$ 140,360,312 | | | | | | | |
| Unreserved, Reported In: | | | | | | | | | | |
| Special revenue funds | <u>32,852,969</u> | <u>34,484,177</u> | <u>-</u> | | | | | | | |
| Total All Other Governmental Funds | <u>\$ 135,858,417</u> | <u>\$ 172,480,192</u> | <u>\$ 140,360,312</u> | | | | | | | |
| Total All Governmental Funds | <u>\$ 155,615,408</u> | <u>\$ 193,420,336</u> | <u>\$ 158,601,105</u> | | | | | | | |
| General Fund | | | | | | | | | | |
| Nonspendable | | | | \$ 2,829,512 | \$ 2,227,326 | \$ 2,061,612 | \$ 1,289,814 | \$ 1,607,787 | \$ 1,198,811 | \$ 1,980,794 |
| Committed | | | | 960,216 | 150,788 | 218,526 | 186,084 | 23,537 | 247,507 | 313,641 |
| Assigned | | | | - | 23,697 | 1,733,143 | 1,047,473 | 381,041 | 452,883 | 1,700,200 |
| Unassigned | | | | <u>14,930,011</u> | <u>19,940,197</u> | <u>20,207,988</u> | <u>21,249,298</u> | <u>24,682,018</u> | <u>26,653,761</u> | <u>23,772,760</u> |
| Total General Fund | | | | <u>\$ 18,719,739</u> | <u>\$ 22,342,008</u> | <u>\$ 24,221,269</u> | <u>\$ 23,772,669</u> | <u>\$ 26,694,383</u> | <u>\$ 28,552,962</u> | <u>\$ 27,767,395</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | | | | \$ 2,418,050 | \$ 1,268,394 | \$ 1,199,446 | \$ 2,514,805 | \$ 4,464,642 | \$ 72,968 | \$ 99,269 |
| Restricted | | | | 126,929,680 | 124,459,879 | 108,228,779 | 92,038,827 | 98,868,411 | 87,145,361 | 132,176,998 |
| Committed | | | | 4,466 | 32,889 | 56,058 | 67,748 | 94,222 | 94,911 | 52,595 |
| Unassigned (Deficit) | | | | <u>(1,361)</u> | <u>(28,933)</u> | <u>365,494</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total All Other Governmental Funds | | | | <u>\$ 129,350,835</u> | <u>\$ 125,732,229</u> | <u>\$ 109,849,777</u> | <u>\$ 94,621,380</u> | <u>\$ 103,427,275</u> | <u>\$ 87,313,240</u> | <u>\$ 132,328,862</u> |
| Total All Governmental Funds | | | | <u>\$ 148,070,574</u> | <u>\$ 148,074,237</u> | <u>\$ 134,071,046</u> | <u>\$ 118,394,049</u> | <u>\$ 130,121,658</u> | <u>\$ 115,866,202</u> | <u>\$ 160,096,257</u> |

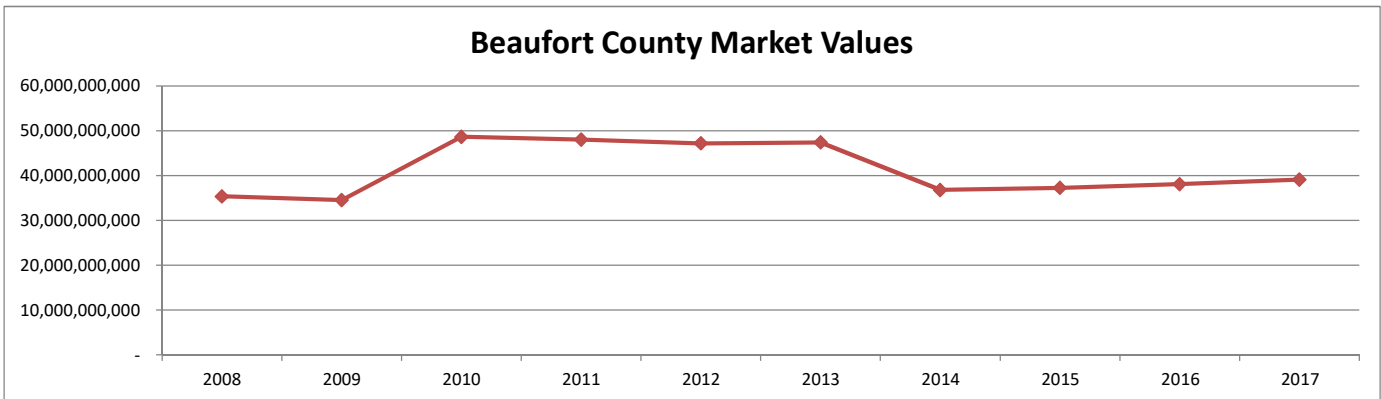
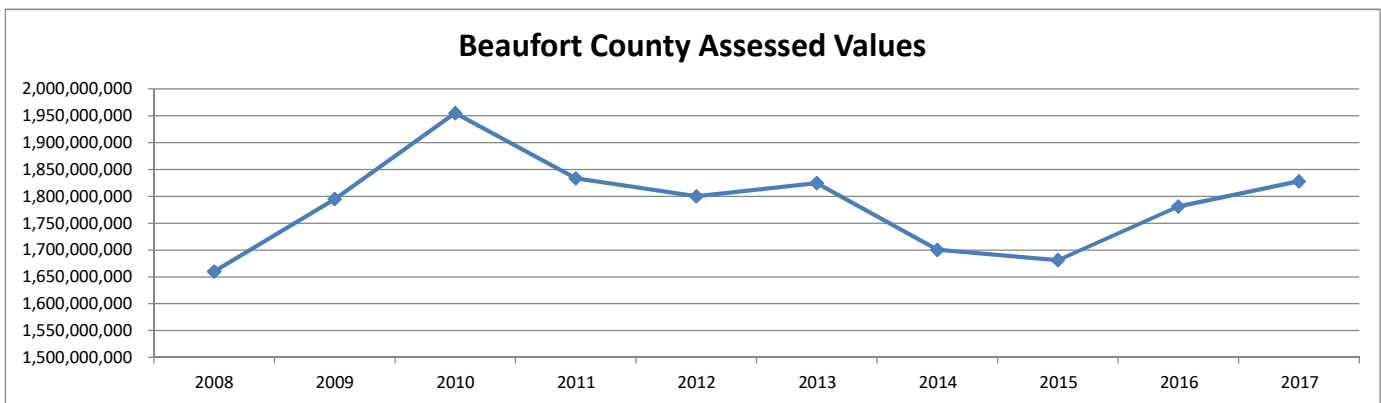
GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, became effective for fiscal year 2011 and established fund balance classifications that comprise a heirachy based primarily on the extent to which a government is bound to honor constraints imposed upon the use of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

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

| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|---|----------------------|----------------------|------------------------|------------------------|---------------------|------------------------|------------------------|----------------------|------------------------|----------------------|
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 80,919,392 | \$ 92,251,291 | \$ 91,228,738 | \$ 94,610,886 | \$ 93,350,153 | \$ 94,786,696 | \$ 92,501,314 | \$ 95,351,350 | \$ 101,676,345 | \$ 109,274,083 |
| Licenses and Permits | 15,244,516 | 8,289,425 | 8,024,048 | 7,960,357 | 9,924,740 | 10,705,122 | 11,348,536 | 12,074,801 | 12,655,858 | 18,366,032 |
| Intergovernmental | 51,219,551 | 53,065,121 | 48,903,105 | 49,050,084 | 51,984,989 | 45,588,253 | 36,414,751 | 36,611,786 | 33,572,097 | 35,530,696 |
| Charges for Services | 14,880,644 | 14,533,541 | 15,672,535 | 16,342,605 | 15,221,171 | 17,105,139 | 15,467,080 | 16,387,825 | 17,731,291 | 19,578,971 |
| Fines and Forfeitures | 1,287,933 | 1,354,535 | 1,483,077 | 1,126,116 | 1,015,739 | 898,436 | 1,007,091 | 1,073,474 | 1,344,423 | 922,497 |
| Interest | 4,701,846 | 3,728,745 | 1,175,420 | 782,749 | 883,768 | 540,155 | 293,213 | 269,082 | 495,852 | 581,160 |
| Settlements | 6,503,786 | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 3,091,560 | 2,932,325 | 3,352,568 | 1,833,934 | 1,841,926 | 1,557,747 | 3,320,779 | 2,365,713 | 1,955,857 | 1,492,658 |
| Total Revenues | 177,849,228 | 176,154,983 | 169,839,491 | 171,706,731 | 174,222,486 | 171,181,548 | 160,352,764 | 164,134,031 | 169,431,723 | 185,746,097 |
| Expenditures | | | | | | | | | | |
| General Government | 24,281,947 | 26,138,110 | 26,791,534 | 24,479,751 | 23,497,733 | 23,658,058 | 24,808,234 | 25,358,150 | 37,126,529 | 39,552,934 |
| Public Safety | 42,629,557 | 45,642,410 | 42,542,591 | 42,639,887 | 43,222,080 | 44,182,336 | 46,846,910 | 48,381,271 | 45,583,499 | 45,115,821 |
| Public Works | 19,505,060 | 17,298,711 | 15,414,631 | 16,027,746 | 14,792,685 | 17,550,180 | 14,480,016 | 15,958,306 | 13,617,653 | 14,495,178 |
| Public Health | 9,648,711 | 12,170,658 | 12,045,705 | 11,598,713 | 11,218,245 | 11,306,171 | 10,758,045 | 10,490,248 | 11,487,899 | 11,742,116 |
| Public Welfare | 1,552,651 | 1,456,197 | 1,823,168 | 2,494,653 | 1,915,122 | 1,794,172 | 2,720,482 | 2,525,257 | 2,108,695 | 2,342,367 |
| Cultural and Recreation | 9,364,666 | 13,980,694 | 13,734,989 | 12,897,385 | 11,210,985 | 13,132,712 | 12,323,751 | 11,961,423 | 10,946,319 | 11,039,804 |
| Disaster related expenditures | - | - | - | - | - | - | - | - | - | 38,727,223 |
| Debt Service-Principal | 7,615,000 | 25,395,000 | 7,565,000 | 10,170,000 | 11,820,000 | 72,805,000 | 14,280,980 | 13,453,464 | 14,121,038 | 17,613,699 |
| Debt Service-Interest and Fees | 10,119,245 | 11,039,289 | 10,926,464 | 11,491,994 | 11,698,673 | 10,443,924 | 8,142,957 | 8,754,441 | 8,444,266 | 7,857,324 |
| Capital Projects | 51,042,649 | 38,983,986 | 76,482,615 | 59,155,593 | 49,619,275 | 43,528,784 | 41,668,386 | 36,170,318 | 44,421,752 | 38,110,477 |
| Total Expenditures | 175,759,486 | 192,105,055 | 207,326,697 | 190,955,722 | 178,994,798 | 238,401,337 | 176,029,761 | 173,052,878 | 187,857,650 | 226,596,943 |
| Excess (deficiency) of revenues over expenditures | 2,089,742 | (15,950,072) | (37,487,206) | (19,248,991) | (4,772,312) | (67,219,789) | (15,676,997) | (8,918,847) | (18,425,927) | (40,850,846) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of Bonds | 43,030,000 | 53,755,000 | 48,755,000 | 8,125,000 | 12,500,000 | 49,265,000 | - | 19,450,000 | - | 51,000,000 |
| Issuance of BANs | - | - | - | - | - | - | - | - | - | 30,250,000 |
| Debt Service-Principal - Refinancing of BANs | - | - | (48,755,000) | - | - | - | - | - | - | - |
| Issuance of Refunding Debt | - | - | - | - | 15,295,000 | 58,335,000 | - | 22,570,000 | 17,950,000 | 6,110,000 |
| Payments to Refunding Debt Escrow Agent | - | - | - | - | (17,312,305) | (65,909,303) | - | (24,811,938) | (19,091,723) | (6,405,000) |
| Issuance of Long-term Debt | - | - | - | - | - | - | - | - | 4,000,000 | - |
| Bond Premiums | - | - | 2,917,975 | 595,960 | 2,368,280 | 11,525,901 | - | 3,438,394 | 1,312,194 | 4,794,335 |
| Transfers In | 18,842,778 | 17,631,847 | 19,413,742 | 13,351,316 | 15,409,058 | 27,323,615 | 23,928,262 | 19,629,618 | 8,759,152 | 11,158,117 |
| Transfers Out | (16,978,911) | (17,631,847) | (19,663,742) | (13,353,816) | (15,409,058) | (27,323,615) | (23,928,262) | (19,629,618) | (8,759,152) | (11,826,551) |
| Total Other Financing Sources (Uses) | 44,893,867 | 53,755,000 | 2,667,975 | 8,718,460 | 12,850,975 | 53,216,598 | - | 20,646,456 | 4,170,471 | 85,080,901 |
| Net Change in Fund Balance | \$ 46,983,609 | \$ 37,804,928 | \$ (34,819,231) | \$ (10,530,531) | \$ 8,078,663 | \$ (14,003,191) | \$ (15,676,997) | \$ 11,727,609 | \$ (14,255,456) | \$ 44,230,055 |
| Debt Service as a Percentage of Noncapital Expenditures | 14.2% | 23.8% | 14.1% | 16.4% | 18.2% | 42.7% | 16.7% | 16.2% | 15.7% | 13.5% |

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

| Fiscal Year | Real Property | | | Personal Property | | | Totals | | Total Direct Tax Rate |
|-------------|----------------|----------------|-------|-------------------|---------------|--------|----------------|----------------|-----------------------|
| | Assessed Value | Market Value | | Assessed Value | Market Value | | Assessed Value | Market Value | |
| 2008 | 1,452,621,579 | 32,753,008,310 | 4.44% | 207,538,743 | 2,626,086,500 | 7.90% | 1,660,160,322 | 35,379,094,810 | 47.40 |
| 2009 | 1,551,233,656 | 32,339,226,541 | 4.80% | 243,531,884 | 2,212,126,019 | 11.01% | 1,794,765,540 | 34,551,352,560 | 51.90 |
| 2010 | 1,720,365,297 | 45,978,771,345 | 3.74% | 234,553,487 | 2,691,291,572 | 8.72% | 1,954,918,784 | 48,670,062,917 | 45.96 |
| 2011 | 1,610,653,303 | 45,535,333,122 | 3.54% | 222,826,243 | 2,522,695,723 | 8.83% | 1,833,479,546 | 48,058,028,845 | 47.54 |
| 2012 | 1,614,373,168 | 45,028,233,052 | 3.59% | 185,451,491 | 2,186,088,790 | 8.48% | 1,799,824,659 | 47,214,321,842 | 47.54 |
| 2013 | 1,614,166,744 | 44,735,468,004 | 3.61% | 210,531,440 | 2,692,952,990 | 7.82% | 1,824,698,184 | 47,428,420,994 | 48.52 |
| 2014 | 1,503,246,950 | 34,226,412,913 | 4.39% | 197,121,500 | 2,573,608,850 | 7.66% | 1,700,368,450 | 36,800,021,763 | 56.30 |
| 2015 | 1,456,623,792 | 34,326,777,040 | 4.24% | 224,587,180 | 2,943,436,442 | 7.63% | 1,681,210,972 | 37,270,213,482 | 56.86 |
| 2016 | 1,537,918,460 | 34,954,579,643 | 4.40% | 243,102,990 | 3,146,262,710 | 7.73% | 1,781,021,450 | 38,100,842,353 | 59.15 |
| 2017 | 1,569,859,790 | 35,756,421,947 | 4.39% | 258,073,760 | 3,352,079,267 | 7.70% | 1,827,933,550 | 39,108,501,214 | 61.27 |



Source: Beaufort County Tax Database

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

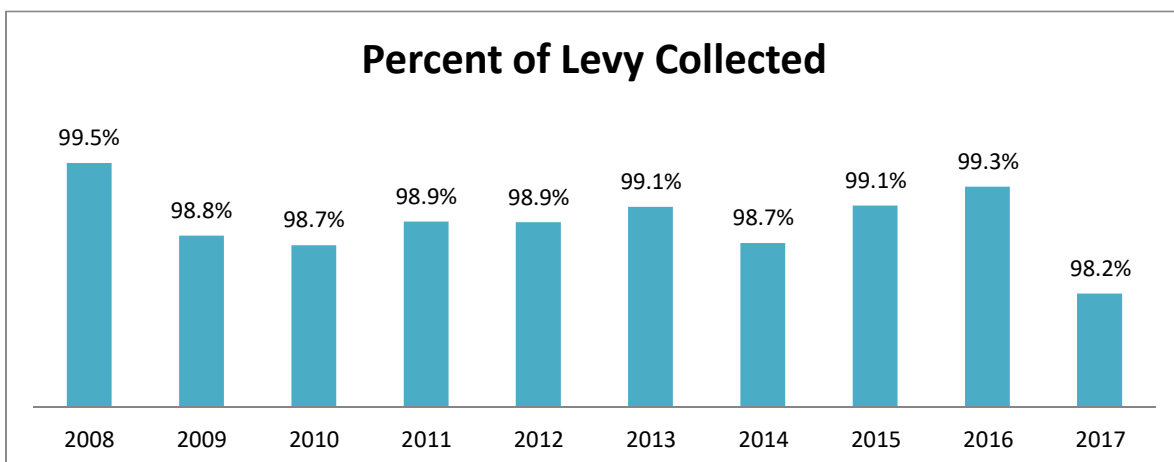
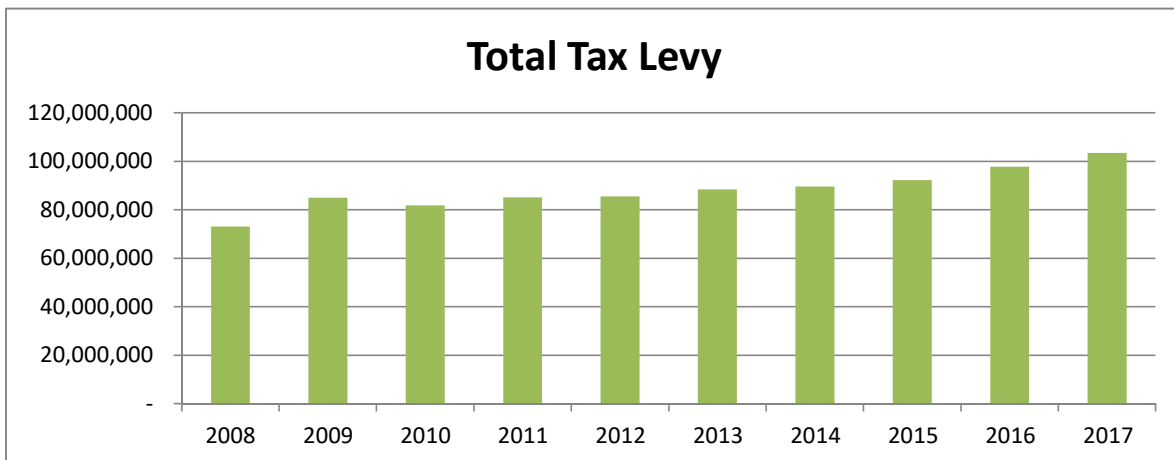
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------|--------|-------|-------|-------|-------|-------|--------|--------|--------|
| <u>County-Wide Levies</u> | | | | | | | | | | |
| County-Operations | 38.90 | 45.50 | 40.21 | 40.21 | 40.21 | 40.21 | 46.48 | 46.48 | 48.77 | 50.89 |
| County-Debt Service | 5.80 | 4.00 | 3.62 | 4.57 | 4.57 | 4.44 | 5.48 | 5.48 | 5.48 | 5.48 |
| County-Purchase of Real Property Program | 2.70 | 2.40 | 2.13 | 2.76 | 2.76 | 3.87 | 4.34 | 4.90 | 4.90 | 4.90 |
| Total Direct Tax Rate | 47.40 | 51.90 | 45.96 | 47.54 | 47.54 | 48.52 | 56.30 | 56.86 | 59.15 | 61.27 |
| School-Operations | 97.30 | 102.60 | 90.26 | 90.26 | 90.26 | 92.26 | 97.45 | 103.50 | 103.50 | 111.50 |
| School-Operations Surcharge | 2.90 | - | - | - | - | - | - | - | - | - |
| School-Debt Service | 22.60 | 28.00 | 24.43 | 26.33 | 28.00 | 28.00 | 31.71 | 31.71 | 31.71 | 31.71 |
| Indigent Health Care | 1.50 | - | - | - | - | - | - | - | - | - |
| Continuing Education | 3.00 | - | - | - | - | - | - | - | - | - |
| <u>Municipal Levies</u> | | | | | | | | | | |
| City of Beaufort | 52.80 | 52.80 | 60.62 | 60.62 | 60.62 | 60.62 | 66.61 | 72.62 | 72.61 | 73.57 |
| Town of Port Royal | 74.00 | 74.00 | 69.00 | 69.00 | 69.00 | 69.00 | 69.00 | 69.00 | 72.00 | 72.00 |
| Town of Bluffton | 40.00 | 40.00 | 38.00 | 38.00 | 38.00 | 38.00 | 44.35 | 44.35 | 44.35 | 42.35 |
| Town of Hilton Head | 19.00 | 19.36 | 18.54 | 18.54 | 19.33 | 19.33 | 20.83 | 21.35 | 22.18 | 22.18 |
| Town of Yemassee | 68.00 | 68.00 | 70.00 | 70.00 | 70.00 | 70.00 | 70.00 | 70.00 | 70.00 | 70.00 |
| <u>Fire Levies</u> | | | | | | | | | | |
| Bluffton Fire-Operation | 21.10 | 22.30 | 19.67 | 19.67 | 19.67 | 20.49 | 24.02 | 24.02 | 24.02 | 24.64 |
| Bluffton Fire-Debt Service | 0.90 | 0.40 | 0.37 | 0.38 | 0.38 | - | - | - | 1.22 | 1.10 |
| Burton Fire-Operations | 55.10 | 58.10 | 55.87 | 55.87 | 55.87 | 58.21 | 60.18 | 60.18 | 60.66 | 62.42 |
| Burton Fire-Debt Service | 6.00 | 5.00 | 5.53 | 5.53 | 5.53 | 5.53 | 5.74 | 5.74 | 5.26 | 5.26 |
| Daufuskie Island Fire-Operations | 31.50 | 33.20 | 30.11 | 30.71 | 31.74 | 33.07 | 52.57 | 54.72 | 56.98 | 58.44 |
| Daufuskie Island Fire-Debt Service | 2.60 | 2.50 | 2.23 | - | - | - | 2.00 | 2.00 | 2.00 | - |
| Lady's Island/St. Helena-Operations | 30.70 | 32.40 | 30.39 | 31.00 | 32.04 | 33.34 | 34.82 | 35.94 | 36.94 | 37.92 |
| Lady's Island/St. Helena-Debt Service | 1.70 | 1.70 | 1.50 | 1.50 | 1.50 | 1.50 | 2.30 | 2.36 | 2.20 | 2.20 |
| Sheldon Fire-Operations | 37.00 | 37.50 | 32.09 | 32.22 | 32.22 | 33.11 | 34.53 | 35.82 | 36.33 | 36.86 |
| Sheldon Fire-Debt Services | 2.50 | 2.50 | 2.14 | 2.18 | 2.18 | 2.18 | 2.20 | 2.20 | 2.20 | 2.20 |

Source: Beaufort County Auditor

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

| Fiscal Year | Total Levy (1) | Current Tax Collections | Percent of Levy Collected | Collections in Subsequent Years | Total Tax Collections | Total Collections As Percent of Levy |
|-------------|----------------|-------------------------|---------------------------|---------------------------------|-----------------------|--------------------------------------|
| 2008 | 73,087,091 | 72,399,594 | 99.1% | 330,913 | 72,730,507 | 99.5% |
| 2009 | 84,939,782 | 82,472,648 | 97.1% | 1,417,008 | 83,889,656 | 98.8% |
| 2010 | 81,772,052 | 79,374,355 | 97.1% | 1,305,354 | 80,679,709 | 98.7% |
| 2011 | 85,105,603 | 82,724,674 | 97.2% | 1,451,021 | 84,175,695 | 98.9% |
| 2012 | 85,514,629 | 83,110,564 | 97.2% | 1,463,404 | 84,573,968 | 98.9% |
| 2013 | 88,456,976 | 85,269,158 | 96.4% | 2,355,141 | 87,624,299 | 99.1% |
| 2014 | 89,653,758 | 87,379,532 | 97.5% | 1,095,086 | 88,474,618 | 98.7% |
| 2015 | 92,202,243 | 90,049,646 | 97.7% | 1,295,851 | 91,345,497 | 99.1% |
| 2016 | 97,769,937 | 95,721,602 | 97.9% | 1,332,188 | 97,053,790 | 99.3% |
| 2017 | 103,505,678 | 101,605,727 | 98.2% | - | 101,605,727 | 98.2% |

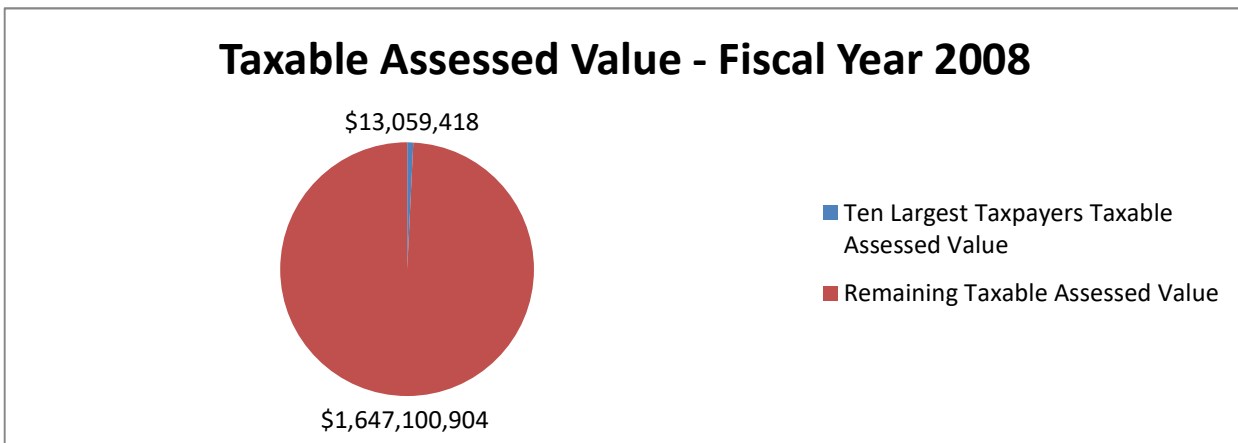
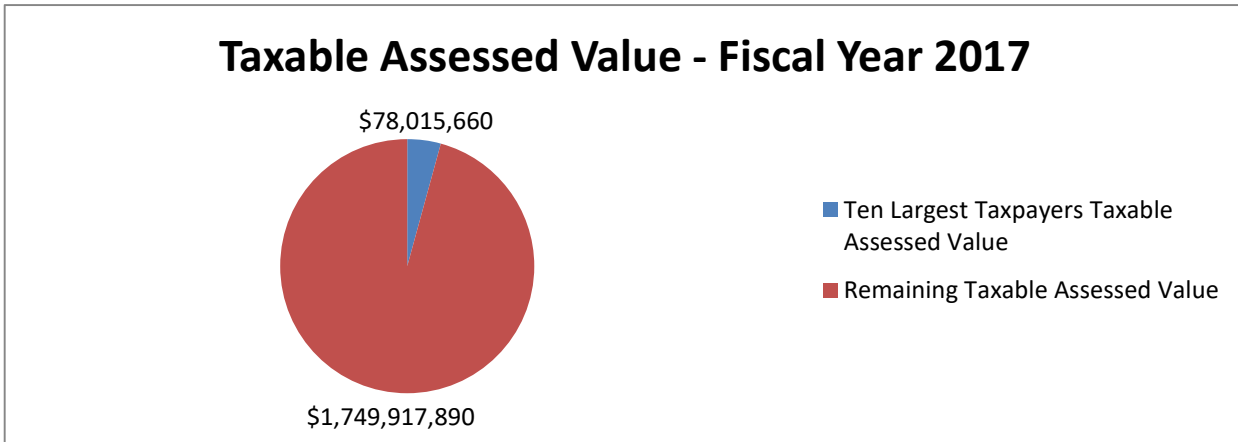
(1) - Includes County operations and maintenance levy, purchase of real property program levy, solid waste and recycling program levy, and debt service levy.



Source: Beaufort County Treasurer

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

| Taxpayer | 2017 Fiscal Year | | | 2008 Fiscal Year | | |
|-------------------------------------|------------------------|------|------------------------------------|------------------------|------|------------------------------------|
| | Taxable Assessed Value | Rank | Percentage of Total Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Assessed Value |
| South Carolina Electric & Gas | \$ 21,324,720 | 1 | 1.17% | \$ 3,166,870 | 2 | 0.19% |
| Marriott Ownership Resorts, Inc. | 19,134,300 | 2 | 1.05% | 3,550,827 | 1 | 0.21% |
| Palmetto Electric Cooperative, Inc. | 10,702,290 | 3 | 0.59% | 1,798,107 | 3 | 0.11% |
| Bluffton Telephone Company | 5,305,990 | 5 | 0.29% | N/A | | N/A |
| Sea Pines Resort LLC | 4,778,290 | 6 | 0.26% | 631,732 | 8 | 0.04% |
| Columbia Properties Hilton Head LLC | 4,764,090 | 4 | 0.26% | 817,776 | 5 | 0.05% |
| SCG Hilton Head Property LLC | 4,260,000 | 7 | 0.23% | 740,978 | 6 | 0.04% |
| Hargray Telephone Company | 2,781,270 | 8 | 0.15% | 818,701 | 4 | 0.05% |
| COROC/Hilton Head LLC | 2,593,890 | 9 | 0.14% | 407,310 | 10 | 0.02% |
| Publix Super Market | 2,370,820 | 10 | | N/A | | N/A |
| Preserve at Port Royal LLC | N/A | | N/A | N/A | | N/A |
| Greenwood Development Corp. | N/A | | N/A | 719,415 | 7 | 0.04% |
| United Telephone Company | N/A | | N/A | 407,702 | 9 | 0.02% |
| Total | \$ 78,015,660 | | 4.27% | \$ 13,059,418 | | 0.79% |

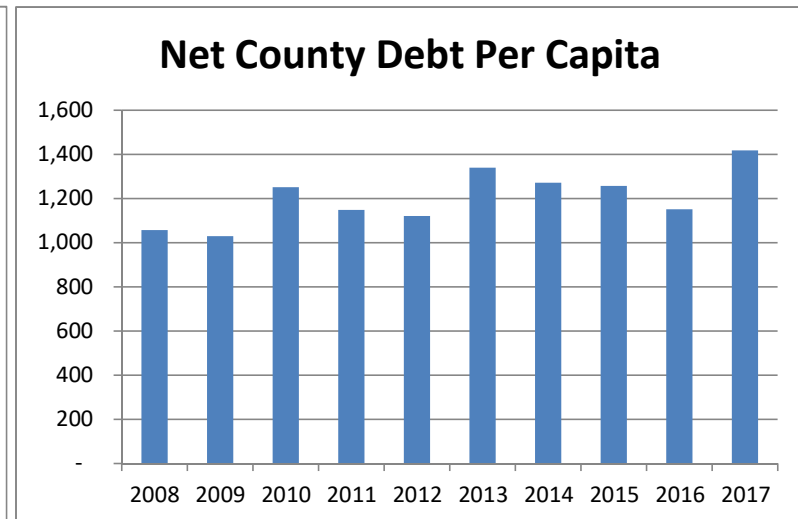
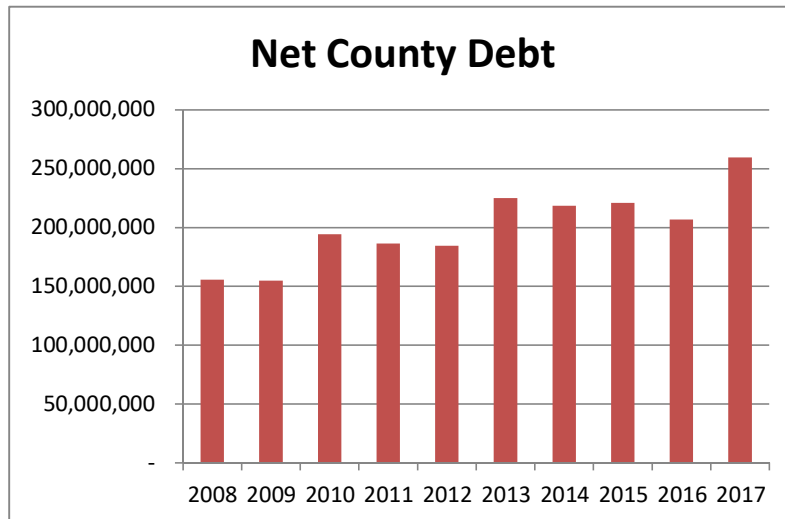


Source: Beaufort County Treasurer

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

| Fiscal Year | Estimated Population (1) | Assessed Value | General Obligation Bonds | Less: Debt Service Funds | Net County Debt | Ratio of Net County Debt to Assessed Value | Net County Debt Per Capita |
|-------------|--------------------------|----------------|--------------------------|--------------------------|-----------------|--|----------------------------|
| 2008 | 147,316 | 1,660,160,322 | 177,515,000 | 21,807,616 | 155,707,384 | 9.38% | 1,057 |
| 2009 | 150,415 | 1,794,765,540 | 159,305,000 | 4,361,432 | 154,943,568 | 8.63% | 1,030 |
| 2010 | 155,215 | 1,954,918,784 | 201,355,000 | 7,107,378 | 194,247,622 | 9.94% | 1,251 |
| 2011 | 162,233 | 1,833,479,546 | 200,555,000 | 14,234,168 | 186,320,832 | 10.16% | 1,148 |
| 2012 | 164,684 | 1,799,824,659 | 190,915,000 | 6,428,998 | 184,486,002 | 10.25% | 1,120 |
| 2013 | 168,049 | 1,824,698,184 | 235,811,387 | 10,729,541 | 225,081,846 | 12.34% | 1,339 |
| 2014 | 171,838 | 1,700,368,450 | 228,837,985 | 10,426,750 | 218,411,235 | 12.84% | 1,271 |
| 2015 | 175,852 | 1,681,210,972 | 233,933,174 | 12,920,104 | 221,013,070 | 13.15% | 1,257 |
| 2016 | 179,589 | 1,781,021,450 | 219,434,622 | 12,640,471 | 206,794,151 | 11.61% | 1,151 |
| 2017 | 183,149 | 1,827,933,550 | 283,501,455 | 23,799,011 | 259,702,444 | 14.21% | 1,418 |

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



BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2017

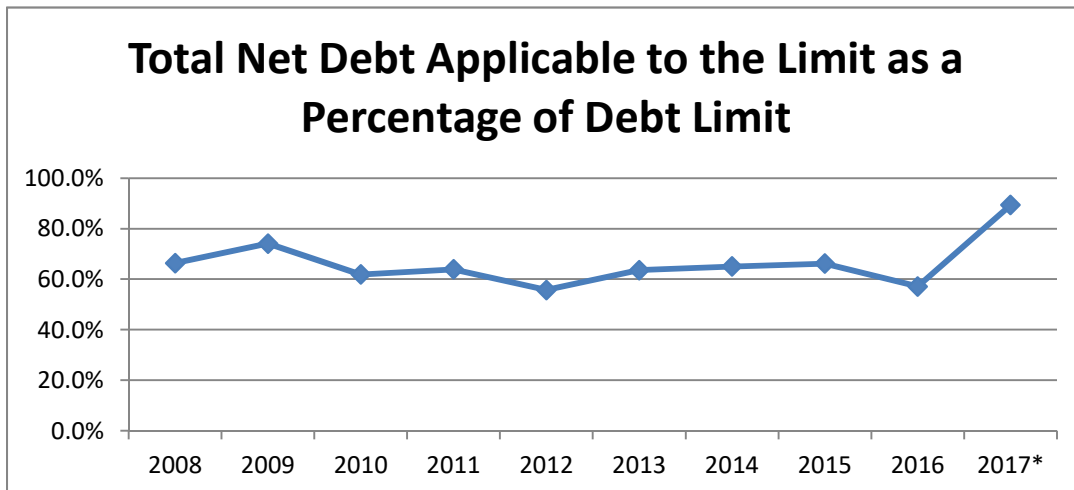
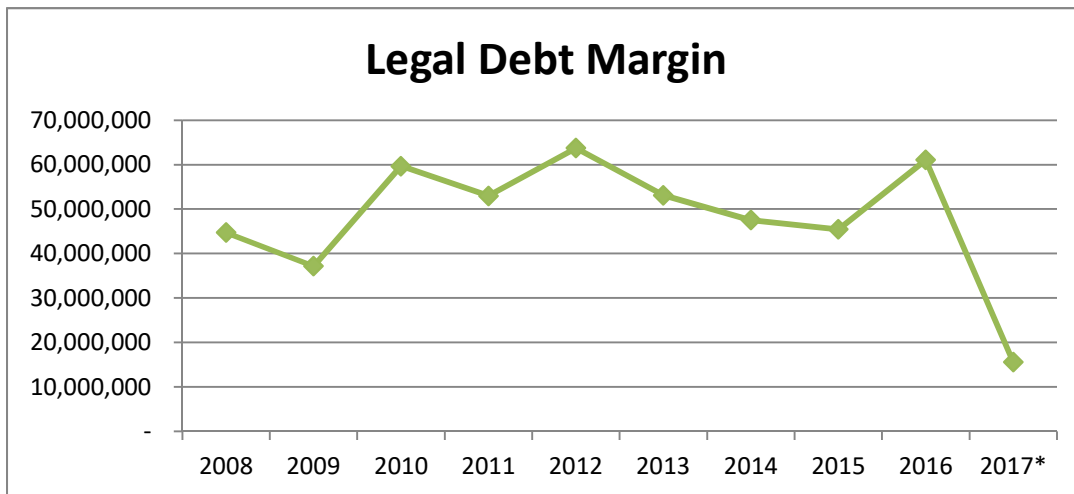
| | |
|---|--------------------------|
| Assessed Value - 2016 Tax Year (Fiscal Year 2017) | \$ 1,827,933,550 |
| | <u> x 8%</u> |
| Constitutional Debt Limit | 146,234,684 |
| Outstanding Subject to Debt Limit | <u>130,644,358</u> |
| Legal Debt Limit Remaining Without a Referendum | <u>\$ 15,590,326</u> |

| | |
|---|-----------------------|
| Total Outstanding General Obligation Debt | \$ 283,501,455 |
| Less General Obligation Debt Issued Under Referendum | (97,498,831) |
| Less General Obligation Debt Issued Paid by Other Sources | (35,307,634) |
| Less Premiums related to General Obligation Debt | (16,050,632) |
| Less Mortgage secured by real estate | <u>(4,000,000)</u> |
| Total Outstanding Debt Subject to Debt Limit | <u>\$ 130,644,358</u> |

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

| Fiscal Year | Debt Limit | Total Net Debt Applicable to Debt Limit | Legal Debt Margin | Total Net Debt Applicable to the Limit as a Percentage of Debt Limit |
|-------------|-------------|---|-------------------|--|
| 2008 | 132,812,826 | 88,104,325 | 44,708,501 | 66.3% |
| 2009 | 143,581,243 | 106,425,458 | 37,155,785 | 74.1% |
| 2010 | 156,393,503 | 96,733,089 | 59,660,414 | 61.9% |
| 2011 | 146,678,364 | 93,722,603 | 52,955,761 | 63.9% |
| 2012 | 143,985,973 | 80,253,597 | 63,732,376 | 55.7% |
| 2013 | 145,975,855 | 92,854,428 | 53,121,427 | 63.6% |
| 2014 | 136,029,476 | 88,506,497 | 47,522,979 | 65.1% |
| 2015 | 134,496,878 | 89,034,715 | 45,462,163 | 66.2% |
| 2016 | 142,481,716 | 81,400,573 | 61,081,143 | 57.1% |
| 2017* | 146,234,684 | 130,644,358 | 15,590,326 | 89.3% |

* GO BAN in the amount of \$30.25 million issued for Hurricane Matthew disaster related expenses.

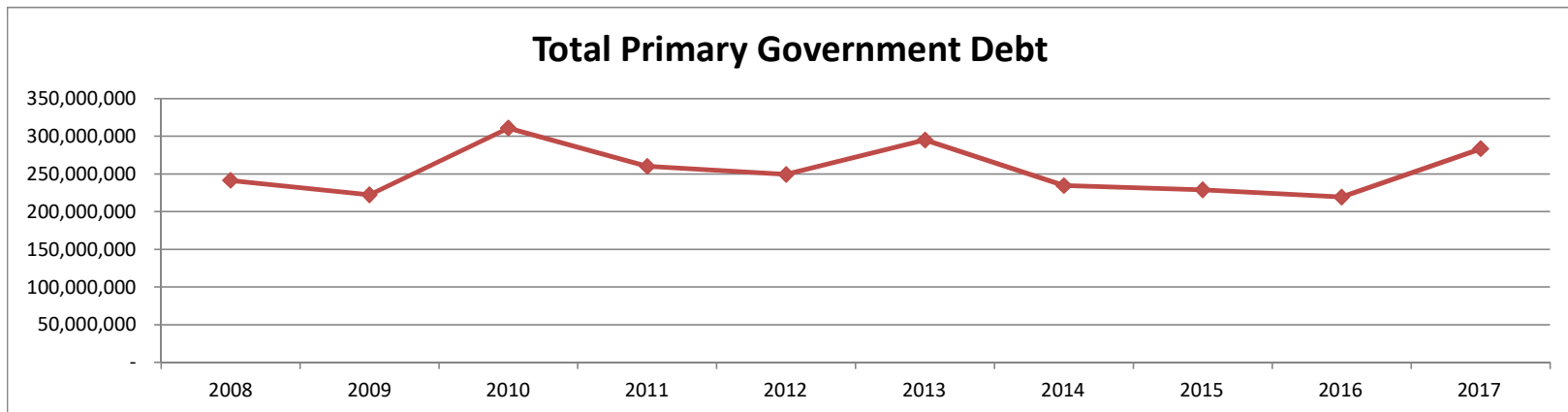


BEAUFORT COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year | Estimated Population (1) | Governmental Activities | | | | Business-Type Activities | | Total Primary Government Debt | Per Capita Personal Income (1) | Estimated Total Personal Income (2) | Percentage of Total Personal Income | Total Primary Government Debt Per Capita |
|-------------|--------------------------|--------------------------|----------------------------|----------------|-----------|--------------------------|-----------------------|-------------------------------|--------------------------------|-------------------------------------|-------------------------------------|--|
| | | General Obligation Bonds | TIF Revenue Bonds and BANs | Capital Leases | Mortgage | Note Payable | Total Government Debt | | | | | |
| 2008 | 147,316 | 177,515,000 | 63,190,000 | 240,588 | - | 382,191 | 241,327,779 | 44,191 | 6,510,041,356 | 3.71% | 1,638 | |
| 2009 | 150,415 | 159,305,000 | 62,760,000 | 210,091 | - | - | 222,275,091 | 42,918 | 6,455,510,970 | 3.44% | 1,478 | |
| 2010 | 155,215 | 201,355,000 | 109,330,000 | 178,390 | - | - | 310,863,390 | 41,662 | 6,466,567,330 | 4.81% | 2,003 | |
| 2011 | 162,233 | 200,555,000 | 59,715,000 | - | - | - | 260,270,000 | 43,584 | 7,070,763,072 | 3.68% | 1,604 | |
| 2012 | 164,684 | 190,915,000 | 58,470,000 | - | - | - | 249,385,000 | 45,122 | 7,430,871,448 | 3.36% | 1,514 | |
| 2013 | 168,049 | 235,811,387 | 59,410,000 | - | - | - | 295,221,387 | 45,222 | 7,599,511,878 | 3.88% | 1,757 | |
| 2014 | 171,838 | 228,837,985 | 5,685,000 | - | - | - | 234,522,985 | 46,137 | 7,928,089,806 | 2.96% | 1,365 | |
| 2015 | 175,852 | 220,921,444 | 5,767,750 | 2,148,791 | - | - | 228,837,985 | 47,051 | 8,274,012,452 | 2.77% | 1,301 | |
| 2016 | 179,589 | 227,555,765 | 4,586,750 | 1,790,659 | - | - | 219,434,622 | 47,982 | 8,617,039,398 | 2.55% | 1,222 | |
| 2017 | 183,149 | 249,251,455 | 30,250,000 | - | 4,000,000 | - | 283,501,455 | 48,134 | 8,815,693,966 | 3.22% | 1,548 | |

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

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



BEAUFORT COUNTY, SOUTH CAROLINA
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 June 30, 2017

| | Gross Debt Outstanding | Percentage Applicable to Beaufort County | Amount Applicable to Beaufort County |
|---|---------------------------|---|--|
| Beaufort County School District | \$ 336,493,177 | 100% | \$ 336,493,177 |
| City of Beaufort | 11,480,000 | 100% | 11,480,000 |
| Town of Bluffton | 15,528,284 | 100% | 15,528,284 |
| Town of Hilton Head | 114,880,000 | 100% | 114,880,000 |
| Town of Port Royal | 640,881 | 100% | 640,881 |
| Broad Creek Public Service District | - * | 100% | - |
| Fripp Island Public Service District | - * | 100% | - |
| Hilton Head No. 1 Public Service District | 13,460,389 | 100% | 13,460,389 |
| Burton Fire District | 1,382,938 | 100% | 1,382,938 |
| Bluffton Fire District | 7,682,420 | 100% | 7,682,420 |
| Lady's Island/St. Helena Island Fire District | 5,440,000 | 100% | 5,440,000 |
| Sheldon Fire District | <u>293,077</u> | 100% | <u>293,077</u> |
| Subtotal of Overlapping Debt | 507,281,166 | | 507,281,166 |
| Beaufort County Direct Debt | | | <u>283,501,455</u> |
| Total of Direct and Overlapping Debt | | | <u>\$ 790,782,621</u> |

Source: Debt outstanding provided by each governmental unit.

* Data not available

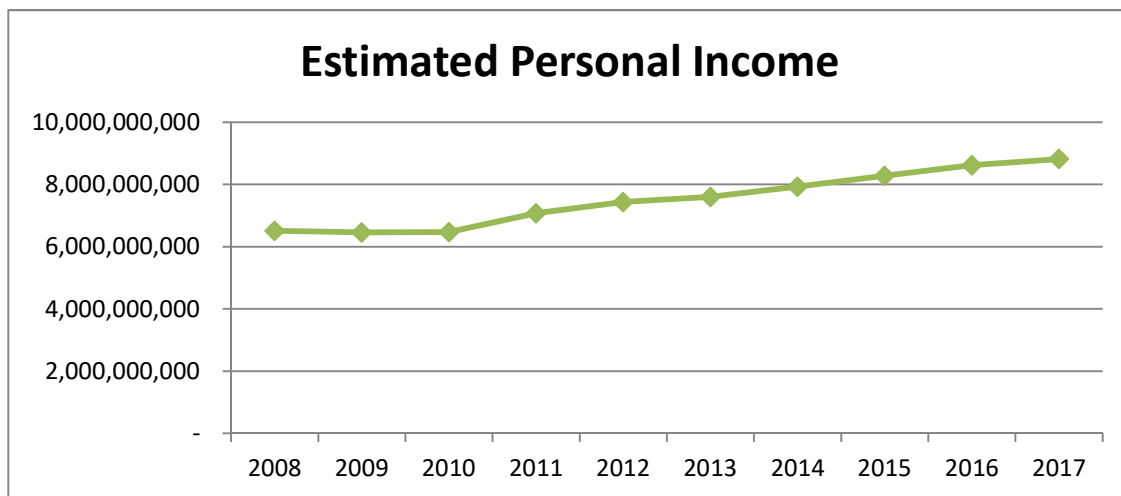
Note: As all of this debt is within Beaufort County, the percentage of applicable debt to the County is 100%. This process recognizes that, when considering the County's ability to issue long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However,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

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

| Fiscal Year | Estimated Population (1) | Per Capita Personal Income (1) | Estimated Personal Income | Unemployment Margin | Unemployment Rate (2) |
|-------------|--------------------------|--------------------------------|---------------------------|---------------------|-----------------------|
| 2008 | 147,316 | 44,191 | 6,510,041,356 | 103,125 | 2.1% |
| 2009 | 150,415 | 42,918 | 6,455,510,970 | 107,497 | 4.3% |
| 2010 | 155,215 | 41,662 | 6,466,567,330 | 113,553 | 5.2% |
| 2011 | 162,233 | 43,584 | 7,070,763,072 | 118,649 | 9.1% |
| 2012 | 164,684 | 45,122 | 7,430,871,448 | 119,562 | 8.8% |
| 2013 | 168,049 | 45,222 | 7,599,511,878 | 122,827 | 8.8% |
| 2014 | 171,838 | 46,137 | 7,928,089,806 | 125,701 | 7.9% |
| 2015 | 175,852 | 47,051 | 8,274,012,452 | 128,801 | 5.6% |
| 2016 | 179,589 | 47,982 | 8,617,039,398 | 131,607 | 5.0% |
| 2017 | 183,149 | 48,134 | 8,815,693,966 | 135,015 | 4.0% |

(1) - Source: United States Census Bureau

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



BEAUFORT COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS

| Employer | 2017 | | | 2008 | | |
|---|--------------|------|--|--------------|----------|--|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Beaufort County School District | 2,555 | * | * | 2,379 | 1 | 20.3% |
| Beaufort Memorial Hospital | * | * | * | 1,750 | 2 | 10.5% |
| Beaufort County | 1,289 | * | * | 1,209 | 3 | 7.0% |
| Marine Corp Community Services | * | * | * | * | * | * |
| Publix Super Markets, Inc. | * | * | * | * | * | * |
| Sea Pines Resort | * | * | * | * | * | * |
| Wal-Mart Associates, Inc. | * | * | * | * | * | * |
| Tenet Physician Services of Hilton Head | * | * | * | * | * | * |
| Care Core National, LLC | * | * | * | * | * | * |
| Department of Defense | * | * | * | * | * | * |
| Cypress Club, Inc. | * | * | * | * | * | * |
| Hargray Communications Group, Inc. | * | * | * | * | * | * |
| Lowes Home Centers, Inc. | * | * | * | * | * | * |
| Marriott Resorts Hosp. Corp. | * | * | * | * | * | * |

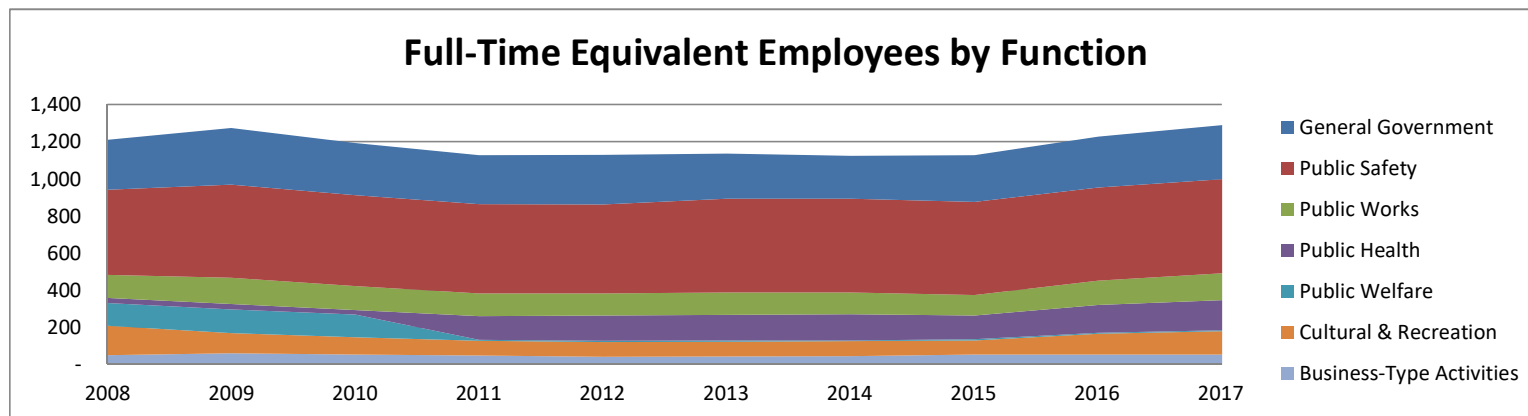
* Specific information related to those employers was deemed confidential by the South Carolina Department of Employment & Workforce.

Table 16

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <u>General Government</u> | 268 | 304 | 281 | 264 | 266 | 244 | 232 | 252 | 275 | 291 |
| <u>Public Safety</u> | 458 | 503 | 490 | 480 | 479 | 505 | 505 | 501 | 501 | 507 |
| <u>Public Works</u> | 125 | 141 | 130 | 123 | 120 | 120 | 117 | 111 | 130 | 145 |
| <u>Public Health</u> | 27 | 28 | 24 | 127 | 136 | 138 | 140 | 127 | 150 | 161 |
| <u>Public Welfare</u> | 122 | 128 | 121 | 6 | 6 | 6 | 5 | 6 | 6 | 6 |
| <u>Cultural & Recreation</u> | 159 | 109 | 93 | 79 | 79 | 80 | 81 | 76 | 111 | 126 |
| <u>Business-Type Activities</u> | 50 | 60 | 54 | 48 | 42 | 43 | 44 | 54 | 54 | 53 |
| Total Full-Time Employees | 1,209 | 1,273 | 1,193 | 1,127 | 1,128 | 1,136 | 1,124 | 1,127 | 1,227 | 1,289 |

Source: Beaufort County Employee Services



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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>General Government</u> | | | | | | | | | | |
| Number of Parcels Owned | 199 | 202 | 219 | 225 | 234 | 245 | 249 | 284 | 293 | 299 |
| Acreage of County-Owned Land | 11,319 | 11,728 | 11,872 | 11,968 | 13,739 | 15,161 | 15,247 | 15,344 | 15,682 | 15,890 |
| Miles of Paved (Maintained) Road | 171 | 182 | 194 | 197 | 200 | 202 | 205 | 208 | 211 | 211 |
| Miles of Unimproved Road | 133 | 131 | 112 | 109 | 106 | 104 | 101 | 98 | 95 | 95 |
| Total Miles of Road | 304 | 313 | 306 | 306 | 306 | 306 | 306 | 306 | 306 | 306 |
| Number of Vehicles | 30 | 33 | 50 | 34 | 39 | 59 | 47 | 48 | 56 | 58 |
| <u>Public Safety</u> | | | | | | | | | | |
| Number of Vehicles | 312 | 349 | 323 | 347 | 345 | 388 | 388 | 387 | 377 | 408 |
| <u>Public Works</u> | | | | | | | | | | |
| Number of Vehicles | 90 | 86 | 93 | 93 | 90 | 92 | 91 | 89 | 98 | 105 |
| <u>Public Health</u> | | | | | | | | | | |
| Number of Vehicles | 62 | 59 | 58 | 59 | 57 | 63 | 60 | 63 | 70 | 71 |
| <u>Public Welfare</u> | | | | | | | | | | |
| Number of Vehicles | 3 | 3 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 5 |
| <u>Cultural & Recreation</u> | | | | | | | | | | |
| Total Acreage of Parks and Leisure Service-Owned Land | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 |
| Number of Community Centers | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Number of Playgrounds | 19 | 19 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 |
| Number of Football Fields | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Number of Gymnasiums | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of Basketball Courts | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Number of Tennis Courts | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Number of Baseball/Softball Fields | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 |
| Number of Soccer Fields | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Number of Passive Parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Number of Racquetball Courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of Fitness Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Boat Landings | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Number of Vehicles | 31 | 28 | 28 | 27 | 28 | 31 | 31 | 31 | 31 | 31 |

Source: Beaufort County

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <u>Law Enforcement (1)</u> | | | | | | | | | | |
| Number of Warrants | 5,533 | 5,118 | 3,555 | 3,548 | 4,112 | 3,993 | 3,230 | 5,734 | 5,573 | 5,649 |
| Number of Calls Responded to | 242,320 | 286,489 | 304,634 | 303,717 | 316,297 | 308,224 | 273,768 | 233,409 | 238,374 | 245,981 |
| Number of Vehicle Moving Violations Cited | 22,273 | 75,180 | 18,248 | 27,740 | 29,943 | 22,468 | 16,543 | 15,092 | 19,751 | 20,382 |
| <u>Emergency Medical Services (1)</u> | | | | | | | | | | |
| Number of Calls Responded to | 14,785 | 14,825 | 15,829 | 15,207 | 13,799 | 12,744 | 14,906 | 14,350 | 15,121 | N/A |
| <u>Fire Departments (1)</u> | | | | | | | | | | |
| Number of Calls Responded to - Beaufort Fire Department | 2,850 | 2,926 | 2,917 | 2,917 | 3,042 | 3,192 | 2,883 | 2,816 | 2,983 | N/A |
| Number of Calls Responded to - Lady's Island Fire Department | 2,099 | 2,133 | 2,152 | 2,395 | 2,541 | 2,666 | 2,755 | 2,741 | 2,676 | N/A |
| Number of Calls Responded to - Burton Fire Department | 2,913 | 3,135 | 3,152 | 3,148 | 3,266 | 3,588 | 3,907 | N/A | N/A | N/A |
| Number of Calls Responded to - Sheldon Fire Department | 693 | 686 | 663 | 794 | 842 | 866 | 982 | 648 | 786 | N/A |
| Number of Calls Responded to - Fripp Island Fire Department | 216 | 199 | 225 | 198 | 195 | 252 | 290 | N/A | N/A | N/A |
| Number of Calls Responded to - Bluffton Fire Department | 3,893 | 4,106 | 4,275 | 4,704 | 4,886 | 5,188 | 5,382 | 4,757 | 5,053 | N/A |
| Total Number of Calls Responded to - All Fire Departments | 12,664 | 13,185 | 13,384 | 14,156 | 14,772 | 15,752 | 16,199 | 10,962 | 11,498 | - |
| <u>Registered Voters (2)</u> | | | | | | | | | | |
| Beaufort County | 90,887 | 91,619 | 94,143 | 98,145 | 100,320 | 111,168 | 100,320 | 101,761 | 113,271 | 115,600 |
| State of South Carolina | 2,553,923 | 2,543,914 | 2,584,503 | 2,677,766 | 2,722,280 | 2,932,402 | 2,722,287 | 2,948,772 | 3,153,521 | 3,196,012 |

(1) - Source: Beaufort County

(2) - Source: South Carolina State Election Commission

N/A - Information Not Available

Single Audit Section



BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

| | Federal CFDA Number | Project / Award Number | Federal Award Expended | Passed Through to Subrecipients |
|--|---------------------------|---------------------------|------------------------------|---------------------------------------|
| <u>Child Nutrition Cluster</u> | | | | |
| U.S. Department of Agriculture Passed through SC Department of Education Summer Food Service Program | 10.559 | SF-6373 | \$ 97,490 | \$ - |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| HOME Investments Partnership Program - Lowcountry Regional HOME Consortium | 14.239 | M17-DC-45-0210 | 600,840 | 600,840 |
| <u>U.S. Department of Justice</u> | | | | |
| State Criminal Alien Assistance Program | 16.606 | 2016-AP-BX-0705 | 44,685 | - |
| <u>JAG Program Cluster</u> | | | | |
| U.S. Department of Justice | | | | |
| BJA Fiscal Year 14 Edward Byrne Memorial Justice Assistance Grant (JAG) Program: Local | 16.738 | 2014-DJ-BX-0724 | 13,387 | - |
| BJA Fiscal Year 15 Edward Byrne Memorial Justice Assistance Grant (JAG) Program: Local | 16.738 | 2015-DJ-BX-0745 | 47,682 | - |
| BJA Fiscal Year 16 Edward Byrne Memorial Justice Assistance Grant (JAG) Program: Local | 16.738 | 2016-DJ-BX-0555 | 54,160 | - |
| Total JAG Program Cluster | | | 115,229 | - |
| <u>DNA Backlog Reduction Program</u> | | | | |
| U.S. Department of Justice | | | | |
| NIJ Fiscal Year 16 DNA Capacity Enhancement and Backlog Reduction Program | 16.741 | 2016-DN-BX-0075 | 135,000 | - |
| Total DNA Backlog Reduction Program | | | 135,000 | - |
| <u>U.S. Department of Transportation</u> | | | | |
| Direct Programs: | | | | |
| Federal Aviation Administration, Airport Improvement Programs | | | | |
| Lady's Island Airport, Conduct Environmental Assessment and Remove Obstructions (Design) | 20.106 | 3-45-0008-012-2015 | 76,119 | - |
| Hilton Head Island Airport, Rehabilitate Apron and Remove Obstructions | 20.106 | 3-45-0030-031-2011 | 65,098 | - |
| Hilton Head Island Airport, Relocate Taxiway A & F, Improve Airport Drainage Study, and Remove Obstructions - Environmental Assessment and ATCT Line of Sight (Design) | 20.106 | 3-45-0030-035-2014 | 38,825 | - |
| Hilton Head Island Airport, Relocate Taxiway A, Expand GA Apron, Remove Obstructions and Acquire Land | 20.106 | 3-45-0030-037-2015 | 3,621,974 | - |
| Hilton Head Island Airport, Acquire Land, Runway Object Free Areas (OFA) and Taxiway A Relocation | 20.106 | 3-45-0030-038-2016 | 1,000,000 | - |
| Hilton Head Island Airport, Runway 21 Extension, Taxiway F Infield Drainage Improvements and Mitigation, Runway 21 EMAS, Runway 03 Extension | 20.106 | 3-45-0030-039-2016 | 4,851,263 | - |
| Total Airport Improvement Program | | | 9,653,279 | - |
| <u>Transit Services Programs Cluster</u> | | | | |
| U.S. Department of Transportation - Federal Transit Administration | | | | |
| Passed through SC Department of Transportation | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | PT-75510-83 | 50,000 | - |
| Total Transit Services Programs Cluster | | | 50,000 | - |
| <u>U.S. Department of Transportation</u> | | | | |
| South Carolina Emergency Management Division | | | | |
| Hazardous Materials Emergency Preparedness Planning Grant | 20.703 | HM-HMP-0566-16-01 | 8,992 | - |
| <u>U.S. Department of Transportation</u> | | | | |
| Office of the Secretary (OST) Administration Secretariate | | | | |
| TIGER Discretionary Grant Program - National Infrastructure Investments | | | | |
| Passed through SC Department of Transportation | | | | |
| FY 2012 TIGER III Boundary Street Redevelopment | 20.933 | TR3-20 | 4,617,292 | - |

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

| | Federal CFDA Number | Project / Award Number | Federal Award Expended | Passed Through to Subrecipients |
|---|---------------------------|--------------------------------|------------------------------|---------------------------------------|
| <u>Institute of Museums and Library Services</u> | | | | |
| Passed through South Carolina State Library | | | | |
| Library Services and Technology Act - Summer Reading Grant | 45.310 | LS-00-15-0041-15 IID-15-102 | 992 | - |
| Library Services and Technology Act - Kajeet Smartspot Education Broadband | 45.310 | LS-00-16-0041-16 IID-16-01 | 20,339 | |
| Library Services and Technology Act - Summer Youth Reading Grant | 45.310 | LS-00-16-0041-16 IID-16-107 | 1,000 | |
| Library Services and Technology Act - CE Conference Attendance ABOS - Brewer | 45.310 | LS-00-16-0041-16 IIIA-16-03 | 944 | |
| Library Services and Technology Act - CE Conference Attend - Inman - Intro to Lib Mgmt online | 45.310 | LS-00-16-0041-16 IIIA-16-07 | 200 | - |
| Total Pass-Through South Carolina State Library | | | <u>23,475</u> | <u>-</u> |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Passed through SC Department of Social Services | | | | |
| Child Support Enforcement IV-D Transaction Reimbursement | 93.563 | C17007C | 164,926 | - |
| Child Support Enforcement IV-D Incentive Payments | 93.563 | C17007C | 59,673 | - |
| Child Support Enforcement IV-D Service of Process Payments | 93.563 | C17007C | 17,705 | - |
| Child Support Enforcement IV-D Filing Fees | 93.563 | C17007C | 21,648 | - |
| Total Child Support Enforcement | | | <u>263,952</u> | <u>-</u> |
| <u>Medicaid Cluster</u> | | | | |
| U.S. Department of Health and Human Services | | | | |
| Passed through SC Health and Human Services Finance Commission | | | | |
| Collaborator / Coordinator - Medicaid Contract | 93.778 | A20170545A | 93,706 | - |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Passed through SC Department of Alcohol and Other Drug Abuse Services (SC DAODAS) | | | | |
| SC DAODAS Block Grant | 93.959 | BEA-BG-17 | 424,074 | - |
| SAPT BG Assessment | 93.959 | BEA-BG-17 | 12,480 | - |
| SAPT BG SynarYouth Tobacco Buys | 93.959 | BEA-BG-17 | 1,557 | - |
| Total Substance Abuse Prevention and Treatment (SAPT) Pass-Through from SC DAODAS | | | <u>438,111</u> | <u>-</u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Passed through the Office of the SC Adjutant General | | | | |
| Fiscal Year 2015 Local Emergency Management Performance Grant | 97.042 | 15EMPG01 | 11,975 | - |
| Fiscal Year 2016 Local Emergency Management Performance Grant | 97.042 | 16EMPG01 | 51,768 | - |
| Total Local Emergency Management Performance | | | <u>63,743</u> | <u>-</u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Federal Emergency Management Agency | | | | |
| Fiscal Year 2015 Assistance to Firefighters Grant | 97.044 | EMW-2015-FO-03204 | 306,819 | - |
| <u>Homeland Security Cluster</u> | | | | |
| U.S. Department of Homeland Security | | | | |
| Passed through SC Law Enforcement Division | | | | |
| Low Country Regional Medical Assistance Team - Beaufort | 97.067 | 15SHSP26 | 40,000 | - |
| Low Country Regional Medical Assistance Team - Beaufort | 97.067 | 16SHSP33 | 25,411 | - |
| Low Country Regional WMD Bomb Team - Beaufort | 97.067 | 16SHSP04 | 3,784 | - |
| Low Country Regional WMD SWAT Team - Beaufort | 97.067 | 16SHSP11 | 39,343 | - |
| Total Homeland Security Cluster | | | <u>108,538</u> | <u>-</u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Transportation Security Administration | | | | |
| Law Enforcement Officer Reimbursement Agreement Program | 97.090 | HSTS0216HSLR742 | 50,400 | - |
| Grand Total of Fiscal Year 2017 Schedule of Expenditures of Federal Awards | | | <u>\$ 16,671,551</u> | <u>\$ 600,840</u> |

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Beaufort County, South Carolina, (the "County") for the year ended June 30, 2017 and is presented on the modified accrual basis of accounting.

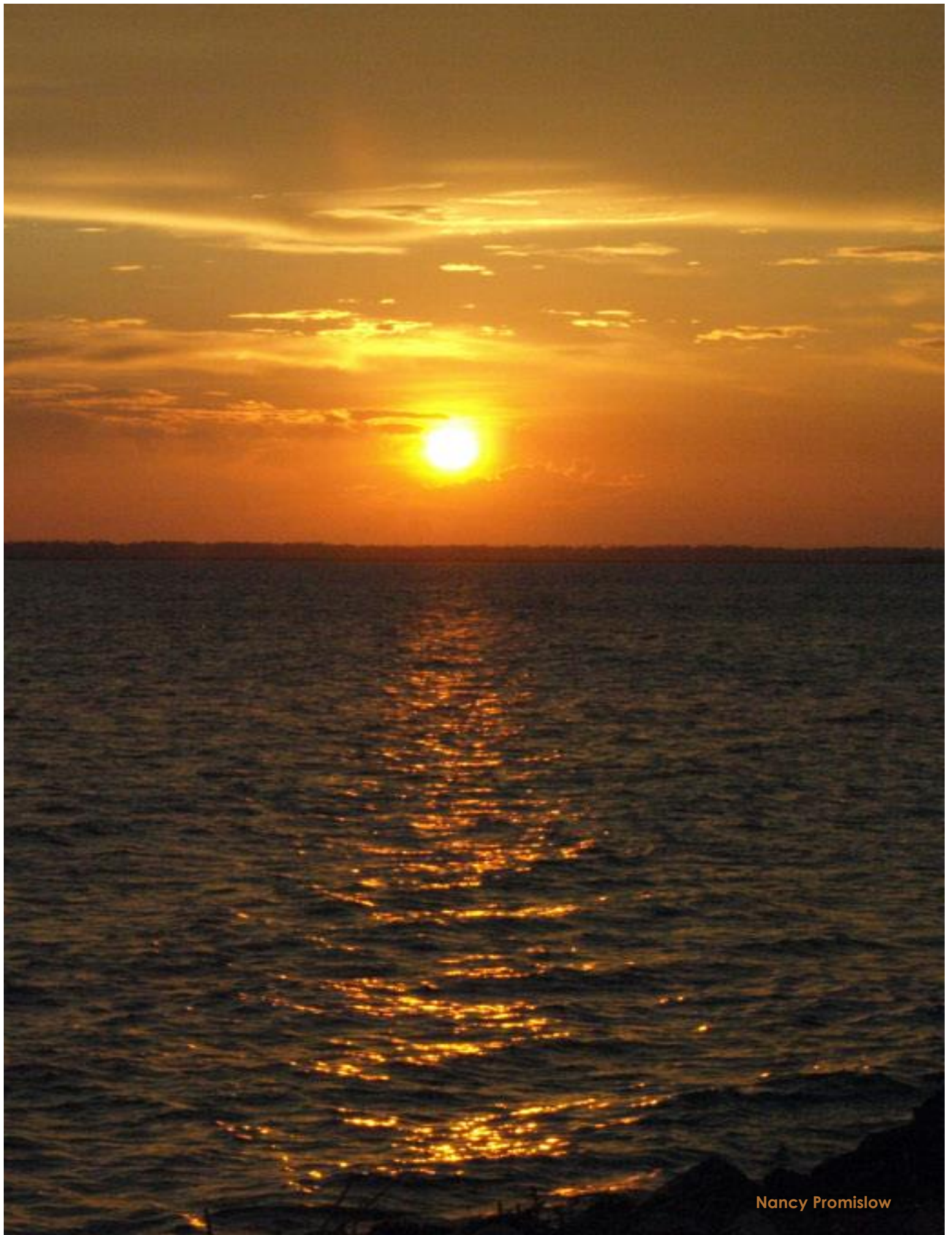
The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ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

Note 2 – De Minimis Indirect Cost Rate

The County has elected not to use the ten percent de minimis indirect cost rate for the year ended June 30, 2017.

Note 3 – Non-Cash Awards

The County did not receive non-cash federal awards during the year ended June 30, 2017.



Nancy Promislow



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Beaufort County, South Carolina's basic financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

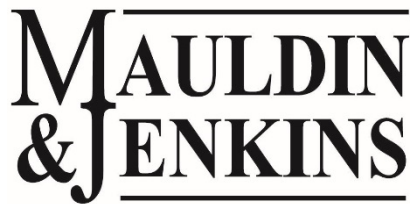
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Macon, Georgia
June 26, 2018



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

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

Report on Compliance for Each Major Federal Program

We have audited Beaufort County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. The County's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
June 26, 2018

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

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

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

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

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

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 20.933 | U.S. Department of Transportation – T.I.G.E.R Discretionary Grant Program |
| 20.106 | U.S. Department of Transportation – Airport Improvement Program |

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

Auditee qualified as low-risk auditee? ___ Yes X No

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

2016-001 Amortization of Bond Premiums/Discounts

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

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

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

Status: Resolved.

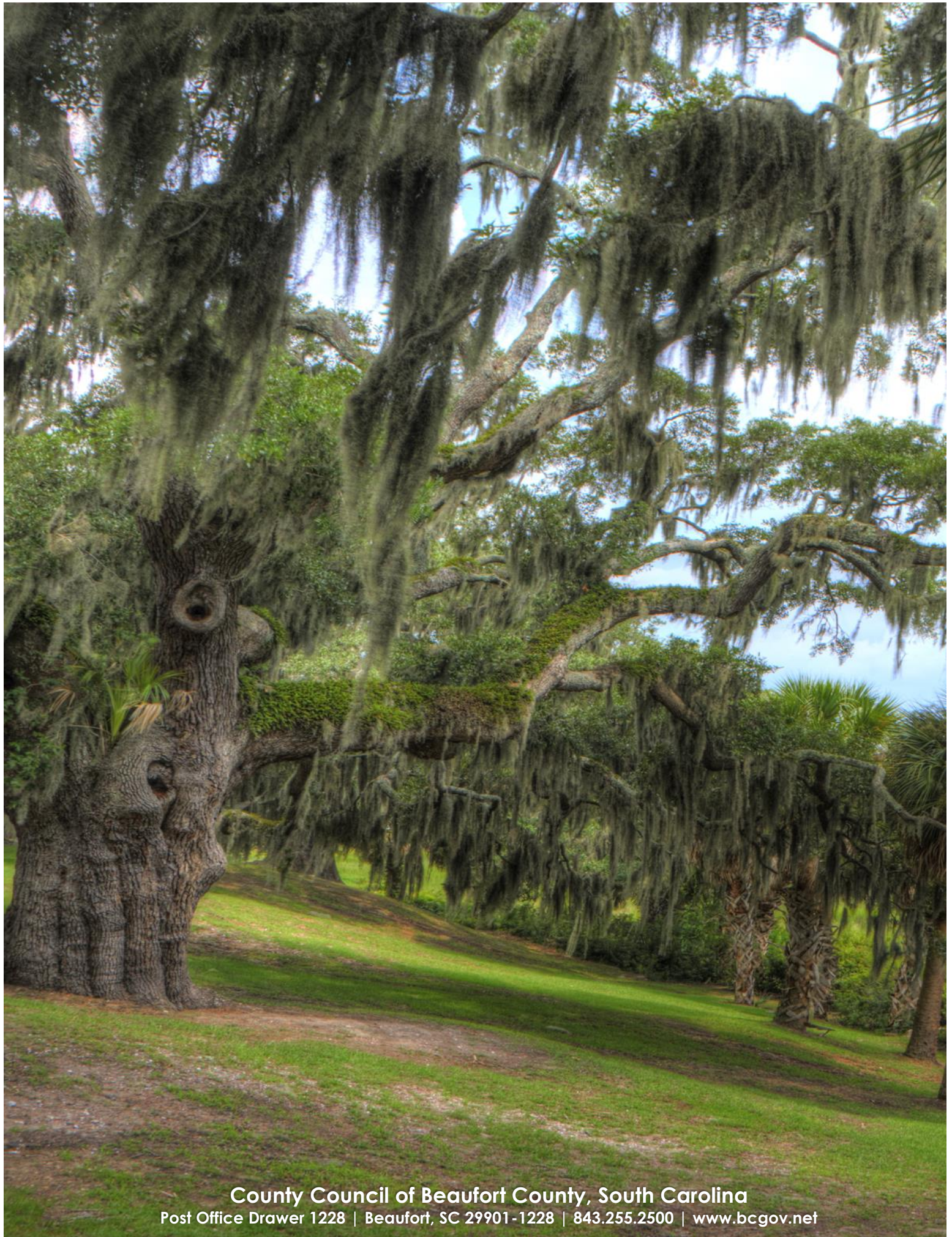


Front and Back Cover Photo by Bernard Rea

Publication Design by:
Monica Spells, Assistant County Administrator
Civic Engagement and Outreach Area
Communications and Accountability Department

June 2018

Scott Quarforth



County Council of Beaufort County, South Carolina

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