



COUNTY COUNCIL OF BEAUFORT COUNTY
FINANCE DEPARTMENT
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228

To: Beaufort County Council

From: Beaufort County Finance Department

Date: April 23, 2010

Subject: Beaufort County March 2010 Unaudited Selected Funds Interim Financial Statements

1. County General Fund: The County's general fund's revenues are currently at 80% of the 2010 fiscal year revised budget, compared to revenues at 81% of the 2009 fiscal year revised budget as of March 31, 2009. In this, current taxes are at 91% of fiscal year 2010's revised budget figures. It should be noted that taxes are officially considered delinquent as of March 15 of every year. In good years, this percentage should be in the high-90 percentile, but due to the poor economy, on-time collections have suffered. Fiscal year 2009 at March 31, 2009 had 94% of current taxes collected to budget, and in comparison \$750,181 more was collected in current taxes in fiscal year 2009 as of March 31 than fiscal year 2010 at March 31. However, real and personal property collections (adjusted for TIFs) to adjusted tax billings (adjusted for appeals) is at 92.4% at March 31, 2010, compared to 92.0% at March 31, 2009. The reasons for the budget and collections differences between fiscal years 2009 and 2010, is due to the reassessment process and appeals dropping assessed values from fiscal year 2009 to 2010 in many areas within the County.

To combat less-than-budgeted revenues, as was the case in fiscal year 2009, the County's Administration is watching expenditures within the general fund, in which expenditures after the end of the third quarter are at 72% of budget, instead of 75%. Also, expenditures are only \$143,582 more than last year at this time.

In conclusion, general fund revenues are less than what the County would want by this time in the tax year, but expenditures are being monitored and cut where necessary to try to ensure the County does not use any general fund balance by June 30, 2010.

102 Industrial Village Road, Building 2, Beaufort, SC 29906

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2. County Debt Service Fund: The County's debt service fund is poised to add approximately \$1.5 million to fund balance as of June 30, 2010, but this is driven by the fact that the County received approximately \$2.9 million in a bond premium due to the \$48.755 million 2009 bond anticipation notes being refinanced into the 2010 bonds. While current taxes collected in fiscal year 2010 are at the same levels as fiscal year 2009 as of March 31, other taxes (which include automobile taxes, delinquent taxes, and penalties) are at only 55% of budget compared to 90% of budget in fiscal year 2009. It should be noted that expenditures (mostly debt service payments and fees) are mostly complete for this fiscal year. As part of the CIP process detailed in the April 22, 2010 CIP workshop, the County needs to begin to implement a fund balance policy over its debt to ensure safe debt service fund levels.

3. County Purchase Property (Referendum-Voted) Debt Service Fund: The County's purchase property debt service fund is poised to shrink by approximately \$200,000 in fiscal year 2010. This is mostly due to revenues not only coming in approximately \$40,000 lower and expenditures (includes debt service payments and payments for program director services) to coming in approximately \$50,000 higher in fiscal year 2010 as of March 31, 2010 compared to fiscal year 2009 at March 31, 2009, but also automobile tax and delinquent tax revenues coming in much lower than budget (50%) compared to fiscal year 2009 (62%) at March 31. As part of the rural and critical land process detailed in the April 22, 2010 CIP workshop, the County needs to begin to implement a fund balance policy over its debt to ensure safe debt service fund levels.

In the coming months these schedules and narratives will be expanded and improved upon to include items such as graphs. But, the timing of this release is to ensure that this data gets to you while it is still fresh and not stale. Please feel free to send me your comments for any improvements.

Regards,



David A. Starkey, CPA
Beaufort County Chief Financial Officer

Enclosure

cc: Gary Kubic, Beaufort County Administrator
Bryan Hill, Beaufort County Deputy Administrator

**Unaudited
Beaufort County
Revenues & Expenditures Comparison
FY 2010 and FY 2009 Budget to Actual at March 31, 2010 and March 31, 2009**

Fund	FY 2010 as of 3/31/2010	Millage**	FY 2010 Original Budget (Full Year)	FY 2010 Revised Budget (Full Year)	Revised Budget to Actual Difference	Actual as a Percent of Budget	FY 2009 as of 3/31/2009	Millage	FY 2009 Original Budget (Full Year)	FY 2009 Revised Budget (Full Year)	Revised Budget to Actual Difference	Actual as a Percent of Budget
General Fund*												
Revenues:												
Current Taxes	64,396,788	40.21	70,899,800	70,815,046	(6,418,258)	91%	65,146,969	45.50	69,409,808	69,409,808	(4,262,839)	94%
Other Taxes	5,414,581	N/A	7,975,728	8,060,482	(2,645,901)	67%	5,163,653	N/A	7,233,696	7,233,696	(2,070,043)	71%
Other	13,548,997	N/A	25,075,010	25,345,443	(11,796,446)	53%	14,589,542	N/A	27,908,370	28,638,370	(14,048,828)	51%
Total Revenues	83,360,366		103,950,538	104,220,971	(20,860,605)	80%	84,900,164		104,551,874	105,281,874	(20,381,710)	81%
Expenditures	75,237,718	N/A	103,769,230	104,665,051	29,427,333	72%	75,094,136		104,551,874	106,109,117	31,014,981	71%
Revenues Over Expenditures	8,122,648		181,308	(444,080)	8,566,728		9,806,028		-	(827,243)	10,633,271	
County Debt***												
Revenues:												
Current Taxes	5,797,334	3.62	5,700,000	5,797,317	17	100%	5,727,280	4.00	5,832,000	5,832,000	(104,720)	98%
Other Taxes	427,180	N/A	877,000	779,683	(352,503)	55%	705,409	N/A	780,000	780,000	(74,591)	90%
Other	56,323,048	N/A	6,347,524	54,882,703	1,440,345	103%	5,021,805	N/A	4,747,915	22,877,991	(17,856,186)	22%
Total Revenues	62,547,562		12,924,524	61,459,703	1,087,859	102%	11,454,494		11,359,915	29,489,991	(18,035,497)	39%
Expenditures	61,459,701	N/A	12,924,524	61,459,703	2	100%	29,379,048		11,359,915	29,489,991	110,943	100%
Revenues Over Expenditures	1,087,861		-	-	1,087,861		(17,924,554)		-	-	(17,924,554)	
County Purchase Property												
Revenues:												
Current Taxes	3,411,217	2.13	3,533,800	3,411,207	10	100%	3,436,308	2.40	3,533,800	3,533,800	(97,492)	97%
Other Taxes	252,159	N/A	383,200	505,793	(253,634)	50%	264,950	N/A	430,200	430,200	(165,250)	62%
Other	6,334	N/A	321,243	324,337	(318,003)	2%	8,371	N/A	274,243	274,243	(265,872)	3%
Total Revenues	3,669,710		4,238,243	4,241,337	(571,627)	87%	3,709,629		4,238,243	4,238,243	(528,614)	88%
Expenditures	4,137,095	N/A	4,238,243	4,241,337	104,242	98%	4,088,508		4,238,243	4,238,243	149,735	96%
Revenues Over Expenditures	(467,385)		-	-	(467,385)		(378,879)		-	-	(378,879)	
Total Direct County Tax Funds												
Revenues:												
Current Taxes	73,605,339	45.96	80,133,600	80,023,570	(6,418,231)	92%	74,310,557	51.90	78,775,608	78,775,608	(4,465,051)	94%
Other Taxes	6,093,920	N/A	9,235,928	9,345,958	(3,252,038)	65%	6,134,012	N/A	8,443,896	8,443,896	(2,309,884)	73%
Other	69,878,379	N/A	31,743,777	80,552,483	(10,674,104)	87%	19,619,718	N/A	32,930,528	51,790,604	(32,170,886)	38%
Total Revenues	149,577,638		121,113,305	169,922,011	(20,344,373)	88%	100,064,287		120,150,032	139,010,108	(38,945,821)	72%
Expenditures	140,834,514	N/A	120,931,997	170,366,091	29,531,577	83%	108,561,692	N/A	120,150,032	139,837,351	31,275,659	78%
Revenues Over Expenditures	8,743,124		181,308	(444,080)	9,187,204		(8,497,405)		-	(827,243)	(7,670,162)	

* - Includes Indigent Care and Continuing Education revenues and expenditures (millages rolled up into the general fund in FY 2009).

** - Tax year 2009 (FY 2010) is a reassessment year, thus millages were rolled back. However, with the rollback the County stayed millage neutral from tax year 2008 to tax year 2009.

*** - The County had a bond refunding in fiscal year 2009 of its 2001 general obligation bonds, but borrowed the money in fiscal year 2008.

**Unaudited
Beaufort County
Revenues & Expenditures Comparison
FY 2010 and FY 2009 Actual Comparison at March 31, 2010 and March 31, 2009**

Fund	FY 2010 as of 3/31/2010**	FY 2009 as of 3/31/2009	Difference	Percent Difference
General Fund*				
Revenues:				
Current Taxes	64,396,788	65,146,969	(750,181)	-1%
Other Taxes	5,414,581	5,163,653	250,928	5%
Other	13,548,997	14,589,542	(1,040,545)	-7%
Total Revenues	83,360,366	84,900,164	(1,539,798)	-2%
Expenditures	75,237,718	75,094,136	143,582	0%
Revenues Over Expenditures	8,122,648	9,806,028	(1,683,380)	-17%
County Debt				
Revenues:				
Current Taxes	5,797,334	5,727,280	70,054	1%
Other Taxes	427,180	705,409	(278,229)	-39%
Other	56,323,048	5,021,805	51,301,243	1022%
Total Revenues	62,547,562	11,454,494	51,093,068	446%
Expenditures	61,459,701	29,379,048	32,080,653	109%
Revenues Over Expenditures	1,087,861	(17,924,554)	19,012,415	-106%
County Purchase Property				
Revenues:				
Current Taxes	3,411,217	3,436,308	(25,091)	-1%
Other Taxes	252,159	264,950	(12,791)	-5%
Other	6,334	8,371	(2,037)	-24%
Total Revenues	3,669,710	3,709,629	(39,919)	-1%
Expenditures	4,137,095	4,088,508	48,587	1%
Revenues Over Expenditures	(467,385)	(378,879)	(88,506)	23%
Total Direct County Tax Funds				
Revenues:				
Current Taxes	73,605,339	74,310,557	(705,218)	-1%
Other Taxes	6,093,920	6,134,012	(40,092)	-1%
Other	69,878,379	19,619,718	50,258,661	256%
Total Revenues	149,577,638	100,064,287	49,513,351	49%
Expenditures	140,834,514	108,561,692	32,272,822	30%
Revenues Over Expenditures	8,743,124	(8,497,405)	17,240,529	-203%

* - Includes Indigent Care and Continuing Education revenues and expenditures (millages rolled up into the general fund in FY 2009).

** - Tax year 2009 (FY 2010) is a reassessment year, thus millages were rolled back. However, with the rollback the County stayed millage neutral from tax year 2008 to tax year 2009.

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Unaudited
Beaufort County
Real and Personal Property Tax Billings & Collections Comparison
FY 2010 and FY 2009 at March 31, 2010 and March 31, 2009

Fund	Tax Year 2009 Collected as of 3/31/2010	Millage**	Tax Year 2009 Billed (Net of TIFs) as of 3/31/2010***	Billed to Actual Difference	Actual as a Percent of Billed	Tax Year 2008 Collected as of 3/31/2009	Millage	Tax Year 2008 Billed (Net of TIFs) as of 3/31/2009***	Billed to Actual Difference	Actual as a Percent of Billed
General Fund*										
Current Taxes	64,723,101	40.21	70,034,766	(5,311,665)	92.4%	65,473,493	45.50	71,197,052	(5,723,559)	92.0%
County Debt										
Current Taxes	5,826,856	3.62	6,304,955	(478,099)	92.4%	5,755,901	4.00	6,259,286	(503,385)	92.0%
County Purchase Property										
Current Taxes	3,428,518	2.13	3,710,700	(282,182)	92.4%	3,453,358	2.40	3,755,502	(302,144)	92.0%
Total Direct County Tax Funds										
Current Taxes	73,978,475	45.96	80,050,421	(6,071,946)	92.4%	74,682,752	51.90	81,211,840	(6,529,088)	92.0%

* - Includes Indigent Care and Continuing Education revenues and expenditures (millages rolled up into the general fund in FY 2009).

** - Tax year 2009 (FY 2010) is a reassessment year, thus millages were rolled back. However, with the rollback the County stayed millage neutral from tax year 2008 to tax year 2009.

*** - Adjusted for processed appeals.

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**Unaudited
Beaufort County
Automobile Tax Collections Comparison
FY 2010 and FY 2009 at March 31, 2010 and March 31, 2009**

Fund	Fiscal Year 2010 Collected as of 3/31/2010	Millage**	Fiscal Year 2009 Collected as of 3/31/2009	Millage	Billed to Actual Difference	Actual as a Percent of Billed
General Fund*						
Current Taxes	2,444,409	40.21	2,832,761	45.50	(388,352)	-13.7%
County Debt						
Current Taxes	217,017	3.62	390,466	4.00	(173,449)	-44.4%
County Purchase Property						
Current Taxes	129,205	2.13	161,680	2.40	(32,475)	-20.1%
Total Direct County Tax Funds						
Current Taxes	2,790,631	45.96	3,384,907	51.90	(594,276)	-17.6%

* - Includes Indigent Care and Continuing Education revenues and expenditures (millages rolled up into the general fund in FY 2009).

** - Tax year 2009 (FY 2010) is a reassessment year, thus millages were rolled back. However, with the rollback the County stayed millage neutral from tax year 2008 to tax year 2009.

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