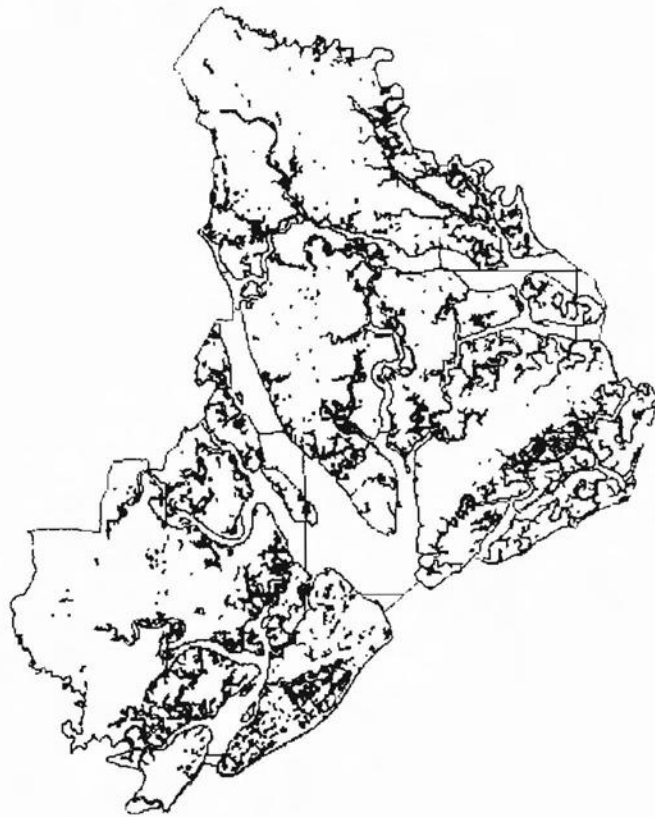


Lee Dwyer

**COUNTY COUNCIL
OF BEAUFORT COUNTY
South Carolina**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For The Year Ended June 30, 2004

Comprehensive Annual
Financial Report
of
Beaufort County, South Carolina

June 30, 2004

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

**COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT, SOUTH CAROLINA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

COUNTY COUNCIL

Wm. Weston J. Newton, Chairman

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

Frank Brafman

Mark D. Generales

Herbert N. Glaze

Margaret E. Griffin

Starletta Hairston

William H. Ladson

Peter Lamb

William L. McBride

Dick Stewart

COUNTY ADMINISTRATOR

Gary T. Kubic

CONTROLLER

Thomas A. Henrikson, CPA

COUNTY AUDITOR

Sharon P. Burris

COUNTY TREASURER

Joy Logan

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2004
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INTRODUCTORY SECTION



County Council of Beaufort County
Multi-Government Center ♦ 100 Ribaut Road
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Beaufort, South Carolina 29901-1228
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To the Chairman, Members of Beaufort County Council,
And Citizens of Beaufort County
Beaufort, South Carolina

Presented herein is the Comprehensive Annual Financial Report (CAFR) of Beaufort County, South Carolina for the fiscal year ended June 30, 2004. This report has been prepared by the County's Finance Department, and the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs are included.

The CAFR is organized into four sections:

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

GENERAL INFORMATION

Beaufort County, which was formed in 1785, operates under the Council/Administrator form of government with Council members elected for four-year terms from each of eleven single-member districts. This report includes all funds and account groups of Beaufort County that are controlled by this governing body, and are considered to be the "reporting entity" known as Beaufort County. The services provided by this reporting entity, and therefore reflected in this financial report, include, but are not limited to: General Governmental (general administrative services, tax assessment and collection, courts and criminal justice administration, economic development); Public Safety (law enforcement, detention center, emergency medical services, emergency management, building codes enforcement); Public Works (roads and drainage, engineering, solid waste); Public Health (animal control, mosquito control, alcohol and drug programs, disabilities and special needs programs, various subsidies); Public Welfare (veterans services, social services, various subsidies); and Culture and Recreation (library, parks and leisure services).

In light of NCGA Statement 3, Defining the Governmental Reporting Entity, the County has excluded the school district, the various public service districts, the fire districts, and the municipalities located within its boundaries as County Council does not exercise oversight responsibility, and accordingly each entity has sufficient discretion in the management of its own affairs. The County Treasurer does collect property taxes and other forms of revenue on behalf of these other political entities. The results of the fiduciary responsibility are reported on the combined financial statements as Agency Funds.

ECONOMIC CONDITION AND OUTLOOK

Beaufort County is located in the southeastern corner of the State of South Carolina, known as the "Lowcountry." With a land area of approximately 637 square miles, it is bordered to the South and east by the Atlantic Ocean, to the west by Jasper County, and to the north by Hampton and Colleton Counties. Beaufort County stretches nearly 30 miles along the Atlantic Ocean and includes 64 major islands and hundreds of small islands.

The County is one of the fastest growing areas in South Carolina, with a population of 120,937 in 2000, up from 86,425 in 1990. The County is a center for tourism, retirement and the associated services, and the military in South Carolina. The County has a balanced and very stable economy, created by a diversity of public and private employers, with the unemployment rate well below the national average, the statewide average and that of the neighboring counties. The local tax base has grown an average of approximately 4% per year over the last five years (discounting the reassessment year), and this trend is expected to continue.

In addition to the established resort community of Hilton Head Island, there are several major developments underway in southern Beaufort County. These developments include Sun City Hilton Head, with more than 3,500 residents and 15,000 expected at build-out; Spring Island, Callawassie Island, Colleton River Plantation, Belfair, and Westbury park. As expected, these developments have sparked an increase in commercial construction along the Highway 278 corridor, including a Home Depot, a Wal-Mart Superstore, an expanded Factory Outlet Mall, a Target department store, and several major supermarkets.

Likewise, in northern Beaufort County, communities continue to develop at Dataw Island, Lady's Island, Cat Island, Bray's Island, Habersham and throughout the city of Beaufort, as well as the Town of Port Royal.

Beaufort County is also the location for three major military installations, the U.S. Marine Corps Recruit Depot located at Parris Island, the Marine Corps Air Station-Beaufort, and the Beaufort Naval Hospital. These locations have benefited by the Department of Defense closing certain other military bases in the nation. The Marine Corps Air Station has received two transferred Navy F-18 squadrons in 2000.

MAJOR INITIATIVES

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

In December 1997, the County adopted a Comprehensive Plan for Beaufort County. A portion of this plan is a comprehensive land use study which proposes various "preservation areas and greenways." As a result, the County taxpayers approved a \$40,000,000 bond referendum for the purchase of rural and critical lands. During April 2001, the County issued the first bonds under this referendum for \$10,000,000, and during June 2003, the County issued bonds for an additional \$10,000,000 under this referendum. The last \$20,000,000 of bonds authorized by this referendum were issued during November 2004.

In June 2001, the County established a Stormwater Utility fund to address the various stormwater runoff and drainage problems that exist within the County. This program is an enterprise fund and is financed through user fee charges. These fees totaled \$3,902,161 during fiscal year 2004 and the expenditures totaled \$3,437,623.

In November 1999, the County established a tax increment financing district in Bluffton to fund various road improvements. This district was amended during June 2000 to include property within the Town of Bluffton and to include additional funding for road improvements, a new community park and a new library. The County had expenditures of \$5,337,296 for these projects during fiscal year 2004.

In December 2001, the County established a tax increment financing district to fund construction for the University of South Carolina Beaufort four year campus in the New River area of Beaufort County. This New River TIF will also fund construction for the Technical College of the Lowcountry. The County borrowed \$40,000,000 during December 2002 to fund these projects. The County had expenditures of \$14,634,524 for these projects during fiscal year 2004.

FINANCIAL INFORMATION

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

SINGLE AUDIT

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

As a part of Beaufort County's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to the expenditure of federal awards, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2004, provided no instance of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The auditor's reports are found in the Single Audit Section of the Comprehensive Annual Financial Report.

BUDGETARY CONTROLS

In addition to the aforementioned internal controls, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Activities of the general fund, certain special revenue funds, the debt service fund and certain capital project funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts outstanding at year end are reported in governmental fund types as reservations of fund balances since they do not constitute expenditures or liabilities.

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

GENERAL GOVERNMENT FUNCTIONS

Revenues of all governmental fund types (general fund, special revenues funds, debt service fund, and capital projects funds) totaled \$96,300,345 in fiscal year 2004, an increase of 13.9% over fiscal year 2003. General property taxes accounted for 56.5% of the total revenues in fiscal year 2004, as compared to 57.3% in fiscal year 2003. The amount of revenues from various sources and the increase (decrease) over last year are shown in the following schedule:

BEAUFORT COUNTY GOVERNMENTAL FUNDS REVENUES BY SOURCE Fiscal Year Ended June 30, 2004

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
Property Taxes	\$ 54,454,188	56.5%	\$ 5,989,706
Licenses and Permits	5,919,147	6.1%	(57,111)
Intergovernmental	20,564,296	21.4%	5,886,373
Charges of Services	12,497,195	13.0%	417,233
Fines and Forfeitures	1,217,071	1.3%	201,624
Interest	1,000,454	1.0%	(709,190)
Miscellaneous	<u>647,994</u>	<u>.7%</u>	<u>41,416</u>
Totals	<u>\$ 96,300,345</u>	<u>100.0%</u>	<u>\$ 11,770,051</u>

Expenditures by all governmental fund types totaled \$152,570,185 in fiscal year 2004. The increase of \$45,486,824 from fiscal year 2003 a result of increased debt service expenditures due to the payment on bond anticipation notes issued during fiscal year 2003 and increased capital project expenditures from bonds issued in prior years. The amount of expenditures from various sources and the increase (decrease) over last year are shown in the following schedule:

BEAUFORT COUNTY GOVERNMENTAL FUNDS
EXPENDITURES BY FUNCTION
Fiscal Year Ended June 30, 2004

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
General Government	\$ 22,302,782	14.6%	\$ 1,320,056
Public Safety	30,331,140	19.9%	1,719,098
Public Works	17,476,169	11.4%	6,277,117
Public Health	6,717,971	4.4%	353,270
Public Welfare	1,054,705	.7%	126,747
Cultural and Recreation	6,536,270	4.3%	246,058
Debt Service	25,949,905	17.0%	16,573,612
Capital Projects	<u>42,201,243</u>	<u>27.7%</u>	<u>18,870,866</u>
Totals	<u>\$152,570,185</u>	<u>100.0%</u>	<u>\$ 45,486,824</u>

GENERAL FUND BALANCE

The fund balance of the general fund was \$5,150,600 as of June 30, 2004. However, this included \$712,741 of funds reserved for specific items. This leaves an undesignated, unreserved fund balance of \$4,437,859. Therefore, assuming 260 working days per year, divided into the total general fund expenditures and transfers of \$58,655,690, this undesignated, unreserved fund balance represents the equivalent of 19.7 working days of expenditures.

CASH MANAGEMENT

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

ENTERPRISE OPERATIONS

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

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

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

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

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

DEBT ADMINISTRATION

As of June 30, 2004, Beaufort County had four outstanding general obligation bond issues, totaling \$80,960,000. In accordance with the South Carolina constitution, Beaufort County's borrowing power is restricted to eight percent of its assessed property value. Excluded from this limitation are: bond indebtedness approved by the voters in a referendum and special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected.

Also outstanding as of June 30, 2004 were tax incremental financing revenue bonds totaling \$63,680,000. Note 6 of the accompanying Notes to Financial Statements and Schedules 6, 7, 8, and 10 found in the Statistical Section of this CAFR provides very detailed information with regard to the bonded debt of the County.

Other than bonded indebtedness, the County has outstanding capital leases for various pieces of equipment totaling \$325,300. These items total \$144,965,300 of which the County currently has \$7,682,002 on hand to pay this debt.

Additionally, the Hilton Head Airport enterprise fund has an outstanding loan for \$888,703. This loan is to be repaid through this enterprise fund.

CAPITAL ASSETS

The County's capital assets include those capital assets used in the performance of general government functions and excludes the capital assets of the enterprise funds. As of June 30, 2004 the capital assets of the reporting entity, amounted to \$185,324,465. This amount represents the original or estimated cost for the assets and it is considerably less than their present value. Depreciation of capital assets is recognized in the government-wide statements. Specific details with regard to these assets can be found in Note 5 of the accompanying Notes to the Financial Statements.

RISK MANAGEMENT

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

INDEPENDENT AUDIT

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

the financial statements is included in the financial section of this report. The auditor's reports, pertinent to the requirements of the single audit act, are included in the Single Audit Section.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Thomas Henrikson". The signature is written in black ink and is positioned above the printed name and title.

Thomas A. Henrikson, CPA
Controller



Robinson Grant & Co., P.A.

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January 27, 2005

Independent Auditors' Report

County Council of Beaufort County
Beaufort, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Beaufort County, South Carolina, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beaufort County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2005, on our consideration of Beaufort County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Robinson Grant & Co., P.A.

County Council of Beaufort County
Page Two
January 27, 2005

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beaufort County, South Carolina's, basic financial statements. The introductory section, combining and individual non major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Beaufort County, South Carolina. The combining and individual non major fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material aspects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


Robinson Grant & Co., P.A.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

As management of Beaufort County, South Carolina we offer the County's financial statements this narrative overview and analysis of the financial activities of Beaufort County, South Carolina for the fiscal year ended June 30, 2004. Please read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of Beaufort County exceeded its liabilities at June 30, 2004 by \$64,919,026 (net assets). Of this amount \$20,911,810 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$5,378,534 during the fiscal year ended June 30, 2004 with a \$2,853,233 increase resulting from governmental activities and a \$2,525,301 increase resulting from business type activities.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,437,859, or approximately seven and one-half percent of the general fund expenditures and transfers.
- Beaufort County's capital assets increased by \$43,242,312 during the current fiscal year. The increase in governmental activities capital assets of \$40,367,891 was the result of: several purchases of property through the Real Property Purchase Program; the ongoing construction within the New River Tax Increment Financing District for the south campus for the University of South Carolina; the road construction within the Bluffton Tax Increment Financing District and throughout the County with the County's Road Improvement Program; and the construction at the County Regional Park at Burton Wells. The increase in business type activities capital assets of \$2,874,421 was the result of the construction of airplane hangars at the Lady's Island Airport and the construction of an airport control tower at the Hilton Head Airport.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net assets shows the County's assets less its liabilities at June 30, 2004. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

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

Both statements attempt to distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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

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

By comparing functions between the two sets of statements for governmental funds and governmental activities, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

Proprietary funds – Proprietary funds essentially account for the same functions as those reported under the business type activities of the government-wide statement of net assets and statement of activities. These funds report the services provided by the County for which the County charges a user fee or charge intended to recover all or a significant portion of their costs.

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

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and the fund financial statements. The notes are presented on pages 36 through 53 of the report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The amount of net assets may serve as a useful indicator of a government's financial position. For Beaufort County, assets exceeded liabilities by \$64,919,026 as of June 30, 2004.

Of this amount, \$36,539,214 (approximately 56%) reflects the County's investment in capital assets (land, buildings and equipment), less any related debt used to acquire those assets that is still outstanding. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the debt. An additional portion of the County's net assets, \$7,468,002 (approximately 12%), represents resources that are restricted to the repayment of the County's bonded indebtedness. The remaining balance of unrestricted net assets, \$20,911,810 (approximately 32%), may be used to meet the government's ongoing obligations to citizens and creditors.

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

Beaufort County's Net Assets
June 30, 2004 and 2003

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 88,465,698	\$ 120,744,530	422,665	\$ 1,453,824	\$ 88,888,363	\$ 122,198,354
Capital assets	<u>127,253,843</u>	<u>86,885,952</u>	<u>16,127,968</u>	<u>13,253,547</u>	<u>143,381,811</u>	<u>100,139,499</u>
Total assets	\$ <u>215,719,541</u>	\$ <u>207,630,482</u>	\$ <u>16,550,633</u>	\$ <u>14,707,371</u>	\$ <u>232,270,174</u>	\$ <u>222,337,853</u>
Long-term liabilities	\$ 141,816,829	\$ 138,016,847	\$ 728,191	\$ 888,704	\$ 142,544,820	\$ 138,905,551
Other liabilities	<u>23,973,405</u>	<u>22,537,361</u>	<u>832,923</u>	<u>1,354,449</u>	<u>24,806,328</u>	<u>23,891,810</u>
Total liabilities	\$ <u>165,790,034</u>	\$ <u>160,554,208</u>	\$ <u>1,561,114</u>	\$ <u>2,243,153</u>	\$ <u>167,351,148</u>	\$ <u>162,797,361</u>
Net assets:						
Invest in capital assets						
Net of related debt	\$ 21,299,949	\$ 24,558,255	\$ 15,239,265	\$ 12,212,120	\$ 36,539,214	\$ 36,770,375
Restricted	7,468,002	2,697,058	-	-	7,468,002	2,697,058
Unrestricted	<u>21,161,556</u>	<u>19,820,961</u>	<u>(249,746)</u>	<u>252,098</u>	<u>20,911,810</u>	<u>20,073,059</u>
	\$ <u>49,929,507</u>	\$ <u>47,076,274</u>	\$ <u>14,989,519</u>	\$ <u>12,464,218</u>	\$ <u>64,919,026</u>	\$ <u>59,540,492</u>

During fiscal 2004, the County revised the estimated useful life of some of its heavy equipment from 5 years to 7 years. This resulted in a change in the prior years accumulated depreciation of approximately \$1,555,616. Accordingly, the balance of governmental capital assets as of June 30, 2003 has been revised to reflect this change.

The County's net assets increased by \$5,378,534 during the fiscal year.

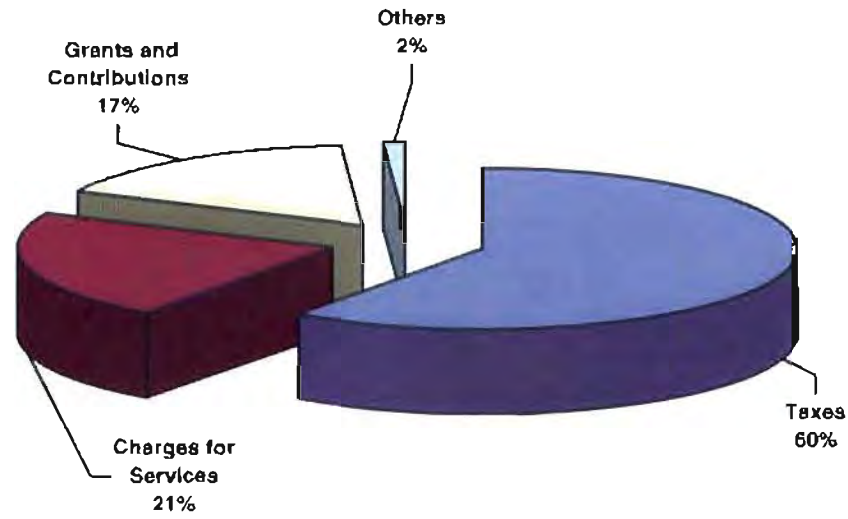
BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Beaufort County's Changes in Net Assets
For the Fiscal Years Ended June 30, 2004 and 2003

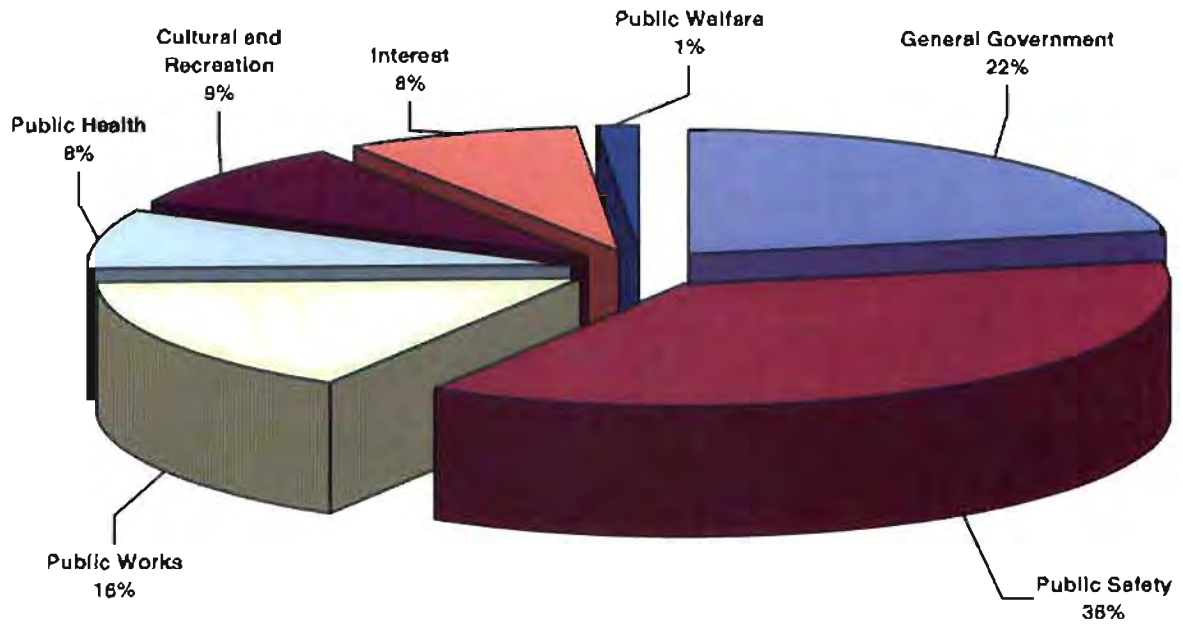
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
<u>Revenues:</u>						
Program Revenues:						
Charges for service	\$ 19,633,413	\$ 19,071,667	\$ 8,050,870	\$ 8,545,624	\$ 27,684,283	\$ 27,617,291
Operating grants and contributions	6,739,125	7,556,846	157,085	-	6,896,210	7,556,846
Capital grants and contributions	2,770,673	-	2,337,140	19,785	5,107,813	19,785
General Revenues:						
Property taxes	54,454,188	48,464,482	-	-	54,454,188	48,464,482
Grants and contributions	5,930,598	7,121,077	-	-	5,930,598	7,121,077
Unrestricted investment earnings	1,000,454	1,709,644	31,511	46,820	1,031,965	1,756,464
Miscellaneous	<u>647,994</u>	<u>606,578</u>			<u>647,994</u>	<u>606,578</u>
Total revenues	<u>91,176,445</u>	<u>84,530,284</u>	<u>10,576,606</u>	<u>8,612,229</u>	<u>101,753,051</u>	<u>93,142,523</u>
<u>Program Expenses</u>						
Governmental Activities:						
General government	19,299,507	23,749,085	-	-	19,299,507	23,749,085
Public safety	32,383,389	29,561,663	-	-	32,383,389	29,561,663
Public works	13,982,695	10,265,982	-	-	13,982,695	10,265,982
Public health	6,864,153	6,244,813	-	-	6,864,153	6,244,613
Public welfare	1,163,940	1,083,331	-	-	1,163,940	1,083,331
Cultural and recreation	7,809,386	6,897,218	-	-	7,809,386	6,897,218
Interest	6,820,142	4,088,987	-	-	6,820,142	4,088,987
Business-type Activities:						
Garage	-	-	2,702,854	2,454,837	2,702,854	2,454,837
Stormwater utility	-	-	3,437,623	3,863,545	3,437,623	3,863,545
Lady's Island Airport	-	-	405,512	326,445	405,512	326,445
Hilton Head Airport	-	-	<u>1,505,316</u>	<u>1,416,366</u>	<u>1,505,316</u>	<u>1,416,366</u>
Total expenses	<u>88,323,212</u>	<u>81,890,879</u>	<u>8,051,305</u>	<u>8,061,193</u>	<u>96,374,517</u>	<u>89,952,072</u>
Excess revenues over expenses	2,853,233	2,639,415	2,525,301	551,036	6,378,534	3,190,451
Net Assets, beginning	<u>47,076,274</u>	<u>44,436,859</u>	<u>12,464,218</u>	<u>11,913,182</u>	<u>59,540,492</u>	<u>56,350,041</u>
Net Assets, ending	<u>\$ 49,929,507</u>	<u>47,076,274</u>	<u>\$ 14,989,519</u>	<u>\$ 12,464,218</u>	<u>\$ 64,919,026</u>	<u>\$ 59,540,492</u>

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Revenues by Source - Governmental Activities

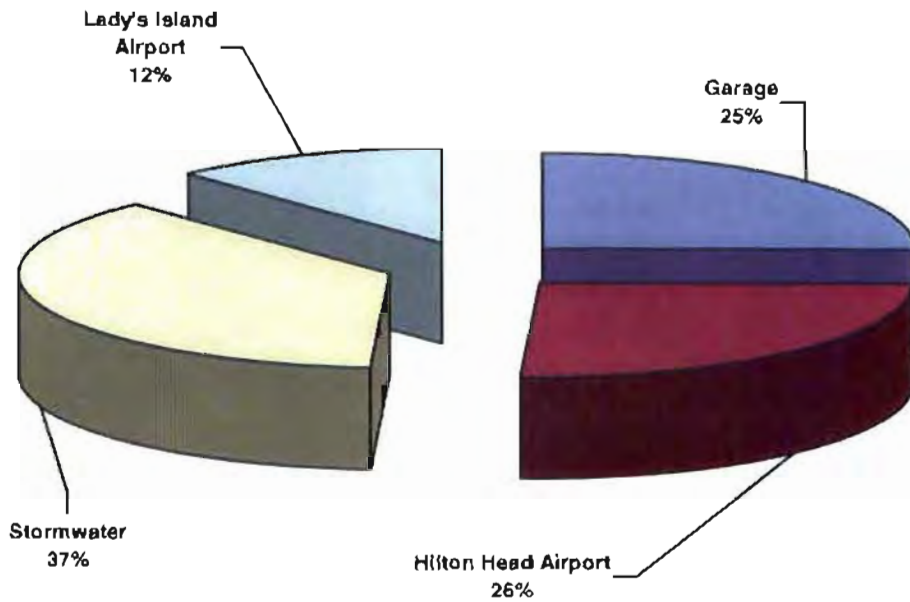


Expenses by Program - Governmental Activities

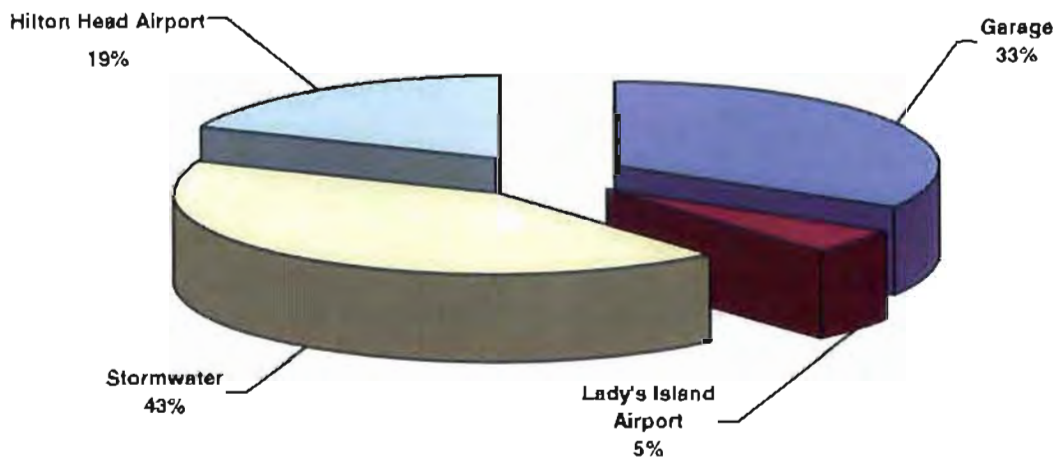


BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Revenues by Source - Business-type Activities



Expenses by Program - Business-type Activities



BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$71,925,473 a decrease of \$32,589,840 in comparison with the prior year. This decrease was the result of expenditures for capital assets which are not reflected in the governmental fund balances.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance of the general fund was \$5,150,600, of which \$712,741 was reserved for encumbrances and carry forwards. As a measure of the general fund's liquidity, a comparison of both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 7.5% of total general fund expenditures and transfers, while total fund balance represents approximately 8.7% of total general fund expenditures.

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget and the revised budget are shown on Exhibit 5. The \$1,480,764 difference in general fund expenditures between these two budgets is the amount of the encumbrances that were outstanding as of the previous fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – Beaufort County's investment in capital assets for its governmental and business-type activities as of June 30, 2004 was \$143,381,811 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

Long-term debt – Beaufort County had \$145,854,003 of total long-term debt outstanding as of June 30, 2004. This amount increased by \$3,755,224 during this fiscal year as a result of the issuance of \$23,680,000 TIF revenue bonds and a capital lease for \$325,300 less the amount of \$20,250,076 debt service principle paid during the fiscal year.

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

REQUESTS FOR INFORMATION

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2004

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets:			
Cash and equity in pooled cash and investments	\$ 81,815,159	\$ 75,915	\$ 81,891,074
Receivables, net	3,442,063	117,346	3,559,409
Due from other governments	2,980,743	-	2,980,743
Internal balances	-	-	-
Notes receivable	117,858	-	117,858
Inventories	-	157,678	157,678
Prepaid expenditures	109,875	71,726	181,601
	<u>88,465,698</u>	<u>422,665</u>	<u>88,888,363</u>
Capital Assets:			
Non-depreciable	56,811,945	7,713,105	64,525,050
Depreciable	70,441,898	8,414,863	78,856,761
	<u>127,253,843</u>	<u>16,127,968</u>	<u>143,381,811</u>
Total Assets	<u>215,719,541</u>	<u>16,550,633</u>	<u>232,270,174</u>
LIABILITIES			
Liabilities:			
Accounts payable	10,307,467	672,411	10,979,878
Current portion of long term debt	5,312,151	160,512	5,472,663
Due to others	8,317,300	-	8,317,300
Deferred revenue	36,487	-	36,487
	<u>23,973,405</u>	<u>832,923</u>	<u>24,806,328</u>
Long term Liabilities:			
Accrued compensated absences	2,163,480	-	2,163,480
Long-term obligations	139,653,149	728,191	140,381,340
	<u>141,816,629</u>	<u>728,191</u>	<u>142,544,820</u>
Total Liabilities	<u>165,790,034</u>	<u>1,561,114</u>	<u>167,351,148</u>
NET ASSETS			
Invested in capital assets, net of related debt	21,299,949	15,239,265	36,539,214
Restricted for debt service	7,468,002	-	7,468,002
Restricted for capital projects, net of related debt	-	-	-
Unrestricted	21,161,556	(249,746)	20,911,810
Total Net Assets	<u>\$ 49,929,507</u>	<u>\$ 14,989,519</u>	<u>\$ 64,919,026</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, 2004

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Governmental Activities:				
General Government	\$ 19,299,507	\$ 9,264,212	\$ 2,269,041	\$ 419,000
Public Safety	32,383,389	5,762,904	542,548	692,663
Public Works	13,982,695	2,354,902	71,529	1,609,670
Public Health	6,864,153	284,451	3,162,502	-
Public Welfare	1,163,940	-	224,460	-
Cultural and Recreation	7,809,386	1,966,944	469,045	49,340
Interest	6,820,142	-	-	-
Total Governmental Activities	<u>88,323,212</u>	<u>19,633,413</u>	<u>6,739,125</u>	<u>2,770,673</u>
Business-type Activities				
Garage	2,702,854	2,665,716	-	-
Stormwater Utility	3,437,623	3,930,774	-	-
Lady's Island Airport	405,512	346,964	-	927,453
Hilton Head Airport	1,505,316	1,107,416	157,085	1,409,687
Total Business-type Activities	<u>8,051,305</u>	<u>8,050,870</u>	<u>157,085</u>	<u>2,337,140</u>
Total Primary Government	<u>\$ 96,374,517</u>	<u>\$ 27,684,283</u>	<u>\$ 6,896,210</u>	<u>\$ 5,107,813</u>
General Revenues				
Taxes				
Grants and Contributions Not Restricted				
Unrestricted Investment Earnings				
Miscellaneous				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets, Beginning				
Net Assets, Ending				

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Activities	Business Type Activities	Totals
\$ (7,347,254)	\$ -	\$ (7,347,254)
(25,385,274)	-	(25,385,274)
(9,946,594)	-	(9,946,594)
(3,417,200)	-	(3,417,200)
(939,480)	-	(939,480)
(5,324,057)	-	(5,324,057)
(6,820,142)	-	(6,820,142)
<u>(59,180,001)</u>	<u>-</u>	<u>(59,180,001)</u>
-	(37,138)	(37,138)
-	493,151	493,151
-	868,905	868,905
-	<u>1,168,872</u>	<u>1,168,872</u>
-	<u>2,493,790</u>	<u>2,493,790</u>
<u>\$ (59,180,001)</u>	<u>\$ 2,493,790</u>	<u>\$ (56,686,211)</u>
\$ 54,454,188	\$ -	\$ 54,454,188
5,930,598	-	5,930,598
1,000,454	31,511	1,031,965
<u>647,994</u>	<u>-</u>	<u>647,994</u>
<u>62,033,234</u>	<u>31,511</u>	<u>62,064,745</u>
2,853,233	2,525,301	5,378,534
<u>47,076,274</u>	<u>12,464,218</u>	<u>59,540,492</u>
<u>\$ 49,929,507</u>	<u>\$ 14,989,519</u>	<u>\$ 64,919,026</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2004

	General	New River TIF District	Real Property Purchase Program	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equity in pooled cash and investments	\$ 12,439,605	\$ 19,139,694	\$ 4,969,757	\$ 45,266,103	\$ 81,815,159
Receivables, net	2,249,173	268,000	-	924,890	3,442,063
Due from other governments	1,618,203	-	-	1,362,540	2,980,743
Notes receivable	101,394	-	-	16,464	117,858
Due from other funds	-	-	-	-	-
Prepaid expenditures	109,875	-	-	-	109,875
Total assets	\$ 16,518,250	\$ 19,407,694	\$ 4,969,757	\$ 47,569,997	\$ 88,465,698
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 2,243,323	\$ 1,415,651	\$ 39,342	\$ 3,220,792	\$ 6,919,108
Accrued payroll	1,038,078	-	-	229,252	1,267,330
Due to others	8,086,249	-	-	231,051	8,317,300
Deferred revenue	-	-	-	36,487	36,487
Total liabilities	11,367,650	1,415,651	39,342	3,717,582	16,540,225
Fund Equity:					
Reserved for encumbrances and carry forwards	712,741	-	-	6,715,325	7,428,086
Reserved for capital projects	-	17,992,043	4,930,415	16,088,948	39,011,406
Reserved for debt service	-	-	-	7,682,002	7,682,002
Unreserved fund balances	4,437,859	-	-	13,366,140	17,803,999
Total fund equity	5,150,600	17,992,043	4,930,415	43,852,415	71,925,473
Total liabilities and fund equity	\$ 16,518,250	\$ 19,407,694	\$ 4,969,757	\$ 47,569,997	\$ 88,465,698

The accompanying notes are an integral part of these financial statements

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2004

Total governmental fund balances (Exhibit 3)	\$ 71,925,473
Amounts reported for governmental activities in the statement of net assets are different because.	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	127,253,843
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	
current portion of long term debt	(5,312,151)
accrued compensated absences	(2,163,480)
long-term obligations	(139,653,149)
accrued interest payable	<u>(2,121,029)</u>
Net assets of governmental activities	<u>\$ 49,929,507</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year ended June 30, 2004

	General	New River TIF District	Real Property Purchase Program	Nonmajor Governmental Funds	Totals Governmental Funds
Revenues					
Property taxes	\$ 39,902,961	\$ -	\$ -	\$ 14,551,227	\$ 54,454,188
Licenses and permits	2,618,619	-	-	3,300,528	5,919,147
Intergovernmental	6,018,823	-	419,000	14,126,673	20,564,296
Charges for services	9,795,154	-	-	2,702,041	12,497,195
Fines and forfeitures	1,023,973	-	-	193,098	1,217,071
Interest	113,045	91,694	80,292	715,423	1,000,454
Miscellaneous	238,122	-	-	409,872	647,994
Total revenues	<u>59,710,497</u>	<u>91,694</u>	<u>499,292</u>	<u>35,998,862</u>	<u>96,300,345</u>
Expenditures					
General Government	14,573,990	-	-	7,728,792	22,302,782
Public Safety	26,905,522	-	-	3,425,618	30,331,140
Public Works	7,313,102	-	-	10,163,067	17,476,169
Public Health	2,168,726	-	-	4,549,245	6,717,971
Public Welfare	709,052	-	-	345,653	1,054,705
Cultural and Recreation	3,148,082	-	-	3,388,188	6,536,270
Debt Service - Principal	-	-	-	20,040,000	20,040,000
Debt Service - Interest and fees	-	-	-	5,909,905	5,909,905
Capital Projects	-	14,634,524	9,095,158	18,471,561	42,201,243
Total expenditures	<u>54,818,474</u>	<u>14,634,524</u>	<u>9,095,158</u>	<u>74,022,029</u>	<u>152,570,185</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,892,023	(14,542,830)	(8,595,866)	(38,023,167)	(56,269,840)
Other financing sources (uses)					
Bond proceeds	-	-	-	23,680,000	23,680,000
Operating transfers in	47,265	-	-	13,272,035	13,319,300
Operating transfers out	(3,837,216)	-	-	(9,482,084)	(13,319,300)
Total other financing sources (uses)	<u>(3,789,951)</u>	<u>-</u>	<u>-</u>	<u>27,469,951</u>	<u>23,680,000</u>
Net Change in Fund Balances	1,102,072	(14,542,830)	(8,595,866)	(10,553,216)	(32,589,840)
Fund Balance at the Beginning of the Year	<u>4,048,528</u>	<u>32,534,873</u>	<u>13,526,281</u>	<u>54,405,631</u>	<u>104,515,313</u>
Fund Balance at the End of the Year	<u>\$ 5,150,600</u>	<u>\$ 17,992,043</u>	<u>\$ 4,930,415</u>	<u>\$ 43,852,415</u>	<u>\$ 71,925,473</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

Total net change in fund balances - governmental funds (Exhibit 4) \$ (32,589,840)

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

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period

capital outlay	48,823,134
depreciation	(8,455,243)

The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions has any affect on net assets

issuance of long-term bonds	(23,680,000)
issuance of capital lease	(325,300)
bond payments	20,040,000
capital lease payments	57,352

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

increase in accrued interest	(910,237)
increase in accrued compensated absences	(106,633)

Change in net assets of governmental activities \$ 2,853,233

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

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES
 Year ended June 30, 2004

	GENERAL			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ 42,262,802	\$ 42,262,802	\$ 39,902,961	\$ (2,359,841)
Licenses and permits	2,862,088	2,862,088	2,618,619	(243,469)
Intergovernmental	5,922,503	5,922,503	6,018,623	96,120
Charges for services	8,501,887	8,501,887	9,795,154	1,293,267
Fines and forfeitures	962,300	962,300	1,023,973	61,673
Interest	405,500	405,500	113,045	(292,455)
Miscellaneous	167,000	167,000	238,122	71,122
Total revenues	61,084,080	61,084,080	59,710,497	(1,373,583)
Expenditures				
General Government	14,827,018	15,655,110	14,573,990	1,081,120
Public Safety	28,148,693	28,619,548	26,905,522	1,714,026
Public Works	7,670,766	7,750,175	7,313,102	437,073
Public Health	2,139,771	2,179,771	2,168,726	11,045
Public Welfare	754,258	754,256	709,052	45,204
Cultural and Recreation	3,280,806	3,343,214	3,148,082	195,132
Debt Service - Principal	-	-	-	-
Debt Service - Interest and fees	-	-	-	-
Capital Projects	-	-	-	-
Total expenditures	56,821,312	58,302,074	54,818,474	3,483,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,262,770	2,782,006	4,892,023	2,110,017
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Operating transfer in	39,500	39,500	47,265	7,765
Operating transfer out	(4,302,270)	(4,302,270)	(3,837,216)	465,054
Total other financing sources (uses)	(4,262,770)	(4,262,770)	(3,789,951)	472,819
Net Change in Fund Balances	-	(1,480,764)	1,102,072	2,582,836
Fund Balance at the Beginning of the year	4,048,528	4,048,528	4,048,528	-
Fund Balance at the End of the Year	\$ 4,048,528	\$ 2,567,764	\$ 5,150,600	\$ 2,582,836

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2004

	NEW RIVER TIF DISTRICT			Variance
	Original Budget	Final Budget	Actual	with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	91,694	91,694
Miscellaneous	-	-	-	-
Total revenues	-	-	91,694	91,694
Expenditures				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest and fees	-	-	-	-
Capital Projects	32,534,873	32,534,873	14,634,524	17,900,349
Total expenditures	32,534,873	32,534,873	14,634,524	17,900,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,534,873)	(32,534,873)	(14,542,830)	17,992,043
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Operating transfer in	-	-	-	-
Operating transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	(32,534,873)	(32,534,873)	(14,542,830)	17,992,043
Fund Balance at the Beginning of the year	32,534,873	32,534,873	32,534,873	-
Fund Balance at the End of the Year	\$ -	\$ -	\$ 17,992,043	\$ 17,992,043

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2004

	REAL PROPERTY PURCHASE PROGRAM			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	419,000	419,000	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	80,292	80,292
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>419,000</u>	<u>499,292</u>	<u>80,292</u>
Expenditures				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service Interest and fees	-	-	-	-
Capital Projects	13,526,281	13,945,281	9,095,158	4,850,123
Total expenditures	<u>13,526,281</u>	<u>13,945,281</u>	<u>9,095,158</u>	<u>4,850,123</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,526,281)	(13,526,281)	(8,595,866)	4,930,415
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Operating transfer in	-	-	-	-
Operating transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(13,526,281)	(13,526,281)	(8,595,866)	4,930,415
Fund Balance at the Beginning of the year	<u>13,526,281</u>	<u>13,526,281</u>	<u>13,526,281</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,930,415</u>	<u>\$ 4,930,415</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2004

	NONMAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ 15,259,438	\$ 15,259,438	\$ 14,551,227	\$ (708,211)
Licenses and permits	2,639,865	2,639,865	3,300,528	660,663
Intergovernmental	12,596,441	12,787,220	14,126,673	1,339,453
Charges for services	2,543,976	2,700,424	2,702,041	1,617
Fines and forfeitures	180,000	180,000	193,098	13,098
Interest	548,500	548,500	715,423	166,923
Miscellaneous	106,576	165,576	409,872	244,296
Total revenues	<u>33,874,796</u>	<u>34,281,023</u>	<u>35,998,862</u>	<u>1,717,839</u>
Expenditures				
General Government	7,681,369	7,700,369	7,728,792	(28,423)
Public Safety	3,069,403	3,125,851	3,425,618	(299,767)
Public Works	12,266,310	12,390,365	10,163,067	2,227,298
Public Health	4,773,072	4,907,796	4,549,245	358,551
Public Welfare	341,916	383,916	345,653	38,263
Cultural and Recreation	4,593,720	4,623,720	3,388,188	1,235,532
Debt Service - Principal	20,040,000	20,040,000	20,040,000	-
Debt Service - Interest and fees	5,928,397	5,928,397	5,909,905	18,492
Capital Projects	37,923,924	37,923,924	18,471,561	19,452,363
Total expenditures	<u>96,618,111</u>	<u>97,024,338</u>	<u>74,022,029</u>	<u>23,002,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,743,315)	(62,743,315)	(38,023,167)	24,720,148
Other financing sources (uses)				
Bond proceeds	23,680,000	23,680,000	23,680,000	-
Operating transfer in	8,313,552	8,313,552	13,272,035	4,958,483
Operating transfer out	(7,283,546)	(7,283,546)	(9,482,084)	(2,198,538)
Total other financing sources (uses)	<u>24,710,006</u>	<u>24,710,006</u>	<u>27,469,951</u>	<u>2,759,945</u>
Net Change in Fund Balances	(38,033,309)	(38,033,309)	(10,553,216)	27,480,093
Fund Balance at the Beginning of the year	<u>54,405,631</u>	<u>54,405,631</u>	<u>54,405,631</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ 16,372,322</u>	<u>\$ 16,372,322</u>	<u>\$ 43,852,415</u>	<u>\$ 27,480,093</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
Year ended June 30, 2004

	TOTALS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ 57,522,240	\$ 57,522,240	\$ 54,454,188	\$ (3,068,052)
Licenses and permits	5,501,953	5,501,953	5,919,147	417,194
Intergovernmental	18,518,944	19,128,723	20,564,296	1,435,573
Charges for services	11,045,863	11,202,311	12,497,195	1,294,884
Fines and forfeitures	1,142,300	1,142,300	1,217,071	74,771
Interest	954,000	954,000	1,000,454	46,454
Miscellaneous	273,576	332,576	647,994	315,418
Total revenues	<u>94,958,876</u>	<u>95,784,103</u>	<u>96,300,345</u>	<u>516,242</u>
Expenditures				
General Government	22,508,387	23,355,479	22,302,782	1,052,697
Public Safety	31,218,096	31,745,399	30,331,140	1,414,259
Public Works	19,937,076	20,140,540	17,476,169	2,664,371
Public Health	6,912,843	7,087,567	6,717,971	369,596
Public Welfare	1,096,172	1,138,172	1,054,705	83,467
Cultural and Recreation	7,874,526	7,966,934	6,536,270	1,430,664
Debt Service - Principal	20,040,000	20,040,000	20,040,000	-
Debt Service - Interest and fees	5,928,397	5,928,397	5,909,905	18,492
Capital Projects	83,985,078	84,404,078	42,201,243	42,202,835
Total expenditures	<u>199,500,575</u>	<u>201,806,566</u>	<u>152,570,185</u>	<u>49,236,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,541,699)	(106,022,463)	(56,269,840)	49,752,623
Other financing sources (uses)				
Bond proceeds	23,680,000	23,680,000	23,680,000	-
Operating transfer in	8,353,052	8,353,052	13,319,300	4,966,248
Operating transfer out	<u>(11,585,816)</u>	<u>(11,585,816)</u>	<u>(13,319,300)</u>	<u>(1,733,484)</u>
Total other financing sources (uses)	<u>20,447,236</u>	<u>20,447,236</u>	<u>23,680,000</u>	<u>3,232,764</u>
Net Change in Fund Balances	(84,094,463)	(85,575,227)	(32,589,840)	52,985,387
Fund Balance at the Beginning of the year	<u>104,515,313</u>	<u>104,515,313</u>	<u>104,515,313</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ 20,420,850</u>	<u>\$ 18,940,086</u>	<u>\$ 71,925,473</u>	<u>\$ 52,985,387</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2004

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
ASSETS					
Current Assets:					
Cash and investments with Trustee	\$ 158,547	\$ 704,713	\$ (264,884)	\$ (522,461)	\$ 75,915
Receivables, net	66,418	28,613	12,889	9,426	117,346
Internal balances	-	-	(240,000)	240,000	-
Inventories	33,439	90,501	33,738	-	157,678
Prepayments	71,726	-	-	-	71,726
Total current assets	<u>330,130</u>	<u>823,827</u>	<u>(458,257)</u>	<u>(273,035)</u>	<u>422,665</u>
Property and equipment	442,469	1,295,125	2,613,889	15,772,326	20,123,809
Accumulated depreciation	<u>(289,550)</u>	<u>(405,692)</u>	<u>(354,317)</u>	<u>(2,946,282)</u>	<u>(3,995,841)</u>
	<u>152,919</u>	<u>889,433</u>	<u>2,259,572</u>	<u>12,826,044</u>	<u>16,127,968</u>
Total Assets	<u>483,049</u>	<u>1,713,260</u>	<u>1,801,315</u>	<u>12,553,009</u>	<u>16,550,633</u>
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Account payable	232,841	94,684	62,863	177,327	567,715
Accrued payroll	1,141	48,979	4,970	49,606	104,696
Current portion of long term debt	-	-	-	160,512	160,512
Total current liabilities	<u>233,982</u>	<u>143,663</u>	<u>67,833</u>	<u>387,445</u>	<u>832,923</u>
Long term portion of debt	-	-	-	728,191	728,191
Total liabilities	<u>233,982</u>	<u>143,663</u>	<u>67,833</u>	<u>1,115,636</u>	<u>1,561,114</u>
NET ASSETS:					
Invested in capital assets, net					
of related debt	152,919	889,433	2,259,572	11,937,341	15,239,265
Unrestricted (deficit)	<u>96,148</u>	<u>680,164</u>	<u>(526,090)</u>	<u>(499,968)</u>	<u>(249,746)</u>
Total Net Assets	<u>\$ 249,067</u>	<u>\$ 1,569,597</u>	<u>\$ 1,733,482</u>	<u>\$ 11,437,373</u>	<u>\$ 14,989,519</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 Year ended June 30, 2004

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Operating revenues:					
Garage bilings	\$ 1,542,464	\$ -	\$ -	\$ -	\$ 1,542,464
Fuel and oil sales	1,123,252	-	292,624	-	1,415,876
Stormwater utility fees	-	3,902,161	-	-	3,902,161
Concession sales	-	-	8,186	-	8,186
FBO lease payments	-	-	-	46,248	46,248
Firefighting fees	-	-	-	209,774	209,774
Landing fees	-	-	8,427	130,269	138,696
Parking/taxi fees	-	-	-	19,210	19,210
Rentals	-	-	36,399	526,180	562,579
Passenger facilities charges	-	-	-	175,238	175,238
FAA grants	-	-	279,219	1,409,687	1,688,906
TSA grants	-	-	-	157,085	157,085
SCAC grants	-	-	-	-	-
Other charges	-	28,613	1,328	497	30,438
	<u>2,865,716</u>	<u>3,930,774</u>	<u>626,183</u>	<u>2,674,188</u>	<u>9,896,861</u>
Operating expenses:					
Costs of sales and services	2,590,152	-	210,492	-	2,800,644
Personnel	40,308	855,979	74,172	707,897	1,678,356
Purchased services	30,187	849,369	51,997	288,546	1,220,099
Supplies	6,729	149,773	10,842	64,389	231,733
Other	-	1,415,638	-	-	1,415,638
Depreciation	35,478	166,864	58,009	397,211	657,562
	<u>2,702,854</u>	<u>3,437,623</u>	<u>405,512</u>	<u>1,458,043</u>	<u>8,004,032</u>
Operating Income (loss)	(37,138)	493,151	220,671	1,216,145	1,892,829
Non-Operating Revenues (Expenses)					
Contributed assets	-	-	648,234	-	648,234
Interest earned	146	5,622	-	25,743	31,511
Interest expense	-	-	-	(47,273)	(47,273)
Total non-operating revenues	<u>146</u>	<u>5,622</u>	<u>648,234</u>	<u>(21,530)</u>	<u>632,472</u>
Change in Net Assets	(36,992)	498,773	868,905	1,194,615	2,525,301
Net Assets, Beginning	<u>286,059</u>	<u>1,070,824</u>	<u>864,577</u>	<u>10,242,758</u>	<u>12,464,218</u>
Net Assets, Ending	<u>\$ 249,067</u>	<u>\$ 1,569,597</u>	<u>\$ 1,733,482</u>	<u>\$ 11,437,373</u>	<u>\$ 14,989,519</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2004

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,660,054	\$ 3,902,161	\$ 718,841	\$ 3,056,046	\$ 10,337,102
Cash paid to employees	(41,626)	(834,457)	(72,601)	(704,660)	(1,653,344)
Cash paid to suppliers	<u>(2,614,757)</u>	<u>(2,745,840)</u>	<u>(276,362)</u>	<u>(692,216)</u>	<u>(6,328,977)</u>
	<u>3,671</u>	<u>322,064</u>	<u>369,878</u>	<u>1,659,168</u>	<u>2,354,781</u>
Cash flows from noncapital financing activities:					
Operating transfers	-	-	-	-	-
Advances from County	-	-	(178,361)	(63,136)	(241,497)
	<u>-</u>	<u>-</u>	<u>(178,361)</u>	<u>(63,136)</u>	<u>(241,497)</u>
Cash flows from capital and related financing activities:					
Contributed capital	-	-	648,234	-	648,234
Purchase of fixed assets	-	(482,537)	(1,105,007)	(1,944,439)	(3,531,983)
Principal payment on debt	-	-	-	(152,724)	(152,724)
Interest paid on debt	-	-	-	(47,273)	(47,273)
	<u>-</u>	<u>(482,537)</u>	<u>(456,773)</u>	<u>(2,144,436)</u>	<u>(3,083,746)</u>
Cash flows from investing activities:					
Interest earned	<u>146</u>	<u>5,622</u>	<u>-</u>	<u>25,743</u>	<u>31,511</u>
Net increase (decrease) in cash and cash equivalents	3,817	(154,851)	(265,256)	(522,661)	(938,951)
Cash and cash equivalents, July 1, 2003	<u>154,730</u>	<u>859,564</u>	<u>372</u>	<u>200</u>	<u>1,014,866</u>
Cash and cash equivalents, June 30, 2004	<u>\$ 158,547</u>	<u>\$ 704,713</u>	<u>\$ (264,884)</u>	<u>\$ (522,461)</u>	<u>\$ 75,915</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2004

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (37,138)	\$ 493,151	\$ 220,671	\$ 1,216,145	\$ 1,892,829
Adjustments to reconcile:					
Depreciation	<u>35,478</u>	<u>166,864</u>	<u>58,009</u>	<u>397,211</u>	<u>657,562</u>
Changes in assets and liabilities:					
(Increase) Decrease in account receivable	(5,662)	(28,613)	92,658	381,858	440,241
(Increase) Decrease in inventories	(4,240)	(90,501)	(11,795)	-	(106,536)
(Increase) Decrease in other current assets	-	-	-	-	-
Increase (Decrease) in accounts payable	16,551	(240,359)	8,764	(339,283)	(554,327)
Increase (Decrease) in accrued payroll	(1,318)	21,522	1,571	3,237	25,012
Increase (Decrease) in other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,331</u>	<u>(337,951)</u>	<u>91,198</u>	<u>45,812</u>	<u>(195,610)</u>
Net cash used by operating activities	<u>\$ 3,671</u>	<u>\$ 322,064</u>	<u>\$ 369,878</u>	<u>\$ 1,659,168</u>	<u>\$ 2,354,781</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2004

ASSETS

Cash and equity in pooled cash and Investments	\$ 44,526,860
Receivables, net	-
Total assets	<u>44,526,860</u>

LIABILITIES

Liabilities:	
Accounts payable	-
Due to agency	<u>44,526,860</u>
Total liabilities	<u>44,526,860</u>

NET ASSETS

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

1. Summary of Significant Accounting Policies – Continued:

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

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

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

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

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

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

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

The following fund types are used by the County:

1) Governmental Funds:

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

1. Summary of Significant Accounting Policies - Continued:

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

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

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

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

2) Proprietary Funds:

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

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

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

3) Fiduciary Funds:

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

1. Summary of Significant Accounting Policies - Continued:

C. Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

- 1) Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.
- 2) Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (both measurable and available). "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt is recognized when due.

D. Equity in Pooled Cash and Investments - The County maintains a pooled cash and investment account for all funds for accounting and investment purposes. This gives the County the ability to invest idle cash for short periods of time and to earn the most favorable available rate of return. The "equity in pooled cash and investments" represents the amount of pooled cash and investments owned by each fund of the County.

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.

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

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

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

H. Capital Assets - Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 25 years
Improvements	20 - 25 years
Equipment	5 - 10 years

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

1. Summary of Significant Accounting Policies - Continued:

- J. Expenditures – Expenditures are recognized when the related fund liability is incurred.
- K. Compensated Absences – The County accrues compensated absences and associated employee-related costs when earned by the employee.
- L. Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the County's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
- M. Budgets and Budgetary Accounting - The County uses the following procedures in establishing the budgetary data reflected in the financial statements:
- (1) The County Administrator submits to County Council, prior to June 1, proposed operating, special revenue, debt service, and capital improvement (CIP) budgets for the fiscal year commencing July 1. The operating, special revenue, debt service, and CIP budgets include proposed expenditures, revenues and financing sources.
 - (2) The Council requires such changes to be made as it deems necessary, provided the budget remains in balance and is subject to the notice of hearing requirements of Section 4-9-140 of the South Carolina Statutes.
 - (3) Public hearings are held pursuant to Section 4-9-140 of the South Carolina Statutes in order for the Council to adopt the tentative and final budget.
 - (4) Prior to July 1, the operating, special revenue, debt service and CIP budgets are legally enacted through passage of an ordinance setting forth anticipated revenues and appropriations by fund.
 - (5) The County Administrator or his designee is authorized to transfer funds among operating accounts or among capital accounts within a department. All transfers between departments and programs or between operating and capital accounts must be authorized by the Council in accordance with Section 4-9-140 of the South Carolina Statutes. In accordance with County Ordinance #2003/26, Section 12, amounts of \$10,000 or less can be approved by the Council Chairman and/or Council Finance Committee Chairman; transfers of \$5,000 or less can be approved by the County Administrator and/or his designees.
 - (6) Formal budgetary integration is employed as a measurement control device for all governmental funds of the County. The level on which expenditures may not legally exceed appropriations is the fund level.
 - (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
 - (8) Revenues in excess of the current budget ordinance may be expended as directed by the revenue source or for the express purpose for which the funds were generated without further approval by County Council, as per Section 14 of County Ordinance #2003/26.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2004

2. Cash and Equity in Pooled Cash and Investments

The County maintains a cash and investment pool that is available for use by all funds. South Carolina Statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool (invested in government guaranteed securities), obligations of the U. S. Government, and government agencies unconditionally guaranteed by the Federal Government.

At June 30, 2004, the carrying amount of the County's cash on deposit was \$126,342,019 and the bank balance of cash on deposit was \$127,936,806. These deposits were entirely covered by federal deposit insurance or by collateral held by the financial institution in the County's name.

The County's investments are categorized as follows to give an indication of the level of risk assumed by Beaufort County at June 30, 2004. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name.

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

	Category			Carrying Value	Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>		
Pooled investments	\$ -0-	\$ -0-	\$126,342,019	\$126,342,019	\$126,342,019

The Carrying value of investments approximates market value at June 30, 2004.

3. Receivables/Due from Other Governments

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

The following details receivables-net by fund:

	General Fund	New River TIF District	Real Property Purchase Program	Nonmajor Governmental Funds
Gross property tax receivable	\$ 973,308	\$ -	\$ -	\$ 310,373
Less allowance for delinquent property tax	446,737	-	-	158,247
Subtotal	526,571	-	-	152,126
Licenses and fees receivable	811,477	-	-	622,764
Fines receivable	829,833	-	-	-
Accounts receivable - other	81,292	268,000	-	150,000
	\$2,249,173	\$ 268,000	\$ -	\$ 924,890

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

3. Receivables/Due from Other Governments – Continued:

Key dates in the property tax cycle for tax year 2003 are as follows:

Assessment date	1998
Property taxes levied	September 1, 2003
Tax bills rendered	October 1, 2003
Property taxes payable	March 16, 2004
Delinquency date	March 17, 2004
Tax sale date	October 1, 2004

The following details the due from other governments by fund:

	General Fund	Nonmajor Governmental Fund
State aid to subdivisions	\$ 1,347,349	\$ -
Alcohol & Drug programs	-	58,398
Disabilities and Special Needs programs	-	14,650
Parks and Leisure Services programs	-	174,075
Others	<u>270,854</u>	<u>1,115,417</u>
	<u>\$ 1,618,203</u>	<u>\$ 1,362,540</u>

4. Notes Receivable

Notes receivable of \$101,394 presented in the General Fund relates to a loan made to the Lowcountry Regional Transportation Authority for operational support and is to be repaid as funds become available over the next two years.

Notes receivable of \$16,464 presented in the Nonmajor Governmental Fund relate to loans made to individuals for refurbishment or replacement of low income housing. A corresponding amount has been recorded as a deferred revenue item.

5. Capital Assets

Governmental Activities

	Balance <u>June 30, 2003</u>	Additions	Disposals or Transfers	Balance <u>June 30, 2004</u>
Capital assets not being depreciated:				
Land & Improvements	\$ 7,723,880	\$ 14,483,452	\$ -	\$ 22,207,332
Construction in progress	<u>17,055,178</u>	<u>38,945,317</u>	<u>21,395,882</u>	<u>34,604,613</u>
Total capital assets not being depreciated	<u>24,779,058</u>	<u>53,428,769</u>	<u>21,395,882</u>	<u>56,811,945</u>
Other capital assets:				
Buildings & improvements	75,951,930	14,592,103	-	90,544,033
Equipment	<u>36,830,326</u>	<u>2,198,144</u>	<u>1,059,983</u>	<u>37,968,487</u>
Total other capital assets	112,782,256	16,790,247	1,059,983	128,512,520
Less accumulated depreciation	<u>50,675,362</u>	<u>8,455,243</u>	<u>1,059,983</u>	<u>58,070,622</u>
Other capital assets, net	<u>62,106,894</u>	<u>8,335,004</u>	<u>-</u>	<u>70,441,898</u>
Total Governmental Activities	<u>\$66,885,952</u>	<u>\$ 61,763,773</u>	<u>\$21,395,882</u>	<u>\$ 127,253,843</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

5. Capital Assets – Continued:

During fiscal 2004, the County revised the estimated useful life of some of its heavy equipment from 5 years to 7 years. This resulted in a change in the prior years accumulated depreciation of approximately \$1,555,616. Accordingly, the balance of governmental capital assets as of June 30, 2003 has been revised to reflect this change.

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, 2004 was \$8,455,243 and the accumulated depreciation as of June 30, 2004 was \$58,070,622.

The depreciation expense was allocated as follows:

General Government	\$ 2,245,583
Public Safety	3,808,158
Public Works	552,197
Public Health	245,716
Public Welfare	154,197
Cultural and Recreation	<u>1,449,392</u>
Total	<u>\$ 8,455,243</u>

Business-type Activities

	Balance June 30, 2003	Additions	Disposals or Transfers	Balance June 30, 2004
Capital assets not being depreciated:				
Land & Improvements	\$ 6,083,572	\$ 1,629,533	\$ -	\$ 7,713,105
Construction in progress	<u>1,575,259</u>	<u>3,001,954</u>	<u>4,577,213</u>	<u>-</u>
Total capital assets not being depreciated	<u>7,658,831</u>	<u>4,631,487</u>	<u>4,577,213</u>	<u>7,713,105</u>
Other capital assets:				
Buildings & improvements	6,671,793	2,426,652	-	9,098,445
Equipment	<u>2,263,033</u>	<u>1,051,057</u>	<u>1,831</u>	<u>3,312,259</u>
Total other capital assets	8,934,826	3,477,709	1,831	12,410,704
Less accumulated depreciation	<u>3,340,110</u>	<u>657,562</u>	<u>1,831</u>	<u>3,995,841</u>
Other capital assets, net	<u>5,594,716</u>	<u>2,820,147</u>	<u>-</u>	<u>8,414,863</u>
Business-type activities capital assets, net	<u>\$ 13,253,547</u>	<u>\$ 7,451,634</u>	<u>\$ 4,577,213</u>	<u>\$ 16,127,968</u>

For the capital assets of the business-type activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives, which range from five to twenty-five years, of the assets. Depreciation expense for the year ended June 30, 2004 was \$657,562 and the accumulated depreciation as of June 30, 2004 was \$3,995,841.

The depreciation expense was allocated as follows:

Garage	\$ 35,478
Stormwater Utility	166,864
Lady's Island Airport	58,009
Hilton Head Airport	<u>397,211</u>
Total	<u>\$ 657,562</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

6. Long-Term Obligations

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation bonds	\$ 80,960,000	\$ -
TIF Revenue bonds	63,680,000	-
Note payable	-	888,703
Capital leases	<u>325,300</u>	<u>-</u>
	<u>\$ 144,965,300</u>	<u>\$ 888,703</u>

General Obligation Bonds

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

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

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

6. Long Term Obligations - Continued:

General Obligation Bonds (continued)

General obligation bonds accounted for in the County's Statement of Net Assets consist of the following at June 30, 2004:

<u>Description</u>	<u>Rates and Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2004</u>
1999 Improvement Bonds	4.6% - 5.25% 2/1 and 8/1	2008	9,100,000	6,900,000
2001 County Bonds	4.375% - 5.25% 2/1 and 8/1	2020	30,000,000	26,835,000
2002 County Bonds	3.0% - 4.875% 2/1 and 8/1	2022	25,100,000	22,375,000
2003 County Bonds	2.0% - 5.0% 2/1 and 8/1	2023	25,500,000	24,850,000
			<u>\$ 89,700,000</u>	<u>\$ 80,960,000</u>

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

<u>Fiscal Year Ending</u>	<u>1999 Improvement Bonds</u>	<u>2001 County Bonds</u>	<u>2002 County Bonds</u>	<u>2003 County Bonds</u>	<u>Total</u>
2005	\$ 2,017,400	\$ 2,539,785	\$ 2,643,725	\$ 1,635,500	\$ 8,836,410
2006	2,039,200	2,531,629	2,631,100	1,671,500	8,873,429
2007	2,056,400	2,521,504	2,616,600	1,706,500	8,901,004
2008	1,569,000	2,516,254	2,610,800	1,740,500	8,436,554
2009	-	2,493,004	2,598,225	1,773,500	6,864,729
2010-2014	-	12,408,755	8,494,475	9,526,750	30,429,980
2015-2019	-	12,228,657	5,613,950	10,492,062	28,334,669
2020-2023	-	<u>2,418,356</u>	<u>3,401,881</u>	<u>8,386,625</u>	<u>14,206,862</u>
Total	7,682,000	39,657,944	30,610,756	36,932,937	114,883,637
Less amount representing interest	<u>782,000</u>	<u>12,822,944</u>	<u>8,235,756</u>	<u>12,082,937</u>	<u>33,923,637</u>
Net	<u>\$ 6,900,000</u>	<u>\$ 26,835,000</u>	<u>\$ 22,375,000</u>	<u>\$ 24,850,000</u>	<u>\$ 80,960,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2004 was \$3,404,392.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

6. Long Term Obligations - Continued:
General Obligation Bonds (continued)

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
2005	\$ 5,285,000
2006	5,530,000
2007	5,775,000
2008	5,550,000
2009	4,215,000
2010-2014	19,680,000
2015-2019	21,985,000
2020-2023	<u>12,940,000</u>
Total	\$ <u>80,960,000</u>

Tax Increment Financing Revenue Bonds

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

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

The following is a schedule of the debt service requirements:

<u>Fiscal Year Ending</u>	<u>New River TIF</u>	<u>Bluffton TIF</u>	<u>Total</u>
2005	\$ 1,989,882	\$ 1,141,080	\$ 3,130,962
2006	1,989,882	1,276,080	3,265,962
2007	2,189,883	1,293,380	3,483,263
2008	2,233,883	1,314,815	3,548,698
2009	2,286,382	1,334,955	3,621,337
2010-2014	14,875,488	8,104,575	22,980,063
2015-2019	17,760,475	10,558,275	28,318,750
2020-2024	18,324,100	12,857,250	31,181,350
2025-2028	<u>11,233,000</u>	<u>4,531,250</u>	<u>15,764,250</u>
Total	72,882,975	42,411,660	115,294,635
Less amount representing interest	<u>32,882,975</u>	<u>18,731,660</u>	<u>51,614,635</u>
Net	<u>\$40,000,000</u>	<u>\$23,680,000</u>	<u>\$63,680,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2004 as \$2,268,870.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2004

6. Long Term Obligations - Continued:

Note Payable

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

Capital Leases

As of June 30, 2004, the County has one lease-purchase agreement to purchase communication equipment with a lease term of 10 years and an interest rate of 3.95%. The communication equipment under this capital lease is included in the equipment in Note 5

The following is a schedule of future minimum lease payments under this capital lease, together with the present value of net minimum lease payments at June 30, 2004.

<u>Fiscal Year Ending</u>	<u>Amount</u>
2005	\$ 40,000
2006	40,000
2007	40,000
2008	40,000
2009	40,000
2010-2014	<u>200,000</u>
Total	400,000
Less amount representing interest	<u>74,700</u>
Net	<u>\$ 325,300</u>

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

Total interest paid on capital leases for the year ended June 30, 2004 was approximately \$4,061 which was recorded as an expenditure in the Special Revenue Fund for E-911 equipment.

Changes in Long-Term Liabilities

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2004</u>
General Obligation Bonds	\$ 86,000,000	\$ -	\$ 5,040,000	\$ 80,960,000
TIF Revenue Bonds	40,000,000	23,680,000	-	63,680,000
Bond Anticipation Notes	15,000,000	-	15,000,000	-
Notes Payable	1,041,427	-	152,724	888,703
Capital Leases	<u>57,352</u>	<u>325,300</u>	<u>57,352</u>	<u>325,300</u>
Totals	<u>\$ 142,098,779</u>	<u>\$ 24,005,300</u>	<u>\$ 20,250,076</u>	<u>\$ 145,854,003</u>

Of this total of long-term liabilities, \$5,472,663 is due within the next fiscal year and \$140,381,340 is due in later years.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

7. Segment Information for Business-type Activities

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

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Operating Revenues	\$ 2,665,716	\$ 3,930,774	\$ 626,183	\$ 2,674,188	\$ 9,896,861
Cost of Sales and Services	2,590,152	-	210,492	-	2,800,644
Operating Expenses before depreciation	77,224	3,270,759	137,011	1,060,832	4,545,826
Depreciation	<u>35,478</u>	<u>166,864</u>	<u>58,009</u>	<u>397,211</u>	<u>657,562</u>
Operating Income (loss)	<u>\$ (37,138)</u>	<u>\$ 493,151</u>	<u>\$ 220,671</u>	<u>\$ 1,216,145</u>	<u>\$ 1,892,829</u>
Advances from County	-	-	(178,361)	(63,136)	(241,497)
Capital Contributions	-	-	648,234	-	648,234
Property/equipment additions	-	482,537	1,105,007	1,944,439	3,531,983
Working Capital	96,148	674,164	(429,276)	(413,097)	(66,061)
Total Assets	483,049	1,713,260	1,801,315	12,553,009	16,550,633
Long-term debt	-	-	-	728,191	728,191
Net Assets invested in Capital					
Assets-net of related debt	152,919	889,433	2,259,572	11,937,341	15,239,265
Unrestricted Net Assets	96,148	680,164	(526,090)	(499,968)	(249,746)

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, 2004 were approximately \$266,500. The minimum commitment for operating lease payments for the next five years will be approximately \$260,000 per year.

9. Deferred Compensation Plans

All state and local government employees can participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, administered by the state public employee retirement system through a state approved nongovernmental third party, permits governmental employees to defer a portion of their salary until future years. The deferred compensation is not available to an employee until termination, retirement, death, or unforeseeable emergency.

County employees may participate in a 401(k) deferred compensation plan available to state and local governmental employees through the state public employee retirement system. The 401(k) program is administered by a state approved nongovernmental third party. Contributions by employees under the 401(k) program totaled approximately \$300,000 for the year ended June 30, 2004. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2004

10. Retirement Plans

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

Substantially all full time, permanent County employees are required by law (Title 9 of the S. C. Code of Laws) to participate in statewide, cost sharing multiple-employer defined benefit pension plans administered by the State Retirement System. Generally all employees, with the exception of law enforcement personnel and certain others, participate in the South Carolina Retirement System (SCRS). Law enforcement personnel and certain other employees participate in the South Carolina Police Officers Retirement System (PORS).

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

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

Actuarially established employer contribution rates are as follows:

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

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

All employers contribute at the actuarially required contribution rates.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2004

10. Retirement Plans – Continued

<u>Contribution information:</u>	<u>SCRS</u>	<u>PORS</u>
Covered payroll	\$ 23,598,793	\$ 11,353,041
Employee contributions	1,361,509	688,957
Employee contribution rate (based upon salary)	6.0%	6.5%
Employer contribution rate; includes group life coverage in both SCRS and PORS and accidental death coverage in PORS (based upon salary)	6.85%	10.7%

The County's employer contribution to the SCRS for the years ended June 30, 2004, 2003 and 2002 were \$1,581,119, \$1,502,947, and \$1,402,249 respectively, which are equal to the required contributions.

The County's employer contribution to the PORS for the years ended June 30, 2004, 2003 and 2002 were \$1,169,363, \$1,135,473, and \$1,110,462 respectively, which are equal to the required contributions.

Vesting Requirements:

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

Retirement Benefits:

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

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

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

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

Early Retirement - SCRS

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

10. Retirement Plans – Continued

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

Disability Retirement

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

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

Accidental Death Program

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

Group Life Insurance Benefits

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

Withdrawal of Employee Contribution

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

Post Retirement Increase

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

Statewide Plan Actuarial Information

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

The Systems use a projected benefit method for actuarial valuation with level percentage entry age, normal cost and open-end unfunded accrued liability. At July 1, 2003, based upon the actuarial method used for funding purposes:

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2004

10. Retirement Plans – Continued

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

11. Accrued Compensated Absences and Other Benefits

Effective February 15, 1993, Beaufort County adopted a new leave policy for all employees. The TOWP/SCA policy was replaced with a policy granting Personal Leave Days and Personal Disability Leave. Under the new policy, employees were entitled to a maximum Personal Leave balance of 280 hours. Upon termination, employees will be paid for all unused, unpaid Personal Leave up to this maximum. The liability recorded at June 30, 2004, to cover unused, unpaid Personal Leave including fringe benefits totaled \$2,225,530. Of this amount, \$2,163,480 is considered a long-term liability.

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

The County has adopted a self funded medical insurance plan whereby the County contributes an amount sufficient to meet the reimbursable medical insurance claims of its employees. The plan is administered by an independent administrator on a contract basis. The County has obtained insurance for catastrophic illnesses. Claims due at June 30, 2004 totaled \$479,121 and were based on the incurrence of actual liability for claims made or incurred prior to June 30, 2004. The total amount paid or payable, including administrative costs, for the year ended June 30, 2004 was \$6,526,340.

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

12. Commitments and Contingencies

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

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

As of June 30, 2004, the County has outstanding construction contracts of \$10,337,680.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2004

13. Risk Management and Litigation

The County is exposed to various risks of losses related to torts; thefts of; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County manages risk through employee educational and prevention programs and through the purchase of casualty and liability insurance. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

The County is a party to several lawsuits which seek to recover property taxes paid under protest and to overturn property sold at "tax sales."

The County's attorney estimates that the amount of actual or potential claims against the County at June 30, 2004 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

14. Fund Equity Deficits and Subsequent Events

At June 30, 2004, the County has three individual funds with deficit fund equity. The E-911 Program within the special revenue funds has a fund deficit of \$3,799; the Solid Waste and Recycling Program within the special revenue has a fund deficit of \$385,527; and the Sheldon Rehabilitation Project within the special revenue funds has a deficit of \$16,329. These three deficits will be rectified with revenues to be received during the next fiscal year.

At June 30, 2004, there were several individual agency accounts with deficit balances. However, these individual accounts are offset by positive balances in other agency accounts held for the same or governing agency.

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

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2004

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Taxes</u>			
Current taxes	\$ 35,722,802	\$ 32,460,535	(3,262,267)
Homestead exemption	750,000	825,041	75,041
Delinquent taxes	1,850,000	2,079,070	229,070
Automobile taxes	3,350,000	3,905,366	555,366
Penalties	590,000	632,949	42,949
	<u>42,262,802</u>	<u>39,902,961</u>	<u>(2,359,841)</u>
<u>Licenses and Permits</u>			
Building permits	1,509,742	1,770,272	260,530
Electrician licenses	17,000	18,350	1,350
Mobile home permits	3,700	3,030	(670)
Marriage licenses	149,796	76,785	(73,011)
Animal licenses	7,200	7,055	(145)
Other licenses	40,300	42,404	2,104
Cable franchise fees	210,000	264,021	54,021
Business licenses	924,350	436,702	(487,648)
	<u>2,862,088</u>	<u>2,618,619</u>	<u>(243,469)</u>
<u>Intergovernmental</u>			
State aid to subdivisions	5,320,000	5,376,815	56,815
Merchants' inventory tax	143,724	143,724	-
Manufacturers tax	32,000	34,575	2,575
Motor carrier tax	36,000	33,815	(2,185)
Payments in lieu of taxes	77,000	94,359	17,359
Veterans Office stipend	9,300	7,082	(2,218)
Emergency Preparedness	50,495	81,368	30,873
Public Defender stipend	88,581	73,010	(15,571)
Registration and Election	13,500	9,862	(3,638)
Tax form stipend	3,457	3,144	(313)
Salary supplements	6,300	7,838	1,538
State aid to libraries	122,146	120,984	(1,162)
State aid to mapping		10,000	10,000
Pollution control penalties	20,000	22,047	2,047
	<u>5,922,503</u>	<u>6,018,623</u>	<u>96,120</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Charges for Services</u>			
Register of Deeds fees	\$ 3,725,000	\$ 5,221,734	\$ 1,496,734
Sheriff's fees	55,000	80,951	25,951
Probate Court fees	535,949	356,970	(178,979)
Magistrates' Civil fees	244,000	252,446	8,446
Clerk of Court fees	118,000	125,966	7,966
Family Court fees	213,000	283,110	70,110
Master in Equity fees	90,000	189,296	99,296
Treasurer's fees	295,000	318,397	23,397
EMS fees	1,000,000	849,196	(150,804)
DSO fees	11,129	25,771	14,642
Vital statistics	35,000	34,492	(508)
Animal Shelter fees	34,200	35,355	1,155
Library fees	6,000	10,630	4,630
Sale of maps, etc	16,670	9,003	(7,667)
Rezoning/CRB fees	8,003	2,175	(5,828)
Sheriff's service contracts	1,881,816	1,859,843	(21,973)
Telephone reimbursements	32,000	27,043	(4,957)
Boarding of prisoners	185,270	88,918	(96,352)
Sales of supplies	7,550	16,382	8,832
Finance Department fees	8,300	7,476	(824)
	<u>8,501,887</u>	<u>9,795,154</u>	<u>1,293,267</u>
<u>Fines and Forfeitures</u>			
Clerk of Court fines	60,800	11,374	(49,426)
Magistrates' Court fines	826,500	837,649	11,149
Library fines	65,000	90,710	25,710
Other fines	-	12	12
Forfeitures	10,000	84,228	74,228
	<u>962,300</u>	<u>1,023,973</u>	<u>61,673</u>
<u>Interest</u>	<u>405,500</u>	<u>113,045</u>	<u>(292,455)</u>
<u>Miscellaneous</u>			
Rental of county property	116,000	123,784	7,784
Sale of county property	50,000	112,008	62,008
Miscellaneous	1,000	2,330	1,330
	<u>167,000</u>	<u>238,122</u>	<u>71,122</u>
Total Revenues	\$ 61,084,080	\$ 59,710,497	\$ (1,373,583)

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2004

<u>Expenditures</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
General Government				
County Council				
Personnel	\$ 376,563	\$ 373,634	\$ -	\$ 2,929
Purchased Services	154,415	151,257	-	3,158
Supplies	37,044	33,882	3,664	(502)
Capital	11,785	11,718	-	67
Other	<u>240,920</u>	<u>200,000</u>	<u>-</u>	<u>40,920</u>
	<u>820,727</u>	<u>770,491</u>	<u>3,664</u>	<u>46,572</u>
Auditor				
Personnel	391,599	364,304	-	\$ 27,295
Purchased Services	61,578	56,468	-	5,110
Supplies	7,750	6,637	313	800
Capital	<u>2,100</u>	<u>1,926</u>	<u>-</u>	<u>174</u>
	<u>463,027</u>	<u>429,335</u>	<u>313</u>	<u>33,379</u>
Treasurer				
Personnel	555,786	531,637	-	24,149
Purchased Services	57,720	49,756	-	7,964
Supplies	18,550	18,304	-	246
Capital	<u>6,050</u>	<u>4,479</u>	<u>1,562</u>	<u>9</u>
	<u>638,106</u>	<u>604,176</u>	<u>1,562</u>	<u>32,368</u>
Clerk of Court				
Personnel	337,600	348,190	-	(10,590)
Purchased Services	284,871	307,879	-	(23,008)
Supplies	16,750	14,931	-	1,819
Capital	<u>4,738</u>	<u>19,102</u>	<u>-</u>	<u>(14,364)</u>
	<u>643,959</u>	<u>690,102</u>	<u>-</u>	<u>(46,143)</u>
Family Court				
Personnel	267,348	264,526	-	2,822
Purchased Services	48,886	51,484	-	(2,598)
Supplies	11,151	11,347	-	(196)
Capital	<u>-</u>	<u>4,993</u>	<u>-</u>	<u>(4,993)</u>
	<u>327,385</u>	<u>332,350</u>	<u>-</u>	<u>(4,965)</u>
Probate Court				
Personnel	646,207	582,599	-	63,608
Purchased Services	83,414	75,924	-	7,490
Supplies	12,791	6,637	3,287	2,867
Capital	<u>2,785</u>	<u>2,785</u>	<u>-</u>	<u>-</u>
	<u>745,197</u>	<u>667,945</u>	<u>3,287</u>	<u>73,965</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Coroner				
Personnel	\$ 136,672	\$ 115,183	\$ -	\$ 21,489
Purchased Services	108,545	100,600	-	7,945
Supplies	16,750	11,978	313	4,459
Capital	<u>2,840</u>	<u>2,840</u>	-	-
	<u>264,807</u>	<u>230,601</u>	<u>313</u>	<u>33,893</u>
Magistrates Court				
Personnel	910,485	893,717	-	16,768
Purchased Services	183,080	139,237	-	43,843
Supplies	23,930	22,600	-	1,330
Capital	<u>6,050</u>	<u>6,035</u>	-	15
	<u>1,123,545</u>	<u>1,061,589</u>	-	<u>61,956</u>
Master in Equity				
Personnel	211,860	211,556	-	304
Purchased Services	9,250	8,979	-	271
Supplies	2,500	1,882	-	618
Capital	<u>-</u>	<u>-</u>	-	-
	<u>223,610</u>	<u>222,417</u>	-	<u>1,193</u>
General Subsidies				
	<u>406,862</u>	<u>405,614</u>	-	<u>1,248</u>
County Administrator				
Personnel	214,868	156,937	-	57,931
Purchased Services	73,938	68,993	-	4,945
Supplies	6,693	5,896	-	797
Capital	4,000	3,996	-	4
Other	<u>925</u>	<u>-</u>	-	<u>925</u>
	<u>300,424</u>	<u>235,822</u>	-	<u>64,602</u>
Housing Coordinator				
Personnel	-	-	-	-
Purchased Services	70,750	36,559	31,919	2,272
Supplies	1,200	200	-	1,000
Capital	-	-	-	-
Other	<u>430,000</u>	<u>-</u>	<u>430,000</u>	<u>-</u>
	<u>501,950</u>	<u>36,759</u>	<u>461,919</u>	<u>3,272</u>
Public Information Officer				
Personnel	61,691	56,360	-	5,331
Purchased Services	17,250	13,015	-	4,235
Supplies	18,950	1,927	-	17,023
Capital	<u>-</u>	<u>-</u>	-	-
	<u>97,891</u>	<u>71,302</u>	-	<u>26,589</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2004

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
County Attorney				
Personnel	\$ 153,513	\$ 153,451	\$ -	\$ 62
Purchased Services	281,873	244,028	-	37,845
Supplies	7,377	6,859	313	205
Capital	4,391	1,391	1,270	1,730
	<u>447,154</u>	<u>405,729</u>	<u>1,583</u>	<u>39,842</u>
Internal Auditor				
Personnel	74,187	77,423	-	(3,236)
Purchased Services	6,275	5,533	-	742
Supplies	2,950	5,092	313	(2,455)
Capital	-	1,097	2,046	(3,143)
	<u>83,412</u>	<u>89,145</u>	<u>2,359</u>	<u>(8,092)</u>
Public Defender				
Personnel	486,369	492,124	-	(5,755)
Purchased Services	36,595	39,414	-	(2,819)
Supplies	4,500	3,583	-	917
Capital	-	-	-	-
	<u>527,464</u>	<u>535,121</u>	<u>-</u>	<u>(7,657)</u>
Voter Registration and Elections				
Personnel	194,729	216,781	-	(22,052)
Purchased Services	77,103	220,095	-	(142,992)
Supplies	20,540	20,284	-	256
Capital	-	-	-	-
	<u>292,372</u>	<u>457,160</u>	<u>-</u>	<u>(164,788)</u>
Assessor				
Personnel	1,356,223	1,356,180	-	43
Purchased Services	215,155	108,789	65,000	41,386
Supplies	19,085	15,383	-	3,702
Capital	23,600	23,528	-	72
	<u>1,614,063</u>	<u>1,503,860</u>	<u>65,000</u>	<u>45,203</u>
Register of Deeds				
Personnel	419,713	413,769	-	5,944
Purchased Services	188,873	207,483	28,690	(47,300)
Supplies	19,590	18,115	-	1,475
Capital	15,410	15,408	-	2
	<u>643,586</u>	<u>654,775</u>	<u>28,690</u>	<u>(39,879)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2004

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Risk Management				
Personnel	\$ 60,188	\$ 54,080	\$ -	\$ 6,108
Purchased Services	8,524	7,257	-	1,267
Supplies	2,310	2,243	-	67
Capital	-	-	-	-
	<u>71,022</u>	<u>63,580</u>	<u>-</u>	<u>7,442</u>
Development Board				
Other	<u>270,000</u>	<u>270,000</u>	<u>-</u>	<u>-</u>
	<u>270,000</u>	<u>270,000</u>	<u>-</u>	<u>-</u>
Legislative Delegation				
Personnel	37,678	37,652	-	26
Purchased Services	6,046	1,859	-	4,187
Supplies	1,725	562	313	850
Capital	1,533	1,208	-	325
	<u>46,982</u>	<u>41,281</u>	<u>313</u>	<u>5,388</u>
Grants Management				
Personnel	73,400	73,373	-	27
Purchased Services	2,100	1,549	-	551
Supplies	500	269	200	31
Capital	-	-	-	-
	<u>76,000</u>	<u>75,191</u>	<u>200</u>	<u>609</u>
Director-Human Resources				
Personnel	121,185	133,073	-	(11,888)
Purchased Services	16,250	5,940	-	10,310
Supplies	1,000	1,150	-	(150)
Capital	-	-	-	-
	<u>138,435</u>	<u>140,163</u>	<u>-</u>	<u>(1,728)</u>
Zoning and Development				
Personnel	183,256	183,112	-	144
Purchased Services	13,450	9,722	-	3,728
Supplies	5,850	5,713	-	137
Capital	-	-	-	-
	<u>202,556</u>	<u>198,547</u>	<u>-</u>	<u>4,009</u>
Codes Enforcement				
Personnel	153,285	148,325	-	4,960
Purchased Services	14,324	11,558	-	2,766
Supplies	5,965	5,622	-	343
Capital	-	-	-	-
	<u>173,574</u>	<u>165,505</u>	<u>-</u>	<u>8,069</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2004

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Planning and Comprehensive Plan				
Personnel	\$ 541,723	\$ 453,327	\$ -	\$ 88,396
Purchased Services	161,544	76,602	-	84,942
Supplies	8,208	5,437	-	2,771
Capital	-	-	-	-
	<u>711,475</u>	<u>535,366</u>	<u>-</u>	<u>176,109</u>
GIS				
Personnel	204,924	204,580	-	344
Purchased Services	17,182	16,820	-	362
Supplies	7,200	7,191	-	9
Capital	17,190	15,989	4,116	(2,915)
	<u>246,496</u>	<u>244,580</u>	<u>4,116</u>	<u>(2,200)</u>
DA-Community Services				
Personnel	162,713	162,701	-	12
Purchased Services	11,785	7,326	-	4,459
Supplies	2,050	964	-	1,086
Capital	-	-	-	-
	<u>176,548</u>	<u>170,991</u>	<u>-</u>	<u>5,557</u>
Staff Services				
Personnel	249,082	249,052	-	30
Purchased Services	36,506	29,673	-	6,833
Supplies	26,615	11,668	-	14,947
Capital	-	-	-	-
	<u>312,203</u>	<u>290,393</u>	<u>-</u>	<u>21,810</u>
Human Resources				
Personnel	348,050	342,032	-	6,018
Purchased Services	199,315	183,922	-	15,393
Supplies	11,853	10,075	-	1,778
Capital	-	-	-	-
Other	25,000	25,000	-	-
	<u>584,218</u>	<u>561,029</u>	<u>-</u>	<u>23,189</u>
Records Management				
Personnel	117,061	117,030	-	31
Purchased Services	30,290	27,478	-	2,812
Supplies	11,150	11,114	-	36
Capital	5,126	5,121	-	5
	<u>163,627</u>	<u>160,743</u>	<u>-</u>	<u>2,884</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2004

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Controller				
Personnel	\$ 102,504	\$ 102,475	\$ -	\$ 29
Purchased Services	6,960	3,885	-	3,075
Supplies	1,480	1,067	-	413
Capital	-	-	-	-
	<u>110,944</u>	<u>107,427</u>	<u>-</u>	<u>3,517</u>
Finance				
Personnel	301,269	299,843	-	1,426
Purchased Services	79,890	66,544	-	13,346
Supplies	23,790	13,788	313	9,689
Capital	-	-	-	-
	<u>404,949</u>	<u>380,175</u>	<u>313</u>	<u>24,461</u>
Purchasing				
Personnel	125,283	123,761	-	1,522
Purchased Services	24,447	21,770	-	2,677
Supplies	4,693	3,673	-	1,020
Capital	729	695	-	34
	<u>155,152</u>	<u>149,899</u>	<u>-</u>	<u>5,253</u>
Business License				
Personnel	85,492	93,011	-	(7,519)
Purchased Services	15,295	15,336	-	(41)
Supplies	3,218	3,426	-	(208)
Capital	-	-	-	-
	<u>104,005</u>	<u>111,773</u>	<u>-</u>	<u>(7,768)</u>
Management Information Systems				
Personnel	958,535	967,436	-	(8,901)
Purchased Services	276,457	247,723	9,738	18,996
Supplies	47,819	44,525	11,655	(8,361)
Capital	123,538	105,600	10,189	7,749
	<u>1,406,349</u>	<u>1,365,284</u>	<u>31,582</u>	<u>9,483</u>
DA-Public Services				
Personnel	119,884	118,856	-	1,028
Purchased Services	12,700	13,754	-	(1,054)
Supplies	2,450	3,037	-	(587)
Capital	-	2,123	-	(2,123)
	<u>135,034</u>	<u>137,770</u>	<u>-</u>	<u>(2,736)</u>
Total General Government	<u>15,655,110</u>	<u>14,573,990</u>	<u>605,214</u>	<u>475,906</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Public Safety				
Sheriff's Office				
Personnel	\$ 10,659,526	\$ 10,126,565	\$ -	\$ 532,961
Purchased Services	1,299,070	1,085,650	5,025	208,395
Supplies	812,309	761,292	20,562	30,455
Capital	<u>1,147,462</u>	<u>1,109,042</u>	<u>36,503</u>	<u>1,917</u>
	<u>13,918,367</u>	<u>13,082,549</u>	<u>62,090</u>	<u>773,728</u>
Emergency Management				
Personnel	348,901	364,884	-	(15,983)
Purchased Services	115,513	110,032	-	5,481
Supplies	28,889	4,564	313	24,012
Capital	<u>5,482</u>	<u>2,575</u>	<u>2,298</u>	<u>609</u>
	<u>498,785</u>	<u>462,055</u>	<u>2,611</u>	<u>14,119</u>
Communications				
Personnel	1,827,723	1,736,184	-	91,539
Purchased Services	1,477,282	1,327,645	-	149,637
Supplies	53,554	42,992	313	10,249
Capital	26,065	9,006	1,604	15,455
Other	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
	<u>3,459,624</u>	<u>3,190,827</u>	<u>1,917</u>	<u>266,880</u>
Emergency Medical Services				
Personnel	3,921,968	3,581,688	-	340,280
Purchased Services	291,299	245,586	-	45,713
Supplies	218,709	200,010	9,821	8,878
Capital	233,401	229,717	3,534	150
Other	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
	<u>4,775,377</u>	<u>4,367,001</u>	<u>13,355</u>	<u>395,021</u>
Detention Center				
Personnel	3,660,862	3,618,407	-	42,455
Purchased Services	1,093,466	1,015,187	-	78,279
Supplies	123,875	116,482	-	7,393
Capital	<u>7,704</u>	<u>4,246</u>	<u>-</u>	<u>3,458</u>
	<u>4,885,907</u>	<u>4,754,322</u>	<u>-</u>	<u>131,585</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Building Codes and Inspections				
Personnel	\$ 921,728	\$ 890,430	\$ -	\$ 31,298
Purchased Services	91,546	72,377	4,598	14,571
Supplies	31,135	28,933	2,192	10
Capital	17,079	17,028	-	51
	<u>1,061,488</u>	<u>1,008,768</u>	<u>6,790</u>	<u>46,930</u>
Public Safety Subsidies	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Total Public Safety	<u>28,619,548</u>	<u>26,905,522</u>	<u>86,763</u>	<u>1,627,263</u>
Public Works				
Facilities Maintenance				
Personnel	1,865,942	1,769,707	-	96,235
Purchased Services	1,729,573	1,685,415	-	44,158
Supplies	310,455	290,475	7,640	12,340
Capital	57,510	57,847	-	(337)
	<u>3,963,480</u>	<u>3,803,444</u>	<u>7,640</u>	<u>152,396</u>
Public Works				
Personnel	1,712,311	1,474,770	-	237,541
Purchased Services	424,663	416,995	1,092	6,576
Supplies	198,716	188,742	-	9,974
Capital	80,778	80,735	-	43
Other	650,000	619,964	-	30,036
	<u>3,066,468</u>	<u>2,781,206</u>	<u>1,092</u>	<u>284,170</u>
Engineering				
Personnel	633,806	639,858	-	(6,052)
Purchased Services	34,030	39,864	-	(5,834)
Supplies	23,061	23,170	-	(109)
Capital	530	528	-	2
	<u>691,427</u>	<u>703,420</u>	<u>-</u>	<u>(11,993)</u>
Public Works Subsidies	<u>28,800</u>	<u>25,032</u>	<u>-</u>	<u>3,768</u>
Total Public Works	<u>7,750,175</u>	<u>7,313,102</u>	<u>8,732</u>	<u>428,341</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Public Health				
Animal Shelter and Control				
Personnel	\$ 411,439	\$ 438,830	\$ -	\$ (27,391)
Purchased Services	52,983	54,317	-	(1,334)
Supplies	114,901	113,014	-	1,887
Capital	-	-	-	-
	<u>579,323</u>	<u>606,161</u>	<u>-</u>	<u>(26,838)</u>
Mosquito Control				
Personnel	668,146	655,768	-	12,378
Purchased Services	177,713	166,890	-	10,823
Supplies	474,202	471,504	-	2,698
Capital	59,179	47,195	11,825	159
	<u>1,379,240</u>	<u>1,341,357</u>	<u>11,825</u>	<u>26,058</u>
Public Health Subsidies	<u>221,208</u>	<u>221,208</u>	<u>-</u>	<u>-</u>
Total Public Health	<u>2,179,771</u>	<u>2,168,726</u>	<u>11,825</u>	<u>(780)</u>
Public Welfare				
Veterans Affairs Office				
Personnel	116,152	117,722	-	(1,570)
Purchased Services	23,739	22,830	-	909
Supplies	3,485	2,459	-	1,026
Capital	-	-	-	-
	<u>143,376</u>	<u>143,011</u>	<u>-</u>	<u>365</u>
Department of Social Services				
Personnel	36,642	36,397	-	245
Purchased Services	150,900	139,472	-	11,428
Supplies	1,800	1,755	-	45
Capital	-	-	-	-
Other	60,000	60,000	-	-
	<u>249,342</u>	<u>237,624</u>	<u>-</u>	<u>11,718</u>
Public Welfare Subsidies	<u>361,538</u>	<u>328,417</u>	<u>-</u>	<u>33,121</u>
Total Public Welfare	<u>754,256</u>	<u>709,052</u>	<u>-</u>	<u>45,204</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable <u>(Unfavorable)</u>
Cultural and Recreation				
Libraries				
Personnel	\$ 2,185,207	\$ 2,075,675	\$ -	\$ 109,532
Purchased Services	500,858	420,475	-	80,183
Supplies	591,787	586,418	207	5,162
Capital	<u>65,562</u>	<u>65,514</u>	<u>-</u>	<u>48</u>
	<u>3,343,214</u>	<u>3,148,082</u>	<u>207</u>	<u>194,925</u>
Total Expenditures	<u>\$ 58,302,074</u>	<u>\$ 54,818,474</u>	<u>\$ 712,741</u>	<u>\$ 2,770,859</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and equity in pooled cash and investments	\$ 17,352,024	\$ 7,600,723	\$ 20,313,356	\$ 45,266,103
Receivables, net	693,611	81,279	150,000	924,890
Due from other governments	1,362,540	-	-	1,362,540
Notes receivable	16,464	-	-	16,464
Due from other funds	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	\$ 19,424,639	\$ 7,682,002	\$ 20,463,356	\$ 47,569,997
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 2,700,815	\$ -	\$ 519,977	\$ 3,220,792
Accrued payroll	225,143	-	4,109	229,252
Due to others	231,051	-	-	231,051
Deferred revenue	36,487	-	-	36,487
Total liabilities	3,193,496	-	524,086	3,717,582
Fund Equity:				
Reserved for encumbrances and carry forwards	2,865,003	-	3,850,322	6,715,325
Reserved for capital projects	-	-	16,088,948	16,088,948
Reserved for debt service	-	7,682,002	-	7,682,002
Unreserved fund balances	13,366,140	-	-	13,366,140
Total fund equity	16,231,143	7,682,002	19,939,270	43,852,415
Total liabilities and fund equity	\$ 19,424,639	\$ 7,682,002	\$ 20,463,356	\$ 47,569,997

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 7,193,504	\$ 7,337,241	\$ 20,482	\$ 14,551,227
Licenses and permits	3,300,528	-	-	3,300,528
Intergovernmental	13,901,410	46,600	178,663	14,126,673
Charges for services	2,702,041	-	-	2,702,041
Fines and forfeitures	193,098	-	-	193,098
Interest	146,334	24,553	544,536	715,423
Miscellaneous	399,872	-	10,000	409,872
Total revenues	27,836,787	7,408,394	753,681	35,998,862
Expenditures				
General government	7,728,792	-	-	7,728,792
Public safety	3,425,618	-	-	3,425,618
Public works	10,163,067	-	-	10,163,067
Public health	4,549,245	-	-	4,549,245
Public welfare	345,653	-	-	345,653
Cultural and recreation	3,388,188	-	-	3,388,188
Debt service - principal	-	20,040,000	-	20,040,000
Debt service - interest and fees	-	5,909,905	-	5,909,905
Capital projects	-	-	18,471,561	18,471,561
Total expenditures	29,600,563	25,949,905	18,471,561	74,022,029
Excess of Revenues Over (Under) Expenditures	(1,763,776)	(18,541,511)	(17,717,880)	(38,023,167)
Other financing sources (uses)				
Bond proceeds	-	15,000,000	8,680,000	23,680,000
Operating transfers in	3,837,215	7,315,662	2,119,158	13,272,035
Operating transfers out	(3,671,576)	-	(5,810,508)	(9,482,084)
Total other financing sources (uses)	165,639	22,315,662	4,988,650	27,469,951
Net Change in Fund Balances	(1,598,137)	3,774,151	(12,729,230)	(10,553,216)
Fund Balances at the Beginning of the Year	17,829,280	3,907,851	32,668,500	54,405,631
Fund Balances at the End of the Year	\$ 16,231,143	\$ 7,682,002	\$ 19,939,270	\$ 43,852,415

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 June 30, 2004

	<u>General Government Programs</u>	<u>Public Safety Programs</u>	<u>Public Works Programs</u>	<u>Alcohol and Drug Programs</u>
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 3,577,784	\$ 2,486,764	\$ 7,001,329	\$ (50,407)
Accounts receivable	297,198	196,224	96,955	29,749
Due from other governments	196,906	476,162	430,638	58,398
Notes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,071,888</u>	<u>\$ 3,159,150</u>	<u>\$ 7,528,922</u>	<u>\$ 37,740</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 615,383	\$ 339,924	\$ 1,350,384	\$ 17,509
Accrued payroll	3,275	24,462	24,028	20,231
Due to others	-	187,974	-	-
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>618,658</u>	<u>552,360</u>	<u>1,374,412</u>	<u>37,740</u>
Fund Equity:				
Fund balances:				
Reserved and reserved for encumbrances	79,564	408,562	2,262,540	-
Reserved for Special Revenue Funds	<u>3,373,666</u>	<u>2,198,228</u>	<u>3,891,970</u>	<u>-</u>
	<u>3,453,230</u>	<u>2,606,790</u>	<u>6,154,510</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 4,071,888</u>	<u>\$ 3,159,150</u>	<u>\$ 7,528,922</u>	<u>\$ 37,740</u>

<u>Disabilities and Special Needs Programs</u>	<u>Public Welfare Programs</u>	<u>Cultural and Recreational Programs</u>	<u>Total</u>
\$ 318,797	\$ (12,590)	\$ 4,030,347	\$ 17,352,024
20,863	39,469	13,153	693,611
14,650	11,711	174,075	1,362,540
-	16,464	-	16,464
<u>\$ 354,310</u>	<u>\$ 55,054</u>	<u>\$ 4,217,575</u>	<u>\$ 19,424,639</u>

\$ 119,754	\$ 6,699	\$ 251,162	\$ 2,700,815
76,802	2,129	74,216	225,143
43,077	-	-	231,051
-	16,464	20,023	36,487
<u>239,633</u>	<u>25,292</u>	<u>345,401</u>	<u>3,193,496</u>

81,278	313	32,746	2,865,003
<u>33,399</u>	<u>29,449</u>	<u>3,839,428</u>	<u>13,366,140</u>
<u>114,677</u>	<u>29,762</u>	<u>3,872,174</u>	<u>16,231,143</u>
<u>\$ 354,310</u>	<u>\$ 55,054</u>	<u>\$ 4,217,575</u>	<u>\$ 19,424,639</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2004

	General Government Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 1,948,510	\$ 1,840,640	\$ (107,870)
Licenses and permits	500,000	633,830	133,830
Intergovernmental	6,549,500	7,289,087	739,587
Charge for services	-	-	-
Fines and forfeitures	-	3,916	3,916
Interest	14,000	27,225	13,225
Miscellaneous	40,000	53,762	13,762
Total Revenues	<u>9,052,010</u>	<u>9,848,460</u>	<u>796,450</u>
Expenditures:			
General Government	7,700,369	7,728,792	(28,423)
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>7,700,369</u>	<u>7,728,792</u>	<u>(28,423)</u>
Excess of Revenues Over (Under) Expenditures	1,351,641	2,119,668	768,027
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(1,394,388)	(1,401,790)	(7,402)
Total other financing sources (uses)	<u>(1,394,388)</u>	<u>(1,401,790)</u>	<u>(7,402)</u>
Net Change in Fund Balances	(42,747)	717,878	760,625
Fund Balances at Beginning of Year	<u>2,735,352</u>	<u>2,735,352</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,692,605</u>	<u>\$ 3,453,230</u>	<u>\$ 760,625</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2004

	Public Safety Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	35,000	37,400	2,400
Intergovernmental	749,713	1,153,843	404,130
Charge for services	859,824	868,792	8,968
Fines and forfeitures	180,000	189,182	9,182
Interest	40,000	21,580	(18,420)
Miscellaneous	-	60,936	60,936
Total Revenues	<u>1,864,537</u>	<u>2,331,733</u>	<u>467,196</u>
Expenditures:			
General Government	-	-	-
Public Safety	3,125,851	3,425,618	299,767
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>3,125,851</u>	<u>3,425,618</u>	<u>299,767</u>
Excess of Revenues Over (Under) Expenditures	(1,261,314)	(1,093,885)	167,429
Other financing sources (uses):			
Operating transfers in	465,183	372,853	(92,330)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>465,183</u>	<u>372,853</u>	<u>(92,330)</u>
Net Change in Fund Balances	(796,131)	(721,032)	75,099
Fund Balances at Beginning of Year	<u>3,327,822</u>	<u>3,327,822</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,531,691</u>	<u>\$ 2,606,790</u>	<u>\$ 75,099</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
Year ended June 30, 2004

	Public Works Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 5,694,465	\$ 5,352,864	\$ (341,601)
Licenses and permits	1,000,000	1,100,988	100,988
Intergovernmental	1,366,855	1,681,199	314,344
Charge for services	896,000	1,253,914	257,914
Fines and forfeitures	-	-	-
Interest	50,000	61,986	11,986
Miscellaneous	-	92,953	92,953
Total Revenues	<u>9,107,320</u>	<u>9,543,904</u>	<u>436,584</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	12,390,365	10,163,067	2,227,298
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>12,390,365</u>	<u>10,163,067</u>	<u>2,227,298</u>
Excess of Revenues Over (Under) Expenditures	(3,283,045)	(619,163)	2,663,882
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(1,050,000)	(1,064,030)	(14,030)
Total other financing sources (uses)	<u>(1,050,000)</u>	<u>(1,064,030)</u>	<u>(14,030)</u>
Net Change in Fund Balances	(4,333,045)	(1,683,193)	2,649,852
Fund Balances at Beginning of Year	<u>7,837,703</u>	<u>7,837,703</u>	-
Fund Balances at End of Year	<u>\$ 3,504,658</u>	<u>\$ 6,154,510</u>	<u>\$ 2,649,852</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
Year ended June 30, 2004

	Public Health - Alcohol and Drug Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	664,646	692,806	28,160
Charge for services	115,500	112,391	(3,109)
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>780,146</u>	<u>805,197</u>	<u>25,051</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	1,056,572	999,844	56,728
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>1,056,572</u>	<u>999,844</u>	<u>56,728</u>
Excess of Revenues Over (Under) Expenditures	(276,426)	(194,647)	81,779
Other financing sources (uses):			
Operating transfers in	276,426	194,647	(81,779)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>276,426</u>	<u>194,647</u>	<u>(81,779)</u>
Net Change in Fund Balances	-	-	-
Fund Balances at Beginning of Year	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
Year ended June 30, 2004

	Public Health-Disabilities and Special Needs Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	2,719,182	2,469,696	(249,486)
Charge for services	134,400	129,650	(4,750)
Fines and forfeitures	-	-	-
Interest	12,000	4,574	(7,426)
Miscellaneous	56,415	71,413	14,998
Total Revenues	<u>2,921,997</u>	<u>2,675,333</u>	<u>(246,664)</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	3,851,224	3,549,401	301,823
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>3,851,224</u>	<u>3,549,401</u>	<u>301,823</u>
Excess of Revenues Over (Under) Expenditures	(929,227)	(874,068)	55,159
Other financing sources (uses):			
Operating transfers in	679,227	663,468	(15,759)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>679,227</u>	<u>663,468</u>	<u>(15,759)</u>
Net Change in Fund Balances	(250,000)	(210,600)	39,400
Fund Balances at Beginning of Year	<u>325,277</u>	<u>325,277</u>	-
Fund Balances at End of Year	<u>\$ 75,277</u>	<u>\$ 114,677</u>	<u>\$ 39,400</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
Year ended June 30, 2004

	Public Welfare Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	193,668	217,378	23,710
Charge for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	46,761	36,192	(10,569)
Total Revenues	<u>240,429</u>	<u>253,570</u>	<u>13,141</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	383,916	345,653	38,263
Cultural and Recreation	-	-	-
Total Expenditures	<u>383,916</u>	<u>345,653</u>	<u>38,263</u>
Excess of Revenues Over (Under) Expenditures	(143,487)	(92,083)	51,404
Other financing sources (uses):			
Operating transfers in	60,000	39,003	(20,997)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>60,000</u>	<u>39,003</u>	<u>(20,997)</u>
Net Change in Fund Balances	(83,487)	(53,080)	30,407
Fund Balances at Beginning of Year	<u>82,842</u>	<u>82,842</u>	-
Fund Balances at End of Year	\$ <u>(645)</u>	\$ <u>29,762</u>	\$ <u>30,407</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
 ALL SPECIAL REVENUE FUNDS
 Year ended June 30, 2004

	Cultural and Recreation Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	1,104,865	1,528,310	423,445
Intergovernmental	346,956	397,401	50,445
Charge for services	594,700	337,294	(257,406)
Fines and forfeitures	-	-	-
Interest	10,000	30,969	20,969
Miscellaneous	12,400	84,616	72,216
Total Revenues	<u>2,068,921</u>	<u>2,378,590</u>	<u>309,669</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	4,623,720	3,388,188	1,235,532
Total Expenditures	<u>4,623,720</u>	<u>3,388,188</u>	<u>1,235,532</u>
Excess of Revenues Over (Under) Expenditures	(2,554,799)	(1,009,598)	1,545,201
Other financing sources (uses):			
Operating transfers in	2,809,944	2,567,244	(242,700)
Operating transfers out	(280,000)	(1,205,756)	(925,756)
Total other financing sources (uses)	<u>2,529,944</u>	<u>1,361,488</u>	<u>(1,168,456)</u>
Net Change in Fund Balances	(24,855)	351,890	376,745
Fund Balances at Beginning of Year	<u>3,520,284</u>	<u>3,520,284</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,495,429</u>	<u>\$ 3,872,174</u>	<u>\$ 376,745</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
Year ended June 30, 2004

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 7,642,975	\$ 7,193,504	\$ (449,471)
Licenses and permits	2,639,865	3,300,528	660,663
Intergovernmental	12,590,520	13,901,410	1,310,890
Charge for services	2,700,424	2,702,041	1,617
Fines and forfeitures	180,000	193,098	13,098
Interest	126,000	146,334	20,334
Miscellaneous	155,576	399,872	244,296
Total Revenues	<u>26,035,360</u>	<u>27,836,787</u>	<u>1,801,427</u>
Expenditures:			
General Government	7,700,369	7,728,792	(28,423)
Public Safety	3,125,851	3,425,618	(299,767)
Public Works	12,390,365	10,163,067	2,227,298
Public Health	4,907,796	4,549,245	358,551
Public Welfare	383,916	345,653	38,263
Cultural and Recreation	4,623,720	3,388,188	1,235,532
Total Expenditures	<u>33,132,017</u>	<u>29,600,563</u>	<u>3,531,454</u>
Excess of Revenues Over (Under) Expenditures	(7,096,657)	(1,763,776)	5,332,881
Other financing sources (uses):			
Operating transfers in	4,290,780	3,837,215	(453,565)
Operating transfers out	<u>(2,724,388)</u>	<u>(3,671,576)</u>	<u>(947,188)</u>
Total other financing sources (uses)	<u>1,566,392</u>	<u>165,639</u>	<u>(1,400,753)</u>
Net Change in Fund Balances	(5,530,265)	(1,598,137)	3,932,128
Fund Balances at Beginning of Year	<u>17,829,280</u>	<u>17,829,280</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 12,299,015</u>	<u>\$ 16,231,143</u>	<u>\$ 3,932,128</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 Year ended June 30, 2004

	General Government Grant	Accommodations Tax Program	Del Webb Development Agreement	Purchase of Real Property Program	Local Accommodations Tax Program
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 1,840,640	\$ -
Licenses and permits	-	-	-	-	633,830
Intergovernmental	-	471,176	-	15,170	-
Charge for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	1,191	17,610	-
Miscellaneous	-	-	51,012	-	-
Total revenues	-	471,176	52,203	1,873,420	633,830
Expenditures:					
General Government					
Personnel	-	-	-	-	53,516
Purchased services	7,246	-	-	274,870	4,077
Supplies	-	-	11,756	-	2,547
Capital	-	-	43,420	-	814
Other	-	344,838	-	-	348,334
Total expenditures	7,246	344,838	55,176	274,870	409,288
Excess of Revenues Over (Under) Expenditures	(7,246)	126,338	(2,973)	1,598,550	224,542
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	(47,265)	-	(1,354,525)	-
Total other financing sources (Uses)	-	(47,265)	-	(1,354,525)	-
Net Change in Fund Balances	(7,246)	79,073	(2,973)	244,025	224,542
Fund Balances at Beginning of Year	17,746	(29,018)	135,552	2,176,066	(40,190)
Fund Balances (Deficit) at End of Year	\$ 10,500	\$ 50,055	\$ 132,579	\$ 2,420,091	\$ 184,352

<u>Clerk of Court</u>	<u>Education Assistance Trust</u>	<u>Employer Group Benefit Trust</u>	<u>Public Defender Trust</u>	<u>Reforestation Trust</u>	<u>Military Enhancement Committee Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,840,640
-	-	-	-	-	-	633,830
208,953	25,000	6,499,215	69,573	-	-	7,289,087
-	-	-	-	-	-	-
-	-	-	3,918	-	-	3,916
3,434	178	2,315	1,318	1,179	-	27,225
-	-	-	-	2,750	-	53,762
<u>212,387</u>	<u>25,178</u>	<u>6,501,530</u>	<u>74,807</u>	<u>3,929</u>	-	<u>9,848,460</u>
-	-	-	59,196	-	-	112,712
7,651	-	6,526,340	-	-	-	6,820,184
-	-	-	-	-	-	14,303
-	-	-	-	-	-	44,234
-	26,476	-	-	-	17,711	737,359
<u>7,651</u>	<u>26,476</u>	<u>6,526,340</u>	<u>59,196</u>	-	<u>17,711</u>	<u>7,728,792</u>
204,736	(1,298)	(24,810)	15,611	3,929	(17,711)	2,119,668
-	-	-	-	-	-	-
-	-	-	-	-	-	(1,401,790)
-	-	-	-	-	-	(1,401,790)
204,736	(1,298)	(24,810)	15,611	3,929	(17,711)	717,878
-	26,815	109,509	173,740	147,421	17,711	2,735,352
<u>\$ 204,736</u>	<u>\$ 25,517</u>	<u>\$ 84,699</u>	<u>\$ 189,351</u>	<u>\$ 151,350</u>	<u>\$ -</u>	<u>\$ 3,453,230</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - PUBLIC SAFETY GRANTS
 Year ended June 30, 2004

	E-911 Telephone Program	Public Safety Grant	Emergency Medical Services Grant	Highway 170 Program	Drug Task Force Program	Victims Assistance Program	Sheriff's Special Program
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	692,663	30,988	-	3,156	38,148	-
Charge for services	806,395	-	-	-	-	-	62,397
Fines and forfeitures	-	-	-	-	-	169,616	-
Interest	35	-	-	20,200	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>808,430</u>	<u>692,663</u>	<u>30,988</u>	<u>20,200</u>	<u>3,156</u>	<u>207,764</u>	<u>62,397</u>
Expenditures:							
Public Safety							
Personnel	171,311	30,677	-	242,463	-	166,388	61,015
Purchased services	493,749	27,106	-	342,796	85,866	35,429	-
Supplies	6,250	130,555	-	23,487	19,666	18,498	-
Capital	91,419	466,208	28,919	9,536	15,086	7,767	-
Other	126,225	-	6,990	-	-	20,000	-
Total expenditures	<u>888,954</u>	<u>654,546</u>	<u>35,909</u>	<u>618,282</u>	<u>120,618</u>	<u>268,082</u>	<u>61,015</u>
Net Changes in Fund Balances	(82,524)	38,117	(4,921)	(598,082)	(117,462)	(60,318)	1,382
Other financing sources (Uses):							
Operating transfers in	-	15,000	4,921	-	127,071	59,349	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (Uses)	<u>-</u>	<u>15,000</u>	<u>4,921</u>	<u>-</u>	<u>127,071</u>	<u>59,349</u>	<u>-</u>
Net Change in Fund Balances	(82,524)	53,117	-	(598,082)	9,609	(969)	1,382
Fund Balances at Beginning of Year	<u>78,725</u>	<u>5,994</u>	<u>-</u>	<u>2,842,980</u>	<u>8,189</u>	<u>23,897</u>	<u>4,771</u>
Fund Balances at End of Year	<u>\$ (3,799)</u>	<u>\$ 59,111</u>	<u>\$ -</u>	<u>\$ 2,244,898</u>	<u>\$ 17,798</u>	<u>\$ 22,928</u>	<u>\$ 6,153</u>

School Resource Officer Program	Juvenile Crime Program	Drug Lab Program	Sheriffs Drug Award Trust	Sheriffs Family Court Trust	Sheriffs Drug Seizure Trust	Detention Center Trust	Hazardous Materials Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	37,400	37,400
285,252	9,037	71,343	-	12,210	-	-	11,046	1,153,843
-	-	-	-	-	-	-	-	868,792
-	-	-	14,528	-	5,038	-	-	189,182
-	-	-	722	312	-	54	257	21,580
-	-	-	-	-	-	60,936	-	60,936
<u>285,252</u>	<u>9,037</u>	<u>71,343</u>	<u>15,250</u>	<u>12,522</u>	<u>5,038</u>	<u>60,990</u>	<u>48,703</u>	<u>2,331,733</u>
271,521	47,098	61,484	-	-	-	-	14,807	1,086,764
14,476	6,477	16,510	-	-	-	-	6,441	1,028,850
10,909	3,863	11,906	-	-	-	-	1,450	226,584
-	6,782	92,772	23,096	-	-	10,658	-	752,243
-	-	-	17,274	566	84,298	72,864	22,960	331,177
<u>296,906</u>	<u>64,220</u>	<u>182,672</u>	<u>40,370</u>	<u>566</u>	<u>64,298</u>	<u>83,522</u>	<u>45,658</u>	<u>3,425,618</u>
(11,654)	(55,183)	(111,329)	(25,120)	11,956	(59,260)	(22,532)	3,045	(1,093,885)
-	55,183	111,329	-	-	-	-	-	372,853
-	-	-	-	-	-	-	-	-
-	<u>55,183</u>	<u>111,329</u>	-	-	-	-	-	<u>372,853</u>
(11,654)	-	-	(25,120)	11,956	(59,260)	(22,532)	3,045	(721,032)
<u>93,216</u>	-	-	<u>100,756</u>	<u>31,383</u>	<u>64,299</u>	<u>55,541</u>	<u>18,071</u>	<u>3,327,822</u>
<u>\$ 81,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,636</u>	<u>\$ 43,339</u>	<u>\$ 5,039</u>	<u>\$ 33,009</u>	<u>\$ 21,115</u>	<u>\$ 2,606,790</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
 Year ended June 30, 2004

	County Road Improvement Program	County Drainage Program	Oil Collection Grant	Keep America Beautiful Program
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 45,116
Licenses and permits	-	-	-	-
Intergovernmental	1,809,670	-	16,620	-
Charge for services	1,040,711	195,300	-	-
Fines and forfeitures	-	-	-	-
Interest	47,817	-	-	-
Miscellaneous	36,750	-	-	-
Total revenues	<u>2,734,948</u>	<u>195,300</u>	<u>16,620</u>	<u>45,116</u>
Expenditures:				
Public Works				
Personnel	157,557	-	-	35,091
Purchased services	119,123	3,699	4,573	5,333
Supplies	895	-	-	-
Capital	3,771,250	36,024	12,047	4,692
Other	-	-	-	-
Total expenditures	<u>4,048,825</u>	<u>39,723</u>	<u>16,620</u>	<u>45,116</u>
Excess of Revenues Over (Under) Expenditures	(1,313,877)	155,577	-	-
Other financing sources (Uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(249,089)	-	-	-
Total other financing sources (Uses)	<u>(249,089)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,562,966)	155,577	-	-
Fund Balances at Beginning of Year	<u>6,724,549</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 5,161,583</u>	<u>\$ 155,577</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Tire Recycling Grant</u>	<u>Solid Waste Recycling Program</u>	<u>Road Impact Fees</u>	<u>Total</u>
\$ -	\$ 5,307,748	\$ -	\$ 5,352,864
-	-	1,100,988	1,100,988
49,580	5,329	-	1,681,198
-	17,903	-	1,253,914
-	-	-	-
3,486	3,924	6,759	61,986
-	56,203	-	92,953
<u>53,066</u>	<u>5,391,107</u>	<u>1,107,747</u>	<u>9,543,904</u>
-	668,386	-	861,034
15,772	4,975,170	220,377	5,344,047
-	47,530	-	48,425
-	85,548	-	3,909,561
-	-	-	-
<u>15,772</u>	<u>5,776,634</u>	<u>220,377</u>	<u>10,163,067</u>
37,294	(385,527)	887,370	(619,163)
-	-	-	-
-	-	(814,941)	(1,064,030)
-	-	(814,941)	(1,064,030)
37,294	(385,527)	72,429	(1,683,193)
<u>430,566</u>	<u>-</u>	<u>682,588</u>	<u>7,837,703</u>
<u>\$ 467,860</u>	<u>\$ (385,527)</u>	<u>\$ 755,017</u>	<u>\$ 6,154,510</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - ALCOHOL AND DRUG PROGRAMS
 Year ended June 30, 2004

	<u>Central Administration</u>	<u>Safety Action Program</u>	<u>School Intervention Program</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	52,798	43,482
Charge for services	-	58,683	-
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>111,479</u>	<u>43,482</u>
Expenditures:			
Public Health			
Personnel	166,408	100,842	40,636
Purchased services	59,726	2,263	10,166
Supplies	11,623	4,923	210
Capital	3,345	-	-
Other	<u>(241,102)</u>	<u>34,327</u>	<u>16,210</u>
Total expenditures	<u>-</u>	<u>142,355</u>	<u>67,222</u>
Excess of Revenues Over (Under) Expenditures	-	(30,876)	(23,740)
Other financing sources (Uses):			
Operating transfers in	-	30,876	23,740
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>-</u>	<u>30,876</u>	<u>23,740</u>
Net Change in Fund Balances	-	-	-
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Community Based Treatment Program	Preventive Education Program	Intensive Outpatient Program	Total
\$ -	\$ -	\$ -	\$ -
-	-	-	-
314,257	189,702	92,569	692,806
51,625	2,083	-	112,391
-	-	-	-
-	-	-	-
-	-	-	-
<u>365,882</u>	<u>191,785</u>	<u>92,569</u>	<u>805,197</u>
257,880	142,401	101,086	809,253
46,642	33,494	7,294	159,585
2,370	5,985	2,550	27,661
-	-	-	3,345
<u>97,520</u>	<u>57,795</u>	<u>35,250</u>	<u>-</u>
<u>404,412</u>	<u>239,675</u>	<u>146,180</u>	<u>999,844</u>
(38,530)	(47,890)	(53,611)	(194,647)
38,530	47,890	53,611	194,647
-	-	-	-
<u>38,530</u>	<u>47,890</u>	<u>53,611</u>	<u>194,647</u>
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - DISABILITIES AND SPECIAL NEEDS PROGRAMS
 Year ended June 30, 2004

	Central Admini- stration	Employed Services Program	Supervised Management Program	Service Coordination Program	Family Support Program
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	673,696	38,253	241,172	14,314
Charge for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	4,574	-	-	-	-
Miscellaneous	-	27,182	250	1,581	-
Total revenues	<u>4,574</u>	<u>700,878</u>	<u>38,503</u>	<u>242,753</u>	<u>14,314</u>
Expenditures:					
Public Health					
Personnel	317,944	726,170	30,959	212,302	-
Purchased services	101,525	129,309	1,749	2,622	14,706
Supplies	24,871	37,639	746	3,760	-
Capital	41,260	4,332	-	1,795	-
Other	(480,454)	157,489	6,882	38,312	-
Total expenditures	<u>5,146</u>	<u>1,054,939</u>	<u>40,336</u>	<u>258,791</u>	<u>14,706</u>
Excess of Revenues Over (Under) Expenditures	(572)	(354,061)	(1,833)	(16,038)	(392)
Other financing sources (Uses):					
Operating transfers in	(19,428)	416,032	1,833	16,038	392
Operating transfers out	-	-	-	-	-
Total other financing sources (Uses)	<u>(19,428)</u>	<u>416,032</u>	<u>1,833</u>	<u>16,038</u>	<u>392</u>
Net Change in Fund Balances	(20,000)	61,971	-	-	-
Fund Balances at Beginning of Year	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 61,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Gift Store Program</u>	<u>Port Royal Residence Program</u>	<u>Early Intervention Program</u>	<u>Summer Services Program</u>	<u>Community Training Program</u>	<u>Enhanced Services Program</u>	<u>Respite Program</u>	<u>Rehabilitation Program</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	671,904	117,744	9,850	553,312	91,458	16,313	41,680	2,469,696
-	70,000	-	-	59,650	-	-	-	129,650
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	4,574
<u>20,501</u>	<u>9,279</u>	<u>1,087</u>	<u>2,000</u>	<u>8,225</u>	<u>445</u>	<u>115</u>	<u>748</u>	<u>71,413</u>
<u>20,501</u>	<u>751,183</u>	<u>118,831</u>	<u>11,850</u>	<u>621,187</u>	<u>91,903</u>	<u>16,428</u>	<u>42,428</u>	<u>2,675,333</u>
32,504	719,034	130,301	4,624	597,613	-	2,057	19,026	2,792,534
1,056	45,585	3,376	1,669	39,316	89,733	16,770	51,166	498,582
9,628	59,589	2,423	347	40,088	-	-	-	179,091
-	-	1,607	-	-	-	-	-	48,994
<u>7,623</u>	<u>134,112</u>	<u>28,979</u>	<u>2,000</u>	<u>108,102</u>	<u>9,195</u>	<u>2,370</u>	<u>15,590</u>	<u>30,200</u>
<u>50,811</u>	<u>958,320</u>	<u>166,686</u>	<u>8,640</u>	<u>785,119</u>	<u>98,928</u>	<u>21,197</u>	<u>85,782</u>	<u>3,549,401</u>
(30,310)	(207,137)	(47,855)	3,210	(163,932)	(7,025)	(4,769)	(43,354)	(874,068)
30,310	183,928	47,855	-	47,007	(108,622)	4,769	43,354	663,468
-	-	-	-	-	-	-	-	-
<u>30,310</u>	<u>183,928</u>	<u>47,855</u>	<u>-</u>	<u>47,007</u>	<u>(108,622)</u>	<u>4,769</u>	<u>43,354</u>	<u>663,468</u>
-	(23,209)	-	3,210	(116,925)	(115,647)	-	-	(210,600)
-	<u>42,516</u>	-	<u>10,189</u>	<u>136,925</u>	<u>115,647</u>	-	-	<u>325,277</u>
\$ -	\$ <u>19,307</u>	\$ -	\$ <u>13,399</u>	\$ <u>20,000</u>	\$ -	\$ -	\$ -	\$ <u>114,677</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
 Year ended June 30, 2004

	Daufuskie Ferry Grant	Mobility Development Authority	Sheldon Rehabilitation Project	Collaborative Organization for Services to Youth	Group Family Conferencing
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	94,090	26,000	-	59,394	-
Charge for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	4,396	31,796	-
Total revenues	<u>94,090</u>	<u>26,000</u>	<u>4,396</u>	<u>91,190</u>	<u>-</u>
Expenditures:					
Public Welfare					
Personnel	-	-	-	78,660	-
Purchased services	113,180	69,100	-	6,481	28,623
Supplies	-	-	-	1,906	625
Capital	-	-	3,550	3,747	1,887
Other	-	-	-	-	-
Total expenditures	<u>113,180</u>	<u>69,100</u>	<u>3,550</u>	<u>90,794</u>	<u>31,135</u>
Excess of Revenues Over (Under) Expenditures	(19,090)	(43,100)	846	396	(31,135)
Other financing sources (Uses):					
Operating transfers in	35,000	-	-	-	4,003
Operating transfers out	-	-	-	-	-
Total other financing sources (Uses)	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,003</u>
Net Change in Fund Balances	15,910	(43,100)	846	396	(27,132)
Fund Balances at Beginning of Year	<u>848</u>	<u>56,600</u>	<u>(17,175)</u>	<u>15,437</u>	<u>27,132</u>
Fund Balances at End of Year	<u>\$ 16,758</u>	<u>\$ 13,500</u>	<u>\$ (16,329)</u>	<u>\$ 15,833</u>	<u>\$ -</u>

Early Childhood Program	Total
\$ -	\$ -
-	-
37,894	217,378
-	-
-	-
-	-
-	36,192
<u>37,894</u>	<u>253,570</u>
-	78,660
746	218,130
1,370	3,901
35,778	44,962
-	-
<u>37,894</u>	<u>345,653</u>
-	(92,083)
-	39,003
-	-
-	<u>39,003</u>
-	(53,080)
-	<u>82,842</u>
<u>\$ -</u>	<u>\$ 29,762</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 Year ended June 30, 2004

	<u>Library Grants</u>	<u>PALS Miscellaneous</u>	<u>PALS General Services</u>	<u>Summer Nutrition Program Grants</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	105,216	-	-	242,845
Charge for services	-	-	337,294	-
Fines and forfeitures	-	-	-	-
Interest	-	-	1,468	-
Miscellaneous	<u>1,200</u>	<u>-</u>	<u>54,940</u>	<u>-</u>
Total revenues	<u>106,416</u>	<u>-</u>	<u>393,702</u>	<u>242,845</u>
Expenditures:				
Cultural and Recreation				
Personnel	-	-	1,725,896	41,376
Purchased services	1,200	-	975,100	201,086
Supplies	220	-	109,979	383
Capital	39,027	-	20,325	-
Other	<u>-</u>	<u>-</u>	<u>124,000</u>	<u>-</u>
Total expenditures	<u>40,447</u>	<u>-</u>	<u>2,955,300</u>	<u>242,845</u>
Excess of Revenues Over (Under) Expenditures	65,969	-	(2,561,598)	-
Other financing sources (Uses):				
Operating transfers in	-	-	2,563,244	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>-</u>	<u>-</u>	<u>2,563,244</u>	<u>-</u>
Net Change in Fund Balances	65,969	-	1,646	-
Fund Balances at Beginning of Year	<u>24,688</u>	<u>6,144</u>	<u>167</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 90,657</u>	<u>\$ 6,144</u>	<u>\$ 1,813</u>	<u>\$ -</u>

State PARD Grants	PALS Impact Fees	Library Impact Fees	Library Trust	Library Special Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	588,552	939,758	-	-	1,528,310
49,340	-	-	-	-	397,401
-	-	-	-	-	337,294
-	-	-	-	-	-
-	14,267	11,796	234	3,204	30,969
-	-	-	26,896	1,580	84,616
<u>49,340</u>	<u>602,819</u>	<u>951,554</u>	<u>27,130</u>	<u>4,784</u>	<u>2,378,590</u>
-	-	-	-	-	1,767,272
-	-	-	-	-	1,177,386
-	-	36,121	40,811	21,254	208,768
51,410	-	-	-	-	110,762
-	-	-	-	-	124,000
<u>51,410</u>	<u>-</u>	<u>36,121</u>	<u>40,811</u>	<u>21,254</u>	<u>3,388,188</u>
(2,070)	602,819	915,433	(13,681)	(16,470)	(1,009,598)
4,000	-	-	-	-	2,567,244
-	-	(1,205,756)	-	-	(1,205,756)
<u>4,000</u>	<u>-</u>	<u>(1,205,756)</u>	<u>-</u>	<u>-</u>	<u>1,361,488</u>
1,930	602,819	(290,323)	(13,681)	(16,470)	351,890
<u>3,670</u>	<u>1,562,951</u>	<u>1,440,797</u>	<u>66,591</u>	<u>415,276</u>	<u>3,520,284</u>
<u>\$ 5,600</u>	<u>\$ 2,165,770</u>	<u>\$ 1,150,474</u>	<u>\$ 52,910</u>	<u>\$ 398,806</u>	<u>\$ 3,872,174</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 June 30, 2004

	County Wide General Obligation Bonds	Bluffton TIF Bonds	New River TIF Bonds	Totals
<u>ASSETS</u>				
Equity in pooled cash and Investments	\$ 10,402	\$ 5,588,792	\$ 2,001,529	\$ 7,600,723
Receivables, net	<u>74,345</u>	<u>3,494</u>	<u>3,440</u>	<u>81,279</u>
Total Assets	<u>\$ 84,747</u>	<u>\$ 5,592,286</u>	<u>\$ 2,004,969</u>	<u>\$ 7,682,002</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund equity:				
Reserved for debt service	<u>84,747</u>	<u>5,592,286</u>	<u>2,004,969</u>	<u>7,682,002</u>
Total liabilities and fund equity	<u>\$ 84,747</u>	<u>\$ 5,592,286</u>	<u>\$ 2,004,969</u>	<u>\$ 7,682,002</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 Year ended June 30, 2004

	County Wide General Obligations Bonds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 6,901,463	\$ 6,626,731	\$ (274,732)
Licenses and Permits	-	-	-
Intergovernmental	46,700	46,600	(100)
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	50,000	10,255	(39,745)
Miscellaneous	-	-	-
Total revenues	<u>6,998,163</u>	<u>6,683,586</u>	<u>(314,577)</u>
Expenditures:			
Debt Service - Principal	5,040,000	5,040,000	-
Debt Service - Interest and fees	<u>3,413,397</u>	<u>3,404,392</u>	<u>(9,005)</u>
Total debt service expenditures	<u>8,453,397</u>	<u>8,444,392</u>	<u>(9,005)</u>
Excess of Revenues Over (Under) Expenditures	(1,455,234)	(1,760,806)	(305,572)
Other financing sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	1,803,614	1,603,614	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>1,803,614</u>	<u>1,603,614</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	148,380	(157,192)	(305,572)
Fund Balances at Beginning of Year	<u>241,939</u>	<u>241,939</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 390,319</u>	<u>\$ 84,747</u>	<u>(305,572)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
Year ended June 30, 2004

	Bluffton TIF		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 215,000	\$ 241,872	\$ 26,872
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	13,247	13,247
Miscellaneous	-	-	-
Total revenues	<u>215,000</u>	<u>255,119</u>	<u>40,119</u>
Expenditures:			
Debt Service - Principal	15,000,000	15,000,000	-
Debt Service - Interest and fees	<u>515,000</u>	<u>511,528</u>	<u>3,472</u>
Total debt service expenditures	<u>15,515,000</u>	<u>15,511,528</u>	<u>3,472</u>
Excess of Revenues Over (Under) Expenditures	(15,300,000)	(15,256,409)	43,591
Other financing sources (Uses):			
Bond proceeds	15,000,000	15,000,000	-
Operating transfers in	300,000	5,712,048	5,412,048
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>15,300,000</u>	<u>20,712,048</u>	<u>5,412,048</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	5,455,639	5,455,639
Fund Balances at Beginning of Year	<u>136,647</u>	<u>136,647</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 136,647</u>	<u>\$ 5,592,286</u>	<u>\$ 5,455,639</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
Year ended June 30, 2004

	New River TIF		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 500,000	\$ 468,638	\$ (31,362)
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	1,051	1,051
Miscellaneous	-	-	-
Total revenues	<u>500,000</u>	<u>469,689</u>	<u>(30,311)</u>
Expenditures:			
Debt Service - Principal	-	-	-
Debt Service - Interest and fees	<u>2,000,000</u>	<u>1,993,985</u>	<u>6,015</u>
Total debt service expenditures	<u>2,000,000</u>	<u>1,993,985</u>	<u>6,015</u>
Excess of Revenues Over (Under) Expenditures	(1,500,000)	(1,524,296)	(24,296)
Other financing sources (Uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,500,000)	(1,524,296)	(24,296)
Fund Balances at Beginning of Year	<u>3,529,265</u>	<u>3,529,265</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,029,265</u>	<u>\$ 2,004,969</u>	<u>\$ (24,296)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 Year ended June 30, 2004

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 7,616,463	\$ 7,337,241	\$ (279,222)
Licenses and Permits	-	-	-
Intergovernmental	46,700	46,600	(100)
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	50,000	24,553	(25,447)
Miscellaneous	-	-	-
Total revenues	<u>7,713,163</u>	<u>7,408,394</u>	<u>(304,769)</u>
Expenditures:			
Debt Service - Principal	20,040,000	20,040,000	-
Debt Service - Interest and fees	<u>5,928,397</u>	<u>5,909,905</u>	<u>18,492</u>
Total debt service expenditures	<u>25,968,397</u>	<u>25,949,905</u>	<u>18,492</u>
Excess of Revenues Over (Under) Expenditures	(18,255,234)	(18,541,511)	(286,277)
Other financing sources (Uses):			
Bond proceeds	15,000,000	15,000,000	-
Operating transfers in	1,903,614	7,315,662	5,412,048
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>16,903,614</u>	<u>22,315,662</u>	<u>5,412,048</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,351,620)	3,774,151	5,125,771
Fund Balances at Beginning of Year	<u>3,907,851</u>	<u>3,907,851</u>	-
Fund Balances at End of Year	<u>\$ 2,556,231</u>	<u>\$ 7,682,002</u>	<u>\$ 5,125,771</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECT FUNDS
 June 30, 2004

	Capital Improvement Program	Bluffton TIF District	Lady's Island TIF District	1996 Bond Projects	1999 Bond Projects
<u>ASSETS</u>					
Equity in pooled cash and investments	\$ 209,279	\$ 2,351,031	\$ 39,430	\$ 274,541	\$ 1,258,511
Receivables, net	-	-	-	-	-
Total assets	<u>\$ 209,279</u>	<u>\$ 2,351,031</u>	<u>\$ 39,430</u>	<u>\$ 274,541</u>	<u>\$ 1,258,511</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts payable	\$ 5,801	\$ 170,380	\$ -	\$ -	\$ 42,151
Accrued payroll	4,109	-	-	-	-
Total liabilities	<u>9,910</u>	<u>170,380</u>	<u>-</u>	<u>-</u>	<u>42,151</u>
Fund equity:					
Reserved and reserved for encumbrances	5,501	2,180,651	-	-	513,127
Reserved for capital projects	<u>193,868</u>	<u>-</u>	<u>39,430</u>	<u>274,541</u>	<u>703,233</u>
Total fund equity	<u>199,369</u>	<u>2,180,651</u>	<u>39,430</u>	<u>274,541</u>	<u>1,216,360</u>
Total liabilities and fund equity	<u>\$ 209,279</u>	<u>\$ 2,351,031</u>	<u>\$ 39,430</u>	<u>\$ 274,541</u>	<u>\$ 1,258,511</u>

<u>2000</u> <u>Bond</u> <u>Projects</u>	<u>2001</u> <u>Bond</u> <u>Projects</u>	<u>2002</u> <u>Bond</u> <u>Projects</u>	<u>2003</u> <u>Bond</u> <u>Project</u>	<u>Totals</u>
\$ 738,428	\$ 1,977,890	\$ 4,793,085	\$ 8,671,161	\$ 20,313,356
<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
<u>\$ 888,428</u>	<u>\$ 1,977,890</u>	<u>\$ 4,793,085</u>	<u>\$ 8,671,161</u>	<u>\$ 20,463,356</u>
\$ 6,531	\$ 2,785	\$ 241,024	\$ 51,305	\$ 519,977
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,109</u>
<u>6,531</u>	<u>2,785</u>	<u>241,024</u>	<u>51,305</u>	<u>524,086</u>
600,482	347,681	35,012	167,868	3,850,322
<u>281,415</u>	<u>1,627,424</u>	<u>4,517,049</u>	<u>8,451,988</u>	<u>16,088,948</u>
<u>881,897</u>	<u>1,975,105</u>	<u>4,552,061</u>	<u>8,619,856</u>	<u>19,938,270</u>
<u>\$ 888,428</u>	<u>\$ 1,977,890</u>	<u>\$ 4,793,085</u>	<u>\$ 8,671,161</u>	<u>\$ 20,463,356</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECT FUNDS
Year ended June 30, 2004

	Capital Improvements Program		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ 113	\$ 113
Licenses and Permits	-	-	-
Intergovernmental	-	28,663	28,663
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	-	28,776	28,776
Expenditures:			
Capital projects	35,220	64,849	(29,629)
Excess of Revenues Over (Under) Expenditures	(35,220)	(36,073)	(853)
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(35,220)	(36,073)	(853)
Fund Balances at Beginning of Year	235,442	235,442	-
Fund Balances at End of Year	\$ 200,222	\$ 199,369	\$ (853)

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECT FUNDS
Year ended June 30, 2004

	Bluffton TIF Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits			
Intergovernmental	-	-	-
Charges for Services	-	-	-
Interest	-	98,259	98,259
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>98,259</u>	<u>98,259</u>
Expenditures:			
Capital projects	<u>7,606,850</u>	<u>5,337,296</u>	<u>2,269,554</u>
Excess of Revenues Over (Under) Expenditures	(7,606,850)	(5,239,037)	2,367,813
Other financing sources (uses):			
Bond proceeds	8,680,000	8,680,000	-
Operating transfers in	-	-	-
Operating transfers out	<u>(2,440,000)</u>	<u>(3,691,350)</u>	<u>(1,251,350)</u>
Total other financing sources (uses)	<u>6,240,000</u>	<u>4,988,650</u>	<u>(1,251,350)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,366,850)	(250,387)	1,116,463
Fund Balances at Beginning of Year	<u>2,431,038</u>	<u>2,431,038</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,064,188</u>	<u>\$ 2,180,651</u>	<u>\$ 1,116,463</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2004

	<u>Lady's Island TIF Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ 20,369	\$ 20,369
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>20,369</u>	<u>20,369</u>
Expenditures:			
Capital projects	-	-	-
Excess of Revenues Over (Under) Expenditures	-	20,369	20,369
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	20,369	20,369
Fund Balances at Beginning of Year	<u>19,061</u>	<u>19,061</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 19,061</u>	<u>\$ 39,430</u>	<u>\$ 20,369</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECT FUNDS
Year ended June 30, 2004

	1996 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Intergovernmental	-	-	-
Interest	-	2,534	2,534
Miscellaneous	-	-	-
Total revenues	-	2,534	2,534
Expenditures:			
Capital projects	231,253	31,588	199,665
Excess of Revenues Over (Under) Expenditures	(231,253)	(29,054)	202,199
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(24,855)	(24,855)	-
Total other financing sources (uses)	(24,855)	(24,855)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Othe Uses	(256,108)	(53,909)	202,199
Fund Balances at Beginning of Year	328,450	328,450	-
Fund Balances at End of Year	\$ 72,342	\$ 274,541	\$ 202,199

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2004

	1999 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	6,386	6,386
Miscellaneous	10,000	10,000	-
Total revenues	<u>10,000</u>	<u>16,386</u>	<u>6,386</u>
Expenditures:			
Capital projects	<u>2,253,953</u>	<u>1,045,839</u>	<u>1,208,114</u>
Excess of Revenues Over (Under) Expenditures	(2,243,953)	(1,029,453)	1,214,500
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	1,216,649	1,216,649	-
Operating transfers out	<u>(8,373)</u>	<u>(8,373)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,208,276</u>	<u>1,208,276</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,035,677)	178,823	1,214,500
Fund Balances at Beginning of Year	<u>1,037,537</u>	<u>1,037,537</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,860</u>	<u>\$ 1,216,360</u>	<u>\$ 1,214,500</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECT FUNDS
Year ended June 30, 2004

	2000 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	150,000	150,000	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	10,508	10,508
Miscellaneous	-	-	-
Total revenues	<u>150,000</u>	<u>160,508</u>	<u>10,508</u>
Expenditures:			
Capital projects	<u>3,083,009</u>	<u>2,234,704</u>	<u>848,305</u>
Excess of Revenues Over (Under) Expenditures	(2,933,009)	(2,074,196)	858,813
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	839,967	839,967	-
Operating transfers out	<u>(474,265)</u>	<u>(474,265)</u>	-
Total other financing sources (uses)	<u>365,702</u>	<u>365,702</u>	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,567,307)	(1,708,494)	858,813
Fund Balances at Beginning of Year	<u>2,590,391</u>	<u>2,590,391</u>	-
Fund Balances at End of Year	<u>\$ 23,084</u>	<u>\$ 881,897</u>	<u>\$ 858,813</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2004

	2001 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	14,500	25,781	11,281
Miscellaneous	-	-	-
Total revenues	<u>14,500</u>	<u>25,781</u>	<u>11,281</u>
Expenditures:			
Capital projects	<u>4,677,864</u>	<u>2,834,877</u>	<u>1,842,987</u>
Excess of Revenues Over (Under) Expenditures	(4,663,364)	(2,809,096)	1,854,268
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	62,542	62,542	-
Operating transfers out	<u>(224,700)</u>	<u>(224,700)</u>	<u>-</u>
Total other financing sources (uses)	<u>(162,158)</u>	<u>(162,158)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,825,522)	(2,971,254)	1,854,268
Fund Balances at Beginning of Year	<u>4,946,359</u>	<u>4,946,359</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 120,837</u>	<u>\$ 1,975,105</u>	<u>\$ 1,854,268</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECT FUNDS
Year ended June 30, 2004

	2002 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	43,500	74,111	30,611
Miscellaneous	-	-	-
Total revenues	<u>43,500</u>	<u>74,111</u>	<u>30,611</u>
Expenditures:			
Capital projects	<u>9,570,299</u>	<u>5,059,746</u>	<u>4,510,553</u>
Excess of Revenues Over (Under) Expenditures	(9,526,799)	(4,985,635)	4,541,164
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	<u>(792,307)</u>	<u>(792,307)</u>	-
Total other financing sources (uses)	<u>(792,307)</u>	<u>(792,307)</u>	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(10,319,106)	(5,777,942)	4,541,164
Fund Balances at Beginning of Year	<u>10,330,003</u>	<u>10,330,003</u>	-
Fund Balances at End of Year	<u>\$ 10,897</u>	<u>\$ 4,552,061</u>	<u>\$ 4,541,164</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2004

	2003 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	314,500	326,957	12,457
Miscellaneous	-	-	-
Total revenues	<u>314,500</u>	<u>326,957</u>	<u>12,457</u>
Expenditures:			
Capital projects	<u>10,465,476</u>	<u>1,862,662</u>	<u>8,602,814</u>
Excess of Revenues Over (Under) Expenditures	(10,150,976)	(1,535,705)	8,615,271
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	<u>(594,658)</u>	<u>(594,658)</u>	-
Total other financing sources (uses)	<u>(594,658)</u>	<u>(594,658)</u>	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(10,745,634)	(2,130,363)	8,615,271
Fund Balances at Beginning of Year	<u>10,750,219</u>	<u>10,750,219</u>	-
Fund Balances at End of Year	<u>\$ 4,585</u>	<u>\$ 8,619,856</u>	<u>\$ 8,615,271</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECT FUNDS
 Year ended June 30, 2004

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ -	\$ 20,482	\$ 20,482
Licenses and Permits	-	-	-
Integovernmental	150,000	178,663	28,663
Charge for services	-	-	-
Fines and Forfeitures	-	-	-
Interest	372,500	544,536	172,036
Miscellaneous	10,000	10,000	-
Total revenues	<u>532,500</u>	<u>753,681</u>	<u>221,181</u>
Expenditures:			
Capital projects	<u>37,923,924</u>	<u>18,471,561</u>	<u>19,452,363</u>
Excess of Revenues Over (Under) Expenditures	(37,391,424)	(17,717,880)	19,673,544
Other financing sources (uses):			
Bond proceeds	8,680,000	8,680,000	-
Operating transfers in	2,119,158	2,119,158	-
Operating transfers out	<u>(4,559,158)</u>	<u>(5,810,508)</u>	<u>(1,251,350)</u>
Total other financing sources (uses)	<u>6,240,000</u>	<u>4,988,650</u>	<u>(1,251,350)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(31,151,424)	(12,729,230)	18,422,194
Fund Balances at Beginning of Year	<u>32,668,500</u>	<u>32,668,500</u>	-
Fund Balances at End of Year	<u>\$ 1,517,076</u>	<u>\$ 19,939,270</u>	<u>\$ 18,422,194</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>Broad Creek Public Service District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 176,720	\$ 797,554	\$ 790,555	\$ 183,719
<u>Liabilities</u>				
Due to agencies	\$ 176,720	\$ 797,554	\$ 790,555	\$ 183,719
Water/Sewer:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 6,295	\$ 51,150	\$ -	\$ 57,445
<u>Liabilities</u>				
Due to agencies	\$ 6,295	\$ 51,150	\$ -	\$ 57,445
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ (180,510)	\$ 340,555	\$ 340,090	\$ (180,045)
<u>Liabilities</u>				
Due to agencies	\$ (180,510)	\$ 340,555	\$ 340,090	\$ (180,045)
Capital Projects:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ -	\$ -	\$ -
<u>Fripp Island Public Service District</u>				
Erosion Control:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 39,660	\$ 9,534	\$ -	\$ 49,194
<u>Liabilities</u>				
Due to agencies	\$ 39,660	\$ 9,534	\$ -	\$ 49,194

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>Frapp Island Public Service District (cont'd)</u>				
<u>Water/Sewer</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 298,092	\$ 166,596	\$ 405,000	\$ 59,688
<u>Liabilities</u>				
Due to agencies	\$ 298,092	\$ 166,596	\$ 405,000	\$ 59,688
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 88,091	\$ 95,468	\$ 84,713	\$ 98,846
<u>Liabilities</u>				
Due to agencies	\$ 88,091	\$ 95,468	\$ 84,713	\$ 98,846
Capital:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 40	\$ -	\$ -	\$ 40
<u>Liabilities</u>				
Due to agencies	\$ 40	\$ -	\$ -	\$ 40
Fire 1% Funds:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 11,518	\$ 16,908	\$ 17,855	\$ 10,571
<u>Liabilities</u>				
Due to agencies	\$ 11,518	\$ 16,908	\$ 17,855	\$ 10,571
Fire Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 163,862	\$ 427,964	\$ 289,502	\$ 302,324
<u>Liabilities</u>				
Due to agencies	\$ 163,862	\$ 427,964	\$ 289,502	\$ 302,324
<u>Forest Beach Public Service District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 23	\$ 23	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 23	\$ 23	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>Forest Beach Public Service District</u>				
Fire Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 5,963	\$ 5,963	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 5,963	\$ 5,963	\$ -
Fire Debt:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 737	\$ 737	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 737	\$ 737	\$ -
<u>Hilton Head #1 Public Service District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 767,306	\$ 575,122	\$ -	\$ 1,342,428
<u>Liabilities</u>				
Due to agencies	\$ 767,306	\$ 575,122	\$ -	\$ 1,342,428
Water/Sewer:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 693,317	\$ 451,958	\$ -	\$ 1,145,275
<u>Liabilities</u>				
Due to agencies	\$ 693,317	\$ 451,958	\$ -	\$ 1,145,275
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 453,809	\$ 808,726	\$ 1,169,455	\$ 93,080
<u>Liabilities</u>				
Due to agencies	\$ 453,809	\$ 808,726	\$ 1,169,455	\$ 93,080

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>South Beach Public Service District</u>				
Water/Sewer:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 3,129	\$ 331,511	\$ 303,000	\$ 31,640
<u>Liabilities</u>				
Due to agencies	\$ 3,129	\$ 331,511	\$ 303,000	\$ 31,640
Debt service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 5,346	\$ 1,782	\$ -	\$ 7,128
<u>Liabilities</u>				
Due to agencies	\$ 5,346	\$ 1,782	\$ -	\$ 7,128
Fire Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 12,220	\$ 12,220	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 12,220	\$ 12,220	\$ -
Fire Debt:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 726	\$ 726	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 726	\$ 726	\$ -
<u>Bluffton Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 215,146	\$ 5,065,409	\$ 4,968,477	\$ 312,078
<u>Liabilities</u>				
Due to agencies	\$ 215,146	\$ 5,065,409	\$ 4,968,477	\$ 312,078
Debt service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 79,626	\$ 120,650	\$ 52,422	\$ 147,854
<u>Liabilities</u>				
Due to agencies	\$ 79,626	\$ 120,650	\$ 52,422	\$ 147,854

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>Bluffton Fire District- (cont'd)</u>				
Capital Projects:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,614	\$ 13	\$ -	\$ 1,627
<u>Liabilities</u>				
Due to agencies	\$ 1,614	\$ 13	\$ -	\$ 1,627
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 13,029	\$ 138,949	\$ 134,913	\$ 17,065
<u>Liabilities</u>				
Due to agencies	\$ 13,029	\$ 138,949	\$ 134,913	\$ 17,065
Impact Fees:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,516,201	\$ 695,729	\$ 601,837	\$ 1,610,093
<u>Liabilities</u>				
Due to agencies	\$ 1,516,201	\$ 695,729	\$ 601,837	\$ 1,610,093
<u>Burton Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 392,848	\$ 2,890,499	\$ 2,456,000	\$ 827,347
<u>Liabilities</u>				
Due to agencies	\$ 392,848	\$ 2,890,499	\$ 2,456,000	\$ 827,347
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 172,850	\$ 285,824	\$ 242,037	\$ 216,637
<u>Liabilities</u>				
Due to agencies	\$ 172,850	\$ 285,824	\$ 242,037	\$ 216,637

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>Burton Fire District - (cont'd)</u>				
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 36,486	\$ 32,192	\$ 12,896	\$ 55,782
<u>Liabilities</u>				
Due to agencies	\$ 36,486	\$ 32,192	\$ 12,896	\$ 55,782
Impact fees:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 182,959	\$ 38,249	\$ -	\$ 221,208
<u>Liabilities</u>				
Due to agencies	\$ 182,959	\$ 38,249	\$ -	\$ 221,208
<u>Daufuskie Island Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 29,518	\$ 722,933	\$ 659,007	\$ 93,444
<u>Liabilities</u>				
Due to agencies	\$ 29,518	\$ 722,933	\$ 659,007	\$ 93,444
Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ (18,452)	\$ 71,936	\$ 60,898	\$ (7,414)
<u>Liabilities</u>				
Due to agencies	\$ (18,452)	\$ 71,936	\$ 60,898	\$ (7,414)
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 8,980	\$ 7,349	\$ 8,863	\$ 7,466
<u>Liabilities</u>				
Due to agencies	\$ 8,980	\$ 7,349	\$ 8,863	\$ 7,466

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Dauskie Island Fire District - (cont'd)</u>				
Impact Fees:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 18,755	\$ 8,427	\$ -	\$ 27,182
<u>Liabilities</u>				
Due to agencies	\$ 18,755	\$ 8,427	\$ -	\$ 27,182
<u>Lady's Island/St. Helena Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ (158,798)	\$ 2,740,118	\$ 2,706,496	\$ (125,176)
<u>Liabilities</u>				
Due to agencies	\$ (158,798)	\$ 2,740,118	\$ 2,706,496	\$ (125,176)
Debt Service:				
<u>Assets</u>				
Equity pooled cash and investments	\$ (239,627)	\$ 258,492	\$ 252,243	\$ (233,378)
<u>Liabilities</u>				
Due to agencies	\$ (239,627)	\$ 258,492	\$ 252,243	\$ (233,378)
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 71,095	\$ 61,580	\$ 45,320	\$ 87,355
<u>Liabilities</u>				
Due to agencies	\$ 71,095	\$ 61,580	\$ 45,320	\$ 87,355
<u>Impact Fees</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 678,878	\$ 185,231	\$ 91,876	\$ 772,233
<u>Liabilities</u>				
Due to agencies	\$ 678,878	\$ 185,231	\$ 91,876	\$ 772,233

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Sheldon Fire District</u>				
Operations:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 25,976	\$ 736,214	\$ 739,482	\$ 22,708
<u>Liabilities</u>				
Due to agencies	\$ 25,976	\$ 736,214	\$ 739,482	\$ 22,708
Debt Service:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 6,746	\$ 48,452	\$ 53,244	\$ 1,954
<u>Liabilities</u>				
Due to agencies	\$ 6,746	\$ 48,452	\$ 53,244	\$ 1,954
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 9,766	\$ 11,156	\$ 15,430	\$ 5,492
<u>Liabilities</u>				
Due to agencies	\$ 9,766	\$ 11,156	\$ 15,430	\$ 5,492
<u>Impact Fees</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 9,056	\$ 6,202	\$ 3,395	\$ 11,863
<u>Liabilities</u>				
Due to agencies	\$ 9,056	\$ 6,202	\$ 3,395	\$ 11,863
<u>City of Beaufort</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 34,517	\$ 2,904,611	\$ 2,818,373	\$ 120,755
<u>Liabilities</u>				
Due to agencies	\$ 34,517	\$ 2,904,611	\$ 2,818,373	\$ 120,755

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS - CONTINUED
 Year ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>City of Beaufort- (cont'd)</u>				
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 35,374	\$ 35,374	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 35,374	\$ 35,374	\$ -
<u>Town of Port Royal</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 8,686	\$ 973,140	\$ 940,372	\$ 41,454
<u>Liabilities</u>				
Due to agencies	\$ 8,686	\$ 973,140	\$ 940,372	\$ 41,454
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 10,898	\$ 10,898	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 10,898	\$ 10,898	\$ -
<u>Town of Bluffton</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 2,988	\$ 373,844	\$ 363,816	\$ 13,016
<u>Liabilities</u>				
Due to agencies	\$ 2,988	\$ 373,844	\$ 363,816	\$ 13,016
<u>Town of Yemassee</u>				
Municipal:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 95	\$ 18,968	\$ 18,914	\$ 149
<u>Liabilities</u>				
Due to agencies	\$ 95	\$ 18,968	\$ 18,914	\$ 149

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Town of Yemassee (conf'd)</u>				
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 147	\$ 147	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 147	\$ 147	\$ -
<u>Town of Hilton Head</u>				
Municipal:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 81,324	\$ 14,836,488	\$ 14,294,222	\$ 623,590
<u>Liabilities</u>				
Due to agencies	\$ 81,324	\$ 14,836,488	\$ 14,294,222	\$ 623,590
Fire Operations:				
<u>Assets</u>				
Equity pooled cash and investments	\$ -	\$ 19,868	\$ 19,868	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 19,868	\$ 19,868	\$ -
Fire Debt Service:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 17,906	\$ 1,257	\$ -	\$ 19,163
<u>Liabilities</u>				
Due to agencies	\$ 17,906	\$ 1,257	\$ -	\$ 19,163
Fire Department 1% Fund:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ -	\$ 427,847	\$ 427,847	\$ -
<u>Liabilities</u>				
Due to agencies	\$ -	\$ 427,847	\$ 427,847	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Beaufort-Jasper Academy for Career Excellence</u>				
General:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 165,397	\$ 3,782,617	\$ 2,852,616	\$ 1,095,398
<u>Liabilities</u>				
Due to agencies	\$ 165,397	\$ 3,782,617	\$ 2,852,616	\$ 1,095,398
Special Revenue Fund:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 215,466	\$ 361,823	\$ 458,804	\$ 118,485
<u>Liabilities</u>				
Due to agencies	\$ 215,466	\$ 361,823	\$ 458,804	\$ 118,485
Capital:				
<u>Assets</u>				
Equity pooled cash and investments	\$ (184,128)	\$ -	\$ -	\$ (184,128)
<u>Liabilities</u>				
Due to agencies	\$ (184,128)	\$ -	\$ -	\$ (184,128)
Education Improvement Act:				
<u>Assets</u>				
Equity pooled cash and investments	\$ (628,338)	\$ 31,965	\$ 280,963	\$ (877,336)
<u>Liabilities</u>				
Due to agencies	\$ (628,338)	\$ 31,965	\$ 280,963	\$ (877,336)
<u>Beaufort County School District</u>				
General:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 8,176,549	\$ 124,424,314	\$ 123,210,726	\$ 9,390,137
<u>Liabilities</u>				
Due to agencies	\$ 8,176,549	\$ 124,424,314	\$ 123,210,726	\$ 9,390,137

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Beaufort County School District-(cont'd)</u>				
Special Revenue:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ (4,882,922)	\$ 18,601,693	\$ 16,309,241	\$ (2,590,470)
<u>Liabilities</u>				
Due to agencies	\$ (4,882,922)	\$ 18,601,693	\$ 16,309,241	\$ (2,590,470)
Debt Service:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 9,447,418	\$ 20,798,406	\$ 22,941,742	\$ 7,304,082
<u>Liabilities</u>				
Due to agencies	\$ 9,447,418	\$ 20,798,406	\$ 22,941,742	\$ 7,304,082
Capital:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 4,064,053	\$ 6,347,760	\$ 139,629	\$ 10,272,184
<u>Liabilities</u>				
Due to agencies	\$ 4,064,053	\$ 6,347,760	\$ 139,629	\$ 10,272,184
Lunch Fund:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 233,438	\$ 3,741,792	\$ 2,249,778	\$ 1,725,452
<u>Liabilities</u>				
Due to agencies	\$ 233,438	\$ 3,741,792	\$ 2,249,778	\$ 1,725,452
School 8% Projects:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 12,109,482	\$ 95,149	\$ 11,870,105	\$ 334,526
<u>Liabilities</u>				
Due to agencies	\$ 12,109,482	\$ 95,149	\$ 11,870,105	\$ 334,526
Education Improvement Act:				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,546,078	\$ 12,815,075	\$ 14,266,482	\$ 94,671
<u>Liabilities</u>				
Due to agencies	\$ 1,546,078	\$ 12,815,075	\$ 14,266,482	\$ 94,671

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Beaufort County School District - (cont'd)</u>				
Impact fees:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 2,924,675	\$ 23,014	\$ -	\$ 2,947,689
<u>Liabilities</u>				
Due to agencies	\$ 2,924,675	\$ 23,014	\$ -	\$ 2,947,689
Facilities 2000:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 2,069,879	\$ 2,845	\$ 13	\$ 2,072,711
<u>Liabilities</u>				
Due to agencies	\$ 2,069,879	\$ 2,845	\$ 13	\$ 2,072,711
Facilities 2005:				
<u>Assets</u>				
Equity pooled cash and investments	\$ 14,631,064	\$ 18,148,747	\$ 29,400,732	\$ 3,379,079
<u>Liabilities</u>				
Due to agencies	\$ 14,631,064	\$ 18,148,747	\$ 29,400,732	\$ 3,379,079
<u>Indigent Health Care</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 29,077	\$ 1,852,450	\$ 1,928,074	\$ (46,547)
<u>Liabilities</u>				
Due to agencies	\$ 29,077	\$ 1,852,450	\$ 1,928,074	\$ (46,547)
<u>Continuing Education</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 1,429,931	\$ 3,708,782	\$ 3,860,819	\$ 1,277,894
<u>Liabilities</u>				
Due to agencies	\$ 1,429,931	\$ 3,708,782	\$ 3,860,819	\$ 1,277,894

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Special Assessments</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 108,782	\$ 42,446	\$ 31,075	\$ 120,153
<u>Liabilities</u>				
Due to agencies				
Burlington Estates	\$ 11,771	\$ 1,009	\$ -	\$ 12,780
Burlington Land	8,494	717	-	9,211
Cedacrest	524	4	-	528
Kings Grant II	6,773	1,380	-	8,153
O'Neal Place	7,115	553	-	7,668
Robin Wood	9,407	798	-	10,205
Seabrook	35,947	37,110	31,075	41,982
Woodland Estates	8,525	715	-	9,240
Tansi Village	2,599	21	-	2,620
Bay Pines	17,627	139	-	17,766
Total liabilities	\$ 108,782	\$ 42,446	\$ 31,075	\$ 120,153
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in pooled cash and investments	\$ 57,180,744	\$ 252,601,421	\$ 265,255,305	\$ 44,526,860
<u>Liabilities</u>				
Due to agencies	\$ 57,180,744	\$ 252,601,421	\$ 265,255,305	\$ 44,526,860

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
 JUNE 30, 2004

Court Fines

Court fines collected	\$ 794,464
Court fines retained by County	<u>(794,464)</u>

Court Fines Remitted to the State Treasurer	\$ <u> -</u>
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Court Assessments

Court assessments collected	\$ 966,355
Court assessments retained by County	<u>(175,371)</u>

Court Assessments Remitted to the State Treasurer	\$ <u>790,984</u>
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Court Surcharges

Court surcharges collected	\$ <u>39,336</u>
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Court Surcharges Retained by County	\$ <u>39,336</u>
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Victims Services

Court assessments allocated to Victim Services	\$ 120,281
Court surcharges allocated to Victim Services	49,335
Town of Hilton Head allocation	38,148
County general fund allocation	<u>59,349</u>

Funds allocated to Victim Services	267,113
Victim Services expenditures	<u>(268,082)</u>

Funds used	(969)
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Funds carried forward	23,897
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Funds Available for Carryforward	\$ <u>22,928</u>
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SINGLE AUDIT SECTION

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2004

	Federal CFDA Number	Federal Award Expended
Direct Federal Grants:		
US Department of Transportation		
Federal Aviation Administration		
Airport Improvement Program		
Hilton Head Airport 3-45-0030-23	20.106	\$ 128,191
Hilton Head Airport - 3-45-0030-24	20.106	1,281,496
Hilton Head Airport - TSA	20.106	157,085
Beaufort County Airport 3-45-0008-06	20.106	279,219
US Department of Justice		
Law Enforcement Block Grants		
2003-LB-BX-1307	16.592	117,662
2002-TE-CX-0086	16.592	61,278
Federal Pass - Through Grants:		
Federal Emergency Management Agency		
Passed through Office of the SC Adjutant General		
EMA-2004-GR-5006	83.552	37,973
EMA-2002-GR-5076	83.552	43,395
EMA-2003-GR-5307	83.552	61,248
EMA-2002-GR-5084	83.552	550
HMESC 2042100	83.552	11,046
US Department of Agriculture		
Passed through SC Department of Social Services		
Summer Food Services for Children (G-12-35-4541)	10.559	99,709
Summer Food Services for Children (G-12-35-4541)	10.559	143,136
US Department of Health and Human Services		
Passed through SC Health and Human Services Finance Commission		
Collaborator Coordinator (#A40545A)	93.778	73,561
Passed through SC Department of Alcohol and Other Drug Abuse Services		
Consolidated Contract BEA-MOA-4	93.959	370,232
Passed through SC Department of Transportation		
Lowcountry Regional Transportation Authority	20.509	19,091
MT-41359-06		
Passed through SC Department of Health and Environmental Control		
State aid to mapping	11.419	10,000
US Department of Justice		
Passed through Office of the SC Department of Public Safety		
AD03080	16.579	71,343
1JS02006	16.579	9,037

The accompanying schedule of findings and questioned costs are an integral part of this schedule.

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title - Continued</u>	<u>Federal CFDA Number</u>	<u>Federal Award Expended</u>
Homeland Security Grants Administration		
Passed through SC Law Enforcement Division		
3HS007	16.007	172,828
3HSS025	16.007	188,096

The accompanying schedule of findings and questioned costs are an integral part of this schedule.



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January 27, 2005

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

Independent Auditors' Report

County Council of Beaufort County
Beaufort, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina as of and for the year ended June 30, 2004, which collectively comprise Beaufort County, South Carolina's basic financial statements and have issued our report thereon dated January 27, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

Robinson Grant & Co., P.A.

County Council of Beaufort County
Page Two
January 27, 2005

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


Robinson Grant & Co., P.A.



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January 27, 2005

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

Independent Auditors' Report

County Council of Beaufort County
Beaufort, South Carolina

Compliance

We have audited the compliance of Beaufort County, South Carolina with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. Beaufort County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Beaufort County's management. Our responsibility is to express an opinion on Beaufort County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Beaufort County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Beaufort County's compliance with those requirements.

In our opinion, Beaufort County, South Carolina, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Robinson Grant & Co., P.A.

County Council of Beaufort County
Page Two
January 27, 2005

Internal Control Over Compliance

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

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

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


Robinson Grant & Co., P.A.

Beaufort County, South Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

Sheet 1

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Unqualified

Internal control over financial reporting:

- Material Weakness Identified ___ Yes No
- Reportable condition(s) that are not considered material weaknesses ___ Yes No

Noncompliance material to financial statements noted? ___ Yes None reported

Federal Awards

Internal control over major programs:

- Material Weakness Identified ___ Yes No
- Reportable condition(s) that are not considered material weaknesses ___ Yes None reported

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

Any audit findings disclosed that are required to Be reported in accordance with section 510(a) of Circular A-133? ___ Yes No

Identification of Major Programs

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

Beaufort County, South Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

Sheet 2

Section II – Financial Statement Findings

Reportable Conditions

No matters were reported

Section III – Federal Award Findings and Questioned Costs

No matters were reported

STATISTICAL SECTION

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

Fiscal Year	Taxes	Licenses and Permits	Intergov- ernmental Revenues	Charges for Services	Fines and Forefietures	Interest	Miscellaneous Revenues	Total
1995	\$ 23,600,111	\$ 765,583	\$ 3,953,642	\$ 4,837,248	\$ 555,879	\$ 646,102	\$ 310,648	\$ 34,669,213
1996	23,674,555	1,028,558	4,185,477	5,270,847	541,675	809,215	309,471	35,819,798
1997	19,737,768 ⁽¹⁾	1,178,302	4,416,859	5,659,204	552,419	722,983	271,197	32,538,731
1998	20,184,982	1,289,504	4,646,311	6,299,756	698,075	853,791	149,590	34,122,009
1999	23,506,862	1,681,439	4,899,767	6,889,282	608,774	709,704	218,458	38,514,286
2000	28,336,892	1,862,577	5,701,576	7,625,056	858,908	819,756	277,479	45,482,244
2001	29,198,052	1,882,455	5,856,427	8,003,788	880,995	666,944	136,693	46,625,354
2002	29,913,377	2,521,362	6,173,477	7,832,020	962,131	279,434	169,794	47,851,595
2003	35,602,184	2,456,875	6,068,270	8,557,847	647,030	170,852	215,805	53,718,863
2004	39,902,961	2,618,619	6,018,623	9,795,154	1,023,973	113,045	238,122	59,710,497

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

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

Fiscal Year	General Government	Public Safety	Public Works	Public Health	Public Welfare	Cultural and Recreational	Total
1995	\$ 8,707,301	\$ 12,349,430	\$ 5,701,532	\$ 1,221,922	\$ 554,997	\$ 1,213,554	\$ 29,748,736
1996	9,876,274	13,424,512	6,417,854	1,288,311	538,114	1,233,816	32,778,881
1997	9,827,019	14,520,222	2,382,098 ⁽¹⁾	1,344,586	538,805	1,603,256	30,215,986
1998	9,959,882	15,979,668	2,388,902	1,424,693	539,099	1,534,057	31,826,301
1999	11,337,609	17,233,265	2,731,306	1,630,002	572,212	1,735,328	35,239,722
2000	12,441,100	20,264,680	2,713,618	1,730,192	614,008	1,951,688	39,715,286
2001	13,815,865	20,845,372	2,980,362	1,914,512	631,184	2,102,187	42,289,482
2002	16,556,948	23,292,581	3,852,510	2,063,688	737,956	2,384,426	48,888,109
2003	18,045,305	25,137,795	3,493,180	2,043,378	732,214	2,717,685	52,169,557
2004	14,573,990	26,905,522	7,313,102	2,168,726	709,052	3,148,082	54,818,474

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

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

Fiscal Year	Total Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections ⁽²⁾	Total Collections As Percent of Levy
1995	\$ 27,740,748	\$ 25,542,108	93.1%	\$ 2,367,140	101.7%
1996	28,451,686	26,438,146	92.9%	2,136,843	100.4%
1997	28,921,947	27,026,961	93.5%	1,639,120	99.1%
1998	31,345,601	28,886,985	92.2%	1,991,148	98.5%
1999	34,853,858	32,481,388	93.2%	1,996,436	98.9%
2000	40,349,066	37,255,451	92.3%	3,566,048	101.1%
2001	41,934,211	39,267,259	93.6%	3,128,566	101.1%
2002	43,559,515	40,870,579	93.8%	2,337,525	99.2%
2003	47,656,212	45,147,129	94.7%	3,317,353	101.4%
2004	53,641,630	50,203,062	93.6%	4,251,126	101.5%

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

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

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

Fiscal Year	Real Property		Personal Property		Total	
	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value
1995	\$ 338,988,320	\$ 6,242,878,820	\$ 75,636,122	\$ 717,744,020	\$ 414,624,442	\$ 6,960,622,840
1996	359,797,714	6,375,596,450	99,841,811	882,050,095	459,639,525	7,257,646,545
1997	369,142,611	6,591,832,340	114,501,887	1,022,339,170	483,644,598	7,614,171,510
1998	387,874,256	7,182,856,592	139,829,470	1,331,709,238	527,703,726	8,514,565,830
1999 ⁽¹⁾	593,682,975	12,368,395,312	125,016,889	1,190,637,990	718,699,964	13,559,033,302
2000	615,986,525	12,927,605,644	137,827,004	1,344,653,698	753,813,529	14,272,259,342
2001	621,274,881	12,059,025,117	174,822,349	1,664,973,019	796,097,230	13,723,998,136
2002	708,384,471	14,171,046,525	148,572,871	1,097,274,167	856,957,442	15,268,320,692
2003	712,511,246	14,219,019,560	170,011,192	1,485,773,836	882,522,438	15,704,793,396
2004	740,613,636	15,649,673,497	184,242,061	1,897,765,656	924,855,697	17,547,439,153

(1) Reassessment year.

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>County-Wide Levies</u>										
County-Operations	53.1	51.1	39.6	38.6	32.6	36.3	36.0	35.2	40.1	42.9
County-Debt Service	8.9	9.9	9.7	9.4	6.8	7.2	7.2	7.2	7.2	7.2
County-Capital Improvement Program	0.9	0.9	0.8	0.8	0.2	-	-	-	-	-
County-Solid Waste/Recycling	-	-	9.7	9.6	6.2	6.7	6.9	6.2	4.7	5.9
County-Purchase of Real Property Program	-	-	-	1.0	2.0	2.0	2.0	2.0	2.0	2.0
School-Operations	94.0	97.9	99.4	97.5	75.7	86.7	96.7	97.6	107.0	108.2
School-Debt Service	27.5	29.5	27.4	30.6	23.8	21.7	23.1	22.2	22.2	22.2
Indigent Health Care	2.5	2.5	2.3	2.4	1.8	1.9	2.0	2.0	2.0	2.0
Continuing Education	2.0	2.0	1.9	2.0	1.5	4.2	4.0	4.0	4.0	4.0
<u>Municipal Levies</u>										
City of Beaufort	93.0	93.0	91.0	91.0	68.9	68.9	68.4	68.4	73.4	73.4
Town of Port Royal	97.0	97.0	99.5	99.5	85.0	85.0	85.0	85.0	85.0	85.0
Town of Bluffton	40.0	40.0	67.0	67.0	49.0	49.0	49.0	49.0	49.0	49.0
Town of Hilton Head	41.3	41.3	41.3	41.3	30.5	30.5	30.5	31.0	31.0	31.0
Town of Yemassee	55.0	55.0	65.0	65.0	65.0	65.0	68.0	68.0	68.0	68.0
<u>Fire Levies</u>										
Burton Fire-Operations	33.3	40.0	44.6	44.6	42.1	46.3	48.5	49.5	57.9	61.9
Burton Fire-Debt Service	7.2	4.0	5.9	5.9	6.5	6.6	6.0	6.0	6.0	6.0
Bluffton Fire-Operation	22.2	21.8	23.0	23.0	20.1	21.5	20.5	21.5	22.5	25.5
Bluffton Fire-Debt Service	1.0	1.0	0.5	0.5	0.3	0.8	0.6	0.6	0.6	0.6
Daufuskie Island Fire-Operations	18.8	25.9	32.2	32.2	34.3	36.8	40.5	40.5	42.5	47.5
Daufuskie Island Fire-Debt Service	-	-	-	4.0	4.4	4.9	4.7	4.7	4.7	4.7
Lady's Island/St. Helena-Operations	27.9	29.2	30.5	30.5	22.2	24.8	25.7	26.7	31.9	35.1
Lady's Island/St. Helena-Debt Service	2.3	2.4	2.2	2.2	3.5	3.0	2.1	2.1	2.1	3.5
Sheldon Fire-Operations	29.9	32.4	32.4	32.4	25.8	26.8	30.6	32.6	37.0	39.9
Sheldon Fire-Debt Services	2.9	3.3	4.6	4.6	3.3	3.3	2.6	2.6	2.6	2.6

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

Fiscal Year	Estimated Population ⁽¹⁾	Assessed Value	Gross County Bonded Debt	Less Debt Service Funds	Net County Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1995	\$ 97,782	\$ 414,624,442	\$ 33,715,000	\$ 1,122,891	\$ 32,592,109	7.5%	333.31
1996	100,226	459,639,525	31,075,000	681,331	30,393,669	6.6%	303.25
1997	102,732	483,644,598	32,105,000	35,862	32,069,138	6.6%	312.16
1998	105,300	527,703,726	27,790,000	191,684	27,598,316	5.3%	262.09
1999	107,932	718,699,964	33,725,000	530,266	33,194,734	4.6%	307.55
2000	110,630	753,813,529	40,325,000	1,264,403	39,060,597	5.2%	353.07
2001	120,937	796,097,230	56,685,000	1,625,423	55,059,577	6.9%	455.27
2002	123,960	856,957,442	80,790,000	1,251,544	79,538,456	9.3%	641.65
2003	127,060	882,522,438	141,000,000	3,907,851	137,092,149	15.5%	1,078.96
2004	130,260	924,855,697	144,640,000	7,682,002	136,957,998	14.8%	1,110.39

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004

Assessed Value - 2003 Tax Year (Fiscal Year 2004)	\$ 924,855,697
	<u> x 8%</u>
Constitutional Debt Limit	73,988,455
Outstanding Subject to Debt Limit	<u>57,397,353</u>
Legal Debt Limit Remaining Without a Referendum	\$ <u>16,591,102</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPUTATION OF OVERLAPPING GENERAL OBLIGATION DEBT
 JUNE 30, 2004

	Gross Debt Outstanding	Percentage Applicable to Beaufort County	Amount Applicable to Beaufort County
Beaufort County School District	\$ 235,135,000	100%	\$ 235,135,000
City of Beaufort	-	100%	-
Town of Hilton Head	63,730,000	100%	63,730,000
Town of Port Royal	-	100%	-
Broad Creek Public Service District	6,420,000	100%	6,420,000
South Beach Public Service District	810,000	100%	810,000
Fripp Island Public Service District	575,570	100%	575,570
Hilton Head No. 1 Public Service District	795,000	100%	795,000
Bluffton Fire District	2,324,023	100%	2,324,023
Burton Fire District	1,517,520	100%	1,517,520
Daufuskie Island Fire District	258,420	100%	258,420
Lady's Island/St. Helena Island Fire District	393,483	100%	393,483
Sheldon Fire District	316,112	100%	316,112
	<hr/>		<hr/>
Total	\$ 312,275,128		\$ 312,275,128

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

<u>Fiscal Year</u>	<u>Unreserved Fund Balance</u>	<u>General Fund Annual Expenditures</u>	<u>Balance as % of Expenditures</u>
1994	\$ 6,327,284	\$ 28,493,755	22.2%
1995	9,077,172	29,748,736	30.5%
1996	9,591,930	32,778,881	29.3%
1997	4,728,472	30,215,986	15.6%
1998	7,247,285	31,826,301	22.8%
1999	7,043,324	35,239,722	20.0%
2000	9,030,512	39,715,286	22.7%
2001	9,849,453	42,289,482	23.3%
2002	5,658,492	48,888,109	11.6%
2003	2,767,765	52,169,557	5.3%
2004	4,437,859	58,645,690	7.5%

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

<u>Fiscal Year</u>	<u>Debt Service</u>	<u>General Expenditures</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1995	\$ 6,608,974	\$ 29,748,736	22.2%
1996	6,853,154	32,778,881	20.9%
1997	7,061,653 ⁽¹⁾	30,215,986	23.4%
1998	5,602,965	31,826,301	17.6%
1999	4,640,938	35,239,722	13.2%
2000	4,996,926	39,715,286	12.6%
2001	5,675,489 ⁽²⁾	42,289,482	13.4%
2002	7,593,739 ⁽³⁾	48,888,109	15.5%
2003	9,376,293	52,169,557	18.0%
2004	10,949,905 ⁽⁴⁾	58,645,690	18.7%

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

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

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

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

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

Construction

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

Year Ended December 31	Residential		Commercial	
	Number of Permits	Construction Costs	Number of Permits	Construction Costs
1994	1,562	\$ 224,555,618	242	\$ 29,182,021
1995	1,235	185,060,607	164	23,236,851
1996	1,834	196,355,130	37	19,930,691
1997	1,938	209,982,501	51	37,571,530
1998	2,266	265,296,940	59	77,936,180
1999	2,415	315,321,027	55	39,593,452
2000	2,330	337,907,402	56	39,955,141
2001	2,054	292,779,724	56	45,399,121
2002	2,312	361,418,522	39	59,819,298
2003	2,416	291,472,103	108	75,206,835

Source: County Building Inspector

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

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

Source:

Federal Deposit Insurance Company 1993-present

BEAUFORT COUNTY, SOUTH CAROLINA
TEN LARGEST TAXPAYERS
JUNE 30, 2004

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

Source: Beaufort County Treasurer

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

GENERAL DESCRIPTION

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

FORM OF GOVERNMENT

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

OTHER SERVICES

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

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

LOCATION AND CLIMATE

Beaufort County is located in the southeastern corner of the State of South Carolina, known as the "Lowcountry". With a land area of 637 square miles, it is bordered to the south and east by the Atlantic Ocean, to the west by Jasper County, and to the north by Hampton and Colleton Counties. Beaufort County stretches nearly 30 miles along the Atlantic Ocean and includes 64 major islands and hundreds of small islands. Included in Beaufort County is the resort island of Hilton Head, connected to the mainland by bridge, which is the largest sea islands between New Jersey and Florida, comprising approximately 42 square miles. The topography of the region is relatively flat with winding inlets and rivers and large areas of marshland. The County has a subtropical climate with average 24-hour temperatures ranging from 46.1° F in January to 89.9° F in July.

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

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

	<u>Annual Salary</u>	<u>Amount of Bond</u>
<u>County Council</u>		
Weston Newton, Chairman	\$ 11,825	\$ 5,000
W.R. Von Harten, Vice Chairman	9,030	2,000
Frank Brafman	9,030	2,000
Mark D. Generales	9,030	2,000
Herbert N. Glaze	9,030	2,000
Maragret E. Griffin	9,030	2,000
Starletta Hairston	9,030	2,000
William H. Ladson	9,030	2,000
Peter Lamb	9,030	2,000
William L. McBride	9,030	2,000
Richard Stewart	9,030	2,000
<u>Clerk of Court</u>		
Elizabeth Smith	58,848	50,000
<u>Treasurer</u>		
Joy Logan	44,283	100,000
<u>Probate Court Judge</u>		
Frank Simon	73,797	15,000
<u>Auditor</u>		
Sharon P. Burris	43,680	4,000
<u>Sheriff</u>		
P.J. Tanner	72,416	10,000
<u>Coroner</u>		
Curt Copeland	53,435	10,000
<u>Magistrates</u>		
Rita A. Simmons, Hilton Head Island (Chief Magistrate)	57,683	75,000
Andrew Dudley, Beaufort	40,955	50,000
Charles L. Smith, Bluffton	54,142	20,000
Joseph McDomick, Jr., St. Helena	55,078	10,000
Joseph N. Kline, Sheldon	24,821	10,000
Darlene Smith, at Large	54,142	20,000
<u>Master-in-Equity</u>		
Thomas Kemmerlin, Jr.	102,182	50,000
<u>County Administrator</u>		
Gary Kubic	127,500	35,000

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

SCHEDULE OF INSURANCE IN FORCE

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage	Liability Limits	Annual Premium
		From	To			
Property IRF*	F130070000	3/24/04	3/24/05	Building, Contents Boiler & Machinery Fire, Lighting, EC, V&MM Replacement Cost Valuation	Scheduled \$50 Deductible on Vandalism	\$81,265
EDP IRF*	D130070000	3/24/04	3/24/05	Electronic data processing equip Hardware and Software	Scheduled	\$4,865
Radio Equip. IRF*	M130070000C	3/24/04	3/24/05	Inland Marine Form Radio Equipment	Schedule of Values	\$14,740
Boat/Motors IRF*	M130070000D	3/24/04	3/24/05	Inland Marine Policy Boats and Motors	Schedule of Values	\$764
General Liability (Tort) IRF*	T130070000	1/1/04	1/1/05	Bodily Injury/Property Damage Personal Injury Liability Deductible: \$250 p/occurrence	\$1,000,000	\$183,663
Commercial (Vehicle Fleet) IRF*	L130070000	3/24/04	3/24/05	BI Liability PD liability (p/occurrence) Basic Econ. Loss (p/person) Uninsured Motorist	\$600,000 CSL	\$263,150

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

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

SCHEDULE OF INSURANCE IN FORCE (Cont'd)

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

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

SCHEDULE OF INSURANCE IN FORCE (Cont'd)

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

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

ECONOMY

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

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

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

RETAIL SALES

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

<u>Year</u>	<u>Total Retail Sales</u>	<u>Increase Over Previous Year</u>
1998	\$ 2,408,109,879	\$ 141,393,154
1999	2,730,206,546	322,096,667
2000	2,905,307,405	175,100,859
2001	2,917,924,095	12,616,690
2002	2,994,734,542	76,810,447
2003	3,158,157,797	163,423,255

Source: South Carolina Tax Commission

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

UNEMPLOYMENT RATE

CPS LABOR FORCE ESTIMATES
(BY PLACE OF RESIDENCE)

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

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

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

LABOR FORCE

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

	1998	1999	2000	2001	2002 ⁽¹⁾
Manufacturing	1,290	1,170	1,100	1,140	913
Construction	3,950	4,940	5,620	6,090	5,843
Transportation & Public Utilities	1,910	1,990	1,850	1,880	1,442
Wholesale and Retail Trade	14,700	15,040	16,020	16,910	19,392
Finance, Insurance and Real Estate	4,190	3,850	3,950	4,870	3,287
Service	15,670	17,080	17,770	18,940	20,563
Government	7,870	7,990	8,800	9,330	3,163 ⁽²⁾
Totals	49,580	52,060	55,110	59,160	54,603

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

(2) Considered Public Administration under the NAIC System

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

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

EDUCATION

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

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

<u>Year</u>	<u>Pre-K2 Kindergarten</u>	<u>Elementary Grades 1-8</u>	<u>High School Grades 9-12</u>	<u>Special Education</u>	<u>Total</u>
1999-00	1,706	10,044	4,381	557	16,631
2000-01	1,643	10,102	4,435	625	16,753
2001-02	1,719	10,354	4,738	586	17,397
2002-03	1,746	10,398	4,995	618	17,757
2003-04	1,914	10,599	4,761	637	17,911

Source: Beaufort County School District

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

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

TRANSPORTATION

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

POPULATION

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

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

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

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

PER CAPITA INCOME

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

<u>Year</u>	<u>County Per Capita Income</u>	<u>State Per Capita Income</u>
1998	\$ 30,073	\$ 22,115
1999	31,307	22,958
2000	32,112	24,273
2001	34,029	24,886
2002	34,935	25,502

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

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

PROPERTY TAXATION AND ASSESSMENT

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

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

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

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

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

TAX COLLECTION PROCEDURE

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

BEAUFORT COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL FACTS
AND OTHER DEMOGRAPHIC DATA
JUNE 30, 2004

OTHER MISCELLANEOUS FACTS

Miles of Road

Paved (Maintained)	54
Unimproved	230

LAW ENFORCEMENT

Sheriff's Department

Administrative personnel	14
Investigators	22
Civil Deputies	10
Patrol Deputies	163

Total 209

Detention Center:

Correctional officers	66
Administrative personnel	6

Total 72

EMPLOYEES

As of June 30, 2004

1,038 full time, 42 part-time