

County Council  
of Beaufort County  
South Carolina

---

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT



---

For The Year Ended June 30, 2006

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

**June 30, 2006**

**Issued by**

**Beaufort County Finance Department**

**Post Office Box 1228**

**Beaufort, South Carolina 29901-1228**

**COUNTY COUNCIL OF BEAUFORT COUNTY**  
**BEAUFORT, SOUTH CAROLINA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2006**

---

**COUNTY COUNCIL**

Wm. Weston J. Newton, Chairman

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

Frank Brafman

Margaret E. Griffin

Gerald Dawson

Starletta Hairston

Mark D. Generales

Peter Lamb

Herbert N. Glaze

William McBride

Richard H. 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, 2006  
 TABLE OF CONTENTS

	<u>Page</u>
<u>Introductory Section</u>	
Letter of Transmittal .....	1 - 8
<u>Financial Section</u>	
Independent Auditor's Report.....	9 - 10
Management's Discussion and Analysis .....	11 - 17
Basic Financial Statements:	
Exhibit 1 - Statement of Net Assets .....	18
Exhibit 2 - Statement of Activities .....	19 -20
Exhibit 3 - Balance Sheet – Governmental Funds; Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	21 - 22
Exhibit 4 - Statement of Revenues; Expenditures and Changes in Fund Balances Governmental Funds ; Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23 - 24
Exhibit 5 - Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual All Governmental Fund Types .....	25 - 30
Exhibit 6 - Statement of Net Assets Proprietary Funds .....	31
Exhibit 7 - Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds.....	32
Exhibit 8 - Statement of Cash Flows Proprietary Funds .....	33 - 34
Exhibit 9 – Statement of Fiduciary Net Assets Agency Funds .....	35
Notes to the Financial Statements .....	36 - 55
Combining Financial Statements and Schedules:	
Schedule A-1 – Schedule of Revenues - Budget and Actual General Fund .....	56 - 57
Schedule A-2 - Schedule of Expenditures - Budget and Actual General Fund .....	58 - 67
Schedule B-1 - Balance Sheet Nonmajor Governmental Funds.....	68
Schedule B-2 - Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds.....	69
Schedule C-1 - Combining Balance Sheet All Special Revenue Funds.....	70 - 71
Schedule C-2 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual All Special Revenue Funds.....	72 - 79
Schedule C-3 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds - General Government Grants .....	80 - 81
Schedule C-4 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds - Public Safety Grants .....	82 - 83
Schedule C-5 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenues Funds - Public Works Programs.....	84 - 85
Schedule C-6 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds - Alcohol and Drug Programs .....	86 - 87
Schedule C-7 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds Disabilities and Special Needs Programs .....	88 - 89

BEAUFORT COUNTY, SOUTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED JUNE 30, 2006  
 TABLE OF CONTENTS

Financial Section – cont'd

	<u>Page</u>
Schedule C-8 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds - Public Welfare Programs .....	90 - 91
Schedule C-9 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds - Cultural and Recreation Programs.....	92 - 93
Schedule D-1 - Combining Balance Sheet All Debt Service Funds .....	94
Schedule D-2 - Combining Balance of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual All Debt Service Funds.....	95 - 98
Schedule E-1 - Combining Balance Sheet All Capital Project Funds .....	99 - 100
Schedule E-2 - Combining Balance of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual All Capital Project Funds .....	101 - 109
Schedule F - Combining Statement of Changes in Assets and Liabilities All Agency Funds .....	110 - 116
Schedule G – Schedule of Fines, Fees, Assessments and Surcharges .....	117

Single Audit Section

Schedule of Expenditures of Federal Awards .....	118
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	119 - 120
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.....	121 - 122
Schedule of Findings and Questioned Costs.....	123 - 125
Summary Schedule of Prior Audit Findings .....	126

Statistical Section

Schedule 1 – Net Assets by Component .....	127
Schedule 2 – Changes in Net Assets .....	128 - 130
Schedule 3 – Fund Balances Governmental Funds.....	131
Schedule 4 – Changes in Fund Balances Governmental Funds.....	132
Schedule 5 – Assessed Value and Market Value of Taxable Property .....	133
Schedule 6 – Property Tax Millages-All Overlapping Governments.....	134
Schedule 7 – Property Tax Levies and Collections.....	135
Schedule 8 – Ratios of General Bonded Debt Outstanding .....	136
Schedule 9 – Computation of Legal Debt Margin .....	137
Schedule 10 – Computation of Overlapping General Obligation Debt .....	138

**INTRODUCTORY SECTION**



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

To the Chairman, Members of Beaufort County Council,  
And Citizens of Beaufort County  
Beaufort, South Carolina

Presented herein is the Comprehensive Annual Financial Report (CAFR) of Beaufort County, South Carolina for the fiscal year ended June 30, 2006. 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 136,860 in 2006, 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 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 \$6,046,663 for these projects during fiscal year 2006. These projects were completed in the fall of 2006.

In December 2005, the County issued \$25,000,000 of Bond Anticipation Notes to fund the construction of an extension to the Bluffton Parkway. This parkway is an alternative route of US Highway 278 and is expected to significantly improve the traffic flow in Southern Beaufort County. The County had expenditures of \$9,077,747 for this project during fiscal year 2006. This project is expected to be completed by the summer of 2007.

### **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 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 \$125,653,331 in fiscal year 2006, an increase of 5.9% over fiscal year 2005. General property taxes accounted for 54.3% of the total revenues in fiscal year 2006, as compared to 55.2% in fiscal year 2005. 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, 2006**

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
Property Taxes	\$ 68,227,384	54.3%	\$ 2,743,918
Licenses and Permits	14,256,278	11.3%	5,793,529
Intergovernmental	20,228,052	16.1%	(1,910,104)
Charges of Services	17,505,824	13.9%	2,047,202
Fines and Forfeitures	1,171,063	.9%	59,265
Interest	2,823,419	2.3%	1,195,757
Miscellaneous	<u>1,441,311</u>	<u>1.2%</u>	<u>(2,898,604)</u>
Totals	<u>\$125,653,331</u>	<u>100.0%</u>	<u>\$ 7,030,963</u>

Expenditures by all governmental fund types totaled \$134,607,826 in fiscal year 2006. The decrease of \$4,908,216 from fiscal year 2005 a result of decreased capital project expenditures from bonds issued in prior years. The amount of expenditures from various sources and the increase (decrease) over last year are shown in the following schedule:

**BEAUFORT COUNTY GOVERNMENTAL FUNDS**  
**EXPENDITURES BY FUNCTION**  
**Fiscal Year Ended June 30, 2006**

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>
General Government	\$ 19,888,965	14.8%	\$ (5,055,039)
Public Safety	34,439,442	25.6%	2,090,721
Public Works	19,210,085	14.3%	1,376,181
Public Health	7,703,359	5.7%	572,263
Public Welfare	1,213,994	.9%	265,526
Cultural and Recreation	7,729,719	5.7%	647,608
Debt Service	13,535,542	10.1%	1,150,007
Capital Projects	<u>30,886,720</u>	<u>22.9%</u>	<u>(5,955,483)</u>
Totals	<u>\$134,607,826</u>	<u>100.0%</u>	<u>\$ (4,908,216)</u>

**GENERAL FUND BALANCE**

The fund balance of the general fund was \$20,367,493 as of June 30, 2006. However, this included \$1,324,226 of funds reserved for specific items. This leaves an undesignated, unreserved fund balance of \$19,043,267. Therefore, assuming 260 working days per year, divided into the total general fund expenditures and transfers of \$68,757,279, this undesignated, unreserved fund balance represents the equivalent of 72 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.

**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 twelfth year of operations as an enterprise fund. This facility repairs and maintains all County-owned vehicles, as well as, vehicles owned by various other state and local governmental units. As of January 1, 1995, the repairs and maintenance operations of the County garage were privatized through a contract with First Vehicle Services (this is the successor

company to Managed Logistics Systems, which was party to the first contract). This contract provides for the complete operation of the garage under a fee for service basis. The Garage also provides bulk purchase of fuel for use in these vehicles and County-owned heavy equipment. Revenues are generated from the sale of fuel, and by fees charged for the repairs and maintenance of these vehicles. In addition to the cost of the contract with First Vehicle Services, expenses include salaries and wages, purchases of fuel, utilities and other operating expenses of a garage facility.

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

The Lady's Island Airport has been in operation for over twenty-five years. The airport revenues are generated by the sale of fuels and the rental of hangers.

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

#### **DEBT ADMINISTRATION**

As of June 30, 2006, Beaufort County had five outstanding general obligation bond issues, totaling \$100,645,000. 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, 2006 were tax incremental financing revenue bonds totaling \$63,545,000. Note 6 of the accompanying Notes to Financial Statements.

Other than bonded indebtedness, the County has outstanding capital leases for various pieces of equipment totaling \$269,926. These items total \$164,459,926 of which the County currently has \$11,065,409 on hand to pay this debt.

Additionally, the Hilton Head Airport enterprise fund has an outstanding loan for \$559,493. 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, 2006 the capital assets of the reporting entity, amounted to \$243,674,421. This amount represents the original or estimated cost

for the assets and it is considerably less than their present value. Depreciation of capital assets is recognized in the government-wide statements. Specific details with regard to these assets can be found in Note 5 of the accompanying Notes to the Financial Statements.

#### **RISK MANAGEMENT**

The County provides group health insurance, disability insurance and life insurance to its employees through various insurance companies. Worker's compensation coverage is handled through the State of South Carolina Worker's Compensation Fund; additionally various types of insurance coverage are maintained through the State's Insurance Reserve Fund.

#### **INDEPENDENT AUDIT**

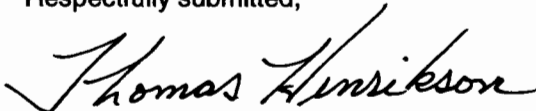
State statutes require an annual audit by independent certified public accountants or independent public accountants. The accounting firm of Elliott Davis, LLC was selected by County Council. In addition to meeting the requirements set forth in the statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, and related OMB Circular A-133. The auditor's report on the financial statements is included in the financial section of this report. The auditor's reports, pertinent to the requirements of the single audit act, are included in the Single Audit Section.

#### **ACKNOWLEDGEMENTS**

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the professional and dedicated services of the entire staff of the Finance Department throughout 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,



Thomas A. Henrikson

Controller

**FINANCIAL SECTION**

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Beaufort County Council  
Beaufort County  
Beaufort, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, governmental funds budgetary comparison information, and the aggregate remaining fund information of Beaufort County as of and for the year ended June 30, 2006 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, governmental funds budgetary comparison information, and the aggregate remaining fund information of Beaufort County as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and other major governmental funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 8, 2007 on our consideration of Beaufort County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with government auditing standards and should be considered in assessing the results of our audit.



The Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beaufort County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, general fund budgetary comparison information, Clerk of Court and Magistrates fees and fines schedule, and statistical tables as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, general fund budgetary comparison information, Clerk of Court and Magistrate fees and fines schedule, and accompanying Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Ellie H. Davis, LLC*

Columbia, South Carolina  
August 8, 2007

BEAUFORT COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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, 2006. 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, 2006 by \$100,790,557 (net assets). Of this amount \$34,243,133 (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 \$22,824,837 during the fiscal year ended June 30, 2006 with a \$15,733,779 increase resulting from governmental activities and a \$7,091,058 increase resulting from business type activities.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$19,043,267, or approximately twenty-seven percent of the general fund expenditures and transfers.
- Beaufort County's capital assets increased by \$25,618,443 during the current fiscal year. The increase in governmental activities capital assets of \$19,169,288 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; and the road construction throughout the County with the County's Road Improvement Program. The increase in business type activities capital assets of \$6,449,155 was the result construction for the Lady's Island Airport and for the Hilton Head Airport.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net assets shows the County's assets less its liabilities at June 30, 2006. The difference between these assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position.

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**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 55 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 \$100,790,557 as of June 30, 2006.

Of this amount, \$55,482,015 (approximately 55%) 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, \$11,065,409 (approximately 11%), represents resources that are restricted to the repayment of the County's bonded indebtedness. The remaining balance of unrestricted net assets, \$34,243,133 (approximately 34%), may be used to meet the government's ongoing obligations to citizens and creditors.

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

BEAUFORT COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Beaufort County's Net Assets  
June 30, 2006 and 2005

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 110,103,162	\$ 94,145,090	\$ 89,800	\$ 3,480,342	\$ 110,192,962	\$ 97,625,432
Capital assets	<u>175,550,645</u>	<u>156,381,357</u>	<u>23,258,872</u>	<u>16,809,717</u>	<u>198,809,517</u>	<u>173,191,074</u>
Total assets	<u>\$ 285,653,807</u>	<u>\$ 250,526,447</u>	<u>\$ 23,348,672</u>	<u>\$ 20,290,059</u>	<u>\$ 309,002,479</u>	<u>\$ 270,816,506</u>
Long-term liabilities	\$ 160,365,066	\$ 166,734,793	\$ 382,191	\$ 559,493	\$ 160,747,257	\$ 167,294,286
Other liabilities	<u>46,502,153</u>	<u>20,738,845</u>	<u>962,512</u>	<u>4,817,655</u>	<u>47,464,665</u>	<u>25,556,500</u>
Total liabilities	<u>\$ 206,867,219</u>	<u>\$ 187,473,638</u>	<u>\$ 1,344,703</u>	<u>\$ 5,377,148</u>	<u>\$ 208,211,922</u>	<u>\$ 192,850,786</u>
Net assets:						
Invest in capital assets						
Net of related debt	\$ 32,782,636	\$ 28,518,464	\$ 22,699,379	\$ 16,081,526	\$ 55,482,015	\$ 44,599,990
Restricted	11,065,409	9,280,423	-	-	11,065,409	9,280,423
Unrestricted	<u>34,938,543</u>	<u>25,253,922</u>	<u>(695,410)</u>	<u>(1,168,615)</u>	<u>34,243,133</u>	<u>24,085,307</u>
	<u>\$ 78,786,588</u>	<u>\$ 63,052,809</u>	<u>\$ 22,003,969</u>	<u>\$ 14,912,911</u>	<u>\$ 100,790,557</u>	<u>\$ 77,965,720</u>

The County's net assets increased by \$22,824,837 during the fiscal year.

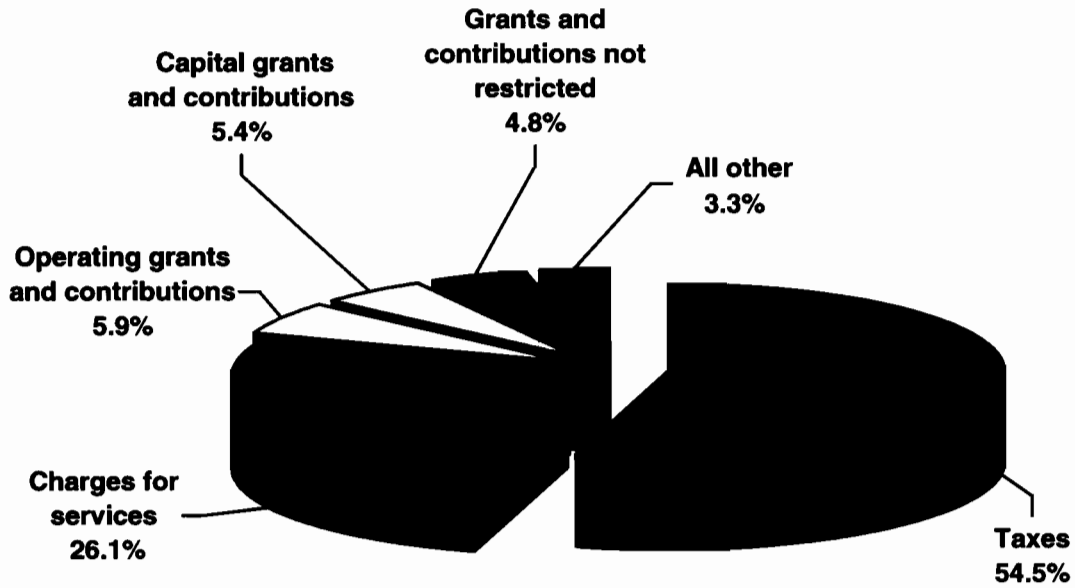
BEAUFORT COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Beaufort County's Changes in Net Assets  
For the Fiscal Years Ended June 30, 2006 and 2005

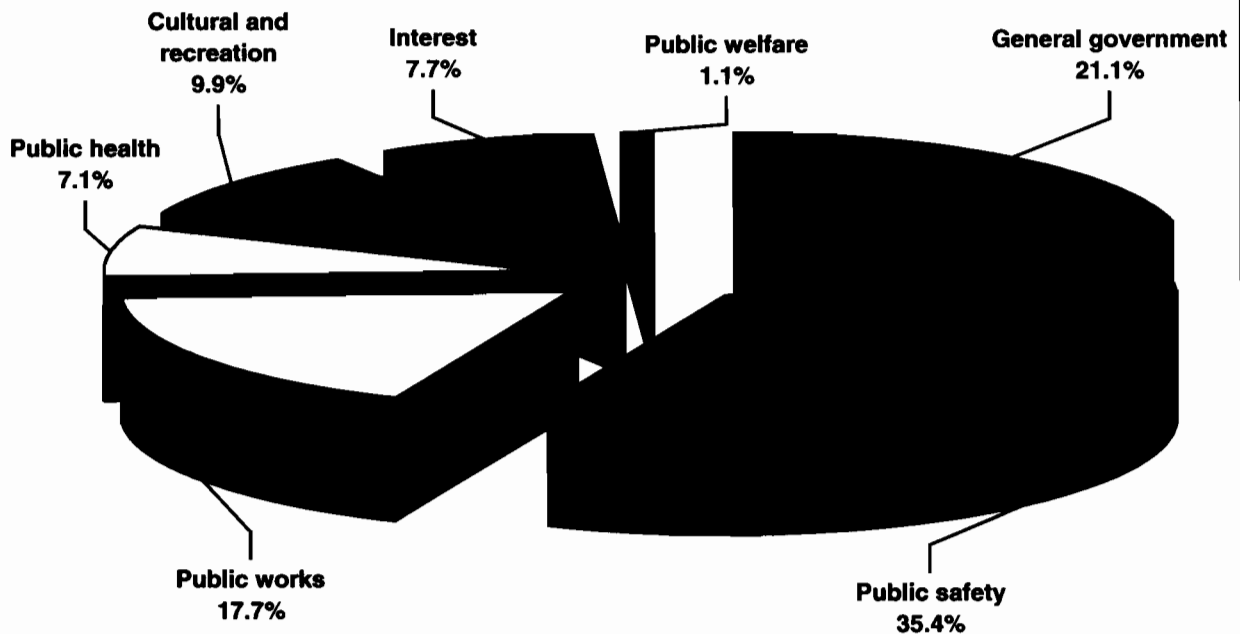
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for service	\$ 32,933,165	\$ 25,033,169	\$ 10,167,777	\$ 8,863,935	\$ 43,100,942	\$ 33,897,104
Operating grants and contributions	7,466,688	5,893,333	247,021	171,894	7,713,709	6,065,227
Capital grants and contributions	6,751,581	3,148,936	5,595,366	240,806	12,346,947	3,389,742
<b>General Revenues:</b>						
Property taxes	68,707,288	65,662,952	-	-	68,707,288	65,662,952
Grants and contributions	6,009,783	5,802,176	1,164,820	-	7,174,603	5,802,176
Unrestricted investment earnings	2,823,419	1,627,662	71,225	63,721	2,894,644	1,691,383
Miscellaneous	<u>1,303,665</u>	<u>1,467,144</u>	<u>-</u>	<u>3,979</u>	<u>1,303,665</u>	<u>1,471,123</u>
<b>Total revenues</b>	<u>125,995,589</u>	<u>108,635,372</u>	<u>17,246,209</u>	<u>9,344,335</u>	<u>143,241,798</u>	<u>117,979,707</u>
<b>Program Expenses</b>						
<b>Governmental Activities:</b>						
General government	23,243,294	20,435,569	-	-	23,243,294	20,435,569
Public safety	39,033,433	35,659,419	-	-	39,033,433	35,659,419
Public works	19,534,972	14,904,707	-	-	19,534,972	14,904,707
Public health	7,836,966	7,343,920	-	-	7,836,966	7,343,920
Public welfare	1,213,994	948,468	-	-	1,213,994	948,468
Cultural and recreation	10,964,080	8,628,664	-	-	10,964,080	8,628,664
Interest	8,435,071	7,591,323	-	-	8,435,071	7,591,323
<b>Business-type Activities:</b>						
Garage	-	-	3,770,274	3,111,165	3,770,274	3,111,165
Stormwater utility	-	-	3,904,685	4,212,250	3,904,685	4,212,250
Lady's Island Airport	-	-	678,804	464,560	678,804	464,560
Hilton Head Airport	-	-	<u>1,801,388</u>	<u>1,632,968</u>	<u>1,801,388</u>	<u>1,632,968</u>
<b>Total expenses</b>	<u>110,261,810</u>	<u>95,512,070</u>	<u>10,155,151</u>	<u>9,420,943</u>	<u>120,416,961</u>	<u>104,933,013</u>
Excess revenues over expenses	15,733,779	13,123,302	7,091,058	(76,608)	22,824,837	13,046,694
Net Assets, beginning	<u>63,052,809</u>	<u>49,929,507</u>	<u>14,912,911</u>	<u>14,989,519</u>	<u>77,965,720</u>	<u>64,919,026</u>
Net Assets, ending	<u>\$ 78,786,588</u>	<u>\$ 63,052,809</u>	<u>\$ 22,003,969</u>	<u>\$ 14,912,911</u>	<u>\$ 100,790,557</u>	<u>\$ 77,965,720</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

### Revenues by Source - Governmental Activities

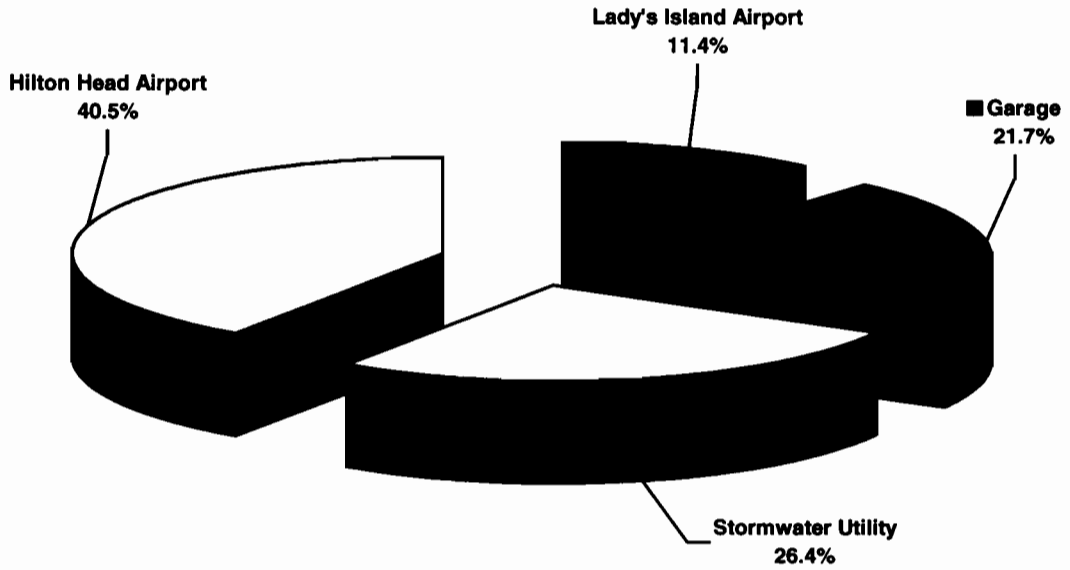


### Expenses by Program - Governmental Activities

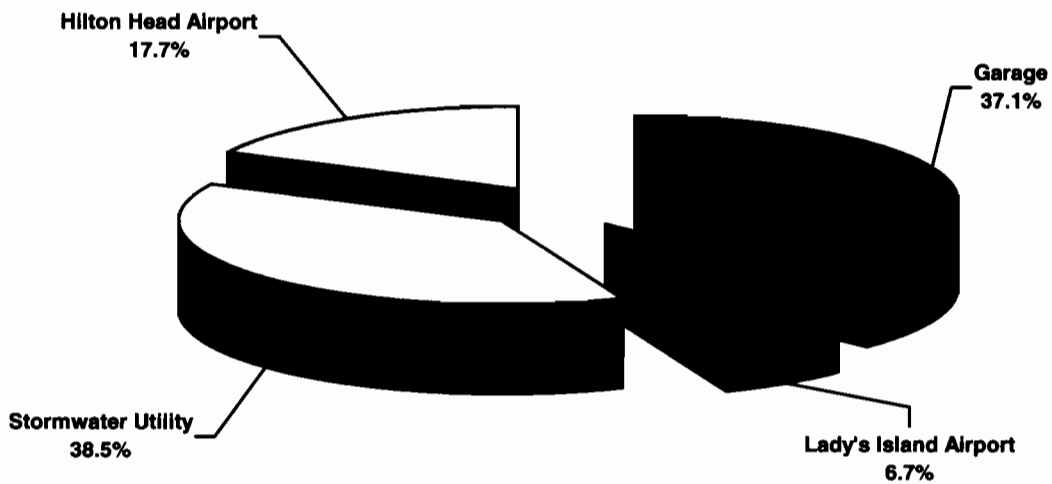


BEAUFORT COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**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, 2006

**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 \$97,577,304 an increase of \$16,045,505 in comparison with the prior year. This increase was the result of the issuance of general obligation bonds which are not reflected in the governmental fund balances.

The general fund is the main operating fund of the County. At the end of the current fiscal year, the total fund balance of the general fund was \$20,367,493, of which \$1,324,226 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 27% of total general fund expenditures and transfers, while total fund balance represents approximately 29% 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.

**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, 2006 was \$198,809,517 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

**Long-term debt** – Beaufort County had \$190,019,419 of total long-term debt outstanding as of June 30, 2006. This amount increased by \$19,138,078 during this fiscal year as a result of the issuance of \$25,000,000 general obligation bonds less the amount of \$5,861,922 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, 2006

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and equity in pooled cash and investments	\$ 97,936,301	\$ (1,240,388)	\$ 96,695,913
Receivables, net	4,463,651	988,203	5,451,854
Due from other governments	6,429,159	-	6,429,159
Notes receivable	45,000	-	45,000
Inventories	-	269,453	269,453
Prepaid expenditures	1,229,051	72,532	1,301,583
	<u>110,103,162</u>	<u>89,800</u>	<u>110,192,962</u>
<b>Capital Assets:</b>			
Non-depreciable	85,604,759	14,897,743	100,502,502
Depreciable	89,945,886	8,361,129	98,307,015
	<u>175,550,645</u>	<u>23,258,872</u>	<u>198,809,517</u>
<b>Total Assets</b>	<u>285,653,807</u>	<u>23,348,672</u>	<u>309,002,479</u>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
Accounts payable	12,152,361	785,210	12,937,571
Current portion of long term debt	31,459,338	177,302	31,636,640
Due to others	2,875,224	-	2,875,224
Deferred revenues	15,230	-	15,230
	<u>46,502,153</u>	<u>962,512</u>	<u>47,464,665</u>
<b>Long term Liabilities:</b>			
Accrued compensated absences	2,364,478	-	2,364,478
Long-term obligations	158,000,588	382,191	158,382,779
	<u>160,365,066</u>	<u>382,191</u>	<u>160,747,257</u>
<b>Total Liabilities</b>	<u>206,867,219</u>	<u>1,344,703</u>	<u>208,211,922</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	32,782,636	22,699,379	55,482,015
Restricted for debt service	11,065,409	-	11,065,409
Unrestricted	34,938,543	(695,410)	34,243,133
<b>Total Net Assets</b>	<u>\$ 78,786,588</u>	<u>\$ 22,003,969</u>	<u>\$ 100,790,557</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, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 23,243,294	\$ 15,892,733	\$ 1,161,067	\$ 1,903,250
Public Safety	39,033,433	8,885,678	1,517,717	-
Public Works	19,534,972	3,886,634	84,768	4,848,331
Public Health	7,836,966	398,718	3,765,138	-
Public Welfare	1,213,994	5,871	416,646	-
Cultural and Recreation	10,964,080	3,863,531	521,352	-
Interest	8,435,071	-	-	-
<b>Total Governmental Activities</b>	<b>110,261,810</b>	<b>32,933,165</b>	<b>7,466,688</b>	<b>6,751,581</b>
<b>Business-type Activities</b>				
Garage	3,770,274	3,746,682	-	-
Stormwater Utility	3,904,685	4,529,385	-	-
Lady's Island Airport	678,804	772,380	-	1,191,707
Hilton Head Airport	1,801,388	1,119,330	247,021	4,403,659
<b>Total Business-type Activities</b>	<b>10,155,151</b>	<b>10,167,777</b>	<b>247,021</b>	<b>5,595,366</b>
<b>Total</b>	<b>\$ 120,416,961</b>	<b>\$ 43,100,942</b>	<b>\$ 7,713,709</b>	<b>\$ 12,346,947</b>

**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		
Governmental Activities	Business Type Activities	Totals
\$ (4,286,244)	\$ -	\$ (4,286,244)
(28,630,038)	-	(28,630,038)
(10,715,239)	-	(10,715,239)
(3,673,110)	-	(3,673,110)
(791,477)	-	(791,477)
(6,579,197)	-	(6,579,197)
<u>(8,435,071)</u>	<u>-</u>	<u>(8,435,071)</u>
<u>(63,110,376)</u>	<u>-</u>	<u>(63,110,376)</u>
-	(23,592)	(23,592)
-	624,700	624,700
-	1,285,283	1,285,283
-	<u>3,968,622</u>	<u>3,968,622</u>
-	<u>5,855,013</u>	<u>5,855,013</u>
<u>\$ (63,110,376)</u>	<u>\$ 5,855,013</u>	<u>\$ (57,255,363)</u>
\$ 68,707,288	\$ -	\$ 68,707,288
6,009,783	1,164,820	7,174,603
2,823,419	71,225	2,894,644
<u>1,303,665</u>	<u>-</u>	<u>1,303,665</u>
<u>78,844,155</u>	<u>1,236,045</u>	<u>80,080,200</u>
15,733,779	7,091,058	22,824,837
<u>63,052,809</u>	<u>14,912,911</u>	<u>77,965,720</u>
<u>\$ 78,786,588</u>	<u>\$ 22,003,969</u>	<u>\$ 100,790,557</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2006

	General	Real Property Purchase Program	2005 General Obligation Bond Projects	Bluffton Parkway Project	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and equity in pooled cash and investments	\$ 22,477,269	\$ 4,322,767	\$ 12,432,013	\$ 18,228,654	\$ 40,475,598	\$ 97,936,301
Receivables, net	2,203,254	-	18,000	-	2,242,397	4,463,651
Due from other governments	1,648,401	-	-	3,300,000	1,480,758	6,429,159
Notes receivable	45,000	-	-	-	-	45,000
Prepaid expenditures	1,228,363	-	-	-	688	1,229,051
<b>Total assets</b>	<b>\$ 27,602,287</b>	<b>\$ 4,322,767</b>	<b>\$ 12,450,013</b>	<b>\$ 21,528,654</b>	<b>\$ 44,199,441</b>	<b>\$ 110,103,162</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 2,120,634	\$ -	\$ 532,622	\$ 1,551,669	\$ 2,574,418	\$ 6,779,343
Accrued payroll	1,915,768	-	-	-	280,903	2,196,671
Due to others	2,637,700	-	-	-	237,524	2,875,224
Deferred property tax revenue	560,692	-	-	-	98,698	659,390
Deferred revenue	-	-	-	-	15,230	15,230
<b>Total liabilities</b>	<b>7,234,794</b>	<b>-</b>	<b>532,622</b>	<b>1,551,669</b>	<b>3,206,773</b>	<b>12,525,858</b>
<b>Fund Equity:</b>						
Reserved for encumbrances and carry forwards	1,324,226	-	2,283,880	16,655,787	4,900,117	25,164,010
Reserved for capital projects	-	4,322,767	9,633,511	3,321,198	7,870,082	25,147,558
Reserved for debt service	-	-	-	-	11,065,409	11,065,409
Unreserved fund balances - special revenue funds	19,043,267	-	-	-	17,157,060	36,200,327
<b>Total Fund Equity</b>	<b>20,367,493</b>	<b>4,322,767</b>	<b>11,917,391</b>	<b>19,976,985</b>	<b>40,992,668</b>	<b>97,577,304</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 27,602,287</b>	<b>\$ 4,322,767</b>	<b>\$ 12,450,013</b>	<b>\$ 21,528,654</b>	<b>\$ 44,199,441</b>	<b>\$ 110,103,162</b>

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, 2006

Total governmental fund balances (Exhibit 3)	\$ 97,577,304
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	175,550,645
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred in governmental funds property taxes	659,390
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds	
accrued interest payable	(3,176,347)
current portion of long term debt	(31,459,338)
accrued compensated absences	(2,364,478)
long-term obligations	<u>(158,000,588)</u>
Net assets: of governmental activities	<u>\$ 78,786,588</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, 2006

	General	Real Property Purchase Program	2005 General Obligation Bond Projects	Bluffton Parkway Project	Nonmajor Governmental Funds	Totals Governmental Funds
<b>Revenues</b>						
Taxes	\$ 49,557,808	\$ -	\$ -	\$ -	\$ 18,669,576	\$ 68,227,384
Licenses and Permits	4,635,798	-	-	-	9,620,480	14,256,278
Intergovernmental	6,402,451	1,903,250	18,000	3,300,000	8,604,351	20,228,052
Charges for Services	13,256,653	-	-	-	4,249,171	17,505,824
Fines and Forfeitures	872,216	-	-	-	298,847	1,171,063
Interest	966,561	93,318	323,986	664,702	774,852	2,823,419
Miscellaneous	418,423	-	17,391	90,030	915,467	1,441,311
<b>Total Revenues</b>	<u>76,109,910</u>	<u>1,996,568</u>	<u>359,377</u>	<u>4,054,732</u>	<u>43,132,744</u>	<u>125,653,331</u>
<b>Expenditures</b>						
General Government	17,145,467	-	-	-	2,743,498	19,888,965
Public Safety	31,551,018	-	-	-	2,888,424	34,439,442
Public Works	8,159,421	-	-	-	11,050,664	19,210,085
Public Health	2,490,990	-	-	-	5,212,369	7,703,359
Public Welfare	729,436	-	-	-	484,558	1,213,994
Cultural and Recreation	7,302,362	-	-	-	427,357	7,729,719
Debt Service - Principal	-	-	-	-	5,665,000	5,665,000
Debt Service - Interest and Fees	-	-	-	-	7,870,542	7,870,542
Capital Projects	-	8,462,519	3,649,348	9,077,747	9,697,106	30,886,720
<b>Total Expenditures</b>	<u>67,378,694</u>	<u>8,462,519</u>	<u>3,649,348</u>	<u>9,077,747</u>	<u>46,039,518</u>	<u>134,607,826</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	8,731,216	(6,465,951)	(3,289,971)	(5,023,015)	(2,906,774)	(8,954,495)
<b>Other Financing Sources (Uses)</b>						
Bond Proceeds	-	-	-	25,000,000	-	25,000,000
Operating Transfers In	1,219,512	-	3,595,478	-	6,416,570	11,231,560
Operating Transfers Out	(1,378,585)	-	-	-	(9,852,975)	(11,231,560)
<b>Total Other Financing Sources (Uses)</b>	<u>(159,073)</u>	<u>-</u>	<u>3,595,478</u>	<u>25,000,000</u>	<u>(3,436,405)</u>	<u>25,000,000</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	8,572,143	(6,465,951)	305,507	19,976,985	(6,343,179)	16,045,505
<b>Fund Balance at the Beginning of the Year</b>	<u>11,795,350</u>	<u>10,788,718</u>	<u>11,611,884</u>	<u>-</u>	<u>47,335,847</u>	<u>81,531,799</u>
<b>Fund Balance at the End of the Year</b>	<u>\$ 20,367,493</u>	<u>\$ 4,322,767</u>	<u>\$ 11,917,391</u>	<u>\$ 19,976,985</u>	<u>\$ 40,992,668</u>	<u>\$ 97,577,304</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, 2006

Total net change in fund balances - governmental funds (Exhibit 4)	\$	16,045,505
--	----	------------

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

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

capital outlay		28,919,689
depreciation		(9,612,755)

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

net book value of capital assets disposed		(137,646)
---	--	-----------

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

increase in deferred property taxes		479,904
-------------------------------------	--	---------

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		(25,000,000)
bond principal payments		5,665,000
capital lease principal payments		28,223

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		(564,529)
increase in accrued compensated absences		(89,612)

Charge in net assets of governmental activities	\$	<u>15,733,779</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, 2006

GENERAL

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 49,561,175	\$ 49,561,175	\$ 49,557,808	\$ (3,367)
Licenses and Permits	3,071,863	3,071,863	4,635,798	1,563,935
Intergovernmental	6,192,146	6,192,146	6,402,451	210,305
Charges for Services	10,273,055	10,273,055	13,256,653	2,983,598
Fines and Forfeitures	1,116,500	1,116,500	872,216	(244,284)
Interest	205,000	205,000	966,561	761,561
Miscellaneous	217,600	217,600	418,423	200,823
<b>Total Revenues</b>	<b>70,637,339</b>	<b>70,637,339</b>	<b>76,109,910</b>	<b>5,472,571</b>
<b>Expenditures</b>				
General Government	18,899,037	18,899,037	17,145,467	1,753,570
Public Safety	33,399,966	33,399,966	31,551,018	1,848,948
Public Works	8,726,956	8,726,956	8,159,421	567,535
Public Health	2,647,936	2,647,936	2,490,990	156,946
Public Welfare	746,072	746,072	729,436	16,636
Cultural and Recreation	7,511,418	7,511,418	7,302,362	209,056
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	-	-	-	-
<b>Total Expenditures</b>	<b>71,931,385</b>	<b>71,931,385</b>	<b>67,378,694</b>	<b>4,552,691</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,294,046)</b>	<b>(1,294,046)</b>	<b>8,731,216</b>	<b>10,025,262</b>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Transfer In	448,750	448,750	1,219,512	770,762
Transfer Out	(1,829,444)	(1,829,444)	(1,378,585)	450,859
<b>Total Other Financing Sources (Uses)</b>	<b>(1,380,694)</b>	<b>(1,380,694)</b>	<b>(159,073)</b>	<b>1,221,621</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)</b>	<b>(2,674,740)</b>	<b>(2,674,740)</b>	<b>8,572,143</b>	<b>11,246,883</b>
<b>Fund Balance at the Beginning of the year</b>	<b>11,795,350</b>	<b>11,795,350</b>	<b>11,795,350</b>	<b>-</b>
<b>Fund Balance at the End of the Year</b>	<b>\$ 9,120,610</b>	<b>\$ 9,120,610</b>	<b>\$ 20,367,493</b>	<b>\$ 11,246,883</b>

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, 2006

	REAL PROPERTY PURCHASE PROGRAM			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	1,903,250	1,903,250
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	93,318	93,318
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>1,996,568</u>	<u>1,996,568</u>
<b>Expenditures</b>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	10,780,000	10,780,000	8,462,519	2,317,481
<b>Total Expenditures</b>	<u>10,780,000</u>	<u>10,780,000</u>	<u>8,462,519</u>	<u>2,317,481</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(10,780,000)	(10,780,000)	(6,465,951)	4,314,049
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)</b>	(10,780,000)	(10,780,000)	(6,465,951)	4,314,049
<b>Fund Balance at the Beginning of the year</b>	<u>10,788,718</u>	<u>10,788,718</u>	<u>10,788,718</u>	<u>-</u>
<b>Fund Balance at the End of the Year</b>	<u>\$ 8,718</u>	<u>\$ 8,718</u>	<u>\$ 4,322,767</u>	<u>\$ 4,314,049</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, 2006

	2005 GENERAL OBLIGATIONS BOND PROJECTS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	150,000	150,000	18,000	(132,000)
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	267,659	267,659	323,986	56,327
Miscellaneous	-	-	17,391	17,391
<b>Total Revenues</b>	<u>417,659</u>	<u>417,659</u>	<u>359,377</u>	<u>(58,282)</u>
<b>Expenditures</b>				
General Government				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	12,816,283	15,616,283	3,649,348	11,966,935
<b>Total Expenditures</b>	<u>12,816,283</u>	<u>15,616,283</u>	<u>3,649,348</u>	<u>11,966,935</u>
Excess of Revenues Over (Under) Expenditures	(12,398,624)	(15,198,624)	(3,289,971)	11,908,653
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Transfer In	795,478	3,595,478	3,595,478	-
Transfer Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>795,478</u>	<u>3,595,478</u>	<u>3,595,478</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)	(11,603,146)	(11,603,146)	305,507	11,908,653
Fund Balance at the Beginning of the year	<u>11,611,884</u>	<u>11,611,884</u>	<u>11,611,884</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ 8,738</u>	<u>\$ 8,738</u>	<u>\$ 11,917,391</u>	<u>\$ 11,908,653</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, 2006

	BLUFFTON PARKWAY PROJECT			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	3,300,000	3,300,000	3,300,000	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	664,702	664,702
Miscellaneous	-	-	90,030	90,030
<b>Total Revenues</b>	<b>3,300,000</b>	<b>3,300,000</b>	<b>4,054,732</b>	<b>754,732</b>
<b>Expenditures</b>				
General Government				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	28,300,000	28,300,000	9,077,747	19,222,253
<b>Total Expenditures</b>	<b>28,300,000</b>	<b>28,300,000</b>	<b>9,077,747</b>	<b>19,222,253</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(25,000,000)</b>	<b>(25,000,000)</b>	<b>(5,023,015)</b>	<b>19,976,985</b>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	25,000,000	25,000,000	25,000,000	-
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>25,000,000</b>	<b>25,000,000</b>	<b>25,000,000</b>	<b>-</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>19,976,985</b>	<b>19,976,985</b>
<b>Fund Balance at the Beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance at the End of the Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,976,985</b>	<b>\$ 19,976,985</b>

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, 2006

	NONMAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 17,857,232	\$ 17,857,232	\$ 18,669,576	\$ 812,344
Licenses and Permits	6,210,484	6,413,484	9,620,480	3,206,996
Intergovernmental	7,130,071	8,085,071	8,604,351	519,280
Charges for Services	2,746,268	3,118,803	4,249,171	1,130,368
Fines and Forfeitures	145,000	145,000	298,847	153,847
Interest	106,500	106,500	774,852	668,352
Miscellaneous	88,805	179,305	915,467	736,162
<b>Total Revenues</b>	<b>34,284,360</b>	<b>35,905,395</b>	<b>43,132,744</b>	<b>7,227,349</b>
<b>Expenditures</b>				
General Government	4,180,648	4,383,648	2,743,498	1,640,150
Public Safety	3,537,570	4,246,700	2,888,424	1,358,276
Public Works	13,240,311	13,444,016	11,050,664	2,393,352
Public Health	5,733,546	5,733,546	5,212,369	521,177
Public Welfare	278,952	533,652	484,558	49,094
Cultural and Recreation	1,010,570	1,028,570	427,357	601,213
Debt Service - Principal	5,665,000	5,665,000	5,665,000	-
Debt Service - Interest and Fees	7,910,867	7,910,867	7,870,542	40,325
Capital Projects	17,577,484	18,459,984	9,697,106	8,762,878
<b>Total Expenditures</b>	<b>59,134,948</b>	<b>61,405,983</b>	<b>46,039,518</b>	<b>15,366,465</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(24,850,588)</b>	<b>(25,500,588)</b>	<b>(2,906,774)</b>	<b>22,593,814</b>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Transfer In	4,883,559	5,778,866	6,416,570	637,704
Transfer Out	(4,298,343)	(7,993,650)	(9,852,975)	(1,859,325)
<b>Total Other Financing Sources (Uses)</b>	<b>585,216</b>	<b>(2,214,784)</b>	<b>(3,436,405)</b>	<b>(1,221,621)</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)</b>	<b>(24,265,372)</b>	<b>(27,715,372)</b>	<b>(6,343,179)</b>	<b>21,372,193</b>
<b>Fund Balance at the Beginning of the year</b>	<b>47,335,847</b>	<b>47,335,847</b>	<b>47,335,847</b>	<b>-</b>
<b>Fund Balance at the End of the Year</b>	<b>\$ 23,070,475</b>	<b>\$ 19,620,475</b>	<b>\$ 40,992,668</b>	<b>\$ 21,372,193</b>

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, 2006

TOTALS

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 67,418,407	\$ 67,418,407	\$ 68,227,384	\$ 808,977
Licenses and Permits	9,282,347	9,485,347	14,256,278	4,770,931
Intergovernmental	16,772,217	17,727,217	20,228,052	2,500,835
Charges for Services	13,019,323	13,391,858	17,505,824	4,113,966
Fines and Forfeitures	1,261,500	1,261,500	1,171,063	(90,437)
Interest	579,159	579,159	2,823,419	2,244,260
Miscellaneous	306,405	396,905	1,441,311	1,044,406
<b>Total Revenues</b>	<u>108,639,358</u>	<u>110,260,393</u>	<u>125,653,331</u>	<u>15,392,938</u>
<b>Expenditures</b>				
General Government	23,079,685	23,282,685	19,888,965	3,393,720
Public Safety	36,937,536	37,646,666	34,439,442	3,207,224
Public Works	21,967,267	22,170,972	19,210,085	2,960,887
Public Health	8,381,482	8,381,482	7,703,359	678,123
Public Welfare	1,025,024	1,279,724	1,213,994	65,730
Cultural and Recreation	8,521,988	8,539,988	7,729,719	810,269
Debt Service - Principal	5,665,000	5,665,000	5,665,000	-
Debt Service - Interest and Fees	7,910,867	7,910,867	7,870,542	40,325
Capital Projects	69,473,767	73,156,267	30,886,720	42,269,547
<b>Total Expenditures</b>	<u>182,962,616</u>	<u>188,033,651</u>	<u>134,607,826</u>	<u>53,425,825</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(74,323,258)	(77,773,258)	(8,954,495)	68,818,763
<b>Other Financing Sources (Uses)</b>				
Bond proceeds	25,000,000	25,000,000	25,000,000	-
Transfer In	6,127,787	9,823,094	11,231,560	1,408,466
Transfer Out	(6,127,787)	(9,823,094)	(11,231,560)	(1,408,466)
<b>Total Other Financing Sources (Uses)</b>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>-</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(49,323,258)	(52,773,258)	16,045,505	68,818,763
<b>Fund Balance at the Beginning of the year</b>	<u>81,531,799</u>	<u>81,531,799</u>	<u>81,531,799</u>	<u>-</u>
<b>Fund Balance at the End of the Year</b>	<u>\$ 32,208,541</u>	<u>\$ 28,758,541</u>	<u>\$ 97,577,304</u>	<u>\$ 68,818,763</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2006

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and investments with Trustee	\$ (139,315)	\$ 1,169,037	\$ (265,139)	\$ (2,004,971)	\$ (1,240,388)
Receivables, net	332,394	-	197,265	458,544	988,203
Internal balances	-	-	(240,000)	240,000	-
Inventories	95,291	125,178	48,984	-	269,453
Prepayments	72,325	207	-	-	72,532
<b>Total current assets</b>	<b>360,695</b>	<b>1,294,422</b>	<b>(258,890)</b>	<b>(1,306,427)</b>	<b>89,800</b>
Capital assets	405,778	1,734,515	3,959,400	22,050,249	28,149,942
Accumulated depreciation	(244,940)	(506,037)	(490,932)	(3,649,161)	(4,891,070)
	160,838	1,228,478	3,468,468	18,401,088	23,258,872
<b>Total Assets</b>	<b>521,533</b>	<b>2,522,900</b>	<b>3,209,578</b>	<b>17,094,661</b>	<b>23,348,672</b>
<b>LIABILITIES</b>					
<b>Liabilities:</b>					
Account payable	304,114	116,850	157,688	66,632	645,284
Accrued payroll	1,899	69,968	3,721	64,338	139,926
Current portion of long term debt	-	-	-	177,302	177,302
<b>Total current liabilities</b>	<b>306,013</b>	<b>186,818</b>	<b>161,409</b>	<b>308,272</b>	<b>962,512</b>
Long term portion of debt	-	-	-	382,191	382,191
<b>Total liabilities</b>	<b>306,013</b>	<b>186,818</b>	<b>161,409</b>	<b>690,463</b>	<b>1,344,703</b>
<b>NET ASSETS:</b>					
Invested in capital assets, net					
of related debt	160,838	1,228,478	3,468,468	17,841,595	22,699,379
Unrestricted	54,682	1,107,604	(420,299)	(1,437,397)	(695,410)
<b>Total Net Assets</b>	<b>\$ 215,520</b>	<b>\$ 2,336,082</b>	<b>\$ 3,048,169</b>	<b>\$ 16,404,198</b>	<b>\$ 22,003,969</b>

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, 2006

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
<b>Operating revenues:</b>					
Garage billings	\$ 1,592,535	\$ -	\$ -	\$ -	\$ 1,592,535
Fuel and oil sales	2,153,770	-	611,537	-	2,765,307
Stormwater utility fees	-	4,166,419	-	-	4,166,419
Stormwater utility project billings	-	362,966	-	-	362,966
Concession sales	-	-	9,422	46,435	55,857
Firefighting fees	-	-	-	168,029	168,029
Landing fees	-	-	10,862	117,923	128,785
Parking/taxi fees	-	-	-	28,486	28,486
Rentals	-	-	115,836	604,841	720,677
Passenger facilities charges	-	-	-	152,229	152,229
TSA grants	-	-	-	247,021	247,021
Other charges	377	-	24,723	1,387	26,487
<b>Total operating revenues</b>	<b><u>3,746,682</u></b>	<b><u>4,529,385</u></b>	<b><u>772,380</u></b>	<b><u>1,366,351</u></b>	<b><u>10,414,798</u></b>
<b>Operating expenses:</b>					
Costs of sales and services	3,650,922	-	417,101	-	4,068,023
Personnel	42,213	1,081,863	82,926	718,246	1,925,248
Purchased services	27,194	411,439	84,369	518,117	1,041,119
Supplies	17,365	346,222	13,527	73,884	450,998
Other	-	1,876,706	-	-	1,876,706
Depreciation	32,580	188,455	80,881	491,141	793,057
<b>Total operating expenses</b>	<b><u>3,770,274</u></b>	<b><u>3,904,685</u></b>	<b><u>678,804</u></b>	<b><u>1,801,388</u></b>	<b><u>10,155,151</u></b>
<b>Operating Income (loss)</b>	<b>(23,592)</b>	<b>624,700</b>	<b>93,576</b>	<b>(435,037)</b>	<b>259,647</b>
<b>Non-Operating Revenues (Expenses)</b>					
FAA grants	-	-	1,160,234	4,220,326	5,380,560
SCAC grants	-	-	31,473	183,333	214,806
Contributed assets	-	-	8,905	1,025,497	1,034,402
Contribution from the Town of Hilton Head	-	-	-	130,418	130,418
Interest earned	-	18,284	-	90,079	108,363
Interest expense	-	-	-	(37,138)	(37,138)
<b>Total non-operating revenues</b>	<b><u>-</u></b>	<b><u>18,284</u></b>	<b><u>1,200,612</u></b>	<b><u>5,612,515</u></b>	<b><u>6,831,411</u></b>
<b>Change in Net Assets</b>	<b>(23,592)</b>	<b>642,984</b>	<b>1,294,188</b>	<b>5,177,478</b>	<b>7,091,058</b>
<b>Net Assets, Beginning</b>	<b><u>239,112</u></b>	<b><u>1,693,098</u></b>	<b><u>1,753,981</u></b>	<b><u>11,226,720</u></b>	<b><u>14,912,911</u></b>
<b>Net Assets, Ending</b>	<b><u>\$ 215,520</u></b>	<b><u>\$ 2,336,082</u></b>	<b><u>\$ 3,048,169</u></b>	<b><u>\$ 16,404,198</u></b>	<b><u>\$ 22,003,969</u></b>

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, 2006

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
<b>Cash flows from operating activities:</b>					
Cash received from customers and users	\$ 3,570,462	\$ 4,597,006	\$ 594,923	\$ 1,032,378	\$ 9,794,769
Cash paid to employees	(41,599)	(1,051,674)	(84,268)	(697,435)	(1,874,976)
Cash paid to suppliers	<u>(3,504,235)</u>	<u>(2,659,321)</u>	<u>(373,257)</u>	<u>(668,032)</u>	<u>(7,204,845)</u>
	24,628	886,011	137,398	(333,089)	714,948
<b>Cash flows from noncapital financing activities:</b>					
Repayment to Federal Aviation Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,267,008)</u>	<u>(4,267,008)</u>
<b>Cash flows from capital and related financing activities:</b>					
FAA grants	-	-	1,160,234	4,220,326	5,380,560
SCAC grants	-	-	31,473	183,333	214,806
Contributed capital	-	-	8,905	1,025,497	1,034,402
Contribution from the Town of Hilton Head	-	-	-	130,418	130,418
Proceeds from sale of capital assets	-	-	-	-	-
Purchase of capital assets	(80,750)	(418,873)	(1,284,714)	(5,457,875)	(7,242,212)
Principal payment on debt	-	-	-	(168,698)	(168,698)
Interest paid on debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,138)</u>	<u>(37,138)</u>
	<u>(80,750)</u>	<u>(418,873)</u>	<u>(84,102)</u>	<u>(104,137)</u>	<u>(687,862)</u>
<b>Cash flows from investing activities:</b>					
Interest earned	<u>-</u>	<u>18,284</u>	<u>-</u>	<u>90,079</u>	<u>108,363</u>
Net increase (decrease) in cash and cash equivalents	(56,122)	485,422	53,296	(4,614,155)	(4,131,559)
Cash and cash equivalents, July 1, 2005	<u>(83,193)</u>	<u>683,615</u>	<u>(318,435)</u>	<u>2,609,184</u>	<u>2,891,171</u>
Cash and cash equivalents, June 30, 2006	<u>\$ (139,315)</u>	<u>\$ 1,169,037</u>	<u>\$ (265,139)</u>	<u>\$ (2,004,971)</u>	<u>\$ (1,240,388)</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, 2006

	<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)	\$ (23,592)	\$ 624,700	\$ 93,576	\$ (435,037)	\$ 259,647
Adjustments to reconcile:					
Depreciation	<u>32,580</u>	<u>188,455</u>	<u>80,881</u>	<u>491,141</u>	<u>793,057</u>
Changes in assets and liabilities:					
(Increase) Decrease in account receivable	(176,220)	67,621	(177,457)	(333,973)	(620,029)
(Increase) Decrease in inventories	(42,286)	(67,784)	(10,112)	-	(120,182)
(Increase) Decrease in other current assets	(599)	(207)	-	-	(806)
Increase (Decrease) in accounts payable	234,131	43,037	151,852	(76,031)	352,989
Increase (Decrease) in accrued payroll	<u>614</u>	<u>30,189</u>	<u>(1,342)</u>	<u>20,811</u>	<u>50,272</u>
	<u>15,640</u>	<u>72,856</u>	<u>(37,059)</u>	<u>(389,193)</u>	<u>(337,756)</u>
Net cash flow from operating activities	<u>\$ 24,628</u>	<u>\$ 886,011</u>	<u>\$ 137,398</u>	<u>\$ (333,089)</u>	<u>\$ 714,948</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, 2006

**ASSETS**

Cash and equity in pooled cash and investments	\$ 66,542,492
<b>Total assets</b>	<b><u>66,542,492</u></b>

**LIABILITIES**

<b>Liabilities:</b>	
Due to agency	66,542,492
<b>Total liabilities</b>	<b><u>66,542,492</u></b>

**NET ASSETS**

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

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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

1. Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide financial statements

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

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

Fund financial statements

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

Measurement focus, basis of accounting, and financial statement presentation

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

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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

1. Summary of Significant Accounting Policies - Continued

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

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

The government reports the following major governmental funds:

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

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

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

The Bluffton Parkway project fund accounts for the expenditure of the bond proceeds of the bonds issued for the construction of the Bluffton Parkway and for improvements to the Buckwalter Parkway.

The County reports the following major enterprise funds:

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

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

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

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

Additionally, the government reports the following fund types:

Special revenue funds

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

Debt service fund

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

Capital projects funds

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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

1. Summary of Significant Accounting Policies – Continued

Agency Fund

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

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

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

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

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

Measurement Focus

Government-wide financial statements

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

Fund financial statements

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

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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

1. Summary of Significant Accounting Policies – Continued

Basis of Accounting

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

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

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

Net capital assets	\$	175,550,645
Less: Current portion of long-term debt		(31,459,338)
Long-term obligations		(158,000,588)
Add unspent bond proceeds: Real property program		4,322,767
2005 general obligation bonds		11,917,391
Bluffton parkway		19,976,985
Capital projects fund		<u>10,474,774</u>
	\$	<u><u>32,782,636</u></u>

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

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

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

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

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

Capital Assets - Capital assets purchased or acquired with an original cost of \$3,000 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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

1. Summary of Significant Accounting Policies - Continued

as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

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

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

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

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

Budgets and Budgetary Accounting - The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) The County Administrator submits to County Council, prior to June 1, proposed operating, special revenue, debt service, and capital improvement (CIP) budgets for the fiscal year commencing July 1. The operating, special revenue, debt service, and CIP budgets include proposed expenditures, revenues and financing sources.
- (2) The Council requires such changes to be made as it deems necessary, provided the budget remains in balance and is subject to the notice of hearing requirements of Section 4-9-140 of the South Carolina Statutes.
- (3) Public hearings are held pursuant to Section 4-9-140 of the South Carolina Statutes in order for the Council to adopt the tentative and final budget.
- (4) Prior to July 1, the operating, special revenue, debt service and CIP budgets are legally enacted through passage of an ordinance setting forth anticipated revenues and appropriations by fund.
- (5) The County Administrator or his designee is authorized to transfer funds among operating accounts or among capital accounts within a department. All transfers between departments and programs or between operating and capital accounts must be authorized by the Council in accordance with Section 4-9-140 of the South Carolina Statutes. In accordance with County Ordinance #2005/21, Section 12, amounts of \$10,000 or less can be approved by the Council Chairman and/or Council Finance Committee Chairman; transfers of \$5,000 or less can be approved by the County Administrator and/or his designee.
- (6) Formal budgetary integration is employed as a measurement control device for all governmental funds of the County. The level on which expenditures may not legally exceed appropriations is the fund level.
- (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.

BEAUFORT COUNTY, SOUTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended June 30, 2006

1. Summary of Significant Accounting Policies - Continued

(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 #2005/21.

2. Cash and Equity in Pooled Cash and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At June 30, 2006, the carrying amount of the County's deposits was \$21,980,763 and the bank balance was \$25,854,068. State law requires that all of the County's deposits be covered by FDIC insurance or by collateral held by the pledging financial institutions' trust department in the County's name. At June 30, 2006, approximately \$9.4 million of the County's bank balance was uncollateralized.

Investments

As of June 30, 2006, the County has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1 - 5</u>	<u>5 - 10</u>
US Treasury Obligations	\$ 2,645,801	\$ 2,645,801	\$ -	\$ -
US Government Agency Obligations	<u>68,749,786</u>	<u>51,040,444</u>	<u>15,388,150</u>	<u>2,321,192</u>
	71,395,587	53,686,245	15,388,150	2,321,192
Federated mutual funds	22,086,057	22,086,057	-	-
South Carolina local government Investment pool	7,021,805	7,021,805	-	-
Repurchase agreements	<u>40,754,193</u>	<u>40,754,193</u>	-	-
	<u>\$141,257,642</u>	<u>\$123,548,300</u>	<u>\$15,388,150</u>	<u>\$ 2,321,192</u>

Interest rate risk

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

Credit risk

The County has no investment policy that would further limit its investment choices other than state law. As of June 30, 2006, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP's complete financial statements. These financial statements may be obtained by writing to the following address:

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

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



BEAUFORT COUNTY, SOUTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended June 30, 2006

2. Cash and Equity in Pooled Cash and Investments - Continued

Concentration of credit risk

The County places no limit on the amount the County may invest in any one issuer. As of June 30, 2006, no single issuer investment exceeded 5% of total investments.

3. Receivables/Due from Other Governments

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

The following details receivables-net by fund:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Property tax receivable	\$1,123,294	\$ 288,013
Licenses and fees receivable	352,288	1,224,978
Accounts receivable - other	<u>727,672</u>	<u>747,406</u>
	<u>\$2,203,254</u>	<u>\$ 2,260,397</u>

Key dates in the property tax cycle for tax year 2005 are as follows:

Assessment date	2004
Property taxes levied	September 1, 2005
Tax bills rendered	October 1, 2005
Property taxes payable	March 16, 2006
Delinquency date	March 17, 2006
Tax sale date	October 1, 2006

The following details the due from other governments by fund:

	<u>General Fund</u>	<u>Bluffton Parkway Project</u>	<u>Nonmajor Governmental Fund</u>
State aid to subdivisions	\$ 1,502,425	\$ -	\$ -
General Government programs	132,592	-	231,965
Public Safety programs	13,384	-	619,672
Public Works programs	-	3,300,000	366,662
Alcohol & Drug programs	-	-	68,800
Disabilities and Special Needs programs	-	-	30,667
Public Welfare programs	-	-	47,095
Cultural & Recreational programs	<u>-</u>	<u>-</u>	<u>115,897</u>
	<u>\$ 1,648,401</u>	<u>\$ 3,300,000</u>	<u>\$ 1,480,758</u>

4. Notes Receivable

Notes receivable of \$45,000 presented in the General Fund relates to a loan made to the Lowcountry Regional Transportation Authority for operational support and is to be repaid as funds become available over the next two years.

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

5. Capital Assets

Governmental Activities

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Disposals or Transfers</u>	<u>Balance June 30, 2006</u>
Capital assets not being depreciated:				
Land & Improvements	\$38,694,732	\$ 8,375,001	\$ -	\$ 47,069,733
Construction in progress	<u>24,832,617</u>	<u>19,203,753</u>	<u>5,501,344</u>	<u>38,535,026</u>
Total capital assets not being depreciated	<u>63,527,349</u>	<u>27,578,754</u>	<u>5,501,344</u>	<u>85,604,759</u>
Other capital assets:				
Buildings & Improvements	121,248,959	5,735,964	2,311	126,982,612
Equipment	<u>31,473,673</u>	<u>1,106,315</u>	<u>1,492,938</u>	<u>31,087,050</u>
Total other capital assets	152,722,632	6,842,279	1,495,249	158,069,662
Less accumulated depreciation	<u>59,868,624</u>	<u>9,612,755</u>	<u>1,357,603</u>	<u>68,123,776</u>
Other capital assets, net	<u>92,854,008</u>	<u>(2,770,476)</u>	<u>137,646</u>	<u>89,945,886</u>
Total Governmental Activities	<u>\$156,381,357</u>	<u>\$ 24,808,278</u>	<u>\$ 5,638,990</u>	<u>\$ 175,550,645</u>

For the capital assets of the governmental activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives of the assets, which range from five to twenty-five years. Depreciation expense for the year ended June 30, 2006 was \$9,612,755 and the accumulated depreciation as of June 30, 2006 was \$68,123,776.

The depreciation expense was allocated as follows:

General Government	\$ 3,247,492
Public Safety	3,798,726
Public Works	581,450
Public Health	220,605
Public Welfare	-
Cultural and Recreation	<u>1,764,482</u>
Total	<u>\$ 9,612,755</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

5. Capital Assets – Continued:

Business-type Activities

	Balance June 30, 2005	Additions	Disposals or Transfers	Balance June 30, 2006
Capital assets not being depreciated:				
Land & Improvements	\$ 7,713,105	\$ -	\$ -	\$ 7,713,105
Construction in progress	<u>753,697</u>	<u>6,562,176</u>	<u>131,235</u>	<u>7,184,638</u>
Total capital assets not being depreciated	<u>8,466,802</u>	<u>\$ 6,562,176</u>	<u>131,235</u>	<u>14,897,743</u>
Other capital assets:				
Buildings & Improvements	9,351,354	137,878	-	9,489,232
Equipment	<u>3,273,265</u>	<u>673,393</u>	<u>183,691</u>	<u>3,762,967</u>
Total other capital assets	12,624,619	811,271	<u>183,691</u>	13,252,199
Less accumulated depreciation	<u>4,281,704</u>	<u>793,057</u>	<u>183,691</u>	<u>4,891,070</u>
Other capital assets, net	<u>8,342,915</u>	<u>18,214</u>	<u>-</u>	<u>8,361,129</u>
Business-type activities capital assets, net	<u>\$16,809,717</u>	<u>\$ 6,544,390</u>	<u>\$ 131,235</u>	<u>\$ 23,258,872</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, 2006 was \$793,057 and the accumulated depreciation as of June 30, 2006 was \$4,891,070.

The depreciation expense was allocated as follows:

Garage	\$ 32,580
Stormwater Utility	188,455
Lady's Island Airport	80,881
Hilton Head Airport	<u>491,141</u>
Total	<u>\$ 793,057</u>

6. Long-Term Obligations

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation bonds	\$ 100,645,000	\$ -
Bond Anticipation Notes	25,000,000	-
TIF Revenue bonds	63,545,000	-
Note payable	-	559,493
Capital leases	<u>269,926</u>	<u>-</u>
	<u>\$ 189,459,926</u>	<u>\$ 559,493</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.

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

6. Long Term Obligations - Continued:

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

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

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

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

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

General obligation bonds accounted for in the County's Statement of Net Assets consist of the following at June 30, 2006:

<u>Description</u>	<u>Rates and Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2006</u>
1999 Improvement Bonds	4.6% - 5.25% 2/1 and 8/1	2008	\$ 9,100,000	\$ 3,400,000
2001 County Bonds	4.375% - 5.25% 2/1 and 8/1	2020	30,000,000	24,360,000
2002 County Bonds	3.0% - 4.875% 2/1 and 8/1	2022	25,100,000	18,985,000
2003 County Bonds	2.0% - 5.0% 2/1 and 8/1	2023	25,500,000	23,400,000
2005 County Bonds	3.0% - 5.0% 2/1 and 8/1	2025	<u>30,500,000</u>	<u>30,500,000</u>
			<u>\$120,200,000</u>	<u>\$ 100,645,000</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

6. Long Term Obligations - Continued:

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

<u>Fiscal Year Ending</u>	<u>1999 Improvement Bonds</u>	<u>2001 County Bonds</u>	<u>2002 County Bonds</u>	<u>2003 County Bonds</u>	<u>2005 County Bonds</u>	<u>Total</u>
2007	\$ 2,056,400	\$ 2,521,504	\$ 2,616,600	\$ 1,706,500	\$ 1,685,875	\$ 10,586,879
2008	1,569,000	2,516,254	2,610,800	1,740,500	1,676,875	10,113,429
2009	-	2,493,004	2,598,225	1,773,500	1,667,875	8,532,604
2010	-	2,493,079	2,587,025	1,803,250	1,808,875	8,692,229
2011	-	2,489,869	2,568,525	1,828,312	1,795,375	8,682,081
2012-2016	-	12,337,595	5,573,362	10,105,813	9,914,375	37,931,145
2017-2021	-	9,735,225	5,643,500	10,494,062	13,517,750	39,390,537
2022-2025	-	-	1,132,894	4,174,000	19,357,500	24,664,394
<b>Total</b>	<b>3,625,400</b>	<b>34,586,530</b>	<b>25,330,931</b>	<b>33,625,937</b>	<b>51,424,500</b>	<b>148,593,298</b>
Less amount representing interest	<u>225,400</u>	<u>10,226,530</u>	<u>6,345,931</u>	<u>10,225,937</u>	<u>20,924,500</u>	<u>47,948,298</u>
<b>Net</b>	<b><u>\$ 3,400,000</u></b>	<b><u>\$24,360,000</u></b>	<b><u>\$18,985,000</u></b>	<b><u>\$23,400,000</u></b>	<b><u>\$30,500,000</u></b>	<b><u>\$100,645,000</u></b>

Total interest paid on bonds outstanding for the year ended June 30, 2006 was \$4,729,304.

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
2007	\$ 6,075,000
2008	5,850,000
2009	4,515,000
2010	4,840,000
2011	5,030,000
2012-2016	22,355,000
2017-2021	29,770,000
2022-2025	<u>22,210,000</u>
<b>Total</b>	<b>\$ <u>100,645,000</u></b>

Bond Anticipation Notes

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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

6. Long Term Obligations - Continued:

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:

Fiscal Year Ending	New River TIF	Bluffton TIF	Total
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	2,546,463	1,403,600	3,950,063
2011	2,813,262	1,489,150	4,302,412
2012-2016	16,518,363	9,142,100	25,660,463
2017-2021	18,027,475	12,100,750	30,128,225
2022-2026	18,523,250	9,586,250	28,109,500
2027-2028	<u>3,764,249</u>	<u>2,329,500</u>	<u>6,093,749</u>
Total	68,903,210	39,994,500	108,897,710
Less amount representing interest	<u>28,903,210</u>	<u>16,449,500</u>	<u>45,352,710</u>
Net	<u>\$40,000,000</u>	<u>\$23,545,000</u>	<u>\$63,545,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2006 as \$3,130,962.

Note Payable

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

Capital Leases

As of June 30, 2006, 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, 2006.

BEAUFORT COUNTY, SOUTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended June 30, 2006

6. Long Term Obligations - Continued:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2007	\$ 40,000
2008	40,000
2009	40,000
2010	40,000
2011	40,000
2012-2014	<u>120,000</u>
Total	320,000
Less amount representing interest	<u>50,074</u>
Net	<u>\$ 269,926</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, 2006 was approximately \$11,780 which was recorded as an expenditure in the Special Revenue Fund for E-911 equipment.

Changes in Long-Term Obligations

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2006</u>
General Obligation Bonds	\$ 106,175,000	\$ -	\$ 5,530,000	\$100,645,000
Bond Anticipation Notes	-	25,000,000	-	25,000,000
TIF Revenue Bonds	63,680,000	-	135,000	63,545,000
Notes Payable	728,191	-	168,698	559,493
Capital Leases	<u>298,150</u>	<u>-</u>	<u>28,223</u>	<u>269,926</u>
Totals	<u>\$ 170,881,341</u>	<u>\$ 25,000,000</u>	<u>\$ 5,861,921</u>	<u>\$190,019,419</u>

Current Portion of Long Term Obligations

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

General Obligations Bonds	\$ 6,075,000
Bond Anticipation Notes	25,000,000
TIF Revenue Bonds	355,000
Notes Payable	177,302
Capital Leases	<u>29,338</u>
	<u>\$ 31,636,640</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

7. Interfund Transfers

The following Interfund transfers were made during the year ended June 30, 2006. These transfers were permanent in nature and as such there is not any anticipated repayments.

<u>Recipient Fund</u>	<u>Transferring Fund</u>	<u>Amount</u>
General Fund	Nonmajor Special Revenue Funds	\$ 1,219,512
2005 GO Bond Projects	Nonmajor Special Revenue Funds	2,800,000
2005 GO Bond Projects	Nonmajor Capital Projects Funds	795,478
Nonmajor Special Revenue Funds	General Fund	1,378,585
Nonmajor Debt Service Funds	Nonmajor Special Revenue Funds	4,827,395
Nonmajor Capital Projects Funds	Nonmajor Capital Projects Funds	<u>210,590</u>
		<u>\$ 11,231,560</u>

8. Segment Information for Business-type Activities

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

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Operating Revenues	\$ 3,746,682	\$ 4,529,385	\$ 772,380	\$ 1,366,351	\$ 10,414,798
Cost of Sales and Services	3,650,922	-	417,101	-	4,068,023
Operating Expenses before depreciation	86,772	3,716,230	180,822	1,310,247	5,294,071
Depreciation	<u>32,580</u>	<u>188,455</u>	<u>80,881</u>	<u>491,141</u>	<u>793,057</u>
Operating Income (loss)	<u>\$ (23,592)</u>	<u>\$ 624,700</u>	<u>\$ 93,576</u>	<u>\$ (435,037)</u>	<u>\$ 259,647</u>
Capital Contributions	-	-	8,905	1,155,915	1,164,820
Capital assets additions	80,750	418,873	1,284,714	5,457,875	7,242,212
Working Capital	54,682	1,107,604	(420,299)	(1,614,699)	(872,712)
Total Assets	521,533	2,522,900	3,209,578	17,094,661	23,348,672
Long-term debt	-	-	-	559,493	559,493
Assets-net of related debt	160,838	1,228,478	3,468,468	17,841,595	22,699,379
Unrestricted Net Assets	54,682	1,107,604	(420,299)	(1,437,397)	(695,410)

9. 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, 2006 were approximately \$453,600. The minimum commitment for operating lease payments for the next five years will be approximately \$410,000 per year.

10. 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.



BEAUFORT COUNTY, SOUTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended June 30, 2006

10. Deferred Compensation Plans – Continued:

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, 2006. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

11. Retirement Plans

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

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

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

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

Actuarially established employer contribution rates are as follows:

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

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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

11. Retirement Plans – Continued:

All employers contribute at the actuarially required contribution rates.

<u>Contribution Information:</u>	<u>SCRS</u>	<u>PORS</u>
Covered payroll	\$ 26,273,550	\$ 12,876,071
Employee contributions	1,633,927	834,531
Employee contribution rate (based upon salary)	6.25%	6.5%
Employer contribution rate; includes group life coverage in both SCRS and PORS and accidental death coverage in PORS (based upon salary)	7.55%	10.3%

The County's employer contribution to the SCRS for the years ended June 30, 2006, 2005 and 2004 were \$1,994,176, \$1,669,955, and \$1,581,119 respectively, which are equal to the required contributions.

The County's employer contribution to the PORS for the years ended June 30, 2006, 2005 and 2004 were \$1,339,817, \$1,246,370, and \$1,169,363 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.

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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

11. Retirement Plans – Continued:

years service; both criteria provide for full formula benefit with no reduction.

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program before July 1, 2005 do not have to contribute SCRS as long as they are covered under the TERI program.

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

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 7.55 percent plus the retiree surcharge of 3.25 percent from the employer in fiscal year 2006.

None of the County's employees have elected to be covered under optional retirement plans as of June 30, 2006.

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.

BEAUFORT COUNTY, SOUTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended June 30, 2006

11. Retirement Plans – Continued:

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, 2005, based upon the actuarial method used for funding purposes:

	SCRS	PORS
Unfunded Accrued Liability	\$ 8,591,961,000	\$ 399,324,000
Liquidation Period	30 years	15 years

12. Other Post Employment Benefits

The County provides post-retirement health, life and dental care benefits, as per the requirements of a local ordinance, for certain retirees. Substantially all employees who retire under the State retirements plans are eligible to continue their coverage with the County paying 100% of the premium for those with 28 or more years of service, 75% of the premium for those with 20 years to 27 years of service and 50% of the premium for those with 15 years to 20 years of service. As of year-end there were 58 employees who had retired with the County and were receiving health insurance benefits. For the year ended June 30, 2006, the County recognized expenditures of \$86,904 for healthcare premiums.

13. 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, 2006, to cover unused, unpaid Personal Leave including fringe benefits totaled \$2,364,478. Of this amount, \$2,364,478 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

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

13. Accrued Compensated Absences and Other Benefits – Continued:

leave balances may retain those balances. The same rules governing the use of Personal Disability leave apply to the use of SCA leave. Upon termination of employment with Beaufort County, no payment for any unused SCA or Personal Disability leave will be made.

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

14. 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, 2006, the County has outstanding construction contracts of \$18,040,082.

15. Risk Management and Litigation

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

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, 2006 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

16. Fund Equity Deficits and Subsequent Events

At June 30, 2006, 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 2006, the County issued \$17,500,000 of General Obligation Bonds bearing interest rates of 3.5% to 8.0% and with varying maturity dates through 2026. The proceeds of these bonds were used for various County projects.

BEAUFORT COUNTY, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
Year ended June 30, 2006

16. Fund Equity Deficits and Subsequent Events – Continued:

In December 2006, the County issued \$30,000,000 of General Obligation Bonds bearing interest rates of 4.0% to 6.75% and with varying maturity dates through 2026. The proceeds of these bonds were used to “pay off” the County’s Bond Anticipation Notes of \$25,000,000 and provide additional funds for the construction of the Bluffton Parkway Project.

BEAUFORT COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND  
Year ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Taxes:			
Current taxes	\$ 42,651,175	\$ 42,951,017	\$ 299,842
Homestead exemption	760,000	732,222	(27,778)
Delinquent taxes	1,800,000	1,885,378	85,378
Automobile taxes	3,760,000	3,189,933	(570,067)
Penalties	590,000	799,258	209,258
	<u>49,561,175</u>	<u>49,557,808</u>	<u>(3,367)</u>
Licenses and Permits			
Building permits	2,150,000	3,585,961	1,435,961
Electrician licenses	16,000	18,760	2,760
Mobile home permits	7,500	2,573	(4,927)
Marriage licenses	93,113	84,815	(8,298)
Animal licenses	7,500	10,889	3,389
Other licenses	47,750	91,370	43,620
Cable franchise fees	270,000	289,125	19,125
Business licenses	480,000	552,305	72,305
	<u>3,071,863</u>	<u>4,635,798</u>	<u>1,563,935</u>
Intergovernmental			
State aid to subdivisions	5,500,000	5,697,599	197,599
Merchants' inventory tax	143,724	143,724	-
Manufacturers tax	28,500	32,890	4,390
Motor carrier tax	38,000	41,848	3,848
Payments in lieu of taxes	65,000	88,176	23,176
Veterans Office stipend	6,374	6,865	491
Emergency Preparedness	35,000	25,614	(9,386)
Public Defender stipend	88,581	96,848	8,267
Registration and Election	12,500	10,448	(2,052)
Tax form stipend	4,718	3,144	(1,574)
Salary supplements	7,875	7,875	-
State aid to libraries	241,874	241,874	-
State aid to mapping	5,000	-	(5,000)
Pollution control penalties	15,000	5,546	(9,454)
	<u>6,192,146</u>	<u>6,402,451</u>	<u>210,305</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Charges for Services</b>			
Register of Deeds fees	\$ 5,133,000	\$ 8,181,156	\$ 3,048,156
Sheriff's fees	80,000	70,719	(9,281)
Probate Court fees	494,442	370,194	(124,248)
Magistrates' Civil fees	255,000	222,511	(32,489)
Clerk of Court fees	163,000	146,854	(16,146)
Family Court fees	250,000	327,210	77,210
Master in Equity fees	210,000	170,795	(39,205)
Treasurer's fees	25,000	16,041	(8,959)
EMS fees	1,121,050	1,126,138	5,088
Vital statistics	32,000	32,187	187
Animal Shelter fees	40,250	38,259	(1,991)
Recreation fees	314,500	453,155	138,655
Sheriff's service contracts	2,044,416	2,015,658	(28,758)
Boarding of prisoners	33,120	3,881	(29,239)
Telephone reimbursements	24,400	30,070	5,670
Other fees and reimbursements	52,877	51,825	(1,052)
	<u>10,273,055</u>	<u>13,256,653</u>	<u>2,983,598</u>
<b>Fines and Forfeitures</b>			
Clerk of Court fines	9,500	7,484	(2,016)
Bond Escreatment	280,000	52,500	(227,500)
Magistrates' Court fines	722,000	675,665	(46,335)
Library fines	100,000	114,631	14,631
Other fines	-	741	741
Forfeitures	5,000	21,195	16,195
	<u>1,116,500</u>	<u>872,216</u>	<u>(244,284)</u>
<b>Interest</b>	<u>205,000</u>	<u>966,561</u>	<u>761,561</u>
<b>Miscellaneous</b>			
Rental of county property	139,600	136,543	(3,057)
Sale of county property	60,000	238,114	178,114
Miscellaneous	18,000	43,766	25,766
	<u>217,600</u>	<u>418,423</u>	<u>200,823</u>
<b>Total Revenues</b>	<u>\$ 70,637,339</u>	<u>\$ 76,109,910</u>	<u>\$ 5,472,571</u>



BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<u>Expenditures</u>				
General Government				
County Council				
Personnel	\$ 431,421	\$ 406,436	\$ -	\$ 24,985
Purchased Services	164,873	160,340	1,600	2,933
Supplies	64,552	43,104	20,619	829
Capital	19,074	-	18,719	355
Other	121,100	4,683	-	116,417
	<u>801,020</u>	<u>614,563</u>	<u>40,938</u>	<u>145,519</u>
Auditor				
Personnel	526,681	467,523	-	59,158
Purchased Services	73,871	71,763	-	2,108
Supplies	20,626	14,847	-	5,779
Capital	-	-	-	-
	<u>621,178</u>	<u>554,133</u>	<u>-</u>	<u>67,045</u>
Treasurer				
Personnel	692,187	688,642	-	3,545
Purchased Services	53,317	52,850	-	467
Supplies	22,500	21,708	-	792
Capital	-	-	-	-
	<u>768,004</u>	<u>763,200</u>	<u>-</u>	<u>4,804</u>
Clerk of Court				
Personnel	437,854	451,350	-	(13,496)
Purchased Services	333,119	295,841	-	37,278
Supplies	39,304	37,579	-	1,725
Capital	-	-	-	-
	<u>810,277</u>	<u>784,770</u>	<u>-</u>	<u>25,507</u>
Family Court				
Personnel	291,989	294,098	-	(2,109)
Purchased Services	57,673	60,936	-	(3,263)
Supplies	13,624	11,761	-	1,863
Capital	-	-	-	-
	<u>363,286</u>	<u>366,795</u>	<u>-</u>	<u>(3,509)</u>
Probate Court				
Personnel	686,791	676,555	-	10,236
Purchased Services	87,538	63,481	-	24,057
Supplies	15,983	15,720	-	263
Capital	-	-	-	-
	<u>790,312</u>	<u>755,756</u>	<u>-</u>	<u>34,556</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year ended June 30, 2006

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>Coroner</b>				
Personnel	\$ 153,562	\$ 155,325	\$ -	\$ (1,763)
Purchased Services	112,400	115,255	-	(2,855)
Supplies	13,300	10,347	-	2,953
	<u>279,262</u>	<u>280,927</u>	<u>-</u>	<u>(1,665)</u>
<b>Magistrates Court</b>				
Personnel	1,123,616	1,046,860	-	76,756
Purchased Services	306,530	236,097	-	70,433
Supplies	95,819	88,356	655	6,808
Capital	-	-	-	-
	<u>1,525,965</u>	<u>1,371,313</u>	<u>655</u>	<u>153,997</u>
<b>Master in Equity</b>				
Personnel	223,376	220,253	-	3,123
Purchased Services	9,530	7,923	-	1,607
Supplies	7,670	6,654	-	1,016
Capital	-	-	-	-
	<u>240,576</u>	<u>234,830</u>	<u>-</u>	<u>5,746</u>
<b>General Subsidies</b>	<u>683,362</u>	<u>684,612</u>	<u>-</u>	<u>(1,250)</u>
<b>County Administrator</b>				
Personnel	239,181	246,733	-	(7,552)
Purchased Services	74,000	71,877	-	2,123
Supplies	16,245	14,365	-	1,880
Capital	-	-	-	-
Other	1,706	-	-	1,706
	<u>331,132</u>	<u>332,975</u>	<u>-</u>	<u>(1,843)</u>
<b>Housing Coordinator</b>				
Personnel	70,387	64,597	-	5,790
Purchased Services	8,400	3,650	-	4,750
Supplies	1,400	1,043	-	357
Other	430,000	60,989	369,000	11
	<u>510,187</u>	<u>130,279</u>	<u>369,000</u>	<u>10,908</u>
<b>Public Information Officer</b>				
Personnel	62,091	63,959	-	(1,868)
Purchased Services	30,472	26,396	-	4,076
Supplies	5,028	3,665	-	1,363
Capital	-	-	-	-
	<u>97,591</u>	<u>94,020</u>	<u>-</u>	<u>3,571</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>County Attorney</b>				
Personnel	\$ 206,443	\$ 167,510	\$ -	\$ 38,933
Purchased Services	361,560	352,638	-	8,922
Supplies	12,203	10,427	-	1,776
Capital	-	-	-	-
	<u>580,206</u>	<u>530,575</u>	<u>-</u>	<u>49,631</u>
<b>Internal Auditor</b>				
Personnel	249,920	230,189	-	19,731
Purchased Services	19,986	16,707	-	3,279
Supplies	10,312	9,538	-	774
Capital	-	-	-	-
	<u>280,218</u>	<u>256,434</u>	<u>-</u>	<u>23,784</u>
<b>Public Defender</b>				
Personnel	517,399	512,378	-	5,021
Purchased Services	41,025	33,724	-	7,301
Supplies	13,206	11,287	-	1,919
Capital	20,720	20,720	-	-
	<u>592,350</u>	<u>578,109</u>	<u>-</u>	<u>14,241</u>
<b>Voter Registration and Elections</b>				
Personnel	376,226	367,002	-	9,224
Purchased Services	123,090	509,572	-	(386,482)
Supplies	31,371	40,780	-	(9,409)
Capital	-	-	-	-
	<u>530,687</u>	<u>917,354</u>	<u>-</u>	<u>(386,667)</u>
<b>Assessor</b>				
Personnel	1,632,315	1,535,506	-	96,809
Purchased Services	172,572	116,657	-	55,915
Supplies	49,527	48,426	-	1,101
Capital	33,500	33,380	-	120
	<u>1,887,914</u>	<u>1,733,969</u>	<u>-</u>	<u>153,945</u>
<b>Register of Deeds</b>				
Personnel	452,431	433,238	-	19,193
Purchased Services	278,299	137,540	32,729	108,030
Supplies	46,070	38,376	1,166	6,528
Capital	3,153	-	-	3,153
	<u>779,953</u>	<u>609,154</u>	<u>33,895</u>	<u>136,904</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>Risk Management</b>				
Personnel	\$ 29,950	\$ 29,864	\$ -	\$ 86
Purchased Services	4,360	2,471	-	1,889
Supplies	1,080	790	-	290
Capital	-	-	-	-
	<u>35,390</u>	<u>33,125</u>	<u>-</u>	<u>2,265</u>
<b>Development Board</b>				
Other	270,000	270,000	-	-
	<u>270,000</u>	<u>270,000</u>	<u>-</u>	<u>-</u>
<b>Legislative Delegation</b>				
Personnel	39,516	39,125	-	391
Purchased Services	8,150	3,160	-	4,990
Supplies	1,725	100	-	1,625
Capital	-	-	-	-
	<u>49,391</u>	<u>42,385</u>	<u>-</u>	<u>7,006</u>
<b>Grants Management</b>				
Personnel	-	-	-	-
Purchased Services	49,800	9,231	-	40,569
Supplies	200	190	-	10
Capital	-	-	-	-
	<u>50,000</u>	<u>9,421</u>	<u>-</u>	<u>40,579</u>
<b>Zoning and Development</b>				
Personnel	192,258	191,231	-	1,027
Purchased Services	17,741	17,984	-	(243)
Supplies	6,136	6,127	-	9
Capital	-	-	-	-
	<u>216,135</u>	<u>215,342</u>	<u>-</u>	<u>793</u>
<b>Codes Enforcement</b>				
Personnel	218,515	187,678	-	30,837
Purchased Services	19,328	14,319	-	5,009
Supplies	15,276	13,886	-	1,390
Capital	12,431	11,310	-	1,121
	<u>265,550</u>	<u>227,193</u>	<u>-</u>	<u>38,357</u>
<b>Planning and Comprehensive Plan</b>				
Personnel	608,134	582,037	-	26,097
Purchased Services	583,173	139,824	429,984	13,365
Supplies	18,876	17,423	-	1,453
Capital	6,778	-	3,385	3,393
	<u>1,216,961</u>	<u>739,284</u>	<u>433,369</u>	<u>44,308</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
<b>GIS</b>				
Personnel	\$ 215,308	\$ 210,042	\$ -	\$ 5,266
Purchased Services	111,790	89,884	17,307	4,599
Supplies	10,813	16,274	-	(5,461)
Capital	-	-	-	-
	<u>337,911</u>	<u>316,200</u>	<u>17,307</u>	<u>4,404</u>
<b>DA-Community Services</b>				
Personnel	167,558	170,820	-	(3,262)
Purchased Services	17,820	13,264	-	4,556
Supplies	5,445	1,372	-	4,073
Capital	-	-	-	-
	<u>190,823</u>	<u>185,456</u>	<u>-</u>	<u>5,367</u>
<b>Staff Services</b>				
Personnel	289,731	292,873	-	(3,142)
Purchased Services	38,731	37,857	-	874
Supplies	25,826	27,287	-	(1,461)
Capital	-	-	-	-
	<u>354,288</u>	<u>358,017</u>	<u>-</u>	<u>(3,729)</u>
<b>Employee Services</b>				
Personnel	359,998	354,084	-	5,914
Purchased Services	422,930	297,145	-	125,785
Supplies	24,385	20,581	-	3,804
Capital	-	-	-	-
	<u>807,313</u>	<u>671,810</u>	<u>-</u>	<u>135,503</u>
<b>Records Management</b>				
Personnel	130,086	102,898	-	27,188
Purchased Services	30,898	22,245	-	8,653
Supplies	25,002	23,807	-	1,195
Capital	9,025	-	-	9,025
	<u>195,011</u>	<u>148,950</u>	<u>-</u>	<u>46,061</u>
<b>Finance</b>				
Personnel	339,182	297,099	-	42,083
Purchased Services	66,070	46,018	-	20,052
Supplies	33,030	31,903	-	1,127
Capital	-	-	-	-
	<u>438,282</u>	<u>375,020</u>	<u>-</u>	<u>63,262</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>Purchasing</b>				
Personnel	\$ 167,023	\$ 148,486	\$ -	\$ 18,537
Purchased Services	51,238	46,128	-	5,110
Supplies	12,051	11,848	-	203
	<u>230,312</u>	<u>206,462</u>	<u>-</u>	<u>23,850</u>
<b>Business License</b>				
Personnel	93,132	71,921	-	21,211
Purchased Services	26,881	19,855	-	7,026
Supplies	6,788	5,324	-	1,464
Capital	-	-	-	-
	<u>126,801</u>	<u>97,100</u>	<u>-</u>	<u>29,701</u>
<b>Management Information Systems</b>				
Personnel	1,039,193	1,105,677	-	(66,484)
Purchased Services	312,696	273,095	45,237	(5,636)
Supplies	54,733	51,352	-	3,381
Capital	89,631	86,524	-	3,107
	<u>1,496,253</u>	<u>1,516,648</u>	<u>45,237</u>	<u>(65,632)</u>
<b>DA-Public Services</b>				
Personnel	128,871	126,358	-	2,513
Purchased Services	12,365	9,646	-	2,719
Supplies	3,900	3,282	-	618
Supplies	-	-	-	-
	<u>145,136</u>	<u>139,286</u>	<u>-</u>	<u>5,850</u>
<b>Total General Government</b>	<u>18,899,037</u>	<u>17,145,467</u>	<u>940,401</u>	<u>813,169</u>
<b>Public Safety</b>				
<b>Sheriff's Office</b>				
Personnel	12,227,691	11,711,128	-	516,563
Purchased Services	1,505,611	1,332,319	9,524	163,768
Supplies	1,066,536	1,075,151	21,704	(30,319)
Capital	657,071	648,080	27,467	(18,476)
	<u>15,456,909</u>	<u>14,766,678</u>	<u>58,695</u>	<u>631,536</u>
<b>Emergency Management</b>				
Personnel	403,912	399,045	-	4,867
Purchased Services	151,215	144,087	5,254	1,874
Supplies	27,472	27,528	-	(56)
Capital	-	-	-	-
Emergency operations	-	48,196	-	(48,196)
	<u>582,599</u>	<u>618,856</u>	<u>5,254</u>	<u>(41,511)</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year ended June 30, 2006

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>Communications</b>				
Personnel	\$ 2,324,901	\$ 2,085,426	\$ -	\$ 239,475
Purchased Services	2,019,092	1,933,638	6,680	78,774
Supplies	107,181	88,730	-	18,451
Capital	233,948	191,792	40,494	1,662
Other	75,000	75,000	-	-
	<u>4,760,122</u>	<u>4,374,586</u>	<u>47,174</u>	<u>338,362</u>
<b>Emergency Medical Services</b>				
Personnel	4,824,722	4,157,416	-	667,306
Purchased Services	397,678	351,621	462	45,595
Supplies	299,272	297,708	19,556	(17,992)
Capital	129,000	-	119,763	9,237
Other	110,000	110,000	-	-
	<u>5,760,672</u>	<u>4,916,745</u>	<u>139,781</u>	<u>704,146</u>
<b>Detention Center</b>				
Personnel	4,098,857	4,013,141	-	85,716
Purchased Services	1,165,609	1,372,306	-	(206,697)
Supplies	164,490	154,539	-	9,951
Capital	68,807	64,483	-	4,324
	<u>5,497,763</u>	<u>5,604,469</u>	<u>-</u>	<u>(106,706)</u>
<b>Building Codes and Inspections</b>				
Personnel	1,035,407	1,023,575	-	11,832
Purchased Services	208,859	156,653	-	52,206
Supplies	72,367	64,443	-	7,924
Capital	13,818	13,463	-	355
	<u>1,330,451</u>	<u>1,258,134</u>	<u>-</u>	<u>72,317</u>
<b>Public Safety Subsidies</b>	<u>11,450</u>	<u>11,550</u>	<u>-</u>	<u>(100)</u>
<b>Total Public Safety</b>	<u>33,399,966</u>	<u>31,551,018</u>	<u>250,904</u>	<u>1,598,044</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
<b>Public Works</b>				
<b>Facilities Maintenance</b>				
Personnel	\$ 2,416,475	\$ 2,158,097	\$ -	\$ 258,378
Purchased Services	1,980,217	2,184,438	-	(204,221)
Supplies	503,121	458,542	4,431	40,148
Capital	<u>21,504</u>	<u>21,504</u>	-	-
	<u>4,921,317</u>	<u>4,822,581</u>	<u>4,431</u>	<u>94,305</u>
<b>Public Works</b>				
Personnel	1,848,018	1,582,509	-	265,509
Purchased Services	461,167	383,097	-	78,070
Supplies	285,317	351,224	250	(66,157)
Capital	<u>84,777</u>	<u>-</u>	<u>84,777</u>	<u>-</u>
	<u>2,679,279</u>	<u>2,316,830</u>	<u>85,027</u>	<u>277,422</u>
<b>Engineering</b>				
Personnel	1,004,651	894,976	-	109,675
Purchased Services	50,720	48,899	-	1,821
Supplies	31,189	35,980	-	(4,791)
Capital	<u>16,000</u>	<u>16,355</u>	-	(355)
	<u>1,102,560</u>	<u>996,210</u>	<u>-</u>	<u>106,350</u>
<b>Public Works Subsidies</b>	<u>23,800</u>	<u>23,800</u>	<u>-</u>	<u>-</u>
<b>Total Public Works</b>	<u>8,726,956</u>	<u>8,159,421</u>	<u>89,458</u>	<u>478,077</u>
<b>Public Health</b>				
<b>Animal Shelter and Control</b>				
Personnel	542,288	477,682	-	64,606
Purchased Services	63,006	60,420	-	2,586
Supplies	169,480	135,732	6,474	27,274
Capital	<u>31,500</u>	<u>27,798</u>	-	3,702
	<u>806,274</u>	<u>701,632</u>	<u>6,474</u>	<u>98,168</u>



BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 Year ended June 30, 2006

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>Mosquito Control</b>				
Personnel	\$ 770,466	\$ 720,803	\$ -	\$ 49,663
Purchased Services	248,544	263,264	-	(14,720)
Supplies	484,535	477,787	-	6,748
Capital	16,944	12,250	7,500	(2,806)
	<u>1,520,489</u>	<u>1,474,104</u>	<u>7,500</u>	<u>38,885</u>
Public Health Subsidies	<u>321,173</u>	<u>315,254</u>	<u>-</u>	<u>5,919</u>
Total Public Health	<u>2,647,936</u>	<u>2,490,990</u>	<u>13,974</u>	<u>142,972</u>
<b>Public Welfare</b>				
Veterans Affairs Office				
Personnel	123,831	123,069	-	762
Purchased Services	27,365	21,893	-	5,472
Supplies	5,000	3,446	-	1,554
Capital	-	-	-	-
	<u>156,196</u>	<u>148,408</u>	<u>-</u>	<u>7,788</u>
Department of Social Services				
Personnel	38,559	38,301	-	258
Purchased Services	130,100	121,708	-	8,392
Supplies	1,800	1,603	-	197
Capital	-	-	-	-
Other	80,000	80,000	-	-
	<u>250,459</u>	<u>241,612</u>	<u>-</u>	<u>8,847</u>
Public Welfare Subsidies	<u>339,417</u>	<u>339,416</u>	<u>-</u>	<u>1</u>
Total Public Welfare	<u>746,072</u>	<u>729,436</u>	<u>-</u>	<u>16,636</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
Year ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Cultural and Recreation</b>				
Libraries				
Personnel	\$ 2,262,821	\$ 2,088,072	\$ -	\$ 174,749
Purchased Services	1,338,766	1,351,178	3,467	(15,879)
Supplies	178,638	228,820	-	(50,182)
Capital	10,000	11,008	11,975	(12,983)
Other	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>-</u>
	<u>3,930,225</u>	<u>3,819,078</u>	<u>15,442</u>	<u>95,705</u>
Parks and Leisure Services				
Personnel	2,440,615	2,345,492	-	95,123
Purchased Services	490,601	510,704	2,653	(22,756)
Supplies	640,463	617,500	11,394	11,569
Capital	<u>9,514</u>	<u>9,588</u>	<u>-</u>	<u>(74)</u>
	<u>3,581,193</u>	<u>3,483,284</u>	<u>14,047</u>	<u>83,862</u>
<b>Total Cultural and Recreation</b>	<u>7,511,418</u>	<u>7,302,362</u>	<u>29,489</u>	<u>179,567</u>
<b>Total Expenditures</b>	<u>\$ 71,931,385</u>	<u>\$ 67,378,694</u>	<u>\$ 1,324,226</u>	<u>\$ 3,228,465</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2006

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and equity in pooled cash and investments	\$ 18,200,632	\$ 10,963,624	\$ 11,311,342	\$ 40,475,598
Receivables, net	2,063,340	179,057	-	2,242,397
Due from other governments	1,480,758	-	-	1,480,758
Prepaid expenditures	688	-	-	688
<b>Total Assets</b>	<b>\$ 21,745,418</b>	<b>\$ 11,142,681</b>	<b>\$ 11,311,342</b>	<b>\$ 44,199,441</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,741,710	\$ -	\$ 832,708	\$ 2,574,418
Accrued payroll	277,043	-	3,860	280,903
Due to others	237,524	-	-	237,524
Deferred property tax revenues	21,426	77,272	-	98,698
Deferred revenues	15,230	-	-	15,230
<b>Total Liabilities</b>	<b>2,292,933</b>	<b>77,272</b>	<b>836,568</b>	<b>3,206,773</b>
<b>Fund Equity:</b>				
Reserved for encumbrances and carry forwards	2,295,425	-	2,604,692	4,900,117
Reserved for capital projects	-	-	7,870,082	7,870,082
Reserved for debt service	-	11,065,409	-	11,065,409
Unreserved fund balances	17,157,060	-	-	17,157,060
<b>Total Fund Equity</b>	<b>19,452,485</b>	<b>11,065,409</b>	<b>10,474,774</b>	<b>40,992,668</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 21,745,418</b>	<b>\$ 11,142,681</b>	<b>\$ 11,311,342</b>	<b>\$ 44,199,441</b>

BEAUFORT COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2006

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 8,745,926	\$ 10,116,339	\$ (192,689)	\$ 18,669,576
Licenses and Permits	9,620,480	-	-	9,620,480
Intergovernmental	8,528,210	47,478	28,663	8,604,351
Charges for Services	4,249,171	-	-	4,249,171
Fines and Forfeitures	298,847	-	-	298,847
Interest	265,752	329,316	179,784	774,852
Miscellaneous	503,522	-	411,945	915,467
Total Revenues	<u>32,211,908</u>	<u>10,493,133</u>	<u>427,703</u>	<u>43,132,744</u>
<b>Expenditures</b>				
General Government	2,743,498	-	-	2,743,498
Public Safety	2,888,424	-	-	2,888,424
Public Works	11,050,664	-	-	11,050,664
Public Health	5,212,369	-	-	5,212,369
Public Welfare	484,558	-	-	484,558
Cultural and Recreation	427,357	-	-	427,357
Debt Service - Principal	-	5,665,000	-	5,665,000
Debt Service - Interest and Fees	-	7,870,542	-	7,870,542
Capital Projects	-	-	9,697,106	9,697,106
Total Expenditures	<u>22,806,870</u>	<u>13,535,542</u>	<u>9,697,106</u>	<u>46,039,518</u>
Excess of Revenues Over (Under) Expenditures	9,405,038	(3,042,409)	(9,269,403)	(2,906,774)
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Operating Transfers In	1,378,585	4,827,395	210,590	6,416,570
Operating Transfers Out	(9,496,907)	-	(356,068)	(9,852,975)
Total Other Financing Sources (Uses)	<u>(8,118,322)</u>	<u>4,827,395</u>	<u>(145,478)</u>	<u>(3,436,405)</u>
Net Change in Fund Balances	1,286,716	1,784,986	(9,414,881)	(6,343,179)
Fund Balances at the Beginning of the Year	<u>18,165,769</u>	<u>9,280,423</u>	<u>19,889,655</u>	<u>47,335,847</u>
Fund Balances at the End of the Year	<u>\$ 19,452,485</u>	<u>\$ 11,065,409</u>	<u>\$ 10,474,774</u>	<u>\$ 40,992,668</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 June 30, 2006

	<u>General Government Programs</u>	<u>Public Safety Programs</u>	<u>Public Works Programs</u>	<u>Alcohol and Drug Programs</u>
<b><u>ASSETS</u></b>				
Equity in pooled cash and investments	\$ 5,834,541	\$ 1,896,277	\$ 5,716,817	\$ (32,215)
Receivables, net	1,175,758	666,614	162,065	34,453
Due from other governments	231,965	619,672	366,662	68,800
Prepayments	-	-	-	331
<b>Total assets</b>	<b><u>\$ 7,242,264</u></b>	<b><u>\$ 3,182,563</u></b>	<b><u>\$ 6,245,544</u></b>	<b><u>\$ 71,369</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 172,358	\$ 116,896	\$ 1,198,313	\$ 17,101
Accrued payroll	13,026	30,178	54,255	33,424
Due to others	-	194,286	-	-
Deferred property tax revenues	21,426	-	-	-
Deferred revenues	-	-	-	-
<b>Total liabilities</b>	<b><u>206,810</u></b>	<b><u>341,360</u></b>	<b><u>1,252,568</u></b>	<b><u>50,525</u></b>
<b>Fund Equity:</b>				
<b>Fund balances:</b>				
Reserved for encumbrances	63,570	359,189	1,737,232	-
Reserved for Special Revenue Funds	<u>6,971,884</u>	<u>2,482,014</u>	<u>3,255,744</u>	<u>20,844</u>
	<u>7,035,454</u>	<u>2,841,203</u>	<u>4,992,976</u>	<u>20,844</u>
<b>Total liabilities and fund equity</b>	<b><u>\$ 7,242,264</u></b>	<b><u>\$ 3,182,563</u></b>	<b><u>\$ 6,245,544</u></b>	<b><u>\$ 71,369</u></b>

<u>Disabilities and Special Needs Programs</u>	<u>Public Welfare Programs</u>	<u>Cultural and Recreational Programs</u>	<u>Total</u>
\$ 454,718	\$ 37,603	\$ 4,292,891	\$ 18,200,632
5,547	17,230	1,673	2,063,340
30,667	47,095	115,897	1,480,758
<u>357</u>	<u>-</u>	<u>-</u>	<u>688</u>
<b><u>\$ 491,289</u></b>	<b><u>\$ 101,928</u></b>	<b><u>\$ 4,410,461</u></b>	<b><u>\$ 21,745,418</u></b>

\$ 87,444	\$ 8,899	\$ 140,699	\$ 1,741,710
131,437	2,955	11,768	277,043
43,238	-	-	237,524
-	-	-	21,426
<u>-</u>	<u>15,230</u>	<u>-</u>	<u>15,230</u>
<b><u>262,119</u></b>	<b><u>27,084</u></b>	<b><u>152,467</u></b>	<b><u>2,292,933</u></b>

126,350	609	8,475	2,295,425
<u>102,820</u>	<u>74,235</u>	<u>4,249,519</u>	<u>17,157,060</u>
<b><u>229,170</u></b>	<b><u>74,844</u></b>	<b><u>4,257,994</u></b>	<b><u>19,452,485</u></b>
<b><u>\$ 491,289</u></b>	<b><u>\$ 101,928</u></b>	<b><u>\$ 4,410,461</u></b>	<b><u>\$ 21,745,418</u></b>

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, 2006

	General Government Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 2,220,320	\$ 2,186,835	\$ (33,485)
Licenses and permits	2,820,000	3,586,894	766,894
Intergovernmental	761,990	948,611	186,621
Charge for services	697,650	872,028	174,378
Fines and forfeitures	-	107,195	107,195
Interest	16,000	67,865	51,865
Miscellaneous	-	249,687	249,687
<b>Total Revenues</b>	<u>6,515,960</u>	<u>8,019,115</u>	<u>1,503,155</u>
<b>Expenditures:</b>			
General Government	4,383,648	2,743,498	1,640,150
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
<b>Total Expenditures</b>	<u>4,383,648</u>	<u>2,743,498</u>	<u>1,640,150</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	2,132,312	5,275,617	3,143,305
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(2,885,143)	(2,864,408)	20,735
<b>Total other financing sources (uses)</b>	<u>(2,885,143)</u>	<u>(2,864,408)</u>	<u>20,735</u>
<b>Net Change in Fund Balances</b>	(752,831)	2,411,209	3,164,040
<b>Fund Balances at Beginning of Year</b>	<u>4,624,245</u>	<u>4,624,245</u>	<u>-</u>
<b>Fund Balances at End of Year</b>	<u>\$ 3,871,414</u>	<u>\$ 7,035,454</u>	<u>\$ 3,164,040</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, 2006

	Public Safety Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	41,409	35,850	(5,559)
Intergovernmental	1,098,046	1,492,103	394,057
Charge for services	992,441	1,837,059	844,618
Fines and forfeitures	145,000	191,652	46,652
Interest	-	32,957	32,957
Miscellaneous	-	50,035	50,035
Total Revenues	<u>2,276,896</u>	<u>3,639,656</u>	<u>1,362,760</u>
Expenditures:			
General Government	-	-	-
Public Safety	4,246,700	2,888,424	1,358,276
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>4,246,700</u>	<u>2,888,424</u>	<u>1,358,276</u>
Excess of Revenues Over (Under) Expenditures	(1,969,804)	751,232	2,721,036
Other financing sources (uses):			
Transfers in	220,148	220,373	225
Transfers out	(650,000)	(650,000)	-
Total other financing sources (uses)	<u>(429,852)</u>	<u>(429,627)</u>	<u>225</u>
Net Change in Fund Balances	(2,399,656)	321,605	2,721,261
Fund Balances at Beginning of Year	<u>2,519,598</u>	<u>2,519,598</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 119,942</u>	<u>\$ 2,841,203</u>	<u>\$ 2,721,261</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, 2006

	Public Works Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 6,610,312	\$ 6,559,091	\$ (51,221)
Licenses and permits	1,683,105	2,701,991	1,018,886
Intergovernmental	1,715,300	1,633,099	(82,201)
Charge for services	1,100,000	1,184,643	84,643
Fines and forfeitures	-	-	-
Interest	10,000	95,589	85,589
Miscellaneous	29,000	152,041	123,041
<b>Total Revenues</b>	<b>11,147,717</b>	<b>12,326,454</b>	<b>1,178,737</b>
<b>Expenditures:</b>			
General Government	-	-	-
Public Safety	-	-	-
Public Works	13,444,016	11,050,664	2,393,352
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
<b>Total Expenditures</b>	<b>13,444,016</b>	<b>11,050,664</b>	<b>2,393,352</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,296,299)</b>	<b>1,275,790</b>	<b>3,572,089</b>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(1,104,800)	(2,216,950)	(1,112,150)
<b>Total other financing sources (uses)</b>	<b>(1,104,800)</b>	<b>(2,216,950)</b>	<b>(1,112,150)</b>
<b>Net Change in Fund Balances</b>	<b>(3,401,099)</b>	<b>(941,160)</b>	<b>2,459,939</b>
<b>Fund Balances at Beginning of Year</b>	<b>5,934,136</b>	<b>5,934,136</b>	<b>-</b>
<b>Fund Balances at End of Year</b>	<b>\$ 2,533,037</b>	<b>\$ 4,992,976</b>	<b>\$ 2,459,939</b>

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, 2006

	<u>Public Health - Alcohol and Drug Programs</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	682,663	693,548	10,885
Charge for services	120,000	189,359	69,359
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>802,663</u>	<u>882,907</u>	<u>80,244</u>
<b>Expenditures:</b>			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	1,174,921	1,059,734	115,187
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
<b>Total Expenditures</b>	<u>1,174,921</u>	<u>1,059,734</u>	<u>115,187</u>
Excess of Revenues Over (Under) Expenditures	(372,258)	(176,827)	195,431
<b>Other financing sources (uses):</b>			
Transfers in	341,579	166,992	(174,587)
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>341,579</u>	<u>166,992</u>	<u>(174,587)</u>
<b>Net Change in Fund Balances</b>	(30,679)	(9,835)	20,844
<b>Fund Balances at Beginning of Year</b>	<u>30,679</u>	<u>30,679</u>	<u>-</u>
<b>Fund Balances at End of Year</b>	<u>\$ -</u>	<u>\$ 20,844</u>	<u>\$ 20,844</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, 2006

	Public Health-Disabilities and Special Needs Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	3,101,943	3,071,590	(30,353)
Charge for services	195,712	160,211	(35,501)
Fines and forfeitures	-	-	-
Interest	-	6,808	6,808
Miscellaneous	44,474	16,660	(27,814)
Total Revenues	<u>3,342,129</u>	<u>3,255,269</u>	<u>(86,860)</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	4,558,625	4,152,635	405,990
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	<u>4,558,625</u>	<u>4,152,635</u>	<u>405,990</u>
Excess of Revenues Over (Under) Expenditures	(1,216,496)	(897,366)	319,130
Other financing sources (uses):			
Transfers in	1,190,717	914,220	(276,497)
Transfers out	-	-	-
Total other financing sources (uses)	<u>1,190,717</u>	<u>914,220</u>	<u>(276,497)</u>
Net Change in Fund Balances	(25,779)	16,854	42,633
Fund Balances at Beginning of Year	<u>212,316</u>	<u>212,316</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 186,537</u>	<u>\$ 229,170</u>	<u>\$ 42,633</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, 2006

	Public Welfare Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	408,429	409,781	1,352
Charge for services	13,000	5,871	(7,129)
Fines and forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	15,331	14,970	(361)
<b>Total Revenues</b>	<b>436,760</b>	<b>430,622</b>	<b>(6,138)</b>
<b>Expenditures:</b>			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	533,652	484,558	49,094
Cultural and Recreation	-	-	-
<b>Total Expenditures</b>	<b>533,652</b>	<b>484,558</b>	<b>49,094</b>
Excess of Revenues Over (Under) Expenditures	(96,892)	(53,936)	42,956
<b>Other financing sources (uses):</b>			
Transfers in	77,000	77,000	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>77,000</b>	<b>77,000</b>	<b>-</b>
Net Change in Fund Balances	(19,892)	23,064	42,956
Fund Balances at Beginning of Year	51,780	51,780	-
Fund Balances at End of Year	\$ 31,888	\$ 74,844	\$ 42,956

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, 2006

	Cultural and Recreation Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	1,868,970	3,295,745	1,426,775
Intergovernmental	270,000	279,478	9,478
Charge for services	-	-	-
Fines and forfeitures	-	-	-
Interest	-	62,533	62,533
Miscellaneous	8,000	20,129	12,129
Total Revenues	<u>2,146,970</u>	<u>3,657,885</u>	<u>1,510,915</u>
Expenditures:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	1,028,570	427,357	601,213
Total Expenditures	<u>1,028,570</u>	<u>427,357</u>	<u>601,213</u>
Excess of Revenues Over (Under) Expenditures	1,118,400	3,230,528	2,112,128
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(3,108,400)	(3,765,549)	(657,149)
Total other financing sources (uses)	<u>(3,108,400)</u>	<u>(3,765,549)</u>	<u>(657,149)</u>
Net Change in Fund Balances	(1,990,000)	(535,021)	1,454,979
Fund Balances at Beginning of Year	<u>4,793,015</u>	<u>4,793,015</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,803,015</u>	<u>\$ 4,257,994</u>	<u>\$ 1,454,979</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, 2006

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 8,830,632	\$ 8,745,926	\$ (84,706)
Licenses and permits	6,413,484	9,620,480	3,206,996
Intergovernmental	8,038,371	8,528,210	489,839
Charge for services	3,118,803	4,249,171	1,130,368
Fines and forfeitures	145,000	298,847	153,847
Interest	26,000	265,752	239,752
Miscellaneous	96,805	503,522	406,717
<b>Total Revenues</b>	<u>26,669,095</u>	<u>32,211,908</u>	<u>5,542,813</u>
<b>Expenditures:</b>			
General Government	4,383,648	2,743,498	1,640,150
Public Safety	4,246,700	2,888,424	1,358,276
Public Works	13,444,016	11,050,664	2,393,352
Public Health	5,733,546	5,212,369	521,177
Public Welfare	533,652	484,558	49,094
Cultural and Recreation	1,028,570	427,357	601,213
<b>Total Expenditures</b>	<u>29,370,132</u>	<u>22,806,870</u>	<u>6,563,262</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,701,037)	9,405,038	12,106,075
<b>Other financing sources (uses):</b>			
Transfers in	1,829,444	1,378,585	(450,859)
Transfers out	(7,748,343)	(9,496,907)	(1,748,564)
<b>Total other financing sources (uses)</b>	<u>(5,918,899)</u>	<u>(8,118,322)</u>	<u>(2,199,423)</u>
<b>Net Change in Fund Balances</b>	(8,619,936)	1,286,716	9,906,652
<b>Fund Balances at Beginning of Year</b>	<u>18,165,769</u>	<u>18,165,769</u>	<u>-</u>
<b>Fund Balances at End of Year</b>	<u>\$ 9,545,833</u>	<u>\$ 19,452,485</u>	<u>\$ 9,906,652</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, 2006

	Accommodations Tax Program	Del Webb Development Agreement	Purchase of Real Property Program	Sheldon Economic Development Grant	Local Accommodations Tax Program
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 2,186,835	\$ -	\$ -
Licenses and permits	-	410,425	-	-	899,161
Intergovernmental	651,626	-	2,383	3,600	-
Charge for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	10,826	30,492	-	-
Miscellaneous	-	-	15,057	-	-
<b>Total revenues</b>	<b><u>651,626</u></b>	<b><u>421,251</u></b>	<b><u>2,234,767</u></b>	<b><u>3,600</u></b>	<b><u>899,161</u></b>
<b>Expenditures:</b>					
General Government					
Personnel	-	-	-	-	52,474
Purchased services	-	35,039	422,624	3,600	3,569
Supplies	-	46,703	-	-	2,462
Capital	-	19,875	-	-	-
Other	709,988	-	-	-	350,000
<b>Total expenditures</b>	<b><u>709,988</u></b>	<b><u>101,617</u></b>	<b><u>422,624</u></b>	<b><u>3,600</u></b>	<b><u>408,505</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(58,362)</b>	<b>319,634</b>	<b>1,812,143</b>	<b>-</b>	<b>490,656</b>
<b>Other financing sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	(56,331)	-	(2,408,077)	-	-
<b>Total other financing sources (Uses)</b>	<b><u>(56,331)</u></b>	<b><u>-</u></b>	<b><u>(2,408,077)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net Change in Fund Balances</b>	<b>(114,693)</b>	<b>319,634</b>	<b>(595,934)</b>	<b>-</b>	<b>490,656</b>
<b>Fund Balances at Beginning of Year</b>	<b><u>122,264</u></b>	<b><u>570,010</u></b>	<b><u>2,440,449</u></b>	<b><u>-</u></b>	<b><u>453,008</u></b>
<b>Fund Balances (Deficit) at End of Year</b>	<b><u>\$ 7,571</u></b>	<b><u>\$ 889,644</u></b>	<b><u>\$ 1,844,515</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 943,664</u></b>

Local Hospitality Tax Program	Local Admissions Fee Program	Treasurer	Clerk of Court	Education Assistance Trust	Employer Group Benefit Trust	Public Defender Trust	Reforestation Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,186,835
1,143,668	1,133,640	-	-	-	-	-	-	3,586,894
-	-	-	212,337	-	-	78,665	-	948,611
-	-	872,028	-	-	-	-	-	872,028
-	-	-	-	-	-	-	107,195	107,195
-	-	8,175	10,866	-	1,268	3,286	2,952	67,865
-	-	-	-	-	234,630	-	-	249,687
<u>1,143,668</u>	<u>1,133,640</u>	<u>880,203</u>	<u>223,203</u>	<u>-</u>	<u>235,898</u>	<u>81,951</u>	<u>110,147</u>	<u>8,019,115</u>
25,312	27,180	184,648	32,668	-	-	58,838	-	381,120
787	27,809	333,094	122,197	10,534	186,550	-	-	1,145,803
2,761	6,623	55,000	4,905	-	-	986	-	119,440
-	-	-	17,272	-	-	-	-	37,147
-	-	-	-	-	-	-	-	1,059,988
<u>28,860</u>	<u>61,612</u>	<u>572,742</u>	<u>177,042</u>	<u>10,534</u>	<u>186,550</u>	<u>59,824</u>	<u>-</u>	<u>2,743,498</u>
1,114,808	1,072,028	307,461	46,161	(10,534)	49,348	22,127	110,147	5,275,617
-	-	-	-	-	-	-	-	-
<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,864,408)</u>
<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,864,408)</u>
714,808	1,072,028	307,461	46,161	(10,534)	49,348	22,127	110,147	2,411,209
-	-	332,966	249,795	10,534	87,764	205,837	151,618	4,624,245
<u>\$ 714,808</u>	<u>\$ 1,072,028</u>	<u>\$ 640,427</u>	<u>\$ 295,956</u>	<u>\$ -</u>	<u>\$ 137,112</u>	<u>\$ 227,964</u>	<u>\$ 261,765</u>	<u>\$ 7,035,454</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, 2006

	E-911 Telephone Program	Public Safety Grant	Emergency Medical Services Grant	Highway 170 Program	Drug Task Force Program	Victims Assistance Program
<b>Revenues:</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,058,012	26,783	-	-	47,352
Charge for services	1,671,968	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	145,573
Interest	5,572	-	-	23,735	-	-
Miscellaneous	-	-	-	50,035	-	-
<b>Total revenues</b>	<u>1,677,540</u>	<u>1,058,012</u>	<u>26,783</u>	<u>73,770</u>	<u>-</u>	<u>192,925</u>
<b>Expenditures:</b>						
Public Safety						
Personnel	179,795	-	-	-	-	218,907
Purchased services	484,766	-	4,001	9,250	4,527	10,555
Supplies	11,414	-	24,100	-	-	14,013
Capital	161,388	-	-	-	-	-
Other	78,094	1,037,449	4,907	-	-	-
<b>Total expenditures</b>	<u>915,457</u>	<u>1,037,449</u>	<u>33,008</u>	<u>9,250</u>	<u>4,527</u>	<u>243,475</u>
<b>Net Changes in Fund Balances</b>	762,083	20,563	(6,225)	64,520	(4,527)	(50,550)
<b>Other financing sources (Uses):</b>						
Transfers in	-	15,000	6,225	-	-	92,531
Transfers out	-	-	-	(650,000)	-	-
<b>Total other financing sources (Uses)</b>	<u>-</u>	<u>15,000</u>	<u>6,225</u>	<u>(650,000)</u>	<u>-</u>	<u>92,531</u>
<b>Net Change in Fund Balances</b>	762,083	35,563	-	(585,480)	(4,527)	41,981
<b>Fund Balances at Beginning of Year</b>	<u>112,810</u>	<u>26,966</u>	<u>-</u>	<u>1,924,408</u>	<u>4,527</u>	<u>83,423</u>
<b>Fund Balances at End of Year</b>	<u>\$ 874,893</u>	<u>\$ 62,529</u>	<u>\$ -</u>	<u>\$ 1,338,928</u>	<u>\$ -</u>	<u>\$ 125,404</u>

<u>Sheriff's Special Program</u>	<u>School Resource Officer Program</u>	<u>Sheriff's Grant Program</u>	<u>Sheriff's Drug Award Trust</u>	<u>Sheriff's Family Court Trust</u>	<u>Sheriff's Drug Seizure Trust</u>	<u>Detention Center Trust</u>	<u>Hazardous Materials Trust</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,850	\$ 35,850
-	283,851	29,356	-	22,572	-	-	24,177	1,492,103
62,492	-	-	-	-	-	102,599	-	1,837,059
-	-	-	46,079	-	-	-	-	191,652
-	-	-	1,936	651	-	538	525	32,957
-	-	-	-	-	-	-	-	50,035
<u>62,492</u>	<u>283,851</u>	<u>29,356</u>	<u>48,015</u>	<u>23,223</u>	<u>-</u>	<u>103,137</u>	<u>60,552</u>	<u>3,639,656</u>
59,762	340,974	-	-	-	-	-	12,328	811,766
-	18,222	7,833	-	-	-	-	26,867	566,021
-	3,749	8,104	16,685	8,445	-	78,891	377	165,778
-	24,906	22,053	-	4,385	-	-	-	212,732
-	-	-	-	-	-	-	11,677	1,132,127
<u>59,762</u>	<u>387,851</u>	<u>37,990</u>	<u>16,685</u>	<u>12,830</u>	<u>-</u>	<u>78,891</u>	<u>51,249</u>	<u>2,888,424</u>
2,730	(104,000)	(8,634)	31,330	10,393	-	24,246	9,303	751,232
-	94,617	12,000	-	-	-	-	-	220,373
-	-	-	-	-	-	-	-	(650,000)
-	<u>94,617</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(429,627)</u>
2,730	(9,383)	3,366	31,330	10,393	-	24,246	9,303	321,605
5,855	141,522	-	117,331	42,588	-	26,974	33,194	2,519,598
<u>\$ 8,585</u>	<u>\$ 132,139</u>	<u>\$ 3,366</u>	<u>\$ 148,661</u>	<u>\$ 52,981</u>	<u>\$ -</u>	<u>\$ 51,220</u>	<u>\$ 42,497</u>	<u>\$ 2,841,203</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, 2006

	County Road Improvement Program	Oil Collection Grant	Solid Waste/ Recycling Grant	Tire Recycling Grant	Barton's Run Agreement
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	33,300
Intergovernmental	1,548,331	21,342	4,501	51,776	-
Charge for services	1,179,920	-	-	-	-
Interest	44,440	-	-	6,150	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>2,772,691</u>	<u>21,342</u>	<u>4,501</u>	<u>57,926</u>	<u>33,300</u>
<b>Expenditures:</b>					
<b>Public Works</b>					
Personnel	174,750	-	-	-	-
Purchased services	29,769	1,875	4,501	25,118	-
Supplies	816	-	-	-	-
Capital	3,458,538	17,864	-	3,045	-
<b>Total expenditures</b>	<u>3,663,873</u>	<u>19,739</u>	<u>4,501</u>	<u>28,163</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(891,182)	1,603	-	29,763	33,300
<b>Other financing sources (Uses):</b>					
Transfers out	(327,745)	-	-	-	-
<b>Total other financing sources (Uses)</b>	<u>(327,745)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(1,218,927)	1,603	-	29,763	33,300
<b>Fund Balances at Beginning of Year</b>	<u>3,769,725</u>	<u>-</u>	<u>-</u>	<u>402,801</u>	<u>-</u>
<b>Fund Balances at End of Year</b>	<u>\$ 2,550,798</u>	<u>\$ 1,603</u>	<u>\$ -</u>	<u>\$ 432,564</u>	<u>\$ 33,300</u>

<u>Traffic Impact Analysis Program</u>	<u>Solid Waste Recycling Program</u>	<u>Road Impact Fees</u>	<u>Total</u>
\$ -	\$ 6,559,091	\$ -	\$ 6,559,091
149,105	-	2,519,586	2,701,991
-	7,149	-	1,633,099
-	4,723	-	1,184,643
-	24,358	20,641	95,589
-	152,041	-	152,041
<u>149,105</u>	<u>6,747,362</u>	<u>2,540,227</u>	<u>12,326,454</u>
-	1,089,592	-	1,264,342
-	5,245,084	-	5,306,347
-	111,604	-	112,420
-	91,205	796,903	4,367,555
-	6,537,485	796,903	11,050,664
149,105	209,877	1,743,324	1,275,790
-	(763,181)	(1,126,024)	(2,216,950)
-	(763,181)	(1,126,024)	(2,216,950)
149,105	(553,304)	617,300	(941,160)
-	553,304	1,208,306	5,934,136
<u>\$ 149,105</u>	<u>\$ -</u>	<u>\$ 1,825,606</u>	<u>\$ 4,992,976</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, 2006

	<u>Central Administration</u>	<u>Safety Action Program</u>	<u>School Intervention Program</u>
Revenues:			
Intergovernmental	\$ -	\$ 62,182	\$ 33,562
Charge for services	-	<u>86,109</u>	-
Total revenues	<u>-</u>	<u>148,291</u>	<u>33,562</u>
Expenditures:			
Public Health			
Personnel	127,813	113,823	39,526
Purchased services	106,609	1,996	8,370
Supplies	29,064	5,561	95
Other	<u>(253,651)</u>	<u>38,666</u>	<u>15,288</u>
Total expenditures	<u>9,835</u>	<u>160,046</u>	<u>63,279</u>
Excess of Revenues Over (Under) Expenditures	(9,835)	(11,755)	(29,717)
Other financing sources (Uses):			
Transfers in	-	<u>11,755</u>	<u>29,717</u>
Total other financing sources (Uses)	<u>-</u>	<u>11,755</u>	<u>29,717</u>
Net Change in Fund Balances	(9,835)	-	-
Fund Balances at Beginning of Year	<u>30,679</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 20,844</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Community Based Treatment Program</u>	<u>Preventive Education Program</u>	<u>Intensive Outpatient Program</u>	<u>Total</u>
\$ 306,455	\$ 202,903	\$ 88,446	\$ 693,548
<u>93,232</u>	<u>10,018</u>	<u>-</u>	<u>189,359</u>
<u>399,687</u>	<u>212,921</u>	<u>88,446</u>	<u>882,907</u>
276,886	141,181	114,331	813,560
37,503	43,165	7,562	205,205
988	3,593	1,668	40,969
<u>100,467</u>	<u>59,869</u>	<u>39,361</u>	<u>-</u>
<u>415,844</u>	<u>247,808</u>	<u>162,922</u>	<u>1,059,734</u>
(16,157)	(34,887)	(74,476)	(176,827)
<u>16,157</u>	<u>34,887</u>	<u>74,476</u>	<u>166,992</u>
<u>16,157</u>	<u>34,887</u>	<u>74,476</u>	<u>166,992</u>
-	-	-	(9,835)
<u>-</u>	<u>-</u>	<u>-</u>	<u>30,679</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,844</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, 2006

	Central Admini stration	Employed Services Program	Supervised Management Program	Service Coordination Program	Family Support Program	Gift Store Program
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 890,679	\$ 48,799	\$ 245,838	\$ 12,825	\$ 5,830
Charge for services	-	16,707	-	-	-	-
Interest	6,808	-	-	-	-	-
Miscellaneous	2,000	-	8,365	-	375	7,140
<b>Total revenues</b>	<u>8,808</u>	<u>907,386</u>	<u>57,164</u>	<u>245,838</u>	<u>13,200</u>	<u>12,970</u>
<b>Expenditures:</b>						
Public Health						
Personnel	322,751	766,369	31,769	239,241	-	49,740
Purchased services	135,410	173,097	1,106	8,405	15,216	19,563
Supplies	31,872	68,063	397	5,050	-	9,746
Capital	11,978	29,784	-	-	-	-
Other	(492,378)	161,432	5,806	43,940	-	8,993
<b>Total expenditures</b>	<u>9,633</u>	<u>1,198,745</u>	<u>39,078</u>	<u>296,636</u>	<u>15,216</u>	<u>88,042</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(825)	(291,359)	18,086	(50,798)	(2,016)	(75,072)
<b>Other financing sources (Uses):</b>						
Transfers in	512	297,158	(18,568)	44,494	2,016	73,666
<b>Total other financing sources (Uses)</b>	<u>512</u>	<u>297,158</u>	<u>(18,568)</u>	<u>44,494</u>	<u>2,016</u>	<u>73,666</u>
<b>Net Change in Fund Balances</b>	(313)	5,799	(482)	(6,304)	-	(1,406)
<b>Fund Balances at Beginning of Year</b>	<u>313</u>	<u>33,059</u>	<u>15,714</u>	<u>6,304</u>	<u>-</u>	<u>1,708</u>
<b>Fund Balances at End of Year</b>	<u>\$ -</u>	<u>\$ 38,858</u>	<u>\$ 15,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302</u>

Port Royal Residence Program	Early Intervention Program	Summer Services Program	Community Training Program	Enhanced Services Program	Vacation in your Community	Respite Program	Rehabilitation Program	Total
\$ 748,382	\$ 188,662	\$ 9,475	\$ 609,902	\$ 155,427	\$ 22,259	\$ 15,335	\$ 118,177	\$ 3,071,590
66,600	-	38	76,866	-	-	-	-	160,211
-	-	-	-	-	-	-	-	6,808
-	-	512	-	(2,188)	-	456	-	16,660
<u>814,982</u>	<u>188,662</u>	<u>10,025</u>	<u>686,768</u>	<u>153,239</u>	<u>22,259</u>	<u>15,791</u>	<u>118,177</u>	<u>3,255,269</u>
785,333	184,799	3,818	675,004	-	-	2,697	23,620	3,085,141
52,225	7,368	12,997	52,073	123,067	7,996	16,165	110,570	735,258
85,866	2,458	341	66,347	-	1,043	-	-	271,183
19,291	-	-	-	-	-	-	-	61,053
<u>107,180</u>	<u>39,028</u>	<u>-</u>	<u>92,738</u>	<u>14,018</u>	<u>1,029</u>	<u>2,053</u>	<u>16,161</u>	<u>-</u>
<u>1,049,895</u>	<u>233,653</u>	<u>17,156</u>	<u>886,162</u>	<u>137,085</u>	<u>10,068</u>	<u>20,915</u>	<u>150,351</u>	<u>4,152,635</u>
(234,913)	(44,991)	(7,131)	(199,394)	16,154	12,191	(5,124)	(32,174)	(897,366)
<u>254,147</u>	<u>44,991</u>	<u>-</u>	<u>197,836</u>	<u>(18,310)</u>	<u>40</u>	<u>4,980</u>	<u>31,258</u>	<u>914,220</u>
<u>254,147</u>	<u>44,991</u>	<u>-</u>	<u>197,836</u>	<u>(18,310)</u>	<u>40</u>	<u>4,980</u>	<u>31,258</u>	<u>914,220</u>
19,234	-	(7,131)	(1,558)	(2,156)	12,231	(144)	(916)	16,854
<u>22,407</u>	<u>-</u>	<u>12,971</u>	<u>113,070</u>	<u>17,941</u>	<u>(12,231)</u>	<u>144</u>	<u>916</u>	<u>212,316</u>
<u>\$ 41,641</u>	<u>\$ -</u>	<u>\$ 5,840</u>	<u>\$ 111,512</u>	<u>\$ 15,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,170</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, 2006

	<u>Daufuskie Ferry Grant</u>	<u>Sheldon Rehabilitation Project</u>	<u>Penn Center Grant</u>
Revenues:			
Intergovernmental	\$ 72,177	\$ -	\$ 254,700
Charge for services	-	-	-
Miscellaneous	-	250	-
Total revenues	<u>72,177</u>	<u>250</u>	<u>254,700</u>
Expenditures:			
Public Welfare			
Personnel	-	-	-
Purchased services	100,884	-	4,700
Supplies	-	-	-
Capital	-	-	250,000
Total expenditures	<u>100,884</u>	<u>-</u>	<u>254,700</u>
Excess of Revenues Over (Under) Expenditures	(28,707)	250	-
Other financing sources (Uses):			
Transfers in	35,000	-	-
Transfers out	-	-	-
Total other financing sources (Uses)	<u>35,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	6,293	250	-
Fund Balances at Beginning of Year	<u>31,483</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 37,776</u>	<u>\$ 250</u>	<u>\$ -</u>

Collaborative Organization for Services to Youth	Group Family Conferencing	Total
\$ 82,904	\$ -	\$ 409,781
5,871	-	5,871
<u>14,720</u>	-	<u>14,970</u>
<u>103,495</u>	-	<u>430,622</u>
81,718	-	81,718
44,922	-	150,506
2,334	-	2,334
<u>-</u>	-	<u>250,000</u>
<u>128,974</u>	-	<u>484,558</u>
(25,479)	-	(53,936)
42,083	(83)	77,000
<u>-</u>	-	<u>-</u>
<u>42,083</u>	<u>(83)</u>	<u>77,000</u>
16,604	(83)	23,064
<u>20,214</u>	<u>83</u>	<u>51,780</u>
<u>\$ 36,818</u>	<u>\$ -</u>	<u>\$ 74,844</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, 2006

	<u>Library Grants</u>	<u>Library Trust</u>	<u>Library Special Trust</u>	<u>Library Impact Fees</u>
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ -	\$ -	\$ 2,085,200
Intergovernmental	10,641	-	-	-
Interest	-	9	3,332	24,453
Miscellaneous	<u>8,731</u>	<u>11,398</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>19,372</u>	<u>11,407</u>	<u>3,332</u>	<u>2,109,653</u>
<b>Expenditures:</b>				
Cultural and Recreation				
Personnel	-	-	-	-
Purchased services	3,840	-	-	-
Supplies	50,290	4,225	28,092	10,105
Capital	<u>87,929</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>142,059</u>	<u>4,225</u>	<u>28,092</u>	<u>10,105</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(122,687)	7,182	(24,760)	2,099,548
<b>Other financing sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(965,549)</u>
<b>Total other financing sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(965,549)</u>
<b>Net Change in Fund Balances</b>	(122,687)	7,182	(24,760)	1,133,999
<b>Fund Balances at Beginning of Year</b>	<u>131,445</u>	<u>24,493</u>	<u>386,489</u>	<u>1,377,865</u>
<b>Fund Balances at End of Year</b>	<u>\$ 8,758</u>	<u>\$ 31,675</u>	<u>\$ 361,729</u>	<u>\$ 2,511,864</u>

<u>Summer Nutrition Program Grants</u>	<u>State PARD Grants</u>	<u>PALS Impact Fees</u>	<u>Total</u>
\$ -	\$ -	\$ 1,210,545	\$ 3,295,745
241,322	27,515	-	279,478
-	-	34,739	62,533
-	-	-	20,129
<u>241,322</u>	<u>27,515</u>	<u>1,245,284</u>	<u>3,657,885</u>
46,214	-	-	46,214
193,453	-	-	197,293
1,655	-	-	94,367
-	1,554	-	89,483
<u>241,322</u>	<u>1,554</u>	<u>-</u>	<u>427,357</u>
-	25,961	1,245,284	3,230,528
-	-	-	-
-	-	(2,800,000)	(3,765,549)
-	-	(2,800,000)	(3,765,549)
-	25,961	(1,554,716)	(535,021)
-	-	2,872,723	4,793,015
<u>\$ -</u>	<u>\$ 25,961</u>	<u>\$ 1,318,007</u>	<u>\$ 4,257,994</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 ALL DEBT SERVICE FUNDS  
 June 30, 2006

	County Wide General Obligation Bonds	Bluffton TIF Bonds	New River TIF Bonds	Totals
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 1,210,089	\$ 8,814,247	\$ 939,288	\$ 10,963,624
Receivables, net	<u>168,762</u>	<u>410</u>	<u>9,885</u>	<u>179,057</u>
Total Assets	<u>\$ 1,378,851</u>	<u>\$ 8,814,657</u>	<u>\$ 949,173</u>	<u>\$ 11,142,681</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred property tax revenues	<u>77,272</u>	<u>-</u>	<u>-</u>	<u>77,272</u>
Total Liabilities	<u>77,272</u>	<u>-</u>	<u>-</u>	<u>77,272</u>
Fund Equity:				
Reserved for debt service	<u>1,301,579</u>	<u>8,814,657</u>	<u>949,173</u>	<u>11,065,409</u>
Total Liabilities and Fund Equity	<u>\$ 1,378,851</u>	<u>\$ 8,814,657</u>	<u>\$ 949,173</u>	<u>\$ 11,142,681</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, 2006

	County Wide General Obligations Bonds		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 7,822,500	\$ 7,871,337	\$ 48,837
Licenses and Permits	-	-	-
Intergovernmental	46,700	47,478	778
Charge for Services	-	-	-
Fines and Forfeitures	-	-	-
Interest	20,000	33,391	13,391
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>7,889,200</u>	<u>7,952,206</u>	<u>63,006</u>
<b>Expenditures:</b>			
Debt Service - Principal	5,530,000	5,530,000	-
Debt Service - Interest and fees	<u>4,762,867</u>	<u>4,730,804</u>	<u>32,063</u>
<b>Total Debt Service Expenditures</b>	<u>10,292,867</u>	<u>10,260,804</u>	<u>32,063</u>
 Excess of Revenues Over (Under) Expenditures	 (2,403,667)	 (2,308,598)	 95,069
<b>Other Financing Sources (Uses):</b>			
Bond Proceeds	-	-	-
Operating Transfers In	2,770,693	2,735,822	(34,871)
Operating Transfers Out	-	-	-
<b>Total other financing sources (uses)</b>	<u>2,770,693</u>	<u>2,735,822</u>	<u>(34,871)</u>
 Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	 367,026	 427,224	 60,198
 Fund Balances at Beginning of Year	 <u>874,355</u>	 <u>874,355</u>	 <u>-</u>
 Fund Balances at End of Year	 <u>\$ 1,241,381</u>	 <u>\$ 1,301,579</u>	 <u>\$ 60,198</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, 2006

	Bluffton TIF		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 206,100	\$ 454,531	\$ 248,431
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for Services	-	-	-
Fines and Forfeitures	-	-	-
Inteterst	-	267,986	267,986
Miscellaneous	-	-	-
<b>Total Revenues</b>	<b>206,100</b>	<b>722,517</b>	<b>516,417</b>
<b>Expenditures:</b>			
Debt Service - Prinicpal	135,000	135,000	-
Debt Service - Interest and fees	1,150,000	1,145,580	4,420
<b>Total debt service expenditures</b>	<b>1,285,000</b>	<b>1,280,580</b>	<b>4,420</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,078,900)</b>	<b>(558,063)</b>	<b>520,837</b>
<b>Other financing sources (Uses):</b>			
Bond Proceeds	-	-	-
Operating Transfers In	1,078,900	2,091,573	1,012,673
OperatingTransfers Out	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,078,900</b>	<b>2,091,573</b>	<b>1,012,673</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>-</b>	<b>1,533,510</b>	<b>1,533,510</b>
<b>Fund Balances at Beginning of Year</b>	<b>7,281,147</b>	<b>7,281,147</b>	<b>-</b>
<b>Fund Balances at End of Year</b>	<b>\$ 7,281,147</b>	<b>\$ 8,814,657</b>	<b>\$ 1,533,510</b>

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, 2006

	New River TIF		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 998,000	\$ 1,790,471	\$ 792,471
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charge for Services	-	-	-
Fines and Forfeitures	-	-	-
Interest	-	27,939	27,939
Miscellaneous	-	-	-
Total Revenues	<u>998,000</u>	<u>1,818,410</u>	<u>820,410</u>
Expenditures:			
Debt Service - Principal	-	-	-
Debt Service - Interest and fees	1,998,000	1,994,158	3,842
Total debt service expenditures	<u>1,998,000</u>	<u>1,994,158</u>	<u>3,842</u>
Excess of Revenues Over (Under) Expenditures	(1,000,000)	(175,748)	824,252
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	(1,000,000)	(175,748)	824,252
Fund Balances at Beginning of Year	1,124,921	1,124,921	-
Fund Balances at End of Year	<u>\$ 124,921</u>	<u>\$ 949,173</u>	<u>\$ 824,252</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, 2006

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 9,026,600	\$ 10,116,339	\$ 1,089,739
Licenses and Permits	-	-	-
Intergovernmental	46,700	47,478	778
Charge for Services	-	-	-
Fines and Forfeitures	-	-	-
Interest	20,000	329,316	309,316
Miscellaneous	-	-	-
<b>Total Revenues</b>	<u>9,093,300</u>	<u>10,493,133</u>	<u>1,399,833</u>
<b>Expenditures:</b>			
Debt Service - Principal	5,665,000	5,665,000	-
Debt Service - Interest and fees	7,910,867	7,870,542	40,325
<b>Total Debt Service Expenditures</b>	<u>13,575,867</u>	<u>13,535,542</u>	<u>40,325</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(4,482,567)	(3,042,409)	1,440,158
<b>Other financing sources (Uses):</b>			
Bond Proceeds	-	-	-
Operating Transfers In	3,849,593	4,827,395	977,802
Operating Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,849,593</u>	<u>4,827,395</u>	<u>977,802</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(632,974)	1,784,986	2,417,960
<b>Fund Balances at Beginning of Year</b>	<u>9,280,423</u>	<u>9,280,423</u>	<u>-</u>
<b>Fund Balances at End of Year</b>	<u>\$ 8,647,449</u>	<u>\$ 11,065,409</u>	<u>\$ 2,417,960</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 ALL CAPITAL PROJECT FUNDS  
 June 30, 2006

	<u>Capital Improvement Program</u>	<u>Bluffton TIF District</u>	<u>Lady's Island TIF District</u>	<u>New River TIF District</u>
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 3,860	\$ 1,158,587	\$ -	\$ 1,669,428
Accounts receivable, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,860</u>	<u>\$ 1,158,587</u>	<u>\$ -</u>	<u>\$ 1,669,428</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 522,285
Accrued payroll	<u>3,860</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,860</u>	<u>-</u>	<u>-</u>	<u>522,285</u>
Fund equity:				
Reserved and reserved for encumbrances	-	-	-	1,147,143
Reserved for capital projects	<u>-</u>	<u>1,158,587</u>	<u>-</u>	<u>-</u>
Total fund equity	<u>-</u>	<u>1,158,587</u>	<u>-</u>	<u>1,147,143</u>
Total liabilities and fund equity	<u>\$ 3,860</u>	<u>\$ 1,158,587</u>	<u>\$ -</u>	<u>\$ 1,669,428</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>Projects</u>	<u>Totals</u>
\$ -	\$ 993,970	\$ 3,542,124	\$ 3,943,373	\$ 11,311,342
-	-	-	-	-
<u>\$ -</u>	<u>\$ 993,970</u>	<u>\$ 3,542,124</u>	<u>\$ 3,943,373</u>	<u>\$ 11,311,342</u>
\$ -	\$ -	\$ 292,287	\$ 18,136	\$ 832,708
-	-	-	-	3,860
-	-	<u>292,287</u>	<u>18,136</u>	<u>836,568</u>
-	96,163	366,436	994,950	2,604,692
-	<u>897,807</u>	<u>2,883,401</u>	<u>2,930,287</u>	<u>7,870,082</u>
-	<u>993,970</u>	<u>3,249,837</u>	<u>3,925,237</u>	<u>10,474,774</u>
<u>\$ -</u>	<u>\$ 993,970</u>	<u>\$ 3,542,124</u>	<u>\$ 3,943,373</u>	<u>\$ 11,311,342</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, 2006

	Capital Improvements Program		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ 80	80
Intergovernmental	-	28,663	28,663
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>28,743</u>	<u>28,743</u>
Expenditures:			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	28,743	28,743
<u>Other Financing Sources (Uses):</u>			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	-	(110,765)	(110,765)
Total other financing sources (uses)	<u>-</u>	<u>(110,765)</u>	<u>(110,765)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(82,022)	(82,022)
Fund Balances at Beginning of Year	<u>82,022</u>	<u>82,022</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 82,022</u>	<u>\$ -</u>	<u>\$ (82,022)</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, 2006

	Bluffton TIF Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	-	-	-
<b>Expenditures:</b>			
Capital projects	-	5,340	(5,340)
Excess of Revenues Over (Under) Expenditures	-	(5,340)	(5,340)
<b>Other financing sources (uses):</b>			
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	-	(5,340)	(5,340)
Fund Balances at Beginning of Year	1,163,927	1,163,927	-
Fund Balances at End of Year	\$ 1,163,927	\$ 1,158,587	\$ (5,340)

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, 2006

	<u>Lady's Island TIF Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ (192,769)	\$ (192,769)
Intergovernmental	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>(192,769)</u>	<u>(192,769)</u>
<b>Expenditures:</b>			
Capital projects	-	-	-
 Excess of Revenues Over (Under) Expenditures	-	(192,769)	(192,769)
 <u>Other Financing Sources (Uses):</u>			
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	-	(192,769)	(192,769)
 Fund Balances at Beginning of Year	<u>192,769</u>	<u>192,769</u>	<u>-</u>
 Fund Balances at End of Year	<u>\$ 192,769</u>	<u>\$ -</u>	<u>\$ (192,769)</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, 2006

	New River TIF Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	60,500	60,549	49
Miscellaneous	-	-	-
Total revenues	<u>60,500</u>	<u>60,549</u>	<u>49</u>
<b>Expenditures:</b>			
Capital projects	<u>7,190,689</u>	<u>6,046,663</u>	<u>1,144,026</u>
Excess of Revenues Over (Under) Expenditures	(7,130,189)	(5,986,114)	1,144,075
<b><u>Other Financing Sources (Uses):</u></b>			
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	(7,130,189)	(5,986,114)	1,144,075
Fund Balances at Beginning of Year	<u>7,133,257</u>	<u>7,133,257</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,068</u>	<u>\$ 1,147,143</u>	<u>\$ 1,144,075</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, 2006

	2000 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Capital projects	<u>159,100</u>	<u>159,140</u>	<u>(40)</u>
Excess of Revenues Over (Under) Expenditures	(159,100)	(159,140)	(40)
<u>Other Financing Sources (Uses):</u>			
Bond Proceeds	-	-	-
Operating Transfers In	59,500	59,496	(4)
Operating Transfers Out	-	-	-
Total other financing sources (uses)	<u>59,500</u>	<u>59,496</u>	<u>(4)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(99,600)	(99,644)	(44)
Fund Balances at Beginning of Year	<u>99,644</u>	<u>99,644</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ (44)</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, 2006

	<u>2001 General Obligation Bond Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	15,424	15,424
Miscellaneous	47,500	47,500	-
Total revenues	<u>47,500</u>	<u>62,924</u>	<u>15,424</u>
<b>Expenditures:</b>			
Capital projects	<u>939,628</u>	<u>76,048</u>	<u>863,580</u>
Excess of Revenues Over (Under) Expenditures	(892,128)	(13,124)	879,004
<b>Other Financing Sources (Uses):</b>			
Bond Proceeds	-	-	-
Operating Transfers In	-	110,765	110,765
Operating Transfers Out	<u>(187,872)</u>	<u>(187,868)</u>	<u>4</u>
Total Other Financing Sources (Uses)	<u>(187,872)</u>	<u>(77,103)</u>	<u>110,769</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,080,000)	(90,227)	989,773
Fund Balances at Beginning of Year	<u>1,084,197</u>	<u>1,084,197</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 4,197</u>	<u>\$ 993,970</u>	<u>\$ 989,773</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, 2006

	2002 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	63,197	63,197
Miscellaneous	-	329,445	329,445
Total revenues	<u>-</u>	<u>392,642</u>	<u>392,642</u>
<b>Expenditures:</b>			
Capital projects	<u>4,585,294</u>	<u>1,704,856</u>	<u>2,880,438</u>
Excess of Revenues Over (Under) Expenditures	(4,585,294)	(1,312,214)	3,273,080
<b><u>Other Financing Sources (Uses):</u></b>			
Bond Proceeds	-	-	-
Operating Transfers In	40,329	40,329	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>40,329</u>	<u>40,329</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,544,965)	(1,271,885)	3,273,080
Fund Balances at Beginning of Year	<u>4,521,722</u>	<u>4,521,722</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (23,243)</u>	<u>\$ 3,249,837</u>	<u>\$ 3,273,080</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, 2006

	2003 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Interest	-	40,614	40,614
Miscellaneous	35,000	35,000	-
Total revenues	35,000	75,614	40,614
<b>Expenditures:</b>			
Capital projects	5,585,273	1,705,059	3,880,214
Excess of Revenues Over (Under) Expenditures	(5,550,273)	(1,629,445)	3,920,828
<b>Other Financing Sources (Uses):</b>			
Bond Proceeds	-	-	-
Transfers in	-	-	-
Transfers out	(57,435)	(57,435)	-
Total other financing sources (uses)	(57,435)	(57,435)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(5,607,708)	(1,686,880)	3,920,828
Fund Balances at Beginning of Year	5,612,117	5,612,117	-
Fund Balances at End of Year	\$ 4,409	\$ 3,925,237	\$ 3,920,828

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, 2006

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ -	\$ (192,689)	\$ (192,689)
Intergovernmental	-	28,663	28,663
Interest	60,500	179,784	119,284
Miscellaneous	<u>82,500</u>	<u>411,945</u>	<u>329,445</u>
Total revenues	<u>143,000</u>	<u>427,703</u>	<u>284,703</u>
Expenditures:			
Capital projects	<u>18,459,984</u>	<u>9,697,106</u>	<u>8,762,878</u>
Excess of Revenues Over (Under) Expenditures	(18,316,984)	(9,269,403)	9,047,581
<u>Other Financing Sources (Uses):</u>			
Bond Proceeds	-	-	-
Operating Transfers In	99,829	210,590	110,761
Operating Transfers Out	<u>(245,307)</u>	<u>(356,068)</u>	<u>(110,761)</u>
Total other financing sources (uses)	<u>(145,478)</u>	<u>(145,478)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(18,462,462)	(9,414,881)	9,047,581
Fund Balances at Beginning of Year	<u>19,889,655</u>	<u>19,889,655</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,427,193</u>	<u>\$ 10,474,774</u>	<u>\$ 9,047,581</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
Year ended June 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<u>Broad Creek Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 465,506	\$ 1,752,816	\$ 2,172,330	\$ 45,992
Due to agency:				
Operations	\$ 644,940	\$ 1,371,339	\$ 1,793,635	\$ 222,644
Water/Sewer	146	42,782	40,000	2,928
Debt Service	(179,580)	338,695	338,695	(179,580)
Capital Projects	-	-	-	-
	<u>\$ 465,506</u>	<u>\$ 1,752,816</u>	<u>\$ 2,172,330</u>	<u>\$ 45,992</u>
 <u>Fripp Island Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,435,387	\$ 3,925,517	\$ 4,226,126	\$ 1,134,778
Due to agency:				
Erosion Control	\$ 71,707	\$ 34,221	\$ -	\$ 105,928
Water/Sewer	139,788	2,111	139,788	2,111
Debt Service	114,146	490,251	186,395	418,002
Capital Projects	631,042	3,028,129	3,402,032	257,139
Fire Department 1% Funds	22,072	23,660	4,432	41,300
Fire Operations	456,632	347,145	493,479	310,298
	<u>\$ 1,435,387</u>	<u>\$ 3,925,517</u>	<u>\$ 4,226,126</u>	<u>\$ 1,134,778</u>
 <u>Forest Beach Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,690	\$ 6,874	\$ 8,564	\$ -
Due to agency:				
Operations	\$ 13	\$ 172	\$ 185	\$ -
Water/Sewer	-	-	-	-
Fire Operations	1,489	5,960	7,449	-
Capital Projects	-	-	-	-
Debt Service	188	742	930	-
	<u>\$ 1,690</u>	<u>\$ 6,874</u>	<u>\$ 8,564</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS - CONTINUED  
Year ended June 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<b><u>Hilton Head #1 Public Service District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 2,914,818	\$ 2,099,137	\$ 4,682,654	\$ 331,301
<b>Due to agency:</b>				
Operations	\$ 1,676,614	\$ 856,893	\$ 2,426,000	\$ 107,507
Water/Sewer	1,048,122	554,282	1,553,000	49,404
Debt Service	190,082	687,962	703,654	174,390
Capital Projects	-	-	-	-
	<u>\$ 2,914,818</u>	<u>\$ 2,099,137</u>	<u>\$ 4,682,654</u>	<u>\$ 331,301</u>
<b><u>South Beach Public Service District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 60,528	\$ 236,826	\$ 273,165	\$ 24,189
<b>Due to agency:</b>				
Water/Sewer	\$ 48,385	\$ 222,113	\$ 257,000	\$ 13,498
Debt Service	8,910	1,781	-	10,691
Fire Operations	3,052	12,206	15,258	-
Fire Debt Service	181	726	907	-
	<u>\$ 60,528</u>	<u>\$ 236,826</u>	<u>\$ 273,165</u>	<u>\$ 24,189</u>
<b><u>Bluffton Fire District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 2,618,305	\$ 8,235,057	\$ 6,404,180	\$ 4,449,182
<b>Due to agency:</b>				
Operations	\$ 467,450	\$ 6,578,476	\$ 5,760,264	\$ 1,285,662
Debt Service	238,728	236,518	120,148	355,098
Capital Projects	1,629	25	-	1,654
Fire Department 1% Fund	17,705	168,318	172,920	13,103
Impact Fees	1,892,793	1,251,720	350,848	2,793,665
	<u>\$ 2,618,305</u>	<u>\$ 8,235,057</u>	<u>\$ 6,404,180</u>	<u>\$ 4,449,182</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS - CONTINUED  
Year ended June 30, 2006

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
<b><u>Burton Fire District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 1,316,917	\$ 3,638,059	\$ 3,485,970	\$ 1,469,006
<b>Due to agency:</b>				
Operations	\$ 693,912	\$ 3,164,235	\$ 3,099,027	\$ 759,120
Debt Service	258,484	357,744	382,982	233,246
Capital Projects	-	-	-	-
Fire Department 1% Fund	70,200	28,839	3,961	95,078
Impact Fees	294,321	87,241	-	381,562
	<u>\$ 1,316,917</u>	<u>\$ 3,638,059</u>	<u>\$ 3,485,970</u>	<u>\$ 1,469,006</u>
<b><u>Daufuskie Island Fire District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 141,850	\$ 757,503	\$ 790,074	\$ 109,279
<b>Due to agency:</b>				
Operations	\$ 75,037	\$ 662,955	\$ 720,065	\$ 17,927
Debt Service	(6,153)	58,541	60,898	(8,510)
Capital Projects	-	-	-	-
Fire Department 1% Fund	7,524	10,429	9,111	8,842
Impact Fees	65,442	25,578	-	91,020
	<u>\$ 141,850</u>	<u>\$ 757,503</u>	<u>\$ 790,074</u>	<u>\$ 109,279</u>
<b><u>Ladys Island/St Helena Island Fire District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 697,475	\$ 3,890,025	\$ 3,524,340	\$ 1,063,160
<b>Due to agency:</b>				
Operations	\$ 161,057	\$ 3,439,056	\$ 3,177,226	\$ 422,887
Debt Service	(97,196)	198,338	46,327	54,815
Capital Projects	-	-	-	-
Fire Department 1% Fund	76,946	61,094	43,788	94,252
Impact Fees	556,668	191,537	256,999	491,206
	<u>\$ 697,475</u>	<u>\$ 3,890,025</u>	<u>\$ 3,524,340</u>	<u>\$ 1,063,160</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS - CONTINUED  
Year ended June 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b><u>Sheldon Fire District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 16,033	\$ 930,808	\$ 874,588	\$ 72,253
<b>Due to agency:</b>				
Operations	\$ (9,430)	\$ 848,762	\$ 809,612	\$ 29,720
Debt Service	(1,585)	61,142	39,600	19,957
Capital Projects	-	-	-	-
Fire Department 1% Fund	8,616	10,964	5,376	14,204
Impact Fees	18,432	9,940	20,000	8,372
	<u>\$ 16,033</u>	<u>\$ 930,808</u>	<u>\$ 874,588</u>	<u>\$ 72,253</u>
<b><u>City of Beaufort</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 328,234	\$ 4,714,802	\$ 4,956,996	\$ 86,040
<b>Due to agency:</b>				
Municipal	\$ 328,234	\$ 4,673,115	\$ 4,915,309	\$ 86,040
Fire Department 1% Fund	-	41,687	41,687	-
	<u>\$ 328,234</u>	<u>\$ 4,714,802</u>	<u>\$ 4,956,996</u>	<u>\$ 86,040</u>
<b><u>Town of Port Royal</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 68,847	\$ 1,737,680	\$ 1,766,135	\$ 40,392
<b>Due to agency:</b>				
Municipal	\$ 68,847	\$ 1,728,757	\$ 1,757,212	\$ 40,392
Fire Department 1% Fund	-	8,923	8,923	-
	<u>\$ 68,847</u>	<u>\$ 1,737,680</u>	<u>\$ 1,766,135</u>	<u>\$ 40,392</u>
<b><u>Town of Bluffton</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 81,047	\$ 1,651,112	\$ 1,692,412	\$ 39,747
<b>Due to agency:</b>				
Municipal	\$ 81,047	\$ 1,651,112	\$ 1,692,412	\$ 39,747



BEAUFORT COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS - CONTINUED  
Year ended June 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<u>Town of Yemassee</u>				
Assets:				
Equity in pooled cash and investments	\$ 3,007	\$ 13,050	\$ 15,799	\$ 258
Due to agency:				
Municipal	\$ 3,007	\$ 12,946	\$ 15,695	\$ 258
Fire Department 1% Fund	-	104	104	-
	<u>\$ 3,007</u>	<u>\$ 13,050</u>	<u>\$ 15,799</u>	<u>\$ 258</u>
 <u>Town of Hilton Head</u>				
Assets:				
Equity in pooled cash and investments	\$ 868,382	\$ 19,336,475	\$ 19,990,170	\$ 214,687
Due to agency:				
Municipal	\$ 860,927	\$ 18,818,373	\$ 19,468,378	\$ 210,922
Fire Operations	4,944	19,849	24,793	-
Fire Debt Service	2,511	1,254	-	3,765
Fire Department 1% Fund	-	496,999	496,999	-
	<u>\$ 868,382</u>	<u>\$ 19,336,475</u>	<u>\$ 19,990,170</u>	<u>\$ 214,687</u>
 <u>Beaufort-Jasper Academy for Career Excellence</u>				
Assets:				
Equity in pooled cash and investments	\$ (325,352)	\$ 4,420,538	\$ 3,789,629	\$ 305,557
Due to agency:				
General	\$ 775,648	\$ 2,613,984	\$ 3,240,227	\$ 149,405
Special Revenue Funds	50,694	612,046	506,588	156,152
Capital Projects	(184,128)	184,128	-	-
Education Improvement Act	(967,566)	1,010,380	42,814	-
	<u>\$ (325,352)</u>	<u>\$ 4,420,538</u>	<u>\$ 3,789,629</u>	<u>\$ 305,557</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS - CONTINUED  
Year ended June 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<b><u>Beaufort County School District</u></b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 32,775,183	\$ 237,728,724	\$ 224,366,643	\$ 46,137,264
<b>Due to agency:</b>				
General	\$ 13,240,188	\$ 144,500,060	\$ 187,544,706	\$ (29,804,458)
Special Revenue Funds	(4,081,654)	20,950,862	-	16,869,208
Debt Service	9,522,963	28,356,906	15,766,766	22,113,103
Capital Projects	10,147,984	300,208	86,813	10,361,379
School Lunch Program	1,754,139	4,124,067	5,081,118	797,088
School 8% Projects	(1,784,850)	23,025,803	12,346,280	8,894,673
Education Improvement Act	625,634	15,630,754	753,173	15,503,215
Facilities 2000	2,072,711	-	-	2,072,711
Facilities 2005	1,278,068	840,064	2,787,787	(669,655)
	<u>\$ 32,775,183</u>	<u>\$ 237,728,724</u>	<u>\$ 224,366,643</u>	<u>\$ 46,137,264</u>

**Special Assessments**

<b>Assets:</b>				
Equity in pooled cash and investments	\$ 165,765	\$ 83,716	\$ 127,104	\$ 122,377
<b>Due to agency:</b>				
Burlington Estates	\$ 13,610	\$ 1,090	\$ -	\$ 14,700
Burlington Land	9,882	750	-	10,632
Cedarcrest	36,096	38,350	74,537	(91)
Kings Grant II	9,452	1,481	-	10,933
O'Neal Place	8,231	618	-	8,849
Robin Wood	10,886	863	-	11,749
Seabrook	47,478	38,729	31,075	55,132
Shipyard	-	1,070	1,070	-
Woodland Estates	9,708	765	-	10,473
Tansi Village	2,624	-	2,624	-
Bay Pines	17,798	-	17,798	-
	<u>\$ 165,765</u>	<u>\$ 83,716</u>	<u>\$ 127,104</u>	<u>\$ 122,377</u>

**Indigent Health Care**

<b>Assets:</b>				
Equity in pooled cash and investments	\$ 30,613	\$ 2,200,681	\$ 2,204,437	\$ 26,857
<b>Due to agency:</b>				
General	\$ 30,613	\$ 2,200,681	\$ 2,204,437	\$ 26,857

BEAUFORT COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS - CONTINUED  
Year ended June 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
<u>Continuing Education</u>				
Assets:				
Equity in pooled cash and investments	\$ (79,673)	\$ 4,390,361	\$ 4,408,876	\$ (98,188)
Due to agency:				
General	\$ (79,673)	\$ 4,390,361	\$ 4,408,876	\$ (98,188)
<u>Departmentally Held Funds</u>				
Assets:				
Equity in pooled cash and investments	\$ 6,134,232	\$ 7,916,262	\$ 3,082,133	\$ 10,968,361
Due to agency:				
Clerk of Court	\$ 1,438,942	\$ 3,001,190	\$ 148,420	\$ 4,291,712
Master in Equity - Foreclosures	656,553	-	175,755	480,798
Register of Deeds - Bonds	701,998	98,783	-	800,781
Treasurer - JPC Escrow	452,593	-	16,741	435,852
Treasurer - Bankruptcy Escrow	147,014	-	4,085	142,929
Treasurer - Surplus Tax Escrow	<u>2,737,132</u>	<u>4,816,289</u>	<u>2,737,132</u>	<u>4,816,289</u>
	<u>\$ 6,134,232</u>	<u>\$ 7,916,262</u>	<u>\$ 3,082,133</u>	<u>\$ 10,968,361</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 49,718,794	\$ 309,666,023	\$ 292,842,325	\$ 66,542,492
Due to agency:				
General	\$ 49,718,794	\$ 309,666,023	\$ 292,842,325	\$ 66,542,492

BEAUFORT COUNTY, SOUTH CAROLINA  
 SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES  
 JUNE 30, 2006

Clerk of Court Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 668,812
Remitted to other Agencies	35,399
Retained by the County	<u>184,693</u>
Total Fines, Fees, Assessments and Surcharges Collected	<u>\$ 888,904</u>

Magistrate Courts Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 1,211,783
Remitted to other Agencies	14,274
Retained by the County	<u>987,012</u>
Total Fines, Fees, Assessments and Surcharges Collected	<u>\$ 2,213,069</u>

Victims Assistance Services

Funds carried forward from prior years	\$ 83,423
Fees and Assessments from the Clerk of Court	34,155
Fees and Assessments from the Magistrate Courts	111,418
Town of Hilton Head allocation	47,352
County general fund allocation	<u>92,531</u>
Funds allocated to Victim Assistance Services	368,879
Victim Assistance Expenditures	<u>(243,475)</u>
Funds Available for Carryforward	<u>\$ 125,404</u>

**SINGLE AUDIT SECTION**

BEAUFORT COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2006

	Federal CFDA Number	Federal Award Expended
<b>Direct Federal Grants:</b>		
US Department of Transportation		
Federal Aviation Administration		
Airport Improvement Program		
Lady's Island Airport - #3-45-0008-08	20.106	\$ 1,105,619
Hilton Head Airport - #3-45-0030-25	20.106	4,279,249
Hilton Head Airport - TSA	20.106	247,021
<b>Federal Pass - Through Grants:</b>		
Federal Emergency Management Agency		
Passed through Office of the SC Adjutant General		
5EMPG01	97.067	14,679
6EMPG01	97.067	12,628
4CC01	97.067	3,193
5CC02	97.067	7,450
HMESC 4042120	20.703	9,721
HMESC 5042120	20.703	14,456
Homeland Security Grants Administration		
Passed through SC Law Enforcement Division		
5LETP07	97.004	69,347
5SHSP07	97.004	282,973
US Department of Agriculture		
Passed through SC Department of Social Services		
Summer Food Services for Children	10.559	83,459
Summer Food Services for Children	10.559	157,863
US Department of Health and Human Services		
Passed through SC Department of Social Services		
Child Support Enforcement IV-D Transaction Reimbursement	93.563	153,032
Child Support Enforcement IV-D Incentive Payments	93.563	44,584
Child Support Enforcement IV-D Service of Process Payments	93.563	22,572
Child Support Enforcement IV-D Filing Fees	93.563	43,324
Passed through SC Department of Alcohol and Other Drug Abuse Services		
Consolidated Contract	93.959	394,404
Passed through SC Department of Transportation		
Lowcountry Regional Transportation Authority -MT-61359-73	20.509	57,414
Passed through SC Department of Health Services Finance Commission		
Collaborator / Coordinator - #A60545A	93.778	114,234

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

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

Beaufort County Council  
Beaufort County  
Beaufort, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, governmental funds budgetary comparison information, and the aggregate remaining fund information of Beaufort County as of and for the year ended June 30, 2006, which collectively comprise Beaufort County, South Carolina's basic financial statements and have issued our report thereon dated August 8, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County of Beaufort's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Beaufort County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and responses as items 2006-1 through 2006-5.

A material weakness is a reportable condition in which the design or operation of one or more the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe that four of the reportable conditions described above are a material weakness. Material weakness are described in the accompanying schedule of findings and responses as items 2006-1 through 2006-3.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of Beaufort's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is in the accompanying schedule of findings and responses as item 2006-4.

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

*Elliott Davis, LLC*

Columbia, South Carolina  
August 8, 2007



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

Beaufort County Council  
Beaufort County  
Beaufort, South Carolina

**Compliance**

We have audited the compliance of the County of Beaufort with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. County of Beaufort's major federal programs are identified in the Summary of Auditor's Result section of the accompanying schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Beaufort's management. Our responsibility is to express an opinion on the County of Beaufort's compliance based on our audit.

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

In our opinion, the County of Beaufort complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

## Internal Control Over Compliance

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

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of South Carolina's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2006-1 and 2006-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2006-1 and 2006-2 be material weaknesses.

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

*Elliott Davis, LLC*  
Columbia, South Carolina  
August 8, 2007

**BEAUFORT COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the year ended June 30, 2006*

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Beaufort County, South Carolina.
2. Five (5) reportable conditions relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. One (1) instance of noncompliance material to the financial statements of Beaufort County, South Carolina was disclosed during the audit.
4. Three (3) of the five (5) reportable conditions were considered material weaknesses in internal controls.
5. Two (2) of the three (3) material weaknesses in internal controls relate to the audit of the major federal award programs.
6. The auditor's report on compliance for the major federal award program for Beaufort County, South Carolina expresses an unqualified opinion.
7. The programs tested as major programs were:
 

Federal Aviation Administration	
Airport Improvement Program - Lady's Island Airport	20.106
Airport Improvement Program - Hilton Head Airport	20.106
US Homeland Security Administration	
Homeland Security Grant Program	97.004
US Department of Health and Human Services	
Consolidated Contract	93.959
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Beaufort County, South Carolina did not qualify as a low risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**Item 2006 - 1: Lack of Segregation of Duties**

Substantially all of the County's primary accounting functions are being performed solely by the Controller including year-end closing procedures, accounting for cash and investments, debt and capital assets, preparing financial statements and grant accounting. In addition, journal entries initiated by the Controller are not subject to review by a second individual. This lack of segregation of duties subjects the County to increased risk of material misstatement within its financial statements as there is little or no oversight of the Controller's work. Also, in the event that Controller is absent for an extended period, there are no County personnel who have a working knowledge of the County's primary accounting functions.

## **B. FINDINGS - FINANCIAL STATEMENTS AUDIT, (Continued)**

### **Item 2006 - 1: Lack of Segregation of Duties (continued)**

The County should hire and/or train Finance Department personnel capable of performing the primary accounting functions. Responsibilities should be assigned within the Finance department to allow for sufficient oversight and review of an individual's work, particularly in key areas such as initiating and recording journal entries, preparing financial statements, grant accounting and capital asset accounting. In addition, at least two Finance Department personnel other than the Controller should be crossed trained in performing the County's primary accounting functions so that someone is always available to maintain these functions in the event that the Controller is absent for an extended period.

### **Item 2006 - 2: Schedule of Federal Expenditures**

The County omitted from its schedule of federal expenditures, approximately \$3.6 million in expenditures related to the Hilton Head Island Airport Federal Aviation Administration grants. This omission, which was corrected as result of the financial statement audit process, indicates that the County needs to improve its procedures for identifying, monitoring and accounting for federal grants.

The County should designate or hire an individual who is adequately trained and/or experienced in grants accounting to monitor and account for all of its grants. In order to improve segregation of duties, this individual should be someone other than the Controller.

### **Item 2006 - 3: Lack of Timely Financial Reporting**

The County did not record, prepare, reconcile or report financial information in a timely manner for the purpose of the financial statement audit for the year ended June 20, 2006. A final adjusted trial balance was not provided to the auditors until March 2007. In addition, a draft of the County's financial statements was not provided until April 2007.

As a result of the County not recording, preparing and submitting financial information in a timely manner, the County's audited financial statements were not issued until August 2007. This put the County at risk of losing funding from various state and federal sources. In addition, annual financial reporting which is essential for County Council and administration to make timely and informed decisions was not available.

We recommend that the County develop policies, systems and procedures to ensure financial information is recorded, prepared, reconciled, reported and reviewed by County Council and administration and that this information is able to be audited within 90 days of the fiscal year end.

### **Item 2006 - 4: Cash Collateral**

As of June 30, 2006, the County held cash deposits with two separate financial institutions in excess of FDIC insurance limits by approximately \$6.6 million and \$2.8 million, respectively. As of June 30, 2006, sufficient collateral was not maintained to protect these deposits in the event that either of the two financial institutions was to fail.

The County is required by state law to maintain sufficient collateral for all of its deposits through arrangements with its financial institutions. By not maintaining sufficient collateral, the County is at risk of losing deposits in excess of FDIC insurance limits.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT, (Continued)**

**Item 2006 - 5: Capital Assets**

The County computes depreciation expense and accumulated depreciation on its governmental-type capital assets based on total annual acquisition costs by fiscal year. Therefore, depreciation expense and accumulated depreciation cannot be reconciled to a detailed listing of individual capital assets.

A detailed listing of all capital assets should be maintained to include automatic calculations of depreciation expense and accumulated depreciation for each individual capital asset. This listing should be updated monthly for additions, disposals and computation of depreciation expense and accumulated depreciation. The updated listing should be reviewed monthly for accuracy by someone other than the individual performing the updates.

Performing the monthly update, and review procedures as described above, will reduce the likelihood of misstatements in the financial statements and will reduce manual calculation errors and reconciling errors that were noted while performing our audit procedures.

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

See items 2006-1 and 2006-2 in Section B above.

**BEAUFORT COUNTY, SOUTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
*For the year ended June 30, 2006*

NONE

**STATISTICAL SECTION**

BEAUFORT COUNTY, SOUTH CAROLINA  
NET ASSETS BY COMPONENT  
LAST FOUR FISCAL YEARS

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 23,002,639	\$ 21,299,949	\$ 28,519,464	\$ 32,782,636
Restricted	2,697,059	7,468,002	9,280,423	11,065,409
Unrestricted	<u>19,820,961</u>	<u>21,161,556</u>	<u>25,253,922</u>	<u>34,938,543</u>
	<u>\$ 45,520,659</u>	<u>\$ 49,929,507</u>	<u>\$ 63,053,809</u>	<u>\$ 78,786,588</u>
<b>Business-Type Activities</b>				
Invested in capital assets, net of related debt	\$ 12,212,120	\$ 15,239,265	\$ 16,081,526	\$ 22,699,379
Restricted	-	-	-	-
Unrestricted	<u>252,098</u>	<u>(249,746)</u>	<u>(1,168,615)</u>	<u>(695,410)</u>
	<u>\$ 12,464,218</u>	<u>\$ 14,989,519</u>	<u>\$ 14,912,911</u>	<u>\$ 22,003,969</u>
Invested in capital assets, net of related debt	\$ 35,214,759	\$ 36,539,214	\$ 44,599,990	\$ 55,482,015
Restricted	2,697,058	7,468,002	9,280,423	11,065,409
Unrestricted	<u>20,073,059</u>	<u>20,911,810</u>	<u>24,085,307</u>	<u>34,243,133</u>
	<u>\$ 57,984,876</u>	<u>\$ 64,919,026</u>	<u>\$ 77,965,720</u>	<u>\$ 100,790,557</u>



BEAUFORT COUNTY, SOUTH CAROLINA  
CHANGES IN NET ASSETS  
LAST FOUR FISCAL YEARS

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
<u>Expenses</u>				
<b>Governmental Activities</b>				
General Government	\$ 23,749,085	\$ 19,299,507	\$ 20,435,569	\$ 23,243,294
Public Safety	29,561,663	32,383,389	35,659,419	39,033,433
Public Works	10,265,982	13,982,695	14,904,707	19,534,972
Public Health	6,244,613	6,864,153	7,343,920	7,836,966
Public Welfare	1,083,331	1,163,940	948,468	1,213,994
Cultural and recreation	6,897,218	7,809,386	8,628,664	10,964,080
Interest	<u>4,088,987</u>	<u>6,820,142</u>	<u>7,591,323</u>	<u>8,435,071</u>
Total governmental activities expenses	<u>81,890,879</u>	<u>88,323,212</u>	<u>95,512,070</u>	<u>110,261,810</u>
<b>Business-Type Activities</b>				
Garage	2,454,837	2,702,854	3,111,165	3,770,274
Stormwater	-	3,437,623	4,212,250	3,904,685
Lady's Island Airport	1,742,811	405,512	464,560	678,804
Hilton Head Airport	<u>3,863,545</u>	<u>1,505,316</u>	<u>1,632,968</u>	<u>1,801,388</u>
Total business-type expenses	<u>8,061,193</u>	<u>8,051,305</u>	<u>9,420,943</u>	<u>10,155,151</u>
Total government expenses	<u>\$ 89,952,072</u>	<u>\$ 96,374,517</u>	<u>\$ 104,933,013</u>	<u>\$ 120,416,961</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
CHANGES IN NET ASSETS  
LAST FOUR FISCAL YEARS

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
<u>Program Revenues</u>				
<u>Governmental Activities</u>				
Charges for services				
General government	\$ 7,419,083	\$ 9,264,212	\$ 11,811,709	\$ 15,892,733
Public Safety	6,777,391	5,762,904	6,850,467	8,885,678
Public Works	2,152,936	2,354,902	3,198,409	3,886,634
Public Health	329,203	284,451	327,663	398,718
Public Welfare	-	-	21,669	5,871
Cultural and Recreation	2,393,054	1,966,944	2,823,252	3,863,531
Operating grants and contributions	7,556,846	6,739,125	5,893,333	7,466,688
Capital grants and contributions	-	2,770,673	3,148,936	6,751,581
Total governmental activities program revenues	<u>26,628,513</u>	<u>29,143,211</u>	<u>34,075,438</u>	<u>47,151,434</u>
<u>Business-Type Activities</u>				
Charges for services				
Garage	2,454,761	2,665,716	3,108,261	3,746,682
Stormwater utility	3,674,636	3,930,774	4,207,825	4,529,385
Lady's Island Airport	422,192	346,964	471,341	772,380
Hilton Head Airport	1,994,035	1,107,416	1,076,508	1,119,330
Operating grants and contributions	-	157,085	171,894	247,021
Capital grants and contributions	19,785	2,337,140	240,806	5,595,366
Total business-type activities program revenues	<u>8,565,409</u>	<u>10,545,095</u>	<u>9,276,635</u>	<u>16,010,164</u>
Total government program revenues	<u>\$ 35,193,922</u>	<u>\$ 39,688,306</u>	<u>\$ 43,352,073</u>	<u>\$ 63,161,598</u>
<u>Net (Expense) / Revenue</u>				
Governmental Activities	\$ (55,262,366)	\$ (59,180,001)	\$ (61,436,632)	\$ (63,110,376)
Business-Type Activities	<u>504,216</u>	<u>2,493,790</u>	<u>(144,308)</u>	<u>5,855,013</u>
Total government net (expense) / revenue	<u>\$ (54,758,150)</u>	<u>\$ (56,686,211)</u>	<u>\$ (61,580,940)</u>	<u>\$ (57,255,363)</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
CHANGES IN NET ASSETS  
LAST FOUR FISCAL YEARS

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
<u>General Revenues and Other Changes in Net Assets</u>				
<u>Governmental Activities</u>				
Taxes	\$ 48,464,482	\$ 54,454,188	\$ 65,662,952	\$ 68,707,288
Grants and contributions not restricted	7,121,077	5,930,598	5,802,176	6,009,783
Unrestricted investment earnings	1,709,644	1,000,454	1,627,662	2,823,419
Miscellaneous	<u>606,578</u>	<u>647,994</u>	<u>1,467,144</u>	<u>1,303,665</u>
Total governmental activities	<u>57,901,781</u>	<u>62,033,234</u>	<u>74,559,934</u>	<u>78,844,155</u>
<u>Business-Type Activities</u>				
Taxes	-	-	-	-
Grants and contributions not restricted	-	-	-	1,164,820
Unrestricted investments earnings	46,820	31,511	63,721	71,225
Miscellaneous	<u>-</u>	<u>-</u>	<u>3,979</u>	<u>-</u>
Total business-type activities	<u>46,820</u>	<u>31,511</u>	<u>67,700</u>	<u>1,236,045</u>
Total government	<u>\$ 57,948,601</u>	<u>\$ 62,064,745</u>	<u>\$ 74,627,634</u>	<u>\$ 80,080,200</u>
<u>Changes in Net Assets</u>				
Governmental Activities	\$ 2,639,415	\$ 2,853,233	\$ 13,123,302	\$ 15,733,779
Business-Type Activities	<u>551,036</u>	<u>2,525,301</u>	<u>(76,608)</u>	<u>7,091,058</u>
Total government changes in net assets	<u>\$ 3,190,451</u>	<u>\$ 5,378,534</u>	<u>\$ 13,046,694</u>	<u>\$ 22,824,837</u>

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
General Fund				
Reserved	\$ 1,280,763	\$ 712,741	\$ 974,741	\$ 1,324,226
Unreserved	<u>2,767,765</u>	<u>4,437,859</u>	<u>10,820,609</u>	<u>19,043,267</u>
Total General Fund	<u>\$ 4,048,528</u>	<u>\$ 5,150,600</u>	<u>\$ 11,795,350</u>	<u>\$ 20,367,493</u>
All Other Governmental Funds				
Reserved	\$ 86,071,043	\$ 53,408,733	\$ 53,944,086	\$ 60,052,751
Unreserved, reported in:				
Special revenue funds	14,395,742	13,366,140	15,792,363	17,157,060
Debt service funds	-	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 100,466,785</u>	<u>\$ 66,774,873</u>	<u>\$ 69,736,449</u>	<u>\$ 77,209,811</u>
Total All Governmental Funds	<u>\$ 104,515,313</u>	<u>\$ 71,925,473</u>	<u>\$ 81,531,799</u>	<u>\$ 97,577,304</u>

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
<b>Revenues</b>				
Property taxes	\$ 48,464,482	\$ 54,454,188	\$ 65,483,466	\$ 68,227,384
Licenses and permits	5,976,258	5,919,147	8,462,749	14,256,278
Intergovernmental	14,677,923	20,564,296	22,138,156	20,228,052
Charges for services	12,079,962	12,497,195	15,458,622	17,505,824
Fines and forfeitures	1,015,447	1,217,071	1,111,798	1,171,063
Interest	1,709,644	1,000,454	1,627,662	2,823,419
Miscellaneous	<u>606,578</u>	<u>647,994</u>	<u>4,339,915</u>	<u>1,441,311</u>
<b>Total revenues</b>	<u>84,530,294</u>	<u>96,300,345</u>	<u>118,622,368</u>	<u>125,653,331</u>
<b>Expenditures</b>				
General government	20,982,726	22,302,782	24,944,004	19,888,965
Public Safety	28,612,042	30,331,140	32,348,721	34,439,442
Public Works	11,199,052	17,476,169	17,833,904	19,210,085
Public Health	6,364,701	6,717,971	7,131,096	7,703,359
Public Wealth	927,958	1,054,705	948,468	1,213,994
Cultural and Recreation	6,290,212	6,536,270	7,082,111	7,729,719
Debt service-principal	5,290,000	20,040,000	5,285,000	5,665,000
Debt service-interest and fees	4,086,293	5,909,905	7,100,535	7,870,542
Capital projects	<u>23,330,377</u>	<u>42,201,243</u>	<u>36,842,203</u>	<u>30,886,720</u>
<b>Total expenditures</b>	<u>107,083,361</u>	<u>152,570,185</u>	<u>139,516,042</u>	<u>134,607,826</u>
<b>Excess of revenues over (under) expenditures</b>	(22,553,067)	(56,269,840)	(20,893,674)	(8,954,495)
<b>Other financing sources (uses)</b>				
Bond proceeds	65,500,000	23,680,000	30,500,000	25,000,000
Operating transfers in	14,828,793	13,319,300	8,916,943	11,231,560
Operating transfers out	<u>(14,828,793)</u>	<u>(13,319,300)</u>	<u>(8,916,943)</u>	<u>(11,231,560)</u>
<b>Total other financing sources (uses)</b>	<u>65,500,000</u>	<u>23,680,000</u>	<u>30,500,000</u>	<u>25,000,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ 42,946,933</u>	<u>\$ (32,589,840)</u>	<u>\$ 9,606,326</u>	<u>\$ 16,045,505</u>

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

Fiscal Year	Real Property			Personal Property			Totals	
	Assessed Value	Market Value		Assessed Value	Market Value		Assessed Value	Market Value
1997	\$ 369,142,611	\$ 6,591,832,340	5.60%	\$ 114,501,987	\$ 1,090,495,112	10.50%	\$ 483,644,598	\$ 7,682,327,452
1998	387,874,256	7,182,856,592	5.40%	139,829,470	1,331,709,238	10.50%	527,703,726	8,514,565,830
1999	593,682,975	12,368,395,312	4.80%	125,016,989	1,190,637,990	10.50%	718,699,964	13,559,033,302
2000	615,986,525	12,927,605,644	4.76%	137,827,004	1,344,653,698	10.25%	753,813,529	14,272,259,342
2001	621,274,881	12,059,025,117	5.15%	174,822,349	1,732,629,822	10.09%	796,097,230	13,791,654,939
2002	708,384,471	14,171,046,525	5.00%	148,572,971	1,490,798,424	9.97%	856,957,442	15,661,844,949
2003	712,511,246	14,219,019,560	5.01%	170,011,192	1,719,021,153	9.89%	882,522,438	15,938,040,713
2004	740,613,636	15,649,673,497	4.73%	184,242,061	1,897,765,656	9.71%	924,855,697	17,547,439,153
2005	1,354,125,807	27,588,978,918	4.91%	184,286,675	1,911,616,663	9.64%	1,538,412,482	29,500,595,581
2006	1,342,243,568	27,504,991,147	4.88%	162,980,756	2,029,648,269	8.03%	1,505,224,324	29,534,639,416

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>County-Wide Levies</u>										
County-Operations	39.6	38.6	32.6	36.3	36.0	35.2	40.1	42.9	32.7	33.7
County-Debt Service	9.7	9.4	6.8	7.2	7.2	7.2	7.2	7.2	5.4	5.4
County-Capital Improvement Program	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	4.5	4.5
County-Purchase of Real Property Program	-	1.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
School-Operations	99.4	97.5	75.7	86.7	96.7	97.6	107.0	108.2	75.2	77.5
School-Debt Service	27.4	30.6	23.8	21.7	23.1	22.2	22.2	22.2	19.0	19.0
Indigent Health Care	2.3	2.4	1.8	1.9	2.0	2.0	2.0	2.0	1.5	1.5
Continuing Education	1.9	2.0	1.5	4.2	4.0	4.0	4.0	4.0	3.0	3.0
<u>Municipal Levies</u>										
City of Beaufort	91.0	91.0	68.9	68.9	68.4	68.4	73.4	73.4	55.8	55.8
Town of Port Royal	99.5	99.5	85.0	85.0	85.0	85.0	85.0	85.0	85.0	78.0
Town of Bluffton	67.0	67.0	49.0	49.0	49.0	49.0	49.0	49.0	42.0	42.0
Town of Hilton Head	41.3	41.3	30.5	30.5	30.5	31.0	31.0	31.0	22.3	19.0
Town of Yemassee	65.0	65.0	65.0	65.0	68.0	68.0	68.0	68.0	68.0	68.0
<u>Fire Levies</u>										
Burton Fire-Operations	44.6	44.6	42.1	46.3	48.5	49.5	57.9	61.9	49.6	51.9
Burton Fire-Debt Service	5.9	5.9	6.5	6.6	6.0	6.0	6.0	6.0	4.6	6.0
Bluffton Fire-Operation	23.0	23.0	20.1	21.5	20.5	21.5	22.5	25.5	17.9	19.5
Bluffton Fire-Debt Service	0.5	0.5	0.3	0.8	0.6	0.6	0.6	0.6	0.7	0.7
Daufuskie Island Fire-Operations	32.2	32.2	34.3	36.8	40.5	40.5	42.5	47.5	27.9	29.7
Daufuskie Island Fire-Debt Service	-	4.0	4.4	4.9	4.7	4.7	4.7	4.7	2.6	2.6
Lady's Island/St. Helena-Operations	30.5	30.5	22.2	24.8	25.7	26.7	31.9	35.1	27.1	28.9
Lady's Island/St. Helena-Debt Service	2.2	2.2	3.5	3.0	2.1	2.1	2.1	3.5	1.4	1.4
Sheldon Fire-Operations	32.4	32.4	25.8	26.8	30.6	32.6	37.0	39.9	29.6	34.9
Sheldon Fire-Debt Services	4.6	4.6	3.3	3.3	2.6	2.6	2.6	2.6	2.3	2.5

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

Fiscal Year	Total Levy <sup>(1)</sup>	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections <sup>(2)</sup>	Total Collections As Percent of Levy
1997	\$ 28,921,947	\$ 27,026,961	93.5%	\$ 1,639,120	99.1%
1998	31,345,601	28,886,985	92.2%	1,991,148	98.5%
1999	34,853,858	32,481,388	93.2%	1,996,436	98.9%
2000	40,349,066	37,255,451	92.3%	3,566,048	101.1%
2001	41,934,211	39,267,259	93.6%	3,128,566	101.1%
2002	43,559,515	40,870,579	93.8%	2,337,525	99.2%
2003	47,656,212	45,147,129	94.7%	3,317,353	101.4%
2004	53,641,630	50,203,062	93.6%	4,251,126	101.5%
2005	63,554,010	60,416,187	95.1%	3,438,851	100.5%
2006	66,885,604	62,744,316	93.8%	3,426,155	98.9%

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes collections of penalties as established by state statutes.



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

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Value</u>	<u>General Obligation Bonds</u>	<u>TIF Revenue Bonds and BAN</u>	<u>Total County Debt</u>	<u>Less:Debt Service Funds</u>	<u>Net County Debt</u>	<u>Ratio of Net County Debt to Assessed value</u>	<u>Net County Debt Per Capita</u>
1997	102,732	\$ 483,644,598	\$ 32,105,000	\$ -	\$ 32,105,000	\$ 35,862	\$ 32,069,138	6.63%	312.16
1998	105,300	527,703,726	27,790,000	-	27,790,000	191,684	27,598,316	5.23%	262.09
1999	107,932	718,699,964	33,725,000	-	33,725,000	530,266	33,194,734	4.62%	307.55
2000	110,630	753,813,529	40,325,000	-	40,325,000	1,264,403	39,060,597	5.18%	353.07
2001	120,937	796,097,230	56,685,000	-	56,685,000	1,625,423	55,059,577	6.92%	455.27
2002	123,960	856,957,442	80,790,000	-	80,790,000	1,251,544	79,538,456	9.28%	641.65
2003	127,060	882,522,438	86,000,000	55,000,000	141,000,000	3,907,851	137,092,149	15.53%	1,078.96
2004	130,260	924,855,697	80,960,000	63,680,000	144,640,000	7,682,002	136,957,998	14.81%	1,051.42
2005	133,520	1,538,412,482	106,175,000	63,680,000	169,855,000	9,280,423	160,574,577	10.44%	1,202.63
2006	136,860	1,505,224,324	100,645,000	88,545,000	189,190,000	11,065,409	178,124,591	11.83%	1,301.51

BEAUFORT COUNTY, SOUTH CAROLINA  
 COMPUTATION OF LEGAL DEBT MARGIN  
 JUNE 30, 2006

Assessed Value - 2005 Tax Year (Fiscal Year 2006)	\$ 1,505,224,324
	<u>          x 8%</u>
Constitutional Debt Limit	120,417,946
Outstanding Subject to Debt Limit <sup>(1)</sup>	<u>58,760,294</u>
 Legal Debt Limit Remaining Without a Referendum	 <u>\$ 61,657,652</u>

<sup>(1)</sup> Total outstanding debt	\$ 100,645,000
Less debt issued under referendum	(37,296,471)
Less debt issued paid by other sources	<u>(4,588,235)</u>
Total outstanding debt subject to debt limit	<u>\$ 58,760,294</u>

BEAUFORT COUNTY, SOUTH CAROLINA  
 COMPUTATION OF OVERLAPPING GENERAL OBLIGATION DEBT  
 JUNE 30, 2006

	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Beaufort County</u>	<u>Amount Applicable to Beaufort County</u>
Beaufort County School District	\$ 273,740,000	100%	\$ 273,740,000
City of Beaufort	-	100%	-
Town of Hilton Head	71,240,000	100%	71,240,000
Town of Port Royal	800,000	100%	800,000
Broad Creek Public Service District	6,380,000	100%	6,380,000
South Beach Public Service District	170,000	100%	170,000
Fripp Island Public Service District	481,410	100%	481,410
Hilton Head No. 1 Public Service District	275,000	100%	275,000
Bluffton Fire District	1,884,174	100%	1,884,174
Burton Fire District	2,105,267	100%	2,105,267
Daufuskie Island Fire District	159,712	100%	159,712
Lady's Island/St. Helena Island Fire District	854,783	100%	854,783
Sheldon Fire District	<u>253,735</u>	100%	<u>253,735</u>
Total	<u>\$ 358,344,081</u>		<u>\$ 358,344,081</u>