

**County Council
of Beaufort County
South Carolina**



**Beaufort County Library
at Bluffton**

**Comprehensive Annual
Financial Report**

For The Year Ended June 30, 2007

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

June 30, 2007

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, 2007**

COUNTY COUNCIL

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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, 2007
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INTRODUCTORY SECTION



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

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

Presented herein is the Comprehensive Annual Financial Report (CAFR) of Beaufort County, South Carolina for the fiscal year ended June 30, 2007. This report has been prepared by the County's Finance Department, and the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs are included.

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 1996, 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 140,966 in 2007, 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, and Habersham and throughout the city of Beaufort, as well as the Town of Port Royal.

Beaufort County is also the location for three major military installations, the U.S. Marine Corps Recruit Depot located at Parris Island, the Marine Corps Air Station-Beaufort, and the Beaufort Naval Hospital. These locations have benefited by the Department of Defense closing certain other military bases in the nation. 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 \$1,891,099 for these projects during fiscal year 2007. These projects were completed in the fall of 2006.

In December 2006, the County issued bonds for \$30,000,000 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. 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 \$16,801,661 for this project during fiscal year 2007. This project was completed in early 2008.

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

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, 2007, Beaufort County had seven outstanding general obligation bond issues, totaling \$141,670,000. 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, 2007 was tax incremental financing revenue bonds totaling \$63,190,000. 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 \$240,588.

Additionally, the Hilton Head Airport enterprise fund has an outstanding loan for \$382,191. This loan is to be repaid through this enterprise fund.

CAPITAL ASSETS

The County's capital assets include those capital assets used in the performance of general government functions and exclude the capital assets of the enterprise funds. As of June 30, 2007 the capital assets of the reporting entity, amounted to \$238,676,158. This amount represents the original or estimated cost for the assets and it is considerably more 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

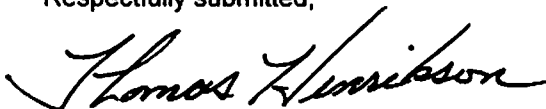
State statutes require an annual audit by independent certified public accountants or independent public accountants. The accounting firm of Elliott Davis, LLC was selected by County Council. In addition to meeting the requirements set forth in the statutes, the audit also was designed to meet the requirements 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, and the aggregate remaining fund information of Beaufort County (the County) as of and for the year ended June 30, 2007 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 opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County as of June 30, 2007, 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 and nonmajor 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 December 8, 2008 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.

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 County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, general, debt service, and capital project 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 accompanying schedule of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Beaufort County, South Carolina. The combining and individual 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.

Ellitt Davis, LLC

Columbia, South Carolina
December 8, 2008

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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, 2007. 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, 2007 by \$136,053,926 (net assets). Of this amount \$40,535,511 (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 \$21,943,263 during the fiscal year ended June 30, 2007 with a \$20,819,021 increase resulting from governmental activities and a \$1,124,242 increase resulting from business type activities.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$19,553,774, or approximately twenty-four percent of the general fund expenditures and transfers.
- Beaufort County's capital assets increased by \$29,158,485 during the current fiscal year. The increase in governmental activities capital assets of \$28,370,900 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 \$787,585 was the result of the purchase of construction equipment for the Stormwater Utility and 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, 2007. 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, 2007**

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 39 through 59 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 \$136,053,926 as of June 30, 2007.

Of this amount, \$76,823,309 (approximately 56%) reflects the County's investment in capital assets (land, buildings and equipment), less any related debt used to acquire those assets that is still outstanding. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the debt. An additional portion of the County's net assets, \$18,695,106 (approximately 14%), represents resources that are restricted to the repayment of the County's bonded indebtedness. The remaining balance of unrestricted net assets, \$40,535,511 (approximately 30%), 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, 2007

Beaufort County's Net Assets
June 30, 2007 and 2006

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u> <u>(As Restated)</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u> <u>(As Restated)</u>
Current and other assets	\$ 124,774,702	\$ 112,735,903	\$ 2,841,689	\$ 89,800	\$ 127,616,391	\$ 112,825,703
Capital assets	<u>214,629,701</u>	<u>186,258,801</u>	<u>24,046,457</u>	<u>23,258,872</u>	<u>238,676,158</u>	<u>209,517,673</u>
Total assets	<u>\$ 339,404,403</u>	<u>\$ 298,994,704</u>	<u>\$ 26,888,146</u>	<u>\$ 23,348,672</u>	<u>\$ 366,292,549</u>	<u>\$ 322,343,376</u>
Long-term liabilities	\$ 200,391,194	\$ 160,365,066	\$ 195,847	\$ 382,191	\$ 200,587,041	\$ 160,747,257
Other liabilities	<u>26,087,494</u>	<u>46,502,153</u>	<u>3,564,088</u>	<u>962,512</u>	<u>29,651,582</u>	<u>47,464,665</u>
Total liabilities	<u>\$ 226,478,688</u>	<u>\$ 206,867,219</u>	<u>\$ 3,759,935</u>	<u>\$ 1,344,703</u>	<u>\$ 230,238,623</u>	<u>\$ 208,211,922</u>
Net assets:						
Invest in capital assets						
Net of related debt	\$ 52,776,852	\$ 43,490,792	\$ 24,046,457	\$ 22,699,379	\$ 76,823,309	\$ 66,190,171
Restricted	18,695,106	13,793,208	-	-	18,695,106	13,793,208
Unrestricted	<u>41,453,757</u>	<u>34,843,485</u>	<u>(918,246)</u>	<u>(695,410)</u>	<u>40,535,511</u>	<u>34,148,075</u>
	<u>\$ 112,925,715</u>	<u>\$ 92,127,485</u>	<u>\$ 23,128,211</u>	<u>\$ 22,003,969</u>	<u>\$ 136,053,926</u>	<u>\$ 114,131,454</u>

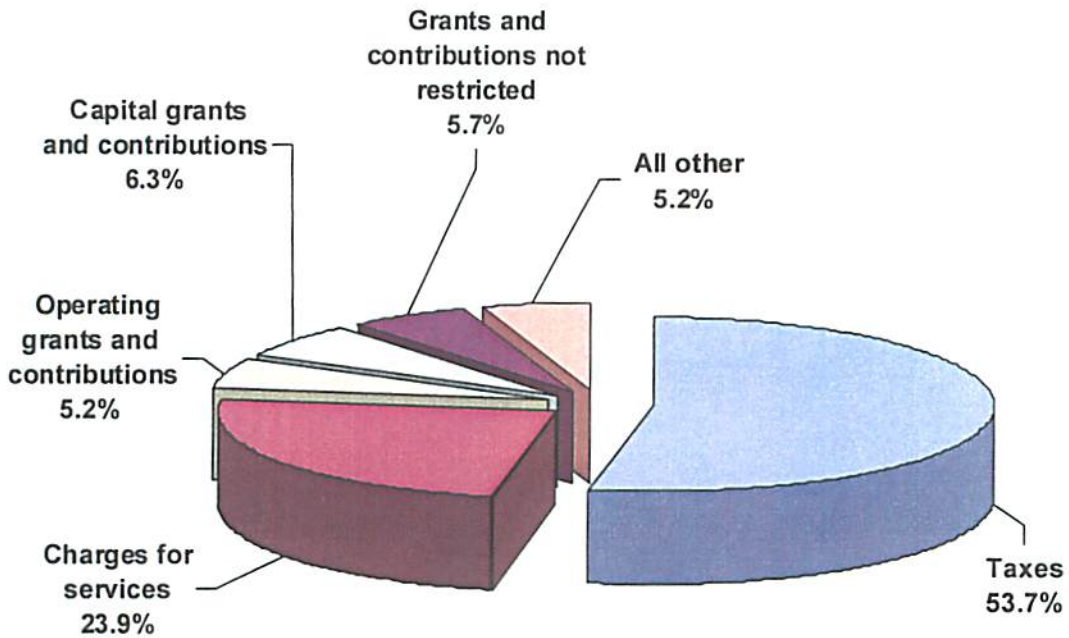
The County's net assets increased by \$21,943,263 during the fiscal year.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

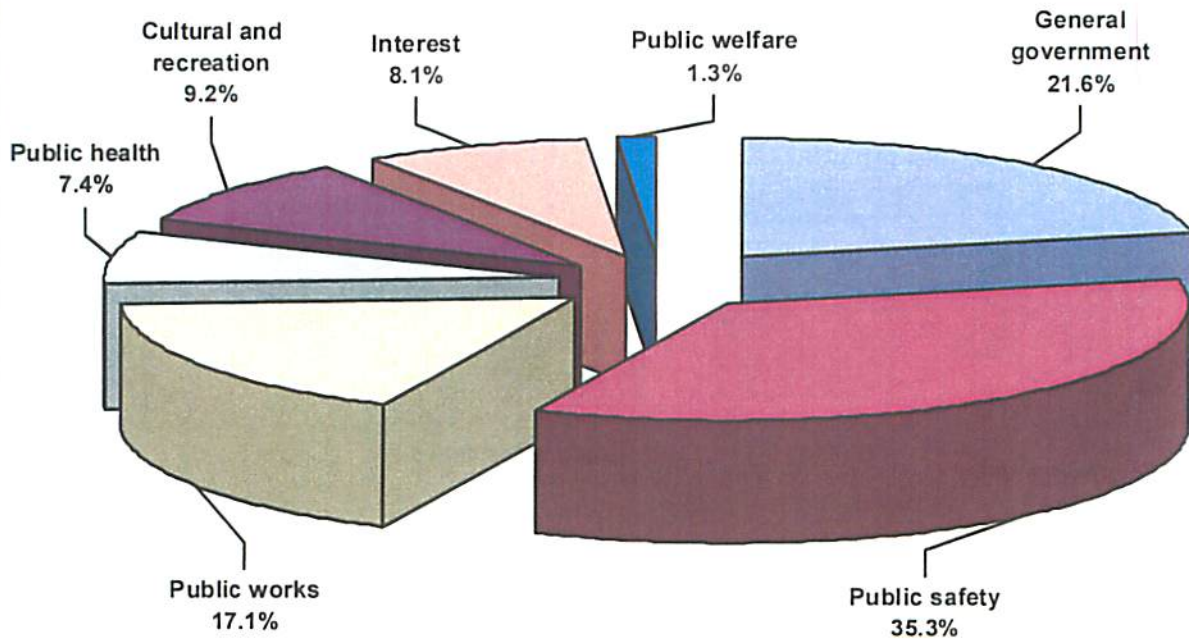
**Beaufort County's Changes in Net Assets
For the Fiscal Years Ended June 30, 2007 and 2006**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program Revenues:						
Charges for service	\$ 32,302,521	\$ 32,933,165	\$ 8,887,802	\$ 10,167,777	\$ 41,190,323	\$ 43,100,942
Operating grants and contributions	6,980,330	7,466,688	219,079	247,021	7,199,409	7,713,709
Capital grants and contributions	8,567,228	6,751,581	1,334,933	5,595,366	9,902,161	12,346,947
General Revenues:						
Property taxes	72,584,375	68,707,288	-	-	72,584,375	68,707,288
Grants and contributions	7,719,639	6,009,783	-	1,164,820	7,719,639	7,174,603
Unrestricted investment earnings	4,179,902	2,823,419	174,319	71,225	4,354,221	2,894,644
Miscellaneous	<u>2,838,808</u>	<u>1,303,665</u>	<u>4,320</u>	<u>-</u>	<u>2,843,128</u>	<u>1,303,665</u>
Total revenues	<u>135,172,803</u>	<u>125,995,589</u>	<u>10,620,453</u>	<u>17,246,209</u>	<u>145,793,256</u>	<u>143,241,798</u>
Program Expenses						
Governmental Activities:						
General government	24,863,032	23,243,294	-	-	24,863,032	23,243,294
Public safety	40,322,590	39,033,433	-	-	40,322,590	39,033,433
Public works	19,507,135	19,534,972	-	-	19,507,135	19,534,972
Public health	8,434,863	7,836,966	-	-	8,434,863	7,836,966
Public welfare	1,460,053	1,213,994	-	-	1,460,053	1,213,994
Cultural and recreation	10,527,430	10,964,080	-	-	10,527,430	10,964,080
Interest	9,238,679	8,435,071	-	-	9,238,679	8,435,071
Business-type Activities:						
Garage	-	-	4,186,346	3,770,274	4,186,346	3,770,274
Stormwater utility	-	-	2,528,367	3,904,685	2,528,367	3,904,685
Lady's Island Airport	-	-	673,942	678,804	673,942	678,804
Hilton Head Airport	-	-	<u>2,107,556</u>	<u>1,801,388</u>	<u>2,107,556</u>	<u>1,801,388</u>
Total expenses	<u>114,353,782</u>	<u>110,261,810</u>	<u>9,496,211</u>	<u>10,155,151</u>	<u>123,849,993</u>	<u>120,416,961</u>
Excess revenues over expenses	20,819,021	15,733,779	1,124,242	7,091,058	21,943,263	22,824,837
Net Assets, beginning	<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>
Prior Period Adjustment	13,320,106				13,320,106	
Net Assets, beginning, as restated	<u>92,106,694</u>		<u>22,003,969</u>		<u>114,110,663</u>	
Net Assets, ending	\$ <u>112,925,715</u>	\$ <u>78,786,588</u>	\$ <u>23,128,211</u>	\$ <u>22,003,969</u>	\$ <u>136,053,926</u>	\$ <u>100,790,557</u>

Revenues by Source - Governmental Activities

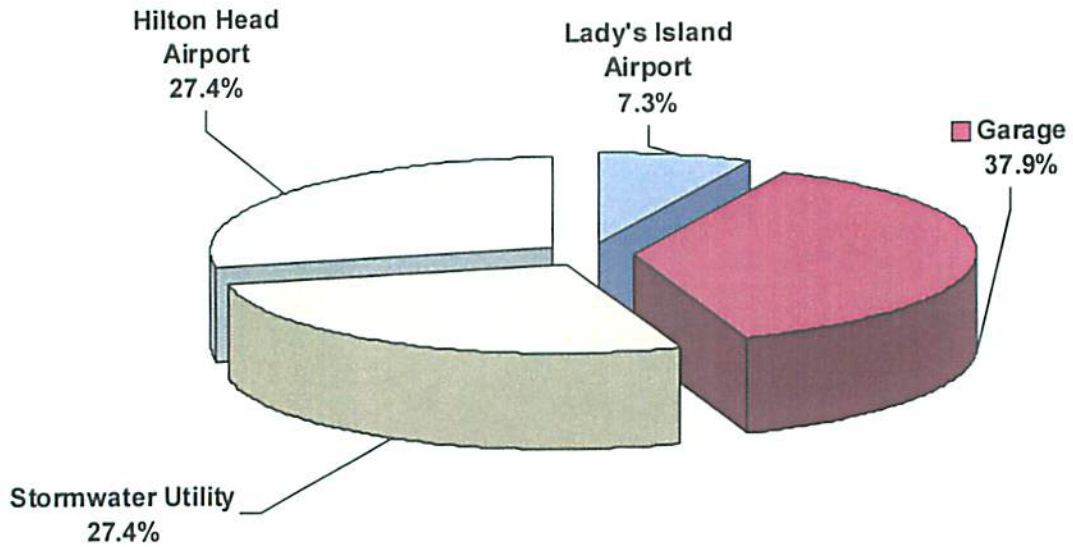


Expenses by Program - Governmental Activities

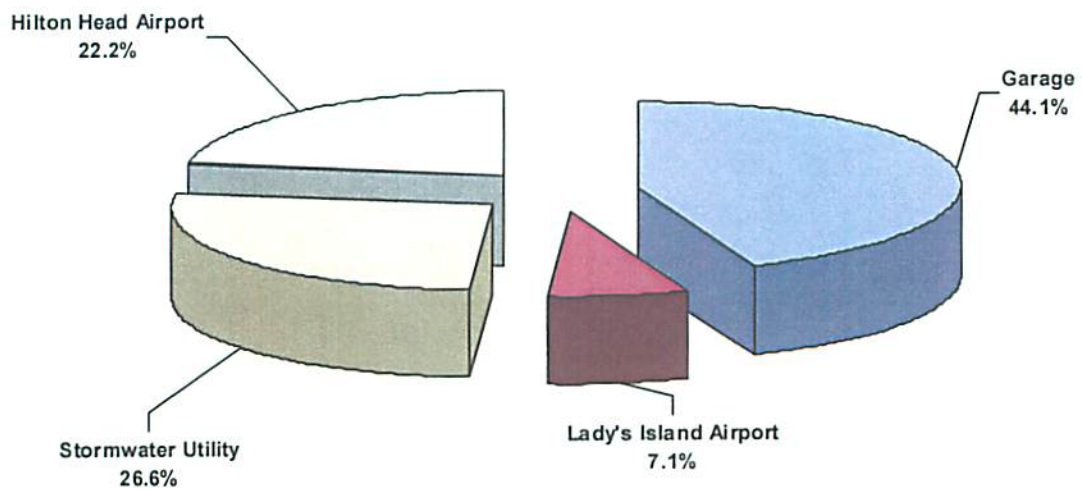


BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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, 2007

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 \$108,631,798 an increase of \$8,442,544 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 \$21,642,520 of which \$2,088,746 was reserved for encumbrances and carry forwards. As a measure of the general fund's liquidity, a comparison is made of both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 24% of total general fund expenditures and transfers, while total fund balance represents approximately 27% 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, 2007 was \$238,676,158 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

Long-term debt – Beaufort County had \$205,482,779 of total long-term debt outstanding as of June 30, 2007. This amount increased by \$15,463,360 during this fiscal year as a result of the issuance of \$47,500,000 general obligation bonds less the amount of \$32,036,640 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.

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BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2007

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets:			
Cash and equity in pooled cash and investments	\$ 108,082,457	\$ 1,176,079	\$ 109,258,536
Receivables, net	7,417,659	1,382,977	8,800,636
Due from other governments	5,926,684	-	5,926,684
Due from proprietary funds	2,475,109	(2,475,109)	-
Notes receivable	45,000	-	45,000
Inventories	-	210,907	210,907
Prepaid expenditures	827,793	71,726	899,519
	<u>124,774,702</u>	<u>366,580</u>	<u>125,141,282</u>
Capital Assets:			
Non-depreciable	83,928,775	13,866,292	97,795,067
Depreciable	130,700,926	10,180,165	140,881,091
	<u>214,629,701</u>	<u>24,046,457</u>	<u>238,676,158</u>
Total Assets	<u>339,404,403</u>	<u>24,413,037</u>	<u>363,817,440</u>
LIABILITIES			
Liabilities:			
Accounts payable	8,454,544	753,137	9,207,681
Accrued payroll	3,033,066	149,498	3,182,564
Accrued interest payable	3,075,447	-	3,075,447
Current portion of long term debt	7,270,000	186,344	7,456,344
Due to others	4,248,815	-	4,248,815
Deferred revenues	5,622	-	5,622
	<u>26,087,494</u>	<u>1,088,979</u>	<u>27,176,473</u>
Long term Liabilities:			
Accrued compensated absences	2,560,606	-	2,560,606
Long-term obligations	197,830,588	195,847	198,026,435
	<u>200,391,194</u>	<u>195,847</u>	<u>200,587,041</u>
Total Liabilities	<u>226,478,688</u>	<u>1,284,826</u>	<u>227,763,514</u>
NET ASSETS			
Invested in capital assets, net of related debt	52,776,852	24,046,457	76,823,309
Restricted for debt service	18,695,106	-	18,695,106
Unrestricted fund balances (deficits)	41,453,757	(918,246)	40,535,511
Total Net Assets	<u>\$ 112,925,715</u>	<u>\$ 23,128,211</u>	<u>\$ 136,053,926</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, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 24,863,032	\$ 14,964,925	\$ 922,699	\$ 1,250,000
Public Safety	40,322,590	8,423,902	556,871	551,202
Public Works	19,507,135	5,678,226	264,123	6,766,026
Public Health	8,434,863	407,968	4,241,703	-
Public Welfare	1,460,053	9,725	368,503	-
Cultural and Recreation	10,527,430	2,817,775	626,431	-
Interest	9,238,679	-	-	-
Total Governmental Activities	114,353,782	32,302,521	6,980,330	8,567,228
Business-type Activities				
Garage	4,186,346	4,016,829	-	-
Stormwater Utility	2,528,367	2,880,264	-	-
Lady's Island Airport	673,942	676,061	-	99,209
Hilton Head Airport	2,107,556	1,314,648	219,079	1,235,724
Total Business-type Activities	9,496,211	8,887,802	219,079	1,334,933
Total	\$ 123,849,993	\$ 41,190,323	\$ 7,199,409	\$ 9,902,161

General Revenues

Taxes

Grants and Contributions Not Restricted

Unrestricted Investment Earnings

Miscellaneous

Total General Revenues and Transfers

Change in Net Assets

Net Assets, Beginning

Prior Period Adjustment

Net Assets, Beginning, as Restated

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
\$ (7,725,408)	\$ -	\$ (7,725,408)
(30,790,615)	-	(30,790,615)
(6,798,760)	-	(6,798,760)
(3,785,192)	-	(3,785,192)
(1,081,825)	-	(1,081,825)
(7,083,224)	-	(7,083,224)
<u>(9,238,679)</u>	-	<u>(9,238,679)</u>
<u>(66,503,703)</u>	-	<u>(66,503,703)</u>
-	(169,517)	(169,517)
-	351,897	351,897
-	101,328	101,328
-	<u>661,895</u>	<u>661,895</u>
-	<u>945,603</u>	<u>945,603</u>
<u>\$ (66,503,703)</u>	<u>\$ 945,603</u>	<u>\$ (65,558,100)</u>
\$ 72,584,375	\$ -	\$ 72,584,375
7,719,639	-	7,719,639
4,179,902	174,319	4,354,221
<u>2,838,808</u>	<u>4,320</u>	<u>2,843,128</u>
<u>87,322,724</u>	<u>178,639</u>	<u>87,501,363</u>
20,819,021	1,124,242	21,943,263
<u>78,786,588</u>	<u>22,003,969</u>	<u>100,790,557</u>
13,320,106	-	13,320,106
<u>92,106,694</u>	<u>22,003,969</u>	<u>114,110,663</u>
<u>\$ 112,925,715</u>	<u>\$ 23,128,211</u>	<u>\$ 136,053,926</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	<u>General</u>	County Wide General Obligation Bonds	Bluffton Parkway Bonds	2006 General Obligation Bond Projects
<u>ASSETS</u>				
Cash and equity in pooled cash and investments	\$ 21,050,010	\$ 932,910	\$ 615,000	\$ 14,913,964
Receivables, net	3,288,662	206,781	-	-
Due from other governments	4,704,168	-	-	-
Due from proprietary funds	2,475,109	-	-	-
Notes receivable	45,000	-	-	-
Prepaid expenditures	<u>827,622</u>	-	-	-
Total assets	<u>\$ 32,390,571</u>	<u>\$ 1,139,691</u>	<u>\$ 615,000</u>	<u>\$ 14,913,964</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 3,687,382	\$ -	\$ -	\$ 270,395
Accrued payroll	2,767,787	-	-	-
Due to others	3,963,372	-	-	-
Deferred property tax revenue	329,510	47,851	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>10,748,051</u>	<u>47,851</u>	<u>-</u>	<u>270,395</u>
Fund Equity:				
Reserved for encumbrances and carry forwards	2,088,746	-	-	83,839
Reserved for capital projects	-	-	-	14,559,730
Reserved for debt service	-	1,091,840	615,000	-
Unreserved fund balances	<u>19,553,774</u>	-	-	-
Total Fund Equity	<u>21,642,520</u>	<u>1,091,840</u>	<u>615,000</u>	<u>14,643,569</u>
Total Liabilities and Fund Equity	<u>\$ 32,390,571</u>	<u>\$ 1,139,691</u>	<u>\$ 615,000</u>	<u>\$ 14,913,964</u>

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

<u>Bluffton Parkway Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 10,802,134	\$ 59,768,439	\$ 108,082,457
-	3,922,216	7,417,659
-	1,222,516	5,926,684
-	-	2,475,109
-	-	45,000
-	171	827,793
<u>\$ 10,802,134</u>	<u>\$ 64,913,342</u>	<u>\$ 124,774,702</u>
\$ 2,209,126	\$ 2,287,641	\$ 8,454,544
-	265,279	3,033,066
-	285,443	4,248,815
-	23,496	400,857
-	5,622	5,622
<u>2,209,126</u>	<u>2,867,481</u>	<u>16,142,904</u>
8,579,370	2,244,311	12,996,266
13,638	17,477,676	32,051,044
-	15,954,707	17,661,547
-	26,369,167	45,922,941
<u>8,593,008</u>	<u>62,045,861</u>	<u>108,631,798</u>
<u>\$ 10,802,134</u>	<u>\$ 64,913,342</u>	<u>\$ 124,774,702</u>

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2007

Total governmental fund balances (Exhibit 3)	\$ 108,631,798
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	214,629,701
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred in governmental funds property taxes	400,857
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	(3,075,447)
current portion of long term debt	(7,270,000)
accrued compensated absences	(2,560,606)
long-term obligations	<u>(197,830,588)</u>
Net assets of governmental activities	<u>\$ 112,925,715</u>

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

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BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2007

	General	County Wide General Obligation Bonds	Bluffton Parkway Bonds	2006 General Obligation Bond Projects
Revenues				
Taxes	\$ 55,872,654	\$ 8,123,407	\$ -	\$ -
Licenses and Permits	4,879,471	-	-	-
Intergovernmental	7,813,256	169,987	-	-
Charges for Services	11,643,392	-	-	-
Fines and Forfeitures	1,150,081	-	-	-
Interest	1,336,688	63,117	-	424,077
Miscellaneous	1,561,330	55,176	740,000	-
Total Revenues	<u>84,256,872</u>	<u>8,411,687</u>	<u>740,000</u>	<u>424,077</u>
Expenditures				
General Government	18,956,722	-	-	-
Public Safety	35,583,070	-	-	-
Public Works	15,434,287	-	-	-
Public Health	2,731,723	-	-	-
Public Welfare	867,699	-	-	-
Cultural and Recreation	7,938,119	-	-	-
Debt Service - Principal	-	6,475,000	25,000,000	-
Debt Service - Interest and Fees	-	5,078,617	1,125,000	-
Capital Projects	-	-	-	1,808,364
Total Expenditures	<u>81,511,620</u>	<u>11,553,617</u>	<u>26,125,000</u>	<u>1,808,364</u>
Excess of Revenues Over (Under) Expenditures	2,745,252	(3,141,930)	(25,385,000)	(1,384,287)
Other Financing Sources (Uses)				
Bond Proceeds	-	-	25,000,000	17,527,856
Operating Transfers In	455,547	2,949,818	1,000,000	-
Operating Transfers Out	(1,848,341)	-	-	(1,500,000)
Total Other Financing Sources (Uses)	<u>(1,392,794)</u>	<u>2,949,818</u>	<u>26,000,000</u>	<u>16,027,856</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,352,458	(192,112)	615,000	14,643,569
Fund Balance at the Beginning of the Year	<u>20,367,493</u>	<u>1,301,579</u>	<u>-</u>	<u>-</u>
Prior Period Adjustment	(77,431)	(17,627)	-	-
Fund Balance at the Beginning of the Year, as Restated	<u>20,290,062</u>	<u>1,283,952</u>	<u>-</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ 21,642,520</u>	<u>\$ 1,091,840</u>	<u>\$ 615,000</u>	<u>\$ 14,643,569</u>

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

Bluffton Parkway Project	Nonmajor Governmental Funds	Totals Governmental Funds
\$ -	\$ 8,846,938	\$ 72,842,999
-	10,402,976	15,282,447
-	15,283,954	23,267,197
-	3,932,900	15,576,292
	293,701	1,443,782
265,347	1,910,389	3,999,618
-	555,861	2,912,367
<u>265,347</u>	<u>41,226,719</u>	<u>135,324,702</u>
-	2,766,935	21,723,657
-	2,586,547	38,169,617
-	3,819,924	19,254,211
-	6,076,623	8,808,346
-	472,577	1,340,276
-	776,530	8,714,649
-	355,000	31,830,000
-	3,135,962	9,339,579
<u>16,801,661</u>	<u>16,771,991</u>	<u>35,382,016</u>
<u>16,801,661</u>	<u>36,762,089</u>	<u>174,562,351</u>
(16,536,314)	4,464,630	(39,237,649)
5,152,337	-	47,680,193
-	5,945,599	10,350,964
-	(7,002,623)	(10,350,964)
<u>5,152,337</u>	<u>(1,057,024)</u>	<u>47,680,193</u>
(11,383,977)	3,407,606	8,442,544
<u>19,976,985</u>	<u>55,931,247</u>	<u>97,577,304</u>
-	2,707,008	2,611,950
<u>19,976,985</u>	<u>58,638,255</u>	<u>100,189,254</u>
<u>\$ 8,593,008</u>	<u>\$ 62,045,861</u>	<u>\$ 108,631,798</u>

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, 2007

Total net change in fund balances - governmental funds (Exhibit 4) \$ 8,442,544

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	38,139,018
depreciation	(9,694,559)

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	(73,559)
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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

decrease in deferred property taxes	(258,533)
-------------------------------------	-----------

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	(47,680,193)
premium on issuance of long-term bonds	180,193
bond principal payments	31,830,000
capital lease principal payments	29,338

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

decrease in accrued interest	100,900
increase in accrued compensated absences	(196,128)

Change in net assets of governmental activities \$ 20,819,021

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, 2007

	GENERAL			Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 55,694,240	\$ 55,694,240	\$ 55,872,654	\$ 178,414
Licenses and Permits	6,502,456	6,502,456	4,879,471	(1,622,985)
Intergovernmental	7,368,694	7,368,694	7,813,256	444,562
Charges for Services	12,327,407	12,227,407	11,643,392	(584,015)
Fines and Forfeitures	686,500	786,500	1,150,081	363,581
Interest	512,000	512,000	1,336,688	824,688
Miscellaneous	245,600	245,600	1,561,330	1,315,730
Total Revenues	83,336,897	83,336,897	84,256,872	919,975
Expenditures				
General Government	21,079,156	20,775,340	18,956,722	1,818,618
Public Safety	38,145,440	38,113,587	35,583,070	2,530,517
Public Works	17,162,790	17,262,209	15,434,287	1,827,922
Public Health	2,956,613	2,977,881	2,731,723	246,158
Public Welfare	923,854	927,700	867,699	60,001
Cultural and Recreation	8,243,029	8,370,352	7,938,119	432,233
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	-	-	-	-
Total Expenditures	88,510,882	88,427,069	81,511,620	6,915,449
Excess of Revenues Over (Under) Expenditures	(5,173,985)	(5,090,172)	2,745,252	7,835,424
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Transfer In	457,500	457,500	455,547	(1,953)
Transfer Out	(2,134,714)	(2,311,527)	(1,848,341)	463,186
Total Other Financing Sources (Uses)	(1,677,214)	(1,854,027)	(1,392,794)	461,233
Excess of Revenues and Other Sources Over (Under) Expenditures Sources (Uses)	(6,851,199)	(6,944,199)	1,352,458	8,296,657
Fund Balance at the Beginning of the year	20,367,493	20,367,493	20,367,493	-
Prior Period Adjustment	-	-	(77,431)	(77,431)
Fund Balance at the Beginning of the year, as Restated	20,367,493	20,367,493	20,290,062	(77,431)
Fund Balance at the End of the Year	\$ 13,516,294	\$ 13,423,294	\$ 21,642,520	\$ 8,219,226

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, 2007

	COUNTY WIDE GENERAL OBLIGATION BONDS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 8,132,880	\$ 8,132,880	\$ 8,123,407	\$ (9,473)
Licenses and Permits	-	-	-	-
Intergovernmental	169,820	169,820	169,987	167
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	40,000	40,000	63,117	23,117
Miscellaneous	-	-	55,176	55,176
Total Revenues	<u>8,342,700</u>	<u>8,342,700</u>	<u>8,411,687</u>	<u>68,987</u>
Expenditures				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	6,075,000	6,475,000	6,475,000	-
Debt Service - Interest and fees	5,567,879	5,167,879	5,078,617	89,262
Capital Projects	-	-	-	-
Total Expenditures	<u>11,642,879</u>	<u>11,642,879</u>	<u>11,553,617</u>	<u>89,262</u>
Excess of Revenues Over (Under) Expenditures	(3,300,179)	(3,300,179)	(3,141,930)	158,249
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Operating Transfer In	2,988,318	2,988,318	2,949,818	(38,500)
Operating Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,988,318</u>	<u>2,988,318</u>	<u>2,949,818</u>	<u>(38,500)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(311,861)	(311,861)	(192,112)	119,749
Fund Balance at the Beginning of the year	<u>1,301,579</u>	<u>1,301,579</u>	<u>1,301,579</u>	-
Prior Period Adjustment	-	-	(17,627)	(17,627)
Fund Balance at the Beginning of the year, as Restated	<u>1,301,579</u>	<u>1,301,579</u>	<u>1,283,952</u>	<u>(17,627)</u>
Fund Balance at the End of the Year	<u>\$ 989,718</u>	<u>\$ 989,718</u>	<u>\$ 1,091,840</u>	<u>\$ 102,122</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, 2007

BLUFFTON PARKWAY BONDS

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	740,000	740,000	740,000	-
Total Revenues	740,000	740,000	740,000	-
Expenditures				
General Government				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	25,000,000	25,000,000	25,000,000	-
Debt Service - Interest and Fees	1,740,000	1,740,000	1,125,000	615,000
Capital Projects	-	-	-	-
Total Expenditures	26,740,000	26,740,000	26,125,000	615,000
Excess of Revenues Over (Under) Expenditures	(26,000,000)	(26,000,000)	(25,385,000)	615,000
Other Financing Sources (Uses)				
Bond Proceeds	25,000,000	25,000,000	25,000,000	-
Operating Transfer In	1,000,000	1,000,000	1,000,000	-
Operating Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	26,000,000	26,000,000	26,000,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	615,000	615,000
Fund Balance at the Beginning of the year	-	-	-	-
Fund Balance at the End of the Year	\$ -	\$ -	\$ 615,000	\$ 615,000

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, 2007

	<u>FY 2006 GENERAL OBLIGATION BOND PROJECTS</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	204,400	424,077	219,677
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>204,400</u>	<u>424,077</u>	<u>219,677</u>
Expenditures				
General Government				
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	<u>17,500,000</u>	<u>16,204,400</u>	<u>1,808,364</u>	<u>14,396,036</u>
Total Expenditures	<u>17,500,000</u>	<u>16,204,400</u>	<u>1,808,364</u>	<u>14,396,036</u>
Excess of Revenues Over (Under) Expenditures	(17,500,000)	(16,000,000)	(1,384,287)	14,615,713
Other Financing Sources (Uses)				
Bond Proceeds	175,000,000	17,500,000	17,527,856	-
Operating Transfer In	-	-	-	-
Operating Transfer Out	<u>-</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>175,000,000</u>	<u>16,000,000</u>	<u>16,027,856</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	14,643,569	14,643,569
Fund Balance at the Beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,643,569</u>	<u>\$ 14,643,569</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, 2007

	BLUFFTON PARKWAY PROJECT			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	265,347	265,347
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>265,347</u>	<u>265,347</u>
Expenditures				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Public Health	-	-	-	-
Public Welfare	-	-	-	-
Cultural and Recreation	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest and Fees	-	-	-	-
Capital Projects	<u>19,225,786</u>	<u>24,225,786</u>	<u>16,801,661</u>	<u>7,424,125</u>
Total Expenditures	<u>19,225,786</u>	<u>24,225,786</u>	<u>16,801,661</u>	<u>7,424,125</u>
Excess of Revenues Over (Under) Expenditures	(19,225,786)	(24,225,786)	(16,536,314)	7,689,472
Other Financing Sources (Uses)				
Bond Proceeds	-	5,000,000	5,152,337	152,337
Operating Transfer In	-	-	-	-
Operating Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,000,000</u>	<u>5,152,337</u>	<u>152,337</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(19,225,786)	(19,225,786)	(11,383,977)	7,841,809
Fund Balance at the Beginning of the year	<u>19,976,985</u>	<u>19,976,985</u>	<u>19,976,985</u>	<u>-</u>
Fund Balance at the End of the Year	<u>\$ 751,199</u>	<u>\$ 751,199</u>	<u>\$ 8,593,008</u>	<u>\$ 7,841,809</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, 2007

	NONMAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 5,995,000	\$ 5,995,000	\$ 8,846,938	\$ 2,851,938
Licenses and Permits	7,597,464	7,597,464	10,402,976	2,805,512
Intergovernmental	8,933,627	14,183,627	15,283,954	1,100,327
Charges for Services	3,065,370	3,065,370	3,932,900	867,530
Fines and Forfeitures	110,000	110,000	293,701	183,701
Interest	297,000	297,000	1,910,389	1,613,389
Miscellaneous	67,962	67,962	555,861	487,899
Total Revenues	26,066,423	31,316,423	41,226,719	9,910,296
Expenditures				
General Government	5,451,671	5,451,671	2,766,935	2,684,736
Public Safety	3,125,779	3,125,779	2,586,547	539,232
Public Works	5,285,608	5,285,608	3,819,924	1,465,684
Public Health	6,563,856	6,563,856	6,076,623	487,233
Public Welfare	483,231	483,231	472,577	10,654
Cultural and Recreation	2,843,821	2,843,821	776,530	2,067,291
Debt Service - Principal	355,000	355,000	355,000	-
Debit Service - Interest and Fees	3,145,300	3,145,300	3,135,962	9,338
Capital Projects	25,426,638	30,676,638	16,771,991	13,904,647
Total Expenditures	52,680,904	57,930,904	36,762,089	21,168,815
Excess of Revenues Over (Under) Expenditures	(26,614,481)	(26,614,481)	4,464,630	31,079,111
Other Financing Sources (Uses)				
Bond proceeds	-	-	-	-
Operating Transfer In	2,929,333	4,617,316	5,945,599	1,328,283
Operating Transfer Out	(5,292,818)	(5,480,801)	(7,002,623)	(1,521,822)
Total Other Financing Sources (Uses)	(2,363,485)	(863,485)	(1,057,024)	(193,539)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(28,977,966)	(27,477,966)	3,407,606	30,885,572
Fund Balance at the Beginning of the year	57,232,826	57,232,826	55,931,247	(1,301,579)
Prior Period Adjustment	-	-	2,707,008	2,707,008
Fund Balance at the Beginning of the year, as Restated	57,232,826	57,232,826	58,638,255	1,405,429
Fund Balance at the End of the Year	\$ 28,254,860	\$ 29,754,860	\$ 62,045,861	\$ 32,291,001

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, 2007

	TOTALS			
	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 69,822,120	\$ 69,822,120	\$ 72,842,999	\$ 3,020,879
Licenses and Permits	14,099,920	14,099,920	15,282,447	1,182,527
Intergovernmental	16,472,141	21,722,141	23,267,197	1,545,056
Charges for Services	15,392,777	15,292,777	15,576,292	283,515
Fines and Forfeitures	796,500	896,500	1,443,782	547,282
Interest	849,000	1,053,400	3,999,618	2,946,218
Miscellaneous	1,053,562	1,053,562	2,912,367	1,858,805
Total Revenues	118,486,020	123,940,420	135,324,702	11,384,282
Expenditures				
General Government	26,530,827	26,227,011	2,766,935	23,460,076
Public Safety	41,271,219	41,239,366	21,543,269	19,696,097
Public Works	22,448,398	22,547,817	39,402,994	(16,855,177)
Public Health	9,520,469	9,541,737	21,510,910	(11,969,173)
Public Welfare	1,407,085	1,410,931	3,204,300	(1,793,369)
Cultural and Recreation	11,086,850	11,214,173	1,644,229	9,569,944
Debt Service - Principal	31,430,000	31,830,000	33,293,119	(1,463,119)
Debit Service - Interest and Fees	10,453,179	10,053,179	10,735,962	(682,783)
Capital Projects	62,152,424	71,106,824	40,460,633	30,646,191
Total Expenditures	216,300,451	225,171,038	174,562,351	50,608,687
Excess of Revenues Over (Under) Expenditures	(97,814,431)	(101,230,618)	(39,237,649)	61,992,969
Other Financing Sources (Uses)				
Bond proceeds	42,500,000	47,500,000	47,680,193	(180,193)
Operating Transfer In	7,375,151	9,063,134	10,350,964	1,287,830
Operating Transfer Out	(7,427,532)	(9,292,328)	(10,350,964)	(1,058,636)
Total Other Financing Sources (Uses)	42,447,619	47,270,806	47,680,193	409,387
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(55,366,812)	(53,959,812)	8,442,544	62,402,356
Fund Balance at the Beginning of the year	97,577,304	97,577,304	97,577,304	-
Prior Period Adjustment	-	-	2,611,950	2,611,950
Fund Balance at the Beginning of the year, as Restated	97,577,304	97,577,304	100,189,254	2,611,950
Fund Balance at the End of the Year	\$ 42,210,492	\$ 43,617,492	\$ 108,631,798	\$ 65,014,306

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
ASSETS					
Current Assets:					
Cash and investments with Trustee	\$ -	\$ 1,175,507	\$ 372	\$ 200	\$ 1,176,079
Receivables, net	260,920	3,925	215,561	902,571	1,382,977
Internal balances	-	-	(240,000)	240,000	-
Inventories	71,110	109,102	30,695	-	210,907
Prepayments	71,726	-	-	-	71,726
Total current assets	403,756	1,288,534	6,628	1,142,771	2,841,689
Capital assets	429,670	2,321,811	4,031,371	22,994,173	29,777,025
Accumulated depreciation	(294,034)	(705,464)	(514,712)	(4,216,358)	(5,730,568)
	135,636	1,616,347	3,516,659	18,777,815	24,046,457
Total Assets	\$ 539,392	\$ 2,904,881	\$ 3,523,287	\$ 19,920,586	\$ 26,888,146
LIABILITIES					
Liabilities:					
Account payable	374,778	107,130	89,369	181,860	753,137
Accrued payroll	1,469	78,030	5,303	64,696	149,498
Due to general fund	115,702	-	279,118	2,080,289	2,475,109
Current portion of long term debt	-	-	-	186,344	186,344
Total current liabilities	491,949	185,160	373,790	2,513,189	3,564,088
Long term portion of debt	-	-	-	195,847	195,847
Total liabilities	491,949	185,160	373,790	2,709,036	3,759,935
NET ASSETS:					
Invested in capital assets, net					
of related debt	135,636	1,616,347	3,516,659	18,777,815	24,046,457
Encumbrances	-	-	-	3,306	3,306
Unrestricted fund balances (deficits)	(88,193)	1,103,374	(367,162)	(1,569,571)	(921,552)
Total Net Assets	\$ 47,443	\$ 2,719,721	\$ 3,149,497	\$ 17,211,550	\$ 23,128,211

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, 2007

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Operating revenues:					
Garage billings	\$ 1,601,145	\$ -	\$ -	\$ -	\$ 1,601,145
Fuel and oil sales	2,415,684	-	551,194	-	2,966,878
Stormwater utility fees	-	2,356,881	-	-	2,356,881
Stormwater utility project billings	-	523,383	-	-	523,383
Concession sales	-	-	8,308	38,300	46,608
Firefighting fees	-	-	-	292,661	292,661
Landing fees	-	-	12,362	162,981	175,343
Parking/taxi fees	-	-	-	21,123	21,123
Rentals	-	-	103,692	755,064	858,756
Passenger facilities charges	-	-	-	171,145	171,145
TSA grants	-	-	-	47,934	47,934
Other charges	-	-	505	44,519	45,024
Total operating revenues	4,016,829	2,880,264	676,061	1,533,727	9,106,881
Operating expenses:					
Costs of sales and services	2,308,374	-	350,705	-	2,659,079
Personnel	44,980	1,286,575	95,203	813,400	2,240,158
Purchased services	1,770,590	416,778	89,149	480,063	2,756,580
Supplies	23,664	611,249	8,939	55,748	699,600
Other	-	-	-	-	-
Capital projects	-	30	57,989	198,339	256,358
Depreciation	38,738	213,735	71,957	544,705	869,135
Total operating expenses	4,186,346	2,528,367	673,942	2,092,255	9,480,910
Operating Income (Loss)	(169,517)	351,897	2,119	(558,528)	(374,029)
Non-Operating Revenues (Expenses)					
FAA grants	-	-	55,559	477,595	533,154
SCAC grants	-	-	2,968	-	2,968
Contributed assets	-	-	40,682	758,129	798,811
Gain (loss) on sale of property and equipment	1,440	2,340	-	540	4,320
Interest earned	-	29,402	-	144,917	174,319
Interest expense	-	-	-	(15,301)	(15,301)
Total non-operating revenues	1,440	31,742	99,209	1,365,880	1,498,271
Change in Net Assets	(168,077)	383,639	101,328	807,352	1,124,242
Net Assets, Beginning	215,520	2,336,082	3,048,169	16,404,198	22,003,969
Net Assets, Ending	\$ 47,443	\$ 2,719,721	\$ 3,149,497	\$ 17,211,550	\$ 23,128,211

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, 2007

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Cash flows from operating activities:					
Cash received from customers and users	\$ 4,088,303	\$ 2,876,339	\$ 657,765	\$ 1,089,700	\$ 8,712,107
Cash paid to employees	(45,410)	(1,278,513)	(93,621)	(813,042)	(2,230,586)
Cash paid to suppliers	<u>(4,007,184)</u>	<u>(1,021,494)</u>	<u>(556,812)</u>	<u>(618,922)</u>	<u>(6,204,412)</u>
	35,709	576,332	7,332	(342,264)	277,109
Cash flows from capital and related financing activities:					
FAA grants	-	-	55,559	477,595	533,154
SCAC grants	-	-	2,968	-	2,968
Contributed capital	-	-	40,682	758,129	798,811
Advance from general fund	115,702	-	279,118	2,080,289	2,475,109
Proceeds from sale of fixed assets	1,440	2,340	-	540	4,320
Purchase of fixed assets	(13,536)	(601,604)	(120,148)	(921,432)	(1,656,720)
Principal payment on debt	-	-	-	(177,302)	(177,302)
Interest paid on debt	-	-	-	(15,301)	(15,301)
	<u>103,606</u>	<u>(599,264)</u>	<u>258,179</u>	<u>2,202,518</u>	<u>1,965,039</u>
Cash flows from investing activities:					
Interest earned	-	29,402	-	144,917	174,319
Net increase (decrease) in cash and cash equivalents	139,315	6,470	265,511	2,005,171	2,416,467
Cash and cash equivalents, July 1, 2006	<u>(139,315)</u>	<u>1,169,037</u>	<u>(265,139)</u>	<u>(2,004,971)</u>	<u>(1,240,388)</u>
Cash and cash equivalents, June 30, 2007	<u>\$ -</u>	<u>\$ 1,175,507</u>	<u>\$ 372</u>	<u>\$ 200</u>	<u>\$ 1,176,079</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, 2007

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (169,517)	\$ 351,897	\$ 2,119	\$ (558,528)	\$ (374,029)
Adjustments to reconcile:					
Depreciation	38,738	213,735	71,957	544,705	869,135
Changes in assets and liabilities:					
(Increase) Decrease in account receivable	71,474	(3,925)	(18,296)	(444,027)	(394,774)
(Increase) Decrease in inventories	24,181	16,076	18,289	-	58,546
(Increase) Decrease in other current assets	599	207	-	-	806
Increase (Decrease) in accounts payable	70,664	(9,720)	(68,319)	115,228	107,853
Increase (Decrease) in accrued payroll	(430)	8,062	1,582	358	9,572
Net cash flow from operating activities	\$ 35,709	\$ 576,332	\$ 7,332	\$ (342,264)	\$ 277,109

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

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2007

ASSETS

Cash and equity in pooled cash and investments	<u>\$ 108,587,578</u>
Total assets	<u>108,587,578</u>

LIABILITIES

Liabilities:	
Due to agency	<u>108,587,578</u>
Total liabilities	<u>108,587,578</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

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, 2007

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 of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

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

The Bluffton Parkway bonds 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 2006 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 funds

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

1. Summary of Significant Accounting Policies– Continued:

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.

Agency funds

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

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.

Amounts 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, 2007

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	\$	214,629,701
Less: Long-term obligations		(205,100,588)
Add unspent bond proceeds:		
County wide general obligation debt		1,091,840
Bluffton Parkway bonds		615,000
2006 general obligation bonds		14,463,569
Bluffton Parkway project		8,593,008
Capital projects fund		<u>18,484,322</u>
	\$	<u>52,776,852</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.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

1. Summary of Significant Accounting Policies – Continued:

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 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 #2006/14, 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.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

1. Summary of Significant Accounting Policies— Continued:

- (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
- (8) Revenues in excess of the current budget ordinance may be expended as directed by the revenue source or for the express purpose for which the funds were generated without further approval by County Council, as per Section 14 of County Ordinance #2006/14.

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, 2007, the carrying amount of the County's deposits was \$38,959,025 and the bank balance was \$35,831,239. 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, 2007, approximately \$10.6 million of the County's bank balance was uncollateralized.

Investments

As of June 30, 2007, 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>
US Treasury Obligations	\$ 3,400,326	\$ 3,400,326	\$ -
US Government Agency Obligations	<u>169,224,761</u>	<u>161,246,791</u>	<u>7,977,970</u>
	172,625,087	164,647,117	7,977,970
 South Carolina local government			
Investment pool	<u>6,262,002</u>	<u>6,262,002</u>	<u>-</u>
	<u>\$178,887,089</u>	<u>\$170,909,119</u>	<u>\$ 7,977,970</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, 2007, 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

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2007

2. Cash and Equity in Pooled Cash and Investments— Continued:

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

Concentration of credit risk

The County places no limit on the amount the County may invest in any one issuer. As of June 30, 2007, 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>County Wide General Obligation Debt</u>	<u>Nonmajor Governmental Fund</u>
Property tax receivable	\$ 1,418,998	\$ 206,781	\$ 88,223
Licenses and fees receivable	673,538	-	1,213,192
Accounts receivable - other	<u>1,196,126</u>	<u>-</u>	<u>2,620,801</u>
	<u>\$ 3,288,662</u>	<u>\$ 206,781</u>	<u>\$ 3,922,216</u>

Key dates in the property tax cycle for tax year 2006 are as follows:

Assessment date	2004
Property taxes levied	September 1, 2006
Tax bills rendered	October 2, 2006
Property taxes payable	March 16, 2007
Delinquency date	March 17, 2007
Tax sale date	October 1, 2007

The following details the due from other governments by fund:

	<u>General Fund</u>	<u>Nonmajor Governmental Fund</u>
State aid to subdivisions	\$ 1,707,289	\$ -
General Government programs	2,996,879	257,019
Public Safety programs	-	269,084
Public Works programs	-	279,562
Alcohol & Drug programs	-	68,638
Disabilities and Special Needs programs	-	64,317
Public Welfare programs	-	184,579
Cultural & Recreational programs	<u>-</u>	<u>99,317</u>
	<u>\$ 4,704,168</u>	<u>\$ 1,222,516</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 year

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

5. Capital Assets

Governmental Activities

	Balance June 30, 2006	Restatement	Balance June 30, 2006 (As Restated)
Capital assets not being depreciated:			
Land & Improvements	\$47,069,733	\$ (127,667)	\$46,942,066
Construction in progress	<u>38,535,026</u>	<u>-</u>	<u>38,535,026</u>
Total capital assets not being depreciated	<u>85,604,759</u>	<u>(127,677)</u>	<u>85,477,092</u>
Other capital assets:			
Buildings & improvements	126,982,612	75,451	127,058,063
Equipment	<u>31,087,050</u>	<u>866,744</u>	<u>31,953,794</u>
Total other capital assets	158,069,662	942,195	159,011,857
Less accumulated depreciation	<u>68,123,776</u>	<u>(9,893,628)</u>	<u>58,230,148</u>
Other capital assets, net	<u>89,945,886</u>	<u>10,835,823</u>	<u>100,781,709</u>
 Total Governmental Activities	 <u>\$175,550,645</u>	 <u>\$ 10,708,156</u>	 <u>\$186,258,801</u>

	Balance June 30, 2006 (As Restated)	Additions	Disposals or Transfers	Balance June 30, 2007
Capital assets not being depreciated:				
Land & Improvements	\$46,942,066	\$ 7,369,185	\$ 1,001	\$ 54,310,250
Construction in progress	<u>38,535,026</u>	<u>30,026,247</u>	<u>38,942,748</u>	<u>29,618,525</u>
Total capital assets not being depreciated	<u>85,477,092</u>	<u>37,395,432</u>	<u>38,943,749</u>	<u>83,928,775</u>
Other capital assets:				
Buildings & improvements	127,058,063	35,862,497	-	162,920,560
Equipment	<u>31,953,794</u>	<u>3,823,837</u>	<u>805,993</u>	<u>34,971,638</u>
Total other capital assets	159,011,857	39,686,334	805,993	197,892,198
Less accumulated depreciation	<u>58,230,148</u>	<u>9,694,559</u>	<u>733,435</u>	<u>67,191,272</u>
Other capital assets, net	<u>100,781,709</u>	<u>29,991,775</u>	<u>72,558</u>	<u>130,700,926</u>
 Total Governmental Activities	 <u>\$186,258,801</u>	 <u>\$ 67,387,207</u>	 <u>\$39,016,307</u>	 <u>\$ 214,629,701</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, 2007 was \$9,694,559 and the accumulated depreciation as of June 30, 2007 was \$67,191,272.

The depreciation expense was allocated as follows:

General Government	\$ 2,179,353
Public Safety	3,666,564
Public Works	1,920,177
Public Health	66,773
Public Welfare	135,226
Cultural and Recreation	<u>1,726,526</u>
Total	<u>\$ 9,694,559</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

5. Capital Assets – Continued:

Business-type Activities

	Balance June 30, 2006	Additions	Disposals or Transfers	Balance June 30, 2007
Capital assets not being depreciated:				
Land & Improvements	\$ 7,713,105	\$ 6,089,320	\$ -	\$ 13,802,425
Construction in progress	<u>7,184,638</u>	<u>989,002</u>	<u>8,109,773</u>	<u>63,867</u>
Total capital assets not being depreciated	<u>14,897,743</u>	<u>7,078,322</u>	<u>8,109,773</u>	<u>13,866,292</u>
Other capital assets:				
Buildings & improvements	9,489,232	2,010,131	-	11,499,363
Equipment	<u>3,762,967</u>	<u>678,922</u>	<u>30,519</u>	<u>4,411,370</u>
Total other capital assets	13,252,199	2,689,053	30,519	15,910,733
Less accumulated depreciation	<u>4,891,070</u>	<u>869,135</u>	<u>29,637</u>	<u>5,730,568</u>
Other capital assets, net	<u>8,361,129</u>	<u>1,819,918</u>	<u>882</u>	<u>10,180,165</u>
Business-type activities capital assets, net	<u>\$23,258,872</u>	<u>\$ 8,898,240</u>	<u>\$ 8,110,655</u>	<u>\$ 24,046,457</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, 2007 was \$821,941 and the accumulated depreciation as of June 30, 2007 was \$5,683,596.

The depreciation expense was allocated as follows:

Garage	\$ 38,738
Stormwater Utility	213,735
Lady's Island Airport	71,957
Hilton Head Airport	<u>544,705</u>
Total	<u>\$ 869,135</u>

6. Long-Term Obligations

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation bonds	\$ 141,670,000	\$ -
TIF Revenue bonds	63,190,000	-
Note payable	-	382,191
Capital leases	<u>240,588</u>	<u>-</u>
	<u>\$ 205,100,588</u>	<u>\$ 382,191</u>

General Obligation Bonds

In June 1999, the County issued \$9,100,000 in General Obligation bonds, bearing interest rates of 4.60% to 5.25% and with varying maturity dates through 2008. The proceeds of these bonds were used for various County projects including the purchase of development rights on Lemon Island, the construction of the 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, 2007

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.

In November 2006, the County issued \$17,500,000 in General Obligation bonds bearing interest rates of 3.5% to 8.0% and with varying maturities through 2026. The proceeds of these bonds were used for various County projects.

In December 2006, the County issued \$30,000,000 in General Obligation bonds bearing interest rates of 4.0% to 6.75% and with varying maturities 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.

The 1999, 2001, 2002, 2003, 2005, 2006 and 2006B general obligation bonds are collateralized by the full faith and credit of the County and are payable from ad valorem taxes.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

6. Long Term Obligations - Continued:

General obligation bonds accounted for in the County's Statement of Net Assets consist of the following at June 30, 2007:

<u>Description</u>	<u>Rates and Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2007</u>
1999 Improvement Bonds	4.6% - 5.25% 2/1 and 8/1	2008	\$ 9,100,000	\$ 1,500,000
2001 County Bonds	4.375% - 5.25% 2/1 and 8/1	2020	30,000,000	23,055,000
2002 County Bonds	3.0% - 4.875% 2/1 and 8/1	2022	25,100,000	17,215,000
2003 County Bonds	2.0% - 5.0% 2/1 and 8/1	2023	25,500,000	22,600,000
2005 County Bonds	3.0% - 5.0% 2/1 and 8/1	2025	30,500,000	30,200,000
2006 County Bonds	3.5% - 8.0% 3/1 and 9/1	2026	17,500,000	17,100,000
2006B County Bonds	4.0% - 6.75% 3/1 and 9/1	2026	<u>30,000,000</u>	<u>30,000,000</u>
			<u>\$167,700,000</u>	<u>\$141,670,000</u>

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

<u>Fiscal Year Ending</u>	<u>1999 Improvement Bonds</u>	<u>2001 County Bonds</u>	<u>2002 County Bonds</u>	<u>2003 County Bonds</u>	<u>2005 County Bonds</u>
2008	\$ 1,569,000	\$ 2,516,254	\$ 2,610,800	\$ 1,740,500	\$ 1,676,875
2009	-	2,493,004	2,298,225	1,773,500	1,667,875
2010	-	2,493,079	2,587,025	1,803,250	1,808,875
2011	-	2,489,869	2,568,525	1,828,312	1,795,875
2012	-	2,481,019	1,111,525	1,899,563	1,781,875
2013-2017	-	12,306,845	5,583,487	10,305,062	10,537,250
2018-2022	-	7,284,956	5,654,744	10,485,250	15,724,250
2023-2026	-	-	-	<u>2,084,000</u>	<u>14,746,250</u>
Total	1,569,000	32,065,026	22,714,331	31,919,437	49,738,625
Less amount representing interest	<u>69,000</u>	<u>9,010,026</u>	<u>5,499,331</u>	<u>9,319,437</u>	<u>19,538,625</u>
Net	<u>\$ 1,500,000</u>	<u>\$23,055,000</u>	<u>\$17,215,000</u>	<u>\$22,600,000</u>	<u>\$30,200,000</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

6. Long Term Obligations - Continued:

<u>Fiscal Year Ending</u>	<u>2006 County Bonds</u>	<u>2006B County Bonds</u>	<u>Total</u>
2008	\$ 1,171,313	\$ 1,761,250	\$13,045,992
2009	1,203,313	1,841,250	11,577,167
2010	1,235,813	1,917,250	11,845,292
2011	1,266,563	1,989,250	11,937,894
2012	1,292,563	2,057,250	10,623,795
2013-2017	6,775,500	11,153,250	56,661,394
2018-2022	6,998,125	13,582,500	59,729,825
2023-2026	<u>5,652,500</u>	<u>11,594,125</u>	<u>34,076,875</u>
Total	25,595,690	45,896,125	209,498,234
Less amount representing interest	<u>8,495,690</u>	<u>15,896,125</u>	<u>67,828,234</u>
Net	<u>\$ 17,100,000</u>	<u>\$30,000,000</u>	<u>\$141,670,000</u>

Total interest paid on bonds outstanding for the yearended June 30, 2007 was \$5,074,418.

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
2008	\$ 6,800,000
2009	5,615,000
2010	6,090,000
2011	6,430,000
2012	5,365,000
2013-2017	34,130,000
2018-2022	46,165,000
2023-2026	<u>31,075,000</u>
Total	\$ <u>141,670,000</u>

Tax Increment Financing Revenue Bonds

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

6. Long Term Obligations - Continued:

The following is a schedule of the debt service requirements:

<u>Fiscal Year Ending</u>	<u>New River TIF</u>	<u>Bluffton TIF</u>	<u>Total</u>
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	2,993,463	1,575,275	4,568,738
2013-2017	17,092,125	9,578,075	26,670,200
2018-2022	18,127,250	13,142,250	31,269,500
2023-2027	18,620,500	7,681,750	26,302,250
2028	<u>-</u>	<u>1,181,250</u>	<u>1,181,250</u>
Total	66,713,328	38,701,120	105,414,448
Less amount representing Interest	<u>26,913,328</u>	<u>15,311,120</u>	<u>42,224,448</u>
Net	<u>\$39,800,000</u>	<u>\$23,390,000</u>	<u>\$63,190,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2007 as \$3,128,262.

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, 2007, 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, 2007.

<u>Fiscal Year Ending</u>	<u>Amount</u>
2008	\$ 40,000
2009	40,000
2010	40,000
2011	40,000
2012	40,000
2013-2014	<u>80,000</u>
Total	280,000
Less amount representing interest	<u>39,412</u>
Net	<u>\$ 240,588</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

6. Long Term Obligations - Continued:

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

Total interest paid on capital leases for the year ended June 30, 2007 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</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2007</u>
General Obligation Bonds	\$ 100,645,000	\$ 47,500,000	\$ 6,475,000	\$ 141,670,000
Bond Anticipation Notes	25,000,000	-	25,000,000	-
TIF Revenue Bonds	63,545,000	-	355,000	63,190,000
Notes Payable	559,493	-	177,302	382,191
Capital Leases	<u>269,926</u>	<u>-</u>	<u>29,338</u>	<u>240,588</u>
Totals	\$ <u>190,019,419</u>	\$ <u>47,500,000</u>	\$ <u>32,036,640</u>	\$ <u>205,482,779</u>

Current Portion of Long Term Obligations

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

General Obligations Bonds	\$ 6,800,000
TIF Revenue Bonds	430,000
Notes Payable	186,344
Capital Leases	<u>40,000</u>
	\$ <u>7,456,344</u>

7. Interfund Transfers

The following interfund transfers were made during the year ended June 30, 2007. These transfers were permanent in nature and as such there are not any anticipated repayments

<u>Recipient Fund</u>	<u>Transferring Fund</u>	<u>Amount</u>
General Fund	Nonmajor Special Revenue Funds	\$ 455,547
2005 GO Bond Projects	Nonmajor Capital Projects Funds	1,500,000
Nonmajor Special Revenue Funds	General Fund	1,848,341
Nonmajor Debt Service Funds	Nonmajor Special Revenue Funds	6,359,093
Nonmajor Capital Projects Funds	Nonmajor Capital Projects Funds	<u>187,983</u>
		\$ <u>10,350,964</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

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	\$ 4,016,829	\$ 2,880,264	\$ 676,061	\$ 1,533,727	\$ 9,106,881
Cost of Sales and Services	2,308,374	-	350,705	-	2,659,079
Operating Expenses before depreciation	1,839,234	2,314,632	251,280	1,547,550	5,952,696
Depreciation	<u>38,738</u>	<u>213,735</u>	<u>71,957</u>	<u>544,705</u>	<u>869,135</u>
Operating Income (loss)	<u>\$ (169,517)</u>	<u>\$ 351,897</u>	<u>\$ 2,119</u>	<u>\$ (558,528)</u>	<u>\$ (374,029)</u>
Capital Contributions	-	-	40,682	477,595	518,277
Capital assets additions	13,536	601,604	120,148	921,432	1,656,720
Working Capital	88,193	1,103,374	(367,162)	(1,569,571)	(745,166)
Total Assets	539,392	2,904,881	3,523,287	19,920,586	26,888,146
Long-term debt	-	-	-	382,191	382,191
Assets-net of related debt	135,636	1,616,347	3,516,659	18,777,815	24,046,457
Encumbrances	-	-	-	3,306	3,306
Unrestricted Net Assets	(88,193)	1,103,374	(367,162)	(1,715,915)	(1,067,896)

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, 2007 were approximately \$859,700.

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
2008	\$ 459,670
2009	250,290
2010	142,604
2011	146,064
2012	62,380
2013-2025	<u>8,214</u>
Total	\$ <u>1,069,216</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

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. Contributions by employees under the 457 program totaled approximately \$212,000 for the year ended June 30, 2007. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

County employees may participate in a 401(k) 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 \$791,000 for the year ended June 30, 2007. 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 Plans' provisions are established under Title 9 of the SC Code of Laws.

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

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2007

11. Retirement Plans – Continued:

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>	
SCRS	5.00%	3.05%	N/A	.15%	8.20%
PORS	8.43%	1.87%	.20%	.20%	10.70%

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

All employers contribute at the actuarially required contribution rates.

Contribution information:

	<u>SCRS</u>	<u>PORS</u>
Covered payroll	\$ 27,769,529	\$ 14,166,392
Employee contributions	1,802,466	920,815
Employee contribution rate (based upon salary)	6.25%	6.50%
Employer contribution rate; includes group life coverage in both SCRS and PORS and accidental death coverage in PORS (based upon salary)	8.05%	10.30%

The County's employer contribution to the SCRS for the years ended June 30, 2007, 2006 and 2005 were \$2,309,121, \$1,994,176, and \$1,669,955 respectively, which are equal to the required contributions.

The County's employer contribution to the PORS for the years ended June 30, 2007, 2006 and 2005 were \$1,458,815, \$1,339,817, and \$1,246,370 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.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2007

11. Retirement Plans – Continued:

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 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, 8.05 percent plus the retiree surcharge of 3.25 percent from the employer in fiscal year 2007.

None of the County's employees have elected to be covered under optional retirement plans as of June 30, 2007.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended June 30, 2007

11. Retirement Plans – Continued:

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 a member's compensation at the time of death.

Group Life Insurance Benefits

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

Withdrawal of Employee Contribution

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

Post Retirement Increase

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

Statewide Plan Actuarial Information

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

The Systems use a projected benefit method for actuarial valuation with level percentage entry age, normal cost and open-end unfunded accrued liability. At July 1, 2005, based upon the actuarial method used for funding purposes:

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

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

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 59 employees who had retired with the County and were receiving health insurance benefits. For the year ended June 30, 2007, the County recognized expenditures of \$143,454 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, 2007, to cover unused, unpaid Personal Leave including fringe benefits totaled \$2,560,606. Of this amount, \$2,560,606 is considered a long-term liability.

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

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

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, 2007, the County has outstanding construction contracts of \$12,949,002.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
Year ended June 30, 2007

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, 2007 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

16. Prior Period Adjustments

The County performed a reconciliation of its tax increment financing districts (TIFs) and of the TIFs for which the County collects and remits taxes to related municipalities. The reconciliation identified the following understatements or (overstatements) on its funds for the fiscal years 2006 and prior:

<u>TIF</u>	<u>General Fund</u>	<u>County Wide General Obligation Bonds</u>	<u>Purchase of Real Property Program</u>	<u>New River TIF Bonds</u>	<u>Bluffton TIF Bonds</u>
Balance July 1, 2006	\$20,367,493	\$ 1,301,579	\$ 1,844,515	\$ 949,173	\$ 8,814,657
Port Royal TIF	54,753	2,649	761	-	-
Beaufort TIF – Dist 121	34,171	4,819	1,349	-	-
Beaufort TIF – Dist 122	69,104	9,999	2,807	-	-
Hilton Head Island TIF	276,787	37,866	10,518	-	-
New River TIF	(695,057)	(99,739)	(27,705)	3,035,336	-
Bluffton (County-Owned) TIF	182,811	26,779	7,439	-	(323,497)
Balance July 1, 2006,					
As Restated	20,290,062	1,283,952	1,839,684	3,984,509	8,491,160

Furthermore, the County performed a reconciliation on its capital assets in which assets were found to be incorrectly included and excluded from County records and in order to better match the lives of its capital assets to its records, as reflected in Note 5 on page 46.

17. Fund Equity Deficits and Subsequent Events

The rural and critical lands account had a deficit of \$1,459,152 at June 30, 2007. This deficit was eliminated with the issuance of \$25,500,000 of General Obligation bonds in September 2007.

In September 2007, the County issued \$25,500,000 of General Obligation Bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2027. \$20,000,000 of the proceeds of these bonds was used for the County's rural and critical lands projects and the remaining \$5,500,000 of the proceeds of these bonds was used for the Buckwalter Parkway extension.

In October 2007, the County issued \$17,530,000 of General Obligation Bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2020. The proceeds of these bonds were used for various County projects.

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BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2007

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Taxes			
Current taxes	\$ 49,093,920	\$ 49,339,115	\$ 245,195
Delinquent taxes	2,178,576	2,131,213	(47,363)
Automobile taxes	3,681,744	3,451,073	(230,671)
Penalties	<u>740,000</u>	<u>951,253</u>	<u>211,253</u>
	<u>55,694,240</u>	<u>55,872,654</u>	<u>178,414</u>
Licenses and Permits			
Building permits	3,920,000	2,551,087	(1,368,913)
Electrician licenses	16,000	22,095	6,095
Mobile home permits	2,700	2,719	19
Marriage licenses	92,006	84,460	(7,546)
Animal licenses	8,000	9,452	1,452
Other licenses	67,750	81,400	13,650
Cable franchise fees	280,000	292,645	12,645
Business licenses	<u>2,116,000</u>	<u>1,835,613</u>	<u>(280,387)</u>
	<u>6,502,456</u>	<u>4,879,471</u>	<u>(1,622,985)</u>
Intergovernmental			
State aid to subdivisions	5,900,000	6,267,441	367,441
Homestead exemption	836,760	825,230	(11,530)
Merchants' inventory tax	172,387	172,387	-
Manufacturers tax	32,500	36,815	4,315
Motor carrier tax	50,300	53,336	3,036
Payments in lieu of taxes	66,200	96,364	30,164
Veterans Office stipend	6,600	7,071	471
Emergency Preparedness	25,555	46,346	20,791
Registration and Election	13,500	15,770	2,270
Tax form stipend	3,143	3,144	1
Salary supplements	7,875	7,875	-
State aid to libraries	241,874	242,745	871
Pollution control penalties	<u>12,000</u>	<u>38,732</u>	<u>26,732</u>
	<u>7,368,694</u>	<u>7,813,256</u>	<u>444,562</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
Charges for Services			
Register of Deeds fees	\$ 6,808,000	\$ 5,642,598	\$ (1,165,402)
Sheriff's fees	80,000	83,704	3,704
Probate Court fees	444,524	391,074	(53,450)
Magistrates' Civil fees	200,000	210,503	10,503
Clerk of Court fees	133,000	139,563	6,563
Family Court fees	363,639	378,702	15,063
Master in Equity fees	190,000	175,971	(14,029)
Treasurer's fees	25,000	4,281	(20,719)
EMS fees	1,130,000	1,631,017	501,017
Solid Waste Disposal fess	6,000	4,958	(1,042)
DSO / Rezoning / CRB fees	34,286	38,189	3,903
Vital statistics	32,000	37,396	5,396
Animal Shelter fees	41,050	40,150	(900)
Recreation fees	316,900	385,749	68,849
Sheriff's service contracts	2,365,159	2,395,682	30,523
Boarding of prisoners	4,537	18,492	13,955
Telephone reimbursements	24,400	28,423	4,023
Other fees and reimbursements	28,912	36,940	8,028
	<u>12,227,407</u>	<u>11,643,392</u>	<u>(584,015)</u>
Fines and Forfeitures			
Clerk of Court fines	6,500	10,172	3,672
Bond Escrement	-	92,380	92,380
Magistrates' Court fines	660,000	889,842	229,842
Library fines	100,000	115,986	15,986
Other fines	-	68	68
Forfeitures	20,000	41,633	21,633
	<u>786,500</u>	<u>1,150,081</u>	<u>363,581</u>
Interest	<u>512,000</u>	<u>1,336,688</u>	<u>824,688</u>
Miscellaneous			
Rental of county property	147,600	274,134	126,534
Sale of county property	80,000	811,021	731,021
Miscellaneous	18,000	476,175	458,175
	<u>245,600</u>	<u>1,561,330</u>	<u>1,315,730</u>
Total Revenues	<u>\$ 83,336,897</u>	<u>\$ 84,256,872</u>	<u>\$ 919,975</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2007

<u>Expenditures</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
General Government				
County Council				
Personnel	\$ 436,652	\$ 424,066	\$ -	\$ 12,586
Purchased Services	174,651	149,469	-	25,182
Supplies	99,085	87,762	-	11,323
Capital	41,019	40,949	-	70
Other	441,013	9,300	-	431,713
	<u>1,192,420</u>	<u>711,546</u>	<u>-</u>	<u>480,874</u>
Auditor				
Personnel	554,858	508,905	-	45,953
Purchased Services	80,059	44,190	-	35,869
Supplies	16,701	13,196	175	3,330
Capital	-	-	-	-
	<u>651,618</u>	<u>566,291</u>	<u>175</u>	<u>85,152</u>
Treasurer				
Personnel	741,777	735,099	-	6,678
Purchased Services	53,317	49,966	-	3,351
Supplies	24,000	18,294	-	5,706
Capital	-	-	-	-
	<u>819,094</u>	<u>803,359</u>	<u>-</u>	<u>15,735</u>
Clerk of Court				
Personnel	565,893	567,680	-	(1,787)
Purchased Services	373,961	345,747	-	28,214
Supplies	42,580	42,217	257	106
Capital	-	-	-	-
	<u>982,434</u>	<u>955,644</u>	<u>257</u>	<u>26,533</u>
Family Court				
Personnel	332,139	314,573	-	17,566
Purchased Services	70,931	62,976	-	7,955
Supplies	12,651	8,929	-	3,722
Capital	-	-	-	-
	<u>415,721</u>	<u>386,478</u>	<u>-</u>	<u>29,243</u>
Probate Court				
Personnel	725,328	694,483	-	30,845
Purchased Services	84,349	61,770	-	22,579
Supplies	13,935	12,539	-	1,396
Capital	-	-	-	-
	<u>823,612</u>	<u>768,792</u>	<u>-</u>	<u>54,820</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Coroner				
Personnel	\$ 165,621	\$ 169,888	\$ -	\$ (4,267)
Purchased Services	118,250	122,606	-	(4,356)
Supplies	8,400	7,870	-	530
Capital	21,150	21,128	-	22
	<u>313,421</u>	<u>321,492</u>	<u>-</u>	<u>(8,071)</u>
Magistrates Court				
Personnel	1,148,394	1,100,788	-	47,606
Purchased Services	357,305	299,969	-	57,336
Supplies	67,196	45,861	1,110	20,225
Capital	-	-	-	-
	<u>1,572,895</u>	<u>1,446,618</u>	<u>1,110</u>	<u>125,167</u>
Master in Equity				
Personnel	226,647	191,324	-	35,323
Purchased Services	9,800	5,522	-	4,278
Supplies	7,500	3,181	-	4,319
Capital	-	-	-	-
	<u>243,947</u>	<u>200,027</u>	<u>-</u>	<u>43,920</u>
General Subsidies	<u>1,029,362</u>	<u>1,029,362</u>	<u>-</u>	<u>-</u>
County Administrator				
Personnel	276,265	273,530	-	2,735
Purchased Services	85,742	81,317	-	4,425
Supplies	11,448	11,269	-	179
Capital	-	-	-	-
Other	-	-	-	-
	<u>373,455</u>	<u>366,116</u>	<u>-</u>	<u>7,339</u>
Housing Coordinator				
Personnel	80,820	80,842	-	(22)
Purchased Services	6,625	1,605	-	5,020
Supplies	2,550	683	-	1,867
Capital	-	-	-	-
Other	369,000	129,000	240,000	-
	<u>458,995</u>	<u>212,130</u>	<u>240,000</u>	<u>6,865</u>
Public Information Officer				
Personnel	70,783	70,533	-	250
Purchased Services	33,160	29,710	-	3,450
Supplies	2,905	2,350	-	555
Capital	-	-	-	-
	<u>106,848</u>	<u>102,593</u>	<u>-</u>	<u>4,255</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 Year ended June 30, 2007

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
County Attorney				
Personnel	\$ 169,976	\$ 163,862	\$ -	\$ 6,114
Purchased Services	368,900	402,527	-	(33,627)
Supplies	14,000	12,185	-	1,815
Capital	-	-	-	-
	<u>552,876</u>	<u>578,574</u>	<u>-</u>	<u>(25,698)</u>
Internal Auditor				
Personnel	260,220	118,418	-	141,802
Purchased Services	19,355	11,637	-	7,718
Supplies	11,100	6,357	-	4,743
Capital	-	-	-	-
	<u>290,675</u>	<u>136,412</u>	<u>-</u>	<u>154,263</u>
Public Defender				
Personnel	612,117	612,103	-	14
Purchased Services	42,800	41,389	-	1,411
Supplies	6,500	14,142	128	(7,770)
Capital	-	-	-	-
	<u>661,417</u>	<u>667,634</u>	<u>128</u>	<u>(6,345)</u>
Voter Registration and Elections				
Personnel	421,805	463,295	-	(41,490)
Purchased Services	239,050	696,929	-	(457,879)
Supplies	75,975	42,996	31,948	1,031
Capital	-	-	-	-
	<u>736,830</u>	<u>1,203,220</u>	<u>31,948</u>	<u>(498,338)</u>
Assessor				
Personnel	1,914,353	1,753,663	-	160,690
Purchased Services	162,324	102,944	-	59,380
Supplies	80,444	44,777	409	35,258
Capital	73,900	73,876	-	24
	<u>2,231,021</u>	<u>1,975,260</u>	<u>409</u>	<u>255,352</u>
Register of Deeds				
Personnel	475,940	469,331	-	6,609
Purchased Services	201,194	144,055	29,065	28,074
Supplies	39,966	32,872	-	7,094
Capital	-	-	-	-
	<u>717,100</u>	<u>646,258</u>	<u>29,065</u>	<u>41,777</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Risk Management				
Personnel	\$ 103,533	\$ 102,981	\$ -	\$ 552
Purchased Services	10,196	12,580	-	(2,384)
Supplies	8,275	10,863	-	(2,588)
Capital	-	-	-	-
	<u>122,004</u>	<u>126,424</u>	<u>-</u>	<u>(4,420)</u>
Legislative Delegation				
Personnel	47,729	46,945	-	784
Purchased Services	8,150	3,394	-	4,756
Supplies	1,725	209	-	1,516
Capital	-	-	-	-
	<u>57,604</u>	<u>50,548</u>	<u>-</u>	<u>7,056</u>
Zoning and Development				
Personnel	201,943	199,448	-	2,495
Purchased Services	16,920	19,655	-	(2,735)
Supplies	4,060	4,701	-	(641)
Capital	-	-	-	-
	<u>222,923</u>	<u>223,804</u>	<u>-</u>	<u>(881)</u>
Planning and Comprehensive Plan				
Personnel	670,766	648,130	-	22,636
Purchased Services	553,904	359,646	184,880	9,378
Supplies	25,937	25,571	140	226
Capital	3,385	3,385	-	-
	<u>1,253,992</u>	<u>1,036,732</u>	<u>185,020</u>	<u>32,240</u>
GIS				
Personnel	309,470	305,035	-	4,435
Purchased Services	116,545	115,066	-	1,479
Supplies	33,000	27,739	5,124	137
Capital	4,900	4,827	-	73
	<u>463,915</u>	<u>452,667</u>	<u>5,124</u>	<u>6,124</u>
DA-Community Services				
Personnel	209,133	206,745	-	2,388
Purchased Services	14,175	8,094	-	6,081
Supplies	6,050	4,162	23	1,865
Capital	-	-	-	-
	<u>229,358</u>	<u>219,001</u>	<u>23</u>	<u>10,334</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Staff Services				
Personnel	\$ 323,155	\$ 318,680	\$ -	\$ 4,475
Purchased Services	40,671	36,757	-	3,914
Supplies	22,447	14,707	-	7,740
Capital	45,650	45,617	-	33
	<u>431,923</u>	<u>415,761</u>	<u>-</u>	<u>16,162</u>
Employee Services				
Personnel	345,337	304,906	-	40,431
Purchased Services	323,593	331,848	-	(8,255)
Supplies	25,685	17,990	-	7,695
Capital	-	-	-	-
	<u>694,615</u>	<u>654,744</u>	<u>-</u>	<u>39,871</u>
Records Management				
Personnel	170,313	152,116	-	18,197
Purchased Services	27,595	25,074	-	2,521
Supplies	18,171	17,782	-	389
Capital	44,406	9,345	35,000	61
	<u>260,485</u>	<u>204,317</u>	<u>35,000</u>	<u>21,168</u>
Finance				
Personnel	407,518	321,957	-	85,561
Purchased Services	58,825	45,617	-	13,208
Supplies	28,600	26,812	-	1,788
Capital	-	-	-	-
	<u>494,943</u>	<u>394,386</u>	<u>-</u>	<u>100,557</u>
Purchasing				
Personnel	200,330	96,736	-	103,594
Purchased Services	38,245	22,661	-	15,584
Supplies	7,100	3,215	-	3,885
Capital	15,650	15,320	-	330
	<u>261,325</u>	<u>137,932</u>	<u>-</u>	<u>123,393</u>
Business License				
Personnel	96,644	33,101	-	63,543
Purchased Services	27,410	22,896	200,000	(195,486)
Supplies	7,720	5,838	-	1,882
Capital	-	-	-	-
	<u>131,774</u>	<u>61,835</u>	<u>200,000</u>	<u>(130,061)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Management Information Systems				
Personnel	\$ 1,216,768	\$ 1,203,115	\$ -	\$ 13,653
Purchased Services	315,395	307,374	7,077	944
Supplies	63,133	62,225	-	908
Capital	141,884	91,030	50,835	19
	<u>1,737,180</u>	<u>1,663,744</u>	<u>57,912</u>	<u>15,524</u>
DA-Public Services				
Personnel	221,006	211,524	-	9,482
Purchased Services	14,152	23,031		(8,879)
Supplies	4,400	2,466	35	1,899
Supplies	-	-	-	-
	<u>239,558</u>	<u>237,021</u>	<u>35</u>	<u>2,502</u>
Total General Government	<u>20,775,340</u>	<u>18,956,722</u>	<u>786,206</u>	<u>1,032,412</u>
Public Safety				
Sheriff's Office				
Personnel	13,535,326	13,174,840	-	360,486
Purchased Services	1,386,836	1,235,071	38,413	113,352
Supplies	1,162,085	1,181,207	25,540	(44,662)
Capital	1,129,758	898,963	392,694	(161,899)
	<u>17,214,005</u>	<u>16,490,081</u>	<u>456,647</u>	<u>267,277</u>
Emergency Management				
Personnel	442,109	410,868	-	31,241
Purchased Services	166,199	148,077	11,300	6,822
Supplies	32,733	28,359	2,262	2,112
Capital	147,130	147,065	-	65
Emergency operations	-	47,144	-	(47,144)
	<u>788,171</u>	<u>781,513</u>	<u>13,562</u>	<u>(6,904)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
Communications / Traffic Management				
Personnel	\$ 3,261,000	\$ 2,473,815	\$ -	\$ 787,185
Purchased Services	2,096,218	1,944,877	90,215	61,126
Supplies	342,414	282,815	43,132	16,467
Capital	523,726	336,901	158,380	28,445
Other	75,000	75,000	-	-
	<u>6,298,358</u>	<u>5,113,408</u>	<u>291,727</u>	<u>893,223</u>
Emergency Medical Services				
Personnel	4,896,485	4,648,033	-	248,452
Purchased Services	433,352	360,508	-	72,844
Supplies	432,150	390,481	16,987	24,682
Capital	294,413	260,441	33,968	4
Other	110,000	110,000	-	-
	<u>6,166,400</u>	<u>5,769,463</u>	<u>50,955</u>	<u>345,982</u>
Detention Center				
Personnel	4,270,612	4,185,673	-	84,939
Purchased Services	1,415,528	1,413,626	-	1,902
Supplies	187,424	176,296	-	11,128
Capital	5,550	5,548	-	2
	<u>5,879,114</u>	<u>5,781,143</u>	<u>-</u>	<u>97,971</u>
Building Codes and Inspections				
Personnel	1,369,903	1,317,165	-	52,738
Purchased Services	216,596	161,485	-	55,111
Supplies	80,990	76,725	257	4,008
Capital	100,050	92,087	7,839	124
	<u>1,767,539</u>	<u>1,647,462</u>	<u>8,096</u>	<u>111,981</u>
Total Public Safety	<u>38,113,587</u>	<u>35,583,070</u>	<u>820,987</u>	<u>1,709,530</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Public Works				
Facilities Maintenance				
Personnel	\$ 2,509,075	\$ 2,264,863	\$ -	\$ 244,212
Purchased Services	2,211,950	2,272,469	4,513	(65,032)
Supplies	554,653	554,030	-	623
Capital	<u>612,046</u>	<u>352,015</u>	<u>274,479</u>	<u>(14,448)</u>
	<u>5,887,724</u>	<u>5,443,377</u>	<u>278,992</u>	<u>165,355</u>
Public Works				
Personnel	1,941,059	1,771,237	-	169,822
Purchased Services	478,035	406,704	3,975	67,356
Supplies	393,621	355,911	9,929	27,781
Capital	<u>562,807</u>	<u>448,080</u>	<u>113,984</u>	<u>743</u>
	<u>3,375,522</u>	<u>2,981,932</u>	<u>127,888</u>	<u>265,702</u>
Engineering				
Personnel	973,967	827,106	-	146,861
Purchased Services	65,090	66,786	-	(1,696)
Supplies	38,617	37,417	-	1,200
Capital	<u>27,400</u>	<u>32,824</u>	<u>-</u>	<u>(5,424)</u>
	<u>1,105,074</u>	<u>964,133</u>	<u>-</u>	<u>140,941</u>
Solid Waste / Recycling				
Personnel	1,264,063	1,203,815	-	60,248
Purchased Services	5,306,519	4,643,871	12,624	650,024
Supplies	160,655	109,932	1,927	48,796
Capital	<u>123,352</u>	<u>47,927</u>	<u>21,905</u>	<u>53,520</u>
	<u>6,854,589</u>	<u>6,005,545</u>	<u>36,456</u>	<u>812,588</u>
Public Works Subsidies	<u>39,300</u>	<u>39,300</u>	<u>-</u>	<u>-</u>
Total Public Works	<u>17,262,209</u>	<u>15,434,287</u>	<u>443,336</u>	<u>1,384,586</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Public Health				
Animal Shelter and Control				
Personnel	\$ 571,159	\$ 519,460	\$ -	\$ 51,699
Purchased Services	73,175	59,874	-	13,301
Supplies	168,041	141,888	-	26,153
Capital	61,104	47,478	-	13,626
	<u>873,479</u>	<u>768,700</u>	<u>-</u>	<u>104,779</u>
Mosquito Control				
Personnel	844,563	776,161	-	68,402
Purchased Services	239,544	207,473	-	32,071
Supplies	540,213	532,784	-	7,429
Capital	154,217	120,746	-	33,471
	<u>1,778,537</u>	<u>1,637,164</u>	<u>-</u>	<u>141,373</u>
Public Health Subsidies	<u>325,865</u>	<u>325,859</u>	<u>-</u>	<u>6</u>
Total Public Health	<u>2,977,881</u>	<u>2,731,723</u>	<u>-</u>	<u>246,158</u>
Public Welfare				
Veterans Affairs Office				
Personnel	169,801	135,303	-	34,498
Purchased Services	26,632	17,269	-	9,363
Supplies	6,739	4,316	-	2,423
Capital	15,449	15,449	-	-
	<u>218,621</u>	<u>172,337</u>	<u>-</u>	<u>46,284</u>
Department of Social Services				
Personnel	39,762	39,839	-	(77)
Purchased Services	130,920	117,157	-	13,763
Supplies	980	949	-	31
Capital	-	-	-	-
Other	80,000	80,000	-	-
	<u>251,662</u>	<u>237,945</u>	<u>-</u>	<u>13,717</u>
Public Welfare Subsidies	<u>457,417</u>	<u>457,417</u>	<u>-</u>	<u>-</u>
Total Public Welfare	<u>927,700</u>	<u>867,699</u>	<u>-</u>	<u>60,001</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Variance Favorable (Unfavorable)
Cultural and Recreation				
Parks and Leisure Services				
Personnel	\$ 2,491,574	\$ 2,183,186	\$ -	\$ 308,388
Purchased Services	1,445,486	1,399,635	-	45,851
Supplies	191,128	225,599	222	(34,693)
Capital	40,475	35,918	32,693	(28,136)
Other	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>-</u>
	<u>4,308,663</u>	<u>3,984,338</u>	<u>32,915</u>	<u>291,410</u>
Libraries				
Personnel	2,836,846	2,695,104	-	141,742
Purchased Services	487,137	525,722	-	(38,585)
Supplies	707,656	703,356	5,302	(1,002)
Capital	<u>30,050</u>	<u>29,599</u>	<u>-</u>	<u>451</u>
	<u>4,061,689</u>	<u>3,953,781</u>	<u>5,302</u>	<u>102,606</u>
Total Cultural and Recreation	<u>8,370,352</u>	<u>7,938,119</u>	<u>38,217</u>	<u>394,016</u>
Total Expenditures	<u>\$ 88,427,069</u>	<u>\$ 81,511,620</u>	<u>\$ 2,088,746</u>	<u>\$ 4,826,703</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and equity in pooled cash and investments	\$ 24,343,953	\$ 16,988,266	\$ 18,436,220	\$ 59,768,439
Receivables, net	2,480,041	-	1,442,175	3,922,216
Due from other governments	1,222,516	-	-	1,222,516
Prepaid expenditures	171	-	-	171
Total Assets	\$ 28,046,681	\$ 16,988,266	\$ 19,878,395	\$ 64,913,342
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 893,568	\$ -	\$ 1,394,073	\$ 2,287,641
Accrued payroll	265,279	-	-	265,279
Due to others	285,443	-	-	285,443
Deferred property tax revenue	23,496	-	-	23,496
Deferred revenue	5,622	-	-	5,622
Total Liabilities	1,473,408	-	1,394,073	2,867,481
Fund Equity:				
Reserved for encumbrances and carry forwards	1,237,665	-	1,006,646	2,244,311
Reserved for capital projects	-	-	17,477,676	17,477,676
Reserved for debt service	-	16,988,266	-	16,988,266
Unreserved fund balances	25,335,608	-	-	25,335,608
Total Fund Equity	26,573,273	16,988,266	18,484,322	62,045,861
Total Liabilities and Fund Equity	\$ 28,046,681	\$ 16,988,266	\$ 19,878,395	\$ 64,913,342

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 3,683,612	\$ 5,163,326	\$ -	\$ 8,846,938
Licenses and Permits	10,402,976	-	-	10,402,976
Intergovernmental	9,386,927	-	5,897,027	15,283,954
Charges for Services	3,932,900	-	-	3,932,900
Fines and Forfeitures	293,701	-	-	293,701
Interest	527,262	430,948	952,179	1,910,389
Miscellaneous	363,676	10	192,175	555,861
Total Revenues	28,591,054	5,594,284	7,041,381	41,226,719
Expenditures				
General Government	2,766,935	-	-	2,766,935
Public Safety	2,586,547	-	-	2,586,547
Public Works	3,819,924	-	-	3,819,924
Public Health	6,076,623	-	-	6,076,623
Public Welfare	472,577	-	-	472,577
Cultural and Recreation	776,530	-	-	776,530
Debt Service - Principal	-	355,000	-	355,000
Debt Service - Interest and Fees	-	3,135,962	-	3,135,962
Capital Projects	-	-	16,771,991	16,771,991
Total Expenditures	16,499,136	3,490,962	16,771,991	36,762,089
Excess of Revenues Over (Under) Expenditures	12,091,918	2,103,322	(9,730,610)	4,464,630
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Operating Transfers In	1,848,341	2,409,275	1,687,983	5,945,599
Operating Transfers Out	(6,814,640)	-	(187,983)	(7,002,623)
Total Other Financing Sources (Uses)	(4,966,299)	2,409,275	1,500,000	(1,057,024)
Net Change in Fund Balances	7,125,619	4,512,597	(8,230,610)	3,407,606
Fund Balances at the Beginning of the Year	19,452,485	9,763,830	26,714,932	55,931,247
Prior Period Adjustment	(4,831)	2,711,839	-	2,707,008
Fund Balances at the Beginning of the Year, as Restated	19,447,654	12,475,669	26,714,932	58,638,255
Fund Balances at the End of the Year	\$ 26,573,273	\$ 16,988,266	\$ 18,484,322	\$ 62,045,861

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BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 June 30, 2007

	<u>General Government Programs</u>	<u>Public Safety Programs</u>	<u>Public Works Programs</u>	<u>Alcohol and Drug Programs</u>
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 8,693,504	\$ 2,913,738	\$ 6,020,941	\$ (16,447)
Receivables, net	1,134,753	537,400	618,582	33,575
Due from other governments	257,019	269,084	279,562	68,638
Prepayments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 10,085,276</u>	<u>\$ 3,720,222</u>	<u>\$ 6,919,085</u>	<u>\$ 85,766</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 160,016	\$ 93,904	\$ 312,472	\$ 8,034
Accrued payroll	15,057	34,780	3,559	69,278
Due to others	-	200,508	-	-
Deferred property tax revenues	23,496	-	-	-
Deferred revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>198,569</u>	<u>329,192</u>	<u>316,031</u>	<u>77,312</u>
Fund Equity:				
Fund balances:				
Reserved for encumbrances	267,569	70,891	898,516	280
Reserved for Special Revenue Funds	<u>9,619,138</u>	<u>3,320,139</u>	<u>5,704,538</u>	<u>8,174</u>
	<u>9,886,707</u>	<u>3,391,030</u>	<u>6,603,054</u>	<u>8,454</u>
Total liabilities and fund equity	<u>\$ 10,085,276</u>	<u>\$ 3,720,222</u>	<u>\$ 6,919,085</u>	<u>\$ 85,766</u>

<u>Disabilities and Special Needs Programs</u>	<u>Public Welfare Programs</u>	<u>Cultural and Recreational Programs</u>	<u>Total</u>
\$ 529,837	\$ (105,112)	\$ 6,307,492	\$ 24,343,953
7,849	10,734	137,148	2,480,041
64,317	184,579	99,317	1,222,516
<u>171</u>	<u>-</u>	<u>-</u>	<u>171</u>
<u>\$ 602,174</u>	<u>\$ 90,201</u>	<u>\$ 6,543,957</u>	<u>\$ 28,046,681</u>
\$ 129,177	\$ 8,703	\$ 181,262	\$ 893,568
128,760	3,002	10,843	265,279
84,935	-	-	285,443
-	-	-	23,496
<u>-</u>	<u>5,622</u>	<u>-</u>	<u>5,622</u>
<u>342,872</u>	<u>17,327</u>	<u>192,105</u>	<u>1,473,408</u>
409	-	-	1,237,665
<u>258,893</u>	<u>72,874</u>	<u>6,351,852</u>	<u>25,335,608</u>
<u>259,302</u>	<u>72,874</u>	<u>6,351,852</u>	<u>26,573,273</u>
<u>\$ 602,174</u>	<u>\$ 90,201</u>	<u>\$ 6,543,957</u>	<u>\$ 28,046,681</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
Year ended June 30, 2007

	General Government Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 3,755,000	\$ 3,683,612	\$ (76,716)
Licenses and Permits	3,130,000	3,631,477	501,477
Intergovernmental	1,018,519	955,257	(63,262)
Charge for Services	735,000	817,126	82,126
Fines and Forfeitures	-	101,750	101,750
Interest	27,000	226,952	199,952
Miscellaneous	7,800	267,601	259,801
Total Revenues	8,673,319	9,683,775	1,005,128
Expenditures			
General Government	5,451,671	2,766,935	2,684,736
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	5,451,671	2,766,935	2,684,736
Excess of Revenues Over (Under) Expenditures	3,221,648	6,916,840	3,695,192
Other Financing Sources (Uses)			
Operating Transfers In	10,000	10,000	-
Operating Transfers Out	(4,104,518)	(4,070,756)	33,762
Total Other Financing Sources (Uses)	(4,094,518)	(4,060,756)	33,762
Net Change in Fund Balances	(872,870)	2,856,084	3,723,626
Fund Balances at Beginning of Year	7,035,454	7,035,454	-
Prior Period Adjustment	-	(4,831)	(4,831)
Fund Balances at Beginning of Year, as Restated	7,035,454	7,030,623	(4,831)
Fund Balances at End of Year	\$ 6,162,584	\$ 9,886,707	\$ 3,718,795

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, 2007

	Public Safety Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	41,464	39,300	(2,164)
Intergovernmental	1,163,338	1,061,727	(101,611)
Charge for Services	918,324	1,490,574	572,250
Fines for Forfeitures	110,000	191,951	81,951
Interest	-	57,683	57,683
Miscellaneous	-	-	-
Total Revenues	2,233,126	2,841,235	608,109
Expenditures			
General Government	-	-	-
Public Safety	3,125,779	2,586,547	539,232
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	3,125,779	2,586,547	539,232
Excess of Revenues Over (Under) Expenditures	(892,653)	254,688	1,147,341
Other Financing Sources (Uses)			
Operating Transfers In	333,426	295,139	(38,287)
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	333,426	295,139	(38,287)
Net Change in Fund Balances	(559,227)	549,827	1,109,054
Fund Balances at Beginning of Year	2,841,203	2,841,203	-
Fund Balances at End of Year	\$ 2,281,976	\$ 3,391,030	\$ 1,109,054

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, 2007

	Public Works Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	2,010,000	4,459,354	2,449,354
Intergovernmental	1,753,000	2,383,122	630,122
Charge for Services	1,100,000	1,213,914	113,914
Fines and Forfeitures	-	-	-
Interest	10,000	117,496	107,496
Miscellaneous	-	-	-
Total Revenues	4,873,000	8,173,886	3,300,886
Expenditures			
General Government	-	-	-
Public Safety	-	-	-
Public Works	5,285,608	3,819,924	1,465,684
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	5,285,608	3,819,924	1,465,684
Excess of Revenues Over (Under) Expenditures	(412,608)	4,353,962	4,766,570
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers Out	(1,188,300)	(2,743,884)	(1,555,584)
Total Other Financing Sources (Uses)	(1,188,300)	(2,743,884)	(1,555,584)
Net Change in Fund Balances	(1,600,908)	1,610,078	3,210,986
Fund Balances at Beginning of Year	4,992,976	4,992,976	-
Fund Balances at End of Year	\$ 3,392,068	\$ 6,603,054	\$ 3,210,986

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, 2007

	Public Health - Alcohol and Drug Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	679,663	675,773	(3,890)
Charge for Services	130,000	180,128	50,128
Fines and Forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	-	3,218	3,218
Total Revenues	809,663	859,119	49,456
Expenditures			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	1,227,470	1,153,960	73,510
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	1,227,470	1,153,960	73,510
Excess of Revenues Over (Under) Expenditures	(417,807)	(294,841)	122,966
Other Financing Sources (Uses)			
Operating Transfers In	417,807	282,451	(135,356)
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	417,807	282,451	(135,356)
Net Change in Fund Balances	-	(12,390)	(12,390)
Fund Balances at Beginning of Year	20,844	20,844	-
Fund Balances at End of Year	\$ 20,844	\$ 8,454	\$ (12,390)

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, 2007

	Public Health-Disabilities and Special Needs Programs		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	3,572,761	3,565,930	(6,831)
Charge for Services	162,546	178,238	15,692
Fines and Forfeitures	-	-	-
Interest	-	13,418	13,418
Miscellaneous	21,162	18,455	(2,707)
Total Revenues	3,756,469	3,776,041	19,572
Expenditures			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	5,336,386	4,922,663	413,723
Public Welfare	-	-	-
Cultural and Recreation	-	-	-
Total Expenditures	5,336,386	4,922,663	413,723
Excess of Revenues Over (Under) Expenditures	(1,579,917)	(1,146,622)	433,295
Other Financing Sources (Uses)			
Operating Transfers In	1,468,800	1,176,754	(292,046)
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	1,468,800	1,176,754	(292,046)
Net Change in Fund Balances	(111,117)	30,132	141,249
Fund Balances at Beginning of Year	229,170	229,170	-
Fund Balances at End of Year	\$ 118,053	\$ 259,302	\$ 141,249

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, 2007

Public Welfare Programs

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	353,000	361,432	8,432
Charge for Services	19,500	9,725	(9,775)
Fines and Forfeitures	-	-	-
Interest	-	-	-
Miscellaneous	13,000	22,450	9,450
Total Revenues	385,500	393,607	8,107
Expenditures			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	483,231	472,577	10,654
Cultural and Recreation	-	-	-
Total Expenditures	483,231	472,577	10,654
Excess of Revenues Over (Under) Expenditures	(97,731)	(78,970)	18,761
Other Financing Sources (Uses)			
Operating Transfers In	77,000	77,000	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	77,000	77,000	-
Net Change in Fund Balances	(20,731)	(1,970)	18,761
Fund Balances at Beginning of Year	74,844	74,844	-
Fund Balances at End of Year	\$ 54,113	\$ 72,874	\$ 18,761

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, 2007

	<u>Cultural and Recreation Programs</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	2,416,000	2,272,845	(143,155)
Intergovernmental	393,346	383,686	(9,660)
Charge for Services	-	43,195	43,195
Fines and Forfeitures	-	-	-
Interest	-	111,713	111,713
Miscellaneous	26,000	51,952	25,952
Total Revenues	2,835,346	2,863,391	28,045
<u>Expenditures</u>			
General Government	-	-	-
Public Safety	-	-	-
Public Works	-	-	-
Public Health	-	-	-
Public Welfare	-	-	-
Cultural and Recreation	2,843,821	776,530	2,067,291
Total Expenditures	2,843,821	776,530	2,067,291
Excess of Revenues Over (Under) Expenditures	(8,475)	2,086,861	2,095,336
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	6,997	6,997
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	6,997	6,997
Net Change in Fund Balances	(8,475)	2,093,858	2,102,333
Fund Balances at Beginning of Year	4,257,994	4,257,994	-
Fund Balances at End of Year	\$ 4,249,519	\$ 6,351,852	\$ 2,102,333

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, 2007

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 3,755,000	\$ 3,683,612	\$ (71,388)
Licenses and Permits	7,597,464	10,402,976	2,805,512
Intergovernmental	8,933,627	9,386,927	453,300
Charge for Services	3,065,370	3,932,900	867,530
Fines and Forfeitures	110,000	293,701	183,701
Interest	37,000	527,262	490,262
Miscellaneous	67,962	363,676	295,714
Total Revenues	23,566,423	28,591,054	5,024,631
Expenditures			
General Government	5,451,671	2,766,935	2,684,736
Public Safety	3,125,779	2,586,547	539,232
Public Works	5,285,608	3,819,924	1,465,684
Public Health	6,563,856	6,076,623	487,233
Public Welfare	483,231	472,577	10,654
Cultural and Recreation	2,843,821	776,530	2,067,291
Total Expenditures	23,753,966	16,499,136	7,254,830
Excess of Revenues Over (Under) Expenditures	(187,543)	12,091,918	12,279,461
Other Financing Sources (Uses)			
Operating Transfers In	2,307,033	1,848,341	(458,692)
Operating Transfers Out	(5,292,818)	(6,814,640)	(1,521,822)
Total Other Financing Sources (Uses)	(2,985,785)	(4,966,299)	(1,980,514)
Net Change in Fund Balances	(3,173,328)	7,125,619	10,298,947
Fund Balances at Beginning of Year	19,452,485	19,452,485	-
Prior Period Adjustment	-	(4,831)	(4,831)
Fund Balances at Beginning of Year, as Restated	19,452,485	19,447,654	(4,831)
Fund Balances at End of Year	\$ 16,279,157	\$ 26,573,273	\$ 10,294,116

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 Year ended June 30, 2007

	Solicitor Grant	Accommodations Tax Program	Del Webb Development Agreement	Purchase of Real Property Program	Local Accommodations Tax Program
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 3,683,612	\$ -
Licenses and permits	-	-	282,475	-	763,036
Intergovernmental	18,919	635,935	-	59,347	-
Charge for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	22,494	48,077	31,812
Miscellaneous	-	-	-	7,800	-
Total revenues	18,919	635,935	304,969	3,798,836	794,848
Expenditures					
General Government					
Personnel	-	-	-	-	56,932
Purchased services	-	-	48,961	443,718	733
Supplies	18,919	-	16,552	-	1,614
Capital	-	-	3,338	-	-
Other	-	612,580	-	-	429,300
Total expenditures	18,919	612,580	68,851	443,718	488,579
Excess of Revenues Over (Under) Expenditures	-	23,355	236,118	3,355,118	306,269
Other financing sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(55,547)	-	(2,615,209)	-
Total other financing sources (Uses)	-	(55,547)	-	(2,615,209)	-
Net Change in Fund Balances	-	(32,192)	236,118	739,909	306,269
Fund Balances at Beginning of Year	-	7,571	889,644	1,844,515	943,664
Prior Period Adjustment	-	-	-	(4,831)	-
Fund Balances at Beginning of Year, as Restated	-	7,571	889,644	1,839,684	943,664
Fund Balances (Deficit) at End of Year	\$ -	\$ (24,621)	\$ 1,125,762	\$ 2,579,593	\$ 1,249,933

Local Hospitality Tax Program	Local Admissions Fee Program	Treasurer Execution Fees	Clerk of Court	Education Assistance Trust	Employer Group Benefit Trust	Public Defender Trust	Reforestation Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,683,612
1,243,228	1,342,738	-	-	-	-	-	-	3,631,477
-	-	-	241,056	-	-	-	-	955,257
-	-	817,126	-	-	-	-	-	817,126
-	-	-	-	-	-	-	101,750	101,750
33,547	35,230	18,924	24,380	-	3,219	2,039	7,230	226,952
-	-	-	-	-	259,801	-	-	267,601
<u>1,276,775</u>	<u>1,377,968</u>	<u>836,050</u>	<u>265,436</u>	<u>-</u>	<u>263,020</u>	<u>2,039</u>	<u>108,980</u>	<u>9,683,775</u>
43,118	43,644	236,498	282	-	-	70,008	-	450,482
560	279	269,269	140,616	8,946	191,210	-	-	1,104,292
1,205	2,407	26,246	-	-	-	-	-	66,943
-	-	-	-	-	-	-	-	3,338
-	-	-	-	-	-	100,000	-	1,141,880
<u>44,883</u>	<u>46,330</u>	<u>532,013</u>	<u>140,898</u>	<u>8,946</u>	<u>191,210</u>	<u>170,008</u>	<u>-</u>	<u>2,766,935</u>
1,231,892	1,331,638	304,037	124,538	(8,946)	71,810	(167,969)	108,980	6,916,840
-	-	-	-	10,000	-	-	-	10,000
<u>(400,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,070,756)</u>
<u>(400,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,060,756)</u>
831,892	331,638	304,037	124,538	1,054	71,810	(167,969)	108,980	2,856,084
<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>
-	-	-	-	-	-	-	-	(4,831)
<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>7,030,623</u>
<u>\$ 1,546,700</u>	<u>\$ 1,403,666</u>	<u>\$ 944,464</u>	<u>\$ 420,494</u>	<u>\$ 1,054</u>	<u>\$ 208,922</u>	<u>\$ 59,995</u>	<u>\$ 370,745</u>	<u>\$ 9,886,707</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, 2007

	E-911 Telephone Program	Public Safety Grant	Emergency Medical Services Grant	Highway 170 Program	Victims Assistance Program	Sheriff's Special Program
Revenues						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	551,202	13,534	-	51,220	-
Charge for services	1,282,371	-	-	-	-	84,274
Fines and forfeitures	-	-	-	-	185,010	-
Interest	21,468	-	-	29,860	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1,303,839</u>	<u>551,202</u>	<u>13,534</u>	<u>29,860</u>	<u>236,230</u>	<u>84,274</u>
Expenditures						
Public Safety						
Personnel	196,576	-	-	-	260,787	72,336
Purchased services	419,655	-	1,044	-	14,675	-
Supplies	10,780	-	6,055	-	9,911	-
Capital	55,061	600,410	-	1,177	20,475	-
Other	<u>78,002</u>	<u>-</u>	<u>6,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>760,074</u>	<u>600,410</u>	<u>13,534</u>	<u>1,177</u>	<u>305,848</u>	<u>72,336</u>
Net Changes in Fund Balances	543,765	(49,208)	-	28,683	(69,618)	11,938
Other financing sources (Uses)						
Transfers in	-	15,000	-	-	117,257	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>117,257</u>	<u>-</u>
Net Change in Fund Balances	543,765	(34,208)	-	28,683	47,639	11,938
Fund Balances at Beginning of Year	<u>874,893</u>	<u>62,529</u>	<u>-</u>	<u>1,338,928</u>	<u>125,404</u>	<u>8,585</u>
Fund Balances at End of Year	<u>\$ 1,418,658</u>	<u>\$ 28,321</u>	<u>\$ -</u>	<u>\$ 1,367,611</u>	<u>\$ 173,043</u>	<u>\$ 20,523</u>

School Resource Officer Program	Sheriff's Grant Program	Sheriffs Restricted Drug Award Trust	Sheriff's Drug Seizure Trust	Sheriff's Family Court Trust	Detention Center Trust	Hazardous Materials Trust	Logistics Team	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,300	\$ -	\$ 39,300
320,457	76,830	-	-	31,556	-	11,928	5,000	1,061,727
-	-	-	-	-	123,929	-	-	1,490,574
-	-	346	6,595	-	-	-	-	191,951
-	-	-	3,439	931	1,116	869	-	57,683
-	-	-	-	-	-	-	-	-
<u>320,457</u>	<u>76,830</u>	<u>346</u>	<u>10,034</u>	<u>32,487</u>	<u>125,045</u>	<u>52,097</u>	<u>5,000</u>	<u>2,841,235</u>
400,573	66,845	-	-	-	-	22,567	-	1,019,684
19,124	949	-	-	-	124,105	3,745	-	583,297
6,738	4,028	-	-	271	-	2,012	-	39,795
66,550	83,875	-	-	17,287	-	-	-	844,835
-	-	-	-	-	-	14,499	-	98,936
<u>492,985</u>	<u>155,697</u>	<u>-</u>	<u>-</u>	<u>17,558</u>	<u>124,105</u>	<u>42,823</u>	<u>-</u>	<u>2,586,547</u>
(172,528)	(78,867)	346	10,034	14,929	940	9,274	5,000	254,688
76,819	78,867	-	-	-	-	-	7,196	295,139
-	-	-	-	-	-	-	-	-
<u>76,819</u>	<u>78,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,196</u>	<u>295,139</u>
(95,709)	-	346	10,034	14,929	940	9,274	12,196	549,827
<u>132,139</u>	<u>3,366</u>	<u>-</u>	<u>148,661</u>	<u>52,981</u>	<u>51,220</u>	<u>42,497</u>	<u>-</u>	<u>2,841,203</u>
\$ <u>36,430</u>	\$ <u>3,366</u>	\$ <u>346</u>	\$ <u>158,695</u>	\$ <u>67,910</u>	\$ <u>52,160</u>	\$ <u>51,771</u>	\$ <u>12,196</u>	\$ <u>3,391,030</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, 2007

	County Road Improvement Program	Oil Collection Grant	Solid Waste/ Recycling Grant	Tire Recycling Gant	Barton's Run Agreement
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	7,200
Intergovernmental	2,118,999	9,283	60,303	50,537	-
Charge for services	1,213,914	-	-	-	-
Interest	57,664	-	-	9,868	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>3,390,577</u>	<u>9,283</u>	<u>60,303</u>	<u>60,405</u>	<u>7,200</u>
Expenditures					
Public Works					
Personnel	115,278	-	-	-	-
Purchased services	17,061	3,553	2,798	15,730	-
Supplies	423	5,730	22,802	-	-
Capital	<u>2,812,486</u>	<u>-</u>	<u>34,703</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,945,248</u>	<u>9,283</u>	<u>60,303</u>	<u>15,730</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	445,329	-	-	44,675	7,200
Other financing sources (Uses)					
Transfers out	<u>(334,609)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>(334,609)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	110,720	-	-	44,675	7,200
Fund Balances at Beginning of Year	<u>2,550,798</u>	<u>1,603</u>	<u>-</u>	<u>432,564</u>	<u>33,300</u>
Fund Balances at End of Year	<u>\$ 2,661,518</u>	<u>\$ 1,603</u>	<u>\$ -</u>	<u>\$ 477,239</u>	<u>\$ 40,500</u>

<u>Traffic Impact Analysis Program</u>	<u>Traffic Management Program</u>	<u>Road Impact Fees</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -
93,450	-	4,358,704	4,459,354
-	144,000	-	2,383,122
-	-	-	1,213,914
-	-	49,964	117,496
-	-	-	-
<u>93,450</u>	<u>144,000</u>	<u>4,408,668</u>	<u>8,173,886</u>
-	-	-	115,278
-	-	-	39,142
-	-	-	28,955
-	144,000	645,360	3,636,549
-	144,000	645,360	3,819,924
93,450	-	3,763,308	4,353,962
-	-	(2,409,275)	(2,743,884)
-	-	(2,409,275)	(2,743,884)
93,450	-	1,354,033	1,610,078
149,105	-	1,825,606	4,992,976
<u>\$ 242,555</u>	<u>\$ -</u>	<u>\$ 3,179,639</u>	<u>\$ 6,603,054</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, 2007

	<u>Central Administration</u>	<u>Safety Action Program</u>	<u>School Intervention Program</u>
Revenues			
Intergovernmental	\$ -	\$ 74,712	\$ 46,581
Charge for services	-	76,489	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>151,201</u>	<u>46,581</u>
Expenditures			
Public Health			
Personnel	153,093	117,911	42,006
Purchased services	96,528	12,685	13,070
Supplies	25,165	3,633	87
Capital	12,389	-	-
Other	<u>(274,785)</u>	<u>42,553</u>	<u>17,488</u>
Total expenditures	<u>12,390</u>	<u>176,782</u>	<u>72,651</u>
Excess of Revenues Over (Under) Expenditures	(12,390)	(25,581)	(26,070)
Other financing sources (Uses)			
Transfers in	-	<u>25,581</u>	<u>26,070</u>
Total other financing sources (Uses)	-	<u>25,581</u>	<u>26,070</u>
Net Change in Fund Balances	(12,390)	-	-
Fund Balances at Beginning of Year	<u>20,844</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 8,454</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Community Based Treatment Program</u>	<u>Preventive Education Program</u>	<u>Intensive Outpatient Program</u>	<u>Total</u>
\$ 285,155	\$ 184,686	\$ 84,639	\$ 675,773
103,639	-	-	180,128
-	3,218	-	3,218
<u>388,794</u>	<u>187,904</u>	<u>84,639</u>	<u>859,119</u>
299,496	147,164	142,287	901,957
27,250	43,034	9,045	201,612
2,047	4,865	2,205	38,002
-	-	-	12,389
<u>104,232</u>	<u>61,838</u>	<u>48,674</u>	<u>-</u>
<u>433,025</u>	<u>256,901</u>	<u>202,211</u>	<u>1,153,960</u>
(44,231)	(68,997)	(117,572)	(294,841)
<u>44,231</u>	<u>68,997</u>	<u>117,572</u>	<u>282,451</u>
<u>44,231</u>	<u>68,997</u>	<u>117,572</u>	<u>282,451</u>
-	-	-	(12,390)
-	-	-	20,844
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,454</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, 2007

	Central Admini stration	Employed Services Program	Supervised Management Program	Service Coordination Program	Family Support Program	Gift Store Program
Revenues						
Intergovernmental	\$ -	\$ 809,090	\$ 72,690	\$ 326,689	\$ 17,919	\$ -
Charge for services	-	17,942	-	-	-	-
Interest	13,418	-	-	-	-	-
Miscellaneous	4,185	-	-	-	-	6,683
Total revenues	<u>17,603</u>	<u>827,032</u>	<u>72,690</u>	<u>326,689</u>	<u>17,919</u>	<u>6,683</u>
Expenditures						
Public Health						
Personnel	326,303	843,218	35,286	269,481	-	30,533
Purchased services	131,545	187,524	1,568	16,182	16,431	9,872
Supplies	40,008	66,413	325	5,115	-	265
Capital	42,480	58,754	-	-	-	-
Other	(540,337)	164,708	8,025	52,557	-	4,216
Total expenditures	<u>(1)</u>	<u>1,320,617</u>	<u>45,204</u>	<u>343,335</u>	<u>16,431</u>	<u>44,886</u>
Excess of Revenues Over (Under) Expenditures	17,604	(493,585)	27,486	(16,646)	1,488	(38,203)
Other financing sources (Uses)						
Transfers in	(8,232)	488,730	(27,485)	16,646	(1,488)	38,202
Total other financing sources (Uses)	<u>(8,232)</u>	<u>488,730</u>	<u>(27,485)</u>	<u>16,646</u>	<u>(1,488)</u>	<u>38,202</u>
Net Change in Fund Balances	9,372	(4,855)	1	-	-	(1)
Fund Balances at Beginning of Year	-	38,858	15,232	-	-	302
Fund Balances at End of Year	<u>\$ 9,372</u>	<u>\$ 34,003</u>	<u>\$ 15,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301</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
\$ 939,820	\$ 219,680	\$ 13,651	\$ 837,706	\$ 164,100	\$ 11,599	\$ 24,946	\$ 128,040	\$ 3,565,930
80,100	-	-	80,196	-	-	-	-	178,238
-	-	-	-	-	-	-	-	13,418
720	-	837	6,030	-	-	-	-	18,455
<u>1,020,640</u>	<u>219,680</u>	<u>14,488</u>	<u>923,932</u>	<u>164,100</u>	<u>11,599</u>	<u>24,946</u>	<u>128,040</u>	<u>3,776,041</u>
909,043	202,621	5,522	882,156	-	10,057	2,484	6,051	3,522,755
65,252	4,653	9,251	72,252	144,088	9,053	24,833	127,537	820,041
77,688	2,084	1,761	126,163	-	402	-	-	320,224
43,568	-	-	114,841	-	-	-	-	259,643
113,796	43,630	-	119,767	14,936	2,023	2,831	13,848	-
<u>1,209,347</u>	<u>252,988</u>	<u>16,534</u>	<u>1,315,179</u>	<u>159,024</u>	<u>21,535</u>	<u>30,148</u>	<u>147,436</u>	<u>4,922,663</u>
(188,707)	(33,308)	(2,046)	(391,247)	5,076	(9,936)	(5,202)	(19,396)	(1,146,622)
<u>188,706</u>	<u>33,308</u>	<u>2,046</u>	<u>391,245</u>	<u>(5,076)</u>	<u>9,936</u>	<u>5,202</u>	<u>45,014</u>	<u>1,176,754</u>
<u>188,706</u>	<u>33,308</u>	<u>2,046</u>	<u>391,245</u>	<u>(5,076)</u>	<u>9,936</u>	<u>5,202</u>	<u>45,014</u>	<u>1,176,754</u>
(1)	-	-	(2)	-	-	-	25,618	30,132
<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>
<u>\$ 41,640</u>	<u>\$ -</u>	<u>\$ 5,840</u>	<u>\$ 111,510</u>	<u>\$ 15,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,618</u>	<u>\$ 259,302</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, 2007

	<u>Daufuskie Ferry Grant</u>	<u>Sheldon Rehabilitation Project</u>	<u>Dale Water Grant</u>
Revenues			
Intergovernmental	\$ 42,215	\$ -	\$ 257,707
Charge for services	-	-	-
Miscellaneous	<u>-</u>	<u>250</u>	<u>-</u>
Total revenues	<u>42,215</u>	<u>250</u>	<u>257,707</u>
Expenditures			
Public Welfare			
Personnel	-	-	-
Purchased services	84,430	-	-
Supplies	-	-	-
Capital	<u>-</u>	<u>-</u>	<u>257,505</u>
Total expenditures	<u>84,430</u>	<u>-</u>	<u>257,505</u>
Excess of Revenues Over (Under) Expenditures	(42,215)	250	202
Other financing sources (Uses)			
Transfers in	35,000	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>35,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,215)	250	202
Fund Balances at Beginning of Year	<u>37,776</u>	<u>250</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 30,561</u>	<u>\$ 500</u>	<u>\$ 202</u>

Collaborative Organization for Services to Youth	Total
\$ 61,510	\$ 361,432
9,725	9,725
<u>22,200</u>	<u>22,450</u>
<u>93,435</u>	<u>393,607</u>
95,119	95,119
34,096	118,526
1,427	1,427
-	<u>257,505</u>
<u>130,642</u>	<u>472,577</u>
(37,207)	(78,970)
42,000	77,000
-	-
<u>42,000</u>	<u>77,000</u>
4,793	(1,970)
<u>36,818</u>	<u>74,844</u>
<u>\$ 41,611</u>	<u>\$ 72,874</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, 2007

	<u>Library Grants</u>	<u>Library Trust</u>	<u>Library Special Trust</u>	<u>Library Impact Fees</u>
Revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ 1,200,604
Intergovernmental	133,346	-	-	-
Charge for services	-	-	-	-
Interest	-	-	4,599	67,437
Miscellaneous	<u>26,286</u>	<u>25,666</u>	<u>-</u>	<u>-</u>
Total revenues	<u>159,632</u>	<u>25,666</u>	<u>4,599</u>	<u>1,268,041</u>
Expenditures				
Cultural and Recreation				
Personnel	-	-	-	-
Purchased services	26,631	-	-	-
Supplies	29,969	5,833	12,196	383,290
Capital	<u>36,127</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>92,727</u>	<u>5,833</u>	<u>12,196</u>	<u>383,290</u>
Excess of Revenues Over (Under) Expenditures	66,905	19,833	(7,597)	884,751
Other financing sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	66,905	19,833	(7,597)	884,751
Fund Balances at Beginning of Year	<u>8,758</u>	<u>31,675</u>	<u>361,729</u>	<u>2,511,864</u>
Fund Balances at End of Year	<u>\$ 75,663</u>	<u>\$ 51,508</u>	<u>\$ 354,132</u>	<u>\$ 3,396,615</u>

<u>PALS Capital Program</u>	<u>Summer Nutrition Program Grants</u>	<u>State PARD Grants</u>	<u>PALS Impact Fees</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 1,072,241	\$ 2,272,845
-	213,386	36,954	-	383,686
43,195	-	-	-	43,195
-	-	-	39,677	111,713
-	-	-	-	51,952
<u>43,195</u>	<u>213,386</u>	<u>36,954</u>	<u>1,111,918</u>	<u>2,863,391</u>
-	50,306	-	-	50,306
-	168,772	-	-	195,403
-	1,305	-	-	432,593
-	-	62,101	-	98,228
-	<u>220,383</u>	<u>62,101</u>	-	<u>776,530</u>
43,195	(6,997)	(25,147)	1,111,918	2,086,861
-	6,997	-	-	6,997
-	-	-	-	-
-	<u>6,997</u>	-	-	<u>6,997</u>
43,195	-	(25,147)	1,111,918	2,093,858
-	-	25,961	1,318,007	4,257,994
<u>\$ 43,195</u>	<u>\$ -</u>	<u>\$ 814</u>	<u>\$ 2,429,925</u>	<u>\$ 6,351,852</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 June 30, 2007

	<u>Bluffton TIF Bonds</u>	<u>New River TIF Bonds</u>	<u>Totals</u>
<u>ASSETS</u>			
Equity in pooled cash and investments	\$ 10,247,790	\$ 6,740,476	\$ 16,988,266
Receivables, net	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 10,247,790</u>	<u>\$ 6,740,476</u>	<u>\$ 16,988,266</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Deferred property tax revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Equity:			
Reserved for debt service	<u>10,247,790</u>	<u>6,740,476</u>	<u>16,988,266</u>
Total Liabilities and Fund Equity	<u>\$ 10,247,790</u>	<u>\$ 6,740,476</u>	<u>\$ 16,988,266</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, 2007

	Bluffton TIF Bonds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 440,000	\$ 299,274	\$ (140,726)
Intergovernmental	-	-	-
Inteterst	240,000	345,961	105,961
Miscellaneous	-	-	-
Total Revenues	<u>680,000</u>	<u>645,235</u>	<u>(34,765)</u>
Expenditures			
Debt Service - Prinicipal	155,000	155,000	-
Debt Service - Interest and fees	1,147,300	1,142,880	4,420
Total debt service expenditures	<u>1,302,300</u>	<u>1,297,880</u>	<u>4,420</u>
Excess of Revenues Over (Under) Expenditures	(622,300)	(652,645)	(30,345)
Other financing sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	622,300	2,409,275	1,786,975
Operating Transfers Out	-	-	-
Total other financing sources (uses)	<u>622,300</u>	<u>2,409,275</u>	<u>1,786,975</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	1,756,630	1,756,630
Fund Balances at Beginning of Year	<u>8,814,657</u>	<u>8,814,657</u>	<u>-</u>
Prior Period Adjustment	-	(323,497)	(323,497)
Fund Balances at Beginning of Year, as Restated	<u>8,814,657</u>	<u>8,491,160</u>	<u>(323,497)</u>
Fund Balances at End of Year	<u>\$ 8,814,657</u>	<u>\$ 10,247,790</u>	<u>\$ 1,433,133</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, 2007

	New River TIF Bonds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,800,000	\$ 4,864,052	\$ 3,064,052
Intergovernmental	-	-	-
Interest	20,000	84,987	64,987
Miscellaneous	-	10	10
Total Revenues	1,820,000	4,949,049	3,129,049
Expenditures			
Debt Service - Principal	200,000	200,000	-
Debt Service - Interest and fees	1,998,000	1,993,082	4,918
Total debt service expenditures	2,198,000	2,193,082	4,918
Excess of Revenues Over (Under) Expenditures	(378,000)	2,755,967	3,133,967
Other financing sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(378,000)	2,755,967	3,133,967
Fund Balances at Beginning of Year	949,173	949,173	-
Prior Period Adjustment	-	3,035,336	3,035,336
Fund Balances at Beginning of Year, as Restated	949,173	3,984,509	3,035,336
Fund Balances at End of Year	\$ 571,173	\$ 6,740,476	\$ 6,169,303

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, 2007

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 2,240,000	\$ 5,163,326	\$ 2,923,326
Intergovernmental	-	-	-
Interest	260,000	430,948	170,948
Miscellaneous	-	10	10
Total Revenues	<u>2,500,000</u>	<u>5,594,284</u>	<u>3,094,284</u>
Expenditures			
Debt Service - Principal	355,000	355,000	-
Debt Service - Interest and fees	3,145,300	3,135,962	9,338
Total Debt Service Expenditures	<u>3,500,300</u>	<u>3,490,962</u>	<u>9,338</u>
Excess of Revenues Over (Under) Expenditures	(1,000,300)	2,103,322	3,103,622
Other financing sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	622,300	2,409,275	1,786,975
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>622,300</u>	<u>2,409,275</u>	<u>1,786,975</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(378,000)	4,512,597	4,890,597
Fund Balances at Beginning of Year	<u>9,763,830</u>	<u>9,763,830</u>	<u>-</u>
Prior Period Adjustment	-	2,711,839	2,711,839
Fund Balances at Beginning of Year, as Restated	<u>9,763,830</u>	<u>12,475,669</u>	<u>2,711,839</u>
Fund Balances at End of Year	<u>\$ 9,385,830</u>	<u>\$ 16,988,266</u>	<u>\$ 7,602,436</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECT FUNDS
 June 30, 2007

	<u>New River TIF Projects</u>	<u>Bluffton TIF Projects</u>	<u>2001 Bond Projects</u>	<u>2002 Bond Projects</u>
<u>ASSETS</u>				
Equity in pooled cash and investments	\$ 832,899	\$ 1,147,604	\$ 882,618	\$ 2,706,615
Receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 832,899</u>	<u>\$ 1,147,604</u>	<u>\$ 882,618</u>	<u>\$ 2,706,615</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 66,815	\$ -	\$ -	\$ 5,785
Accrued payroll	-	-	-	-
Total liabilities	<u>66,815</u>	<u>-</u>	<u>-</u>	<u>5,785</u>
Fund equity:				
Reserved and reserved for encumbrances	-	-	-	11,875
Reserved for capital projects	<u>766,084</u>	<u>1,147,604</u>	<u>882,618</u>	<u>2,688,955</u>
Total fund equity	<u>766,084</u>	<u>1,147,604</u>	<u>882,618</u>	<u>2,700,830</u>
Total liabilities and fund equity	<u>\$ 832,899</u>	<u>\$ 1,147,604</u>	<u>\$ 882,618</u>	<u>\$ 2,706,615</u>

<u>2003 Bond Projects</u>	<u>2005 Bond Projects</u>	<u>Real Property Purchase Program</u>	<u>Sales Tax Projects</u>	<u>Totals</u>
\$ 3,475,464	\$ 7,453,145	\$ (2,709,152)	\$ -	\$ 13,789,193
-	192,175	-	-	192,175
-	-	1,250,000	4,647,027	5,897,027
<u>\$ 3,475,464</u>	<u>\$ 7,645,320</u>	<u>\$ (1,459,152)</u>	<u>\$ 4,647,027</u>	<u>\$ 19,878,395</u>
\$ 617	\$ 488,497	\$ -	\$ 832,359	\$ 1,394,073
-	-	-	-	-
<u>617</u>	<u>488,497</u>	<u>-</u>	<u>832,359</u>	<u>1,394,073</u>
755,367	239,404	-	-	1,006,646
<u>2,719,480</u>	<u>6,917,419</u>	<u>(1,459,152)</u>	<u>3,814,668</u>	<u>17,477,676</u>
<u>3,474,847</u>	<u>7,156,823</u>	<u>(1,459,152)</u>	<u>3,814,668</u>	<u>18,484,322</u>
<u>\$ 3,475,464</u>	<u>\$ 7,645,320</u>	<u>\$ (1,459,152)</u>	<u>\$ 4,647,027</u>	<u>\$ 19,878,395</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, 2007

	New River TIF Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	10,040	10,040
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>10,040</u>	<u>10,040</u>
Expenditures			
Capital Projects	<u>2,884,295</u>	<u>1,891,099</u>	<u>993,196</u>
Excess of Revenues Over (Under) Expenditures	(2,884,295)	(1,881,059)	1,003,236
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	1,500,000	1,500,000	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,384,295)	(381,059)	1,003,236
Fund Balances at Beginning of Year	<u>1,147,143</u>	<u>1,147,143</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (237,152)</u>	<u>\$ 766,084</u>	<u>\$ 1,003,236</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, 2007

	Bluffton TIF Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	28,965	28,965
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>28,965</u>	<u>28,965</u>
Expenditures			
Capital Projects	-	39,948	(39,948)
Excess of Revenues Over (Under) Expenditures	-	(10,983)	(10,983)
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	-	(10,983)	(10,983)
Fund Balances at Beginning of Year	<u>1,158,587</u>	<u>1,158,587</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,158,587</u>	<u>\$ 1,147,604</u>	<u>\$ (10,983)</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, 2007

	2001 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	20,050	20,050
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>20,050</u>	<u>20,050</u>
Expenditures			
Capital Projects	<u>829,190</u>	<u>97,013</u>	<u>(732,177)</u>
Excess of Revenues Over (Under) Expenditures	(829,190)	(76,963)	752,227
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(34,389)</u>	<u>(34,389)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(34,389)</u>	<u>(34,389)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(863,579)	(111,352)	752,227
Fund Balances at Beginning of Year	<u>993,970</u>	<u>993,970</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 130,391</u>	<u>\$ 882,618</u>	<u>\$ 752,227</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, 2007

	2002 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ -	-
Interest	-	63,989	63,989
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>63,989</u>	<u>63,989</u>
Expenditures			
Capital Projects	<u>2,841,845</u>	<u>574,501</u>	<u>2,267,344</u>
Excess of Revenues Over (Under) Expenditures	(2,841,845)	(510,512)	2,331,333
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(38,495)</u>	<u>(38,495)</u>	-
Total Other Financing Sources (Uses)	<u>(38,495)</u>	<u>(38,495)</u>	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Othe Uses	(2,880,340)	(549,007)	2,331,333
Fund Balances at Beginning of Year	<u>3,249,837</u>	<u>3,249,837</u>	-
Fund Balances at End of Year	<u>\$ 369,497</u>	<u>\$ 2,700,830</u>	<u>\$ 2,331,333</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, 2007

	2003 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	98,130	98,130
Miscellaneous	-	-	-
Total Revenues	<u>-</u>	<u>98,130</u>	<u>98,130</u>
Expenditures			
Capital Projects	<u>3,765,094</u>	<u>433,421</u>	<u>3,331,673</u>
Excess of Revenues Over (Under) Expenditures	(3,765,094)	(335,291)	3,429,803
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(115,099)</u>	<u>(115,099)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(115,099)</u>	<u>(115,099)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,880,193)	(450,390)	3,429,803
Fund Balances at Beginning of Year	<u>3,925,237</u>	<u>3,925,237</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 45,044</u>	<u>\$ 3,474,847</u>	<u>\$ 3,429,803</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, 2007

	2005 General Obligation Bond Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	393,480	393,480
Miscellaneous	-	192,175	192,175
Total Revenues	<u>-</u>	<u>585,655</u>	<u>585,655</u>
Expenditures			
Capital Projects	<u>12,788,734</u>	<u>5,534,206</u>	<u>7,254,528</u>
Excess of Revenues Over (Under) Expenditures	(12,788,734)	(4,948,551)	7,840,183
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	187,983	187,983	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>187,983</u>	<u>187,983</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(12,600,751)	(4,760,568)	7,840,183
Fund Balances at Beginning of Year	<u>11,917,391</u>	<u>11,917,391</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (683,360)</u>	<u>\$ 7,156,823</u>	<u>\$ 7,840,183</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, 2007

	Real Property Purchase Program		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 1,250,000	\$ 1,250,000	\$ -
Interest	-	337,525	337,525
Miscellaneous	-	-	-
Total Revenues	<u>1,250,000</u>	<u>1,587,525</u>	<u>337,525</u>
Expenditures			
Capital Projects	<u>3,567,480</u>	<u>7,369,444</u>	<u>(3,801,964)</u>
Excess of Revenues Over (Under) Expenditures	(2,317,480)	(5,781,919)	(3,464,439)
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	(2,317,480)	(5,781,919)	(3,464,439)
Fund Balances at Beginning of Year	<u>4,322,767</u>	<u>4,322,767</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,005,287</u>	<u>\$ (1,459,152)</u>	<u>\$ (3,464,439)</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, 2007

	Sales Tax Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 4,000,000	\$ 4,647,027	\$ 647,027
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>4,000,000</u>	<u>4,647,027</u>	<u>647,027</u>
Expenditures			
Capital projects	<u>4,000,000</u>	<u>832,359</u>	<u>3,167,641</u>
Excess of Revenues Over (Under) Expenditures	-	3,814,668	3,814,668
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Transfers in	-	-	-
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	-	3,814,668	3,814,668
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 3,814,668</u>	<u>\$ 3,814,668</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, 2007

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 5,250,000	\$ 5,897,027	\$ 647,027
Interest	-	952,179	952,179
Miscellaneous	-	192,175	192,175
Total Revenues	<u>5,250,000</u>	<u>7,041,381</u>	<u>1,791,381</u>
Expenditures			
Capital Projects	<u>30,676,638</u>	<u>16,771,991</u>	<u>13,904,647</u>
Excess of Revenues Over (Under) Expenditures	(25,426,638)	(9,730,610)	15,696,028
Other Financing Sources (Uses)			
Bond Proceeds	-	-	-
Operating Transfers In	1,687,983	1,687,983	-
Operating Transfers Out	<u>(187,983)</u>	<u>(187,983)</u>	-
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,500,000</u>	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(23,926,638)	(8,230,610)	15,696,028
Fund Balances at Beginning of Year	<u>26,714,932</u>	<u>26,714,932</u>	-
Fund Balances at End of Year	<u>\$ 2,788,294</u>	<u>\$ 18,484,322</u>	<u>\$ 15,696,028</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year ended June 30, 2007

	Balance July 1, 2006	Prior Period Adjustment	Balance July 1, 2006 As Restated	Additions	Deductions	Balance June 30, 2007
<u>Broad Creek Public Service District</u>						
Assets:						
Equity in pooled cash and investments	\$ 45,992	\$ -	\$ 45,992	\$ 1,771,998	\$ 1,465,880	\$ 352,110
Due to agency:						
Operations	\$ 222,644	\$ -	\$ 222,644	\$ 1,391,959	\$ 1,263,230	\$ 351,373
Water/Sewer	2,928	-	2,928	41,809	44,000	737
Debt Service	(179,580)	-	(179,580)	338,230	158,650	-
Capital Projects	-	-	-	-	-	-
	<u>\$ 45,992</u>	<u>\$ -</u>	<u>\$ 45,992</u>	<u>\$ 1,771,998</u>	<u>\$ 1,465,880</u>	<u>\$ 352,110</u>
<u>Fripp Island Public Service District</u>						
Assets:						
Equity in pooled cash and investments	\$ 1,134,778	\$ -	\$ 1,134,778	\$ 1,681,850	\$ 1,844,882	\$ 971,746
Due to agency:						
Erosion Control	\$ 105,928	\$ -	\$ 105,928	\$ 6,310	\$ -	\$ 112,238
Water/Sewer	2,111	-	2,111	145,186	2,111	145,186
Debt Service	418,002	-	418,002	502,919	487,573	433,348
Capital Projects	257,139	-	257,139	586,040	843,179	-
Fire Department 1% Funds	41,300	-	41,300	23,847	5,741	59,406
Fire Operations	310,298	-	310,298	417,548	506,278	221,568
	<u>\$ 1,134,778</u>	<u>\$ -</u>	<u>\$ 1,134,778</u>	<u>\$ 1,681,850</u>	<u>\$ 1,844,882</u>	<u>\$ 971,746</u>
<u>Forest Beach Public Service District</u>						
Assets:						
Equity in pooled cash and investments	\$ -	\$ 244	\$ 244	\$ 7,296	\$ 7,296	\$ 244
Due to agency:						
Operations	\$ -	\$ 244	\$ 244	\$ 619	\$ 619	\$ 244
Water/Sewer	-	-	-	-	-	-
Fire Department 1% Funds	-	-	-	-	-	-
Fire Operations	-	-	-	5,938	5,938	-
Debt Service	-	-	-	739	739	-
	<u>\$ -</u>	<u>\$ 244</u>	<u>\$ 244</u>	<u>\$ 7,296</u>	<u>\$ 7,296</u>	<u>\$ 244</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2007

	Balance July 1, 2006	Prior Period Adjustment	Balance July 1, 2006 As Restated	Additions	Deductions	Balance June 30, 2007
Hilton Head #1 Public Service District						
Assets:						
Equity in pooled cash and investments	\$ 331,301	\$ 5,033	\$ 336,334	\$ 1,806,119	\$ 2,012,844	\$ 129,609
Due to agency:						
Operations	\$ 107,507	\$ 3,629	\$ 111,136	\$ 762,958	\$ 824,000	\$ 50,094
Water/Sewer	49,404	-	49,404	506,273	542,000	13,677
Debt Service	174,390	1,404	175,794	538,888	646,844	65,838
Capital Projects	-	-	-	-	-	-
	<u>\$ 331,301</u>	<u>\$ 5,033</u>	<u>\$ 336,334</u>	<u>\$ 1,806,119</u>	<u>\$ 2,012,844</u>	<u>\$ 129,609</u>
South Beach Public Service District						
Assets:						
Equity in pooled cash and investments	\$ 24,189	\$ -	\$ 24,189	\$ 206,070	\$ 217,786	\$ 12,473
Due to agency:						
Water/Sewer	\$ 13,498	\$ -	\$ 13,498	\$ 190,724	\$ 204,222	\$ -
Debt Service	10,691	-	10,691	1,782	-	12,473
Fire Operations	-	-	-	12,207	12,207	-
Fire Debt Service	-	-	-	1,357	1,357	-
	<u>\$ 24,189</u>	<u>\$ -</u>	<u>\$ 24,189</u>	<u>\$ 206,070</u>	<u>\$ 217,786</u>	<u>\$ 12,473</u>
Bluffton Fire District						
Assets:						
Equity in pooled cash and investments	\$ 4,449,182	\$ (286,204)	\$ 4,162,978	\$ 8,705,784	\$ 8,769,675	\$ 4,099,087
Due to agency:						
Operations	\$ 1,285,662	\$ (276,077)	\$ 1,009,585	\$ 7,398,886	\$ 6,974,934	\$ 1,433,537
Debt Service	355,098	(10,127)	344,971	250,652	84,209	511,414
Capital Projects	1,654	-	1,654	37	-	1,691
Fire Department 1% Fund	13,103	-	13,103	187,279	191,498	8,884
Impact Fees	2,793,665	-	2,793,665	868,930	1,519,034	2,143,561
	<u>\$ 4,449,182</u>	<u>\$ (286,204)</u>	<u>\$ 4,162,978</u>	<u>\$ 8,705,784</u>	<u>\$ 8,769,675</u>	<u>\$ 4,099,087</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2007

	Balance July 1, 2006	Prior Period Adjustment	Balance July 1, 2006 As Restated	Additions	Deductions	Balance June 30, 2007
Burton Fire District						
Assets:						
Equity in pooled cash and investments	\$ 1,469,006	\$ -	\$ 1,469,006	\$ 4,028,748	\$ 4,190,808	\$ 1,306,946
Due to agency:						
Operations	\$ 759,120	\$ -	\$ 759,120	\$ 3,511,373	\$ 3,663,911	\$ 586,582
Debt Service	233,246	-	233,246	398,167	295,386	336,027
Capital Projects	-	-	-	-	-	-
Fire Department 1% Fund	95,078	-	95,078	32,719	61,511	66,286
Impact Fees	381,562	-	381,562	86,489	150,000	318,051
	<u>\$ 1,469,006</u>	<u>\$ -</u>	<u>\$ 1,469,006</u>	<u>\$ 4,028,748</u>	<u>\$ 4,190,808</u>	<u>\$ 1,306,946</u>
Daufuskie Island Fire District						
Assets:						
Equity in pooled cash and investments	\$ 109,279	\$ -	\$ 109,279	\$ 820,956	\$ 795,886	\$ 134,349
Due to agency:						
Operations	\$ 17,927	\$ -	\$ 17,927	\$ 721,563	\$ 739,490	\$ -
Debt Service	(8,510)	-	(8,510)	63,227	54,717	-
Capital Projects	-	-	-	-	-	-
Fire Department 1% Fund	8,842	-	8,842	9,903	1,679	17,066
Impact Fees	91,020	-	91,020	26,263	-	117,283
	<u>\$ 109,279</u>	<u>\$ -</u>	<u>\$ 109,279</u>	<u>\$ 820,956</u>	<u>\$ 795,886</u>	<u>\$ 134,349</u>
Lady's Island/St Helena Island Fire District						
Assets:						
Equity in pooled cash and investments	\$ 1,063,160	\$ -	\$ 1,063,160	\$ 3,795,633	\$ 4,013,602	\$ 845,191
Due to agency:						
Operations	\$ 422,887	\$ -	\$ 422,887	\$ 3,448,126	\$ 3,582,207	\$ 288,806
Debt Service	54,815	-	54,815	159,987	208,947	5,855
Capital Projects	-	-	-	-	-	-
Fire Department 1% Fund	94,252	-	94,252	65,431	69,777	89,906
Impact Fees	491,206	-	491,206	122,089	152,671	460,624
	<u>\$ 1,063,160</u>	<u>\$ -</u>	<u>\$ 1,063,160</u>	<u>\$ 3,795,633</u>	<u>\$ 4,013,602</u>	<u>\$ 845,191</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2007

	Balance July 1, 2006	Prior Period Adjustment	Balance July 1, 2006 As Restated	Additions	Deductions	Balance June 30, 2007
Sheldon Fire District						
Assets:						
Equity in pooled cash and investments	\$ 72,253	\$ -	\$ 72,253	\$ 960,189	\$ 958,529	\$ 73,913
Due to agency:						
Operations	\$ 29,720	\$ -	\$ 29,720	\$ 879,038	\$ 883,725	\$ 25,033
Debt Service	19,957	-	19,957	62,887	66,772	16,072
Capital Projects	-	-	-	-	-	-
Fire Department 1% Fund	14,204	-	14,204	11,748	8,032	17,920
Impact Fees	8,372	-	8,372	6,516	-	14,888
	<u>\$ 72,253</u>	<u>\$ -</u>	<u>\$ 72,253</u>	<u>\$ 960,189</u>	<u>\$ 958,529</u>	<u>\$ 73,913</u>
City of Beaufort						
Assets:						
Equity in pooled cash and investments	\$ 86,040	\$ (392,931)	\$ (306,891)	\$ 4,897,256	\$ 4,590,365	\$ -
Due to agency:						
Municipal	\$ 86,040	\$ (392,931)	\$ (306,891)	\$ 4,524,645	\$ 4,217,754	\$ -
Stormwater Fees	-	-	-	330,339	330,339	-
Fire Department 1% Fund	-	-	-	42,272	42,272	-
	<u>\$ 86,040</u>	<u>\$ (392,931)</u>	<u>\$ (306,891)</u>	<u>\$ 4,897,256</u>	<u>\$ 4,590,365</u>	<u>\$ -</u>
Town of Port Royal						
Assets:						
Equity in pooled cash and investments	\$ 40,392	\$ (141,268)	\$ (100,876)	\$ 1,829,551	\$ 1,728,675	\$ -
Due to agency:						
Municipal	\$ 40,392	\$ (141,268)	\$ (100,876)	\$ 1,699,857	\$ 1,598,981	\$ -
Stormwater Fees	-	-	-	119,703	119,703	-
Fire Department 1% Fund	-	-	-	9,991	9,991	-
	<u>\$ 40,392</u>	<u>\$ (141,268)</u>	<u>\$ (100,876)</u>	<u>\$ 1,829,551</u>	<u>\$ 1,728,675</u>	<u>\$ -</u>
Town of Bluffton						
Assets:						
Equity in pooled cash and investments	\$ 39,747	\$ 12,027	\$ 51,774	\$ 3,220,452	\$ 3,207,694	\$ 64,532
Due to agency:						
Municipal	\$ 39,747	\$ 12,027	\$ 51,774	\$ 2,883,377	\$ 2,870,619	\$ 64,532
Stormwater Fees	-	-	-	337,075	337,075	-
	<u>\$ 39,747</u>	<u>\$ 12,027</u>	<u>\$ 51,774</u>	<u>\$ 3,220,452</u>	<u>\$ 3,207,694</u>	<u>\$ 64,532</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2007

	Balance July 1, 2006	Prior Period Adjustment	Balance July 1, 2006 As Restated	Additions	Deductions	Balance June 30, 2007
<u>Town of Yemassee</u>						
Assets:						
Equity in pooled cash and investments	\$ 258	\$ -	\$ 258	\$ 11,250	\$ 11,144	\$ 364
Due to agency:						
Municipal	\$ 258	\$ -	\$ 258	\$ 11,132	\$ 11,026	\$ 364
Fire Department 1% Fund	-	-	-	118	118	-
	\$ 258	\$ -	\$ 258	\$ 11,250	\$ 11,144	\$ 364
<u>Town of Hilton Head</u>						
Assets:						
Equity in pooled cash and investments	\$ 214,687	\$ (935,871)	\$ (721,184)	\$ 20,391,944	\$ 19,665,740	\$ 5,020
Due to agency:						
Municipal	\$ 210,922	\$ (935,871)	\$ (724,949)	\$ 18,547,883	\$ 17,822,934	\$ -
Stormwater Fees	-	-	-	1,316,618	1,316,618	-
Fire Operations	-	-	-	19,873	19,873	-
Fire Debt Service	3,765	-	3,765	1,255	-	5,020
Fire Department 1% Fund	-	-	-	506,315	506,315	-
	\$ 214,687	\$ (935,871)	\$ (721,184)	\$ 20,391,944	\$ 19,665,740	\$ 5,020
<u>Beaufort-Jasper Academy for Career Excellence</u>						
Assets:						
Equity in pooled cash and investments	\$ 305,557	\$ -	\$ 305,557	\$ 3,978,863	\$ 3,853,389	\$ 431,031
Due to agency:						
General	\$ 149,405	\$ -	\$ 149,405	\$ 3,338,290	\$ 3,242,235	\$ 245,460
Special Revenue Funds	156,152	-	156,152	583,949	554,530	185,571
Capital Projects	-	-	-	-	-	-
Education Improvement Act	-	-	-	56,624	56,624	-
	\$ 305,557	\$ -	\$ 305,557	\$ 3,978,863	\$ 3,853,389	\$ 431,031

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2007

	Balance July 1, 2006	Prior Period Adjustment	Balance July 1, 2006 As Restated	Additions	Deductions	Balance June 30, 2007
Beaufort County School District						
Assets:						
Equity in pooled cash and investments	\$ 46,137,264	\$ (1,192,345)	\$ 44,944,919	\$ 285,559,624	\$ 240,990,962	\$ 89,513,581
Due to agency:						
General	\$ (29,804,458)	\$ (960,319)	\$ (30,764,777)	\$ 178,093,915	\$ 130,999,435	\$ 16,329,703
Special Revenue Funds	16,889,208	-	16,889,208	4,172,897	21,042,105	-
Debt Service	22,113,103	(232,026)	21,881,077	27,488,545	42,881,704	6,487,918
Capital Projects	10,381,379	-	10,381,379	412,816	8,857,328	1,916,867
School Lunch Program	797,088	-	797,088	5,041,758	4,796,742	1,042,104
School 8% Projects	8,894,673	-	8,894,673	14,616,871	17,848,260	5,683,284
Education Improvement Act	15,503,215	-	15,503,215	4,664,387	13,477,045	6,690,557
8% BANS	-	-	-	19,270,804	-	19,270,804
Facilities 2000	2,072,711	-	2,072,711	-	-	2,072,711
Facilities 2005	(669,655)	-	(669,655)	31,797,631	1,088,343	30,039,633
Facilities 2006	-	-	-	-	-	-
	\$ 46,137,264	\$ (1,192,345)	\$ 44,944,919	\$ 285,559,624	\$ 240,990,962	\$ 89,513,581
Special Assessments						
Assets:						
Equity in pooled cash and investments	\$ 122,377	\$ -	\$ 122,377	\$ 95,078	\$ 49,975	\$ 167,480
Due to agency:						
Burlington Estates	\$ 14,700	\$ -	\$ 14,700	\$ 1,150	\$ -	\$ 15,850
Burlington Land	10,632	-	10,632	958	-	11,590
Cedarcrest	(91)	-	(91)	35,235	-	35,144
Kings Grant II	10,933	-	10,933	1,503	-	12,436
O'Neal Place	8,849	-	8,849	693	-	9,542
Pleasant Farm	-	-	-	19,209	18,900	309
Robin Wood	11,749	-	11,749	1,022	-	12,771
Seabrook	55,132	-	55,132	34,642	31,075	58,699
Woodland Estates	10,473	-	10,473	666	-	11,139
	\$ 122,377	\$ -	\$ 122,377	\$ 95,078	\$ 49,975	\$ 167,480
Indigent Health Care						
Assets:						
Equity in pooled cash and investments	\$ 26,857	\$ (4,920)	\$ 21,937	\$ 2,288,551	\$ 2,310,488	\$ -
Due to agency:						
General	\$ 26,857	\$ (4,920)	\$ 21,937	\$ 2,288,551	\$ 2,310,488	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
Year ended June 30, 2007

	Balance July 1, 2006	Prior Period Adjustment	Balance July 1, 2006 As Restated	Additions	Deductions	Balance June 30, 2007
Continuing Education						
Assets:						
Equity in pooled cash and investments	\$ (98,188)	\$ (10,297)	\$ (108,485)	\$ 4,584,924	\$ 4,476,439	\$ -
Due to agency:						
General	\$ (98,188)	\$ (10,297)	\$ (108,485)	\$ 4,584,924	\$ 4,476,439	\$ -
Departmentally Held Funds						
Assets:						
Equity in pooled cash and investments	\$ 10,968,361	\$ -	\$ 10,968,361	\$ 7,138,172	\$ 7,626,631	\$ 10,479,902
Due to agency:						
Clerk of Court	\$ 4,291,712	\$ -	\$ 4,291,712	\$ 980,024	\$ 1,263,708	\$ 4,008,028
Master in Equity - Foreclosures	480,798	-	480,798	545,010	480,798	545,010
Register of Deeds - Bonds	800,781	-	800,781	1,120,134	800,781	1,120,134
Treasurer - JPC Escrow	435,852	-	435,852	186,898	122,126	500,624
Treasurer - Bankruptcy Escrow	142,929	-	142,929	157,581	142,929	157,581
Treasurer - Surplus Tax Escrow	4,816,289	-	4,816,289	4,148,525	4,816,289	4,148,525
	\$ 10,968,361	\$ -	\$ 10,968,361	\$ 7,138,172	\$ 7,626,631	\$ 10,479,902
Total - All Agency Funds						
Assets:						
Equity in pooled cash and investments	\$ 66,542,492	\$ (2,946,532)	\$ 63,595,960	\$ 357,780,308	\$ 312,788,690	\$ 108,587,578
Due to agency:						
General	\$ 66,542,492	\$ (2,946,532)	\$ 63,595,960	\$ 357,780,308	\$ 312,788,690	\$ 108,587,578

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES
 JUNE 30, 2007

Clerk of Court Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 442,772
Remitted to other Agencies	102,760
Retained by the County	<u>242,115</u>
Total Fines, Fees, Assessments and Surcharges Collected	<u>\$ 787,647</u>

Magistrate Courts Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 1,359,768
Remitted to other Agencies	22,267
Retained by the County	<u>1,100,330</u>
Total Fines, Fees, Assessments and Surcharges Collected	<u>\$ 2,482,365</u>

Victims Assistance Services

Funds carried forward from prior years	\$ 125,404
Fees and Assessments from the Clerk of Court	38,336
Fees and Assessments from the Magistrate Courts	146,674
Town of Hilton Head allocation	51,220
County general fund allocation	<u>117,257</u>
Funds allocated to Victim Assistance Services	478,891
Victim Assistance Expenditures	<u>(305,848)</u>
Funds Available for Carryforward	<u>\$ 173,043</u>

SINGLE AUDIT SECTION

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2007

	Federal CFDA Number	Federal Award Expended
Direct Federal Grants:		
National Oceanic and Atmospheric Administration		
Office of Ocean and Coastal Resource Management		
2006 Coastal and Estuarine Land Conservation Program		
NA06NOS4190270		
	11.419	1,250,000
Federal Pass - Through Grants:		
Federal Emergency Management Agency		
Passed through Office of the SC Adjutant General		
5EMPG01		
	97.067	22,500
6EMPG01		
	97.067	37,326
HMESC 5042120		
	20.703	2,131
HMESC 6042120		
	20.703	8,500
JAG 2006		
	16.738	34,108
Homeland Security Grants Administration		
Passed through SC Law Enforcement Division		
5SHSP07		
	97.004	192,119
US Department of Agriculture		
Passed through SC Department of Social Services		
Summer Food Services for Children		
	10.559	93,392
Summer Food Services for Children		
	10.559	119,994
US Department of Health and Human Services		
Passed through SC Department of Social Services		
Child Support Enforcement IV-D Transaction Reimbursement		
	93.563	192,578
Child Support Enforcement IV-D Incentive Payments		
	93.563	48,478
Child Support Enforcement IV-D Service of Process Payments		
	93.563	18,365
Child Support Enforcement IV-D Filing Fees		
	93.563	52,230
Passed through SC Department of Alcohol and Other Drug Abuse Services		
Consolidated Contract		
	93.959	388,631
Medicaid		
	93.778	575
Passed through SC Department of Commerce		
Community Development Block Grant - 4-CI-04-024		
	14.225	257,707
Passed through SC Department of Health Services Finance Commission		
Collaborator / Coordinator - #A70545A		
	93.778	115,010
US Department of Justice		
Passed through SC Department of Public Safety		
Domestic Violence Initiative Technical Support - 1K04036		
	16.588	18,919
US Department of Transportation		
Passed through SC Department of Public Safety		
Multi-Agency Joint Enforcement Traffic Team - 2H07026		
	20.601	76,830
Passed through SC Department of Transportation		
Lowcountry Regional Transportation Authority -MT-713X7-99		
	20.509	42,215

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

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**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, 2007, which collectively comprise Beaufort County, South Carolina's basic financial statements and have issued our report thereon dated December 8, 2008. 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 Beaufort County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Beaufort County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Beaufort County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control. We consider the deficiencies described as items 2007-1 through 2007-6 in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that four of the significant deficiencies described above are material weaknesses. Material weaknesses are described in the accompanying schedule of findings and responses as items 2007-1 through 2007-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaufort County'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*, described in the accompanying schedule of findings and responses as item 2007-4.

Beaufort County's response to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Beaufort County's response and accordingly, we express no opinion on it.

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

Elliott Davis, LLC

Columbia, South Carolina
December 8, 2008

**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 Beaufort County 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, 2007. Beaufort County'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 Beaufort County's management. Our responsibility is to express an opinion on the Beaufort County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Beaufort County'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 Beaufort County's compliance with those requirements.

As described in Item 2007-2 in the accompanying Schedule of Findings and Questioned Costs, Beaufort County did not comply with requirements to exclude non-federal matching expenditures when reporting federal expenditures for applicable programs. Compliance with such requirements is necessary in our opinion, for the County to comply with requirements applicable to programs having non-federal matching expenditures.

In our opinion, except for the noncompliance described in the preceding paragraph, Beaufort County 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, 2007.

Internal Control Over Compliance

The management of Beaufort County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Beaufort County'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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Beaufort County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2007-1 and 2007-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider items 2007-1 and 2007-2 to be material weaknesses.

Beaufort County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Beaufort County's response and accordingly, we express no opinion on it.

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

Elliott Davis, LLC

Columbia, South Carolina
December 8, 2008

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified:	Yes
Significant deficiencies identified that are not considered to be material weaknesses:	Yes
Noncompliance material to financial statements noted:	Yes

Federal Awards

Internal control over major programs:	
Material weakness identified:	Yes
Significant deficiencies identified that are not considered to be material weaknesses:	Yes
Type of auditor's report issued on compliance for major programs:	Qualified
Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133	Yes

1. The programs tested as major programs were:

US Department of Commerce	
National Oceanic and Atmosphere	
Administration Grant	11.419
US Department of Health and Human Services	
Consolidated Contract	93.959

2. The threshold for distinguishing Types A and B programs was \$300,000.
3. Beaufort County, South Carolina did not qualify as a low risk auditee.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Item 2007 - 1: Lack of Segregation of Duties

During fiscal year 2007, substantially all of the County's primary accounting functions were 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 were 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.

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.

Management Response: The County's Finance Department hired a Budget Analyst and Financial Analyst during the 2008 fiscal year. These new employees will help to implement a system with better segregation of duties.

Item 2007 - 2: Schedule of Federal Expenditures

The County included approximately \$2 million in matching expenditures which were non-federal in source to be reported as expenditures of federal awards. The County's schedule of expenditures of federal awards at page 121 has been corrected to exclude these expenditures.

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.

Management Response: The County's Finance Department hired a Budget Analyst and Financial Analyst during the 2008 fiscal year. These new employees will help to implement a system with better controls over this process.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

B. FINDINGS - FINANCIAL STATEMENTS AUDIT, (Continued)

Item 2007 - 3: Lack of Timely Financial Reporting

For fiscal year 2007, 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, 2007.

As a result of the County has been at risk of losing funding from various state and federal sources and has been delayed in obtaining access to financing 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.

Management Response: The delay in the issuance of the 2007 fiscal year's CAFR was caused by large discrepancies found within the County's tax incremental financing districts (TIFs). These discrepancies were researched, reconciled, and corrected for future reporting. The reconciliation process was very labor-intensive and took most of the 2008 calendar year to complete. With the reconciliation now complete, future CAFRs should not experience these delays.

Item 2007 - 4: Cash Collateral

As of June 30, 2007, the County held cash deposits with two separate financial institutions in excess of FDIC insurance limits by approximately \$8.9 million, \$1.7 million and \$0.8 million, respectively. As of June 30, 2007, 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 Federal Deposit Insurance Company (FDIC) insurance limits.

Management Response: The County will work to have this problem resolved in the 2009 fiscal year.

Item 2007-5: Capital Assets

During periods prior to fiscal year 2007, the County had been computing depreciation expense and accumulated depreciation on capital assets based on total annual acquisition costs by fiscal year. As a result, individual capital assets were not being accurately depreciated based on their acquisition date and depreciable lives.

Also, during fiscal year 2008, the County inventoried its capital assets using records obtained from various related County departments. Based on this inventory, the County determined that certain capital assets needed to be either added or deleted from the detail listing being used to report cost and accumulated depreciation in the County's financial statements.

As a result of the above conditions, the County's net assets as of June 30, 2007 were understated by approximately \$10.7 million.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

B. FINDINGS - FINANCIAL STATEMENTS AUDIT, (Continued)

Based on our audit procedures related to capital assets, we noted that the County has developed a detailed listing of all capital assets 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.

Management Response: As stated above, the County's Finance Department performed a reconciliation over its capital assets during the 2008 fiscal year. The problems found within the reconciliation were corrected, and furthermore a better system of reporting was implemented during this process to prevent future problems and restatements.

Item 2007-6: Distributions Related to Tax Incremental Funding

The County participates in and/or administers approximately seventeen tax incremental funding districts (TIF's). During fiscal years prior to 2007, the County remitted cash distributions to TIF participants which consist primarily of municipalities within the County. The County subsequently deemed a portion of these distributions to be in excess of that allowed by the TIF agreement. As a result of this condition, the County's total fund balance and net assets as of June 30, 2007 were both understated by approximately \$2.6 million.

We recommend that the County develop a process for reviewing the computation of all TIF distributions prior to their being remitted to participants to ensure that the distributions are in accordance with respective TIF agreements. As part of this process, we recommend that the County maintain an updated detailed listing (and corresponding map) reflecting the parcels included in the TIF district, including changes resulting from parcels being split, consolidated, or transferred between taxable and tax-exempt owners. We understand that subsequent to fiscal year 2007, the County had developed and had begun to implement such a process.

Management Response: As stated above, the County has begun to implement better controls over its TIF accounting process that should help to prevent future discrepancies.

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

See items 2007-1 and 2007-2 in Section B above.

BEAUFORT COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2007

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.

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.

Corrective Action: The County's Finance Department hired a Budget Analyst and Financial Analyst during the 2008 fiscal year. These new employees will help to implement a system with better segregation of duties.

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.

Corrective Action: The County's Finance Department hired a Budget Analyst and Financial Analyst during the 2008 fiscal year. These new employees will help to implement a system with better controls over this process.

BEAUFORT COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2007

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 30, 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.

Corrective Action: The County's Finance Department has further developed its reporting system and capacity to help eliminate the problems causing the delays in the issuances of the County's financial statements during the 2008 and 2009 fiscal years.

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.

Corrective Action: The County will work to have this problem resolved in the 2009 fiscal year.

BEAUFORT COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2007

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.

Corrective Action: The County's Finance Department performed a reconciliation over its capital assets during the 2008 fiscal year. The problems found within the reconciliation were corrected, and furthermore a better system of reporting was implemented during this process to prevent future problems and restatements.

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STATISTICAL SECTION

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006 (As Restated)</u>	<u>FY 2007</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 23,002,839	\$ 21,299,949	\$ 28,519,464	\$ 43,490,792	\$ 52,776,852
Restricted	2,697,059	7,468,002	9,280,423	13,793,208	18,695,106
Unrestricted	<u>19,820,961</u>	<u>21,161,556</u>	<u>25,253,922</u>	<u>34,843,485</u>	<u>41,453,757</u>
	<u>\$ 45,520,659</u>	<u>\$ 49,929,507</u>	<u>\$ 63,053,809</u>	<u>\$ 92,127,485</u>	<u>\$ 112,925,715</u>
Business-Type Activities					
Invested in capital assets, net of related debt	\$ 12,212,120	\$ 15,239,265	\$ 16,081,526	\$ 22,699,379	\$ 24,046,457
Restricted	-	-	-	-	-
Unrestricted	<u>252,098</u>	<u>(249,746)</u>	<u>(1,168,615)</u>	<u>(695,410)</u>	<u>(918,246)</u>
	<u>\$ 12,464,218</u>	<u>\$ 14,989,519</u>	<u>\$ 14,912,911</u>	<u>\$ 22,003,969</u>	<u>\$ 23,128,211</u>
Invested in capital assets, net of related debt	\$ 35,214,759	\$ 36,539,214	\$ 44,599,990	\$ 66,190,171	\$ 76,823,309
Restricted	2,697,058	7,468,002	9,280,423	13,793,208	18,695,106
Unrestricted	<u>20,073,059</u>	<u>20,911,810</u>	<u>24,085,307</u>	<u>34,148,075</u>	<u>40,535,511</u>
	<u>\$ 57,984,876</u>	<u>\$ 64,919,026</u>	<u>\$ 77,985,720</u>	<u>\$ 114,131,454</u>	<u>\$ 136,053,926</u>

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Expenses					
Governmental Activities					
General Government	\$ 23,749,085	\$ 19,299,507	\$ 20,435,569	\$ 23,243,294	\$ 24,863,032
Public Safety	29,561,663	32,383,389	35,659,419	39,033,433	40,322,590
Public Works	10,265,982	13,982,695	14,904,707	19,534,972	19,507,135
Public Health	6,244,613	6,864,153	7,343,920	7,836,966	8,434,863
Public Welfare	1,083,331	1,163,940	948,468	1,213,994	1,460,053
Cultural and recreation	6,897,218	7,809,386	8,628,664	10,964,080	10,527,430
Interest	<u>4,088,987</u>	<u>6,820,142</u>	<u>7,591,323</u>	<u>8,435,071</u>	<u>9,238,679</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>	<u>114,353,782</u>
Business-Type Activities					
Garage	2,454,837	2,702,854	3,111,165	3,770,274	4,186,346
Stormwater	-	3,437,623	4,212,250	3,904,685	2,528,367
Lady's Island Airport	1,742,811	405,512	464,560	678,804	673,942
Hilton Head Airport	<u>3,863,545</u>	<u>1,505,316</u>	<u>1,632,988</u>	<u>1,801,388</u>	<u>2,107,556</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>	<u>9,496,211</u>
Total government expenses	<u>\$ 89,952,072</u>	<u>\$ 96,374,517</u>	<u>\$ 104,933,013</u>	<u>\$ 120,416,961</u>	<u>\$ 123,849,993</u>

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Program Revenues					
Governmental Activities					
Charges for services					
General government	\$ 7,419,083	\$ 9,264,212	\$ 11,811,709	\$ 15,892,733	\$ 14,964,925
Public Safety	6,777,391	5,762,904	6,850,467	8,885,678	8,423,902
Public Works	2,152,936	2,354,902	3,198,409	3,886,634	5,678,226
Public Health	329,203	284,451	327,663	398,718	407,988
Public Welfare	-	-	21,889	5,871	9,725
Cultural and Recreation	2,393,054	1,966,944	2,823,252	3,863,531	2,817,775
Operating grants and contributions	7,556,846	6,739,125	5,893,333	7,466,688	6,980,330
Capital grants and contributions	-	2,770,673	3,148,936	6,751,581	8,567,228
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>47,850,079</u>
Business-Type Activities					
Charges for services					
Garage	2,454,761	2,665,716	3,108,281	3,746,682	4,016,829
Stormwater utility	3,674,636	3,930,774	4,207,825	4,529,385	2,880,284
Lady's Island Airport	422,192	346,964	471,341	772,380	676,081
Hilton Head Airport	1,994,035	1,107,416	1,076,508	1,119,330	1,314,648
Operating grants and contributions	-	157,085	171,894	247,021	219,079
Capital grants and contributions	19,785	2,337,140	240,806	5,595,366	1,334,933
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>	<u>10,441,814</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>\$ 58,291,893</u>
Net (Expense) / Revenue					
Governmental Activities	\$ (55,262,366)	\$ (59,180,001)	\$ (61,436,632)	\$ (63,110,376)	\$ (66,503,703)
Business-Type Activities	504,216	2,493,790	(144,308)	5,855,013	945,603
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>	<u>\$ (65,558,100)</u>

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</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	\$ 72,584,375
Grants and contributions not restricted	7,121,077	5,930,598	5,802,176	6,009,783	7,719,639
Unrestricted investment earnings	1,709,644	1,000,454	1,627,662	2,823,419	4,179,902
Miscellaneous	<u>606,578</u>	<u>647,994</u>	<u>1,467,144</u>	<u>1,303,665</u>	<u>2,838,808</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>87,322,724</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	174,319
Miscellaneous	<u>-</u>	<u>-</u>	<u>3,979</u>	<u>-</u>	<u>4,320</u>
Total business-type activities	<u>46,820</u>	<u>31,511</u>	<u>67,700</u>	<u>1,236,045</u>	<u>178,639</u>
Total government	<u>\$ 57,948,601</u>	<u>\$ 62,064,745</u>	<u>\$ 74,627,634</u>	<u>\$ 80,080,200</u>	<u>\$ 87,501,363</u>
<u>Changes in Net Assets</u>					
Governmental Activities	\$ 2,639,415	\$ 2,853,233	\$ 13,123,302	\$ 15,733,779	\$ 20,819,021
Business-Type Activities	<u>551,036</u>	<u>2,525,301</u>	<u>(76,608)</u>	<u>7,091,058</u>	<u>1,124,242</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>	<u>\$ 21,943,263</u>

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u> (As Restated)	<u>FY 2007</u>
General Fund					
Reserved	\$ 1,280,783	\$ 712,741	\$ 974,741	\$ 1,324,228	\$ 2,088,746
Unreserved	<u>2,767,765</u>	<u>4,437,859</u>	<u>10,820,609</u>	<u>18,965,836</u>	<u>19,553,774</u>
Total General Fund	<u>\$ 4,048,528</u>	<u>\$ 5,150,600</u>	<u>\$ 11,795,350</u>	<u>\$ 20,290,062</u>	<u>\$ 21,642,520</u>
All Other Governmental Funds					
Reserved	\$ 86,071,043	\$ 53,408,733	\$ 53,944,086	\$ 60,035,124	\$ 60,620,111
Unreserved, reported in:					
Special revenue funds	14,395,742	13,366,140	15,792,363	19,884,859	26,369,167
Debt service funds	-	-	-	-	-
Capital projects funds	<u>-</u>	<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>\$ 79,919,983</u>	<u>\$ 86,989,278</u>
Total All Governmental Funds	<u>\$ 104,515,313</u>	<u>\$ 71,925,473</u>	<u>\$ 81,531,799</u>	<u>\$ 100,210,045</u>	<u>\$ 108,631,798</u>

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

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Revenues					
Property taxes	\$ 48,464,482	\$ 54,454,188	\$ 65,483,466	\$ 68,227,384	\$ 72,842,999
Licenses and permits	5,976,258	5,919,147	8,462,749	14,256,278	15,282,447
Intergovernmental	14,677,923	20,564,296	22,138,156	20,228,052	23,267,197
Charges for services	12,079,982	12,497,195	15,458,622	17,505,824	15,576,292
Fines and forfeitures	1,015,447	1,217,071	1,111,798	1,171,083	1,443,782
Interest	1,709,644	1,000,454	1,627,662	2,823,419	3,999,618
Miscellaneous	<u>606,578</u>	<u>647,994</u>	<u>4,339,915</u>	<u>1,441,311</u>	<u>2,912,367</u>
Total revenues	<u>84,530,294</u>	<u>96,300,345</u>	<u>118,622,368</u>	<u>125,653,331</u>	<u>135,324,702</u>
Expenditures					
General government	20,982,726	22,302,782	24,944,004	19,888,965	21,723,657
Public Safety	28,612,042	30,331,140	32,348,721	34,439,442	38,169,617
Public Works	11,199,052	17,476,169	17,833,904	19,210,085	19,254,211
Public Health	6,364,701	6,717,971	7,131,096	7,703,359	8,808,346
Public Wealth	927,958	1,054,705	948,468	1,213,994	1,340,276
Cultural and Recreation	6,290,212	6,536,270	7,082,111	7,729,719	8,714,649
Debt service-principal	5,290,000	20,040,000	5,285,000	5,665,000	31,830,000
Debt service-interest and fees	4,086,293	5,909,905	7,100,535	7,870,542	9,339,579
Capital projects	<u>23,330,377</u>	<u>42,201,243</u>	<u>36,842,203</u>	<u>30,886,720</u>	<u>35,382,016</u>
Total expenditures	<u>107,083,361</u>	<u>152,570,185</u>	<u>139,516,042</u>	<u>134,607,826</u>	<u>174,562,351</u>
Excess of revenues over (under) expenditures	(22,553,067)	(56,269,840)	(20,893,674)	(8,954,495)	(39,237,649)
Other financing sources (uses)					
Bond proceeds	65,500,000	23,680,000	30,500,000	25,000,000	47,680,193
Operating transfers in	14,828,793	13,319,300	8,916,943	11,231,560	10,350,964
Operating transfers out	<u>(14,828,793)</u>	<u>(13,319,300)</u>	<u>(8,916,943)</u>	<u>(11,231,560)</u>	<u>(10,350,964)</u>
Total other financing sources (uses)	<u>65,500,000</u>	<u>23,680,000</u>	<u>30,500,000</u>	<u>25,000,000</u>	<u>47,680,193</u>
Net Change in Fund Balance	<u>\$ 42,946,933</u>	<u>\$ (32,589,840)</u>	<u>\$ 9,606,326</u>	<u>\$ 16,045,505</u>	<u>\$ 8,442,544</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
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
2007	1,397,740,562	31,569,997,800	4.43%	184,669,523	2,419,677,833	7.63%	1,582,410,085	33,989,675,633

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

	<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>2007</u>
<u>County-Wide Levies</u>										
County-Operations	38.6	32.6	36.3	36.0	35.2	40.1	42.9	32.7	33.7	36.7
County-Debt Service	9.4	6.8	7.2	7.2	7.2	7.2	7.2	5.4	5.4	5.4
County-Capital Improvement Program	0.8	0.2	-	-	-	-	-	-	-	-
County-Solid Waste/Recycling	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	2.5
School-Operations	97.5	75.7	86.7	96.7	97.6	107.0	108.2	75.2	77.5	91.7
School-Debt Service	30.6	23.8	21.7	23.1	22.2	22.2	22.2	19.0	19.0	17.0
Indigent Health Care	2.4	1.8	1.9	2.0	2.0	2.0	2.0	1.5	1.5	1.5
Continuing Education	2.0	1.5	4.2	4.0	4.0	4.0	4.0	3.0	3.0	3.0
<u>Municipal Levies</u>										
City of Beaufort	91.0	68.9	68.9	68.4	68.4	73.4	73.4	55.8	55.8	52.8
Town of Port Royal	99.5	85.0	85.0	85.0	85.0	85.0	85.0	85.0	78.0	74.0
Town of Bluffton	67.0	49.0	49.0	49.0	49.0	49.0	49.0	42.0	42.0	42.0
Town of Hilton Head	41.3	30.5	30.5	30.5	31.0	31.0	31.0	22.3	19.0	19.0
Town of Yemassee	65.0	65.0	65.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0
<u>Fire Levies</u>										
Burton Fire-Operations	44.6	42.1	46.3	48.5	49.5	57.9	61.9	49.6	51.9	51.9
Burton Fire-Debt Service	5.9	6.5	6.6	6.0	6.0	6.0	6.0	4.6	6.0	6.0
Bluffton Fire-Operation	23.0	20.1	21.5	20.5	21.5	22.5	25.5	17.9	19.5	20.3
Bluffton Fire-Debt Service	0.5	0.3	0.8	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Daufuskie Island Fire-Operations	32.2	34.3	36.8	40.5	40.5	42.5	47.5	27.9	29.7	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	2.6
Lady's Island/St. Helena-Operations	30.5	22.2	24.8	25.7	26.7	31.9	35.1	27.1	28.9	28.9
Lady's Island/St. Helena-Debt Service	2.2	3.5	3.0	2.1	2.1	2.1	3.5	1.4	1.4	1.4
Sheldon Fire-Operations	32.4	25.8	26.8	30.6	32.6	37.0	39.9	29.6	34.9	34.9
Sheldon Fire-Debt Services	4.6	3.3	3.3	2.6	2.6	2.6	2.6	2.3	2.5	2.5

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

Fiscal Year	Total Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections ⁽²⁾	Total Collections As Percent of Levy
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%
2007	70,512,827	63,986,885	90.7%	3,594,507	95.8%

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

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

BEAUFORT COUNTY, SOUTH CAROLINA
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>
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
2007	140,966	1,582,410,085	141,670,000	63,190,000	204,860,000	16,988,266	187,871,734	11.87%	1,332.75

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2007

Assessed Value - 2006 Tax Year (Fiscal Year 2007)	\$ 1,582,410,085
	<u> x 8%</u>
Constitutional Debt Limit	126,592,807
Outstanding Subject to Debt Limit ⁽¹⁾	<u>70,887,603</u>
 Legal Debt Limit Remaining Without a Referendum	 <u>\$ 55,705,204</u>

⁽¹⁾ Total outstanding debt	\$ 141,670,000
Less debt issued under referendum	(36,351,024)
Less debt issued paid by other sources	<u>(34,431,373)</u>
Total outstanding debt subject to debt limit	<u>\$ 70,887,603</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPUTATION OF OVERLAPPING GENERAL OBLIGATION DEBT
 JUNE 30, 2007

	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Beaufort County</u>	<u>Amount Applicable to Beaufort County</u>
Beaufort County School District	\$ 272,825,000	100%	\$ 272,825,000
Town of Hilton Head	66,265,000	100%	66,265,000
Town of Port Royal	785,228	100%	800,000
Broad Creek Public Service District	6,355,000	100%	6,355,000
Fripp Island Public Service District	365,500	100%	365,500
Hilton Head No. 1 Public Service District	7,350,000	100%	7,350,000
Bluffton Fire District	1,430,000	100%	1,430,000
Daufuskie Island Fire District	252,048	100%	252,048
Lady's Island/St. Helena Island Fire District	<u>13,457</u>	100%	<u>13,457</u>
Total	<u>\$ 355,641,233</u>		<u>\$ 355,641,233</u>