

Beaufort County, South Carolina

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018

Commitment to Transparency

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

Issued by the Beaufort County Finance Department:

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

Chanel Lewis
Director

Janet Andrews
Accounting Supervisor

Sharaine Gillison
Payroll Accountant

Frances Collins
Accounts Payable Technician

Crystine Hendrick
Accounts Payable Technician

Michael Dunn
Fiscal Technician

Lori Sexton
Fiscal Technician

Linda Maietta
Administrative Technician



**BEAUFORT COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

	Page
Table of Contents	i – iii

INTRODUCTORY SECTION

Letter of Transmittal	1 - 5
Certificate of Achievement for Excellence in Financial Reporting	6
Organizational Chart.....	7
Elected and Appointed Officials.....	8

FINANCIAL SECTION

Independent Auditor’s Report	9 - 11
Management’s Discussion and Analysis	12 - 28
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds	31
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Net Position – Proprietary Funds	35
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37 and 38
Statement of Fiduciary Assets and Liabilities	39
Notes to the Financial Statements.....	40 - 81
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund.....	82 - 84
Schedules of County’s Proportionate Share of the Net Pension Liability	85
Schedules of County Pension Contributions	86
Schedule of Modified Approach for Airport Infrastructure Assets	87

BEAUFORT COUNTY, SOUTH CAROLINA COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	Page
Other Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – County Wide General Obligation Bonds	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Rural and Critical Lands Program.....	89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – 2017 General Obligation Bond Projects	90
Balance Sheet Nonmajor Governmental Funds.....	91
Schedule of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	92 - 95
Combining Balance Sheet – All Nonmajor Special Revenue Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual All Nonmajor Special Revenue Funds	97 - 103
Combining Balance Sheet – All Nonmajor Special Revenue Funds – General Government Programs.....	104
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds – General Government Programs	105 - 116
Combining Balance Sheet – Nonmajor Special Revenue Funds – Public Safety Programs.....	117
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds – Public Safety Programs	118 - 122
Combining Balance Sheet – Nonmajor Special Revenue Funds – Public Works Programs	123
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds – Public Works Programs.....	124 - 129
Combining Balance Sheet – Nonmajor Special Revenue Funds – Public Health Programs	130
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds – Public Health Programs.....	131 - 133
Combining Balance Sheet – Nonmajor Special Revenue Funds – Public Welfare Programs	134
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds – Public Welfare Programs.....	135 - 139
Combining Balance Sheet – Nonmajor Special Revenue Funds – Cultural and Recreation Programs.....	140
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds – Cultural and Recreation Programs.....	141 - 148
Balance Sheet All Nonmajor Debt Service Fund.....	149
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual All Nonmajor Debt Service Fund	150 and 151

**BEAUFORT COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	Page
Other Supplementary Information (Continued):	
Combining Balance Sheet All Nonmajor Capital Projects Funds	152
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Capital Projects Funds.....	153
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	154 - 159
Uniform Schedule of Court Fines, Assessments, and Surcharges (per ACT 96).....	160 and 161
Alcohol and Drug Abuse Programs – Profit and Loss Statement.....	162
Daufuskie Ferry Schedule of Budgeted to Actual.....	163

STATISTICAL SECTION

Net Position by Component.....	164
Changes in Net Position.....	165 - 167
Fund Balances, Governmental Funds	168
Changes in Fund Balances Governmental Funds	169
Assessed Value and Market Value of Taxable Property	170
Property Tax Millages – All Overlapping Governments.....	171
Property Tax Levies and Collections	172
Ten Largest Taxpayers	173
Ratios of General Bonded Debt Outstanding	174
Computation of Legal Debt Margin	175
Legal Debt Margin Detail	176
Ratios of Outstanding Debt by Type.....	177
Computation of Direct and Overlapping Governmental Activities Debt	178
Demographic and Economic Statistics	179
Principal Employers.....	180
Full-time Equivalent Employees by Function	181
Capital Asset Statistics by Function.....	182
Operating Indicators by Function	183

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	184 and 185
Notes to the Schedule of Expenditures of Federal Awards.....	186
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	187 and 188
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	189 and 190
Schedule of Findings and Questioned Costs	191
Schedule of Prior Year Findings	192



Gregg J. Hunt



Margery Boyle

Introductory Section





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

January 22, 2019

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, 2018. This report has been prepared by the County's Finance Department, and the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs are included.

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

Mauldin & Jenkins LLC, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

PROFILE OF LOCAL GOVERNMENT

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

engineering, solid waste); Public Health (mosquito control, alcohol and drug abuse programs, disabilities and special needs programs, various subsidies); Public Welfare (veterans services, social services, various subsidies); and Cultural and Recreation (library, parks and leisure services, education subsidies).

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

LOCAL ECONOMY

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

The County is one of the fastest growing areas in South Carolina, with an estimated population of 186,844 in 2018, up from 86,425 in 1990. The County is a center for tourism, retirement and the associated services, and the military in South Carolina. The County has a balanced and very stable economy, created by a diversity of public and private employers, with the unemployment rate well below the statewide average and that of the neighboring counties. The local tax base has grown an average of approximately 2% per year over the last five years (discounting the reassessment years).

In addition to the established resort community of Hilton Head Island, there are several major developments established in southern Beaufort County. These developments include Sun City Hilton Head, with more than 15,000 residents expected at build-out; Spring Island, Callawassie Island, Colleton River Plantation, Belfair, Berkeley Hall, Palmetto Bluff and Westbury Park. As expected, these developments have sparked an increase in commercial construction along the Highway 278 corridor, including a Home Depot, a Lowe's, an expanded Factory Outlet Mall, a Dick's Sporting Goods store, a Target department store, Sam's Club Wholesale store, Walmart and several major supermarkets. At the end of fiscal year 2018, a Kroger Marketplace store was under construction at Buckwalter Place in Bluffton. Kroger will be the anchor for a 34-acre mixed use development that also includes restaurant and retail space, multi-family housing and public common areas. Likewise, in northern Beaufort County, communities continue to develop at Dataw Island, Lady's Island, Cat Island, Brays Island, and Habersham and throughout the City of Beaufort, as well as the Town of Port Royal.

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

MAJOR INITIATIVES

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

In December 2018, the County formally adopted written financial policy guidelines. This document provides policies and guidance for the County’s operating budget, capital improvement projects (CIP) budget, financial reserves including the general fund and debt service fund and a cash management and investment policy.

In December 1997, the County adopted a Comprehensive Plan for Beaufort County. A portion of this plan is a comprehensive land use study which proposes various “preservation areas and greenways”. As a result, the County taxpayers approved four bond referendums totaling \$135,000,000 for the purchase of rural and critical lands. The County has issued the entire \$135 million of General Obligation bonds approved by the referendums. The County had expenditures of \$355,042 for this initiative during fiscal year 2018. The fifth bond referendum was approved in November 2018 in an amount not to exceed \$25 million for the purchase and maintenance of rural and critical lands.

In November 2006, County voters approved a 1% sales tax referendum, with the proceeds, along with County road impact fees, funding various major road projects throughout Beaufort County. This 1% sales tax ended in 2013. These projects include the expansion of the Bluffton Parkway, Boundary Street improvements and the widening of South Carolina Highway 170. In addition to the sales tax and impact fee revenue, the County has obtained partial grant funding for these projects as well. The County had expenditures of \$8,184,649 for these projects during fiscal year 2018.

In November 2018, County voters approved a 1% sales tax referendum that will be effective in 2019 and will be in place for four (4) years, or until a total of \$120 million in resulting revenue has been collected. This revenue will fund the repair and/or replacement of the Hilton Head Island bridge, roadway traffic improvements between the Woods Memorial Bridge and the Chowan Creek Bridge as outlined in the Lady’s Island Corridor Study dated May 19, 2017 and install and repair sidewalks and multi-use pathways at multiple locations within Beaufort County to provide safe walking routes to schools and improved access to residential communities.

LONG-TERM FINANCIAL PLANNING

In November 2014, the County issued \$19,450,000 of general obligation bonds bearing interest rates of 2.0% to 3.25% and with varying maturity dates through 2034. The proceeds of these bonds are currently being used for various planned facility upgrades including roof replacements, HVAC replacement, technology upgrades, a new Animal Services Facility that will be centrally located within the County, as well as Hilton Head Island Airport Projects. The County had expenditures of \$2,503,136 for these projects during fiscal year 2018.

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

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

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

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

The County intends to issue \$22 million of general obligation bonds during 2019. The proceeds of these bonds will be used to replace and repair critical County facilities at the main administration building in Beaufort, South Carolina, security upgrades to the County's detention center, and improve information technology infrastructure.

RELEVANT FINANCIAL INFORMATION

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaufort County, South Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

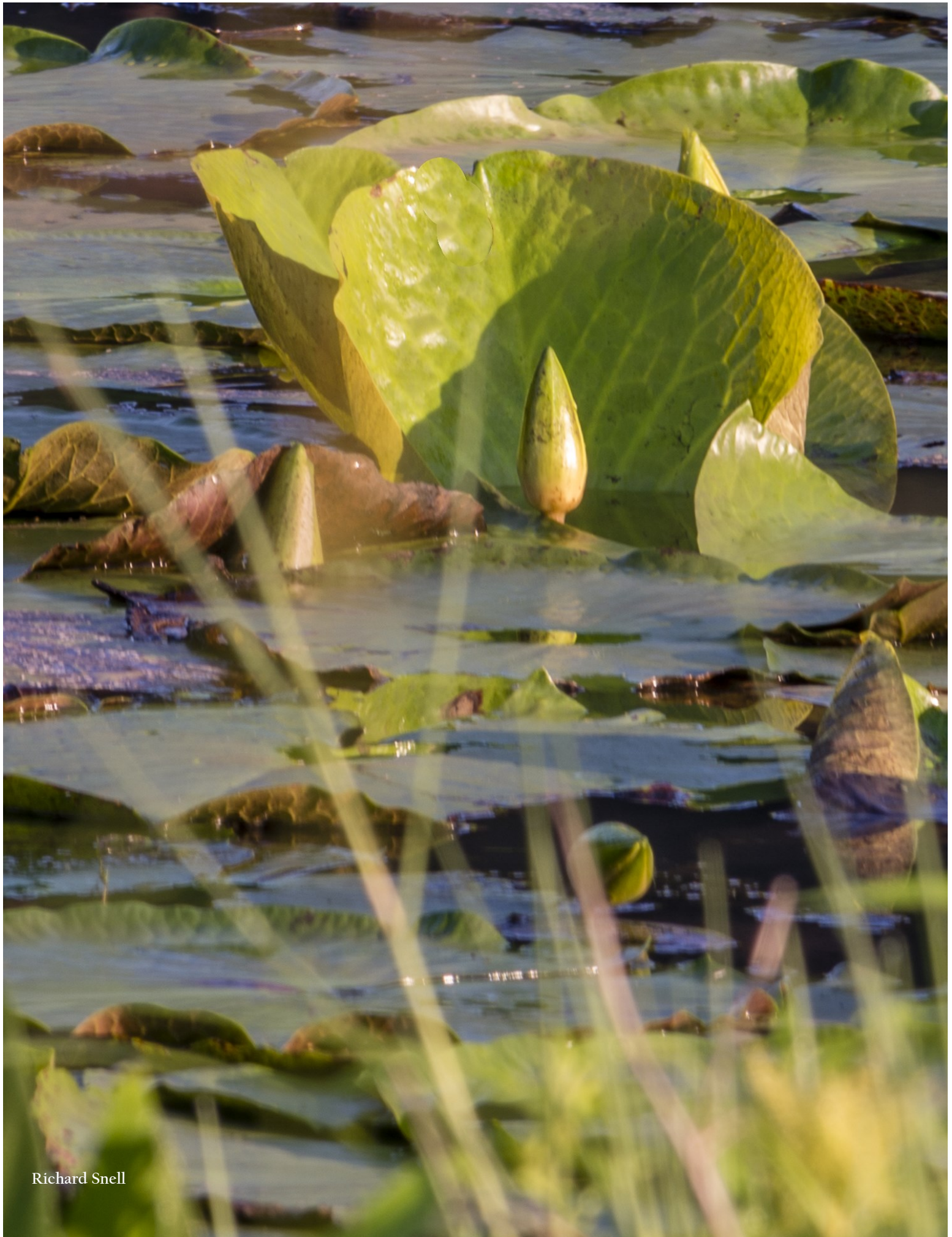
The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the professional and dedicated services of the entire staff of the Finance Department throughout the fiscal year. We sincerely appreciate the efforts of other department heads and their employees who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

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

Respectfully submitted,



Alicia Holland, CPA, CGMA
Assistant County Administrator, Finance



Richard Snell



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Beaufort County
South Carolina**

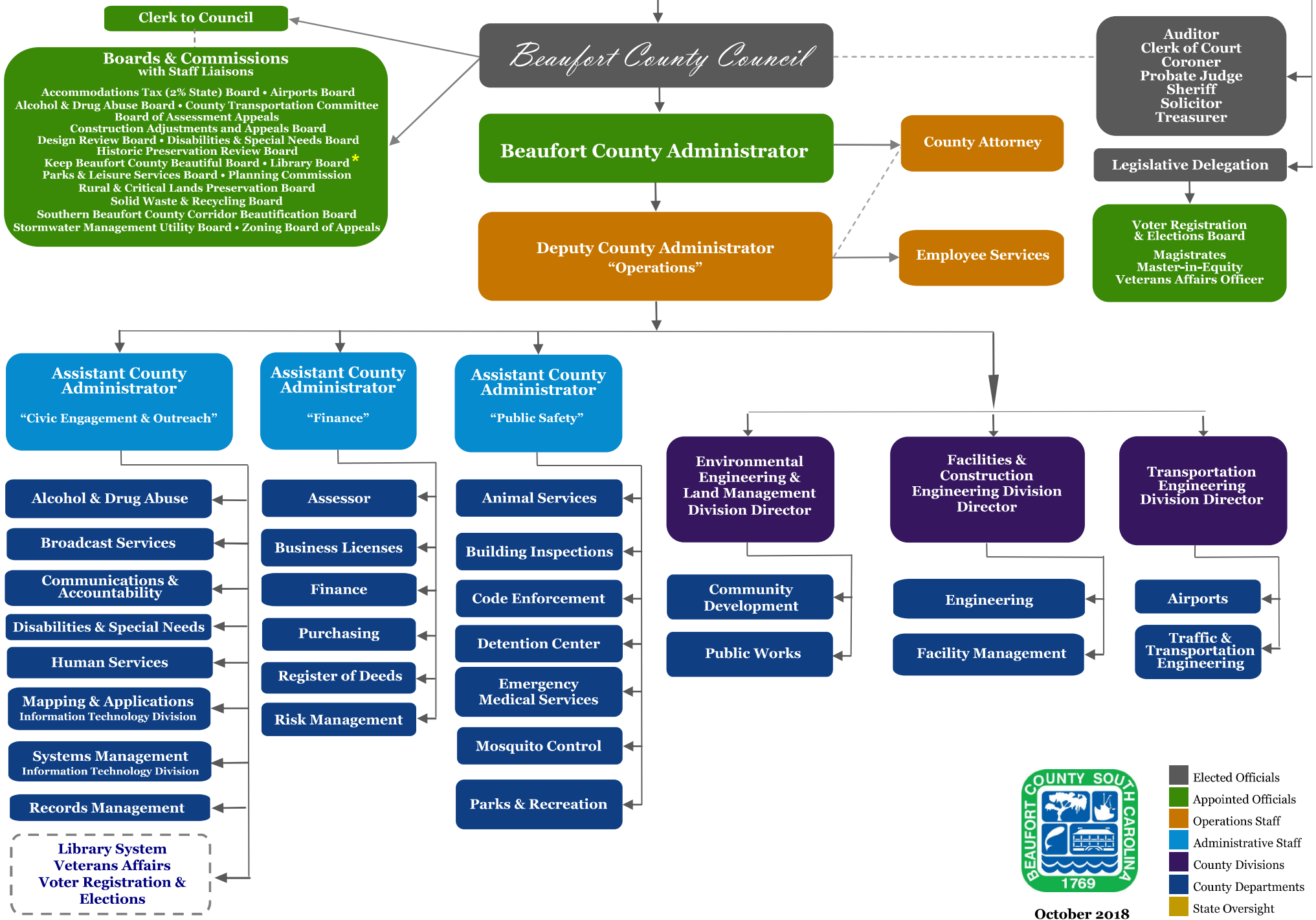
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Citizens of Beaufort County, South Carolina



October 2018

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



Larry Knupp

Elected and Appointed Officials

for the Fiscal Year Ended
June 30, 2018

Beaufort County Council

D. Paul Sommerville
Chairman, District 2

Gerald W. Stewart
Vice Chairman, District 6

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

Other Elected Officials

James Beckert, County Auditor
Maria Walls, CPA, County Treasurer

Appointed Officials

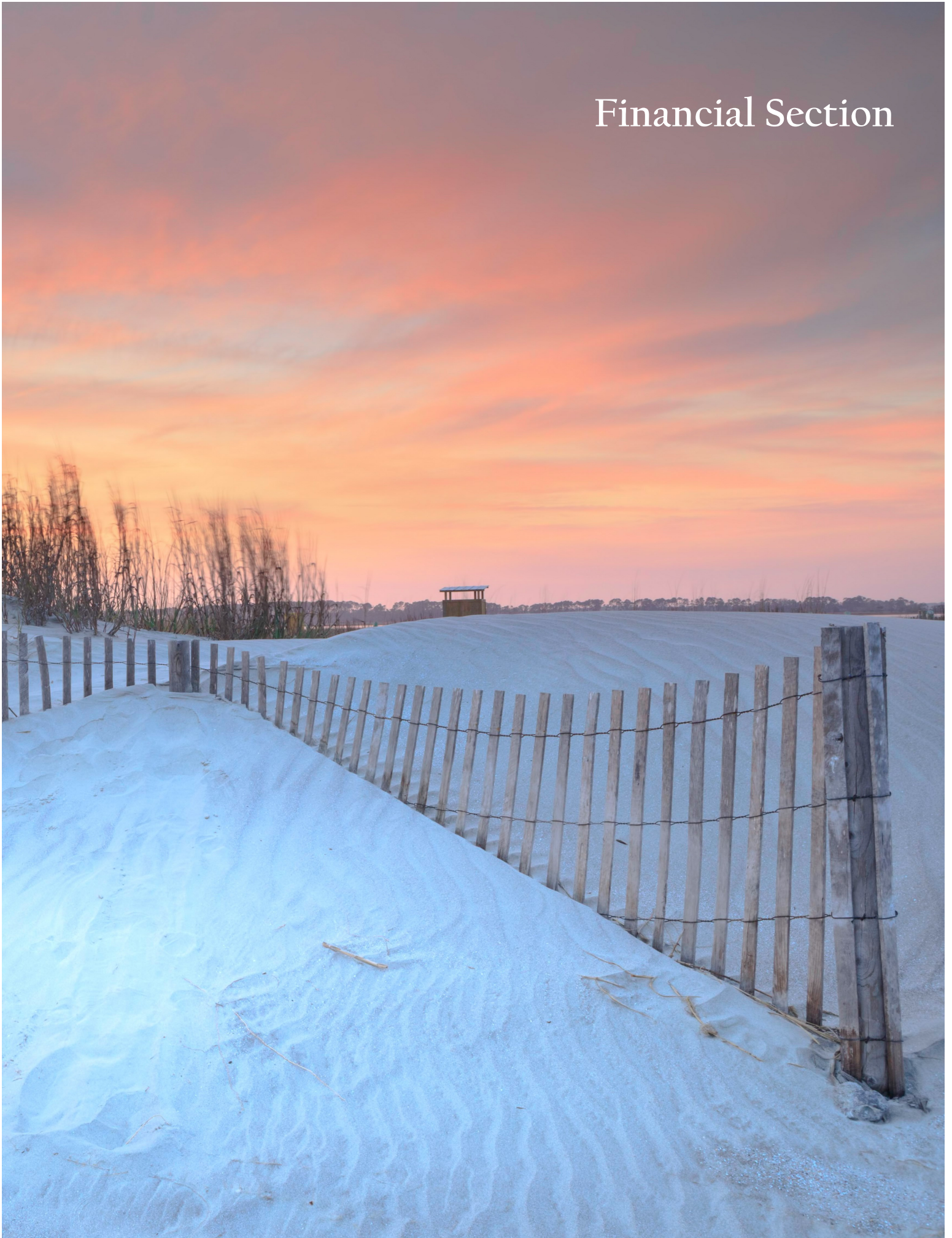
Joshua A. Gruber, Interim County Administrator
Ashley M. Bennett, Clerk to Council





C. Van Dyke

Financial Section





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Beaufort County, South Carolina** (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Beaufort County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 12 through 28), the Schedule of Modified Approach for Airport Infrastructure Assets (on page 87), the Schedule of County's Proportionate Share of the Net Pension Liability (on page 85), the Schedule of County's Pension Contributions (on page 86), and the Budgetary Comparison Schedule of the General Fund (on pages 82 through 84) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Uniform Schedule of Court Fines, Assessments, and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the combining statement of changes in assets and liabilities – agency funds, the Alcohol and Drug Abuse Programs Profit and Loss Statement, the Daufuskie Ferry Schedule of Budgeted to Actual, the Uniform Schedule of Court Fines, Assessments, and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the combining statement of changes in assets and liabilities – agency funds, the Alcohol and Drug Abuse Programs Profit and Loss Statement, the Daufuskie Ferry Schedule of Budgeted to Actual, the Uniform Schedule of Court Fines, Assessments, and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Columbia, South Carolina
January 22, 2019

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

As management of Beaufort County, South Carolina (the County), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Beaufort County, South Carolina for the fiscal year ended June 30, 2018. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Beaufort County exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$386,742,766 (net position). The County's net position is categorized in three categories. Of the total net position \$371,993,038 is the County's investment in capital assets less the related debt, \$130,694,939 is restricted for specific purposes and (\$115,945,215) is the County's unrestricted deficit.
- The government's total net position increased by \$47,442,726 during the fiscal year ended June 30, 2018 with a \$47,706,274 increase resulting from governmental activities and a \$263,548 decrease resulting from business type activities.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$162,572,240, an increase of \$2,475,983 in comparison with the prior year. Approximately 16 percent, \$26,474,071 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the County's unassigned fund balance of the general fund was \$26,474,071, or approximately 23 percent of the general fund expenditures and transfers out.
- Beaufort County's net capital assets increased by \$2,755,398 during the current fiscal year. The increase in governmental activities net capital assets of \$388,137 was mostly the result of road project improvements and additions. The increase in business type activities net capital assets of \$2,367,261 was mostly the result of land acquisition for the Hilton Head Island Airport runway extension project and the acquisition of specialized capital equipment for the Stormwater Utility program.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

The government-wide financial statements can be found on pages 29 through 30 of this report.

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

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

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

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

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

The basic fund financial statements for governmental funds can be found on pages 31 through 34 of this report.

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

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

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

The basic proprietary fund financial statements can be found on pages 35 through 38 of this report.

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

The statement of fiduciary net position can be found on page 39 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and the fund financial statements. The notes are presented on pages 38 through 66 of the report.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented within this section of this report and can be found on pages 91 through 153.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Beaufort County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$386,742,766 as of June 30, 2018.

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Of this amount, \$371,993,038 (approximately 96 percent) reflects the County's investment in capital assets (land, buildings and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the debt.

An additional \$130,694,943 of the County's net position (approximately 34 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$115,945,215.

At the end of the current fiscal year, Beaufort County is able to report positive balances in two categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The third category of net position is an unrestricted deficit for governmental activities of \$110,657,381 and business-type activities of \$5,287,834. These unrestricted deficits in net position are a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71 during fiscal year 2015 as well as the increased pension liability reported in fiscal year 2018.

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Beaufort County's Net Position

June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2018	2017	2018	2017	2018	2017	
Current and Other Assets	\$ 168,066,339	\$ 175,840,973	\$ 14,114,007	\$ 12,772,464	\$ 182,180,346	\$ 188,613,437	-3.4%
Capital Assets	530,428,311	530,040,174	30,593,539	28,226,279	561,021,850	558,266,453	0.5%
Total Assets	<u>\$ 698,494,650</u>	<u>\$ 705,881,147</u>	<u>\$ 44,707,546</u>	<u>\$ 40,998,743</u>	<u>\$ 743,202,196</u>	<u>\$ 746,879,890</u>	<u>-0.5%</u>
Total Deferred outflows of resources	\$ 28,745,705	\$ 24,882,888	\$ 982,401	\$ 703,159	\$ 29,728,106	\$ 25,586,047	16.2%
Long-Term Liabilities	\$ 342,452,533	\$ 350,023,205	\$ 5,079,691	\$ 4,120,359	\$ 347,532,224	\$ 354,143,564	-1.9%
Other Liabilities	22,729,518	65,917,475	15,279,649	11,972,444	38,009,167	77,889,919	-51.2%
Total Liabilities	<u>\$ 365,182,051</u>	<u>\$ 415,940,680</u>	<u>\$ 20,359,340</u>	<u>\$ 16,092,803</u>	<u>\$ 385,541,391</u>	<u>\$ 432,033,483</u>	<u>-10.8%</u>
Total Deferred inflows of resources	\$ 621,243	\$ 1,092,568	\$ 24,902	\$ 39,846	\$ 646,145	\$ 1,132,414	-42.9%
Net Position:							
Net Investment in Capital Assets	\$ 341,399,499	\$ 250,724,674	\$ 30,593,539	\$ 28,226,279	\$ 371,993,038	\$ 278,950,953	33.4%
Restricted	130,694,943	132,328,862	-	-	130,694,943	132,328,862	-1.2%
Unrestricted (Deficit)	<u>(110,657,381)</u>	<u>(69,322,749)</u>	<u>(5,287,834)</u>	<u>(2,657,026)</u>	<u>(115,945,215)</u>	<u>(71,979,775)</u>	<u>61.1%</u>
Total Net Position	<u>\$ 361,437,061</u>	<u>\$ 313,730,787</u>	<u>\$ 25,305,705</u>	<u>\$ 25,569,253</u>	<u>\$ 386,742,766</u>	<u>\$ 339,300,040</u>	<u>14.0%</u>

The County's total net position increased by \$47.4 million during the 2018 fiscal year. Key elements of this increase are as follows:

- The County's net capital assets increased by \$2.8 million as compared to fiscal year 2017. This increase occurred mostly from the land acquisition for the Hilton Head Island Airport runway extension project and the acquisition of specialized capital equipment for the Stormwater Utility program. The County also completed road improvement projects that contributed to this increase. See the capital assets and debt administration section below for more detail.
- In fiscal year 2018, the County had \$38 million of other liabilities as compared to \$77.9 million in fiscal year 2017. The \$39.9 million decrease in other liabilities is mostly due to the retirement of a \$30.25 million bond anticipation note used to temporarily fund expenditures related to Hurricane Matthew.
- The County's long-term liabilities decreased by \$6.6 million. This decrease is attributable to the retirement of \$15 million of general obligation bonds and a \$4 million mortgage during fiscal year 2018. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71 the County reported \$127.7 million as its proportionate share of pension liability as of June 30, 2018, an increase of \$11 million as compared to June 30, 2017.
- In fiscal year 2018, the County had \$646 thousand of deferred inflows of resources related to the inclusion of the County's proportionate share of its pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, the net pension change in projected investment earnings and expected pension experience as well as the deferred amounts from changes in the County's proportionate share. This was a \$486 thousand decrease as compared to fiscal year 2017.

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Beaufort County's Changes in Net Position

For the Fiscal Years Ended June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<u>Revenues:</u>						
Program Revenues:						
Charges for Services	\$ 37,666,620	\$ 40,826,231	\$ 7,936,798	\$ 7,991,557	\$ 45,603,418	\$ 48,817,788
Operating Grants and Contributions	14,438,073	12,444,349	42,960	50,560	14,481,033	12,494,909
Capital Grants and Contributions	33,826,796	9,881,571	15,956,279	10,095,453	49,783,075	19,977,024
General Revenues:						
Property Taxes	116,478,416	109,147,291	-	-	116,478,416	109,147,291
Sales Taxes	109,728	27,661	-	-	109,728	27,661
Grants and Contributions	9,452,285	9,342,544	-	-	9,452,285	9,342,544
Unrestricted Investment Earnings	1,495,650	581,229	150,396	19,694	1,646,046	600,923
Miscellaneous	2,202,199	1,467,657	-	3,444	2,202,199	1,471,101
Total Revenues	<u>215,669,767</u>	<u>183,718,533</u>	<u>24,086,433</u>	<u>18,160,708</u>	<u>239,756,200</u>	<u>201,879,241</u>
<u>Program Expenses:</u>						
Governmental Activities:						
General Government	49,612,892	48,649,308	-	-	49,612,892	48,649,308
Public Safety	56,674,563	87,661,802	-	-	56,674,563	87,661,802
Public Works	19,930,159	23,251,203	-	-	19,930,159	23,251,203
Public Health	14,011,837	12,440,379	-	-	14,011,837	12,440,379
Public Welfare	5,935,476	2,342,367	-	-	5,935,476	2,342,367
Cultural and Recreation	15,682,409	14,006,380	-	-	15,682,409	14,006,380
Interest	6,116,157	5,643,381	-	-	6,116,157	5,643,381
Business-Type Activities:						
Stormwater Utility	-	-	5,431,198	4,063,867	5,431,198	4,063,867
Lady's Island Airport	-	-	996,300	610,714	996,300	610,714
Hilton Head Airport	-	-	17,922,483	11,505,178	17,922,483	11,505,178
Total Expenses	<u>167,963,493</u>	<u>193,994,820</u>	<u>24,349,981</u>	<u>16,179,759</u>	<u>192,313,474</u>	<u>210,174,579</u>
Change in Net Position	<u>47,706,274</u>	<u>(10,276,287)</u>	<u>(263,548)</u>	<u>1,980,949</u>	<u>47,442,726</u>	<u>(8,295,338)</u>
Net Position, Beginning, as originally reported	<u>313,730,787</u>	<u>324,007,074</u>	<u>25,569,253</u>	<u>23,588,304</u>	<u>339,300,040</u>	<u>347,595,378</u>
Net Position, Beginning	<u>313,730,787</u>	<u>324,007,074</u>	<u>25,569,253</u>	<u>23,588,304</u>	<u>339,300,040</u>	<u>347,595,378</u>
Net Position, Ending	<u>\$ 361,437,061</u>	<u>\$ 313,730,787</u>	<u>\$ 25,305,705</u>	<u>\$ 25,569,253</u>	<u>\$ 386,742,766</u>	<u>\$ 339,300,040</u>

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Governmental activities increased the County's net position by \$47.7 million, thereby accounting for 100.6% of the total increase in the net position of the County. Key elements in fiscal year 2018's activity are as follows:

- Capital grants and contributions received by the County increased by \$24 million (or 242%) in fiscal year 2018 as compared to fiscal year 2017. Hurricane Matthew directly impacted the South Carolina coast in October 2016. President Barack Obama signed a federal disaster declaration for twenty-four (24) South Carolina counties including Beaufort County on October 11, 2016. Beaufort County applied and was awarded a FEMA grant to reimburse the County via federal and state funding for the disaster related expenditures incurred immediately following Hurricane Matthew. During fiscal year 2018, the County received approximately \$28.4 million of federal and state grant reimbursement.
- Property tax revenues increased by \$7.3 million (or 6.7%) in fiscal year 2018 as compared to fiscal year 2017. This increase is attributable to the County continuing to recover from the recession that began in 2007 and a slight millage rate increase in fiscal year 2018 as compared to fiscal year 2017.

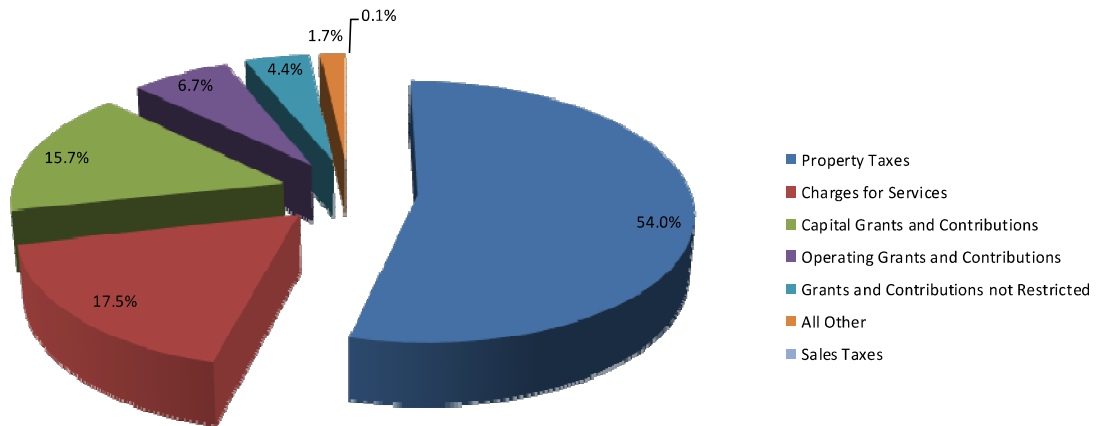
Business-type activities decreased the County's net position by \$264 thousand, accounting for -0.6% of the total growth in the net position of the County. Key elements of this decrease are as follows:

- The Hilton Head Island Airport's revenues increased \$5.1 million in fiscal year 2018, as compared to fiscal year 2017. This increase is a result of a capital grants and contributions due to the increase of FAA funded project activity related to the runway extension project.
- The Hilton Head Island Airport expenses also increased by \$6.4 million in fiscal year 2018, as compared to fiscal year 2017. The operating expenses decreased by \$429 thousand in fiscal year 2018 as compared to fiscal year 2017 while the non-operating expenses increased by \$6 million due to increased activity in grant funded projects.
- In fiscal year 2018, the Stormwater Utility's revenues increased by \$640 thousand as compared to fiscal year 2017. The Stormwater Utility's expenses increased by \$1.4 million in fiscal year 2018 as compared to fiscal year 2017.
- The Lady's Island Airport's revenues increased \$152 thousand in fiscal year 2018, as compared to fiscal year 2017. This increase is a result of a \$100 thousand increase in capital grants and contributions due to the timing of capital grant funding provided by the FAA and SCAC. Operating revenues also increased by \$52 thousand. The Lady's Island Airport expenses increased in fiscal year 2018 by \$385 thousand as compared to fiscal year 2017. The operating expenses increased by \$184 thousand in fiscal year 2018 as compared to fiscal year 2017 while the non-operating expenses increased by \$201 thousand due to the timing of capital grant funded projects.

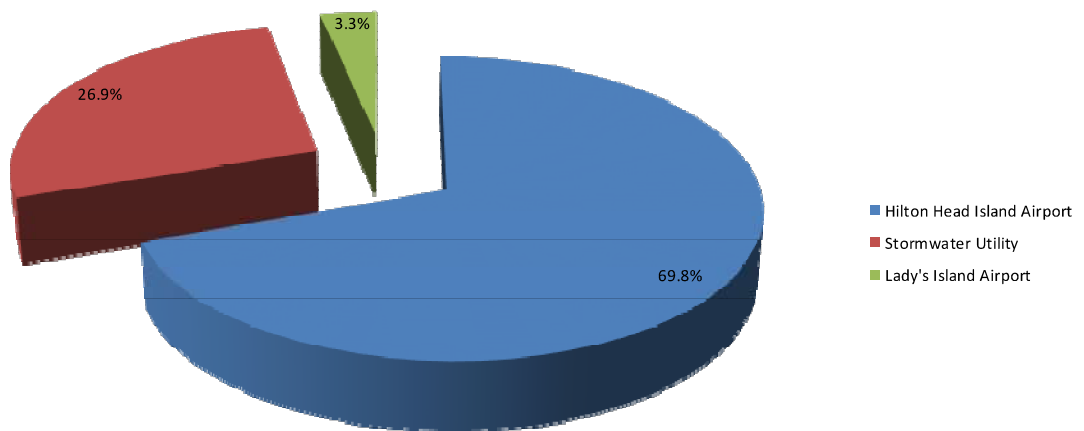
BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Revenues by Source - Governmental Activities



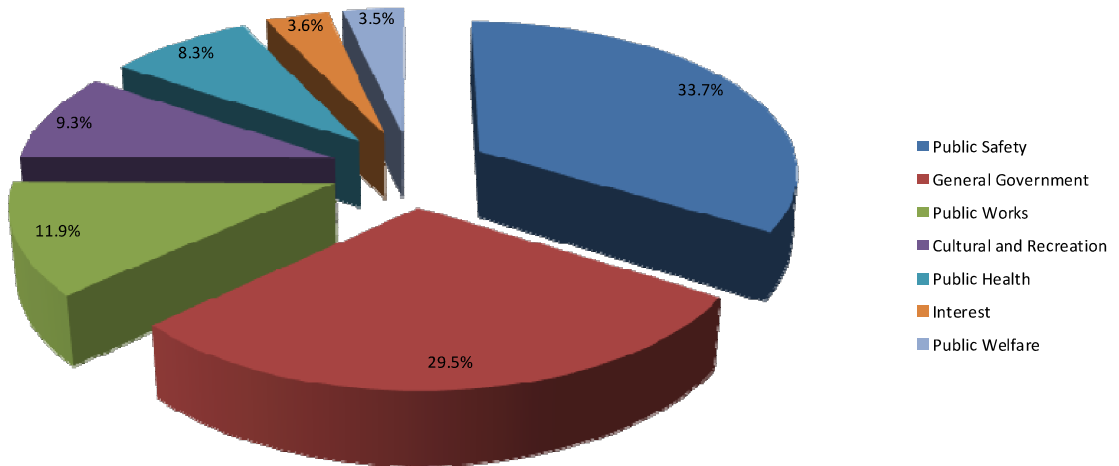
Revenues by Source - Business-Type Activities



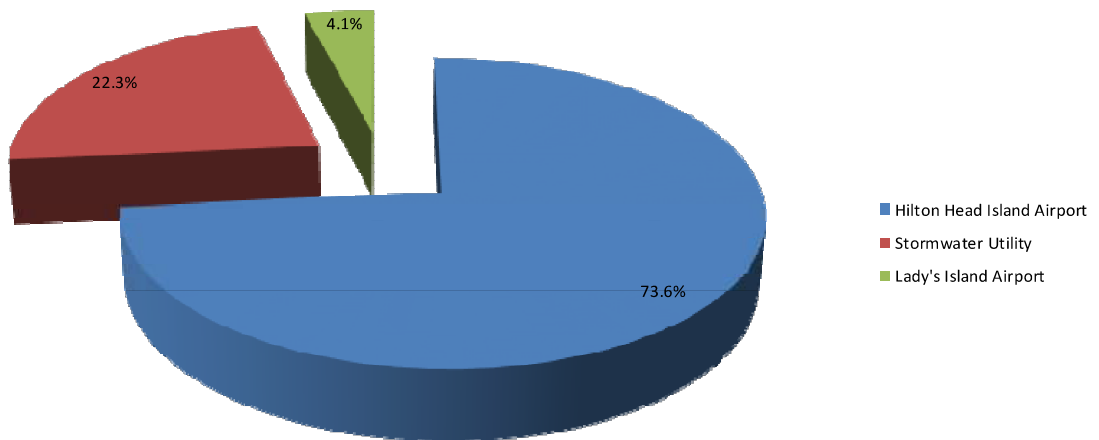
BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Expenses by Program - Governmental Activities



Expenses by Source - Business-Type Activities



BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$162,572,240, an increase of \$2,475,983, in comparison with the prior year. Approximately 16 percent of this total fund balance, \$26,474,071 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance totaling \$136,098,169 is either nonspendable, restricted, committed, or assigned for specific spending. This includes \$1,877,759 "not in spendable form" for items that are not expected to be converted to cash within one year, such as prepaid items. The remainder includes \$134,220,410 restricted, committed, or assigned for programs.

General Fund – The general fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned portion of the fund balance of the general fund was \$24,474,071, while the total fund balance was \$31,877,297. As a measure of the general fund's liquidity, a comparison is made of both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 23 percent of total general fund expenditures and transfers out, while the total fund balance represents approximately 27 percent of total general fund expenditures and transfers out. Refer to pages 82 through 84 for the key elements of fiscal year 2018's general fund activity.

County Wide General Obligation Bonds Fund – At the end of the current fiscal year, the total fund balance of the county wide general obligation bonds fund was \$20,773,665. The county wide general obligation bonds fund balance is restricted for debt service. This fund recognized revenues of \$10,644,285 and total expenditures of \$10,362,785, for a net change in fund balance of \$281,500. The County has a debt fund balance policy requiring millage to be set at annual required debt service levels and for the fund balance to cover the following twelve (12) months of the County's interest only payments.

Rural and Critical Lands Program Fund – At the end of the current fiscal year, the total fund balance of the rural and critical lands program fund was \$14,844,941, all of which was restricted for capital projects related to land preservation. The rural and critical lands program fund recognized revenues of \$124,672 and total expenditures of \$355,042, for a net change in fund balance of (\$230,370).

2017 General Obligation Bond Projects Fund – At the end of the current fiscal year, the total fund balance of the 2017 general obligation bond projects fund was \$23,743,782, all of which was restricted for capital projects. The 2017 general obligation bond projects fund recognized revenues of \$215,502 and total expenditures of \$2,463,520, for a net change in fund balance of (\$2,248,018). The 2017 general obligation bond projects fund is a result of the County's 2017 General Obligation Bond issuance and includes a major road improvement project on Jenkins Island on the north end of Hilton Head Island, a new Animal Services Campus located near the geographic center of the

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

County, two (2) new Emergency Medical Services facilities in the southern portion of the County, security upgrades to the County's Detention Center and public safety communications equipment.

Further details of the County's major funds and nonmajor funds can be found in the notes to the financial statements.

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

As of the end of the current fiscal year, the County's proprietary funds reported combined ending net position of \$25,305,705, which is a decrease of \$263,548 in comparison with the prior year. The proprietary funds recognized operating revenues of \$7,936,798 and operating expenses of \$8,267,171. Non-operating revenues and expenses totaled (\$15,889,454), while capital contributions totaled \$15,956,279 in fiscal year 2018, for a change in net position of (\$263,548).

Stormwater Utility – At the end of the current fiscal year, the net position of the stormwater utility fund was \$5,946,563, of which \$3,087,898 was invested in capital assets, net of related debt, leaving a balance of \$2,858,665 in unrestricted net position. The stormwater utility fund recognized operating revenues of \$5,715,709, total operating expenses of \$5,335,118, \$52,858 in net non-operating revenues and \$616,990 in capital contributions for an increase in net position of \$1,050,439. The increase in net position within the Stormwater Utility Fund for the fiscal year ending June 30, 2018, was related to increased stormwater fees and the capital contribution.

Lady's Island Airport – At the end of the current fiscal year, the net position of the Lady's Island Airport fund was \$3,110,417, of which \$3,721,334 was invested in capital assets, net of related debt, leaving a deficit balance of \$610,917 in unrestricted net position. The Lady's Island Airport recognized operating revenues of \$619,624, total operating expenses of \$710,379, \$285,703 in net non-operating expenses and \$179,334 in capital contributions for a decrease in net position of \$197,124. The decrease in the Lady's Island Airport fund balance in the 2018 fiscal year was the result of increased operating expenses and non-operating expenses.

Hilton Head Island Airport – At the end of the current fiscal year, the net position of the Hilton Head Island Airport fund was \$16,248,725, of which \$23,784,307 was invested in capital assets, net of related debt, leaving a deficit balance of \$7,535,582 in unrestricted net position. The Hilton Head Island Airport recognized operating revenues of \$1,601,465, total operating expenses of \$2,221,674, \$15,656,609 in net non-operating expenses and \$15,159,955 in capital contributions for a decrease in net position of \$1,116,863. The decrease in net position within the Hilton Head Island Airport fund in the 2018 fiscal year was related to the Airport obtaining FAA grant funding for prior and current fiscal year grant related expenditures after the end of the fiscal year as well as increased operating expenses.

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget to Final Budget Comparison for the Fiscal Year Ended June 30, 2018

	Original Budget	Final Budget	Variance w ith Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 96,435,749	\$ 96,435,749	\$ -
Licenses and Permits	3,429,000	3,429,000	-
Intergovernmental	9,197,645	9,197,645	-
Charges for Services	11,937,085	11,937,085	-
Fines and Forfeitures	750,000	750,000	-
Interest	52,805	52,805	-
Miscellaneous	251,136	251,136	-
Total Revenues	<u>122,053,420</u>	<u>122,053,420</u>	<u>-</u>
Expenditures:			
General Government	39,562,037	38,867,544	694,493
Public Safety	44,682,078	44,903,620	(221,542)
Public Works	16,262,944	16,426,998	(164,054)
Public Health	2,647,695	2,653,985	(6,290)
Public Welfare	624,722	627,162	(2,440)
Cultural and Recreation	11,780,478	11,838,218	(57,740)
Capital	3,143,221	3,206,443	(63,222)
Total Expenditures	<u>118,703,175</u>	<u>118,523,970</u>	<u>179,205</u>
Excess (deficiency) of Revenues Over Expenditures	3,350,245	3,529,450	179,205
Other Financing Sources (Uses)			
Transfers In	1,568,750	1,568,750	-
Transfers Out	<u>(4,918,995)</u>	<u>(5,098,200)</u>	<u>(179,205)</u>
Total Other Financing Sources (Uses)	<u>(3,350,245)</u>	<u>(3,529,450)</u>	<u>(179,205)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>27,767,395</u>	<u>27,767,395</u>	<u>-</u>
Fund Balance - ending	<u>\$ 27,767,395</u>	<u>\$ 27,767,395</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Final Budget to Actual Comparison for the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 96,435,749	\$ 97,418,604	\$ 982,855
Licenses and Permits	3,429,000	4,122,331	693,331
Intergovernmental	9,197,645	36,319,067	27,121,422
Charges for Services	11,937,085	13,234,557	1,297,472
Fines and Forfeitures	750,000	710,517	(39,483)
Interest	52,805	276,686	223,881
Miscellaneous	251,136	566,342	315,206
Total Revenues	<u>122,053,420</u>	<u>152,648,104</u>	<u>30,594,684</u>
Expenditures:			
General Government	38,867,544	33,600,825	5,266,719
Public Safety	44,903,620	44,477,967	425,653
Public Works	16,426,998	15,707,519	719,479
Public Health	2,653,985	2,550,911	103,074
Public Welfare	627,162	569,709	57,453
Cultural and Recreation	11,838,218	11,573,822	264,396
Disaster related	-	1,920,614	(1,920,614)
Debt Service - Principal		30,250,000	(30,250,000)
Debt Service - Interest and Fees		423,500	(423,500)
Capital	3,206,443	3,019,133	187,310
Total Expenditures	<u>118,523,970</u>	<u>144,094,000</u>	<u>(25,570,030)</u>
Excess (deficiency) of Revenues Over Expenditures	3,529,450	8,554,104	5,024,654
Other Financing Sources (Uses)			
Transfers In	1,568,750	2,561,545	992,795
Transfers Out	(5,098,200)	(7,005,747)	(1,907,547)
Total Other Financing Sources (Uses)	<u>(3,529,450)</u>	<u>(4,444,202)</u>	<u>(914,752)</u>
Net Change in Fund Balance	-	4,109,902	4,109,902
Fund Balance - beginning	<u>27,767,395</u>	<u>27,767,395</u>	<u>-</u>
Fund Balance - ending	<u>\$ 27,767,395</u>	<u>\$ 31,877,297</u>	<u>\$ 4,109,902</u>

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The actual net position of the County's general fund varied from its final budget's net position by \$4.1 million. Key elements of this are as follows:

- The County's general fund actual revenues had a positive variance of \$30.6 million as compared to the final budget of fiscal year 2018. This positive variance is attributable to increased actual revenue as compared to expected revenue related to Hurricane Matthew federal and state reimbursements as well as Business License, Register of Deeds, Emergency Medical Services fees and delinquent property taxes.
- The County's general fund actual expenditures had a negative variance of \$25.6 million as compared to the final budget of fiscal year 2018. This negative variance is directly related to Hurricane Matthew and the retirement of the bond anticipation note during fiscal year 2018. Also during fiscal year 2018, Beaufort County was minimally affected by Hurricane Irma.

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, 2018 was \$561,021,850 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings and improvements, infrastructure, and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 0.5 percent (in which governmental activities capital assets increased by 0.1 percent and business-type activities capital assets increased by 8.4 percent).

In lieu of annual depreciation, the County has elected to use the modified approach for its airport infrastructure assets, which include runways, taxiways, and aprons. As of June 30, 2018, 100 percent of airport infrastructure assets were in a fair or better condition.

Additional information on the County's modified approach for airport infrastructure assets can be found on page 87 of this report.

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Beaufort County's Capital Assets

(Net of Depreciation)

June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 124,152,640	\$ 123,983,640	\$ 13,561,714	\$ 11,532,675	\$ 137,714,354	\$ 135,516,315
Easements	18,059,927	18,059,927	-	-	18,059,927	18,059,927
Construction in Progress	44,517,092	36,600,936	257,890	257,890	44,774,982	36,858,826
Buildings and Improvements	90,354,959	96,490,061	4,677,767	5,231,064	95,032,726	101,721,125
Infrastructure	237,955,576	238,933,132	9,229,801	9,229,801	247,185,377	248,162,933
Equipment	18,388,117	15,972,478	2,866,367	1,974,848	21,254,484	17,947,326
Total Capital Assets	\$ 533,428,311	\$ 530,040,174	\$ 30,593,539	\$ 28,226,278	\$ 564,021,850	\$ 558,266,452

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

- The County added \$7.9 million in governmental activities construction in progress related to the Boundary Street Redevelopment road project, the construction of a new Animal Services Campus, and Emergency Management Communication equipment. An additional \$11.1 million of governmental activities infrastructure and construction in progress related to the improvement of various secondary roads throughout the County.
- \$3.6 million was invested in governmental activities various county facilities improvements and repairs and fleet and equipment replacement and addition.
- The Hilton Head Island Airport acquired \$2 million in land during fiscal year 2018 related to the ongoing runway extension project. The Stormwater Utility added \$1.3 million in specialized capital equipment during fiscal year 2018.

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

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Long-Term Debt – At the end of the current fiscal year, Beaufort County had \$358,567,240 of total long-term obligations outstanding. The total amount of general obligation debt is backed by the full faith and credit of the government.

Beaufort County's Outstanding Debt

June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
General Obligation Bonds	\$ 218,159,372	\$ 233,200,823
General Obligation BAN	-	30,250,000
Net Pension Liability	122,749,447	112,638,862
Mortgage	-	4,000,000
Compensated Absences	4,118,499	3,607,203
Premiums	13,539,922	16,050,632
Total Outstanding Debt	<u>\$ 358,567,240</u>	<u>\$ 399,747,520</u>
Deferred Charge on Refundings	<u>\$ 3,661,682</u>	<u>\$ 4,185,955</u>

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

- The County retired the \$30.25 million bond anticipation note related to Hurricane Matthew temporary disaster funding. General obligation bonds were also retired in the amount of \$15 million as well as a \$4 million mortgage.
- The County's pension liability increased by \$11 million as compared to fiscal year 2017.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation less debt issued by referendum and debt issued and paid by other sources. The current debt limitation for the County is \$145,062,658. Beaufort County was \$51,715,079 under this legal limit at June 30, 2018.

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

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Beaufort County was 3.4 percent at June 30, 2018, which is lower than the rate of 4.0 percent a year ago. This compares favorably with the State of South Carolina's average unemployment rate of 3.8 percent at June 30, 2018 and with the national average unemployment rate of 4.0 percent at June 30, 2018.
- The cost of living in this region still compares favorably to other areas of the country.

All of these factors were considered in preparing Beaufort County's budget for the 2018 fiscal year. As of June 30, 2018, the County's unassigned general fund balance was \$26,474,071. During fiscal year 2018, there was an increase to the County's general fund balance in the amount of \$4,109,902.

REQUESTS FOR INFORMATION

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



Monica N. Spells

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current assets			
Cash and equity in pooled cash and investments	\$ 96,760,619	\$ 10,771,315	\$ 107,531,934
Receivables, net	8,024,349	357,052	8,381,401
Due from other governments	4,825,693	2,765,305	7,590,998
Notes receivable	889,232	-	889,232
Inventories	-	153,980	153,980
Prepaid items	1,879,292	66,355	1,945,647
	112,379,185	14,114,007	126,493,192
Noncurrent assets			
Equity in pooled investments	55,687,154	-	55,687,154
	55,687,154	-	55,687,154
Capital assets			
Non-depreciable	186,729,659	23,049,405	209,779,064
Depreciable	343,698,652	7,544,134	351,242,786
	530,428,311	30,593,539	561,021,850
Total noncurrent assets	586,115,465	30,593,539	616,709,004
Total assets	698,494,650	44,707,546	743,202,196
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refundings	3,661,682	-	3,661,682
Pension	25,084,023	982,401	26,066,424
Total deferred outflows of resources	28,745,705	982,401	29,728,106
Total assets and deferred outflows of resources	727,240,355	45,689,947	772,930,302
LIABILITIES			
Current liabilities			
Accounts payable	10,667,880	2,664,383	13,332,263
Accrued payroll	3,352,397	102,131	3,454,528
Accrued liabilities	3,567,091	-	3,567,091
Accrued compensated absences	535,405	17,430	552,835
Internal balances	(12,495,705)	12,495,705	-
Current portion of long term debt	15,579,302	-	15,579,302
Due to others	1,523,148	-	1,523,148
	22,729,518	15,279,649	38,009,167
Noncurrent liabilities			
Accrued compensated absences	3,583,094	116,647	3,699,741
Net pension liability	122,749,447	4,963,044	127,712,491
Long-term obligations	216,119,992	-	216,119,992
	342,452,533	5,079,691	347,532,224
Total liabilities	365,182,051	20,359,340	385,541,391
DEFERRED INFLOWS OF RESOURCES			
Pension	621,243	24,902	646,145
Total deferred inflows of resources	621,243	24,902	646,145
NET POSITION			
Net investment in capital assets	341,399,499	30,593,539	371,993,038
Restricted for:			
General government programs	15,562,419	-	15,562,419
Public safety programs	5,937,855	-	5,937,855
Public works programs	27,291,264	-	27,291,264
Public health programs	4,568,149	-	4,568,149
Public welfare programs	6,810	-	6,810
Cultural and recreational programs	9,102,071	-	9,102,071
Capital projects	43,931,101	-	43,931,101
Debt service	24,295,274	-	24,295,274
Unrestricted (deficit)	(110,657,381)	(5,287,834)	(115,945,215)
Total net position	361,437,061	25,305,705	386,742,766
Total liabilities, deferred inflows of resources, and net position	\$ 727,240,355	\$ 45,689,947	\$ 772,930,302

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



BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues			Primary Government		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
Governmental activities							
General government	\$ 49,612,892	\$ 17,473,663	\$ 2,293,338	\$ 27,133,131	\$ (2,712,760)	\$ -	\$ (2,712,760)
Public safety	56,674,563	8,121,902	3,132,025	128,996	(45,291,640)	-	(45,291,640)
Public works	19,930,159	8,001,763	327,527	6,564,669	(5,036,200)	-	(5,036,200)
Public health	14,011,837	599,225	7,383,348	-	(6,029,264)	-	(6,029,264)
Public welfare	5,935,476	132,341	894,984	-	(4,908,151)	-	(4,908,151)
Cultural and recreation	15,682,409	3,337,726	406,851	-	(11,937,832)	-	(11,937,832)
Interest	6,116,157	-	-	-	(6,116,157)	-	(6,116,157)
Total governmental activities	167,963,493	37,666,620	14,438,073	33,826,796	(82,032,004)	-	(82,032,004)
Business-type activities							
Stormwater utility	5,431,198	5,715,709	-	616,990	-	901,501	901,501
Lady's island airport	996,300	619,624	-	179,334	-	(197,342)	(197,342)
Hilton head airport	17,922,483	1,601,465	42,960	15,159,955	-	(1,118,103)	(1,118,103)
Total business-type activities	24,349,981	7,936,798	42,960	15,956,279	-	(413,944)	(413,944)
Total	\$ 192,313,474	\$ 45,603,418	\$ 14,481,033	\$ 49,783,075	\$ (82,032,004)	\$ (413,944)	\$ (82,445,948)
General revenues							
Property taxes					116,478,416	\$ -	\$ 116,478,416
Sales taxes					109,728	-	109,728
Grants and contributions not restricted					9,452,285	-	9,452,285
Unrestricted investment earnings					1,495,650	150,396	1,646,046
Miscellaneous					2,202,199	-	2,202,199
Total general revenues					129,738,278	150,396	129,888,674
Change in net position					47,706,274	(263,548)	47,442,726
Net position, beginning					313,730,787	25,569,253	339,300,040
Net position, ending					\$ 361,437,061	\$ 25,305,705	\$ 386,742,766

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

BEAUFORT COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	County Wide General Obligation Bonds	Rural and Critical Lands Program	2017 General Obligation Bond Projects	Nonmajor Governmental Funds	Total Governmental Funds	
	General					
ASSETS						
Cash and equity						
in pooled cash and investments	\$ 30,272,694	\$ 11,734,746	\$ 14,835,622	\$ 23,716,235	\$ 71,888,476	\$ 152,447,773
Receivables, net	4,702,203	367,087	9,319	-	2,707,422	7,786,031
Due from other governments	2,147,841	-	-	-	2,677,852	4,825,693
Due from other funds	4,395,523	-	-	-	-	4,395,523
Advances to enterprise funds	-	8,109,099	-	-	-	8,109,099
Notes receivable	-	729,232	-	160,000	-	889,232
Prepaid items	1,653,435	-	-	-	224,324	1,877,759
Total assets	<u>43,171,696</u>	<u>20,940,164</u>	<u>14,844,941</u>	<u>23,876,235</u>	<u>77,498,074</u>	<u>180,331,110</u>
LIABILITIES						
Accounts payable	5,495,303	1,612	-	132,453	4,748,764	10,378,132
Accrued payroll	2,717,683	-	-	-	634,714	3,352,397
Accrued liabilities	632,077	-	-	-	-	632,077
Due to others	882,949	-	-	-	640,199	1,523,148
Total liabilities	<u>9,728,012</u>	<u>1,612</u>	<u>-</u>	<u>132,453</u>	<u>6,023,677</u>	<u>15,885,754</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,566,387	164,887	-	-	141,842	1,873,116
Total deferred inflows of resources	<u>1,566,387</u>	<u>164,887</u>	<u>-</u>	<u>-</u>	<u>141,842</u>	<u>1,873,116</u>
FUND BALANCE						
Nonspendable	1,653,435	-	-	-	224,324	1,877,759
Restricted	-	20,773,665	14,844,941	23,743,782	70,930,919	130,293,307
Committed	451,287	-	-	-	177,312	628,599
Assigned	3,298,504	-	-	-	-	3,298,504
Unassigned	26,474,071	-	-	-	-	26,474,071
Total fund balances	<u>31,877,297</u>	<u>20,773,665</u>	<u>14,844,941</u>	<u>23,743,782</u>	<u>71,332,555</u>	<u>162,572,240</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,171,696</u>	<u>\$ 20,940,164</u>	<u>\$ 14,844,941</u>	<u>\$ 23,876,235</u>	<u>\$ 77,498,074</u>	<u>\$ 180,331,110</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2018

	\$	162,572,240
Total governmental fund balances:		
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds (\$530,428,311 less internal service net investment in capital assets of \$49,897).		
		530,369,497
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property taxes and other special assessments	\$ 1,873,116	
Deferred charge on refunding	<u>3,661,682</u>	5,534,798
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments:		
Deferred outflows related to pensions		25,084,023
Long term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	\$ (218,159,372)	
Bond premiums	(13,539,922)	
Compensated absences	(4,118,499)	
Accrued interest	(2,935,014)	
Net pension liability	<u>(122,749,447)</u>	(361,502,254)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.		
Deferred inflows related to pensions		<u>(621,243)</u>
Net position of governmental activities	\$	<u><u>361,437,061</u></u>

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

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	County Wide General Obligation Bonds	Rural and Critical Lands Program	2017 General Obligation Bond Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 97,418,604	\$ 10,171,189	\$ -	\$ -	\$ 8,915,460	\$ 116,505,253
Licenses and permits	4,122,331	-	-	-	13,233,213	17,355,544
Intergovernmental	36,319,067	258,408	-	-	21,244,464	57,821,939
Charges for services	13,234,557	-	-	-	5,728,105	18,962,662
Fines and forfeitures	710,517	-	-	-	636,885	1,347,402
Interest	276,686	214,688	124,672	215,502	664,104	1,495,652
Miscellaneous	566,342	-	-	-	1,641,807	2,208,149
Total revenues	<u>152,648,104</u>	<u>10,644,285</u>	<u>124,672</u>	<u>215,502</u>	<u>52,064,038</u>	<u>215,696,601</u>
Expenditures						
General government services	33,600,825	-	-	-	5,689,512	39,290,337
Public safety services	44,477,967	-	-	-	2,738,455	47,216,422
Public works services	15,707,519	-	-	-	381,121	16,088,640
Public health services	2,550,911	-	-	-	10,264,917	12,815,828
Public welfare services	569,709	-	-	-	1,523,405	2,093,114
Cultural and recreation services	11,573,822	-	-	-	476,644	12,050,466
Disaster related expenditures	1,920,614	-	-	-	-	1,920,614
Debt service - principal	30,250,000	7,046,579	-	-	11,994,872	49,291,451
Debt service - interest and fees	423,500	3,316,206	-	-	4,241,727	7,981,433
Capital projects	3,019,133	-	355,042	2,463,520	17,976,035	23,813,730
Total expenditures	<u>144,094,000</u>	<u>10,362,785</u>	<u>355,042</u>	<u>2,463,520</u>	<u>55,286,688</u>	<u>212,562,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,554,104</u>	<u>281,500</u>	<u>(230,370)</u>	<u>(2,248,018)</u>	<u>(3,222,650)</u>	<u>3,134,566</u>
Other Financing Sources (Uses)						
Transfers in	2,561,545	-	-	-	8,403,458	10,965,003
Transfers out	(7,005,747)	-	-	-	(4,617,839)	(11,623,586)
Total other financing sources (uses)	<u>(4,444,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,785,619</u>	<u>(658,583)</u>
Net Change in Fund Balance	4,109,902	281,500	(230,370)	(2,248,018)	562,969	2,475,983
Fund balance - beginning	27,767,395	20,492,165	15,075,311	25,991,800	70,769,586	160,096,257
Fund balance - ending	<u>\$ 31,877,297</u>	<u>\$ 20,773,665</u>	<u>\$ 14,844,941</u>	<u>\$ 23,743,782</u>	<u>\$ 71,332,555</u>	<u>\$ 162,572,240</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Net change in fund balances - total governmental funds \$ 2,475,983

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Loss on disposal of capital assets		
Capital outlay	\$ 22,997,045	
Depreciation expense	<u>(22,476,899)</u>	520,146

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (132,009)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:
Property taxes and other special assessments (26,834)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$ 49,291,451	
Amortization of premium on long-term debt	2,510,710	
Amortization of deferred charge on refunding	<u>(524,273)</u>	51,277,888

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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Pension liability	\$ (5,252,170)	
Compensated absences	(511,296)	
Accrued interest on long-term debt	<u>(645,434)</u>	<u>(6,408,900)</u>
		<u><u>\$ 47,706,274</u></u>

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

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Garage
	ASSETS				
Current assets					
Cash and cash equivalents	\$ 10,770,865	\$ 250	\$ 200	\$ 10,771,315	\$ -
Receivables, operating	225,290	18,248	113,514	357,052	238,318
Receivables, federal and state grants	616,990	157,858	1,990,457	2,765,305	-
Inventories	119,755	34,225	-	153,980	-
Prepayments	29,385	8,391	28,579	66,355	1,533
Total current assets	11,762,285	218,972	2,132,750	14,114,007	239,851
Capital assets					
	5,828,279	4,833,031	34,235,519	44,896,829	445,160
Accumulated depreciation	(2,740,381)	(1,111,697)	(10,451,212)	(14,303,290)	(395,263)
	3,087,898	3,721,334	23,784,307	30,593,539	49,897
Total assets	14,850,183	3,940,306	25,917,057	44,707,546	289,748
DEFERRED OUTFLOWS OF RESOURCES					
Pension	664,875	48,718	268,808	982,401	-
Total deferred outflows of resources	664,875	48,718	268,808	982,401	-
Total assets and deferred outflows of resources	15,515,058	3,989,024	26,185,865	45,689,947	289,748
LIABILITIES					
Current liabilities					
Account payable	939,570	50,381	1,674,432	2,664,383	289,748
Accrued payroll	70,812	5,064	26,255	102,131	-
Accrued compensated absences	10,956	1,055	5,419	17,430	-
Due to general fund	-	559,544	3,827,062	4,386,606	8,917
Current portion of due to debt service fund	-	-	165,620	165,620	-
Total current liabilities	1,021,338	616,044	5,698,788	7,336,170	298,665
Noncurrent liabilities					
Accrued compensated absences	73,321	7,059	36,267	116,647	-
Net pension liability	3,456,623	254,239	1,252,182	4,963,044	-
Due to debt service fund	5,000,000	-	2,943,479	7,943,479	-
Total noncurrent liabilities	8,529,944	261,298	4,231,928	13,023,170	-
Total liabilities	9,551,282	877,342	9,930,716	20,359,340	298,665
DEFERRED INFLOWS OF RESOURCES					
Pension	17,213	1,265	6,424	24,902	-
Total deferred inflows of resources	17,213	1,265	6,424	24,902	-
NET POSITION					
Net investment in capital assets	3,087,898	3,721,334	23,784,307	30,593,539	49,897
Unrestricted (deficit)	2,858,665	(610,917)	(7,535,582)	(5,287,834)	(58,814)
Total net position	5,946,563	3,110,417	16,248,725	25,305,705	(8,917)
Total liabilities, deferred inflows of resources, and net position	\$ 15,515,058	\$ 3,989,024	\$ 26,185,865	\$ 45,689,947	\$ 289,748

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

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater	Lady's Island	Hilton Head	Totals	Service Fund
	Utility	Airport	Airport		Garage
Operating Revenues					
Garage billings	\$ -	\$ -	\$ -	\$ -	\$ 121,425
Fuel and oil sales	-	443,502	-	443,502	883,561
Stormwater utility fees	5,109,574	-	-	5,109,574	-
Stormwater utility project billings	593,641	-	-	593,641	-
Fixed base operator revenue	-	-	349,390	349,390	-
Passenger facility charges	-	-	115,833	115,833	-
Operating agreements/commission revenue	-	1,940	397,350	399,290	-
Concession sales	-	2,673	-	2,673	-
Firefighting/security fees	-	-	281,731	281,731	-
Landing fees	-	13,485	51,932	65,417	-
Parking/taxi fees	-	-	8,350	8,350	-
Rentals	-	-	170,166	170,166	-
Hangar rentals	-	129,476	181,904	311,380	-
Other charges	12,494	28,548	44,809	85,851	-
Total operating revenues	<u>5,715,709</u>	<u>619,624</u>	<u>1,601,465</u>	<u>7,936,798</u>	<u>1,004,986</u>
Operating Expenses					
Costs of sales and services	-	296,729	-	296,729	-
Personnel	2,743,361	207,207	931,875	3,882,443	-
Purchased services	2,017,576	135,943	648,304	2,801,823	799,936
Supplies	239,709	7,754	31,306	278,769	863,633
Capital	28,790	8,740	38,880	76,410	-
Depreciation	305,682	54,006	571,309	930,997	8,917
Total operating expenses	<u>5,335,118</u>	<u>710,379</u>	<u>2,221,674</u>	<u>8,267,171</u>	<u>1,672,486</u>
Operating income (loss)	<u>380,591</u>	<u>(90,755)</u>	<u>(620,209)</u>	<u>(330,373)</u>	<u>(667,500)</u>
Non-Operating Revenues (Expenses)					
Operating grant - Transportation Security Administration	-	-	42,960	42,960	-
Non-operating grant expenses	-	(285,921)	(15,617,022)	(15,902,943)	-
Loss on sale of capital assets	(10,836)	-	-	(10,836)	-
Interest income	148,938	218	1,240	150,396	-
Interest expense	(85,244)	-	(83,787)	(169,031)	-
Total non-operating revenues (expenses)	<u>52,858</u>	<u>(285,703)</u>	<u>(15,656,609)</u>	<u>(15,889,454)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>433,449</u>	<u>(376,458)</u>	<u>(16,276,818)</u>	<u>(16,219,827)</u>	<u>(667,500)</u>
Capital Contributions					
Capital grants - federal	616,990	178,204	14,787,544	15,582,738	-
Capital grants - state	-	1,130	372,411	373,541	-
Total capital contributions	<u>616,990</u>	<u>179,334</u>	<u>15,159,955</u>	<u>15,956,279</u>	<u>-</u>
Transfers					
Transfer in - General Fund	-	-	-	-	658,583
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>658,583</u>
Change in net position	1,050,439	(197,124)	(1,116,863)	(263,548)	(8,917)
Net position, beginning	<u>4,896,124</u>	<u>3,307,541</u>	<u>17,365,588</u>	<u>25,569,253</u>	<u>-</u>
Net position (deficit), ending	<u>\$ 5,946,563</u>	<u>\$ 3,110,417</u>	<u>\$ 16,248,725</u>	<u>\$ 25,305,705</u>	<u>\$ (8,917)</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater	Lady's Island	Hilton Head	Totals	Service Fund
	Utility	Airport	Airport		Garage
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 5,081,433	\$ 461,208	\$ 1,837,580	\$ 7,380,221	\$ 938,723
Cash received from other funds	-	185,042	2,695,666	2,880,708	8,917
Cash paid to employees	(2,239,059)	(156,117)	(819,407)	(3,214,583)	-
Cash paid to suppliers	(1,509,623)	(383,764)	(999,506)	(2,892,893)	(1,606,223)
Total provided by (used in) operating activities	1,332,751	106,369	2,714,333	4,153,453	(658,583)
Cash Flows from Noncapital Financing Activities:					
Operating grant - TSA	-	-	42,960	42,960	-
Interfund transfer from the General Fund	-	-	-	-	658,583
Non-operating grant expenses	-	(285,921)	(15,617,022)	(15,902,943)	-
Principal payment on note payable	-	-	(161,456)	(161,456)	-
Interest paid on note payable	-	-	(83,787)	(83,787)	-
Total provided by (used in) noncapital financing activities	-	(285,921)	(15,819,305)	(16,105,226)	658,583
Cash Flows from Capital and Related Financing Activities:					
FAA grants	616,990	178,204	14,787,544	15,582,738	-
SCAC grants	-	1,130	372,411	373,541	-
Purchase of capital assets	(1,252,870)	-	(2,056,223)	(3,309,093)	-
Total provided by capital and related activities	(635,880)	179,334	13,103,732	12,647,186	-
Cash Flows from Investing Activities:					
Interest earned	63,694	218	1,240	65,152	-
Total provided by investing activities	63,694	218	1,240	65,152	-
Net Increase in Cash and Cash Equivalents	760,565	-	-	760,565	-
Cash and Cash Equivalents, beginning of year	10,010,300	250	200	10,010,750	-
Cash and Cash Equivalents, end of year	\$ 10,770,865	\$ 250	\$ 200	\$ 10,771,315	\$ -

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

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater	Lady's Island	Hilton Head	Totals	Service Fund
	Utility	Airport	Airport		Garage
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided by (Used in) Operating Activities:					
Operating Income (Loss)	\$ 380,591	\$ (90,755)	\$ (620,209)	\$ (330,373)	\$ (667,500)
Adjustments to reconcile:					
Depreciation	305,682	54,006	571,309	930,997	8,917
Changes in Assets and Liabilities:					
Decrease (increase) in accounts receivable	(634,276)	(158,416)	236,115	(556,577)	(66,263)
Decrease (increase) in inventories	(44,581)	32,619	-	(11,962)	-
Decrease (increase) in other current assets	(6,737)	(1,806)	(3,896)	(12,439)	188
Increase (decrease) in accounts payable	827,770	34,589	(277,120)	585,239	57,158
Increase in due to general fund	-	185,042	2,695,666	2,880,708	8,917
Increase (decrease) in accrued payroll	1,893	193	(2,747)	(661)	-
Increase in accrued compensated absences	3,914	510	12,531	16,955	-
Increase in pension deferred inflows/outflows and liability	498,495	50,387	102,684	651,566	-
	646,478	143,118	2,763,233	3,552,829	-
Net Cash Flow Provided by (Used in) Operating Activities	\$ 1,332,751	\$ 106,369	\$ 2,714,333	\$ 4,153,453	\$ (658,583)

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

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

ASSETS

Cash and Equity in Pooled Cash and Investments

\$ 118,605,561

LIABILITIES

Due to other taxing districts and agencies

\$ 118,605,561

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

BEAUFORT COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Government-Wide Financial Statements

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government reports the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **County Wide General Obligation Bond Fund** accounts for the debt service of the bonds issued for various capital projects throughout the County.
- The **Rural and Critical Lands Program Fund** accounts for the expenditures of the rural and critical lands program. This program began in 2000 and preserves real property to preserve the rural character of Beaufort County and to protect other environmentally sensitive areas such as wetlands, marsh lands and headwater areas.
- The **2017 General Obligation Bond Projects Fund** accounts for bond proceeds intended to fund capital expenditures. The projects funded by these bond proceeds include public safety communications equipment, critical road improvements in the southern portion of the County, a new animal services campus centrally located in the County, new facilities for emergency medical services and detention center security upgrades.

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

- The **Stormwater Utility Fund** is used to account for all revenue and expenses related to the County's Stormwater Utility operations.
- The **Lady's Island Airport Fund** is used to account for all revenue and expenses related to the County's Lady's Island Airport.
- The **Hilton Head Island Airport Fund** is used to account for all revenue and expenses related to the County's Hilton Head Island Airport.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

Agency Funds

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

Net Position

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

	Governmental	Business Type
Net Capital Assets	\$ 530,428,311	\$ 30,593,539
Less: Current Portion of Long Term Debt	(17,891,039)	-
Long-Term Obligations	(213,808,255)	-
Unspent Bond Proceeds	39,008,800	-
Add Deferred Charge on Refundings	3,661,682	-
	\$ 341,399,499	\$ 30,593,539

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has five (5) items that qualify for reporting in this category. These six (6) items relate to the County's pension plan are reported in the government-wide and proprietary fund Statements of Net Position. (1) Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. (2) Changes in actuarial assumptions adjust the net pension liabilities and are amortized into pension expense over the expected remaining service lives of plan members.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

(3) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (4) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred outflows. (5) Any contributions made by the County to the pension plan before year-end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance or net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four (4) types of items that qualify for reporting in this category, four of which arise only under a modified accrual basis of accounting. Accordingly, the items, *unavailable revenue*, are reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from (1) property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items relate to the County's pension and deferred charge on refunding and are reported in the government-wide and proprietary fund Statements of Net Position. (2) Deferred charge on refunding which results in the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. (3) Certain experience losses (discussed on the previous page) are deferred and amortized against expense over a five-year period, resulting in recognition as deferred inflows of resources. (4) Additionally, the changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions (discussed in the previous paragraph) are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows.

Net Position Flow Assumption

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Equity in Pooled Cash and Investments

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

Investments

Investments with a readily determined fair value are stated at fair value, which approximates cost. State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposits collaterally secured, and the State Treasurer's Investment Pool (LGIP). The LGIP is an investment mechanism authorized by the South Carolina State Legislature and is not registered with the SEC as an investment company. There is no regulatory oversight of the pool. The pool's primary objective is to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The total fair value of the investment pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1. Investments in the pool are stated at fair value, which approximates cost. The remaining investments of the County are reported at fair value.

Receivables

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

Inventories

Inventories consist of fuels and supplies (enterprise funds) and is stated at the lower of "first in, first out" cost or market for the Lady's Island Airport Fund and is stated at lower of cost or market for the Stormwater Utility Fund.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Long-Term Obligations

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

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

Compensated Absences

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to and from Other Funds/Internal Balances

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

Revenues

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

Expenditures

Expenditures are recognized when the related fund liability is incurred.

Use of Estimates

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

Budgets and Budgetary Accounting

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

- (1) The County Administrator submits to County Council, prior to June 1, proposed operating, special revenue, debt service, and capital improvement (CIP) budgets for the fiscal year commencing July 1. The operating, special revenue, debt service, and CIP budgets include proposed expenditures, revenues, and financing sources.
- (2) The Council requires such changes to be made as it deems necessary, provided the budget remains in balance and is subject to the notice of hearing requirements of Section 4-9-140 of the South Carolina Statutes.
- (3) Public hearings are held pursuant to Section 4-9-140 of the South Carolina Statutes in order for the Council to adopt the tentative and final budget.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- (4) Prior to July 1, the operating, special revenue, debt service and CIP budgets are legally enacted through passage of an ordinance setting forth anticipated revenues and appropriations by fund.
- (5) The County Administrator or his designee is authorized to transfer funds among operating accounts or among capital accounts within a department. All transfers over \$25,000 between departments and programs or between operating and capital accounts must be authorized by the Council in accordance with Section 4-9-140 of the South Carolina Statutes. In accordance with County Ordinance 2012/07, Section 10, amounts of \$25,000 or less can be approved by the County Administrator and/or his designee. Any transfer in excess of \$25,000 for individual expenditures or in excess of \$50,000 cumulatively during any fiscal year is to be authorized by County Council, or its designee.
- (6) Formal budgetary integration is employed as a measurement control device for all governmental funds of the County. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the department level.
- (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
- (8) Revenues in excess of the current budget ordinance may be expended as directed by the revenue source or for the purpose for which the funds were generated without further approval by County Council, as per Section 14 of County Ordinance 2006/14.

NOTE 2. CASH AND INVESTMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

Deposits

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized as of June 30, 2018 with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

Investments

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

As of June 30, 2018, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities		
		Less than 1 year	More than 1 year but less than 5 years	More than 5 years
Certificates of Deposit	\$ 2,860	\$ 2,860	\$ -	\$ -
Municipal Bonds	1,181,962	-	468,292	713,670
U.S. Government Agencies Securities	44,300,982	30,418,292	10,830,351	3,052,339
State of S.C. Treasurer's Investment Pool	171,752,115	171,752,115	-	-
Total Investments held in the County's name	\$ 217,237,919	\$ 202,173,267	\$ 11,298,643	\$ 3,766,009

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

- Level 1 – Investments reflect prices quoted in active markets.
- Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 – Investments reflect prices based upon unobservable sources.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Money market mutual funds classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. The County has no investments classified in Level 3 of the fair value hierarchy.

Investment	Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Municipal Bonds	\$ 1,181,962	\$ -	\$ 1,181,962	
U.S. Government Agencies Securities	44,300,982	30,445,526	13,855,456	-
Total Investments by Fair Value Level	<u>45,482,944</u>	<u>30,445,526</u>	<u>15,037,418</u>	<u>-</u>

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

Custodial Credit Risk

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Credit Risk

As of June 30, 2018, the County's investments in U.S. Government Agencies Securities are rated Aaa by Moody's Investors. Statutes also allow the State Treasurer to assist local governments in investing funds. The State Treasurer also provides oversight for the State Treasurer's Investment Pool which is unrated, of which; the fair value of the County's investments is the same as the value of the pooled shares. The County's investment in the certificate of deposit is also unrated. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the County. The County's credit risk policy to mitigate the potential loss of principal is to purchase only high investment grade fixed-income securities. The County's investments are fully collateralized by U.S. Government Securities and are not subject to credit risk.

Interest Rate Risk

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

Concentration of Credit Risk

This is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized, although there is no formal limit on the amount the County may invest in any one issuer.

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

NOTE 3. RECEIVABLES/DUE FROM OTHER GOVERNMENTS/NOTE RECEIVABLE

Receivables

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES/DUE FROM OTHER GOVERNMENTS/NOTE RECEIVABLE

Receivables

The following details net receivables by governmental fund:

	General Fund	County Wide General Obligation Bonds	Rural and Critical Lands Program	Nonmajor Governmental Funds
Property Tax Receivable	\$ 3,863,141	\$ 367,087	\$ -	\$ 318,625
Accounts Receivable - Other	839,062	-	9,319	2,388,797
	<u>\$ 4,702,203</u>	<u>\$ 367,087</u>	<u>\$ 9,319</u>	<u>\$ 2,707,422</u>

The following details net receivables by proprietary fund:

	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Internal Service Fund - Garage
Licenses and Fees Receivable	\$ 225,290	\$ 18,248	\$ 113,514	\$ 238,317
	<u>\$ 225,290</u>	<u>\$ 18,248</u>	<u>\$ 113,514</u>	<u>\$ 238,317</u>

Due from Other Governments

The following details the due from other governments by governmental fund:

	General Fund	Nonmajor Governmental Funds
Due from Other Governments	\$2,147,841	\$ 2,677,852
	<u>\$2,147,841</u>	<u>\$ 2,677,852</u>

The following details the due from other governments by proprietary fund:

	Stormwater Utility	Lady's Island Airport	Hilton Head Airport
Due from Other Governments	\$ 616,990	\$ 157,858	\$ 1,990,457
	<u>\$ 616,990</u>	<u>\$ 157,858</u>	<u>\$ 1,990,457</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES/DUE FROM OTHER GOVERNMENTS/NOTE RECEIVABLE (CONTINUED)

Note Receivable from the Technical College of the Lowcountry

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

The following reflects the future minimum payments receivable at June 30, 2018, under this note receivable:

Fiscal Year Ending	Amount
2019	\$ 102,724
2020	102,724
2021	102,724
2022	102,724
2023	102,724
2024-2027	308,171
Total Minimum Note Payments	821,791
Less Amount Representing Interest	(92,559)
Present Value of Minimum Note Payments	729,232
Less Current Portion	(82,862)
Long-Term Portion	\$ 646,370

Note Receivable from Hilton Head Airport Fund

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

Annual requirements to amortize the note receivable from Hilton Head Airport Fund outstanding at June 30, 2018, are as follows:

Fiscal Year Ending	Note Payable to Debt		
	Service Fund	Principal	Interest
2019	\$ 96,739	\$ 73,019	\$ 23,720
2020	96,740	74,543	22,197
2021	96,740	76,098	20,642
2022	96,740	77,685	19,055
2023	96,740	79,306	17,433
2024-2028	483,700	422,052	61,648
2029-2032	386,961	370,452	16,509
Total	\$ 1,354,360	\$ 1,173,155	\$ 181,204

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES/DUE FROM OTHER GOVERNMENTS/NOTE RECEIVABLE (CONTINUED)

Note Receivable from Hilton Head Airport Fund (Continued)

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

Annual requirements to amortize the note receivable from Hilton Head Airport Fund outstanding at June 30, 2018, are as follows:

Fiscal Year Ending	Note Payable to Debt		
	Service Fund	Principal	Interest
2019	\$ 148,502	\$ 92,600	\$ 55,902
2020	148,502	95,353	53,149
2021	148,502	98,187	50,315
2022	148,502	101,106	47,396
2023	148,502	104,111	44,391
2024-2028	742,510	568,860	173,650
2029-2033	742,510	658,587	83,923
2034	222,762	217,140	5,622
Total	<u>\$ 2,450,292</u>	<u>\$ 1,935,944</u>	<u>\$ 514,348</u>

Note Receivable from Stormwater Utility Fund

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

Annual requirements to amortize the note receivable from Stormwater Utility Fund outstanding at June 30, 2018, are as follows:

Fiscal Year Ending	Note Payable to Debt		
	Service Fund	Principal	Interest
2019	\$ 188,268	\$ -	\$ 188,268
2020	188,268	-	188,268
2021	188,268	-	188,268
2022	247,092	58,824	188,268
2023	244,151	58,824	185,327
2024-2028	1,800,436	934,807	865,629
2029-2033	2,538,007	2,025,980	512,027
2034-2037	2,073,568	1,921,565	152,003
Total	<u>\$ 7,468,058</u>	<u>\$ 5,000,000</u>	<u>\$ 2,468,058</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES/DUE FROM OTHER GOVERNMENTS/NOTE RECEIVABLE (CONTINUED)

Interfund Balances between the General Fund and the Proprietary Funds

Interfund receivable and payable balances as of June 30, 2018, are as follows:

Receivable Fund	Payable Fund	Total
General Fund	Hilton Head Airport Fund	\$ 3,827,062
General Fund	Lady's Island Airport Fund	559,544
General Fund	County Garage Fund	8,917
		\$ 4,395,523

Interfund receivables and payables result from timing differences and other year-end transactions which normally clear within one or two months.

NOTE 4. CAPITAL ASSETS

Governmental Activities

	Balance June 30, 2017	Additions	Disposals and Transfers	Balance June 30, 2018
Capital assets not being depreciated				
Land	\$ 123,983,640	\$ 169,000	\$ -	\$ 124,152,640
Easements	18,059,927	-	-	18,059,927
Construction in Progress	36,600,936	19,200,657	(11,284,501)	44,517,092
Total capital assets not being depreciated	178,644,503	19,369,657	(11,284,501)	186,729,659
Capital assets being depreciated				
Buildings & Improvements	195,829,929	-	110,614	195,940,543
Infrastructure	290,680,740	-	11,028,217	301,708,957
Equipment	84,414,795	3,627,388	(896,276)	87,145,907
Total capital assets being depreciated	570,925,464	3,627,388	10,242,555	584,795,407
Less accumulated depreciation				
Buildings & Improvements	99,339,868	6,317,956	(72,240)	105,585,584
Infrastructure	51,747,608	12,005,773	-	63,753,381
Equipment	68,442,317	4,153,170	(837,697)	71,757,790
Total accumulated depreciation	219,529,793	22,476,899	(909,937)	241,096,755
Total capital assets being depreciated, net	351,395,671	(18,849,511)	11,152,492	343,698,652
Governmental activities capital assets, net	\$ 530,040,174	\$ 520,146	\$ (132,009)	\$ 530,428,311

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

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, 2018 was \$22,476,899 and the accumulated depreciation as of June 30, 2018 was \$241,096,755.

The depreciation expense was allocated as follows:

General Government	\$	7,136,534
Public Safety		2,868,050
Public Works		8,773,661
Public Health		729,900
Cultural and Recreation		2,968,754
Total	\$	<u>22,476,899</u>

Business-Type Activities

	Balance June 30, 2017	Additions	Disposals and Transfers	Balance June 30, 2018
Capital assets not being depreciated				
Land	\$ 11,532,675	\$ 2,029,039	\$ -	\$ 13,561,714
Infrastructure	9,229,801	-	-	9,229,801
Construction in Progress	257,890	-	-	257,890
Total capital assets not being depreciated	<u>21,020,366</u>	<u>2,029,039</u>	<u>-</u>	<u>23,049,405</u>
Capital assets being depreciated				
Buildings & Improvements	14,193,462	-	-	14,193,462
Equipment	6,525,814	1,280,053	(151,905)	7,653,962
Total capital assets being depreciated	<u>20,719,276</u>	<u>1,280,053</u>	<u>(151,905)</u>	<u>21,847,424</u>
Less accumulated depreciation				
Buildings & Improvements	8,962,398	553,297	-	9,515,695
Equipment	4,550,966	377,700	(141,071)	4,787,595
Total accumulated depreciation	<u>13,513,364</u>	<u>930,997</u>	<u>(141,071)</u>	<u>14,303,290</u>
Total capital assets being depreciated, net	<u>7,205,912</u>	<u>349,056</u>	<u>(10,834)</u>	<u>7,544,134</u>
Business-type activities capital assets, net	<u>\$ 28,226,278</u>	<u>\$ 2,378,095</u>	<u>\$ (10,834)</u>	<u>\$ 30,593,539</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Business-Type Activities (Continued)

For the capital assets of the business-type activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives of the assets, which range from five to twenty-five years. Depreciation expense for the year ended June 30, 2018 was \$930,997 and the accumulated depreciation as of June 30, 2018 was \$14,303,290.

The depreciation expense was allocated as follows:

Stormwater Utility	\$	305,682
Lady's Island Airport		54,006
Hilton Head Airport		571,309
Total		930,997

NOTE 5. LONG-TERM OBLIGATIONS

A schedule of the County's long-term obligations for governmental activities as of June 30, 2018 are as follows:

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Due in One Year
General Obligation Bonds	\$ 233,200,823	\$ -	\$ 15,041,451	\$ 218,159,372	\$ 15,579,302
General Obligation Bond Anticipation Note	30,250,000	-	30,250,000	-	-
Mortgage	4,000,000	-	4,000,000	-	-
Premiums	16,050,632	-	2,510,710	13,539,922	-
Compensated Absences	3,607,203	7,892,045	7,380,749	4,118,499	535,405
Net pension liability	112,638,862	24,358,832	14,248,247	122,749,447	-
Total	\$ 399,747,520	\$ 32,250,877	\$ 73,431,157	\$ 358,567,240	\$ 16,114,707
 Deferred Charge on Refundings	\$ 4,185,955	\$ -	\$ 524,273	\$ 3,661,682	-

A schedule of the County's long-term obligations for business-type activities as of June 30, 2018 are as follows:

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Due in One Year
Compensated Absences	\$ 117,122	\$ 270,291	\$ 253,336	\$ 134,077	\$ 17,430
Net pension liability	4,017,292	1,693,395	747,643	4,963,044	-
Total	\$ 4,134,414	\$ 1,963,686	\$ 1,000,979	\$ 5,097,121	\$ 17,430



Becky Baldwin

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

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

The 2006, 2006B, 2007, 2007B, 2010A, 2010C, 2011, 2012A, 2012C, 2012E, 2013A, 2013B, 2013C, 2014A, 2014B, 2016A, 2017A, and 2017B general obligation bonds are collateralized by the full faith and credit of the County and are payable from ad valorem taxes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

General obligation bonds accounted for in the County's Statement of Net Position consist of the following at June 30, 2018:

Description	Rates	Dates	Maturity	Original Issue	Outstanding at June 30, 2018
2010A County Bonds	2.0% - 5.0%	3/1 and 9/1	2020	24,205,000	5,915,000
2010C County Bonds	2.0% - 4.0%	2/1 and 8/1	2022	8,125,000	3,900,000
2011 County Bonds	2.0% - 3.5%	3/1 and 9/1	2031	10,000,000	9,440,000
2012A County Bonds	2.0% - 4.0%	3/1 and 9/1	2023	15,295,000	8,340,000
2012C County Bonds	2.0% - 5.0%	2/1 and 8/1	2025	25,185,000	21,470,000
2012E County Bonds	3.5%	10/12	2053	6,000,000	5,619,372
2013A County Bonds	1.5% - 4.0%	5/1 and 11/1	2033	7,580,000	5,760,000
2013B County Bonds	1.5% - 4.0%	5/1 and 11/1	2053	25,000,000	19,140,000
2013C County Bonds	1.5% - 5.0%	3/1 and 9/1	2026	33,150,000	27,765,000
2014A County Bonds	2.0% - 5.0%	3/1 and 9/1	2034	19,450,000	16,510,000
2014B County Bonds	2.5% - 4.0%	3/1 and 9/1	2029	22,570,000	22,570,000
2016A County Bonds	2.0% - 4.0%	3/1 and 9/1	2027	17,950,000	16,600,000
2017A County Bonds	3.0% - 5.0%	2/1 and 8/1	2037	51,000,000	51,000,000
2017B County Bonds	5.0%	2/1 and 8/1	2020	6,110,000	4,130,000
				<u>\$ 271,620,000</u>	<u>\$ 218,159,372</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

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

Fiscal Year Ending	Principal	Interest	Total
2019	\$ 15,579,302	\$ 8,121,429	\$ 23,700,731
2020	16,182,253	7,539,053	23,721,306
2021	17,235,306	6,853,300	24,088,606
2022	17,908,467	6,166,439	24,074,906
2023	17,851,738	5,440,918	23,292,656
2024-2028	63,826,914	18,120,214	81,947,128
2029-2033	44,677,684	8,196,175	52,873,859
2034-2038	21,662,369	2,240,382	23,902,751
Thereafter	3,235,339	979,357	4,214,696
Total	<u>\$ 218,159,372</u>	<u>\$ 63,657,267</u>	<u>\$ 281,816,639</u>

Total interest paid on bonds outstanding for the year ended June 30, 2018 was \$7,448,307.

Mortgage

In September 2015, the County entered into a \$4,000,000 intergovernmental loan agreement with the South Carolina Public Service Authority to acquire land and design and construct a 40,000 square foot building located on property adjacent to property currently owned and utilized by the County. The initial interest rate on this mortgage is two (2%) percent, per year for the initial five (5) years. Each year thereafter for the remaining term of the mortgage, the interest rate for any outstanding principal balance will be the current interest rate in effect on ten (10) year U.S. Treasury Notes. The mortgage was paid in full during fiscal year 2018.

NOTE 6. INTERFUND TRANSFERS

Interfund transfers (in/out) were used to move resources to/from other funds in accordance with budgetary authorizations, or other requirements. These transfers were permanent in nature and as such there are not any anticipated repayments. The following interfund transfers were made during the year ended June 30, 2018.

Recipient Fund	Transferring Fund	Amount
General Fund	Nonmajor Special Revenue Funds	\$ 2,561,545
Nonmajor Special Revenue Funds	Nonmajor Special Revenue Funds	2,056,294
Nonmajor Special Revenue Funds	General Fund	6,347,164
Internal Service Fund	General Fund	658,583
		<u>\$ 11,623,586</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. 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, 2018 were approximately \$143,000.

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

<u>Fiscal Year Ending</u>	<u>Amount</u>
2019	\$ 134,930
2020	12
2021	12
2022	12
2023	12
Thereafter	30
Total	<u>\$ 135,008</u>

NOTE 8. 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 \$314,357 for the year ended June 30, 2018. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

County employees may participate in a 401(k) or a Roth 401(k) deferred compensation plans available to state and local governmental employees through the state public employee retirement system. The 401(k) and Roth 401(k) programs are administered by a state approved nongovernmental third party. Contributions by employees under the 401(k) and Roth 401(k) programs totaled \$694,886 and \$18,245, respectively, for the year ended June 30, 2018. There are no employer contributions made by the County to these plans. Participant account balances are not included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. SELF-INSURED HEALTH INSURANCE

The County is self-insured for health claims incurred by employees and/or their dependents. The plan establishes a "Stop Loss" of \$200,000 per person per contract year. There are not any individuals excluded from the stop loss coverage with a specific deductible. At June 30, 2018, claims due and payable total approximately \$772,526 and are recorded as a liability and expenditure within the General Fund.

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

For the Year Ended June 30,	Beginning Liability	Current Year Claims and Changes in Estimate	Claim Payments	Ending Liability
2018	\$ 772,526	\$ 10,356,566	\$ 10,497,015	\$ 632,077
2017	\$ -	\$ 13,911,455	\$ 13,138,929	\$ 772,526

NOTE 10. PENSION PLANS

Overview

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the State of South Carolina, and, therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Plan Description

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

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

Membership

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

South Carolina Retirement System. Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election.

An employee member of the SCRS with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the SCRS with an effective date of membership on or after July 1, 2012, is a Class Three member.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Benefits

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

South Carolina Retirement System. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least 8 or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Benefits (Continued)

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

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty-year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 percent and 5 percent differentials between the SCRS and PORS employer and employee contribution rates, respectively.

If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Contributions (Continued)

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty-year amortization schedule. The recent pension reform legislation also changes the long-term funded ratio requirement from ninety to eight-five. For the year ended June 30, 2018, the County contributed \$4,488,733 to the SCRS plan and \$2,873,395 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2018, are as follows:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required employer contribution rates for the year ended June 30, 2018, are as follows:

South Carolina Retirement System

Employee Class Two	13.41% of earnable compensation
Employee Class Three	13.41% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	15.84% of earnable compensation
Employee Class Three	15.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability

The June 30, 2017 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2016, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2017, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2018 (measurement date of June 30, 2017), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Liability</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</u>	<u>County's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 185,711,173	\$ 99,055,439	\$ 86,655,734	53.3%	0.384938%
PORS	\$ 105,111,276	\$ 64,054,519	\$ 41,056,757	60.9%	1.498660%

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2015, and the next experience study is scheduled to be conducted after the June 30, 2020, annual valuation is complete.

The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2016 valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	4.0% to 9.5% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Males multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Males multiplied by 111%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market assumptions. The actuarial long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year of the Systems. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation, which is summarized in the table on the following page.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global public equity	31.0%	6.72%	2.08%
Private equity	9.0%	9.60%	0.86%
Equity options securities	5.0%	5.91%	0.30%
Real assets	8.0%		
Real estate (private)	5.0%	4.32%	0.22%
Real estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk parity	10.0%	4.16%	0.42%
Hedge funds (non-PA)	4.0%	3.82%	0.15%
Other opportunistic strategies	3.0%	4.16%	0.12%
Diversified credit	18.0%		
Mixed credit	6.0%	3.92%	0.24%
Emerging markets	5.0%	5.01%	0.25%
Private debt	7.0%	4.37%	0.31%
Conservative fixed income	12.0%		
Core fixed income	10.0%	1.60%	0.16%
Cash and short duration (net)	2.0%	0.92%	0.01%
	<u>100%</u>		
		Total expected real return	5.31%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	<u>7.56%</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the County's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following table presents the sensitivity of the net pension liabilities to changes in the discount rate.

The following table presents the sensitivity of the net pension liability to changes in the discount rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate				
	1% Decrease		Current	
	(6.25%)		Discount Rate	1% Increase
			(7.25%)	(8.25%)
SCRS	\$ 111,687,338		\$ 86,655,734	\$ 71,467,433
PORS	\$ 55,434,358		\$ 41,056,757	\$ 29,731,614

Pension Expense

For the year ended June 30, 2018, the County recognized its proportionate share of collective pension expense of \$8,783,381 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$828,412 for a total of \$9,611,793 for the SCRS plan. Additionally, for the year ended June 30, 2018, the County recognized its proportionate share of collective pension expense of \$5,069,701 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$44,319 for a total of \$5,114,020 for the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 386,311	\$ 48,030
Net difference between projected and actual earnings on pension plan investments	2,419,021	-
Assumption changes	5,072,763	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,197,122	383,055
Employer contributions subsequent to the measurement date	5,530,147	-
Total	\$ 16,605,364	\$ 431,085
	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences between expected and actual experience	\$ 366,109	\$ -
Net difference between projected and actual earnings on pension plan investments	1,463,022	-
Assumption changes	3,896,665	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	446,361	215,060
Employer contributions subsequent to the measurement date	3,288,903	-
Total	\$ 9,461,060	\$ 215,060

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

County contributions subsequent to the measurement date of \$1,617,557 and \$1,256,691 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>SCRS</u>	<u>PORS</u>
2019	\$ 3,198,155	\$ 1,724,857
2020	4,769,262	2,404,939
2021	3,289,170	1,707,634
2022	(612,455)	119,667
Total	<u>\$ 10,644,132</u>	<u>\$ 5,957,097</u>

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, P.O. Box 11960, Columbia, SC 29211-1960.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. ACCRUED COMPENSATED ABSENCES AND OTHER BENEFITS

Effective February 15, 1993, Beaufort County adopted a new leave policy for all employees. The TOWP/SCA policy was replaced with a policy granting Personal Leave Days and Personal Disability Leave. Under the new policy, employees were entitled to a maximum Personal Leave balance of 280 hours. Upon termination, employees will be paid for all unused, unpaid Personal Leave up to this maximum. The liability recorded at June 30, 2018, to cover unused, unpaid Personal Leave including fringe benefits totaled \$4,252,576.

Accrued compensated absences for governmental activities as of June 30, 2018 are as follows:

Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Due in One Year
\$ 3,607,203	\$ 7,892,045	\$ 7,380,749	\$ 4,118,499	\$ 535,405

Accrued compensated absences for business-type activities as of June 30, 2018 are as follows:

Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018	Due in One Year
\$ 117,122	\$ 270,291	\$ 253,336	\$ 134,077	\$ 17,430

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2018, fund balances for government funds are made up of the following:

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. FUND BALANCES (CONTINUED)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. FUND BALANCES (CONTINUED)

Fund balances for all the major and nonmajor funds as of June 30, 2018, were distributed as follows:

	General Fund	County Wide General Obligation Bonds	Rural and Critical Lands Program	2017 General Obligation Bond Projects	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepaid Items	\$ 1,653,435	\$ -	\$ -	\$ -	\$ 224,324	\$ 1,877,759
Total Nonspendable	<u>1,653,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,324</u>	<u>1,877,759</u>
Restricted:						
General Government Grants	-	-	-	-	15,557,743	15,557,743
Public Safety Grants	-	-	-	-	5,755,067	5,755,067
Public Works Grants	-	-	-	-	27,291,264	27,291,264
Public Health Grants	-	-	-	-	4,531,289	4,531,289
Public Welfare Grants	-	-	-	-	6,810	6,810
Cultural & Recreation Grants	-	-	-	-	8,924,759	8,924,759
Capital Projects	-	-	14,844,941	23,743,782	5,342,378	43,931,101
Debt Service	-	20,773,665	-	-	3,521,609	24,295,274
Total Restricted	<u>-</u>	<u>20,773,665</u>	<u>14,844,941</u>	<u>23,743,782</u>	<u>70,930,919</u>	<u>130,293,307</u>
Committed:						
Parks and Leisure Capital Program	-	-	-	-	177,312	177,312
General Government Facility						
Improvements	158,655	-	-	-	-	158,655
Public Works Equipment	148,852	-	-	-	-	148,852
General Government Information						
Technology Infrastructure	55,027	-	-	-	-	55,027
General Government Professional						
Services	47,587	-	-	-	-	47,587
Traffic Engineering Projects	41,166	-	-	-	-	41,166
Total Committed	<u>451,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,312</u>	<u>628,599</u>
Assigned:						
General Government	3,044,287	-	-	-	-	3,044,287
Traffic Engineering	51,462	-	-	-	-	51,462
Parks and Leisure Special Events	202,755	-	-	-	-	202,755
Total Assigned	<u>3,298,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,298,504</u>
Unassigned						
	<u>26,474,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,474,071</u>
Total Fund Balance	<u>\$ 31,877,297</u>	<u>\$ 20,773,665</u>	<u>\$ 14,844,941</u>	<u>\$ 23,743,782</u>	<u>\$ 71,332,555</u>	<u>\$ 162,572,240</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES

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

As of June 30, 2018, the County has outstanding construction contracts of \$4,126,227.

NOTE 14. RISK MANAGEMENT AND LITIGATION

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

For all of these risks, the County is a member of the State of South Carolina Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

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, 2018 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

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

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



Joan Eckhardt

Required
Supplementary
Information



BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance from Final Budget Positive / (Negative)
	Original	Final	Actual	
Revenues				
Property taxes				
Current taxes	\$ 85,960,950	\$ 85,960,950	\$ 86,000,398	\$ 39,448
Delinquent taxes	3,170,764	3,170,764	3,828,176	657,412
Automobile taxes	6,017,895	6,017,895	6,151,576	133,681
Penalties	1,286,140	1,286,140	1,438,454	152,314
Total property taxes	<u>96,435,749</u>	<u>96,435,749</u>	<u>97,418,604</u>	<u>982,855</u>
Licenses and permits				
Business licenses	1,650,000	1,650,000	2,502,594	852,594
Building permits	1,143,800	1,143,800	1,015,654	(128,146)
Cable franchise fees	450,000	450,000	434,086	(15,914)
Marriage licenses	90,000	90,000	79,297	(10,703)
Other licenses and permits	95,200	95,200	90,700	(4,500)
Total licenses and permits	<u>3,429,000</u>	<u>3,429,000</u>	<u>4,122,331</u>	<u>693,331</u>
Intergovernmental				
State aid to subdivisions	7,152,193	7,152,193	6,185,391	(966,802)
Homestead exemption	1,602,269	1,602,269	1,899,738	297,469
Merchants' inventory tax	186,308	186,308	186,309	1
Manufacturers tax	36,000	36,000	18,155	(17,845)
Motor carrier tax	100,000	100,000	159,763	59,763
Payments in lieu of taxes	85,000	85,000	125,319	40,319
Veterans office stipend	4,000	4,000	5,371	1,371
Registration and election	3,000	3,000	12,302	9,302
Salary supplements	7,875	7,875	7,875	-
Local traffic signal maintenance	20,000	20,000	195,287	175,287
Local, state and federal grant funds	-	-	27,520,953	27,520,953
Pollution control penalties	1,000	1,000	2,604	1,604
Total intergovernmental	<u>9,197,645</u>	<u>9,197,645</u>	<u>36,319,067</u>	<u>27,121,422</u>
Charges for services				
Register of deeds fees	3,706,907	3,706,907	4,571,124	864,217
Sheriff's service contracts and fees	3,098,963	3,098,963	3,093,806	(5,157)
Emergency medical service fees	2,579,000	2,579,000	3,177,619	598,619
Court support services	1,698,126	1,698,126	1,461,889	(236,237)
Recreation fees	554,408	554,408	605,985	51,577
Administrative services	241,681	241,681	245,129	3,448
DSO / rezoning / CRB fees	50,000	50,000	74,105	24,105
Solid waste disposal fees	5,000	5,000	4,900	(100)
Animal shelter fees	3,000	3,000	-	(3,000)
Total charges for services	<u>11,937,085</u>	<u>11,937,085</u>	<u>13,234,557</u>	<u>1,297,472</u>
Fines and forfeitures				
Clerk of court fines	11,300	11,300	13,526	2,226
Bond escrowment	55,000	55,000	4,301	(50,699)
Magistrates' court fines	607,700	607,700	551,806	(55,894)
Library fines	75,000	75,000	90,884	15,884
Other fines	1,000	1,000	50,000	49,000
Total fines and forfeitures	<u>750,000</u>	<u>750,000</u>	<u>710,517</u>	<u>(39,483)</u>
Interest earned on investments	52,805	52,805	276,686	223,881
Miscellaneous				
Rental of county property	78,000	78,000	56,725	(21,275)
Sale of county property	121,136	121,136	424,566	303,430
Miscellaneous	52,000	52,000	85,051	33,051
Total Miscellaneous	<u>251,136</u>	<u>251,136</u>	<u>566,342</u>	<u>315,206</u>
Total Revenues	<u>122,053,420</u>	<u>122,053,420</u>	<u>152,648,104</u>	<u>30,594,684</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance from Final Budget Positive / (Negative)
	Original	Final	Actual	
Expenditures				
General government				
Elected and state appointed officials				
Magistrates court	\$ 1,927,403	\$ 1,931,793	\$ 1,886,311	\$ 45,482
Clerk of court & family court	1,135,555	1,150,605	1,038,273	112,332
Treasurer	1,125,863	1,183,963	1,313,108	(129,145)
Solicitor	1,245,000	1,245,000	1,245,000	-
Probate court	778,057	790,257	782,937	7,320
County council	628,957	631,397	726,069	(94,672)
County council - supplemental appropriations	-	-	800,000	(800,000)
Auditor	888,904	891,578	890,647	931
Coroner	514,351	518,796	510,598	8,198
Master in equity	321,892	321,892	288,735	33,157
Department of social services	147,349	147,349	79,539	67,810
Legislative delegation	65,760	65,760	54,627	11,133
Total elected and state appointed officials	8,779,091	8,878,390	9,615,844	(737,454)
Administrative services				
County administrator	770,252	772,692	599,888	172,804
Communications and accountability	403,649	553,342	442,021	111,321
Broadcast services	320,196	321,416	342,510	(21,094)
County attorney	379,993	383,653	518,389	(134,736)
Finance, risk management & purchasing	1,145,973	1,153,736	1,030,003	123,733
Assessor	2,403,300	2,421,600	2,252,027	169,573
Register of deeds	535,748	545,224	532,036	13,188
Community planning and development	901,714	917,200	854,104	63,096
Business license	66,754	67,884	63,823	4,061
Voter registration and elections	653,749	662,289	816,503	(154,214)
Management and geographical information systems	4,535,600	4,426,783	3,884,535	542,248
Records management	595,429	602,108	519,482	82,626
Employee services	843,541	849,179	769,964	79,215
Nondepartmental	16,457,469	15,542,469	10,290,278	5,252,191
Total administrative services	30,013,367	29,219,575	22,915,563	6,304,012
Economic and regional development				
Lowcountry Council of Governments	144,579	144,579	140,431	4,148
Lowcountry Regional Transportation Authority	270,000	270,000	252,344	17,656
Economic development	330,000	330,000	651,643	(321,643)
Small business center	25,000	25,000	25,000	-
Total economic and regional development	769,579	769,579	1,069,418	(299,839)
Total General Government Services	39,562,037	38,867,544	33,600,825	5,266,719
Public safety services				
Sheriff's office	23,121,838	23,121,838	22,245,719	876,119
Emergency and traffic management	6,724,468	6,724,468	6,352,686	371,782
Emergency medical services	6,465,045	6,549,214	7,118,222	(569,008)
Detention center	5,744,816	5,841,318	5,950,466	(109,148)
Building codes and enforcement	1,173,432	1,192,242	1,049,868	142,374
Animal services	935,313	939,217	1,011,711	(72,494)
Traffic and transportation engineering	517,166	535,323	749,295	(213,972)
Total public safety services	44,682,078	44,903,620	44,477,967	425,653

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			Variance from Final Budget Positive / (Negative)
	Original	Final	Actual	
Public works services				
Public works general support	\$ 2,390,637	\$ 2,424,779	\$ 2,323,080	\$ 101,699
Engineering	370,532	426,441	293,353	133,088
Facilities maintenance	6,464,289	6,518,125	6,100,277	417,848
Solid waste and recycling	7,037,486	7,057,653	6,990,809	66,844
Total public works services	<u>16,262,944</u>	<u>16,426,998</u>	<u>15,707,519</u>	<u>719,479</u>
Public health services				
Mosquito control	1,566,695	1,572,985	1,469,911	103,074
Medical indigent act contributions	1,081,000	1,081,000	1,081,000	-
Total public health services	<u>2,647,695</u>	<u>2,653,985</u>	<u>2,550,911</u>	<u>103,074</u>
Public welfare services				
Veterans affairs office	170,722	173,162	167,994	5,168
Human services alliance	398,000	398,000	345,715	52,285
HUD home consortium	56,000	56,000	56,000	-
Total public welfare services	<u>624,722</u>	<u>627,162</u>	<u>569,709</u>	<u>57,453</u>
Cultural and recreation services				
Parks and seisure services	3,358,074	3,388,127	3,052,553	335,574
Libraries	4,078,964	4,106,651	4,177,829	(71,178)
Education allocation	4,343,440	4,343,440	4,343,440	-
Total cultural and recreation services	<u>11,780,478</u>	<u>11,838,218</u>	<u>11,573,822</u>	<u>264,396</u>
Disaster related expenditures	-	-	1,920,614	(1,920,614)
Debt Service				
Principal	-	-	30,250,000	(30,250,000)
Interest and fess	-	-	423,500	(423,500)
Total debt service	<u>-</u>	<u>-</u>	<u>30,673,500</u>	<u>(30,673,500)</u>
Capital outlay	3,143,221	3,206,443	3,019,133	187,310
Total Expenditures	<u>118,703,175</u>	<u>118,523,970</u>	<u>144,094,000</u>	<u>(25,570,030)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,350,245</u>	<u>3,529,450</u>	<u>8,554,104</u>	<u>56,164,714</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,568,750	1,568,750	2,561,545	(992,795)
Transfers out	(4,918,995)	(5,098,200)	(7,005,747)	1,907,547
Total other financing sources (uses)	<u>(3,350,245)</u>	<u>(3,529,450)</u>	<u>(4,444,202)</u>	<u>914,752</u>
Net Change in Fund Balance	-	-	4,109,902	(4,109,902)
Fund Balance - beginning	27,767,395	27,767,395	27,767,395	-
Fund Balance - ending	<u>\$ 27,767,395</u>	<u>\$ 27,767,395</u>	<u>\$ 31,877,297</u>	<u>\$ (4,109,902)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEARS ENDED JUNE 30

South Carolina Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.384938%	\$ 86,655,734	\$ 38,829,871	223.2%	53.3%
2016	0.368452%	78,700,803	35,677,230	220.6%	52.9%
2015	0.300690%	68,288,822	33,748,204	202.3%	57.0%
2014	0.367597%	63,288,017	33,248,858	190.3%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	1.49866%	\$ 41,056,757	\$ 20,178,336	203.5%	60.9%
2016	1.49638%	37,955,357	19,093,765	198.8%	60.4%
2015	1.46238%	31,872,585	17,974,479	177.3%	64.6%
2014	1.48971%	28,534,997	18,070,889	157.9%	67.5%

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 10 to the financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY PENSION CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2018	\$ 5,530,147	\$ 5,530,147	\$ -	\$ 38,542,987	14.35%
2017	4,488,733	4,488,733	-	38,829,871	11.56%
2016	3,945,902	3,945,902	-	35,677,230	11.06%
2015	3,678,554	3,678,554	-	33,478,204	10.99%

South Carolina Police Officers Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2018	\$ 3,288,903	\$ 3,288,903	\$ -	\$ 17,304,198	19.01%
2017	2,873,395	2,873,395	-	20,178,336	14.24%
2016	2,623,483	2,623,483	-	19,093,765	13.74%
2015	2,410,378	2,410,378	-	17,974,479	13.41%

System	SCRS	PORS
Calculation date	July 1, 2015	July 1, 2015
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	20% difference recognition	20% difference recognition
Amortization method	Level % of pay	Level % of pay
Amortization period	30 years variable, but not to exceed 30 years	27 years variable, but not to exceed 30 years
Investment return	7.50%	7.50%
Inflation	2.75%	2.75%
Salary increases	3.50% plus step-rate increases for members with less than 25 years of service	4.00% plus step-rate increases for members with less than 12 years of service
Mortality	RP-2000 Mortality Table (White Collar Adjustment for Educators), projected at Scale AA from year 2000. Male rates multiplied by 100% for non-educators and 110% for educators. Female rates multiplied by 90% for non-educators and 95% for educators	RP-2000 Mortality Table with Blue Collar Adjustment, projected at Scale AA from year 2000. Male and female rates are multiplied by 115%

The above schedule will present 10 years of information once it is accumulated.

BEAUFORT COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION MODIFIED APPROACH FOR AIRPORT INFRASTRUCTURE ASSETS JUNE 30, 2018

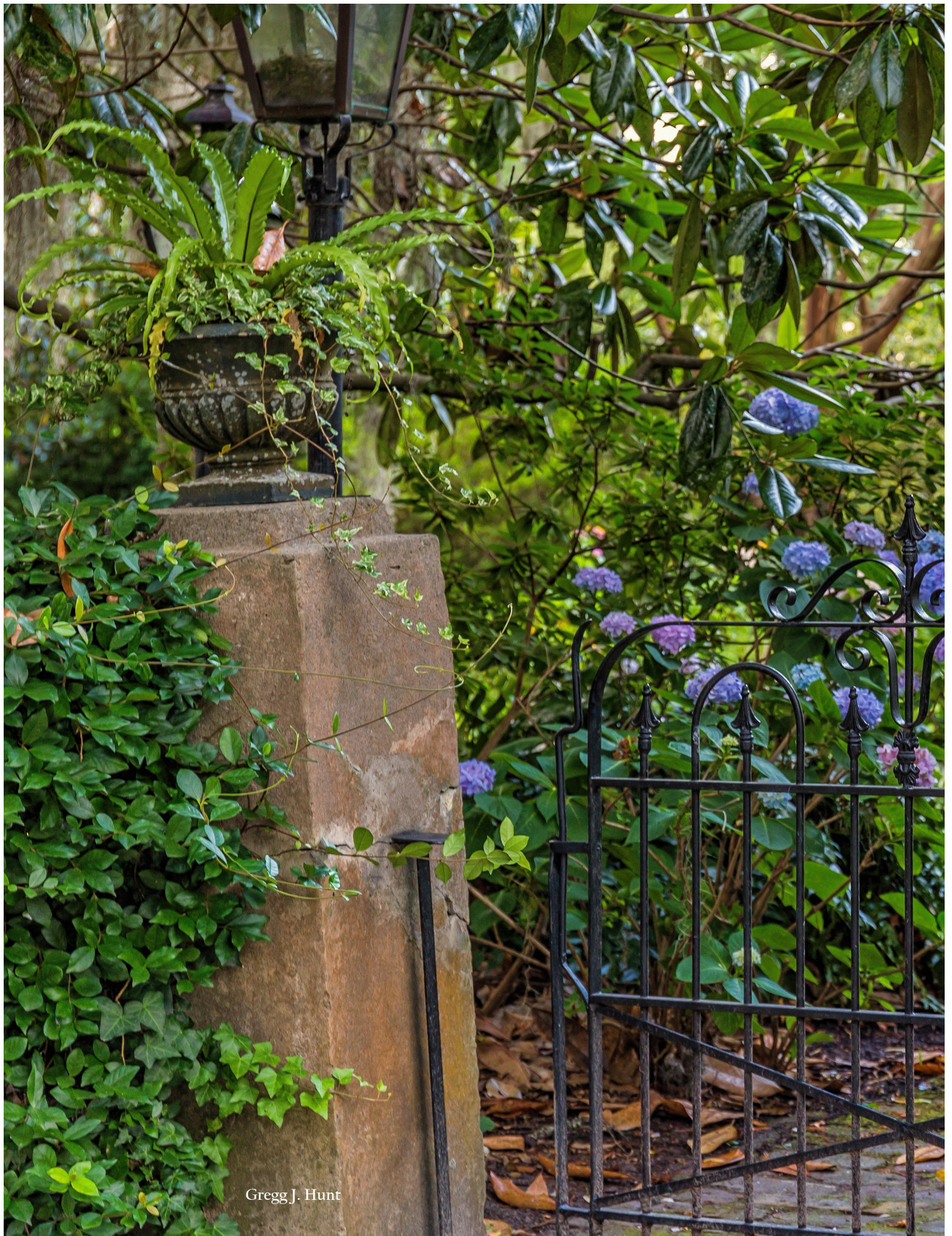
Beaufort County's airports infrastructure assets consist of approximately 25% airport runways, 25% airport taxiways, and 50% airport aprons. The condition of the runways, taxiways, and aprons is measured using several distress factors found in pavement surfaces. The airports' pavement management system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

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

	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Percent of Runways in Fair or Better Condition	100%	100%	100%	100%
Percent of Taxiways in Fair or Better Condition	100%	100%	100%	100%
Percent of Aprons in Fair or Better Condition	100%	100%	100%	100%
Percent of Annual Resurfacing of Runways Completed	0%	0%	0%	0%
Percent of Annual Resurfacing of Taxiways Completed	0%	0%	0%	0%
Percent of Annual Resurfacing of Aprons Completed	0%	0%	0%	0%

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

During Fiscal Years 2018, 2017 and 2016, the Hilton Head Island Airport expended \$15.6 million, \$9.2 million and \$4.3 million, respectively, related to the relocation of taxiways A and F and replacement of the general aviation (GA) ramp and the runway extension project. The County anticipates that the runways, taxiways and aprons will be preserved as part of the runway extension project. The County also has a grant request in process with the FAA to obtain funding for the resurfacing of the entire runway to increase the weight bearing capacity due to jet service beginning July 2018.



Gregg J. Hunt



Other Supplementary
Information

BEAUFORT COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL - COUNTY WIDE GENERAL OBLIGATION BONDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Property taxes	\$ 10,071,984	\$ 10,171,189	\$ 99,205
Intergovernmental	235,450	258,408	22,958
Interest	145,000	214,688	69,688
Total revenues	<u>10,452,434</u>	<u>10,644,285</u>	<u>191,851</u>
Expenditures			
Debt service - principal	6,885,124	7,046,579	(161,455)
Debt service - interest and fees	3,180,246	3,316,206	(135,960)
Total debt service expenditures	<u>10,065,370</u>	<u>10,362,785</u>	<u>(297,415)</u>
Net Change in Fund Balance	387,064	281,500	(105,564)
Fund Balance - beginning	<u>20,492,165</u>	<u>20,492,165</u>	<u>-</u>
Fund Balance - ending	<u>\$ 20,879,229</u>	<u>\$ 20,773,665</u>	<u>\$ (105,564)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - RURAL AND CRITICAL LANDS PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ 20,000	\$ 124,672	\$ 104,672
Total revenues	<u>20,000</u>	<u>124,672</u>	<u>104,672</u>
Expenditures			
Capital projects	<u>13,779,200</u>	<u>355,042</u>	<u>13,424,158</u>
Net Change in Fund Balance	(13,759,200)	(230,370)	13,528,830
Fund Balance - beginning	<u>15,075,311</u>	<u>15,075,311</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,316,111</u>	<u>\$ 14,844,941</u>	<u>\$ 13,528,830</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - 2017 GENERAL OBLIGATION BOND PROJECTS
JUNE 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ -	\$ 215,502	\$ 215,502
Total revenues	<u>-</u>	<u>215,502</u>	<u>215,502</u>
Expenditures			
Capital projects	<u>25,831,800</u>	<u>2,463,520</u>	<u>23,368,280</u>
Net Change in Fund Balance	(25,831,800)	(2,248,018)	(23,152,778)
Fund Balance - beginning	<u>25,991,800</u>	<u>25,991,800</u>	<u>-</u>
Fund Balance - ending	<u>\$ 160,000</u>	<u>\$ 23,743,782</u>	<u>\$ (23,152,778)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and equity in pooled cash and investments	\$ 64,380,236	\$ 3,521,609	\$ 3,986,631	\$ 71,888,476
Receivables, net	536,894	-	2,170,528	2,707,422
Due from other governments	997,023	-	1,680,829	2,677,852
Prepaid items	224,324	-	-	224,324
Total assets	66,138,477	3,521,609	7,837,988	77,498,074
<u>LIABILITIES</u>				
Accounts payable	2,255,165	-	2,493,599	4,748,764
Accrued payroll	632,703	-	2,011	634,714
Due to others	640,199	-	-	640,199
Total liabilities	3,528,067	-	2,495,610	6,023,677
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes	141,842	-	-	141,842
Total deferred inflows of resources	141,842	-	-	141,842
<u>FUND BALANCE</u>				
Nonspendable	224,324	-	-	224,324
Restricted	62,066,932	3,521,609	5,342,378	70,930,919
Committed	177,312	-	-	177,312
Total fund balance	62,468,568	3,521,609	5,342,378	71,332,555
Total liabilities, deferred inflows of resources, and fund balances	\$ 66,138,477	\$ 3,521,609	\$ 7,837,988	\$ 77,498,074

BEAUFORT COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 8,774,674	\$ 96,086
Licenses and permits	10,137,000	13,233,213	3,096,213
Intergovernmental	17,169,179	16,682,166	(487,013)
Charge for services	5,109,305	5,728,105	618,800
Fines and forfeitures	194,000	636,885	442,885
Interest	69,600	570,782	501,182
Miscellaneous	974,053	1,391,007	416,954
Total revenues	<u>42,331,725</u>	<u>47,016,832</u>	<u>4,685,107</u>
Expenditures			
General government	6,455,348	5,689,512	765,836
Public safety	2,551,025	2,738,455	(187,430)
Public works	3,167,123	381,121	2,786,002
Public health	11,063,397	10,264,917	798,480
Public welfare	1,384,517	1,523,405	(138,888)
Cultural and recreation	867,000	476,644	390,356
Capital projects	8,911,244	5,620,602	3,290,642
Debt service - principal	5,972,905	5,972,905	-
Debt service - interest and fees	3,399,337	3,442,033	(42,696)
Total expenditures	<u>43,771,896</u>	<u>36,109,594</u>	<u>7,662,302</u>
Excess of revenues over expenditures	<u>(1,440,171)</u>	<u>10,907,238</u>	<u>12,347,409</u>
Other Financing Sources (Uses)			
Transfers in	5,030,535	5,397,163	366,628
Transfers out	(4,625,044)	(4,617,839)	7,205
Total other financing sources, net	<u>405,491</u>	<u>779,324</u>	<u>373,833</u>
Net Change in Fund Balance	(1,034,680)	11,686,562	12,721,242
Fund Balance - beginning	<u>50,782,006</u>	<u>50,782,006</u>	<u>-</u>
Fund Balance - ending	<u>\$ 49,747,326</u>	<u>\$ 62,468,568</u>	<u>\$ 12,721,242</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Debt Service Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 30,129	\$ 30,129
Total revenues	<u>-</u>	<u>30,129</u>	<u>30,129</u>
Expenditures			
Debt service - principal	2,021,967	2,021,967	-
Debt service - interest and fees	799,694	799,694	-
Total expenditures	<u>2,821,661</u>	<u>2,821,661</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,821,661)</u>	<u>(2,791,532)</u>	<u>30,129</u>
Other Financing Sources			
Transfers in	3,006,295	3,006,295	-
Total other financing sources (Uses)	<u>3,006,295</u>	<u>3,006,295</u>	<u>-</u>
Net Change in Fund Balance	184,634	214,763	30,129
Fund Balance - beginning	<u>3,306,846</u>	<u>3,306,846</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,491,480</u>	<u>\$ 3,521,609</u>	<u>\$ 30,129</u>

BEAUFORT COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Capital Projects Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ -	\$ 140,786	\$ 140,786
Intergovernmental	5,708,435	4,562,298	(1,146,137)
Interest	32,000	63,193	31,193
Miscellaneous	250,800	250,800	-
Total revenues	<u>5,991,235</u>	<u>5,017,077</u>	<u>(974,158)</u>
Expenditures			
Capital projects	57,318,466	12,355,433	44,963,033
Debt service - principal	4,000,000	4,000,000	-
Total expenditures	<u>61,318,466</u>	<u>16,355,433</u>	<u>44,963,033</u>
Net Change in Fund Balance	(55,327,231)	(11,338,356)	43,988,875
Fund Balance - beginning	<u>16,680,734</u>	<u>16,680,734</u>	<u>-</u>
Fund Balance - ending	<u>\$ (38,646,497)</u>	<u>\$ 5,342,378</u>	<u>\$ 43,988,875</u>

BEAUFORT COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Total Nonmajor Governmental Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 8,915,460	\$ 236,872
Licenses and permits	10,137,000	13,233,213	3,096,213
Intergovernmental	22,877,614	21,244,464	(1,633,150)
Charge for services	5,109,305	5,728,105	618,800
Fines and forfeitures	194,000	636,885	442,885
Interest	101,600	664,104	562,504
Miscellaneous	1,224,853	1,641,807	416,954
Total revenues	48,322,960	52,064,038	3,741,078
Expenditures			
General government	6,455,348	5,689,512	765,836
Public safety	2,551,025	2,738,455	(187,430)
Public works	3,167,123	381,121	2,786,002
Public health	11,063,397	10,264,917	798,480
Public welfare	1,384,517	1,523,405	(138,888)
Cultural and recreation	867,000	476,644	390,356
Debt service - principal	11,994,872	11,994,872	-
Debt service - interest and fees	4,199,031	4,241,727	(42,696)
Capital projects	66,229,710	17,976,035	48,253,675
Total expenditures	107,912,023	55,286,688	52,625,335
Excess (deficiency) of revenues over (under) expenditures	(59,589,063)	(3,222,650)	56,366,413
Other Financing Sources (Uses)			
Transfers in	8,036,830	8,403,458	366,628
Transfers out	(4,625,044)	(4,617,839)	7,205
Total other financing sources, net	3,411,786	3,785,619	373,833
Net Change in Fund Balance	(56,177,277)	562,969	56,740,246
Fund Balance - beginning	70,769,586	70,769,586	-
Fund Balance - ending	\$ 14,592,309	\$ 71,332,555	\$ 56,740,246

Dorothy Mosior



BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET ALL NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2018

	General Government Programs	Public Safety Programs	Public Works Programs	Public Health Programs	Public Welfare Programs	Cultural and Recreational Programs	Total
ASSETS							
Cash and equity in pooled cash and investments	\$ 15,443,724	\$ 6,717,170	\$ 27,559,913	\$ 5,061,973	\$ 50,682	\$ 9,546,774	\$ 64,380,236
Receivables, net	348,625	26,486	132,339	14,775	14,669	-	536,894
Due from other governments	454,302	72,915	165,605	223,478	79,740	983	997,023
Prepaid items	4,676	182,788	-	36,860	-	-	224,324
Total assets	16,251,327	6,999,359	27,857,857	5,337,086	145,091	9,547,757	66,138,477
LIABILITIES							
Accounts payable	435,939	216,850	566,131	458,749	131,810	445,686	2,255,165
Accrued payroll	111,127	250,813	462	263,830	6,471	-	632,703
Due to others	-	593,841	-	46,358	-	-	640,199
Total liabilities	547,066	1,061,504	566,593	768,937	138,281	445,686	3,528,067
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	141,842	-	-	-	-	-	141,842
Total deferred inflows of resources	141,842	-	-	-	-	-	141,842
FUND BALANCE							
Nonspendable	4,676	182,788	-	36,860	-	-	224,324
Restricted	15,557,743	5,755,067	27,291,264	4,531,289	6,810	8,924,759	62,066,932
Committed	-	-	-	-	-	177,312	177,312
Total fund balances	15,562,419	5,937,855	27,291,264	4,568,149	6,810	9,102,071	62,468,568
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,251,327	\$ 6,999,359	\$ 27,857,857	\$ 5,337,086	\$ 145,091	\$ 9,547,757	\$ 66,138,477

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Government Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 8,774,674	\$ 96,086
Licenses and permits	4,800,000	5,385,165	585,165
Intergovernmental	2,344,350	2,575,458	231,108
Charge for services	1,400,000	1,483,179	83,179
Fines and forfeitures	65,000	504,229	439,229
Interest	32,100	139,900	107,800
Miscellaneous	637,300	829,699	192,399
Total revenues	17,957,338	19,692,304	1,734,966
Expenditures			
General government	6,455,348	5,689,512	765,836
Capital	-	167,591	(167,591)
Debt service - principal	5,489,612	5,489,612	-
Debt service - interest and fees	3,174,507	3,217,203	(42,696)
Total expenditures	15,119,467	14,563,918	555,549
Excess of revenues over expenditures	2,837,871	5,128,386	2,290,515
Other Financing Sources (Uses)			
Transfers in	961,349	1,019,809	58,460
Transfers out	(3,618,750)	(3,611,545)	7,205
Total other financing uses, net	(2,657,401)	(2,591,736)	65,665
Net Change in Fund Balance	180,470	2,536,650	2,356,180
Fund Balance - beginning	13,025,769	13,025,769	-
Fund Balance - ending	\$ 13,206,239	\$ 15,562,419	\$ 2,356,180

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Public Safety Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ -	\$ 32,100	\$ 32,100
Intergovernmental	1,419,954	1,607,360	187,406
Charge for services	540,000	695,936	155,936
Fines and forfeitures	129,000	132,656	3,656
Interest	11,500	47,921	36,421
Miscellaneous	115,000	179,028	64,028
Total revenues	2,215,454	2,695,001	479,547
Expenditures			
Public safety	2,551,025	2,738,455	(187,430)
Capital	119,019	453,942	(334,923)
Total expenditures	2,670,044	3,192,397	(522,353)
Deficiency of revenues under expenditures	(454,590)	(497,396)	(42,806)
Other Financing Sources			
Transfers in	181,354	446,356	265,002
Total other financing sources	181,354	446,356	265,002
Net Change in Fund Balance	(273,236)	(51,040)	222,196
Fund Balance - beginning	5,988,895	5,988,895	-
Fund Balance - ending	\$ 5,715,659	\$ 5,937,855	\$ 222,196

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Public Works Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 3,770,000	\$ 5,302,791	\$ 1,532,791
Intergovernmental	4,926,800	3,762,708	(1,164,092)
Charge for services	2,400,000	2,694,073	294,073
Interest	26,000	254,357	228,357
Miscellaneous	25,000	144,639	119,639
Total revenues	11,147,800	12,158,568	1,010,768
Expenditures			
Public works	3,167,123	381,121	2,786,002
Capital	6,612,225	4,090,432	2,521,793
Debt service - principal	285,326	285,326	-
Debt service - interest and fees	76,832	76,832	-
Total expenditures	10,141,506	4,833,711	5,307,795
Excess of revenues over expenditures	1,006,294	7,324,857	6,318,563
Other Financing Uses			
Transfers out	(1,006,294)	(1,006,294)	-
Total other financing uses	(1,006,294)	(1,006,294)	-
Net Change in Fund Balance	-	6,318,563	6,318,563
Fund Balance - beginning	20,972,701	20,972,701	-
Fund Balance - ending	\$ 20,972,701	\$ 27,291,264	\$ 6,318,563

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Public Health Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 7,358,097	\$ 7,387,176	\$ 29,079
Charge for services	597,505	599,225	1,720
Interest	-	49,940	49,940
Miscellaneous	180,703	220,628	39,925
Total revenues	<u>8,136,305</u>	<u>8,256,969</u>	<u>120,664</u>
Expenditures			
Public health	11,063,397	10,264,917	798,480
Capital	1,802,000	370,870	1,431,130
Total expenditures	<u>12,865,397</u>	<u>10,635,787</u>	<u>2,229,610</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,729,092)</u>	<u>(2,378,818)</u>	<u>2,350,274</u>
Other Financing Sources			
Transfers in	3,457,441	3,457,441	-
Total other financing sources	<u>3,457,441</u>	<u>3,457,441</u>	<u>-</u>
Net Change in Fund Balance	(1,271,651)	1,078,623	2,350,274
Fund Balance - beginning	<u>3,489,526</u>	<u>3,489,526</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,217,875</u>	<u>\$ 4,568,149</u>	<u>\$ 2,350,274</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Public Welfare Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 766,276	\$ 889,613	\$ 123,337
Charge for services	171,800	130,719	(41,081)
Miscellaneous	16,050	15,000	(1,050)
Total revenues	954,126	1,035,332	81,206
Expenditures			
Public welfare	1,384,517	1,523,405	(138,888)
Total expenditures	1,384,517	1,523,405	(138,888)
Deficiency of revenues under expenditures	(430,391)	(488,073)	(57,682)
Other Financing Sources			
Transfers in	430,391	473,557	43,166
Total other financing sources	430,391	473,557	43,166
Net Change in Fund Balance	-	(14,516)	(14,516)
Fund Balance - beginning	21,326	21,326	-
Fund Balance - ending	\$ 21,326	\$ 6,810	\$ (14,516)

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Cultural and Recreation Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,567,000	\$ 2,513,157	\$ 946,157
Intergovernmental	353,702	459,851	106,149
Charge for services	-	124,973	124,973
Interest	-	78,664	78,664
Miscellaneous	-	2,013	2,013
Total revenues	<u>1,920,702</u>	<u>3,178,658</u>	<u>1,257,956</u>
Expenditures			
Cultural and recreation	867,000	476,644	390,356
Capital	378,000	537,767	(159,767)
Debt service - principal	197,967	197,967	-
Debt service - interest and fees	147,998	147,998	-
Total expenditures	<u>1,590,965</u>	<u>1,360,376</u>	<u>230,589</u>
Net Change in Fund Balance	329,737	1,818,282	1,488,545
Fund Balance - beginning	<u>7,283,789</u>	<u>7,283,789</u>	<u>-</u>
Fund Balance - ending	<u>\$ 7,613,526</u>	<u>\$ 9,102,071</u>	<u>\$ 1,488,545</u>

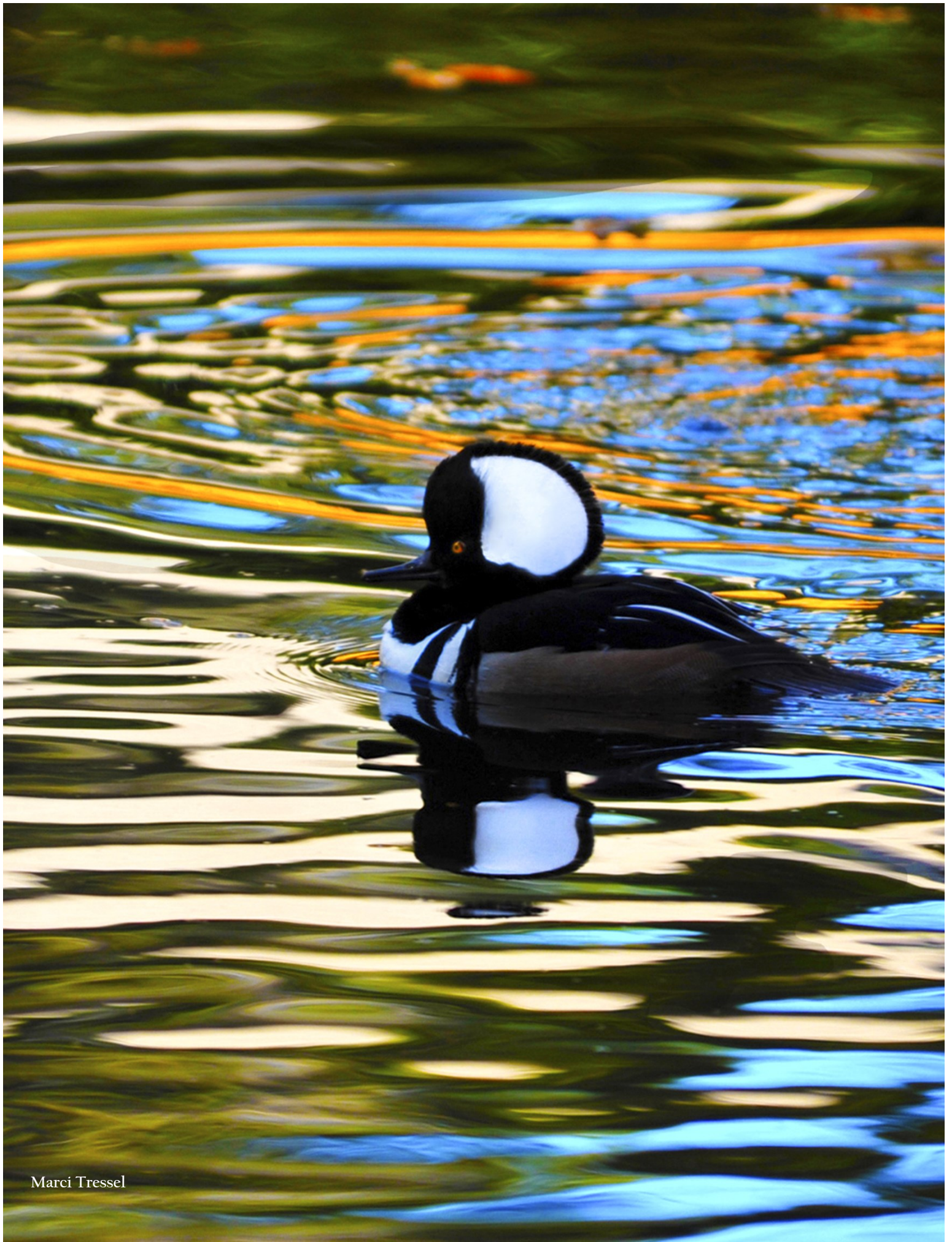
BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Totals		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 8,774,674	\$ 96,086
Licenses and permits	10,137,000	13,233,213	3,096,213
Intergovernmental	17,169,179	16,682,166	(487,013)
Charge for services	5,109,305	5,728,105	618,800
Fines and forfeitures	194,000	636,885	442,885
Interest	69,600	570,782	501,182
Miscellaneous	974,053	1,391,007	416,954
Total revenues	42,331,725	47,016,832	4,685,107
Expenditures			
General government	6,455,348	5,689,512	765,836
Public safety	2,551,025	2,738,455	(187,430)
Public works	3,167,123	381,121	2,786,002
Public health	11,063,397	10,264,917	798,480
Public welfare	1,384,517	1,523,405	(138,888)
Cultural and recreation	867,000	476,644	390,356
Capital	8,911,244	5,620,602	3,290,642
Debt service - principal	5,972,905	5,972,905	-
Debt service - interest and fees	3,399,337	3,442,033	(42,696)
Total expenditures	43,771,896	36,109,594	7,704,998
Excess of revenues over expenditures	(1,440,171)	10,907,238	12,347,409
Other Financing Sources (Uses)			
Transfers in	5,030,535	5,397,163	366,628
Transfers out	(4,625,044)	(4,617,839)	7,205
Total other financing sources, net	405,491	779,324	373,833
Net Change in Fund Balance	(1,034,680)	11,686,562	12,721,242
Fund Balance - beginning	50,782,006	50,782,006	-
Fund Balance - ending	\$ 49,747,326	\$ 62,468,568	\$ 12,721,242

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
JUNE 30, 2018

	State Accommodations Tax Program	Purchase of Real Property Program	Local Accommodations Tax Program	Local Hospitality Tax Program	Local Admissions Fee Program	Treasurer Execution Fees	Clerk of Court Incentives	Clerk of Court Unit Cost	Employer Group Benefit Trust	Public Defender Trust	Reforestation Trust	Total
ASSETS												
Cash and equity in pooled cash and investments	\$ -	\$ 748,898	\$ 3,201,246	\$ 6,066,459	\$ 724,579	\$ 2,684,031	\$ 253,520	\$ -	\$ 314,769	\$ 473,040	\$ 977,182	\$ 15,443,724
Receivables, net	-	318,625	-	-	-	-	-	30,000	-	-	-	348,625
Due from other governments	317,342	-	-	-	-	-	40,095	96,865	-	-	-	454,302
Prepaid items	-	-	-	-	-	913	-	-	-	3,763	-	4,676
Total assets	317,342	1,067,523	3,201,246	6,066,459	724,579	2,684,944	293,615	126,865	314,769	476,803	977,182	16,251,327
LIABILITIES												
Accounts payable	301,288	-	1,120	56,984	894	15,047	-	19,483	4,143	31,550	5,430	435,939
Accrued payroll	-	-	1,452	1,946	2,432	22,596	-	11,534	-	71,167	-	111,127
Total liabilities	301,288	-	2,572	58,930	3,326	37,643	-	31,017	4,143	102,717	5,430	547,066
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - property taxes	-	141,842	-	-	-	-	-	-	-	-	-	141,842
Total deferred inflows of resources	-	141,842	-	-	-	-	-	-	-	-	-	141,842
FUND BALANCE												
Nonspendable	-	-	-	-	-	913	-	-	-	-	3,763	4,676
Restricted	16,054	925,681	3,198,674	6,007,529	721,253	2,646,388	293,615	95,848	310,626	370,323	971,752	15,557,743
Total fund balance	16,054	925,681	3,198,674	6,007,529	721,253	2,647,301	293,615	95,848	310,626	374,086	971,752	15,562,419
Total liabilities, deferred inflows of resources and fund balance	\$ 317,342	\$ 1,067,523	\$ 3,201,246	\$ 6,066,459	\$ 724,579	\$ 2,684,944	\$ 293,615	\$ 126,865	\$ 314,769	\$ 476,803	\$ 977,182	\$ 16,251,327



BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	State Accommodations Tax Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 860,000	\$ 755,903	\$ (104,097)
Total revenues	860,100	755,903	(104,197)
Expenditures			
General government			
Other	791,350	769,271	22,079
Total expenditures	791,350	769,271	22,079
Excess (deficiency) of revenues over expenditures	68,750	(13,368)	(82,118)
Other Financing Uses			
Transfers out	(118,750)	(111,545)	7,205
Total other financing uses	(118,750)	(111,545)	7,205
Net Change in Fund Balance	(50,000)	(124,913)	(74,913)
Fund Balance - beginning	140,967	140,967	-
Fund Balance - ending	\$ 90,967	\$ 16,054	\$ (74,913)

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Purchase of Real Property Program</u>		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 8,774,674	\$ 96,086
Intergovernmental	184,350	189,175	4,825
Interest	2,000	11,347	9,347
Miscellaneous	7,800	7,800	-
Total revenues	<u>8,872,738</u>	<u>8,982,996</u>	<u>110,258</u>
Expenditures			
General government			
Purchased services	62,650	44,497	18,153
Debt service			
Principal	5,489,612	5,489,612	-
Interest and fees	3,174,507	3,217,203	(42,696)
Total expenditures	<u>8,726,769</u>	<u>8,751,312</u>	<u>(24,543)</u>
Net Change in Fund Balance	145,969	231,684	85,715
Fund Balance - beginning	<u>693,997</u>	<u>693,997</u>	<u>-</u>
Fund Balance - ending	<u>\$ 839,966</u>	<u>\$ 925,681</u>	<u>\$ 85,715</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Local Accommodations Tax Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,300,000	\$ 1,248,700	\$ (51,300)
Intergovernmental	-	118,067	118,067
Interest	5,000	26,999	21,999
Miscellaneous	-	156,479	156,479
Total revenues	1,305,000	1,550,245	245,245
Expenditures			
General government			
Personnel	66,626	52,538	14,088
Purchased services	7,843	9,832	(1,989)
Supplies	1,850	884	966
Other	1,228,681	785,291	443,390
Total expenditures	1,305,000	848,545	456,455
Net Change in Fund Balance	-	701,700	701,700
Fund Balance - beginning	2,496,974	2,496,974	-
Fund Balance - ending	\$ 2,496,974	\$ 3,198,674	\$ 701,700

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Local Hospitality Tax Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 2,000,000	\$ 2,305,879	\$ 305,879
Interest	10,000	55,256	45,256
Total revenues	<u>2,010,000</u>	<u>2,361,135</u>	<u>351,135</u>
Expenditures			
General government			
Personnel	66,626	50,171	16,455
Purchased services	8,243	9,777	(1,534)
Supplies	1,850	869	981
Capital	-	158,591	(158,591)
Total expenditures	<u>76,719</u>	<u>219,408</u>	<u>(142,689)</u>
Excess of revenues over expenditures	<u>1,933,281</u>	<u>2,141,727</u>	<u>208,446</u>
Other Financing Sources (Uses)			
Transfers in	50,000	50,000	-
Transfers out	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>
Total other financing uses, net	<u>(1,450,000)</u>	<u>(1,450,000)</u>	<u>-</u>
Net Change in Fund Balance	483,281	691,727	208,446
Fund Balance - beginning	<u>5,315,802</u>	<u>5,315,802</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,799,083</u>	<u>\$ 6,007,529</u>	<u>\$ 208,446</u>

Josh Whiteside



BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Local Admissions Fee Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,500,000	\$ 1,830,586	\$ 330,586
Interest	1,000	10,015	9,015
Total revenues	1,501,000	1,840,601	339,601
Expenditures			
General government			
Personnel	66,626	50,095	16,531
Purchased services	7,843	9,648	(1,805)
Supplies	1,850	884	966
Total expenditures	76,319	60,627	15,692
Excess of revenues over expenditures	1,424,681	1,779,974	355,293
Other Financing Uses			
Transfers out	(2,000,000)	(2,000,000)	-
Total other financing uses	(2,000,000)	(2,000,000)	-
Net Change in Fund Balance	(575,319)	(220,026)	355,293
Fund Balance - beginning	941,279	941,279	-
Fund Balance - ending	\$ 365,960	\$ 721,253	\$ 355,293

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Treasurer Execution Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ 1,400,000	\$ 1,483,179	\$ 83,179
Interest	10,000	22,760	12,760
Miscellaneous	8,000	7,220	(780)
Total revenues	<u>1,418,000</u>	<u>1,513,159</u>	<u>95,159</u>
Expenditures			
General government			
Personnel	658,420	702,490	(44,070)
Purchased services	452,800	358,699	94,101
Supplies	28,300	20,557	7,743
Other	500	12,471	(11,971)
Total expenditures	<u>1,140,020</u>	<u>1,094,217</u>	<u>45,803</u>
Net Change in Fund Balance	277,980	418,942	140,962
Fund Balance - beginning	<u>2,228,359</u>	<u>2,228,359</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,506,339</u>	<u>\$ 2,647,301</u>	<u>\$ 140,962</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Clerk of Court Incentives		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 50,000	\$ 57,815	\$ 7,815
Interest	500	2,354	1,854
Total revenues	<u>50,500</u>	<u>60,169</u>	<u>9,669</u>
Expenditures			
General government			
Purchased services	8,800	7,594	1,206
Supplies	41,700	6,065	35,635
Total expenditures	<u>50,500</u>	<u>13,659</u>	<u>36,841</u>
Net Change in Fund Balance	-	46,510	46,510
Fund Balance - beginning	<u>247,105</u>	<u>247,105</u>	-
Fund Balance - ending	<u>\$ 247,105</u>	<u>\$ 293,615</u>	<u>\$ 46,510</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Clerk of Court Unit Cost		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 250,000	\$ 376,380	\$ 126,380
Total revenues	250,000	376,380	126,380
Expenditures			
General government			
Personnel	285,540	251,885	33,655
Purchased services	25,500	27,952	(2,452)
Supplies	500	695	(195)
Total expenditures	311,540	280,532	31,008
Excess (deficiency) of revenues over (under) expenditures	(61,540)	95,848	157,388
Other Financing Sources			
Transfers in	61,540	-	(61,540)
Total other financing sources	61,540	-	(61,540)
Net Change in Fund Balance	-	95,848	95,848
Fund Balance - beginning	-	-	-
Fund Balance - ending	\$ -	\$ 95,848	\$ 95,848

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Employer Group Benefit Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 500	\$ -	\$ (500)
Miscellaneous	200,000	183,074	(16,926)
Total revenues	<u>200,500</u>	<u>183,074</u>	<u>(17,426)</u>
Expenditures			
General government			
Other	200,500	179,014	21,486
Total expenditures	<u>200,500</u>	<u>179,014</u>	<u>21,486</u>
Net Change in Fund Balance	-	4,060	4,060
Fund Balance - beginning	<u>306,566</u>	<u>306,566</u>	<u>-</u>
Fund Balance - ending	<u>\$ 306,566</u>	<u>\$ 310,626</u>	<u>\$ 4,060</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Public Defender Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,000,000	\$ 1,078,118	\$ 78,118
Interest	1,000	4,081	3,081
Miscellaneous	421,500	475,126	53,626
Total revenues	1,422,500	1,557,325	134,825
Expenditures			
General government			
Personnel	2,270,700	2,199,984	70,716
Purchased services	81,350	62,274	19,076
Supplies	21,700	14,930	6,770
Capital	-	9,000	(9,000)
Total expenditures	2,373,750	2,286,188	87,562
Excess (deficiency) of revenues over (under) expenditures	(951,250)	(728,863)	222,387
Other Financing Sources			
Transfers in	849,809	969,809	120,000
Total other financing sources	849,809	969,809	120,000
Net Change in Fund Balance	(101,441)	240,946	342,387
Fund Balance - beginning	133,140	133,140	-
Fund Balance - ending	\$ 31,699	\$ 374,086	\$ 342,387

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Reforestation Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and forfeitures	\$ 65,000	\$ 504,229	\$ 439,229
Interest	2,000	7,088	5,088
Total revenues	67,000	511,317	444,317
Expenditures			
General government			
Purchased services	67,000	61,145	5,855
Total expenditures	67,000	61,145	5,855
Net Change in Fund Balance	-	450,172	450,172
Fund Balance - beginning	521,580	521,580	-
Fund Balance - ending	\$ 521,580	\$ 971,752	\$ 450,172

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 8,774,674	\$ 96,086
Licenses and permits	4,800,000	5,385,165	585,165
Intergovernmental	2,344,350	2,575,458	231,108
Charges for services	1,400,000	1,483,179	83,179
Fines and forfeitures	65,000	504,229	439,229
Interest	32,100	139,900	107,800
Miscellaneous	637,300	829,699	192,399
Total revenues	<u>17,957,338</u>	<u>19,692,304</u>	<u>1,734,966</u>
Expenditures			
General government			
Personnel	3,414,538	3,307,163	107,375
Purchased services	722,029	591,418	130,611
Supplies	97,750	44,884	52,866
Capital	-	167,591	(167,591)
Other	2,221,031	1,746,047	474,984
Debt service			
Principal	5,489,612	5,489,612	-
Interest and fees	3,174,507	3,217,203	(42,696)
Total expenditures	<u>15,119,467</u>	<u>14,563,918</u>	<u>555,549</u>
Excess of revenues over expenditures	2,837,871	5,128,386	2,290,515
Other Financing Sources (Uses)			
Transfers in	961,349	1,019,809	58,460
Transfers out	(3,618,750)	(3,611,545)	7,205
Total other financing sources (uses)	<u>(2,657,401)</u>	<u>(2,591,736)</u>	<u>65,665</u>
Net Change in Fund Balance	180,470	2,536,650	2,356,180
Fund Balance - beginning	<u>13,025,769</u>	<u>13,025,769</u>	<u>-</u>
Fund Balance - ending	<u>\$ 13,206,239</u>	<u>\$ 15,562,419</u>	<u>\$ 2,356,180</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
JUNE 30, 2018**

	<u>E-911 Telephone Program</u>	<u>Victims Assistance Program</u>	<u>Sheriff's Office Special Projects</u>	<u>Public Safety Grants</u>	<u>Total</u>
ASSETS					
Cash and equity in pooled cash and investments	\$ 3,874,701	\$ 484,832	\$ 2,068,070	\$ 289,567	\$ 6,717,170
Receivables, net	1,117	15,886	8,100	1,383	26,486
Due from other governments	-	-	33,921	38,994	72,915
Prepaid items	178,604	-	4,184	-	182,788
Total assets	<u>4,054,422</u>	<u>500,718</u>	<u>2,114,275</u>	<u>329,944</u>	<u>6,999,359</u>
LIABILITIES					
Accounts payable	206,545	2,536	7,769	-	216,850
Accrued payroll	12,609	213,956	23,162	1,086	250,813
Due to others	-	-	564,437	29,404	593,841
Total liabilities	<u>219,154</u>	<u>216,492</u>	<u>595,368</u>	<u>30,490</u>	<u>1,061,504</u>
FUND BALANCE					
Nonspendable	178,604	-	4,184	-	182,788
Restricted	3,656,664	284,226	1,514,723	299,454	5,755,067
Total fund balance	<u>3,835,268</u>	<u>284,226</u>	<u>1,518,907</u>	<u>299,454</u>	<u>5,937,855</u>
Total liabilities and fund balance	<u>\$ 4,054,422</u>	<u>\$ 500,718</u>	<u>\$ 2,114,275</u>	<u>\$ 329,944</u>	<u>\$ 6,999,359</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	E-911 Telephone Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 866,095	\$ 748,497	\$ (117,598)
Charges for services	540,000	466,949	(73,051)
Interest	10,000	35,751	25,751
Total revenues	<u>1,416,095</u>	<u>1,251,197</u>	<u>(164,898)</u>
Expenditures			
Public safety			
Personnel	454,240	408,873	45,367
Purchased services	960,075	975,203	(15,128)
Supplies	43,379	23,643	19,736
Capital	91,876	227,329	(135,453)
Other	129,289	158,844	(29,555)
Total expenditures	<u>1,678,859</u>	<u>1,793,892</u>	<u>(115,033)</u>
Net Change in Fund Balance	(262,764)	(542,695)	(279,931)
Fund Balance - beginning	<u>4,377,963</u>	<u>4,377,963</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,115,199</u>	<u>\$ 3,835,268</u>	<u>\$ (279,931)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Victims Assistance Program</u>		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 80,000	\$ 63,542	\$ (16,458)
Fines and forfeitures	129,000	132,656	3,656
Interest	1,500	4,504	3,004
Total revenues	<u>210,500</u>	<u>200,702</u>	<u>(9,798)</u>
Expenditures			
Public safety			
Personnel	<u>214,350</u>	<u>209,743</u>	<u>4,607</u>
Total expenditures	<u>214,350</u>	<u>209,743</u>	<u>4,607</u>
Deficiency of revenues under expenditures	<u>(3,850)</u>	<u>(9,041)</u>	<u>(5,191)</u>
Other Financing Sources			
Transfers in	<u>28,128</u>	<u>28,128</u>	<u>-</u>
Total other financing sources	<u>28,128</u>	<u>28,128</u>	<u>-</u>
Net Change in Fund Balance	24,278	19,087	(5,191)
Fund Balance - beginning	<u>265,139</u>	<u>265,139</u>	<u>-</u>
Fund Balance - ending	<u>\$ 289,417</u>	<u>\$ 284,226</u>	<u>\$ (5,191)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Sheriff's Office Special Projects		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ -	\$ 32,100	\$ 32,100
Intergovernmental	428,859	501,905	73,046
Charges for services	-	228,987	228,987
Interest	-	5,481	5,481
Miscellaneous	-	50,480	50,480
Total revenues	428,859	818,953	390,094
Expenditures			
Public safety			
Personnel	546,944	665,639	(118,695)
Purchased services	29,611	51,268	(21,657)
Supplies	13,137	15,598	(2,461)
Capital	27,143	18,362	8,781
Other	-	57,615	(57,615)
Total expenditures	616,835	808,482	(191,647)
Excess (deficiency) of revenues over expenditures	(187,976)	10,471	198,447
Other Financing Sources			
Transfers in	153,226	418,228	265,002
Total other financing sources	153,226	418,228	265,002
Net Change in Fund Balance	(34,750)	428,699	463,449
Fund Balance - beginning	1,090,208	1,090,208	-
Fund Balance - ending	\$ 1,055,458	\$ 1,518,907	\$ 463,449

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Public Safety Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 45,000	\$ 293,416	\$ 248,416
Interest	-	2,185	2,185
Miscellaneous	115,000	128,548	13,548
Total revenues	<u>160,000</u>	<u>424,149</u>	<u>264,149</u>
Expenditures			
Public safety			
Purchased services	30,000	67,335	(37,335)
Supplies	-	14,173	(14,173)
Capital	-	208,251	(208,251)
Other	130,000	90,521	39,479
Total expenditures	<u>160,000</u>	<u>380,280</u>	<u>(220,280)</u>
Fund Balance - beginning	<u>255,585</u>	<u>255,585</u>	<u>-</u>
Fund Balance - ending	<u>\$ 255,585</u>	<u>\$ 299,454</u>	<u>\$ 43,869</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC SAFETY PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ -	\$ 32,100	\$ 32,100
Intergovernmental	1,419,954	1,607,360	187,406
Charges for services	540,000	695,936	155,936
Fines and forfeitures	129,000	132,656	3,656
Interest	11,500	47,921	36,421
Miscellaneous	115,000	179,028	64,028
Total revenues	<u>2,215,454</u>	<u>2,695,001</u>	<u>479,547</u>
Expenditures			
Public safety			
Personnel	1,215,534	1,284,255	(68,721)
Purchased services	1,019,686	1,093,806	(74,120)
Supplies	56,516	53,414	3,102
Capital	119,019	453,942	(334,923)
Other	259,289	306,980	(47,691)
Total expenditures	<u>2,670,044</u>	<u>3,192,397</u>	<u>(522,353)</u>
Deficiency of revenues under expenditures	<u>(454,590)</u>	<u>(497,396)</u>	<u>(42,806)</u>
Other Financing Sources			
Transfers in	181,354	446,356	265,002
Total other financing sources	<u>181,354</u>	<u>446,356</u>	<u>265,002</u>
Net Change in Fund Balance	(273,236)	(51,040)	222,196
Fund Balance - beginning	5,988,895	5,988,895	-
Fund Balance - ending	<u>\$ 5,715,659</u>	<u>\$ 5,937,855</u>	<u>\$ 222,196</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
JUNE 30, 2018**

	Solid Waste & Recycling Grants	County Road Improvement Program	Barton's Run Agreement	Del Webb Boat Ramp Repair Fees	Road Impact Fees	Total
<u>ASSETS</u>						
Cash and equity in pooled cash and investments	\$ 331,449	\$ 11,075,569	\$ 28,958	\$ 3,325	\$ 16,120,612	\$ 27,559,913
Receivables, net	-	25,000	-	-	107,339	132,339
Due from other governments	21,514	144,091	-	-	-	165,605
Total assets	<u>352,963</u>	<u>11,244,660</u>	<u>28,958</u>	<u>3,325</u>	<u>16,227,951</u>	<u>27,857,857</u>
<u>LIABILITIES</u>						
Accounts payable	10,277	535,383	-	-	20,471	566,131
Accrued payroll	-	462	-	-	-	462
Total liabilities	<u>10,277</u>	<u>535,845</u>	<u>-</u>	<u>-</u>	<u>20,471</u>	<u>566,593</u>
<u>FUND BALANCE</u>						
Restricted	342,686	10,708,815	28,958	3,325	16,207,480	27,291,264
Total Fund Balance	<u>342,686</u>	<u>10,708,815</u>	<u>28,958</u>	<u>3,325</u>	<u>16,207,480</u>	<u>27,291,264</u>
Total liabilities and fund balance	<u>\$ 352,963</u>	<u>\$ 11,244,660</u>	<u>\$ 28,958</u>	<u>\$ 3,325</u>	<u>\$ 16,227,951</u>	<u>\$ 27,857,857</u>



Monica N. Spells

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Solid Waste and Recycling Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 165,500	\$ 165,014	\$ (486)
Miscellaneous	12,000	12,000	-
Total revenues	<u>177,500</u>	<u>177,014</u>	<u>(486)</u>
Expenditures			
Public works			
Purchased services	34,500	32,860	1,640
Supplies	<u>82,000</u>	<u>80,888</u>	<u>1,112</u>
Total expenditures	<u>116,500</u>	<u>113,748</u>	<u>2,752</u>
Net Change in Fund Balance	61,000	63,266	2,266
Fund Balance - beginning	<u>279,420</u>	<u>279,420</u>	<u>-</u>
Fund Balance - ending	<u>\$ 340,420</u>	<u>\$ 342,686</u>	<u>\$ 2,266</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>County Road Improvement Program</u>		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 4,926,800	3,597,694	\$ (1,329,106)
Charges for services	2,400,000	2,691,373	291,373
Interest	10,000	120,655	110,655
Miscellaneous	25,000	25,000	-
Total revenues	<u>7,361,800</u>	<u>6,434,722</u>	<u>(927,078)</u>
Expenditures			
Public works			
Personnel	129,046	59,167	69,879
Purchased services	238,600	138,322	100,278
Supplies	19,771	6,359	13,412
Capital	<u>6,612,225</u>	<u>4,090,432</u>	<u>2,521,793</u>
Debt service			
Principal	285,326	285,326	-
Interest and fees	76,832	76,832	-
Total expenditures	<u>7,361,800</u>	<u>4,656,438</u>	<u>2,705,362</u>
Net Change in Fund Balance	-	1,778,284	1,778,284
Fund Balance - beginning	<u>8,930,531</u>	<u>8,930,531</u>	<u>-</u>
Fund Balance - ending	<u>\$ 8,930,531</u>	<u>\$ 10,708,815</u>	<u>\$ 1,778,284</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Barton's Run Agreement		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ 2,700	\$ 2,700	\$ -
Interest	-	-	-
Total revenues	<u>2,700</u>	<u>2,700</u>	<u>-</u>
Expenditures			
Public works			
Capital	<u>2,700</u>	<u>-</u>	<u>2,700</u>
Total expenditures	<u>2,700</u>	<u>-</u>	<u>2,700</u>
Net Change in Fund Balance	-	2,700	2,700
Fund Balance - beginning	<u>26,258</u>	<u>26,258</u>	<u>-</u>
Fund Balance - ending	<u>\$ 26,258</u>	<u>\$ 28,958</u>	<u>\$ 2,700</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	DeI Webb Boat Ramp Repair Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 20	\$ 31	\$ 11
Miscellaneous	300	300	-
Total revenues	<u>320</u>	<u>331</u>	<u>11</u>
Expenditures			
Public works			
Capital	320	-	320
Total expenditures	<u>320</u>	<u>-</u>	<u>320</u>
Net Change in Fund Balance	-	331	331
Fund Balance - beginning	<u>2,994</u>	<u>2,994</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,994</u>	<u>\$ 3,325</u>	<u>\$ 331</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Road Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 3,770,000	\$ 5,302,791	\$ 1,532,791
Interest	16,000	133,671	117,671
Miscellaneous	-	107,339	107,339
Total revenues	<u>3,786,000</u>	<u>5,543,801</u>	<u>1,757,801</u>
Expenditures			
Public works			
Purchased services	2,779,706	63,525	2,716,181
Total expenditures	<u>2,779,706</u>	<u>63,525</u>	<u>2,716,181</u>
Excess of revenues over expenditures	<u>1,006,294</u>	<u>5,480,276</u>	<u>4,473,982</u>
Other Financing Uses			
Transfers out	(1,006,294)	(1,006,294)	-
Total other financing uses	<u>(1,006,294)</u>	<u>(1,006,294)</u>	<u>-</u>
Net Change in Fund Balance	-	4,473,982	4,473,982
Fund Balance - beginning	11,733,498	11,733,498	-
Fund Balance - ending	<u>\$ 11,733,498</u>	<u>\$ 16,207,480</u>	<u>\$ 4,473,982</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 3,770,000	\$ 5,302,791	\$ 1,532,791
Intergovernmental	5,092,300	3,762,708	(1,329,592)
Charges for services	2,402,700	2,694,073	291,373
Interest	26,020	254,357	228,337
Miscellaneous	37,300	144,639	107,339
Total revenues	<u>11,328,320</u>	<u>12,158,568</u>	<u>830,248</u>
Expenditures			
Public works			
Personnel	129,046	59,167	69,879
Purchased services	3,052,806	234,707	2,818,099
Supplies	101,771	87,247	14,524
Capital	6,615,245	4,090,432	2,524,813
Debt service			
Principal	285,326	285,326	-
Interest and fees	76,832	76,832	-
Total expenditures	<u>10,261,026</u>	<u>4,833,711</u>	<u>5,427,315</u>
Excess of revenues over expenditures	<u>1,067,294</u>	<u>7,324,857</u>	<u>6,257,563</u>
Other Financing Sources Uses			
Transfers out	(1,006,294)	(1,006,294)	-
Total other financing uses	<u>(1,006,294)</u>	<u>(1,006,294)</u>	<u>-</u>
Net Change in Fund Balance	61,000	6,318,563	6,257,563
Fund Balance - beginning	<u>20,972,701</u>	<u>20,972,701</u>	<u>-</u>
Fund Balance - ending	<u>\$ 21,033,701</u>	<u>\$ 27,291,264</u>	<u>\$ 6,257,563</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
JUNE 30, 2018**

	Alcohol and Drug Abuse Department	Disabilities and Special Needs Department	Total
<u>ASSETS</u>			
Cash and equity in pooled cash and investments	\$ 867,924	\$ 4,194,049	\$ 5,061,973
Receivables, net	14,695	80	14,775
Due from other governments	166,733	56,745	223,478
Prepaid items	2,979	33,881	36,860
Total assets	<u>1,052,331</u>	<u>4,284,755</u>	<u>5,337,086</u>
<u>LIABILITIES</u>			
Accounts payable	33,808	424,941	458,749
Accrued payroll	43,987	219,843	263,830
Due to others	-	46,358	46,358
Total liabilities	<u>77,795</u>	<u>691,142</u>	<u>768,937</u>
<u>FUND BALANCE</u>			
Nonspendable	2,979	33,881	36,860
Restricted	971,557	3,559,732	4,531,289
Total fund balance	<u>974,536</u>	<u>3,593,613</u>	<u>4,568,149</u>
Total liabilities and fund balance	<u>\$ 1,052,331</u>	<u>\$ 4,284,755</u>	<u>\$ 5,337,086</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Alcohol and Drug Abuse Department		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 857,000	\$ 815,441	\$ (41,559)
Charges for services	257,500	295,659	38,159
Interest	-	9,944	9,944
Miscellaneous	500	1,250	750
Total revenues	<u>1,115,000</u>	<u>1,122,294</u>	<u>7,294</u>
Expenditures			
Public health			
Personnel	1,489,020	1,372,872	116,148
Purchased services	155,662	90,444	65,218
Supplies	57,821	48,455	9,366
Total expenditures	<u>1,702,503</u>	<u>1,511,771</u>	<u>190,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(587,503)</u>	<u>(389,477)</u>	<u>198,026</u>
Other Financing Sources			
Transfers in	587,503	587,503	-
Total other financing sources	<u>587,503</u>	<u>587,503</u>	<u>-</u>
Net Change in Fund Balance	-	198,026	198,026
Fund Balance - beginning	<u>776,510</u>	<u>776,510</u>	<u>-</u>
Fund Balance - ending	<u>\$ 776,510</u>	<u>\$ 974,536</u>	<u>\$ 198,026</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Disabilities and Special Needs Department</u>		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 6,501,097	\$ 6,571,735	\$ 70,638
Charges for services	340,005	303,566	(36,439)
Interest	-	39,996	39,996
Miscellaneous	180,203	219,378	39,175
Total revenues	<u>7,021,305</u>	<u>7,134,675</u>	<u>113,370</u>
Expenditures			
Public health			
Personnel	7,280,745	6,533,560	747,185
Purchased services	1,709,324	1,877,039	(167,715)
Supplies	370,825	342,547	28,278
Capital	1,802,000	370,870	1,431,130
Total expenditures	<u>11,162,894</u>	<u>9,124,016</u>	<u>2,038,878</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,141,589)</u>	<u>(1,989,341)</u>	<u>2,152,248</u>
Other Financing Sources			
Transfers in	2,869,938	2,869,938	-
Total other financing sources	<u>2,869,938</u>	<u>2,869,938</u>	<u>-</u>
Net Change in Fund Balance	(1,271,651)	880,597	2,152,248
Fund Balance - beginning	<u>2,713,016</u>	<u>2,713,016</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,441,365</u>	<u>\$ 3,593,613</u>	<u>\$ 2,152,248</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC HEALTH PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 7,358,097	\$ 7,387,176	\$ 29,079
Charges for services	597,505	599,225	1,720
Interest	-	49,940	49,940
Miscellaneous	180,703	220,628	39,925
Total revenues	8,136,305	8,256,969	120,664
Expenditures			
Public health			
Personnel	8,769,765	7,906,432	863,333
Purchased services	1,864,986	1,967,483	(102,497)
Supplies	428,646	391,002	37,644
Capital	1,802,000	370,870	1,431,130
Total expenditures	12,865,397	10,635,787	2,229,610
Excess (deficiency) of revenues over (under) expenditures	(4,729,092)	(2,378,818)	2,350,274
Other Financing Sources			
Transfers in	3,457,441	3,457,441	-
Total other financing sources	3,457,441	3,457,441	-
Net Change in Fund Balance	(1,271,651)	1,078,623	2,350,274
Fund Balance - beginning	3,489,526	3,489,526	-
Fund Balance - ending	\$ 2,217,875	\$ 4,568,149	\$ 2,350,274

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
JUNE 30, 2018**

	<u>Daufuskie Ferry Grant</u>	<u>HUD Homes Program</u>	<u>CDBG Water Grants</u>	<u>Collaborative Organization for Services to Youth</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and equity in pooled cash and investments	\$ -	\$ 32,537	\$ 1,850	\$ 16,295	\$ 50,682
Receivables, net	14,669	-	-	-	14,669
Due from other governments	-	71,062	-	8,678	79,740
Total assets	<u>14,669</u>	<u>103,599</u>	<u>1,850</u>	<u>24,973</u>	<u>145,091</u>
<u>LIABILITIES</u>					
Accounts payable	14,669	103,599	-	13,542	131,810
Accrued payroll	-	-	-	6,471	6,471
Total liabilities	<u>14,669</u>	<u>103,599</u>	<u>-</u>	<u>20,013</u>	<u>138,281</u>
<u>FUND BALANCE</u>					
Restricted	-	-	1,850	4,960	6,810
Total fund balance	<u>-</u>	<u>-</u>	<u>1,850</u>	<u>4,960</u>	<u>6,810</u>
Total liabilities and fund balance	<u>\$ 14,669</u>	<u>\$ 103,599</u>	<u>\$ 1,850</u>	<u>\$ 24,973</u>	<u>\$ 145,091</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Daufuskie Ferry Grant</u>		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 85,000	\$ 80,000	\$ (5,000)
Charges for services	50,000	51,651	1,651
Total revenues	<u>135,000</u>	<u>131,651</u>	<u>(3,349)</u>
Expenditures			
Public welfare			
Other	397,075	436,892	(39,817)
Total expenditures	<u>397,075</u>	<u>436,892</u>	<u>(39,817)</u>
Deficiency of revenues under expenditures	<u>(262,075)</u>	<u>(305,241)</u>	<u>(43,166)</u>
Other Financing Sources			
Transfers in	262,075	305,241	43,166
Total other financing sources	<u>262,075</u>	<u>305,241</u>	<u>43,166</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>HUD Homes Program</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 500,000	\$ 602,381	\$ 102,381
Total revenues	<u>500,000</u>	<u>602,381</u>	<u>102,381</u>
Expenditures			
Public welfare			
Other	500,000	602,381	(102,381)
Total expenditures	<u>500,000</u>	<u>602,381</u>	<u>(102,381)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	CDBG Water Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 10,000	\$ 10,000
Total revenues	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Expenditures			
Public welfare			
Purchased services	-	10,000	(10,000)
Total expenditures	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>1,850</u>	<u>1,850</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,850</u>	<u>\$ 1,850</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA

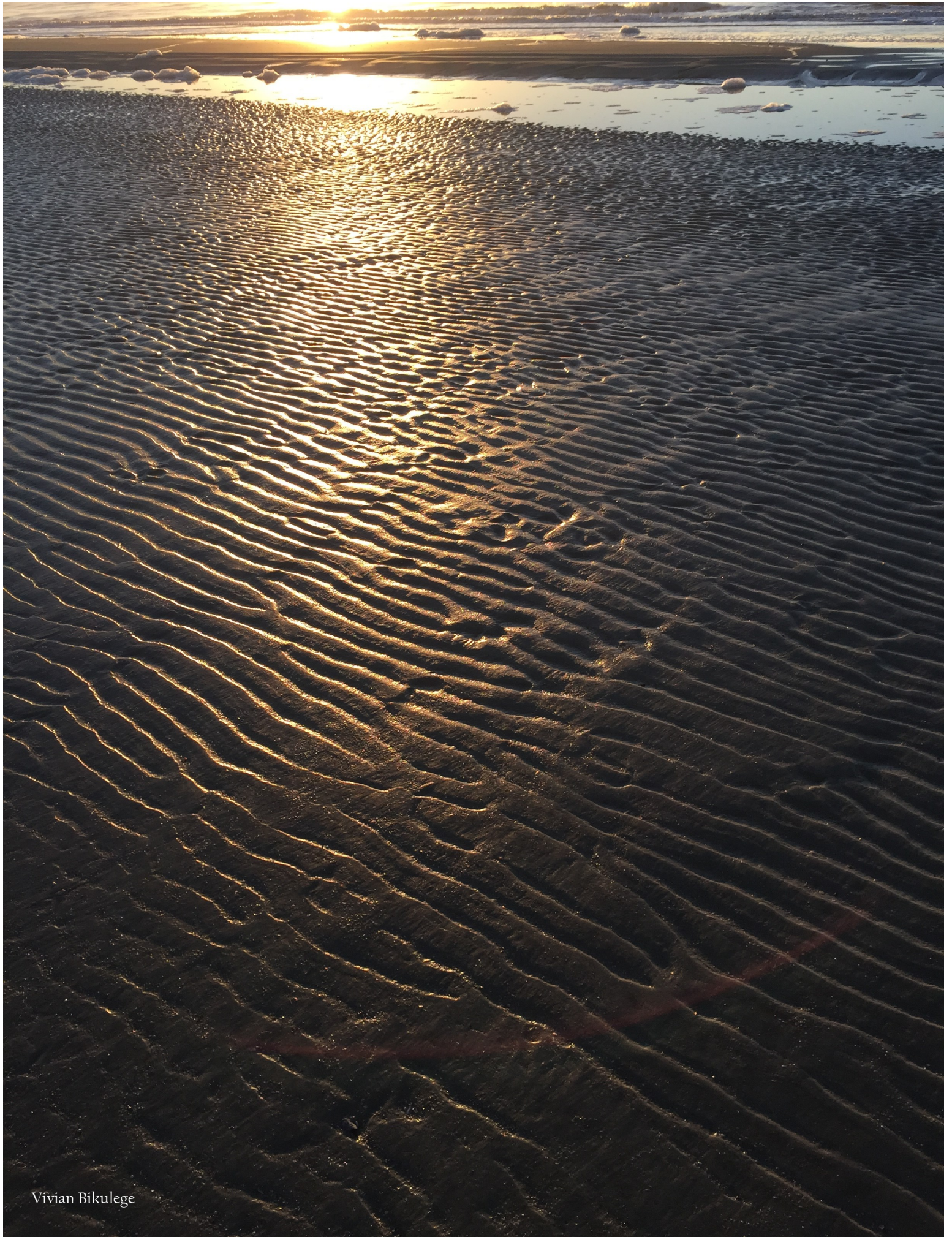
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Collaborative Organization for Services to Youth		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 181,276	\$ 197,232	\$ 15,956
Charges for services	121,800	79,068	(42,732)
Miscellaneous	16,050	15,000	(1,050)
Total revenues	<u>319,126</u>	<u>291,300</u>	<u>(27,826)</u>
Expenditures			
Public welfare			
Personnel	222,626	217,807	4,819
Purchased services	169,600	154,537	15,063
Supplies	1,600	3,172	(1,572)
Other	93,616	98,616	(5,000)
Total expenditures	<u>487,442</u>	<u>474,132</u>	<u>13,310</u>
Deficiency of revenues under expenditures	<u>(168,316)</u>	<u>(182,832)</u>	<u>(14,516)</u>
Other Financing Sources			
Transfers in	168,316	168,316	-
Total other financing sources	<u>168,316</u>	<u>168,316</u>	<u>-</u>
Net Change in Fund Balance	-	(14,516)	(14,516)
Fund Balance - beginning	<u>19,476</u>	<u>19,476</u>	<u>-</u>
Fund Balance - ending	<u>\$ 19,476</u>	<u>\$ 4,960</u>	<u>\$ (14,516)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Totals		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 766,276	\$ 889,613	\$ 123,337
Charges for services	171,800	130,719	(41,081)
Miscellaneous	16,050	15,000	(1,050)
Total revenues	954,126	1,035,332	81,206
Expenditures			
Public welfare			
Personnel	222,626	217,807	4,819
Purchased services	169,600	164,537	5,063
Supplies	1,600	3,172	(1,572)
Other	990,691	1,137,889	(147,198)
Total expenditures	1,384,517	1,523,405	(138,888)
Deficiency of revenues under expenditures	(430,391)	(488,073)	(57,682)
Other Financing Sources			
Transfers in	430,391	473,557	43,166
Total other financing sources	430,391	473,557	43,166
Net Change in Fund Balance	-	(14,516)	(14,516)
Fund Balance - beginning	21,326	21,326	-
Fund Balance - ending	\$ 21,326	\$ 6,810	\$ (14,516)



BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS JUNE 30, 2018

	Library Grants	Library Trusts	Library Impact Fees	PALS Capital Program	PALS Impact Fees	PALS PARD Grant	PALS Summer Nutrition Program Grant	Total
ASSETS								
Cash and equity in pooled cash and investments	\$ 73,404	\$ 243,888	\$ 3,611,176	\$ 177,790	\$ 5,402,727	\$ 36,057	\$ 1,732	\$ 9,546,774
Due from other governments	983	-	-	-	-	-	-	983
Total assets	74,387	243,888	3,611,176	177,790	5,402,727	36,057	1,732	9,547,757
LIABILITIES								
Accounts payable	32,250	382	4,863	478	405,981	-	1,732	445,686
Total liabilities	32,250	382	4,863	478	405,981	-	1,732	445,686
FUND BALANCE								
Restricted	42,137	243,506	3,606,313	-	4,996,746	36,057	-	8,924,759
Committed	-	-	-	177,312	-	-	-	177,312
Total fund balance	42,137	243,506	3,606,313	177,312	4,996,746	36,057	-	9,102,071
Total liabilities and fund balance	\$ 74,387	\$ 243,888	\$ 3,611,176	\$ 177,790	\$ 5,402,727	\$ 36,057	\$ 1,732	\$ 9,547,757

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Library Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 255,000	\$ 361,149	\$ 106,149
Interest	-	705	705
Total revenues	<u>255,000</u>	<u>361,854</u>	<u>106,854</u>
Expenditures			
Cultural and recreation			
Purchased services	-	63,907	(63,907)
Supplies	255,000	278,466	(23,466)
Capital	-	20,403	(20,403)
Total expenditures	<u>255,000</u>	<u>362,776</u>	<u>(107,776)</u>
Net Change in Fund Balance	-	(922)	(922)
Fund Balance - beginning	<u>43,059</u>	<u>43,059</u>	<u>-</u>
Fund Balance - ending	<u>\$ 43,059</u>	<u>\$ 42,137</u>	<u>\$ (922)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Library Trusts		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 1,650	\$ 2,171	\$ 521
Miscellaneous	1,000	1,000	-
Total revenues	<u>2,650</u>	<u>3,171</u>	<u>521</u>
Expenditures			
Cultural and recreation			
Supplies	2,000	2,023	(23)
Other	1,000	2,785	(1,785)
Total expenditures	<u>3,000</u>	<u>4,808</u>	<u>(1,808)</u>
Net Change in Fund Balance	(350)	(1,637)	(1,287)
Fund Balance - beginning	<u>245,143</u>	<u>245,143</u>	<u>-</u>
Fund Balance - ending	<u>\$ 244,793</u>	<u>\$ 243,506</u>	<u>\$ (1,287)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Library Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 562,000	\$ 848,581	\$ 286,581
Interest	-	31,367	31,367
Miscellaneous	-	1,013	1,013
Total revenues	<u>562,000</u>	<u>880,961</u>	<u>318,961</u>
Expenditures			
Cultural and recreation			
Supplies	562,000	125,457	436,543
Capital	-	191,854	(191,854)
Total expenditures	<u>562,000</u>	<u>317,311</u>	<u>244,689</u>
Net Change in Fund Balance	-	563,650	563,650
Fund Balance - beginning	<u>3,042,663</u>	<u>3,042,663</u>	-
Fund Balance - ending	<u>\$ 3,042,663</u>	<u>\$ 3,606,313</u>	<u>\$ 563,650</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	PALS Capital Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ 120,000	\$ 124,973	\$ 4,973
Interest	1,000	1,050	50
Total revenues	<u>121,000</u>	<u>126,023</u>	<u>5,023</u>
Expenditures			
Cultural and recreation			
Supplies	121,000	1,306	119,694
Total expenditures	<u>121,000</u>	<u>1,306</u>	<u>119,694</u>
Net Change in Fund Balance	-	124,717	124,717
Fund Balance - beginning	<u>52,595</u>	<u>52,595</u>	-
Fund Balance - ending	<u>\$ 52,595</u>	<u>\$ 177,312</u>	<u>\$ 124,717</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	PALS Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,005,000	\$ 1,664,576	\$ 659,576
Interest	-	43,371	43,371
Total revenues	<u>1,005,000</u>	<u>1,707,947</u>	<u>702,947</u>
Expenditures			
Cultural and recreation			
Purchased services	50,000	2,700	47,300
Capital	225,000	172,655	52,345
Debt service			
Principal	197,967	197,967	-
Interest and fees	147,998	147,998	-
Total expenditures	<u>620,965</u>	<u>521,320</u>	<u>99,645</u>
Net Change in Fund Balance	384,035	1,186,627	802,592
Fund Balance - beginning	<u>3,810,119</u>	<u>3,810,119</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,194,154</u>	<u>\$ 4,996,746</u>	<u>\$ 802,592</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	PARD Grant		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Intergovernmental	\$ 98,702	\$ 98,702	\$ -
Total revenues	<u>98,702</u>	<u>98,702</u>	<u>-</u>
Expenditures			
Cultural and recreation			
Capital	153,000	152,855	145
Total expenditures	<u>153,000</u>	<u>152,855</u>	<u>145</u>
Net Change in Fund Balance	(54,298)	(54,153)	145
Fund Balance - beginning	<u>90,210</u>	<u>90,210</u>	<u>-</u>
Fund Balance - ending	<u>\$ 35,912</u>	<u>\$ 36,057</u>	<u>\$ 145</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>PALS Summer Nutrition Program Grant</u>		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Cultural and recreation			
Personnel	-	-	-
Purchased services	-	-	-
Supplies	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,567,000	\$ 2,513,157	\$ 946,157
Intergovernmental	353,702	459,851	106,149
Charges for services	120,000	124,973	4,973
Interest	2,650	78,664	76,014
Miscellaneous	1,000	2,013	1,013
Total revenues	<u>2,044,352</u>	<u>3,178,658</u>	<u>1,134,306</u>
Expenditures			
Cultural and recreation			
Purchased services	50,000	66,607	(16,607)
Supplies	940,000	407,252	532,748
Capital	378,000	537,767	(159,767)
Other	1,000	2,785	(1,785)
Debt service			
Principal	197,967	197,967	-
Interest and fees	147,998	147,998	-
Total expenditures	<u>1,714,965</u>	<u>1,360,376</u>	<u>354,589</u>
Excess of revenues over expenditures	<u>329,387</u>	<u>1,818,282</u>	<u>1,488,895</u>
Net Change in Fund Balance	329,387	1,818,282	1,488,895
Fund Balance - beginning	<u>7,283,789</u>	<u>7,283,789</u>	<u>-</u>
Fund Balance - ending	<u>\$ 7,613,176</u>	<u>\$ 9,102,071</u>	<u>\$ 1,488,895</u>

BEAUFORT COUNTY, SOUTH CAROLINA

BALANCE SHEET
ALL NONMAJOR DEBT SERVICE FUND
JUNE 30, 2018

	<u>Bluffton Parkway Bonds</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and equity in pooled cash and investments	\$ 3,521,609	\$ 3,521,609
Total assets	<u>3,521,609</u>	<u>3,521,609</u>
<u>FUND BALANCE</u>		
Restricted	<u>3,521,609</u>	<u>3,521,609</u>
Total fund balance	<u>\$ 3,521,609</u>	<u>\$ 3,521,609</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Bluffton Parkway Bonds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 30,129	\$ 30,129
Total revenues	<u>-</u>	<u>30,129</u>	<u>30,129</u>
Expenditures			
Debt service - principal	2,021,967	2,021,967	-
Debt service - interest and fees	799,694	799,694	-
Total debt service expenditures	<u>2,821,661</u>	<u>2,821,661</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,821,661)</u>	<u>(2,791,532)</u>	<u>30,129</u>
Other Financing Sources			
Transfers in	3,006,295	3,006,295	-
Total other financing sources	<u>3,006,295</u>	<u>3,006,295</u>	<u>-</u>
Net Change in Fund Balance	184,634	214,763	30,129
Fund Balance - beginning	<u>3,306,846</u>	<u>3,306,846</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,491,480</u>	<u>\$ 3,521,609</u>	<u>\$ 30,129</u>

BEAUFORT COUNTY, SOUTH CAROLINA

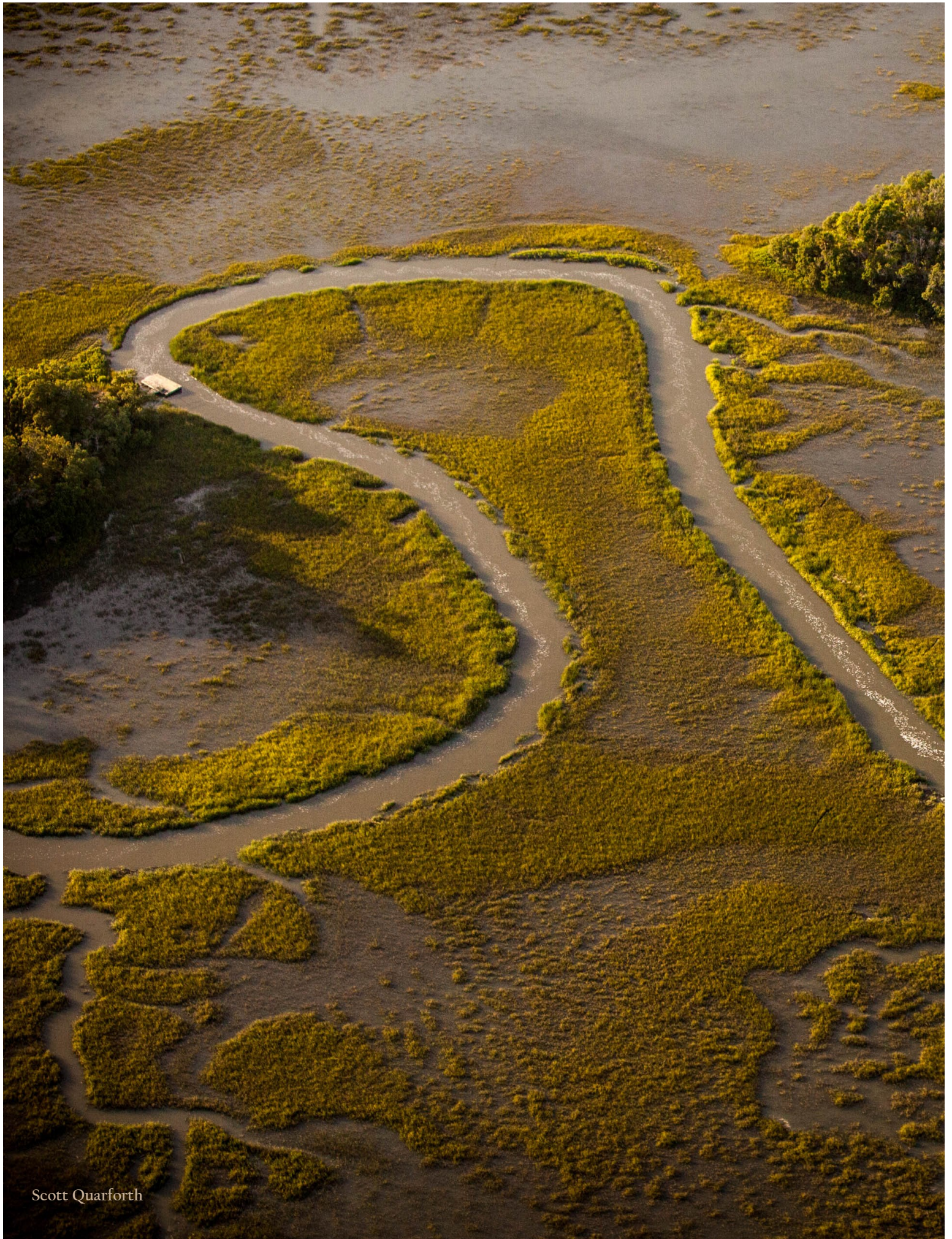
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest	\$ -	\$ 30,129	\$ 30,129
Total revenues	<u>-</u>	<u>30,129</u>	<u>30,129</u>
Expenditures			
Debt service - principal	2,021,967	2,021,967	-
Debt service - interest and fees	799,694	799,694	-
Total debt service expenditures	<u>2,821,661</u>	<u>2,821,661</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,821,661)</u>	<u>(2,791,532)</u>	<u>30,129</u>
Other Financing Sources			
Transfers in	3,006,295	3,006,295	-
Total other financing sources	<u>3,006,295</u>	<u>3,006,295</u>	<u>-</u>
Net Change in Fund Balance	184,634	214,763	30,129
Fund Balance - beginning	<u>3,306,846</u>	<u>3,306,846</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,491,480</u>	<u>\$ 3,521,609</u>	<u>\$ 30,129</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
ALL NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2018**

	<u>2009 GO Bond Projects</u>	<u>2013 GO Bond Projects</u>	<u>2014 GO Bond Projects</u>	<u>Multicounty Industrial Park</u>	<u>2006 Sales Tax Projects</u>	<u>Administrative Building Renovations</u>	<u>Spanish Moss Rail Trail</u>	<u>Myrtle Park Phase II</u>	<u>Totals</u>
<u>ASSETS</u>									
Cash and equity in pooled cash and investments	\$ 12,673	\$ 439,009	\$ 2,305,562	\$ 359,410	\$ -	\$ -	\$ 142,048	\$ 727,929	\$ 3,986,631
Receivables, net	-	-	-	-	1,870,528	300,000	-	-	2,170,528
Due from other governments	-	-	-	-	1,680,829	-	-	-	1,680,829
Total assets	<u>12,673</u>	<u>439,009</u>	<u>2,305,562</u>	<u>359,410</u>	<u>3,551,357</u>	<u>300,000</u>	<u>142,048</u>	<u>727,929</u>	<u>7,837,988</u>
<u>LIABILITIES</u>									
Accounts payable	-	-	1,024,523	-	1,307,872	161,204	-	-	2,493,599
Accrued payroll	-	-	-	-	2,011	-	-	-	2,011
Total liabilities	<u>-</u>	<u>-</u>	<u>1,024,523</u>	<u>-</u>	<u>1,309,883</u>	<u>161,204</u>	<u>-</u>	<u>-</u>	<u>2,495,610</u>
<u>FUND BALANCE</u>									
Restricted for capital projects	<u>12,673</u>	<u>439,009</u>	<u>1,281,039</u>	<u>359,410</u>	<u>2,241,474</u>	<u>138,796</u>	<u>142,048</u>	<u>727,929</u>	<u>5,342,378</u>
Total fund balance	<u>12,673</u>	<u>439,009</u>	<u>1,281,039</u>	<u>359,410</u>	<u>2,241,474</u>	<u>138,796</u>	<u>142,048</u>	<u>727,929</u>	<u>5,342,378</u>
Total liabilities and fund balance	<u>\$ 12,673</u>	<u>\$ 439,009</u>	<u>\$ 2,305,562</u>	<u>\$ 359,410</u>	<u>\$ 3,551,357</u>	<u>\$ 300,000</u>	<u>\$ 142,048</u>	<u>\$ 727,929</u>	<u>\$ 7,837,988</u>



Scott Quarforth

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2009 GO Bond Projects	2013 GO Bond Projects	2014 GO Bond Projects	Multicounty Industrial Park	2006 Sales Tax Projects	Administrative Building Renovations	Spanish Moss Rail Trail	Myrtle Park Phase II	Totals
Project Authorization	\$ 5,134,187	\$ 7,588,225	\$ 17,248,756	\$ 564,690	\$ 221,282,000	\$ 26,811,670	\$ 2,125,847	\$ 5,930,492	\$ 325,640,820
Prior year's revenues	5,134,187	7,588,225	17,248,756	564,690	221,282,000	26,811,670	2,125,847	5,930,492	325,640,820
Prior year's expenditures	5,121,514	7,149,216	11,889,972	348,118	215,542,967	26,653,927	2,096,856	1,202,563	308,960,086
Fund Balances - beginning of year	12,673	439,009	5,358,784	216,572	5,739,033	157,743	28,991	4,727,929	16,680,734
Revenues									
Property taxes	-	-	-	140,786	-	-	-	-	140,786
Intergovernmental	-	-	-	-	4,414,394	-	147,904	-	4,562,298
Interest	-	-	39,246	2,052	21,895	-	-	-	63,193
Miscellaneous	-	-	-	-	250,800	-	-	-	250,800
Total revenues	-	-	39,246	142,838	4,687,089	-	147,904	-	5,017,077
Expenditures									
Capital projects	-	-	4,116,991	-	8,184,648	18,947	34,847	-	12,355,433
Debt service - principal	-	-	-	-	-	-	-	4,000,000	4,000,000
Total expenditures	-	-	4,116,991	-	8,184,648	18,947	34,847	4,000,000	16,355,433
Net Change in Fund Balance	-	-	(4,077,745)	142,838	(3,497,559)	(18,947)	113,057	(4,000,000)	(11,338,356)
Fund Balances - end of year	\$ 12,673	\$ 439,009	\$ 1,281,039	\$ 359,410	\$ 2,241,474	\$ 138,796	\$ 142,048	\$ 727,929	\$ 5,342,378

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance July 01, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<u>Broad Creek Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 632,578	\$ 1,495,698	\$ 2,021,411	\$ 106,865
Due to Agency:				
Operations	538,352	1,466,098	1,899,274	105,176
Water/Sewer	32,017	29,355	60,000	1,372
Debt service	62,137	245	62,137	245
Capital projects	72	-	-	72
	<u>\$ 632,578</u>	<u>\$ 1,495,698</u>	<u>\$ 2,021,411</u>	<u>\$ 106,865</u>
<u>Fripp Island Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,365,164	\$ 1,604,194	\$ 1,574,352	\$ 1,395,006
Due to Agency:				
Erosion control	142,220	136,657	180,000	98,877
Water/Sewer	342,969	373,308	364,277	352,000
Debt service	365,717	456,447	521,854	300,310
Fire operations	244,841	606,233	500,000	351,074
Fire department 1% funds	269,417	31,549	8,221	292,745
	<u>\$ 1,365,164</u>	<u>\$ 1,604,194</u>	<u>\$ 1,574,352</u>	<u>\$ 1,395,006</u>
<u>Forest Beach Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,686	\$ 6,751	\$ 8,431	\$ 6
Due to Agency:				
Operations	24	96	120	-
Fire operations	1,478	5,919	7,392	5
Fire debt service	184	736	919	1
Fire department 1% funds	-	274,840	274,840	-
	<u>\$ 1,686</u>	<u>\$ 6,751</u>	<u>\$ 8,431</u>	<u>\$ 6</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 01, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Hilton Head #1 Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 804,096	\$ 3,123,615	\$ 1,671,874	\$ 2,255,837
Due to Agency:				
Operations	79,835	984,296	-	1,064,131
Water/Sewer	29,559	455,961	-	485,520
Debt service	682,989	1,441,324	1,420,575	703,738
Assessment A	560	14,186	14,600	146
Assessment B	910	25,333	26,000	243
Assessment C	3,775	78,733	82,000	508
Assessment D	61	30,947	30,903	105
Assessment H11	350	36,757	36,899	208
Folly field area front foot assessment	2,695	29,177	30,797	1,075
Front foot assessment revenue bonds	3,362	26,901	30,100	163
	<u>\$ 804,096</u>	<u>\$ 3,123,615</u>	<u>\$ 1,671,874</u>	<u>\$ 2,255,837</u>
<u>South Beach Public Service District</u>				
Assets:				
Equity in pooled cash and investments	\$ 36,678	\$ 30,347	\$ 16,176	\$ 50,849
Due to Agency:				
Water/Sewer	2,949	15,323	-	18,272
Debt service	30,486	2,080	-	32,566
Fire operations	3,061	12,217	15,268	10
Fire debt service	182	727	908	1
	<u>\$ 36,678</u>	<u>\$ 30,347</u>	<u>\$ 16,176</u>	<u>\$ 50,849</u>
<u>Bluffton Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ 4,373,127	\$ 15,067,489	\$ 16,436,570	\$ 3,004,046
Due to Agency:				
Operations	1,804,368	13,472,412	12,765,056	2,511,724
Debt service	44,992	567,119	569,019	43,092
Capital projects	21,171	189	5,794	15,566
Fire department 1% fund	67,925	346,699	366,937	47,687
Fire impact fees	2,434,671	681,070	2,729,764	385,977
	<u>\$ 4,373,127</u>	<u>\$ 15,067,489</u>	<u>\$ 16,436,570</u>	<u>\$ 3,004,046</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 01, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Burton Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ 648,748	\$ 5,046,974	\$ 5,232,765	\$ 462,957
Due to Agency:				
Operations	296,293	4,582,823	4,797,318	81,798
Debt service	266,462	376,873	385,280	258,055
Fire department 1% fund	20,065	51,307	50,167	21,205
Fire impact fees	65,928	35,971	-	101,899
	<u>\$ 648,748</u>	<u>\$ 5,046,974</u>	<u>\$ 5,232,765</u>	<u>\$ 462,957</u>
<u>Daufuskie Island Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ (46,122)	\$ 1,150,230	\$ 1,167,933	\$ (63,825)
Due to Agency:				
Operations	(99,319)	1,131,667	1,149,556	(117,208)
Debt service	39,558	1,962	-	41,520
Fire department 1% fund	2,863	11,084	10,269	3,678
Fire impact fees	10,776	5,517	8,108	8,185
	<u>\$ (46,122)</u>	<u>\$ 1,150,230</u>	<u>\$ 1,167,933</u>	<u>\$ (63,825)</u>
<u>Lady's Island/St Helena Island Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,594,584	\$ 6,287,108	\$ 6,072,128	\$ 1,809,564
Due to Agency:				
Operations	679,115	5,701,109	5,762,615	617,609
Debt service	33,738	308,637	309,513	32,862
Fire department 1% fund	164,502	164,895	-	329,397
Fire impact fees	717,229	112,467	-	829,696
	<u>\$ 1,594,584</u>	<u>\$ 6,287,108</u>	<u>\$ 6,072,128</u>	<u>\$ 1,809,564</u>
<u>Sheldon Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ 386,571	\$ 1,469,775	\$ 1,450,418	\$ 405,928
Due to Agency:				
Operations	234,057	1,332,461	1,350,952	215,566
Debt service	38,310	109,796	72,046	76,060
Fire department 1% fund	71,011	21,956	6,519	86,448
Fire impact fees	43,193	5,562	20,901	27,854
	<u>\$ 386,571</u>	<u>\$ 1,469,775</u>	<u>\$ 1,450,418</u>	<u>\$ 405,928</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance July 01, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<u>City of Beaufort</u>				
Assets:				
Equity in pooled cash and investments	\$ 232,056	\$ 7,051,774	\$ 7,127,432	\$ 156,398
Due to Agency:				
Municipal	231,613	6,143,305	6,228,113	146,805
Stormwater fees	443	850,120	840,970	9,593
Fire department 1% fund	-	58,349	58,349	-
	<u>\$ 232,056</u>	<u>\$ 7,051,774</u>	<u>\$ 7,127,432</u>	<u>\$ 156,398</u>
<u>Town of Port Royal</u>				
Assets:				
Equity in pooled cash and investments	\$ 77,077	\$ 2,788,784	\$ 2,801,172	\$ 64,689
Due to Agency:				
Municipal	73,824	2,568,854	2,581,305	61,373
Stormwater fees	3,253	208,416	208,353	3,316
Fire department 1% fund	-	11,514	11,514	-
	<u>\$ 77,077</u>	<u>\$ 2,788,784</u>	<u>\$ 2,801,172</u>	<u>\$ 64,689</u>
<u>Town of Bluffton</u>				
Assets:				
Equity in pooled cash and investments	\$ 149,873	\$ 9,185,674	\$ 9,197,038	\$ 138,509
Due to Agency:				
Municipal	136,408	7,809,926	7,817,029	129,305
Stormwater fees	13,465	1,375,748	1,380,009	9,204
	<u>\$ 149,873</u>	<u>\$ 9,185,674</u>	<u>\$ 9,197,038</u>	<u>\$ 138,509</u>
<u>Town of Yemassee</u>				
Assets:				
Equity in pooled cash and investments	\$ 724	\$ 40,855	\$ 40,751	\$ 828
Due to Agency:				
Municipal	724	40,723	40,619	828
Fire department 1% fund	-	132	132	-
	<u>\$ 724</u>	<u>\$ 40,855</u>	<u>\$ 40,751</u>	<u>\$ 828</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance July 01, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<u>Town of Hilton Head</u>				
Assets:				
Equity in pooled cash and investments	\$ 741,473	\$ 34,850,755	\$ 34,819,785	\$ 772,443
Due to Agency:				
Municipal	488,855	28,836,977	28,806,762	519,070
Motor vehicle fee	183,344	1,050,822	1,041,893	192,273
Stormwater fees	46,812	4,623,141	4,627,620	42,333
Fire operations	4,944	19,777	24,721	-
Fire debt Service	17,518	1,249	-	18,767
Fire department 1% fund	-	318,789	318,789	-
	<u>\$ 741,473</u>	<u>\$ 34,850,755</u>	<u>\$ 34,819,785</u>	<u>\$ 772,443</u>
<u>City of Hardeeville</u>				
Assets:				
Equity in pooled cash and investments	\$ 3	\$ 91,214	\$ 91,171	\$ 46
Due to Agency:				
Municipal	3	91,214	91,171	46
	<u>\$ 3</u>	<u>\$ 91,214</u>	<u>\$ 91,171</u>	<u>\$ 46</u>
<u>Beaufort-Jasper Academy for Career Excellence</u>				
Assets:				
Equity in pooled cash and investments	\$ 643,960	\$ 2,787,988	\$ 2,478,151	\$ 953,797
Due to Agency:				
General	564,080	2,627,839	2,394,911	797,008
Special revenue funds	14,439	18,810	-	33,249
Education improvement act	65,441	141,339	83,240	123,540
	<u>\$ 643,960</u>	<u>\$ 2,787,988</u>	<u>\$ 2,478,151</u>	<u>\$ 953,797</u>
<u>Beaufort County School District</u>				
Assets:				
Equity in pooled cash and investments	\$ 79,252,070	\$ 367,414,167	\$ 354,067,338	\$ 92,598,899
Due to Agency:				
General	38,147,048	241,006,233	235,105,159	44,048,122
Special revenue funds	1,295,247	14,365,659	15,890,769	(229,863)
School lunch program	(923,384)	6,625,715	7,820,039	(2,117,708)
Education improvement act	4,830,371	12,897,771	12,557,516	5,170,626
Debt service	14,456,846	60,091,315	58,773,209	15,774,952
Capital projects	1,244,491	76,698	-	1,321,189
School 8% projects	7,704,817	32,084,983	23,920,066	15,869,734
Facilities 2005	7,475,836	178,573	-	7,654,409
Facilities 2007	30,349	287	-	30,636
Facilities 2008	4,990,449	86,933	580	5,076,802
	<u>\$ 79,252,070</u>	<u>\$ 367,414,167</u>	<u>\$ 354,067,338</u>	<u>\$ 92,598,899</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 01, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Special Assessments</u>				
Assets:				
Equity in pooled cash and investments	\$ 150,459	\$ 49,292	\$ 47,126	\$ 152,625
Due to Agency:				
Burlington estates	24,147	229	-	24,376
Burlington land	17,782	169	-	17,951
Kings grant II	20,895	198	-	21,093
O'Neal place	14,461	137	-	14,598
Pleasant farm	7	-	-	7
Robin wood	19,674	186	-	19,860
Seabrook point	36,638	37,701	36,638	37,701
Woodland estates	16,834	159	-	16,993
Brown's island	21	10,513	10,488	46
	<u>\$ 150,459</u>	<u>\$ 49,292</u>	<u>\$ 47,126</u>	<u>\$ 152,625</u>
<u>Departmentally Held Funds</u>				
Assets:				
Equity in pooled cash and investments	\$ 13,315,984	\$ 35,628,775	\$ 34,604,665	\$ 14,340,094
Due to Agency:				
Clerk of court	2,948,915	621,392	729,848	2,840,459
Master in equity - foreclosures	524,377	17,116,737	16,850,804	790,310
Register of deeds - bonds	(17,630)	85,499	-	67,869
Treasurer - JPC escrow	406,658	20,897	-	427,555
Treasurer - bankruptcy escrow	238,019	283,478	519	520,978
Treasurer - surplus tax escrow	9,215,645	17,500,772	17,023,494	9,692,923
	<u>\$ 13,315,984</u>	<u>\$ 35,628,775</u>	<u>\$ 34,604,665</u>	<u>\$ 14,340,094</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 104,360,789	\$ 495,171,459	\$ 480,926,687	\$ 118,605,561
Due to Agency:				
General	\$ 104,360,789	\$ 495,171,459	\$ 480,926,687	\$ 118,605,561

BEAUFORT COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 566,545	\$ 1,680,647	N/A	\$ 2,247,192
Court fines and assessments remitted to State Treasurer and other State Agencies	\$ 396,159	\$ 863,273	N/A	\$ 1,259,432
Total Court Fines and Assessments retained	\$ 170,386	\$ 817,374	N/A	\$ 987,760
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 34,739	-	N/A	\$ 34,739
Assessments retained	-	-	N/A	\$ -
Total Surcharges and Assessments retained for victim services	\$ 34,739	\$ -	N/A	\$ 34,739

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	N/A	\$ 265,139	\$ 265,139
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	N/A	\$ 97,917	\$ 97,917
Victim Service Assessments Retained by City/County Treasurer	N/A	-	-
Victim Service Surcharges Retained by City/County Treasurer	N/A	\$ 34,739	\$ 34,739
Interest Earned	N/A	\$ 4,504	\$ 4,504
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	\$ 28,128	\$ 28,128
Contribution Received from Victim Service Contracts:			
(1) Town of Hilton Head Island	N/A	\$ 63,542	\$ 63,542
(2) Town of	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 493,969	\$ 493,969

BEAUFORT COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 209,743	\$ 209,743
Operating Expenditures	N/A	-	-
Victim Service Contract(s):			
(1) Entity's Name	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	\$ 209,743	\$ 209,743
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	\$ 284,226	\$ 284,226
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ 284,226	\$ 284,226

BEAUFORT COUNTY, SOUTH CAROLINA

**ALCOHOL AND DRUG ABUSE PROGRAMS - PROFIT AND LOSS STATEMENT
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

	Central Administration	Safety Action	School Intervention	Community Based Treatment	Preventive Education	Intensive Outpatient	Drug Court	Total
Revenues								
State Mini Bottles	\$ -	\$ -	\$ 84,988	\$ 84,988	\$ 84,988	\$ 84,988	\$ -	\$ 339,952
DAODAS Block Grant:¹								
IOP Uninsured Treatment	-	-	-	-	-	28,659	-	28,659 F
Outpatient - TB Testing	-	-	-	1,356	-	-	-	1,356 F
Outpatient	-	-	-	172,732	-	-	-	172,732 F
Outpatient Uninsured Treatment	-	-	-	22,936	-	7,049	-	29,985 F
Outpatient - Adolescent	-	-	-	31,000	-	-	-	31,000 F
ADSAP	-	29,007	-	-	-	-	-	29,007 F
Adolescent Intervention	-	-	1,753	-	-	-	-	1,753 S
Primary Prevention	-	-	-	-	96,884	-	-	96,884 F
SAPT BG Assessment ²	-	-	-	17,840	-	-	-	17,840 F
Synar/STEP Youth Tobacco Buys ³	-	-	-	-	1,558	-	-	1,558 F
SBG (State Block Grant) ⁴	-	6,308	-	-	-	-	-	6,308 S
COLA (Cost of Living Allowance) ⁵	-	9,786	3,987	10,149	6,887	5,437	-	36,246 S
DSS DTS ⁶	-	-	-	18,333	-	-	-	18,333 O
STEP UP ⁷	-	-	-	3,828	-	-	-	3,828 O
Charges for Services - Fees	-	154,454	-	79,116	-	-	-	233,570
Charges for Services - Medicaid	-	-	-	62,089	-	-	-	62,089
Interest Income	9,944	-	-	-	-	-	-	9,944
Miscellaneous	-	-	-	-	1,250	-	-	1,250
Total Revenues	9,944	199,555	90,728	504,367	191,567	126,133	-	1,122,294
Expenditures								
Personnel	104,774	169,201	68,192	593,753	240,198	196,754	-	1,372,872
Purchased Services	36,847	18,346	3,348	21,389	9,471	1,043	-	90,444
Supplies	15,246	9,603	5,135	11,300	542	6,629	-	48,455
Total Expenditures	156,867	197,150	76,675	626,442	250,211	204,426	-	1,511,771
Excess of Revenues Over (Under) Expenditures	(146,923)	2,405	14,053	(122,075)	(58,644)	(78,293)	-	(389,477)
Other Financing Sources								
Transfers In (Out)	572,926	-	-	-	-	-	14,577	587,503
Net Change in Fund Balance	426,003	2,405	14,053	(122,075)	(58,644)	(78,293)	14,577	198,026
Fund Balance - beginning	370,661	104,097	114,771	321,451	25,456	(145,349)	(14,577)	776,510
Fund Balance - ending	\$ 796,664	\$ 106,502	\$ 128,824	\$ 199,376	\$ (33,188)	\$ (223,642)	\$ -	\$ 974,536

Notes:

- 1: Fiscal Year 2018 Department of Alcohol and Other Drug Abuse Services (DAODAS) Block Grant is contract number BEA-BG-18 and is comprised of federal funds in the amount of \$389,623 and state funds in the amount of \$1,753, for a total annual contract amount of \$391,376 (contract number BEA-BG-18; CFDA No. 93.959).
- 2: Fiscal Year 2018 Substance Abuse Prevention and Treatment Block Grant (SAPT BG) for Assessment consists of federal funds in the amount of \$17,840 (CFDA No. 93.959).
- 3: Fiscal Year 2018 Synar/STEP Youth Tobacco Buys consists of federal funds in the amount of \$1,558 (CFDA No. 93.959).
- 4: Fiscal Year 2018 DAODAS State Block Grant consists of state funds in the amount of \$6,308 (contract number BEA-SBG-18).
- 5: Fiscal Year 2018 Cost of Living Allowance (COLA) is state funds in the amount of \$36,246 (contract number BEA-COLA-18).
- 6: Fiscal Year 2018 DSS-DTS is identified as other funds in the amount of \$18,333 (contract number BEA-DTS).
- 7: Fiscal Year 2018 STEP UP is identified as other funds in the amount of \$3,828 (contract number STEP UP).

Legend:

F - Federal Funds	409,021
S - State Funds	44,307
O - Other Funds	22,161
	\$ 475,489

BEAUFORT COUNTY, SOUTH CAROLINA

Daufuskie Ferry Schedule of Budgeted to Actual South Carolina Department of Transportation - State Mass Transit Funds (SMTF) Contract PT-8G699-77 For the period beginning July 1, 2017 and ending June 30, 2018

	<u>Budget</u>	<u>Actual - SMTF</u>	<u>Actual - Local</u>	<u>Total Actual</u>	<u>Variance</u>
Revenues					
Intergovernmental ¹	\$ 80,000	\$ 80,000	\$ -	\$ 80,000	\$ -
Charges for Services ²	55,000	-	51,651	51,651	(3,349)
Total Revenues	<u>135,000</u>	<u>80,000</u>	<u>51,651</u>	<u>131,651</u>	<u>(3,349)</u>
Expenditures					
Ferry Service	431,460	80,000	351,460	431,460	-
Parking Fees	1,232	-	1,232	1,232	-
Administration	4,200	-	4,200	4,200	-
Total Expenditures	<u>436,892</u>	<u>80,000</u>	<u>356,892</u>	<u>436,892</u>	<u>-</u>
Other Financing Sources					
Transfers In ²	262,075	-	305,241	305,241	(43,166)
Total Other Financing Sources	<u>262,075</u>	<u>-</u>	<u>305,241</u>	<u>305,241</u>	<u>(43,166)</u>
Net Change in Fund Balance	(39,817)	-	-	-	(46,515)
Fund Balance - beginning	-	-	-	-	-
Fund Balance - ending	<u>\$ (39,817)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,515)</u>

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

Note 2: The Charges for Services are Ridership Fees. The transfer in is funding provided by Beaufort County's General Fund. Beaufort County's General Fund transfer exceeded the budgeted amount due to the increased cost in ferry service and no increase in funds provided by the South Carolina Department of Transportation, State Mass Transit Funds.

Alec Bishop





Statistical Section

STATISTICAL SECTION

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

Contents

Page

Financial Trends.....	164-167
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity.....	168-171
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity.....	172-176
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information.....	177-179
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	
Operating Information.....	180-183
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

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

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Governmental Activities										
Net investment in capital assets	\$ 82,426,443	\$ 126,759,144	\$ 150,354,190	\$ 182,140,936	\$ 235,805,103	\$ 248,042,213	\$ 258,464,624	\$ 297,559,730	\$ 250,724,674	\$ 341,399,499
Restricted	34,763,370	76,403,806	110,042,845	109,480,674	81,168,869	94,621,380	103,427,275	74,429,250	132,328,862	130,694,943
Unrestricted	83,769,216	27,135,536	1,807,004	2,286,272	5,092,524	(9,776,030)	(67,733,915)	(47,981,906)	(69,322,749)	(110,657,381)
Total governmental activities net position	\$ 200,959,029	\$ 230,298,486	\$ 262,204,039	\$ 293,907,882	\$ 322,066,496	\$ 332,887,563	\$ 294,157,984	\$ 324,007,074	\$ 313,730,787	\$ 361,437,061
Business-Type Activities										
Net investment in capital assets	\$ 23,074,168	\$ 23,805,330	\$ 24,456,698	\$ 23,927,764	\$ 23,961,592	\$ 23,319,358	\$ 27,565,326	\$ 28,123,049	\$ 28,226,279	\$ 30,593,539
Unrestricted	(2,067,504)	(1,764,310)	(1,979,580)	(1,466,786)	(1,180,550)	(741,276)	(8,545,869)	(4,534,745)	(2,657,026)	(5,287,834)
Total business-type activities net position	\$ 21,006,664	\$ 22,041,020	\$ 22,477,118	\$ 22,460,978	\$ 22,781,042	\$ 22,578,082	\$ 19,019,457	\$ 23,588,304	\$ 25,569,253	\$ 25,305,705
Primary Government										
Net investment in capital assets	\$ 105,500,611	\$ 150,564,474	\$ 174,810,888	\$ 206,068,700	\$ 259,766,695	\$ 271,361,571	\$ 286,029,950	\$ 325,682,779	\$ 278,950,953	\$ 371,993,038
Restricted	34,763,370	76,403,806	110,042,845	109,480,674	81,168,869	94,621,380	103,427,275	74,429,250	132,328,862	130,694,943
Unrestricted	81,701,712	25,371,226	(172,576)	819,486	3,911,974	(10,517,306)	(76,279,784)	(52,516,651)	(71,979,775)	(115,945,215)
Total primary government net position	\$ 221,965,693	\$ 252,339,506	\$ 284,681,157	\$ 316,368,860	\$ 344,847,538	\$ 355,465,645	\$ 313,177,441	\$ 347,595,378	\$ 339,300,040	\$ 386,742,766

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Expenses										
Governmental Activities										
General Government	\$ 33,883,983	\$ 35,336,670	\$ 33,610,134	\$ 32,119,250	\$ 32,641,163	\$ 34,741,478	\$ 34,268,122	\$ 42,236,133	\$ 48,649,308	\$ 49,612,892
Public Safety	49,090,928	50,524,200	48,927,744	51,231,345	52,481,136	57,185,897	53,323,890	48,929,013	87,661,802	56,674,563
Public Works	19,920,007	20,434,597	20,753,287	19,944,114	23,403,821	22,259,047	24,696,310	22,106,941	23,251,203	19,930,159
Public Health	12,227,572	12,267,824	11,859,259	11,881,484	11,987,651	11,462,648	10,667,458	12,128,941	12,440,379	14,011,837
Public Welfare	1,935,787	2,402,787	3,143,475	2,373,551	2,317,902	3,243,469	3,023,487	2,108,695	2,342,367	5,935,476
Cultural and Recreation	16,947,113	15,963,929	15,339,501	13,863,794	16,064,581	15,583,049	14,936,898	13,887,875	14,006,380	15,682,409
Interest	10,906,551	10,812,119	11,585,371	10,596,657	9,087,049	9,293,605	6,641,311	6,222,321	5,643,381	6,116,157
Total Governmental Activities Expenses	144,911,941	147,742,126	145,218,771	142,010,195	147,983,303	153,769,193	147,557,476	147,619,919	193,994,820	167,963,493
Business-Type Activities										
Stormwater Utility	3,027,952	3,677,985	3,758,958	3,124,645	3,246,022	3,175,708	3,534,035	3,663,825	4,063,867	5,431,198
Lady's Island Airport	1,129,236	664,128	693,783	668,094	667,068	602,879	703,949	901,521	610,714	996,300
Hilton Head Airport	2,478,208	2,558,747	2,191,050	3,236,793	2,565,348	2,829,612	4,517,883	8,330,082	11,505,178	17,922,483
Total Business-Type Expenses	6,635,396	6,900,860	6,643,791	7,029,532	6,478,438	6,608,199	8,755,867	12,895,428	16,179,759	24,349,981
Total Government Expenses	\$ 151,547,337	\$ 154,642,986	\$ 151,862,562	\$ 149,039,727	\$ 154,461,741	\$ 160,377,392	\$ 156,313,343	\$ 160,515,347	\$ 210,174,579	\$ 192,313,474

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Program Revenues										
Governmental Activities										
Charges for services										
General Government	\$ 16,717,090	\$ 17,046,292	\$ 17,668,968	\$ 18,499,976	\$ 18,342,329	\$ 18,929,100	\$ 18,874,705	\$ 15,720,868	\$ 18,431,740	\$ 17,473,663
Public Safety	7,193,599	7,130,652	7,437,462	6,871,580	8,510,306	6,774,011	7,372,252	8,153,290	8,674,298	8,121,902
Public Works	3,125,389	3,502,896	3,031,913	3,680,979	4,283,664	4,319,788	4,545,834	5,865,323	9,444,459	8,001,763
Public Health	479,704	551,682	525,615	525,594	522,846	535,092	597,297	591,235	626,822	599,225
Public Welfare	22,429	72,702	40,715	40,913	64,283	60,147	87,992	144,682	170,795	132,341
Cultural and Recreation	1,098,497	1,279,808	1,453,157	1,602,628	1,912,336	2,035,420	2,301,655	2,019,478	3,478,117	3,337,726
Operating Grants and Contributions	8,046,928	8,353,023	9,055,697	9,549,138	9,328,245	10,398,779	11,962,524	11,249,681	12,444,349	14,438,073
Capital Grants and Contributions	4,223,966	2,654,488	1,833,055	2,405,145	13,271,813	17,270,372	16,053,234	17,613,148	9,881,571	33,826,796
Total Governmental Activities Program Revenues	<u>40,907,602</u>	<u>40,591,543</u>	<u>41,046,582</u>	<u>43,175,953</u>	<u>56,235,822</u>	<u>60,322,709</u>	<u>61,795,493</u>	<u>61,357,705</u>	<u>63,152,151</u>	<u>85,931,489</u>
Business-Type Activities										
Charges for services										
Garage	-	-	-	-	-	-	-	-	-	-
Stormwater Utility	2,845,833	3,713,687	3,381,644	3,209,895	3,155,000	3,190,705	3,232,499	5,393,162	5,818,715	5,715,709
Lady's Island Airport	535,016	490,691	530,525	567,734	560,766	528,390	552,091	529,750	567,029	619,624
Hilton Head Airport	1,473,958	1,435,463	1,449,414	1,495,360	1,793,155	1,830,654	1,777,043	1,638,483	1,605,813	1,601,465
Operating Grants and Contributions	124,881	133,223	134,837	116,234	112,695	116,090	65,450	65,440	50,560	42,960
Capital Grants and Contributions	986,411	1,862,895	1,563,425	1,562,938	1,175,792	735,231	1,476,192	9,782,233	10,095,453	15,956,279
Total Business-Type Activities Program Revenues	<u>5,966,099</u>	<u>7,635,959</u>	<u>7,059,845</u>	<u>6,952,161</u>	<u>6,797,408</u>	<u>6,401,070</u>	<u>7,103,275</u>	<u>17,409,068</u>	<u>18,137,570</u>	<u>23,936,037</u>
Total Government Program Revenues	<u>\$ 46,873,701</u>	<u>\$ 48,227,502</u>	<u>\$ 48,106,427</u>	<u>\$ 50,128,114</u>	<u>\$ 63,033,230</u>	<u>\$ 66,723,779</u>	<u>\$ 68,898,768</u>	<u>\$ 78,766,773</u>	<u>\$ 81,289,721</u>	<u>\$ 109,867,526</u>
Net (Expense) / Revenue										
Governmental Activities	\$ (104,004,339)	\$ (107,150,583)	\$ (104,172,189)	\$ (98,834,242)	\$ (91,747,481)	\$ (93,446,484)	\$ (85,761,983)	\$ (86,262,214)	\$ (130,842,669)	\$ (82,032,004)
Business-Type Activities	(669,297)	735,099	416,054	(77,371)	318,970	(207,129)	(1,652,592)	4,513,640	1,957,811	(413,944)
Total Government Net (Expense) / Revenue	<u>\$ (104,673,636)</u>	<u>\$ (106,415,484)</u>	<u>\$ (103,756,135)</u>	<u>\$ (98,911,613)</u>	<u>\$ (91,428,511)</u>	<u>\$ (93,653,613)</u>	<u>\$ (87,414,575)</u>	<u>\$ (81,748,574)</u>	<u>\$ (128,884,858)</u>	<u>\$ (82,445,948)</u>

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes	\$ 92,725,922	\$ 91,394,021	\$ 94,804,284	\$ 93,571,238	\$ 94,819,998	\$ 91,907,959	\$ 96,129,087	\$ 101,550,345	\$ 109,147,291	\$ 116,478,416
Sales Taxes	30,440,867	28,257,192	29,292,574	30,442,155	15,043,485	330,889	105,253	31,232	27,661	109,728
Grants and contributions not restricted	10,353,360	9,638,402	8,868,758	9,588,551	7,944,710	8,414,711	8,478,141	8,513,761	9,342,544	9,452,285
Unrestricted investment earnings	3,728,745	4,093,395	1,378,709	883,768	540,155	293,213	269,080	495,848	581,229	1,495,650
Special item - decrease in other post-employment benefit cost	-	-	-	-	-	-	27,520,071	1,353,498	-	-
Transfers In / (Out)	-	(250,000)	(2,500)	-	-	-	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	-	4,460	(98,017)	-	-	-	-	-	-	-
Miscellaneous	2,758,685	3,352,570	1,833,934	1,841,926	1,557,747	3,320,779	2,366,433	1,955,858	1,467,657	2,202,199
Total Governmental Activities	140,007,579	136,490,040	136,077,742	136,327,638	119,906,095	104,267,551	134,868,065	113,900,542	120,566,382	129,738,278
Business-Type Activities										
Unrestricted Investments Earnings	59,803	48,779	11,282	11,231	4,835	4,169	3,133	14,710	19,694	150,396
Special item - decrease in other post-employment benefit cost	-	-	-	-	-	-	1,230,929	38,502	-	-
Transfers In / (Out)	-	250,000	2,500	-	-	-	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	-	478	6,262	50,000	(3,741)	-	-	-	-	-
Miscellaneous	9,354	-	-	-	-	-	1,079	1,995	3,444	-
Total Business-Type Activities	69,157	299,257	20,044	61,231	1,094	4,169	1,235,141	55,207	23,138	150,396
Total Government	\$ 140,076,736	\$ 136,789,297	\$ 136,097,786	\$ 136,388,869	\$ 119,907,189	\$ 104,271,720	\$ 136,103,206	\$ 113,955,749	\$ 120,589,520	\$ 129,888,674
Changes in Net Position										
Governmental Activities	\$ 36,003,240	\$ 29,339,457	\$ 31,905,553	\$ 37,493,396	\$ 28,158,614	\$ 10,821,067	\$ 49,106,082	\$ 27,638,328	\$ (10,276,287)	\$ 47,706,274
Business-Type Activities	(600,140)	1,034,356	436,098	(16,140)	320,064	(202,960)	(417,451)	4,568,847	1,980,949	(263,548)
Total Government Changes in Net Position	\$ 35,403,100	\$ 30,373,813	\$ 32,341,651	\$ 37,477,256	\$ 28,478,678	\$ 10,618,107	\$ 48,688,631	\$ 32,207,175	\$ (8,295,338)	\$ 47,442,726

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Fund										
Reserved	\$ 2,168,732	\$ 2,023,487								
Unreserved	18,771,412	16,217,306								
Total General Fund	\$ 20,940,144	\$ 18,240,793								
All Other Governmental Funds										
Reserved	\$ 137,996,015	\$ 140,360,312								
Unreserved, Reported In:										
Special revenue funds	34,484,177	-								
Total All Other Governmental Funds	\$ 172,480,192	\$ 140,360,312								
Total All Governmental Funds	\$ 193,420,336	\$ 158,601,105								
General Fund										
Nonspendable			\$ 2,829,512	\$ 2,227,326	\$ 2,061,612	\$ 1,289,814	\$ 1,607,787	\$ 1,198,811	\$ 1,980,794	\$ 1,653,435
Committed			960,216	150,788	218,526	186,084	23,537	247,507	313,641	451,287
Assigned			-	23,697	1,733,143	1,047,473	381,041	452,883	1,700,200	3,298,504
Unassigned			14,930,011	19,940,197	20,207,988	21,249,298	24,682,018	26,653,761	23,772,760	26,474,071
Total General Fund			\$ 18,719,739	\$ 22,342,008	\$ 24,221,269	\$ 23,772,669	\$ 26,694,383	\$ 28,552,962	\$ 27,767,395	\$ 31,877,297
All Other Governmental Funds										
Nonspendable			\$ 2,418,050	\$ 1,268,394	\$ 1,199,446	\$ 2,514,805	\$ 4,464,642	\$ 72,968	\$ 99,269	\$ 224,324
Restricted			126,929,680	124,459,879	108,228,779	92,038,827	98,868,411	87,145,361	132,176,998	130,293,307
Committed			4,466	32,889	56,058	67,748	94,222	94,911	52,595	177,312
Unassigned (Deficit)			(1,361)	(28,933)	365,494	-	-	-	-	-
Total All Other Governmental Funds			\$ 129,350,835	\$ 125,732,229	\$ 109,849,777	\$ 94,621,380	\$ 103,427,275	\$ 87,313,240	\$ 132,328,862	\$ 130,694,943
							1/3/1900			
Total All Governmental Funds			\$ 148,070,574	\$ 148,074,237	\$ 134,071,046	\$ 118,394,049	\$ 130,121,658	\$ 115,866,202	\$ 160,096,257	\$ 162,572,240

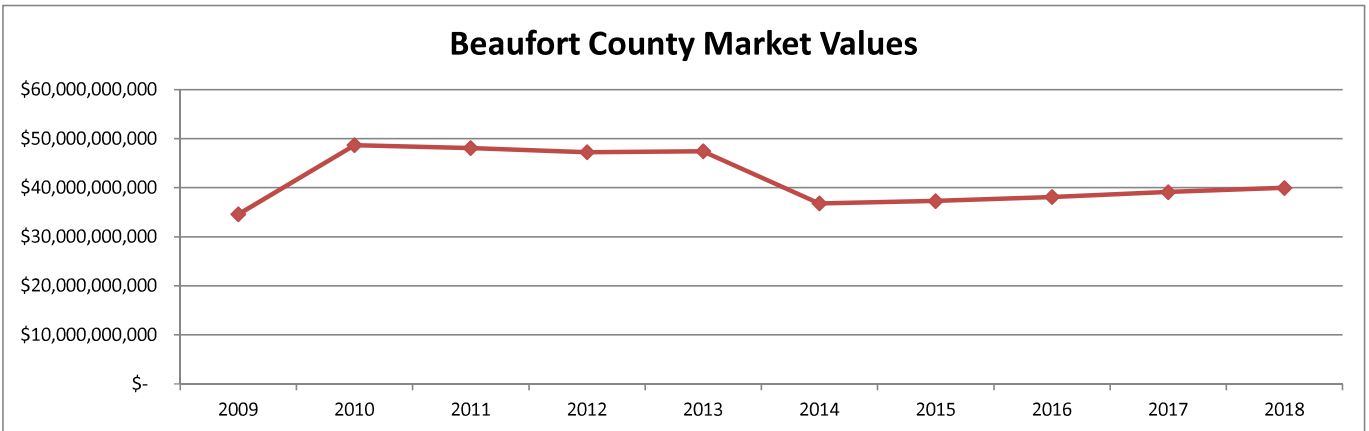
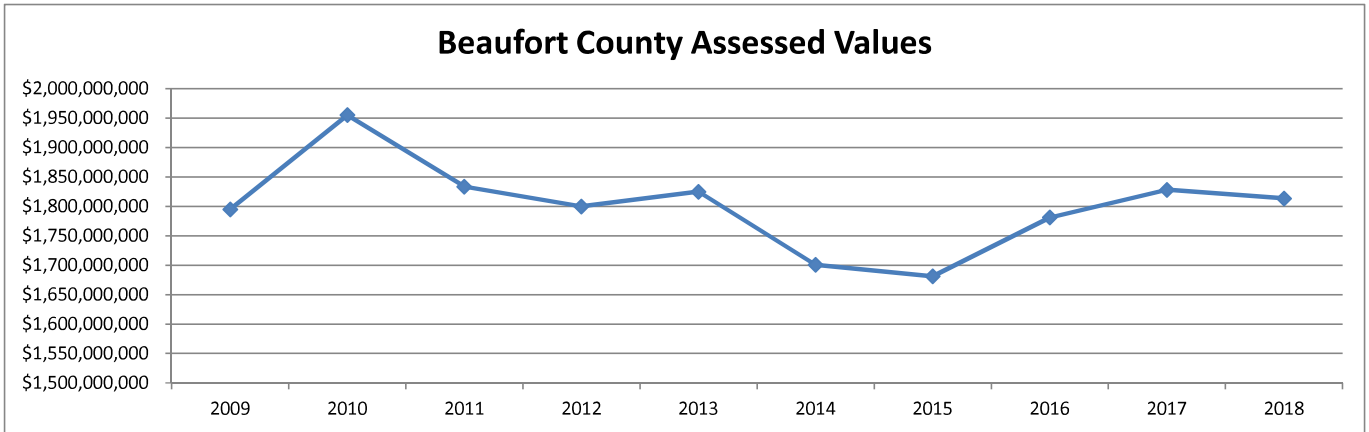
GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, became effective for fiscal year 2011 and established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to honor constraints imposed upon the use of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

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues										
Property Taxes	\$ 92,251,291	\$ 91,228,738	\$ 94,610,886	\$ 93,350,153	\$ 94,786,696	\$ 92,501,314	\$ 95,351,350	\$ 101,676,345	\$ 109,274,083	\$ 116,505,253
Licenses and Permits	8,289,425	8,024,048	7,960,357	9,924,740	10,705,122	11,348,536	12,074,801	12,655,858	18,366,032	17,355,544
Intergovernmental	53,065,121	48,903,105	49,050,084	51,984,989	45,588,253	36,414,751	36,611,786	33,572,097	35,530,696	57,821,939
Charges for Services	14,533,541	15,672,535	16,342,605	15,221,171	17,105,139	15,467,080	16,387,825	17,731,291	19,578,971	18,962,662
Fines and Forfeitures	1,354,535	1,483,077	1,126,116	1,015,739	898,436	1,007,091	1,073,474	1,344,423	922,497	1,347,402
Interest	3,728,745	1,175,420	782,749	883,768	540,155	293,213	269,082	495,852	581,160	1,495,652
Miscellaneous	2,932,325	3,352,568	1,833,934	1,841,926	1,557,747	3,320,779	2,365,713	1,955,857	1,492,658	2,208,149
Total Revenues	176,154,983	169,839,491	171,706,731	174,222,486	171,181,548	160,352,764	164,134,031	169,431,723	185,746,097	215,696,601
Expenditures										
General Government	26,138,110	26,791,534	24,479,751	23,497,733	23,658,058	24,808,234	25,358,150	37,126,529	39,552,934	39,290,337
Public Safety	45,642,410	42,542,591	42,639,887	43,222,080	44,182,336	46,846,910	48,381,271	45,583,499	45,115,821	47,216,422
Public Works	17,298,711	15,414,631	16,027,746	14,792,685	17,550,180	14,480,016	15,958,306	13,617,653	14,495,178	16,088,640
Public Health	12,170,658	12,045,705	11,598,713	11,218,245	11,306,171	10,758,045	10,490,248	11,487,899	11,742,116	12,815,828
Public Welfare	1,456,197	1,823,168	2,494,653	1,915,122	1,794,172	2,720,482	2,525,257	2,108,695	2,342,367	2,093,114
Cultural and Recreation	13,980,694	13,734,989	12,897,385	11,210,985	13,132,712	12,323,751	11,961,423	10,946,319	11,039,804	12,050,466
Disaster related expenditures	-	-	-	-	-	-	-	-	38,727,223	1,920,614
Debt Service-Principal	25,395,000	7,565,000	10,170,000	11,820,000	72,805,000	14,280,980	13,453,464	14,121,038	17,613,699	49,291,451
Debt Service-Interest and Fees	11,039,289	10,926,464	11,491,994	11,698,673	10,443,924	8,142,957	8,754,441	8,444,266	7,857,324	7,981,433
Capital Projects	38,983,986	76,482,615	59,155,593	49,619,275	43,528,784	41,668,386	36,170,318	44,421,752	38,110,477	23,813,730
Total Expenditures	192,105,055	207,326,697	190,955,722	178,994,798	238,401,337	176,029,761	173,052,878	187,857,650	226,596,943	212,562,035
Excess (deficiency) of revenues over expenditures	(15,950,072)	(37,487,206)	(19,248,991)	(4,772,312)	(67,219,789)	(15,676,997)	(8,918,847)	(18,425,927)	(40,850,846)	3,134,566
Other Financing Sources (Uses)										
Issuance of Bonds	53,755,000	48,755,000	8,125,000	12,500,000	49,265,000	-	19,450,000	-	51,000,000	-
Issuance of BANs	-	-	-	-	-	-	-	-	30,250,000	-
Debt Service-Principal - Refinancing of BANs	-	(48,755,000)	-	-	-	-	-	-	-	-
Issuance of Refunding Debt	-	-	-	15,295,000	58,335,000	-	22,570,000	17,950,000	6,110,000	-
Payments to Refunding Debt Escrow Agent	-	-	-	(17,312,305)	(65,909,303)	-	1/3/1900	(19,091,723)	(6,405,000)	-
Issuance of Long-term Debt	-	-	-	-	-	-	-	4,000,000	-	-
Bond Premiums	-	2,917,975	595,960	2,368,280	11,525,901	-	3,438,394	1,312,194	4,794,335	-
Transfers In	17,631,847	19,413,742	13,351,316	15,409,058	27,323,615	23,928,262	19,629,618	8,759,152	11,158,117	10,965,003
Transfers Out	(17,631,847)	(19,663,742)	(13,353,816)	(15,409,058)	(27,323,615)	(23,928,262)	(19,629,618)	(8,759,152)	(11,826,551)	(11,623,586)
Total Other Financing Sources (Uses)	53,755,000	2,667,975	8,718,460	12,850,975	53,216,598	-	45,458,397	4,170,471	85,080,901	(658,583)
Net Change in Fund Balance	\$ 37,804,928	\$ (34,819,231)	\$ (10,530,531)	\$ 8,078,663	\$ (14,003,191)	\$ (15,676,997)	\$ 36,539,550	\$ (14,255,456)	\$ 44,230,055	\$ 2,475,983
Debt Service as a Percentage of Noncapital Expenditures	23.8%	14.1%	16.4%	18.2%	42.7%	16.7%	16.2%	15.7%	13.5%	30.3%

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

Fiscal Year	Real Property			Personal Property			Totals		Total Direct Tax Rate
	Assessed Value	Market Value		Assessed Value	Market Value		Assessed Value	Market Value	
2009	\$ 1,551,233,656	\$ 32,339,226,541	4.80%	\$ 243,531,884	\$ 2,212,126,019	11.01%	\$ 1,794,765,540	\$ 34,551,352,560	51.90
2010	1,720,365,297	45,978,771,345	3.74%	234,553,487	2,691,291,572	8.72%	1,954,918,784	48,670,062,917	45.96
2011	1,610,653,303	45,535,333,122	3.54%	222,826,243	2,522,695,723	8.83%	1,833,479,546	48,058,028,845	47.54
2012	1,614,373,168	45,028,233,052	3.59%	185,451,491	2,186,088,790	8.48%	1,799,824,659	47,214,321,842	47.54
2013	1,614,166,744	44,735,468,004	3.61%	210,531,440	2,692,952,990	7.82%	1,824,698,184	47,428,420,994	48.52
2014	1,503,246,950	34,226,412,913	4.39%	197,121,500	2,573,608,850	7.66%	1,700,368,450	36,800,021,763	56.30
2015	1,456,623,792	34,326,777,040	4.24%	224,587,180	2,943,436,442	7.63%	1,681,210,972	37,270,213,482	56.86
2016	1,537,918,460	34,954,579,643	4.40%	243,102,990	3,146,262,710	7.73%	1,781,021,450	38,100,842,353	59.15
2017	1,569,859,790	35,756,421,947	4.39%	258,073,760	3,352,079,267	7.70%	1,827,933,550	39,108,501,214	61.27
2018	1,575,924,542	36,784,111,791	4.28%	237,358,677	3,177,004,620	7.47%	1,813,283,219	39,961,116,411	63.39



Source: Beaufort County Tax Database



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

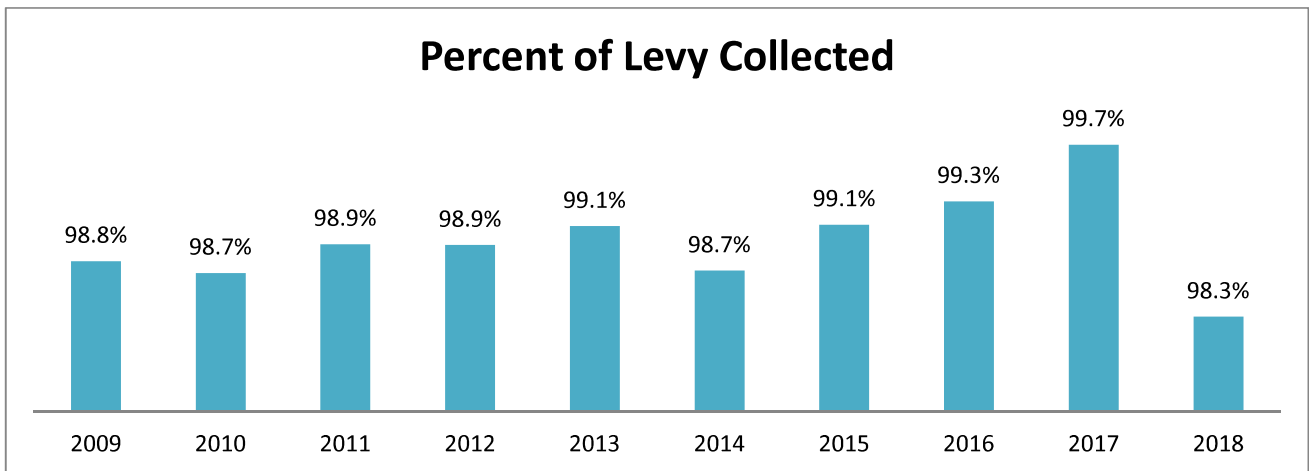
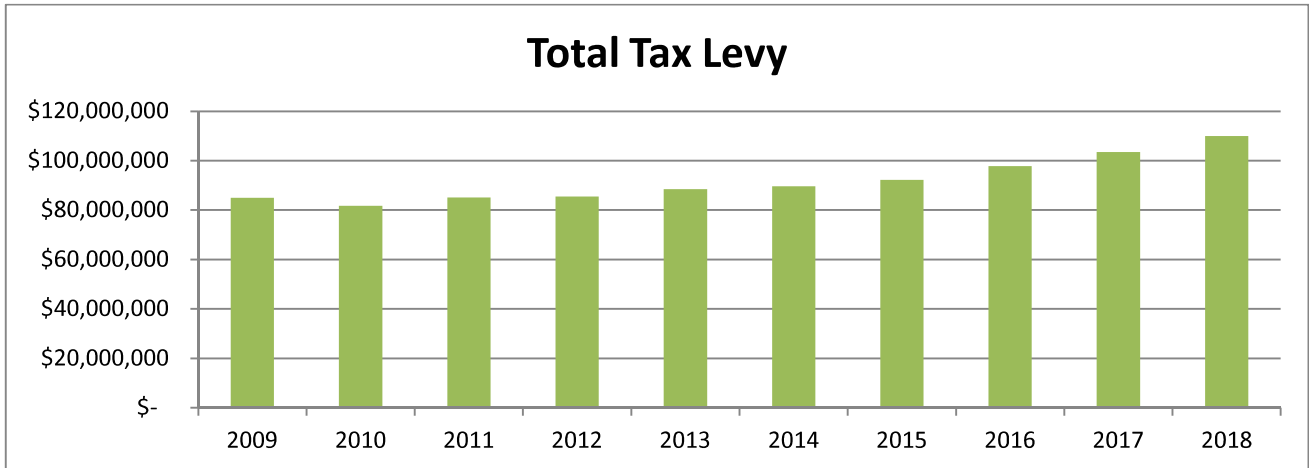
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>County-Wide Levies</u>										
County-Operations	45.50	40.21	40.21	40.21	40.21	46.48	46.48	48.77	50.89	50.61
County-Higher Education	-	-	-	-	-	-	-	-	-	2.40
County-Debt Service	4.00	3.62	4.57	4.57	4.44	5.48	5.48	5.48	5.48	5.58
County-Purchase of Real Property Program	2.40	2.13	2.76	2.76	3.87	4.34	4.90	4.90	4.90	4.80
Total Direct Tax Rate	51.90	45.96	47.54	47.54	48.52	56.30	56.86	59.15	61.27	63.39
School-Operations	102.60	90.26	90.26	90.26	92.26	97.45	103.50	103.50	111.50	113.50
School-Debt Service	28.00	24.43	26.33	28.00	28.00	31.71	31.71	31.71	31.71	31.71
<u>Municipal Levies</u>										
City of Beaufort	52.80	60.62	60.62	60.62	60.62	66.61	72.62	72.61	73.57	73.57
Town of Port Royal	74.00	69.00	69.00	69.00	69.00	69.00	69.00	72.00	72.00	74.00
Town of Bluffton	40.00	38.00	38.00	38.00	38.00	44.35	44.35	44.35	42.35	40.35
Town of Hilton Head	19.36	18.54	18.54	19.33	19.33	20.83	21.35	22.18	22.18	28.36
Town of Yemassee	68.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	71.00
<u>Fire Levies</u>										
Bluffton Fire-Operation	22.30	19.67	19.67	19.67	20.49	24.02	24.02	24.02	24.64	24.70
Bluffton Fire-Debt Service	0.40	0.37	0.38	0.38	-	-	-	1.22	1.10	1.04
Burton Fire-Operations	58.10	55.87	55.87	55.87	58.21	60.18	60.18	60.66	62.42	64.53
Burton Fire-Debt Service	5.00	5.53	5.53	5.53	5.53	5.74	5.74	5.26	5.26	5.26
Daufuskie Island Fire-Operations	33.20	30.11	30.71	31.74	33.07	52.57	54.72	56.98	58.44	60.27
Daufuskie Island Fire-Debt Service	2.50	2.23	-	-	-	2.00	2.00	2.00	-	-
Lady's Island/St. Helena-Operations	32.40	30.39	31.00	32.04	33.34	34.82	35.94	36.94	37.92	39.26
Lady's Island/St. Helena-Debt Service	1.70	1.50	1.50	1.50	1.50	2.30	2.36	2.20	2.20	2.11
Sheldon Fire-Operations	37.50	32.09	32.22	32.22	33.11	34.53	35.82	36.33	36.86	38.32
Sheldon Fire-Debt Services	2.50	2.14	2.18	2.18	2.18	2.20	2.20	2.20	2.20	3.21

Source: Beaufort County Auditor

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

<u>Fiscal Year</u>	<u>Total Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent of Levy</u>
2009	\$ 84,939,782	\$ 82,472,648	97.1%	\$ 1,417,008	\$ 83,889,656	98.8%
2010	81,772,052	79,374,355	97.1%	1,305,354	80,679,709	98.7%
2011	85,105,603	82,724,674	97.2%	1,451,021	84,175,695	98.9%
2012	85,514,629	83,110,564	97.2%	1,463,404	84,573,968	98.9%
2013	88,456,976	85,269,158	96.4%	2,355,141	87,624,299	99.1%
2014	89,653,758	87,379,532	97.5%	1,095,086	88,474,618	98.7%
2015	92,202,243	90,049,646	97.7%	1,295,851	91,345,497	99.1%
2016	97,769,937	95,721,602	97.9%	1,332,188	97,053,790	99.3%
2017	103,505,678	101,605,727	98.2%	1,635,557	103,241,284	99.7%
2018	109,981,918	108,108,802	98.3%	-	108,108,802	98.3%

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

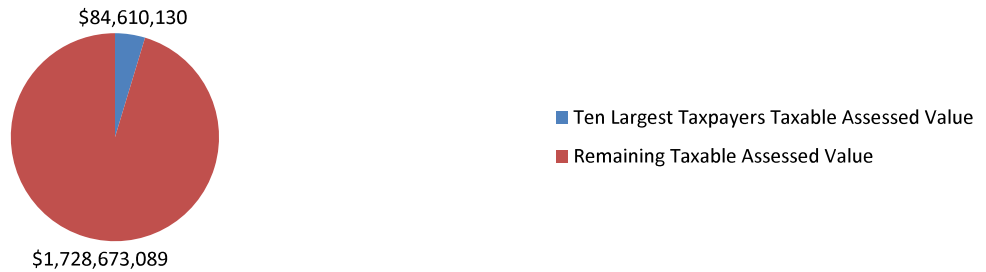


Source: Beaufort County Treasurer

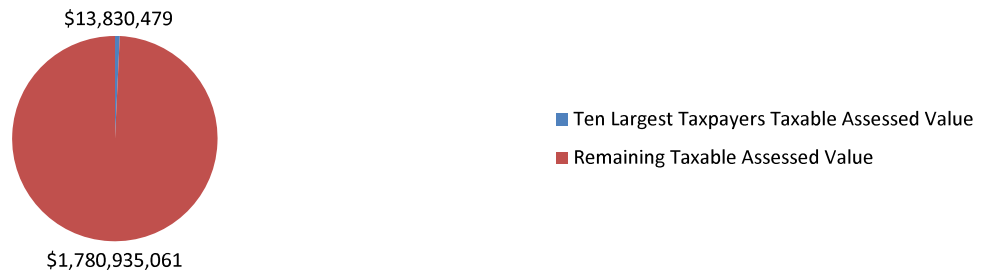
**BEAUFORT COUNTY, SOUTH CAROLINA
TEN LARGEST TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2018 Fiscal Year					2009 Fiscal Year		
	Taxes	Taxable	Rank	Percentage	Percentage	Taxable	Rank	Percentage
	Paid	Assessed Value		of Total Taxes Levied	of Total Assessed Value	Assessed Value		of Total Assessed Value
South Carolina Electric & Gas	\$ 6,841,341	\$ 26,015,690	1	6.22%	1.43%	\$ 3,077,801	2	3.62%
Marriott Ownership Resorts, Inc.	4,720,336	19,495,980	2	4.29%	1.08%	3,836,802	1	4.52%
Palmetto Electric Cooperative, Inc.	2,510,549	10,621,580	3	2.28%	0.59%	1,959,396	3	2.31%
Bluffton Telephone Company	1,337,471	5,492,540	5	1.22%	0.30%	693,396	7	0.82%
Columbia Properties Hilton Head LLC	1,184,842	4,764,090	6	1.08%	0.26%	851,711	5	1.00%
SCG Hilton Head Property LLC	1,048,947	4,260,000	4	0.95%	0.23%	968,449	4	1.14%
Hargray Telephone Company	872,434	3,742,140	7	0.79%	0.21%	773,561	6	0.91%
PBLH LLC	855,304	3,068,240	8	0.78%	0.17%	N/A	N/A	N/A
Sea Pines Resort LLC	834,488	4,722,790	9	0.76%	0.26%	625,976	8	0.74%
Shelter Cove III LLC	620,802	2,427,080	10	0.56%	0.13%	N/A	N/A	N/A
Greenwood Development Corp.	N/A	N/A		N/A	N/A	529,447	9	0.62%
Hargray, Inc	N/A	N/A		N/A	N/A	513,940	10	0.61%
Total	\$ 20,826,514	\$ 84,610,130		18.93%	4.67%	\$ 13,830,479		16.29%

Taxable Assessed Value - Fiscal Year 2017



Taxable Assessed Value - Fiscal Year 2008

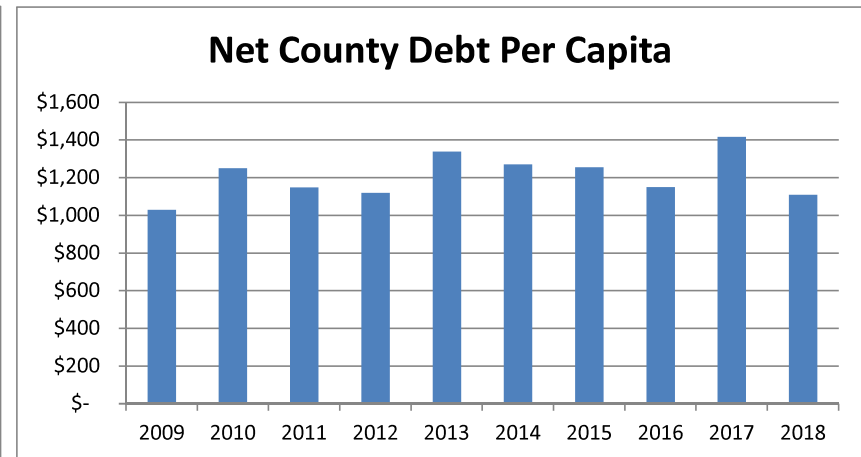
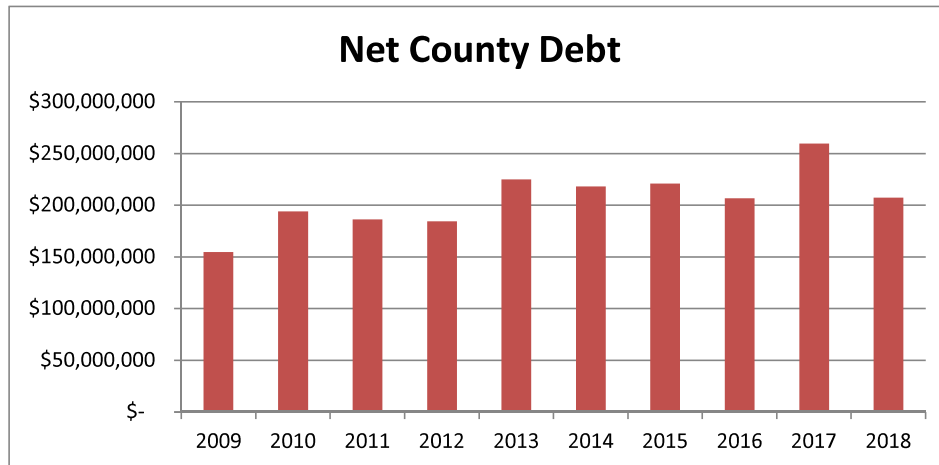


Source: Beaufort County Treasurer

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

Fiscal Year	Estimated Population (1)	Assessed Value	General Obligation Bonds	Less: Debt Service Funds	Net County Debt	Ratio of Net County Debt to Assessed Value	Net County Debt Per Capita
2009	150,415	\$ 1,794,765,540	\$ 159,305,000	\$ 4,361,432	\$ 154,943,568	8.63%	\$ 1,030
2010	155,215	1,954,918,784	201,355,000	7,107,378	194,247,622	9.94%	1,251
2011	162,233	1,833,479,546	200,555,000	14,234,168	186,320,832	10.16%	1,148
2012	164,684	1,799,824,659	190,915,000	6,428,998	184,486,002	10.25%	1,120
2013	168,049	1,824,698,184	235,811,387	10,729,541	225,081,846	12.34%	1,339
2014	171,838	1,700,368,450	228,837,985	10,426,750	218,411,235	12.84%	1,271
2015	175,852	1,681,210,972	233,933,174	12,920,104	221,013,070	13.15%	1,257
2016	179,589	1,781,021,450	219,434,622	12,640,471	206,794,151	11.61%	1,151
2017	183,149	1,827,933,550	283,501,455	23,799,011	259,702,444	14.21%	1,418
2018	186,844	1,813,283,219	231,699,294	24,295,274	207,404,020	11.44%	1,110

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



**BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2018**

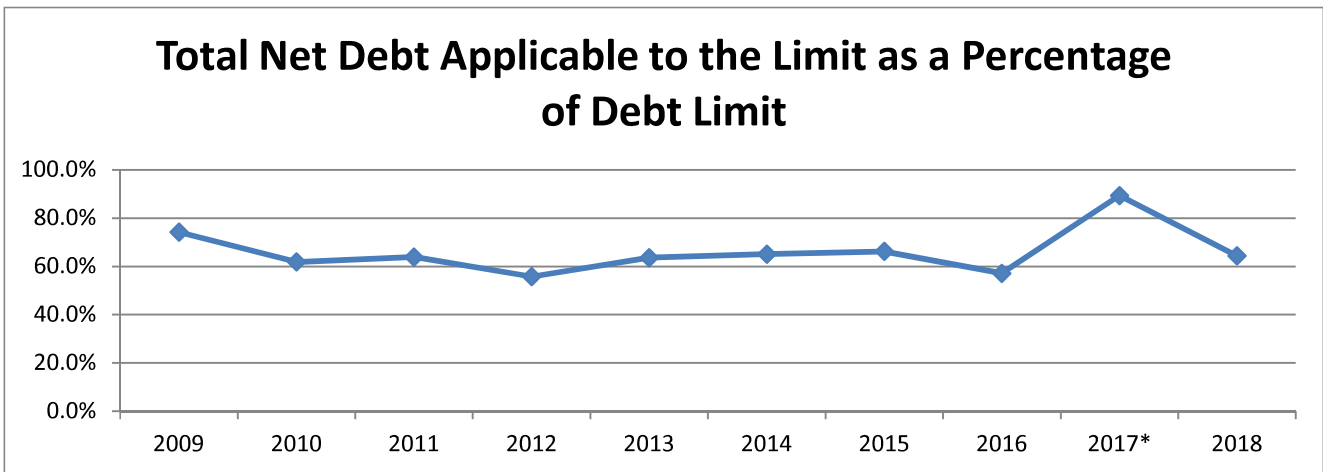
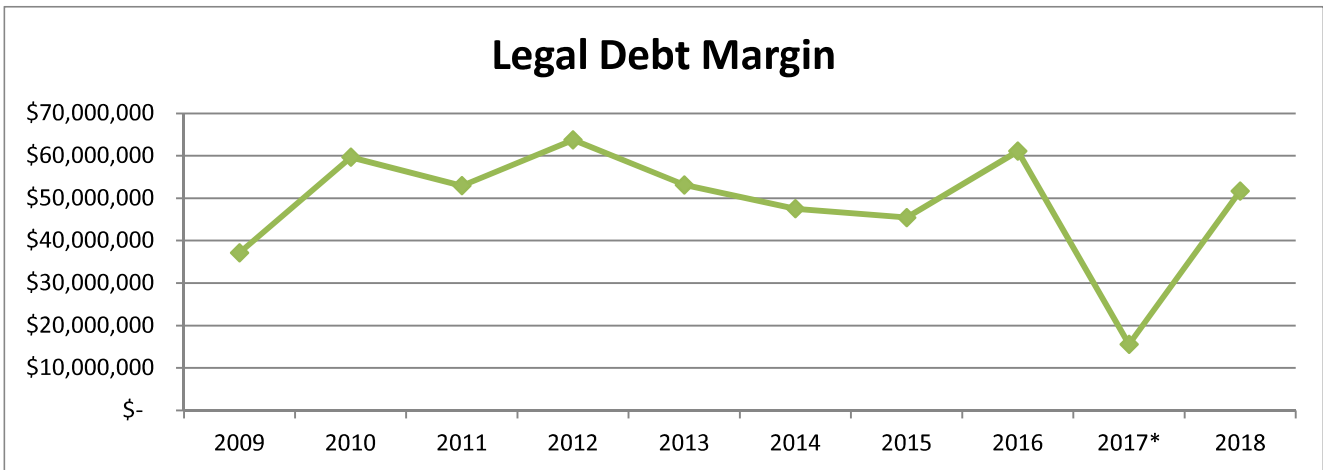
Assessed Value - 2017 Tax Year (Fiscal Year 2018)	\$ 1,813,283,219
	<u> x 8%</u>
Constitutional Debt Limit	145,062,658
Outstanding Subject to Debt Limit	<u>93,347,579</u>
 Legal Debt Limit Remaining Without a Referendum	 <u>\$ 51,715,079</u>

Total Outstanding General Obligation Debt	\$ 231,699,294
Less General Obligation Debt Issued Under Referendum	(92,009,419)
Less General Obligation Debt Issued Paid by Other Sources	(32,802,374)
Less Premiums related to General Obligation Debt	<u>(13,539,922)</u>
Total Outstanding Debt Subject to Debt Limit	<u>\$ 93,347,579</u>

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

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2009	\$ 143,581,243	\$ 106,425,458	\$ 37,155,785	74.1%
2010	156,393,503	96,733,089	59,660,414	61.9%
2011	146,678,364	93,722,603	52,955,761	63.9%
2012	143,985,973	80,253,597	63,732,376	55.7%
2013	145,975,855	92,854,428	53,121,427	63.6%
2014	136,029,476	88,506,497	47,522,979	65.1%
2015	134,496,878	89,034,715	45,462,163	66.2%
2016	142,481,716	81,400,573	61,081,143	57.1%
2017*	146,234,684	130,644,358	15,590,326	89.3%
2018	145,062,658	93,347,579	51,715,079	64.3%

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

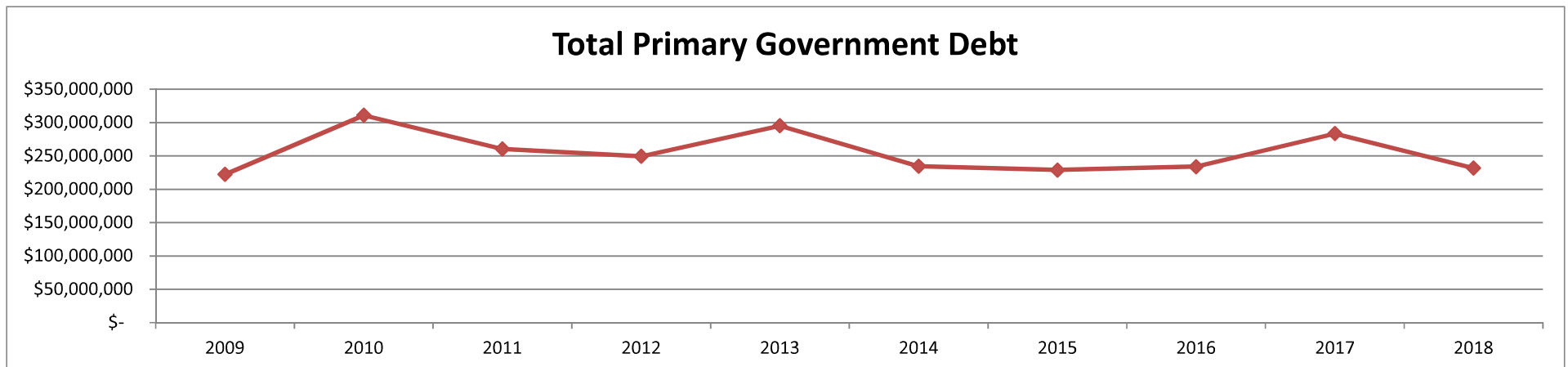


**BEAUFORT COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Estimated Population (1)	Governmental Activities				Total Primary Government Debt	Per Capita Personal Income (1)	Estimated Total Personal Income (2)	Percentage of Total Personal Income	Total Primary Government Debt Per Capita
		General Obligation Bonds	TIF Revenue Bonds and BANs	Capital Leases	Mortgage					
2009	150,415	\$ 159,305,000	\$ 62,760,000	\$ 210,091	\$ -	\$ 222,275,091	\$ 42,918	\$ 6,455,510,970	3.44%	\$ 1,478
2010	155,215	201,355,000	109,330,000	178,390	-	310,863,390	41,662	6,466,567,330	4.81%	2,003
2011	162,233	200,555,000	59,715,000	-	-	260,270,000	43,584	7,070,763,072	3.68%	1,604
2012	164,684	190,915,000	58,470,000	-	-	249,385,000	45,122	7,430,871,448	3.36%	1,514
2013	168,049	235,811,387	59,410,000	-	-	295,221,387	45,222	7,599,511,878	3.88%	1,757
2014	171,838	228,837,985	5,685,000	-	-	234,522,985	46,137	7,928,089,806	2.96%	1,365
2015	175,852	220,921,444	5,767,750	2,148,791	-	228,837,985	47,051	8,274,012,452	2.77%	1,301
2016	179,589	227,555,765	4,586,750	1,790,659	-	233,933,174	47,664	8,559,930,096	2.73%	1,303
2017	183,149	249,251,455	30,250,000	-	4,000,000	283,501,455	49,914	9,141,699,186	3.10%	1,548
2018	186,844	231,699,294	-	-	-	231,699,294	50,078	9,356,773,832	2.48%	1,240

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

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



BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018

	Gross Debt Outstanding	Percentage Applicable to Beaufort County	Amount Applicable to Beaufort County
Beaufort County School District	\$ 294,048,921	100%	\$ 294,048,921
City of Beaufort	17,553,460	100%	17,553,460
Town of Bluffton	12,921,184	100%	12,921,184
Town of Hilton Head	169,315,264	100%	169,315,264
Town of Port Royal	-	100%	-
Broad Creek Public Service District	-	100%	-
Fripp Island Public Service District	-	100%	-
Hilton Head No. 1 Public Service District	12,457,112	100%	12,457,112
Burton Fire District	-	100%	-
Bluffton Fire District	7,368,481	100%	7,368,481
Lady's Island/St. Helena Island Fire District	-	100%	-
Sheldon Fire District	230,100	100%	230,100
Subtotal of Overlapping Debt	513,894,522		513,894,522
Beaufort County Direct Debt			231,699,294
Total of Direct and Overlapping Debt			<u>\$ 745,593,816</u>

Source: Debt outstanding provided by each governmental unit.

* Data not available

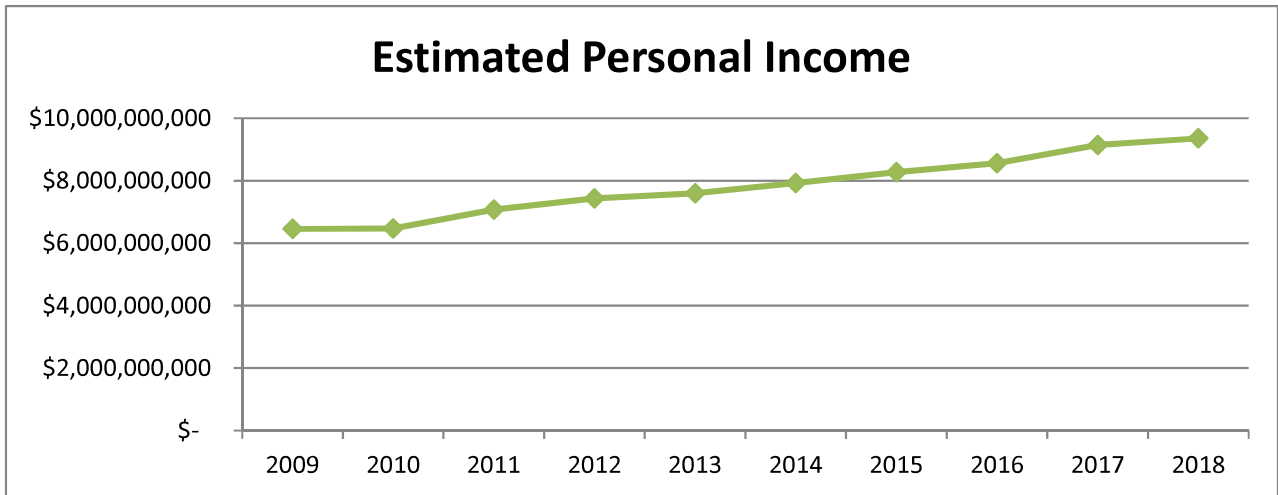
Note: As all of this debt is within Beaufort County, the percentage of applicable debt to the County is 100%. This process recognizes that, when considering the County's ability to issue long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However,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

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

Fiscal Year	Estimated Population (1)	Per Capita Personal Income (1)	Estimated Personal Income	Unemployment Margin	Unemployment Rate (2)
2009	150,415	\$ 42,918	\$ 6,455,510,970	107,497	4.3%
2010	155,215	41,662	6,466,567,330	113,553	5.2%
2011	162,233	43,584	7,070,763,072	118,649	9.1%
2012	164,684	45,122	7,430,871,448	119,562	8.8%
2013	168,049	45,222	7,599,511,878	122,827	8.8%
2014	171,838	46,137	7,928,089,806	125,701	7.9%
2015	175,852	47,051	8,274,012,452	128,801	5.6%
2016	179,589	47,664	8,559,930,096	131,925	5.0%
2017	183,149	49,914	9,141,699,186	133,235	4.0%
2018	186,844	50,078	9,356,773,832	136,766	3.4%

(1) - Source: United States Census Bureau

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



**BEAUFORT COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

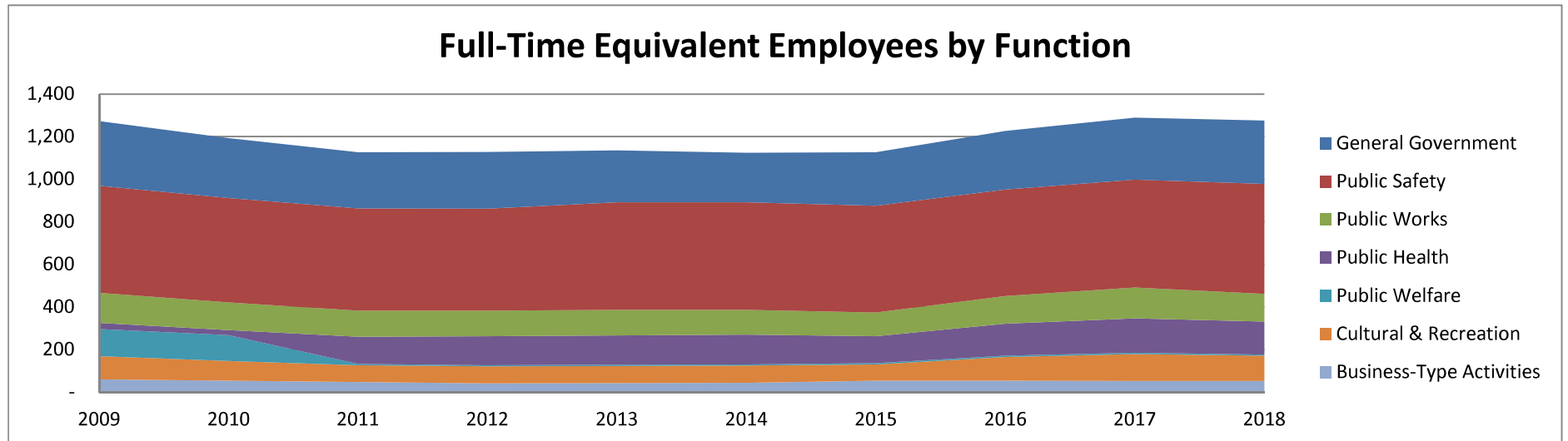
Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaufort County School District	2,792	*	*	3,400	1	20.3%
Beaufort Memorial Hospital	*	*	*	1,750	2	10.5%
Beaufort County	1,275	*	*	1,273	3	7.0%
Marine Corp Recruit Depot (Civilian Personnel)	*	*	*	882	4	5.3%
Marine Corp Air Station (Civilian Personnel)	*	*	*	700	5	4.2%
Hilton Head Medical Center	*	*	*	600	6	3.6%
Wal-Mart Associates, Inc.	*	*	*	520	7	3.1%
Hilton Head Marriott Golf and Beach Resort	*	*	*	520	8	3.1%
The Westin Resort	*	*	*	450	9	2.7%
Crowne Plaza Resort	*	*	*	430	10	2.6%

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>General Government</u>	304	281	264	266	244	232	252	275	291	297
<u>Public Safety</u>	503	490	480	479	505	505	501	501	507	516
<u>Public Works</u>	141	130	123	120	120	117	111	130	145	130
<u>Public Health</u>	28	24	127	136	138	140	127	150	161	156
<u>Public Welfare</u>	128	121	6	6	6	5	6	6	6	5
<u>Cultural & Recreation</u>	109	93	79	79	80	81	76	111	126	118
<u>Business-Type Activities</u>	60	54	48	42	43	44	54	54	53	53
Total Full-Time Employees	1,273	1,193	1,127	1,128	1,136	1,124	1,127	1,227	1,289	1,275

Source: Beaufort County Employee Services



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>General Government</u>										
Number of Parcels Owned	202	219	225	234	245	249	284	293	299	302
Acreage of County-Owned Land	11,728	11,872	11,968	13,739	15,161	15,247	15,344	15,682	15,890	15,894
Miles of Paved (Maintained) Road	182	194	197	200	202	205	208	211	211	211
Miles of Unimproved Road	131	112	109	106	104	101	98	95	95	95
Total Miles of Road	313	306	306	306	306	306	306	306	306	306
Number of Vehicles	33	50	34	39	59	47	48	56	58	61
<u>Public Safety</u>										
Number of Vehicles	349	323	347	345	388	388	387	377	408	425
<u>Public Works</u>										
Number of Vehicles	86	93	93	90	92	91	89	98	105	112
<u>Public Health</u>										
Number of Vehicles	59	58	59	57	63	60	63	70	71	78
<u>Public Welfare</u>										
Number of Vehicles	3	2	2	2	3	3	3	3	5	5
<u>Cultural & Recreation</u>										
Total Acreage of Parks and Leisure Service-Owned Land	930	930	930	930	930	930	930	930	930	930
Number of Community Centers	13	13	13	13	13	13	13	13	13	13
Number of Playgrounds	19	19	19	20	20	20	20	20	20	20
Number of Football Fields	10	10	10	10	10	10	10	10	10	10
Number of Gymnasiums	4	4	4	4	4	4	4	4	4	4
Number of Basketball Courts	15	15	15	15	15	15	15	15	15	18
Number of Tennis Courts	21	21	21	21	21	21	21	21	21	21
Number of Baseball/Softball Fields	34	34	34	34	34	34	34	34	34	34
Number of Soccer Fields	23	23	23	23	23	23	23	23	23	23
Number of Passive Parks	6	6	6	6	6	6	3	6	6	6
Number of Racquetball Courts	2	2	2	2	2	2	2	2	2	4
Number of Fitness Centers	1	1	1	1	1	1	1	1	1	2
Number of Boat Landings	25	25	25	25	25	25	25	25	25	25
Number of Vehicles	28	28	27	28	31	31	31	31	31	35

Source: Beaufort County

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Law Enforcement (1)</u>										
Number of Warrants	5,118	3,555	3,548	4,112	3,993	3,230	5,734	5,573	5,649	N/A
Number of Calls Responded to	286,489	304,634	303,717	316,297	308,224	273,768	233,409	238,374	245,981	N/A
Number of Vehicle Moving Violations Cited	75,180	18,248	27,740	29,943	22,468	16,543	15,092	19,751	20,382	N/A
<u>Emergency Medical Services (1)</u>										
Number of Calls Responded to	14,825	15,829	15,207	13,799	12,744	14,906	14,350	15,121	N/A	N/A
<u>Fire Departments (1)</u>										
Number of Calls Responded to - Beaufort Fire Department	2,926	2,917	2,917	3,042	3,192	2,883	2,816	2,983	N/A	N/A
Number of Calls Responded to - Lady's Island Fire Department	2,133	2,152	2,395	2,541	2,666	2,755	2,741	2,676	N/A	N/A
Number of Calls Responded to - Burton Fire Department	3,135	3,152	3,148	3,266	3,588	3,907	N/A	N/A	N/A	N/A
Number of Calls Responded to - Sheldon Fire Department	686	663	794	842	866	982	648	786	N/A	N/A
Number of Calls Responded to - Fripp Island Fire Department	199	225	198	195	252	290	N/A	N/A	N/A	N/A
Number of Calls Responded to - Bluffton Fire Department	4,106	4,275	4,704	4,886	5,188	5,382	4,757	5,053	N/A	N/A
Total Number of Calls Responded to - All Fire Departments	13,185	13,384	14,156	14,772	15,752	16,199	10,962	11,498	-	-
<u>Registered Voters (2)</u>										
Beaufort County	91,619	94,143	98,145	100,320	111,168	100,320	101,761	113,271	115,600	119,685
State of South Carolina	2,543,914	2,584,503	2,677,766	2,722,280	2,932,402	2,722,287	2,948,772	3,153,521	3,196,012	3,085,276

(1) - Source: Beaufort County

(2) - Source: South Carolina State Election Commission

N/A - Information Not Available

Compliance Section





Phil Heim

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Federal CFDA Number	Project / Award Number	Federal Award Expended	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Emergency Watershed Protection	10.923	68-4639-17-207	\$ 359,650	\$ -
Total U.S. Department of Agriculture			<u>359,650</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through SC Department of Commerce				
Bonaire Estates Sewer Extension	14.228	4-CI-16-001	10,000	10,000
HOME Investments Partnership Program - Lowcountry Regional HOME Consortium	14.239	M17-DC-45-0210	602,381	602,381
Total Housing and Urban Development			<u>612,381</u>	<u>612,381</u>
<u>U.S. Department of Justice</u>				
DNA Backlog Reduction Program				
Fiscal Year 2017 DNA Capacity Enhancement and Backlog Reduction (CEBR) Program	16.741	2017-DN-BX-0067	149,182	-
Total U.S. Department of Justice			<u>149,182</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Federal Aviation Administration, Airport Improvement Programs				
Lady's Island Airport, Expand GA Apron (5,400 SY) Design, Extend Runway Safety Area (175 feet X 150 feet) Design, Extend Parallel Taxiway (2,300 feet) Design, and Remove Obstructions in Runway 7 Approach	20.106	3-45-0008-013-2017	178,204	-
Hilton Head Island Airport, Relocate Taxiway A & F, Improve Airport Drainage Study, and Remove Obstructions - Environmental Assessment and ATCT Line of Sight (Design)	20.106	3-45-0030-035-2014	14,732	-
Hilton Head Island Airport, Relocate Taxiway A, Expand GA Apron, Remove Obstructions and Acquire Land	20.106	3-45-0030-037-2015	424,280	-
Hilton Head Island Airport, Runway 21 Extension, Taxiway F Infield Drainage Improvements and Mitigation, Runway 21 EMAS, Runway 03 Extension	20.106	3-45-0030-039-2016	8,465,403	-
Hilton Head Island Airport, Extend Runway 3 (297 feet - includes EMAS) - Phase II, Acquire Land for Runway OFA and Taxiway A Relocation (Partial Reimbursement for Relocation Expenses)	20.106	3-45-0030-040-2017	5,795,774	-
Hilton Head Island Airport, Extend Runway 3/21 - Relocate Runway 03 & 21 REILS (FAA Reimbursable Agreement)	20.106	3-45-0030-041-2017	87,355	-
Total Airport Improvement Program			<u>14,965,748</u>	<u>-</u>
Transit Services Programs Cluster				
Passed through SC Department of Transportation				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	PT-85510-79	50,000	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	PT-85510-01	48,711	-
Total Transit Services Programs Cluster			<u>98,711</u>	<u>-</u>
Passed through South Carolina Emergency Management Division				
Hazardous Materials Emergency Preparedness Planning Grant	20.703	HM-HMP-0566-16-02	29,581	-
Office of the Secretary (OST) Administration Secretariat				
TIGER Discretionary Grant Program - National Infrastructure Investments				
Passed through SC Department of Transportation				
FY 2012 TIGER III Boundary Street Redevelopment	20.933	TR3-20	2,423,247	-
Total U.S. Department of Transportation			<u>17,517,287</u>	<u>-</u>
<u>National Endowments for the Humanities</u>				
The First Civil Rights Movement: The Epic Story of Reconstruction in Beaufort County, SC and Nationwide	45.130	BP-253971-17	50,000	-
Total National Endowments for the Humanities			<u>50,000</u>	<u>-</u>
<u>Institute of Museums and Library Services</u>				
Passed through South Carolina State Library				
Library Services and Technology Act - Summer Reading Grant	45.310	IID-17-107	983	-
Library Services and Technology Act - Kajeet Smartspot Education Broadband	45.310	IID-16-01	2,855	-
Total Pass-Through South Carolina State Library			<u>3,838</u>	<u>-</u>
Total Institute of Museums and Library Services			<u>3,838</u>	<u>-</u>
<u>U.S. Environmental Protection Agency</u>				
Passed through SC Department of Health and Environmental Control				
Oklatie West Water Quality Retrofit	66.460	C9994629-14/EQ-6-279	616,990	-
Total U.S. Environmental Protection Agency			<u>616,990</u>	<u>-</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Federal CFDA Number	Project / Award Number	Federal Award Expended	Passed Through to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Passed through SC Department of Health and Environmental Control Public Health Emergency Preparedness, Beaufort County Coroner	93.074	LC-8-896	\$ 4,946	\$ -
Passed through SC Department of Social Services				
Child Support Enforcement IV-D Transaction Reimbursement	93.563	C18007C	376,380	-
Child Support Enforcement IV-D Incentive Payments	93.563	C18007C	57,815	-
Child Support Enforcement IV-D Service of Process Payments	93.563	C18007C	16,236	-
Child Support Enforcement IV-D Filing Fees	93.563	C18007C	18,150	-
Total Child Support Enforcement			<u>468,581</u>	<u>-</u>
Passed through SC Health and Human Services Finance Commission				
Collaborator / Coordinator - Medicaid Contract	93.778	A20180545A	98,616	-
Total Medicaid Cluster			<u>98,616</u>	<u>-</u>
Passed through SC Department of Alcohol and Other Drug Abuse Services (SC DAODAS)				
SC DAODAS Block Grant	93.959	BEA-BG-18	389,623	-
SAPT BG Assessment	93.959	BEA-BG-18	17,840	-
SAPT BG SynarYouth Tobacco Buys	93.959	BEA-BG-18	1,558	-
Total Substance Abuse Prevention and Treatment (SAPT) Pass-Through from SC DAODAS			<u>409,021</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>981,164</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the Office of the SC Adjutant General, Emergency Management Division				
FEMA Disaster Grant - Public Assistance - Hurricane Matthew	97.036	FEMA-4286-DR-SC	21,578,910	-
Passed through the Office of the SC Adjutant General				
Fiscal Year 2017 Local Emergency Management Performance Grant	97.042	17EMPG01	51,841	-
Fiscal Year 2016 Local Emergency Management Performance Grant	97.042	16EMPG01	21,268	-
Total Local Emergency Management Performance			<u>73,109</u>	<u>-</u>
Passed through SC Law Enforcement Division				
Low Country Regional WMD Bomb Squad, Beaufort County, SC	97.067	17SHSP03	4,833	-
Low Country Regional Medical Assistance Team - Beaufort	97.067	17SHSP32	43,252	-
Low Country Regional Medical Assistance Team - Beaufort	97.067	16SHSP33	7,803	-
Total Passed through SC Law Enforcement Division			<u>55,888</u>	<u>-</u>
Transportation Security Administration				
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0216HSLR742	42,960	-
Total U.S. Department of Homeland Security			<u>21,750,867</u>	<u>-</u>
Grand Total of Fiscal Year 2018 Schedule of Expenditures of Federal Awards			<u>\$ 42,041,359</u>	<u>\$ 612,381</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Beaufort County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is defined in Note 1 to the County's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

De-Minimis Indirect Cost Rate

During the year ended June 30, 2018, the County did not use the ten percent de-Minimis indirect cost rate.

Non-Cash Awards

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year-end.





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Beaufort County, South Carolina** (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Beaufort County, South Carolina's basic financial statements, and have issued our report thereon dated January 22, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Columbia, South Carolina
January 22, 2019



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

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

Report on Compliance for Each Major Federal Program

We have audited **Beaufort County, South Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
January 22, 2019

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

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

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

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

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

Identification of major programs:

CFDA Number
97.036

Name of Federal Program or Cluster
U.S. Department of Homeland Security
 FEMA Disaster Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$1,261,241

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

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.



Front and Back Cover Photo by Phil Heim

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

January 25, 2019



County Council of Beaufort County, South Carolina
Post Office Drawer 1228 | Beaufort, SC 29901-1228 | 843.255.2500 | www.bcgov.net