



Beaufort County, South Carolina

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019

BEAUFORT COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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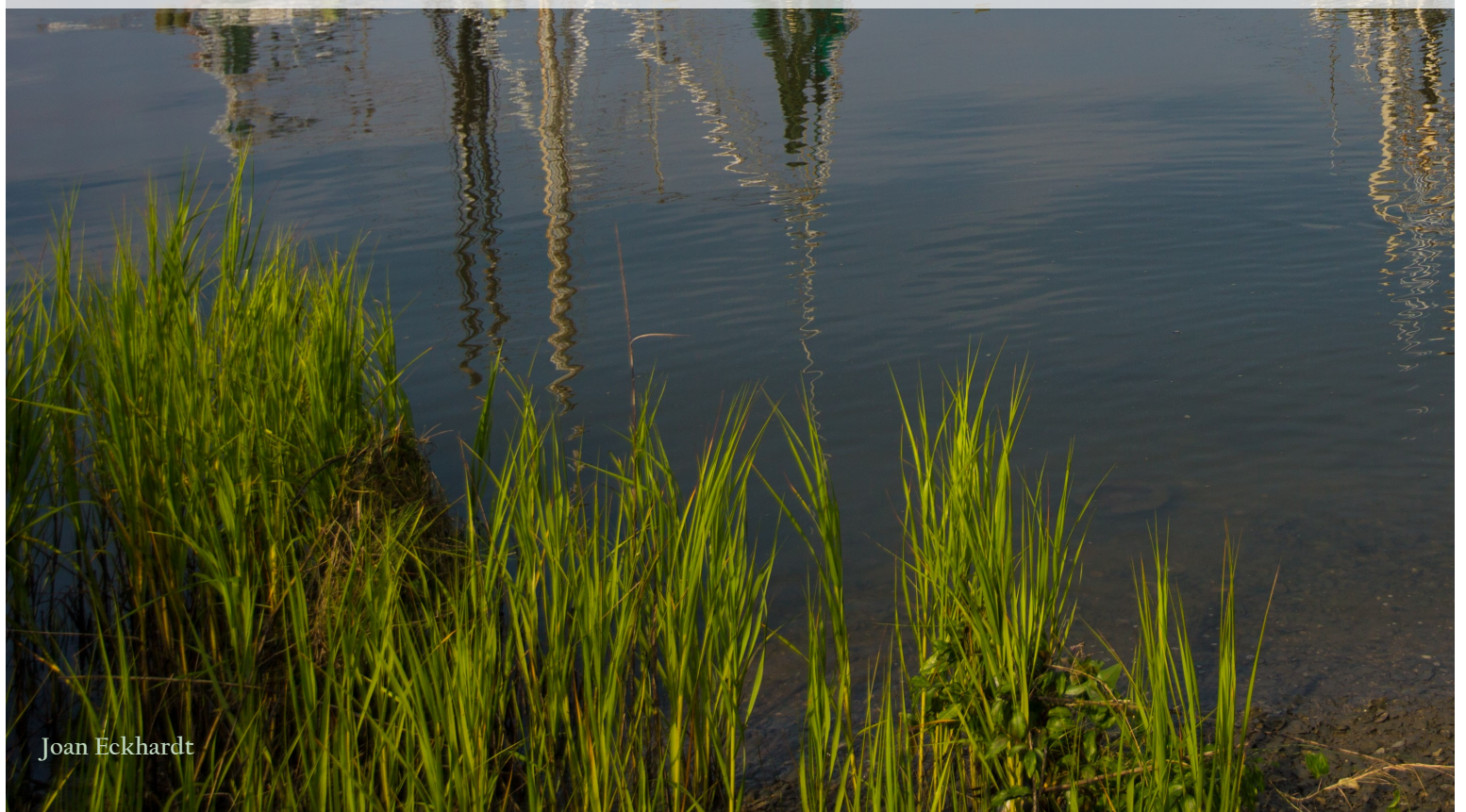
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INTRODUCTORY SECTION





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

February 29, 2020

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, 2019. 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, 2019. 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. The 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 recreational 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 188,715 in 2019, up from 162,233 in 2010 and 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, Wal-mart and several major supermarkets. During fiscal year 2019, a Kroger Marketplace store was completed and opened at Buckwalter Place in Bluffton. Kroger is 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.

At the end of fiscal year 2019, Beaufort Memorial Hospital was constructing a new medical pavilion in the southern area of the County. The new medical pavilion will be 70,000 square feet and is on a 19 acre site located in Okatie, South Carolina. The facility is scheduled to be completed in the fall of 2020 and will provide Beaufort County residents more convenient access to a variety of medical services and specialties, from primary care to cancer treatment.

Along with the Okatie Medical Pavilion, plans are in the works to build a \$44 million micro hospital – the first of its kind in South Carolina – on 13 acres near the corner of Buckwalter and Bluffton parkways. A joint venture between Beaufort Memorial Hospital and Medical University of South Carolina Health, the medical facility will include a 15-bed emergency room and 20 beds for acute care with a variety of service lines, including orthopaedics, cardiology and general surgery as well as lab and imaging.

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 \$6,299,957 for this initiative during fiscal year 2019. 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 \$1,121,175 for these projects during fiscal year 2019.

In November 2018, County voters approved a 1% sales tax referendum that became effective in May 2019 and will be in place for four 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 is centrally located within the County, as well as Hilton Head Island Airport Projects. The County had expenditures of \$1,171,205 for these projects during fiscal year 2019.

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. During fiscal year 2019, the County had expenditures of \$10,731,485 related to the capital projects funded by these bonds.

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 2019, the County issued \$11.25 million of general obligation bonds bearing interest rates of 2.75% to 5% and with varying maturity dates through 2039. 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.

During fiscal year 2020, the County intends to update its capital project plan and contract with a vendor to conduct a facilities master plan for the major County facilities that house various administrative offices. The County will also update its compensation and classification study in an effort to recruit and retain quality employees.

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, 2018. This was the tenth 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, Deputy County Administrator and the County legal staff for their continued support and understanding of the benefits of professional financial operations and reporting.

Respectfully submitted,

A handwritten signature in blue ink that reads "Alicia Holland". The signature is written in a cursive, flowing style.

Alicia Holland, CPA, CGMA
Assistant County Administrator, Finance



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, 2018

Christopher P. Morill

Executive Director/CEO

Citizens of Beaufort County, South Carolina

Clerk to Council

- Boards & Commissions with Staff Liaisons**
- Accommodations Tax (2% State) Board • Airports Board
 - Alcohol & Drug Abuse Board • County Transportation Committee
 - Board of Assessment Appeals
 - Construction Adjustments and Appeals Board
 - Design Review Board • Disabilities & Special Needs Board
 - Historic Preservation Review Board
 - Keep Beaufort County Beautiful Board • Library Board *
 - Parks & Recreation Board • Planning Commission
 - Rural & Critical Lands Preservation Board
 - Solid Waste & Recycling Board
 - Southern Beaufort County Corridor Beautification Board
 - Stormwater Management Utility Board • Zoning Board of Appeals

Beaufort County Council

Beaufort County Administrator

**Deputy County Administrator
"Operations"**

County Attorney

Employee Services

**Auditor
Clerk of Court
Coroner
Probate Judge
Sheriff
Solicitor
Treasurer**

Legislative Delegation

**Voter Registration & Elections Board
Magistrates
Master-in-Equity
Veterans Affairs Officer**

**Assistant County Administrator
"Civic Engagement & Outreach"**

**Assistant County Administrator
"Finance"**

**Assistant County Administrator
"Public Safety"**

Environmental Engineering & Land Management Division Director

Facilities & Construction Engineering Division Director

Transportation Engineering Division Director

- Alcohol & Drug Abuse
- Broadcast Services
- Communications & Accountability
- Disabilities & Special Needs
- Human Services
- Mapping & Applications
Information Technology Division
- Systems Management
Information Technology Division
- Records Management
- Library System
Veterans Affairs
Voter Registration & Elections

- Assessor
- Business Licenses
- Finance
- Purchasing
- Register of Deeds
- Risk Management

- Animal Services
- Building Inspections
- Code Enforcement
- Detention Center
- Emergency Medical Services
- Mosquito Control
- Parks & Recreation

- Community Development
- Public Works

- Engineering
- Facility Management

- Airports
- Traffic & Transportation Engineering



May 2019

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

Commitment to Transparency

Beaufort County is pleased to present this Comprehensive Annual Financial Report (CAFR), which has also been posted at our website (www.beaufortcountysc.gov). 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.

Elected and Appointed Officials for the Fiscal Year Ended June 30, 2019



Beaufort County Council
Stewart H. Rodman
Chairman, District II

D. Paul Sommerville
Vice Chairman, District 2

Gerald Dawson, District 1
York Glover, Sr., District 3
Alice G. Howard, District 4
Brian E. Flewelling, District 5
Joseph Passiment, District 6
Michael E. Covert, District 7
Chris Hervochon, District 8
Mark Lawson, District 9
Lawrence P. McElynn, District 10

Other Elected Officials
James Beckert, County Auditor
Maria Walls, CPA, County Treasurer

Appointed Officials
Ashley M. Jacobs
County Administrator

Alicia A. Holland, CPA, CGMA
Chief Financial Officer



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, 2019, 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 the County as of June 30, 2019, 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 4 – 19), the Schedule of Modified Approach for Airport Infrastructure Assets (on page 79), the Schedule of County's Proportionate Share of the Net Pension Liability (on page 77), the Schedule of County's Pension Contributions (on page 78), and the Budgetary Comparison Schedule of the General Fund (on pages 74 – 76) 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 the County'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.

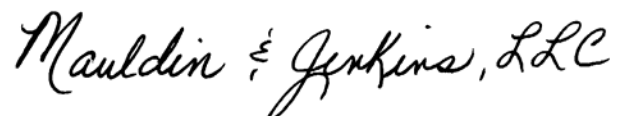
The Uniform Schedule of Court Fines, Assessments, and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented 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 February 29, 2020, 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.



Savannah, Georgia
February 29, 2020



Ben Disparu

BEAUFORT COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 the County for the fiscal year ended June 30, 2019. 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 v – ix of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$411,718,530 (net position). The County's net position is categorized in three categories. Of the total net position, \$380,789,689 is the County's investment in capital assets less the related debt, \$129,027,665 is restricted for specific purposes and (\$66,668,317) is the County's unrestricted deficit.
- The government's total net position increased by \$24,975,764 during the fiscal year ended June 30, 2019 with a \$21,990,160 increase resulting from governmental activities and a \$2,985,604 increase resulting from business type activities.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$172,338,593, an increase of \$9,766,353 in comparison with the prior year. Approximately 22%, \$37,214,289 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 \$37,214,289, or approximately 29% of the general fund expenditures and transfers out.
- The County's net capital assets increased by \$10,867,250 during the current fiscal year. The increase in governmental activities net capital assets of \$11,106,961 was the result of significant road improvements, the construction of a new animal services campus, the addition to a recreation center and real property acquisition as part of the County's land preservation program. The decrease in business type activities net capital assets of \$239,711 was due to disposal of capital equipment for the Stormwater Utility program as well as an increase in accumulated depreciation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis ("MD&A") is 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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 20 and 21 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 the 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*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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 22 – 25 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 26 – 29 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 30 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 31 – 73 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 88 – 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 the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$411,718,530 as of June 30, 2019.

Of this amount, \$380,789,689 (approximately 92%) 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 \$97,597,158 of the County's net position (approximately 24%) 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 \$66,668,317.

At the end of the current fiscal year, the 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 \$64,605,798 and business-type activities of \$2,062,519. These unrestricted deficits in net position are a result of the increased pension liability reported in fiscal year 2019. The pension liability is required to be measured and recognized in accordance with standards established by Governmental Accounting Standards Board ("GASB") Statement No. 68 and No. 71.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Beaufort County's Net Position

June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2019	2018	2019	2018	2019	2018	
Current and other assets	\$ 180,777,693	\$ 168,066,339	\$ 14,015,431	\$ 14,114,007	\$ 194,793,124	\$ 182,180,346	6.9%
Capital assets	541,517,587	530,428,311	30,353,828	30,593,539	571,871,415	561,021,850	1.9%
Total assets	<u>\$ 722,295,280</u>	<u>\$ 698,494,650</u>	<u>\$ 44,369,259</u>	<u>\$ 44,707,546</u>	<u>\$ 766,664,539</u>	<u>\$ 743,202,196</u>	3.2%
Total deferred outflows of resources	<u>\$ 25,405,408</u>	<u>\$ 28,745,705</u>	<u>\$ 861,795</u>	<u>\$ 982,401</u>	<u>\$ 26,267,203</u>	<u>\$ 29,728,106</u>	-11.6%
Long-term liabilities	\$ 336,839,104	\$ 342,452,533	\$ 5,134,439	\$ 5,079,691	\$ 341,973,543	\$ 347,532,224	-1.6%
Other liabilities	26,168,661	22,729,518	11,762,933	15,279,649	37,931,594	38,009,167	-0.2%
Total liabilities	<u>\$ 363,007,765</u>	<u>\$ 365,182,051</u>	<u>\$ 16,897,372</u>	<u>\$ 20,359,340</u>	<u>\$ 379,905,137</u>	<u>\$ 385,541,391</u>	-1.5%
Total deferred inflows of resources	<u>\$ 1,265,702</u>	<u>\$ 621,243</u>	<u>\$ 42,373</u>	<u>\$ 24,902</u>	<u>\$ 1,308,075</u>	<u>\$ 646,145</u>	102.4%
Net Position:							
Net investment in capital assets	\$ 350,435,861	\$ 341,399,499	\$ 30,353,828	\$ 30,593,539	\$ 380,789,689	\$ 371,993,038	2.4%
Restricted	97,597,158	130,694,943	-	-	97,597,158	130,694,943	-25.3%
Unrestricted (deficit)	(64,605,798)	(110,657,381)	(2,062,519)	(5,287,834)	(66,668,317)	(115,945,215)	-42.5%
Total Net Position	<u>\$ 383,427,221</u>	<u>\$ 361,437,061</u>	<u>\$ 28,291,309</u>	<u>\$ 25,305,705</u>	<u>\$ 411,718,530</u>	<u>\$ 386,742,766</u>	6.5%

The County's total net position increased by nearly \$25 million during the 2019 fiscal year. Key elements of this increase are as follows:

- The County's current and other assets increased by nearly \$12.6 million as compared to fiscal year 2018. This increase is mainly due to an increase in the County's cash and investments. During fiscal years 2017 and 2018, the County spent nearly \$40 million related to the recovery efforts of Hurricane Matthew. During fiscal years 2018 and 2019, the County received reimbursements from federal and state agencies for these recovery costs. Therefore, the County's cash balances have been fully restored as a result of Hurricane Matthew costs and related reimbursements.
- The County's net capital assets increased by \$10.9 million as compared to fiscal year 2018. This increase occurred mostly from the completion of significant road projects, the construction of a new animal services campus, the addition to a recreation center and real property acquisition as part of the County's land preservation program. See the capital assets and debt administration section below for more detail.
- The County's long-term liabilities decreased by \$5.6 million. This decrease is attributable to the net decrease of general obligation bonds outstanding in the amount of \$7 million. In accordance with GASB Statement No. 68 and No. 71 the County reported \$129.7 million as its proportionate share of pension liability as of June 30, 2019, an increase of \$2 million as compared to June 30, 2018.
- In fiscal year 2019, the County had \$26.2 million of deferred outflows of resources related to the inclusion of the County's proportionate share of its pension liability in accordance with GASB Statement No. 68 and No. 71. This is a \$3.5 million decrease as compared to fiscal year 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Beaufort County's Changes in Net Position

For the Fiscal Years Ended June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for services	\$ 38,634,187	\$ 37,666,620	\$ 8,534,736	\$ 7,936,798	\$ 47,168,923	\$ 45,603,418
Operating grants and contributions	13,405,223	14,438,073	47,260	42,960	13,452,483	14,481,033
Capital grants and contributions	9,275,113	33,826,796	7,290,165	15,956,279	16,565,278	49,783,075
General Revenues:						
Property taxes	119,334,712	116,478,416	-	-	119,334,712	116,478,416
Sales taxes	46,453	109,728	-	-	46,453	109,728
Grants and contributions	9,215,559	9,452,285	-	-	9,215,559	9,452,285
Unrestricted investment earnings	5,557,428	1,495,650	272,185	150,396	5,829,613	1,646,046
Miscellaneous	3,631,771	2,202,199	-	-	3,631,771	2,202,199
Total Revenues	<u>199,100,446</u>	<u>215,669,767</u>	<u>16,144,346</u>	<u>24,086,433</u>	<u>215,244,792</u>	<u>239,756,200</u>
Program Expenses						
Governmental Activities:						
General government	67,483,600	49,612,892	-	-	67,483,600	49,612,892
Public safety	55,090,970	56,674,563	-	-	55,090,970	56,674,563
Public works	13,085,477	19,930,159	-	-	13,085,477	19,930,159
Public health	14,714,866	14,011,837	-	-	14,714,866	14,011,837
Public welfare	4,208,514	5,935,476	-	-	4,208,514	5,935,476
Cultural and recreation	17,544,898	15,682,409	-	-	17,544,898	15,682,409
Interest	4,981,961	6,116,157	-	-	4,981,961	6,116,157
Business-Type Activities:						
Stormwater Utility	-	-	4,366,551	5,431,198	4,366,551	5,431,198
Lady's Island Airport	-	-	1,404,657	996,300	1,404,657	996,300
Hilton Head Airport	-	-	7,587,534	17,922,483	7,587,534	17,922,483
Total Expenses	<u>177,110,286</u>	<u>167,963,493</u>	<u>13,358,742</u>	<u>24,349,981</u>	<u>190,469,028</u>	<u>192,313,474</u>
Change in net position	<u>21,990,160</u>	<u>47,706,274</u>	<u>2,785,604</u>	<u>(263,548)</u>	<u>24,775,764</u>	<u>47,442,726</u>
Net Position, beginning, as originally reported	<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>
Net Position, beginning	<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>
Net Position, ending	<u>\$ 383,427,221</u>	<u>\$ 361,437,061</u>	<u>\$ 28,091,309</u>	<u>\$ 25,305,705</u>	<u>\$ 411,518,530</u>	<u>\$ 386,742,766</u>

Governmental activities increased the County's net position by \$22 million, thereby accounting for 88% of the total increase in the net position of the County. Key elements in fiscal year 2019's activity are as follows:

- Charges for services increased by \$1 million, or 2.6%, in fiscal year 2019 as compared to fiscal year 2018. The increase in charges for services is due to increased recording fees and emergency medical fees. The increased recording fees are directly related to the growth of the economy in the County, specifically the residential growth in the southern area of the County.
- Property tax revenues increased by nearly \$3 million, or 2.5%, in fiscal year 2019 as compared to fiscal year 2018. This increase is attributable to the County continuing to recover from the recession that began in 2007 and a millage rate increase in fiscal year 2019 as compared to fiscal year 2018.

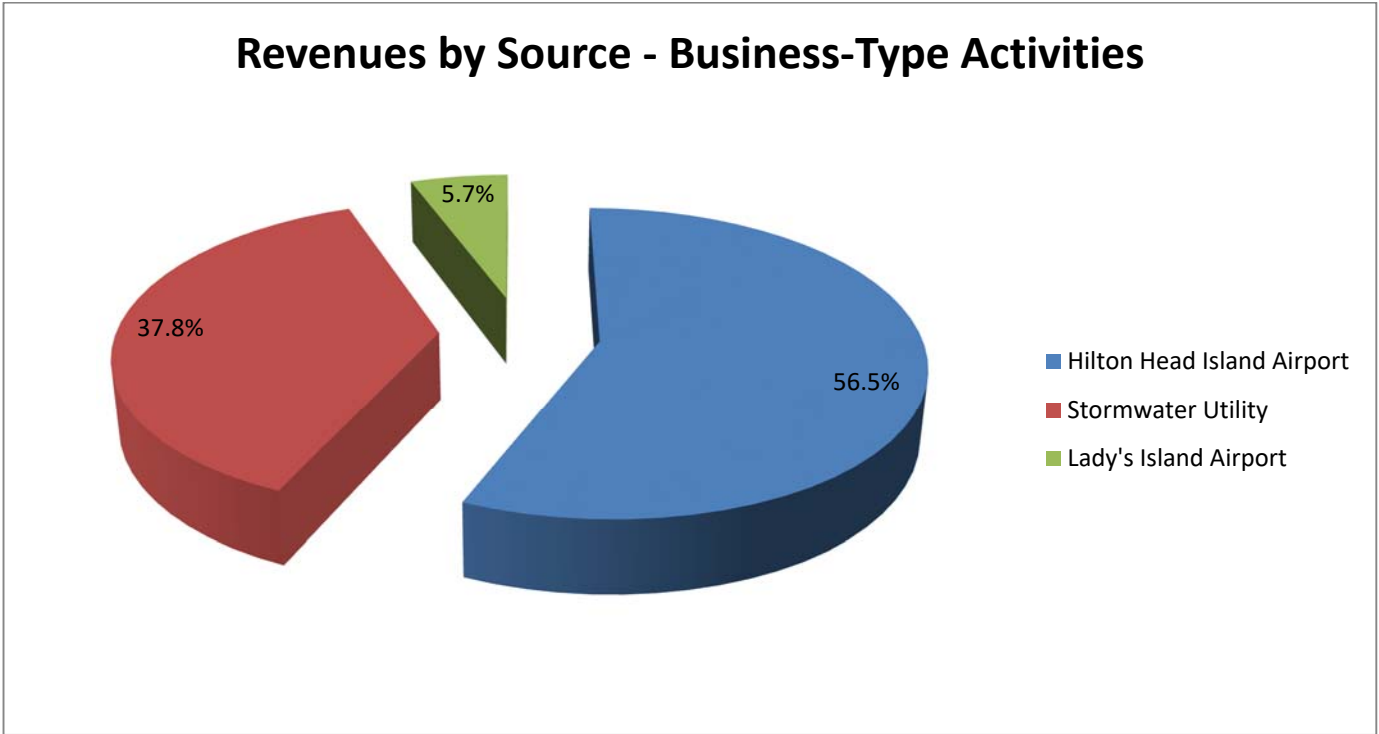
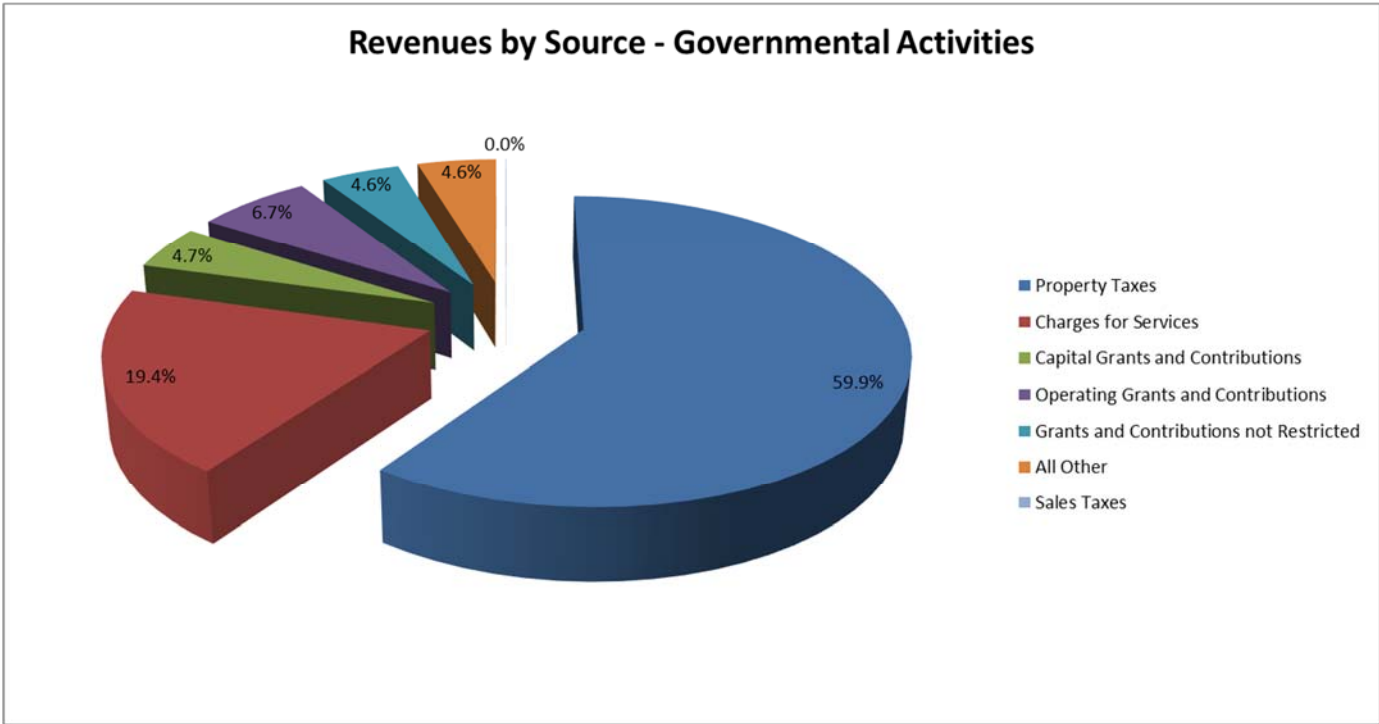
MANAGEMENT'S DISCUSSION AND ANALYSIS

- During fiscal year 2019, the County received \$7.3 million or 20% of federal and state reimbursements for Hurricane Matthew (2016) recovery efforts. This was a decrease of \$21.1 million or 74% as compared to federal and state reimbursements received during fiscal year 2018. During fiscal year 2018, the County received \$28.4 million or 80% of federal and state reimbursements for Hurricane Matthew (2016) recovery efforts.

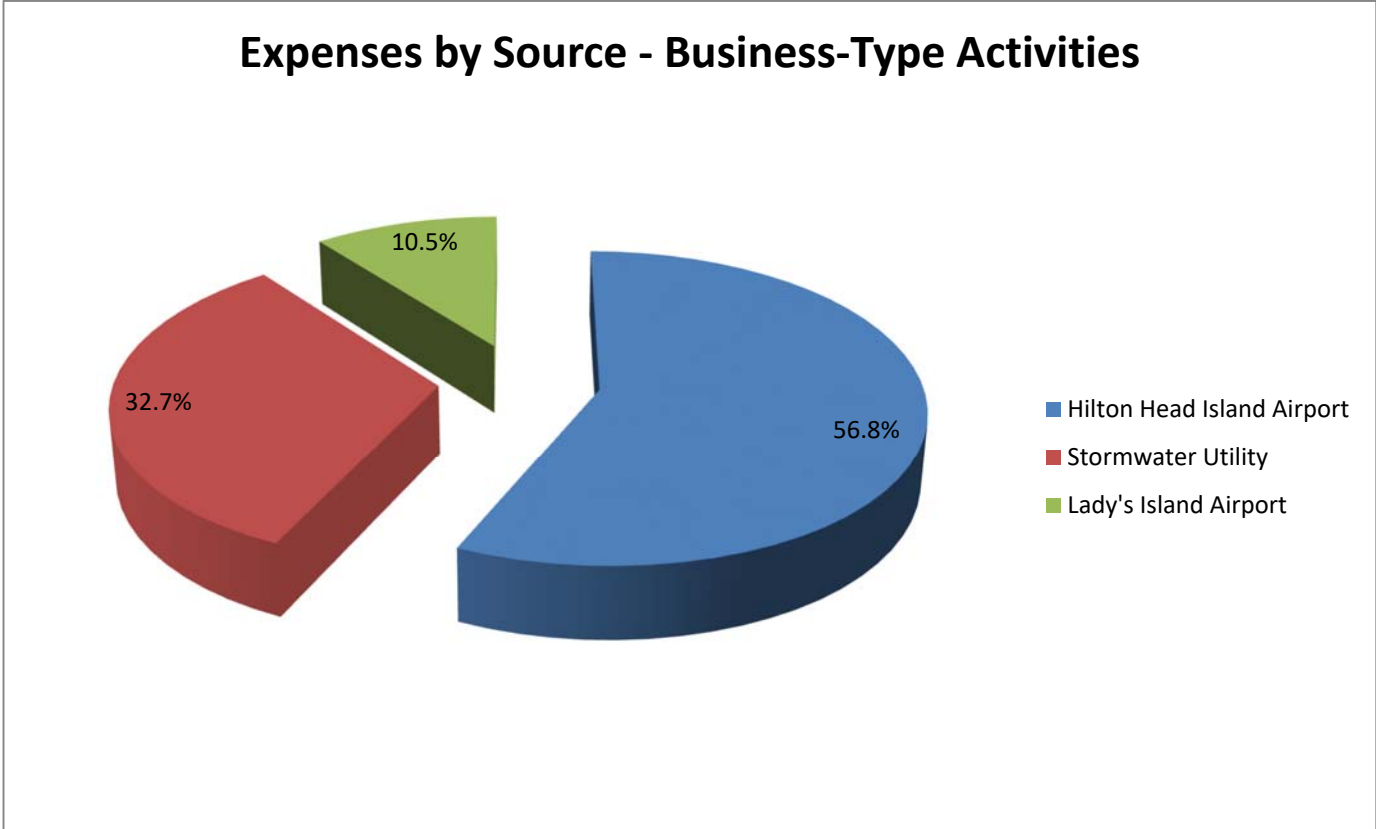
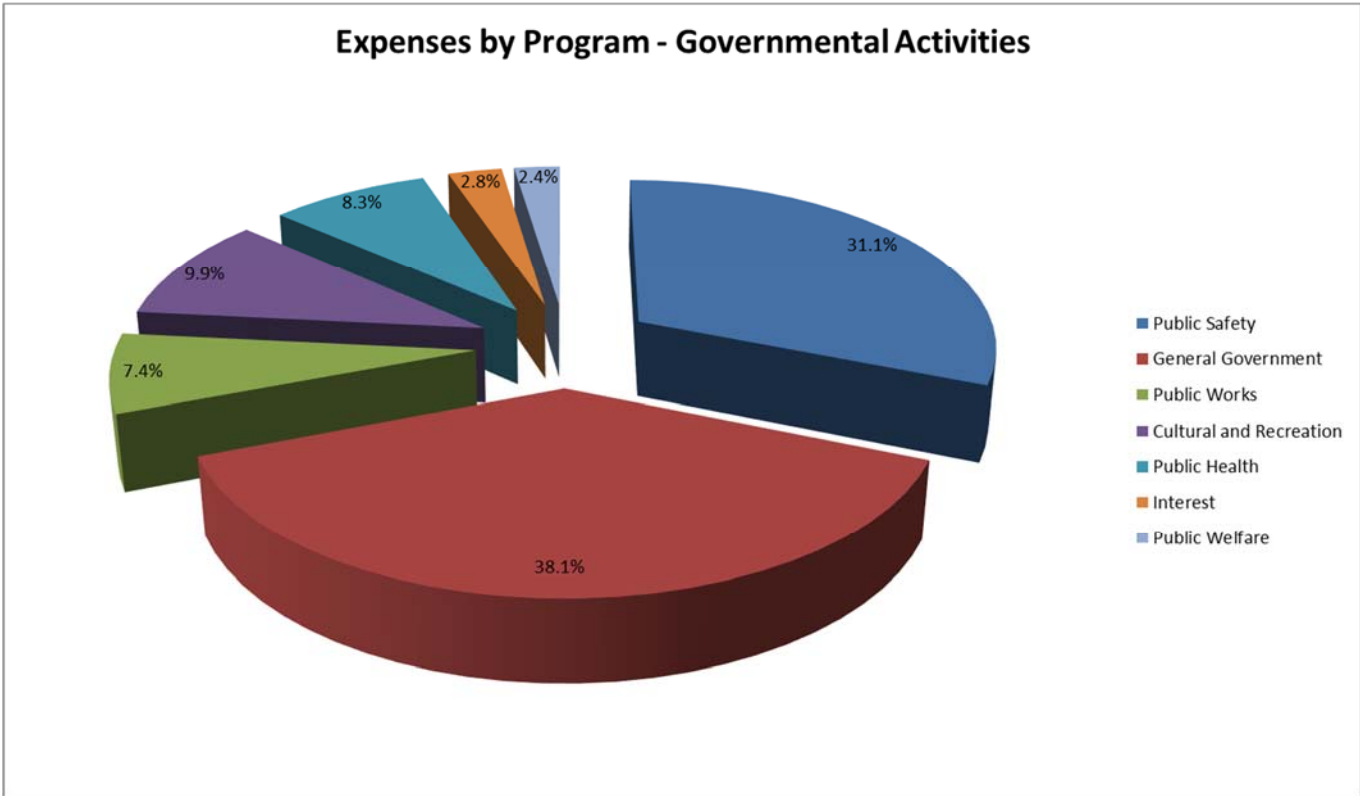
Business-type activities increased the County's net position by nearly \$3 million, accounting for 12% of the total growth in the net position of the County. Key elements of this increase are as follows:

- The runway extension project at the Hilton Head Island Airport was completed by the end of fiscal year 2018. During fiscal year 2019, capital contributions and non-operating grant expenses decreased \$8.4 million (55%) and \$11 million (71%) as compared to fiscal year 2018.
- The Hilton Head Island Airport's operating revenues increased \$668 thousand (42%) in fiscal year 2019, as compared to fiscal year 2018. The increase in operating revenue is related to the completion of the runway extension project that has allowed an increase in commercial jet service.
- In fiscal year 2019, the Stormwater Utility's expenses decreased by \$1 million in fiscal year 2019 as compared to fiscal year 2018. This decrease was due to an increase in personnel vacancies and a decrease in professional services utilized during fiscal year 2019 as compared to fiscal year 2018.
- The Lady's Island Airport's expenses increased in fiscal year 2019 by \$408 thousand as compared to fiscal year 2018. This increase in expenses was due to airport improvement projects at the airport.

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the 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 \$172,338,593, an increase of \$9,766,353, in comparison with the prior year. Approximately 22% of this total fund balance, \$37,214,289 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance totaling \$135,124,304 is either nonspendable, restricted, committed, or assigned for specific spending. This includes \$1,603,844 "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 \$133,520,460 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 \$37,214,289, while the total fund balance was \$43,310,928. 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 30% of total general fund expenditures and transfers out, while the total fund balance represents approximately 35% of total general fund expenditures and transfers out. Refer to pages 22 and 24 for the key elements of fiscal year 2019'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 \$21,841,334. The County wide general obligation bonds fund balance is restricted for debt service. This fund recognized revenues of \$11,156,919, total expenditures of \$10,698,322 and other financing sources of \$609,072, for a net change in fund balance of \$1,067,669. 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 12 months of the County's interest only payments.

Local Hospitality Tax Program Fund – At the end of the current fiscal year, the total fund balance of the local hospitality tax program fund was \$2,351,748, all of which was restricted in accordance with the County's code of ordinances that authorizes the imposition and collection of the hospitality tax. The local hospitality tax program fund recognized revenues of \$2,577,337, total expenditures of \$4,733,118 and other financing uses of \$1,500,000, for a net change in fund balance of (\$3,655,781).

Road Impact Fees Fund – At the end of the current fiscal year, the total fund balance of the road impact fees fund was \$20,396,031, all of which was restricted for system improvements as set forth in the County's adopted capital improvements plan. The road impact fees fund recognized revenues of \$5,588,851, total expenditures of \$266,320 and other financing uses of \$1,133,980, for a net change in fund balance of \$4,188,551.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 reported combined ending net position of \$28,291,309, which is an increase of \$2,985,604 in comparison with the prior year. The proprietary funds recognized operating revenues of \$8,534,736 and operating expenses of \$7,596,122. Non-operating revenues and expenses totaled (\$5,543,175), while capital contributions totaled \$7,290,165 and interfund transfers totaled \$200,000 in fiscal year 2019, for a change in net position of \$2,985,604.

Stormwater Utility – At the end of the current fiscal year, the net position of the stormwater utility fund was \$7,680,494, of which \$3,305,311 was invested in capital assets, net of related debt, leaving a balance of \$4,375,183 in unrestricted net position. The stormwater utility fund recognized operating revenues of \$5,653,287, total operating expenses of \$4,254,293, \$159,927 in net non-operating revenues and \$175,010 in capital contributions for an increase in net position of \$1,733,931. The increase in net position within the Stormwater Utility Fund for the fiscal year ended June 30, 2019, was related to decreased operating expenses.

Lady's Island Airport – At the end of the current fiscal year, the net position of the Lady's Island Airport fund was \$2,625,057, of which \$3,667,328 was invested in capital assets, net of related debt, leaving a deficit balance of \$1,042,271 in unrestricted net position. The Lady's Island Airport recognized operating revenues of \$611,654, total operating expenses of \$637,640, \$767,017 in net non-operating expenses and \$307,643 in capital contributions for a decrease in net position of \$485,360. The decrease in the Lady's Island Airport fund balance in the 2019 fiscal year was the result of increased 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 \$17,985,758, of which \$23,381,189 was invested in capital assets, net of related debt, leaving a deficit balance of \$5,395,431 in unrestricted net position. The Hilton Head Island Airport recognized operating revenues of \$2,269,795, total operating expenses of \$2,704,189, \$4,836,085 in net non-operating expenses, \$6,807,512 in capital contributions and \$200,000 of interfund transfers in for an increase in net position of \$1,737,033. The increase in net position within the Hilton Head Island Airport fund in the 2019 fiscal year was related to the Airport obtaining federal and state grant funding for prior and current fiscal year grant related expenditures after the end of the fiscal year as well as increased operating revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget to Final Budget Comparison for the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 99,699,070	\$ 99,699,070	\$ -
Licenses and permits	2,579,000	2,579,000	-
Intergovernmental	9,197,645	9,197,645	-
Charges for services	12,287,085	12,287,085	-
Fines and forfeitures	750,000	750,000	-
Interest	442,805	442,805	-
Miscellaneous	251,136	251,136	-
Total Revenues	<u>125,206,741</u>	<u>125,206,741</u>	<u>-</u>
Expenditures:			
General government	40,023,515	39,427,194	596,321
Public safety	45,500,668	45,366,261	134,407
Public works	16,828,498	15,972,936	855,562
Public health	3,245,985	3,256,853	(10,868)
Public welfare	670,162	628,772	41,390
Cultural and recreation	12,004,068	13,131,239	(1,127,171)
Capital	3,381,341	6,106,666	(2,725,325)
Total Expenditures	<u>121,654,237</u>	<u>123,889,921</u>	<u>(2,235,684)</u>
Excess (deficiency) of revenues over expenditures	3,552,504	1,316,820	(2,235,684)
Other financing sources (uses)			
Transfers in	1,568,750	1,568,750	-
Transfers out	(5,121,254)	(5,279,500)	(158,246)
Total Other Financing Sources (Uses)	<u>(3,552,504)</u>	<u>(3,710,750)</u>	<u>(158,246)</u>
Net Change in Fund Balance	-	(2,393,930)	(2,393,930)
Fund balance - beginning	<u>31,877,297</u>	<u>31,877,297</u>	<u>-</u>
Fund balance - ending	<u>\$ 31,877,297</u>	<u>\$ 29,483,367</u>	<u>\$ (2,393,930)</u>

The general fund original budget's net position varied from its final budget's net position by \$2.4 million. This variation is due to three actions by County Council during fiscal year 2019 that amended the original budget ordinance and increased expenditure appropriation levels related to supplemental appropriation as follows:

- On June 25, 2018, Council approved a real property purchase as a matter arising out of executive session in the amount of \$2,204,430.
- On November 5, 2018, Council adopted an ordinance providing a supplemental appropriation in the amount of \$10,000 to fund the hiring of independent legal counsel for the purpose of investigating certain matters raised by Council.
- On December 10, 2018, Council adopted an ordinance providing a supplemental appropriation in the amount of \$179,500 for additional personnel in the Solicitor's office.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Final Budget to Actual Comparison for the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 99,699,070	\$ 99,991,673	\$ 292,603
Licenses and permits	2,579,000	3,640,472	1,061,472
Intergovernmental	9,197,645	16,264,247	7,066,602
Charges for services	12,287,085	13,737,980	1,450,895
Fines and forfeitures	750,000	897,996	147,996
Interest	442,805	719,249	276,444
Miscellaneous	251,136	400,053	148,917
Total Revenues	<u>125,206,741</u>	<u>135,651,670</u>	<u>10,444,929</u>
Expenditures:			
General government	39,427,194	34,932,931	4,494,263
Public safety	45,366,261	45,336,058	30,203
Public works	15,972,936	15,349,571	623,365
Public health	3,256,853	3,114,348	142,505
Public welfare	628,772	619,686	9,086
Cultural and recreation	13,131,239	13,061,787	69,452
Disaster related	-	950,677	(950,677)
Debt Service - principal	-	-	-
Debt Service - interest and fees	-	-	-
Capital	6,106,666	6,101,216	5,450
Total Expenditures	<u>123,889,921</u>	<u>119,466,274</u>	<u>4,423,647</u>
Excess (deficiency) of revenues over expenditures	1,316,820	16,185,396	14,868,576
Other Financing Sources (Uses)			
Transfers in	1,568,750	1,564,996	(3,754)
Transfers out	(5,279,500)	(6,316,761)	(1,037,261)
Total Other Financing Sources (Uses)	<u>(3,710,750)</u>	<u>(4,751,765)</u>	<u>(1,041,015)</u>
Net Change in Fund Balance	(2,393,930)	11,433,631	13,827,561
Fund balance - beginning	<u>31,877,297</u>	<u>31,877,297</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 29,483,367</u></u>	<u><u>\$ 43,310,928</u></u>	<u><u>\$ 13,827,561</u></u>

The actual net position of the County's general fund varied from its final budget's net position by \$13.8 million. Key elements of this are as follows:

- The County's general fund actual revenues had a positive variance of \$10.4 million as compared to the final budget of fiscal year 2019. 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, and Emergency Medical Services fees.
- The County's general fund actual expenditures had a positive variance of \$4.4 million as compared to the final budget of fiscal year 2019. This positive variance is directly related to decreased expenditures as a result of the County realizing cost differences from transitioning to self-insured programs for health, dental and workers' compensation insurances.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets –The County’s investment in capital assets for its governmental and business-type activities as of June 30, 2019 was \$571,889,100 (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 1.9% (in which governmental activities capital assets increased by 2.1% and business-type activities capital assets decreased by 0.8%).

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, 2019, 100% 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 Schedule 1 on page 79 of this report.

Beaufort County’s Capital Assets (Net of Depreciation)

June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 131,740,701	\$ 124,152,640	\$ 13,561,714	\$ 13,561,714	\$ 145,302,415	\$ 137,714,354
Easements	18,059,927	18,059,927	-	-	18,059,927	18,059,927
Construction in progress	16,823,960	44,517,092	257,890	257,890	17,081,850	44,774,982
Buildings and improvements	101,904,692	90,354,959	4,292,660	4,677,767	106,197,352	95,032,726
Infrastructure	257,172,929	237,955,576	9,229,801	9,229,801	266,402,730	247,185,377
Equipment	15,833,063	18,388,117	3,011,763	2,866,367	18,844,826	21,254,484
Total Capital Assets	\$ 541,535,272	\$ 533,428,311	\$ 30,353,828	\$ 30,593,539	\$ 571,889,100	\$ 564,021,850

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

- The County completed the Boundary Street Redevelopment road project in the amount of \$28.8 million.
- The new Animal Services Campus and an addition to the existing Buckwalter Recreation Center were also completed in the amount of \$8.6 million and \$6.1 million, respectively.
- An additional \$9.7 million of governmental capital assets were added during fiscal year 2019 related to the preservation of rural lands and the County’s Disabilities and Special Needs residential home program.
- The Whitehall Factory Creek Boat Ramp was renovated in the amount of \$1.5 million.
- \$4.7 million of vehicles, heavy equipment and other equipment were acquired during fiscal year 2019.

Additional information on the County’s capital assets can be found in note 4 on pages 49 – 51 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt – At the end of the current fiscal year, the County had \$353,890,980 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, 2019 and 2018

	Governmental Activities	
	2019	2018
General Obligation Bonds	\$ 213,830,070	\$ 218,159,372
General Obligation BAN	-	-
Net Pension Liability	124,654,927	122,749,447
Mortgage	-	-
Compensated Absences	3,568,726	4,118,499
Premiums	11,837,257	13,539,922
Total Outstanding Debt	<u>\$ 353,890,980</u>	<u>\$ 358,567,240</u>
Deferred Charge on Refundings	\$ 3,137,408	\$ 3,661,682

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

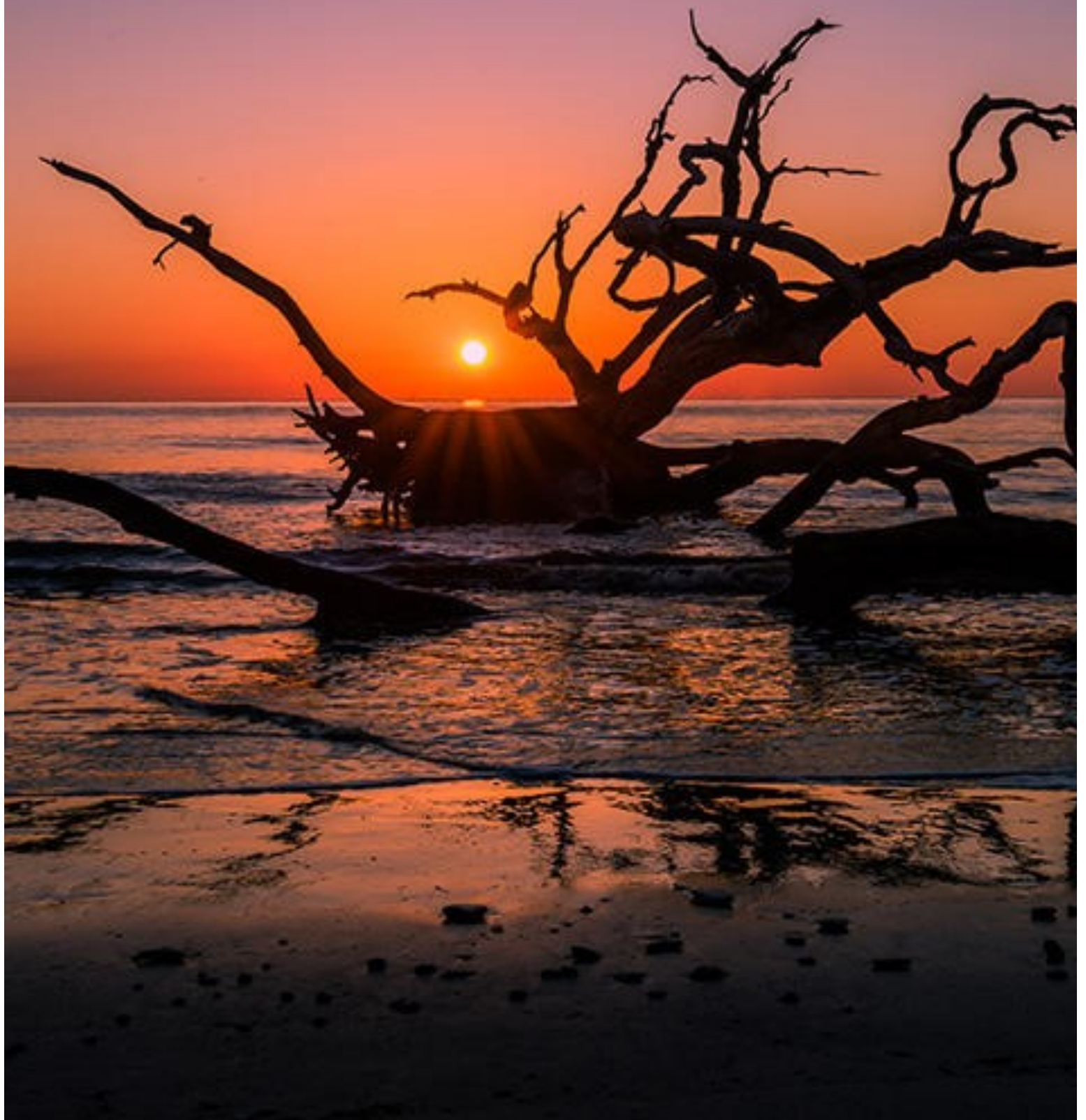
- The County issued \$11.25 million of general obligation bonds for various county facility capital projects. General obligation bonds were also retired in the amount of \$15.6 million as well as \$2.3 million of bond premiums.
- The County's pension liability increased by \$2 million as compared to fiscal year 2018.

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.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% 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 \$158,428,334. The County was \$60,969,275 under this legal limit at June 30, 2019.

Additional information on the County's long-term debt can be found in note 5 on pages 51 – 57 of this report.

Noah Trouvay



MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the County was 3.3% at June 30, 2019, which is lower than the rate of 3.4% a year ago. This compares favorably with the State of South Carolina's average unemployment rate of 3.5% at June 30, 2019, and with the national average unemployment rate of 3.6% at June 30, 2019.
- The cost of living in this region still compares favorably to other areas of the country.

All of these factors were considered in preparing the County's budget for the 2019 fiscal year. As of June 30, 2019, the County's unassigned general fund balance was \$37,214,289. During fiscal year 2019, there was an increase to the County's general fund balance in the amount of \$11,433,631.

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, South Carolina 29901-1228.

BEAUFORT COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Totals
<u>ASSETS</u>			
Current assets			
Cash and equity in pooled cash and investments	\$ 115,194,385	\$ 12,344,711	\$ 127,539,096
Receivables, net	6,179,739	535,860	6,715,599
Due from other governments	7,287,744	901,704	8,189,448
Notes receivable	85,089	-	85,089
Inventories	-	159,029	159,029
Prepaid items	1,605,010	74,127	1,679,137
	130,351,967	14,015,431	144,367,398
Non-current assets			
Equity in pooled investments	49,864,445	-	49,864,445
Notes receivable	561,281	-	561,281
	50,425,726	-	50,425,726
Capital assets			
Non-depreciable	166,624,588	23,049,405	189,673,993
Depreciable	374,892,999	7,304,423	382,197,422
	541,517,587	30,353,828	571,871,415
Total non-current assets	591,943,313	30,353,828	622,297,141
Total assets	722,295,280	44,369,259	766,664,539
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refundings	3,137,408	-	3,137,408
Pension	22,268,000	861,795	23,129,795
Total deferred outflows of resources	25,405,408	861,795	26,267,203
Total assets and deferred outflows of resources	747,700,688	45,231,054	792,931,742
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	12,695,348	460,832	13,156,180
Accrued payroll	2,718,243	117,258	2,835,501
Accrued liabilities	2,960,416	-	2,960,416
Accrued compensated absences	499,622	22,538	522,160
Internal balances	(11,162,305)	11,162,305	-
Current portion of long-term debt	16,552,253	-	16,552,253
Due to others	1,905,084	-	1,905,084
	26,168,661	11,762,933	37,931,594
Non-current liabilities			
Accrued compensated absences	3,069,104	138,448	3,207,552
Net pension liability	124,654,927	4,995,991	129,650,918
Long-term obligations	209,115,073	-	209,115,073
	336,839,104	5,134,439	341,973,543
Total liabilities	363,007,765	16,897,372	379,905,137
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	1,265,702	42,373	1,308,075
Total deferred inflows of resources	1,265,702	42,373	1,308,075
<u>NET POSITION</u>			
Net investment in capital assets	350,435,861	30,353,828	380,789,689
Restricted for			
General government programs:	10,263,110	-	10,263,110
Public safety programs	6,224,827	-	6,224,827
Public works programs	8,425,312	-	8,425,312
Public health programs	5,070,349	-	5,070,349
Public welfare programs	1,166,240	-	1,166,240
Cultural and recreational programs	10,851,784	-	10,851,784
Capital projects	30,176,304	-	30,176,304
Debt service	25,419,232	-	25,419,232
Unrestricted (deficit)	(64,605,798)	(2,062,519)	(66,668,317)
Total net position	383,427,221	28,291,309	411,718,530
Total liabilities, deferred inflows of resources, and net position	\$ 747,700,688	\$ 45,231,054	\$ 792,931,742

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, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business Type Activities	
Governmental activities:							
General government	\$ 67,483,600	\$ 17,035,862	\$ 2,298,028	\$ 7,955,966	\$ (40,193,744)	\$ -	\$ (40,193,744)
Public safety	55,090,970	9,336,041	1,341,606	72,660	(44,340,663)	-	(44,340,663)
Public works	13,085,477	8,081,666	374,197	1,246,487	(3,383,127)	-	(3,383,127)
Public health	14,714,866	691,268	7,613,629	-	(6,409,969)	-	(6,409,969)
Public welfare	4,208,514	308,496	1,422,116	-	(2,477,902)	-	(2,477,902)
Cultural and recreation	17,544,898	3,180,854	355,647	-	(14,008,397)	-	(14,008,397)
Interest	4,981,961	-	-	-	(4,981,961)	-	(4,981,961)
Total governmental activities	<u>177,110,286</u>	<u>38,634,187</u>	<u>13,405,223</u>	<u>9,275,113</u>	<u>(115,795,763)</u>	<u>-</u>	<u>(115,795,763)</u>
Business-type activities:							
Stormwater utility	4,366,551	5,653,287	-	175,010	-	1,461,746	1,461,746
Lady's Island Airport	1,404,657	611,654	-	307,643	-	(485,360)	(485,360)
Hilton Head Airport	7,587,534	2,269,795	47,260	6,807,512	-	1,537,033	1,537,033
Total business-type activities	<u>13,358,742</u>	<u>8,534,736</u>	<u>47,260</u>	<u>7,290,165</u>	<u>-</u>	<u>2,513,419</u>	<u>2,513,419</u>
Total	<u>\$ 190,469,028</u>	<u>\$ 47,168,923</u>	<u>\$ 13,452,483</u>	<u>\$ 16,565,278</u>	<u>(115,795,763)</u>	<u>2,513,419</u>	<u>(113,282,344)</u>
			General revenues				
			Property taxes		119,334,712	-	119,334,712
			Sales taxes		46,453	-	46,453
			Grants and contributions not restricted		9,215,559	-	9,215,559
			Unrestricted investment earnings		5,557,428	272,185	5,829,613
			Gain/(loss) on sale of capital assets		-	-	-
			Miscellaneous		3,631,771	-	3,631,771
			Transfers		-	200,000	200,000
			Total general revenues		<u>137,785,923</u>	<u>472,185</u>	<u>138,258,108</u>
			Change in net position		21,990,160	2,985,604	24,975,764
			Net position, beginning		<u>361,437,061</u>	<u>25,305,705</u>	<u>386,742,766</u>
			Net position, ending		<u>\$ 383,427,221</u>	<u>\$ 28,291,309</u>	<u>\$ 411,718,530</u>

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, 2019**

	<u>General</u>	<u>County Wide General Obligation Bonds</u>	<u>Local Hospitality Tax Program</u>	<u>Road Impact Fees</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and equity						
in pooled cash and investments	\$ 42,501,789	\$ 12,982,776	\$ 4,608,337	\$ 19,528,828	\$ 85,437,100	\$ 165,058,830
Receivables, net	2,304,519	289,351	-	875,516	2,414,849	5,884,235
Due from other governments	4,778,213	205,527	-	-	2,304,004	7,287,744
Due from other funds	3,218,826	-	-	-	-	3,218,826
Advances to enterprise funds	-	7,943,479	-	-	-	7,943,479
Notes receivable	-	646,370	-	-	-	646,370
Prepaid items	1,441,679	-	-	-	162,165	1,603,844
Total assets	<u>54,245,026</u>	<u>22,067,503</u>	<u>4,608,337</u>	<u>20,404,344</u>	<u>90,318,118</u>	<u>191,643,328</u>
<u>LIABILITIES</u>						
Accounts payable	5,517,134	1,612	2,254,909	8,313	4,575,581	12,357,549
Accrued payroll	2,074,874	-	1,680	-	641,689	2,718,243
Accrued liabilities	778,203	-	-	-	-	778,203
Due to others	1,242,788	-	-	-	662,296	1,905,084
Total liabilities	<u>9,612,999</u>	<u>1,612</u>	<u>2,256,589</u>	<u>8,313</u>	<u>5,879,566</u>	<u>17,759,079</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue - property taxes	1,321,099	224,557	-	-	-	1,545,656
Total deferred inflows of resources	<u>1,321,099</u>	<u>224,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,545,656</u>
<u>FUND BALANCE</u>						
Nonspendable	1,441,679	-	-	-	162,165	1,603,844
Restricted	-	21,841,334	2,351,748	20,396,031	83,968,807	128,557,920
Committed	1,104,309	-	-	-	307,580	1,411,889
Assigned	3,550,651	-	-	-	-	3,550,651
Unassigned	37,214,289	-	-	-	-	37,214,289
Total fund balances	<u>43,310,928</u>	<u>21,841,334</u>	<u>2,351,748</u>	<u>20,396,031</u>	<u>84,438,552</u>	<u>172,338,593</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 54,245,026</u>	<u>\$ 22,067,503</u>	<u>\$ 4,608,337</u>	<u>\$ 20,404,344</u>	<u>\$ 90,318,118</u>	<u>\$ 191,643,328</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, 2019

Total governmental fund balances:		\$ 172,338,593
<p>Amounts reported for governmental activities in the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.</p>		541,476,458
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:</p>		
Property taxes and other special assessments	\$ 1,545,656	
Deferred charge on refunding	<u>3,137,408</u>	4,683,064
<p>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:</p>		
Deferred outflows related to pensions		22,268,000
<p>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:</p>		
General obligation bonds	\$ (213,830,069)	
Bond premiums	(11,837,257)	
Compensated absences	(3,568,726)	
Accrued interest	(2,182,213)	
Net pension liability	<u>(124,654,927)</u>	(356,073,192)
<p>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.</p>		
Deferred inflows related to pensions		<u>(1,265,702)</u>
Net position of governmental activities		<u>\$ 383,427,221</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, 2019

	General	County Wide General Obligation Bonds	Local Hospitality Tax Program	Road Impact Fees	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 99,991,673	\$ 10,587,341	\$ -	\$ -	\$ 9,103,645	\$ 119,682,659
Licenses and permits	3,640,472	-	2,332,813	5,306,976	5,610,838	16,891,099
Intergovernmental	16,264,247	268,092	163,700	-	18,206,547	34,902,586
Charges for services	13,737,980	-	-	-	6,430,742	20,168,722
Fines and forfeitures	897,996	-	2,876	-	356,846	1,257,718
Interest	719,249	301,486	77,948	281,669	1,328,300	2,708,652
Miscellaneous	400,053	-	-	206	3,416,211	3,816,470
Total revenues	<u>135,651,670</u>	<u>11,156,919</u>	<u>2,577,337</u>	<u>5,588,851</u>	<u>44,453,129</u>	<u>199,427,906</u>
Expenditures						
General government services	34,932,931	-	4,733,118	-	6,155,133	45,821,182
Public safety services	45,336,058	-	-	-	2,958,922	48,294,980
Public works services	15,349,571	-	-	-	585,360	15,934,931
Public health services	3,114,348	-	-	-	10,776,817	13,891,165
Public welfare services	619,686	-	-	-	2,028,409	2,648,095
Cultural and recreation services	13,061,787	-	-	-	547,794	13,609,581
Disaster related expenditures	950,677	-	-	-	-	950,677
Debt service - principal	-	7,138,585	-	-	8,440,718	15,579,303
Debt service - interest and fees	-	3,559,737	-	-	4,392,262	7,951,999
Bond issuance costs	-	-	-	-	94,500	94,500
Capital projects	6,101,216	-	-	266,320	29,588,588	35,956,124
Total expenditures	<u>119,466,274</u>	<u>10,698,322</u>	<u>4,733,118</u>	<u>266,320</u>	<u>65,568,503</u>	<u>200,732,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,185,396</u>	<u>458,597</u>	<u>(2,155,781)</u>	<u>5,322,531</u>	<u>(21,115,374)</u>	<u>(1,304,631)</u>
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	11,250,000	11,250,000
Bond premiums	-	609,072	-	-	-	609,072
Transfers in	1,564,996	-	-	-	9,288,797	10,853,793
Transfers out	(6,316,761)	-	(1,500,000)	(1,133,980)	(2,691,140)	(11,641,881)
Total other financing sources (uses)	<u>(4,751,765)</u>	<u>609,072</u>	<u>(1,500,000)</u>	<u>(1,133,980)</u>	<u>17,847,657</u>	<u>11,070,984</u>
Net Change in Fund Balance	11,433,631	1,067,669	(3,655,781)	4,188,551	(3,267,717)	9,766,353
Fund balance - beginning	31,877,297	20,773,665	6,007,529	16,207,480	87,706,269	162,572,240
Fund balance - ending	<u>\$ 43,310,928</u>	<u>\$ 21,841,334</u>	<u>\$ 2,351,748</u>	<u>\$ 20,396,031</u>	<u>\$ 84,438,552</u>	<u>\$ 172,338,593</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, 2019

Net change in fund balances - total governmental funds \$ 9,766,353

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.

Capital outlay	\$ 37,410,059	
Depreciation expense	<u>(24,725,564)</u>	12,684,495

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (1,577,534)

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	(327,460)
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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	\$ 15,579,303	
Issuance of long-term debt	(11,859,072)	
Amortization of premium on long-term debt	2,311,737	
Amortization of deferred charge on refunding	<u>(524,274)</u>	5,507,694

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	\$ (5,365,962)	
Landfill closure and post-closure liability	-	
Compensated absences	549,773	
Accrued interest on long-term debt	<u>752,801</u>	<u>(4,063,388)</u>
	<u>\$ 21,990,160</u>	

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

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Service Fund Garage
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 12,344,261	\$ 250	\$ 200	\$ 12,344,711	\$ -
Receivables, operating	126,751	26,993	382,116	535,860	295,504
Receivables, federal and state grants	-	82,273	819,431	901,704	-
Inventories	132,776	26,253	-	159,029	-
Prepayments	39,399	6,424	28,304	74,127	1,166
Total current assets	<u>12,643,187</u>	<u>142,193</u>	<u>1,230,051</u>	<u>14,015,431</u>	<u>296,670</u>
Capital assets	5,856,418	4,833,031	34,378,577	45,068,026	445,159
Accumulated depreciation	(2,551,107)	(1,165,703)	(10,997,388)	(14,714,198)	(404,030)
	<u>3,305,311</u>	<u>3,667,328</u>	<u>23,381,189</u>	<u>30,353,828</u>	<u>41,129</u>
Total assets	<u>15,948,498</u>	<u>3,809,521</u>	<u>24,611,240</u>	<u>44,369,259</u>	<u>337,799</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension	558,667	39,889	263,239	861,795	-
Total deferred outflows of resources	<u>558,667</u>	<u>39,889</u>	<u>263,239</u>	<u>861,795</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 16,507,165</u>	<u>\$ 3,849,410</u>	<u>\$ 24,874,479</u>	<u>\$ 45,231,054</u>	<u>\$ 337,799</u>
<u>LIABILITIES</u>					
Current liabilities:					
Account payable	\$ 242,413	\$ 32,215	\$ 186,204	\$ 460,832	\$ 337,799
Accrued payroll	77,704	5,371	34,183	117,258	-
Accrued compensated absences	16,302	908	5,328	22,538	-
Due to general fund	-	937,692	2,281,134	3,218,826	-
Current portion - due to debt service fund	-	-	169,896	169,896	-
Total current liabilities	<u>336,419</u>	<u>976,186</u>	<u>2,676,745</u>	<u>3,989,350</u>	<u>337,799</u>
Non-current liabilities:					
Accrued compensated absences	100,143	5,576	32,729	138,448	-
Net pension liability	3,367,583	241,029	1,387,379	4,995,991	-
Due to debt service fund	5,000,000	-	2,773,583	7,773,583	-
Total non-current liabilities	<u>8,467,726</u>	<u>246,605</u>	<u>4,193,691</u>	<u>12,908,022</u>	<u>-</u>
Total liabilities	<u>8,804,145</u>	<u>1,222,791</u>	<u>6,870,436</u>	<u>16,897,372</u>	<u>337,799</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pension	22,526	1,562	18,285	42,373	-
Total deferred inflows of resources	<u>22,526</u>	<u>1,562</u>	<u>18,285</u>	<u>42,373</u>	<u>-</u>
<u>NET POSITION</u>					
Net investment in capital assets	3,305,311	3,667,328	23,381,189	30,353,828	41,129
Unrestricted (deficit)	4,375,183	(1,042,271)	(5,395,431)	(2,062,519)	(41,129)
Total net position	<u>7,680,494</u>	<u>2,625,057</u>	<u>17,985,758</u>	<u>28,291,309</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 16,507,165</u>	<u>\$ 3,849,410</u>	<u>\$ 24,874,479</u>	<u>\$ 45,231,054</u>	<u>\$ 337,799</u>

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

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Service Fund Garage
Operating Revenues					
Garage billings	\$ -	\$ -	\$ -	\$ -	\$ 113,275
Fuel and oil sales	-	413,725	-	413,725	751,506
Stormwater Utility fees	5,011,062	-	-	5,011,062	-
Stormwater Utility project billings	628,729	-	-	628,729	-
Fixed base operator revenue	-	-	435,567	435,567	-
Passenger facility charges	-	-	286,464	286,464	-
Operating agreements/commission revenue	-	2,187	531,140	533,327	-
Concession sales	-	3,042	-	3,042	-
Firefighting/security fees	-	-	387,494	387,494	-
Landing fees	-	12,463	138,029	150,492	-
Parking/taxi fees	-	-	41,232	41,232	-
Rentals	-	-	201,121	201,121	-
Hangar rentals	-	145,203	174,593	319,796	-
Other charges	13,496	35,034	74,155	122,685	43,239
Total operating revenues	<u>5,653,287</u>	<u>611,654</u>	<u>2,269,795</u>	<u>8,534,736</u>	<u>908,020</u>
Operating Expenses					
Costs of sales and services	-	260,939	-	260,939	-
Personnel	2,379,957	157,884	1,092,780	3,630,621	-
Purchased services	1,111,262	152,770	995,992	2,260,024	730,685
Supplies	301,147	12,041	46,362	359,550	747,738
Capital	66,759	-	-	66,759	-
Depreciation	395,168	54,006	569,055	1,018,229	8,768
Total operating expenses	<u>4,254,293</u>	<u>637,640</u>	<u>2,704,189</u>	<u>7,596,122</u>	<u>1,487,191</u>
Operating income (loss)	<u>1,398,994</u>	<u>(25,986)</u>	<u>(434,394)</u>	<u>938,614</u>	<u>(579,171)</u>
Non-Operating Revenues (Expenses)					
Operating grant - Transportation Security	-	-	47,260	47,260	-
Non-operating grant expenses	-	(767,017)	(4,804,746)	(5,571,763)	-
Gain on sale of capital assets	75,935	-	1,023	76,958	-
Interest income	272,185	-	-	272,185	-
Interest expense	(188,193)	-	(79,622)	(267,815)	-
Total non-operating revenues (expenses)	<u>159,927</u>	<u>(767,017)</u>	<u>(4,836,085)</u>	<u>(5,443,175)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	<u>1,558,921</u>	<u>(793,003)</u>	<u>(5,270,479)</u>	<u>(4,504,561)</u>	<u>(579,171)</u>
Capital Contributions					
Capital grants - federal	175,010	286,353	6,032,531	6,493,894	-
Capital grants - state	-	21,290	774,981	796,271	-
Total capital contributions	<u>175,010</u>	<u>307,643</u>	<u>6,807,512</u>	<u>7,290,165</u>	<u>-</u>
Transfers					
Transfer in	-	-	200,000	200,000	588,088
Total other financing sources	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>588,088</u>
Change in net position	1,733,931	(485,360)	1,737,033	2,985,604	8,917
Net position, beginning	<u>5,946,563</u>	<u>3,110,417</u>	<u>16,248,725</u>	<u>25,305,705</u>	<u>(8,917)</u>
Net position, ending	<u>\$ 7,680,494</u>	<u>\$ 2,625,057</u>	<u>\$ 17,985,758</u>	<u>\$ 28,291,309</u>	<u>\$ -</u>

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



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BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Garage
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 6,368,816	\$ 678,494	\$ 3,172,219	\$ 10,219,529	\$ 850,834
Cash received from other funds	-	378,148	(1,545,928)	(1,167,780)	(8,917)
Cash paid to employees	(2,318,416)	(163,291)	(935,854)	(3,417,561)	-
Cash paid to suppliers	(2,199,360)	(433,977)	(2,530,307)	(5,163,644)	(1,430,005)
Total provided by (used in) operating activities	<u>1,851,040</u>	<u>459,374</u>	<u>(1,839,870)</u>	<u>470,544</u>	<u>(588,088)</u>
Cash Flows from Non-capital Financing Activities:					
Operating grant - TSA	-	-	47,260	47,260	-
Interfund transfer	-	-	200,000	200,000	588,088
Non-operating grant expenses	-	(767,017)	(4,804,746)	(5,571,763)	-
Principal payment on note payable	-	-	(165,620)	(165,620)	-
Interest paid	(188,193)	-	(79,622)	(267,815)	-
Total provided by (used in) non-capital financing activities	<u>(188,193)</u>	<u>(767,017)</u>	<u>(4,802,728)</u>	<u>(5,757,938)</u>	<u>588,088</u>
Cash Flows from Capital and Related Financing Activities:					
FAA grants	175,010	286,353	6,032,531	6,493,894	-
SCAC grants	-	21,290	774,981	796,271	-
Proceeds from sale of capital assets	97,850	-	1,023	98,873	-
Purchase of capital assets	(634,496)	-	(165,937)	(800,433)	-
	<u>(361,636)</u>	<u>307,643</u>	<u>6,642,598</u>	<u>6,588,605</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest income	272,185	-	-	272,185	-
Total provided by investing activities	<u>272,185</u>	<u>-</u>	<u>-</u>	<u>272,185</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	1,573,396	-	-	1,573,396	-
Cash and Cash Equivalents, beginning of year	10,770,865	250	200	10,771,315	-
Cash and Cash Equivalents, end of year	<u>\$ 12,344,261</u>	<u>\$ 250</u>	<u>\$ 200</u>	<u>\$ 12,344,711</u>	<u>\$ -</u>

(Continued)

BEAUFORT COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Internal
	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals	Service Fund Garage
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided by (Used in) Operating Activities:					
Operating Income (loss)	\$ 1,398,994	\$ (25,986)	\$ (434,394)	\$ 938,614	\$ (579,171)
Adjustments to reconcile:					
Depreciation	395,168	54,006	569,055	1,018,229	8,768
Changes in Assets and Liabilities:					
Decrease (increase) in accounts receivable	715,529	66,840	902,424	1,684,793	(57,186)
Decrease (increase) in inventories	(13,021)	7,972	-	(5,049)	-
Decrease (increase) in other current assets	(10,014)	1,967	275	(7,772)	367
Increase (decrease) in accounts payable	(697,157)	(18,166)	(1,488,228)	(2,203,551)	48,051
Increase in due to general fund	-	378,148	(1,545,928)	(1,167,780)	(8,917)
Increase in accrued payroll	6,892	307	7,928	15,127	-
Increase (decrease) in accrued compensated absences	32,168	(1,630)	(3,629)	26,909	-
Increase (decrease) in pension deferred inflows/outflows and liability	22,481	(4,084)	152,627	171,024	-
	56,878	431,354	(1,974,531)	(1,486,299)	(17,685)
Net Cash Flow Provided by (used in) Operating Activities	\$ 1,851,040	\$ 459,374	\$ (1,839,870)	\$ 470,544	\$ (588,088)

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, 2019

ASSETS

Cash and Equity in Pooled Cash and Investments	<u>\$ 111,938,036</u>
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LIABILITIES

Due to other taxing districts and agencies	<u>\$ 111,938,036</u>
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The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Beaufort County, South Carolina (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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

The 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 the 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 **Local Hospitality Tax Program Fund** accounts for the 2% hospitality tax imposed on the gross proceeds derived from the sale of prepared meals and beverages sold in establishments located in unincorporated areas of the County. The revenue generated by the hospitality tax must be used exclusively for the purposes specified in Section 66-534 of the Code of Ordinances Beaufort County, South Carolina.
- The **Road Impact Fees Fund** accounts for the road facilities development impact fees imposed on and collected from all developers (fee payors) for which authorization of commencement of a development (building permit or, if no subsequent building permit is required, a development permit), is sought from the County, or from a municipality in the County pursuant to an intergovernmental agreement, in accordance with the procedures set forth in the Beaufort County Impact Fee Procedures Ordinance. All road facilities development impact fees collected shall be used for system improvements as set forth in the County's adopted capital improvements plan for roads in the County. System improvements generally include, but are not limited to, the following: acquisition of land for, and construction of, new roads, road improvements, new intersection and intersection improvements, traffic signals and related facilities designed to expand the road system capacity, longevity and durability.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating 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	\$ 541,517,587	\$ 30,353,828
Less: Current Portion of Long-Term Debt	(16,552,253)	-
Long-Term Obligations	(209,115,073)	-
Unspent Bond Proceeds	31,430,507	-
Add Deferred Charge on Refundings	3,137,408	-
	\$ 350,418,176	\$ 30,353,828

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 six items that qualify for reporting in this category. These six 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. (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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items that qualify for reporting in this category, one of which arises 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 are reported in the government-wide and proprietary fund Statements of Net Position; 2) 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; and 3) 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

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

Inventories

Inventories recorded in the Lady's Island Airport Fund and the Stormwater Utility Fund consist of fuels and supplies. Supplies are reported at cost, and fuel is reported at the lower of "first in, first out" cost or market.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- (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.

NOTES TO THE FINANCIAL STATEMENTS

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; or 5) 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.

Deposits

Deposits include cash and cash equivalents on deposits 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, 2019 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of June 30, 2019, 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
Money Market Funds	\$ 602,875	\$ 602,875	\$ -	\$ -
Municipal Bonds	453,942	453,942	-	-
U.S. Government Agencies Securities	108,358,330	57,488,573	47,789,875	3,079,882
State of S.C. Treasurer's Investment Pool	<u>153,176,685</u>	<u>153,176,685</u>	<u>-</u>	<u>-</u>
Total Investments held in the County's name	<u>\$ 262,591,832</u>	<u>\$ 211,722,075</u>	<u>\$ 47,789,875</u>	<u>\$ 3,079,882</u>

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investment	Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Municipal Bonds	\$ 453,942	\$ -	\$ 453,942	\$ -
U.S. Government Agencies Securities	<u>108,358,330</u>	<u>42,558,945</u>	<u>65,799,385</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 108,812,272</u>	<u>\$ 42,558,945</u>	<u>\$ 66,253,327</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 State of S.C. Treasurer’s Investment Pool pursuant to Section 6-6-10 of the South Carolina Code. The State of S.C. Treasurer’s Investment 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 State of S.C. Treasurer’s 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 \$1.00. Funds may be deposited by State of S.C. Treasurer’s Investment Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial Statements for the State of S.C. Treasurer’s Investment Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

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.

Credit Risk

As of June 30, 2019, 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.



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NOTES TO THE FINANCIAL STATEMENTS

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.

The following details net receivables by governmental fund:

	<u>General</u>	<u>County Wide General Obligation Bonds</u>	<u>Road Impact Fees</u>	<u>Nonmajor Governmental Funds</u>
Property Tax Receivable	\$ 2,108,660	\$ 289,351	\$ 875,516	\$ -
Accounts Receivable - Other	195,859	-	-	2,414,849
	<u>\$ 2,304,519</u>	<u>\$ 289,351</u>	<u>\$ 875,516</u>	<u>\$ 2,414,849</u>

The following details net receivables by proprietary fund:

	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Internal Service Fund - Garage</u>
Licenses and Fees Receivable	\$ 126,751	\$ 26,993	\$ 382,116	\$ 295,504
	<u>\$ 126,751</u>	<u>\$ 26,993</u>	<u>\$ 382,116</u>	<u>\$ 295,504</u>

Due from Other Governments

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

	<u>General Fund</u>	<u>County Wide General Obligation Bonds</u>	<u>Nonmajor Governmental Funds</u>
Due from Other Governments	\$ 4,778,213	\$ 205,527	\$ 2,304,004
	<u>\$ 4,778,213</u>	<u>\$ 205,527</u>	<u>\$ 2,304,004</u>

NOTES TO THE FINANCIAL STATEMENTS

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

Due from Other Governments (Continued)

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

	Lady's Island Airport	Hilton Head Airport
Due from Other Governments	\$ 82,273	\$ 819,431
	\$ 82,273	\$ 819,431

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, 2019, under this note receivable:

Fiscal Year Ending June 30,	Amount
2020	\$ 102,724
2021	102,724
2022	102,724
2023	102,724
2024 – 2027	308,171
Total Minimum Note Payments	719,067
Less Amount Representing Interest	(72,697)
Present Value of Minimum Note Payments	646,370
Less Current Portion	(85,089)
Long-Term Portion	\$ 561,281

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.

NOTES TO THE FINANCIAL STATEMENTS

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

Note Receivable from Hilton Head Airport Fund (Continued)

Annual requirements to amortize the note receivable from Hilton Head Airport Fund outstanding at June 30, 2019, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Note Payable to Debt Service Fund</u>	<u>Principal</u>	<u>Interest</u>
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	17,434
2024	96,740	80,961	15,779
2025 – 2029	483,703	430,857	52,846
2030 – 2032	290,225	280,694	9,531
Total	<u>\$ 1,257,628</u>	<u>\$ 1,100,144</u>	<u>\$ 157,484</u>

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, 2019, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Note Payable to Debt Service Fund</u>	<u>Principal</u>	<u>Interest</u>
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	148,502	107,206	41,296
2025 – 2029	742,509	585,769	156,740
2030 – 2034	742,509	678,163	64,346
2035	74,251	73,440	811
Total	<u>\$ 2,301,779</u>	<u>\$ 1,843,335</u>	<u>\$ 458,444</u>

NOTES TO THE FINANCIAL STATEMENTS

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

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, 2019, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Note Payable to Debt Service Fund</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 188,193	\$ -	\$ 188,193
2021	188,193	-	188,193
2022	246,993	58,800	188,193
2023	244,053	58,800	185,253
2024	241,113	58,800	182,313
2025 – 2029	2,066,103	1,247,540	818,563
2030 – 2034	2,544,647	2,108,960	435,687
2035 – 2037	1,559,588	1,467,100	92,488
Total	<u>\$ 7,278,883</u>	<u>\$ 5,000,000</u>	<u>\$ 2,278,883</u>

Interfund Balances between the General Fund and the Proprietary Funds

Interfund receivable and payable balances as of June 30, 2019, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
General Fund	Hilton Head Airport Fund	\$ 2,281,134
General Fund	Lady's Island Airport Fund	937,692
		<u>\$ 3,218,826</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Governmental Activities

	<u>GOVERNMENTAL CAPITAL ASSETS</u>			
	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Disposals and Transfers</u>	<u>Balance June 30, 2019</u>
Capital assets not being depreciated				
Land	\$ 124,152,640	\$ 7,588,061	\$ -	\$ 131,740,701
Easements	18,059,927	-	-	18,059,927
Construction in progress	<u>44,517,092</u>	<u>23,482,695</u>	<u>(51,175,827)</u>	<u>16,823,960</u>
Total capital assets not being depreciated	<u>186,729,659</u>	<u>31,070,756</u>	<u>(51,175,827)</u>	<u>166,624,588</u>
Capital assets being depreciated				
Buildings and improvements	195,940,543	1,608,610	15,463,991	213,013,144
Infrastructure	301,708,957	-	34,280,482	335,989,439
Equipment	<u>87,145,907</u>	<u>4,730,693</u>	<u>(2,066,599)</u>	<u>89,810,001</u>
Total capital assets being depreciated	<u>584,795,407</u>	<u>6,339,303</u>	<u>47,677,874</u>	<u>638,812,584</u>
Less accumulated depreciation				
Buildings and improvements	105,585,584	5,522,868	-	111,108,452
Infrastructure	63,753,381	15,063,129	-	78,816,510
Equipment	<u>71,757,790</u>	<u>4,157,252</u>	<u>(1,920,419)</u>	<u>73,994,623</u>
Total accumulated depreciation	<u>241,096,755</u>	<u>24,743,249</u>	<u>(1,920,419)</u>	<u>263,919,585</u>
Total capital assets being depreciated, net	<u>343,698,652</u>	<u>(18,403,946)</u>	<u>49,598,293</u>	<u>374,892,999</u>
Governmental activities capital assets, net	<u>\$ 530,428,311</u>	<u>\$ 12,666,810</u>	<u>\$ (1,577,534)</u>	<u>\$ 541,517,587</u>

For the capital assets of the governmental activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives of the assets, which range from five to 25 years. Depreciation expense for the year ended June 30, 2019 was \$24,725,564 and the accumulated depreciation as of June 30, 2019 was \$263,901,900.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

The depreciation expense was allocated as follows:

GOVERNMENTAL DEPRECIATION EXPENSE

General Government	\$ 7,146,086
Public Safety	2,843,472
Public Works	10,133,889
Public Health	765,419
Public Welfare	4,716
Cultural and Recreation	<u>3,849,667</u>
Total	<u>\$ 24,743,249</u>

Business-Type Activities

PROPRIETARY CAPITAL ASSETS

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Disposals and Transfers</u>	<u>Balance June 30, 2019</u>
Capital assets not being depreciated				
Land	\$ 13,561,714	\$ -	\$ -	\$ 13,561,714
Infrastructure	9,229,801	-	-	9,229,801
Construction in progress	<u>257,890</u>	<u>-</u>	<u>-</u>	<u>257,890</u>
Total capital assets not being depreciated	<u>23,049,405</u>	<u>-</u>	<u>-</u>	<u>23,049,405</u>
Capital assets being depreciated				
Buildings and improvements	14,193,462	165,937	-	14,359,399
Equipment	<u>7,653,962</u>	<u>634,496</u>	<u>(629,236)</u>	<u>7,659,222</u>
Total capital assets being depreciated	<u>21,847,424</u>	<u>800,433</u>	<u>(629,236)</u>	<u>22,018,621</u>
Less accumulated depreciation				
Buildings and improvements	9,515,695	551,044	-	10,066,739
Equipment	<u>4,787,595</u>	<u>467,185</u>	<u>(607,321)</u>	<u>4,647,459</u>
Total accumulated depreciation	<u>14,303,290</u>	<u>1,018,229</u>	<u>(607,321)</u>	<u>14,714,198</u>
Total capital assets being depreciated, net	<u>7,544,134</u>	<u>(217,796)</u>	<u>(21,915)</u>	<u>7,304,423</u>
Business-type activities capital assets, net	<u>\$ 30,593,539</u>	<u>\$ (217,796)</u>	<u>\$ (21,915)</u>	<u>\$ 30,353,828</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 25 years. Depreciation expense for the year ended June 30, 2019 was \$1,018,229 and the accumulated depreciation as of June 30, 2019 was \$14,714,198.

The depreciation expense was allocated as follows:

PROPRIETARY DEPRECIATION EXPENSE

Stormwater Utility	\$	395,168
Lady's Island Airport		54,006
Hilton Head Airport		<u>569,055</u>
Total	\$	<u>1,018,229</u>

NOTE 5. LONG-TERM OBLIGATIONS

A schedule of the County's long-term obligations for governmental activities as of June 30, 2019 are as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Due in One Year</u>
General Obligation Bonds	\$ 218,159,372	\$ 11,250,000	\$ 15,579,302	\$213,830,070	\$ 16,552,253
Premiums	13,539,922	609,072	2,311,738	11,837,256	-
Compensated Absences	4,118,499	6,015,576	6,565,349	3,568,726	499,622
Net pension liability	<u>122,749,447</u>	<u>15,915,268</u>	<u>14,009,788</u>	<u>124,654,927</u>	<u>-</u>
Total	<u>\$ 358,567,240</u>	<u>\$ 33,789,916</u>	<u>\$ 38,466,177</u>	<u>\$353,890,979</u>	<u>\$ 17,051,875</u>
 Deferred Charge on Refundings	 <u>\$ 3,661,682</u>	 <u>\$ -</u>	 <u>\$ 524,274</u>	 <u>\$ 3,137,408</u>	 <u>-</u>

A schedule of the County's long-term obligations for business-type activities as of June 30, 2019 are as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Due in One Year</u>
Compensated Absences	\$ 134,077	\$ 321,966	\$ 295,057	\$ 160,986	\$ 22,538
Net pension liability	<u>4,963,044</u>	<u>613,851</u>	<u>580,904</u>	<u>4,995,991</u>	<u>-</u>
Total	<u>\$ 5,097,121</u>	<u>\$ 935,817</u>	<u>\$ 875,961</u>	<u>\$ 5,156,977</u>	<u>\$ 22,538</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

For the governmental activities, compensated absences and the net pension liability are substantially liquidated by the General Fund.

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.

In March 2019, the County issued \$11,250,000 of general obligation bonds bearing interest rates of 2.5% to 5% and with varying maturity dates through 2039. The net proceeds of \$11,740,552 (including a \$609,072 premium and after payment of \$118,520 in underwriting fees and other issuance costs) were used to provide funds to finance various projects including the re-skinning of the County administration building, phase one of the Arthur Horn building replacement, detention center security upgrades, and the renovation of three County pools.

The 2010A, 2010C, 2011, 2012A, 2012C, 2012E, 2013A, 2013B, 2013C, 2014A, 2014B, 2016A, 2017A, 2017B, and 2019A general obligation bonds are collateralized by the full faith and credit of the County and are payable from ad valorem taxes.



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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, 2019:

Description	Rates	Dates	Maturity	Original Issue	Outstanding at June 30, 2019
2010A County Bonds	2.0% - 5.0%	3/1 and 9/1	2020	24,205,000	2,780,000
2010C County Bonds	2.0% - 4.0%	2/1 and 8/1	2022	8,125,000	2,975,000
2011 County Bonds	2.0% - 3.5%	3/1 and 9/1	2031	10,000,000	9,195,000
2012A County Bonds	2.0% - 4.0%	3/1 and 9/1	2023	15,295,000	6,785,000
2012C County Bonds	2.0% - 5.0%	2/1 and 8/1	2025	25,185,000	20,120,000
2012E County Bonds	3.5%	10/12	2052	6,000,000	5,535,070
2013A County Bonds	1.5% - 4.0%	5/1 and 11/1	2033	7,580,000	5,470,000
2013B County Bonds	1.5% - 5.0%	5/1 and 11/1	2029	25,000,000	18,225,000
2013C County Bonds	1.5% - 5.0%	3/1 and 9/1	2026	33,150,000	24,960,000
2014A County Bonds	2.0% - 5.0%	3/1 and 9/1	2034	19,450,000	15,725,000
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	15,135,000
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	2,105,000
2019A County Bonds	2.5% - 5.0%	3/1 and 9/1	2039	11,250,000	11,250,000
				<u>\$ 282,870,000</u>	<u>\$213,830,070</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:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 16,552,253	\$ 7,957,393	\$ 24,509,646
2021	17,615,306	7,260,231	24,875,537
2022	18,308,467	6,554,370	24,862,837
2023	18,271,738	6,078,849	24,350,587
2024	18,475,124	5,087,463	23,562,587
2025 – 2029	58,650,706	17,099,966	75,750,672
2030 – 2034	43,565,003	7,510,036	51,075,039
2035 – 2038	19,323,877	1,926,048	21,249,925
2039 – 2043	931,000	531,202	1,462,202
2044 – 2048	1,105,736	336,556	1,442,292
2049 – 2053	1,030,860	111,599	1,142,459
Total	<u>\$ 213,830,070</u>	<u>\$ 60,453,713</u>	<u>\$ 274,283,783</u>

Total interest paid on bonds outstanding for the year ended June 30, 2019 was \$8,121,428.

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, 2019.

<u>Recipient Fund</u>	<u>Transferring Fund</u>	<u>Amount</u>
General Fund	Local Hosp Tax	\$ 1,500,000
General Fund	Nonmajor Special Revenue Funds	64,998
Road Impact Fees Fund	Nonmajor Special Revenue Funds	1,133,980
Nonmajor Special Revenue Funds	Nonmajor Special Revenue Funds	2,426,142
Nonmajor Special Revenue Funds	General Fund	5,728,673
HH Airport	Nonmajor Capital Projects Funds	200,000
Internal Service Fund	General Fund	588,088
		<u>\$ 11,641,881</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. 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 \$375,850 for the year ended June 30, 2019. 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 \$720,783 and \$25,855, respectively, for the year ended June 30, 2019. There are no employer contributions made by the County to these plans. Participant account balances are not included in these financial statements.

NOTE 8. 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, 2019, claims due and payable total approximately \$778,000 and are recorded as a liability and expenditure within the General Fund.

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

<u>For the Year Ended June 30,</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2019	\$ 632,077	\$ 11,373,425	\$ 11,227,299	\$ 778,203
2018	\$ 772,526	\$ 10,356,566	\$ 10,497,015	\$ 632,077

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. 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, P.O. Box 11960, Columbia, South Carolina 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Membership (Continued)

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.

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 eight 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-years 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Membership (Continued)

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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% of earnable compensation for SCRS and 5% for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of 1% 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 30-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 30-year amortization period; and, this increase is not limited to one-half of 1% per year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

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 90%, 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 90%. Any decrease in contribution rates must maintain the 2.9% and 5% 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 90%, then effective on the following July 1st, 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%.

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56% for SCRS and 16.24% for PORS, effective July 1, 2017. It also removes the 2.9% and 5% differential and increases and establishes a ceiling on employee contribution rates at 9% and 9.75% for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1% through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56% for SCRS and 21.24% for PORS. The amortization period is scheduled to be reduced one year for each of the next ten years to a 20-year amortization schedule. The recent pension reform legislation also changes the long-term funded ratio requirement from 90 to 85. For the year ended June 30, 2019, the County contributed \$6,136,750 to the SCRS plan and \$3,440,718 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2019, 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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

Required employer contribution rates for the year ended June 30, 2019, are as follows:

South Carolina Retirement System

Employee Class Two	14.41% of earnable compensation
Employee Class Three	14.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	16.84% of earnable compensation
Employee Class Three	16.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability

The June 30, 2018 (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, 2017, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan’s fiscal year ended June 30, 2018, 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, 2019 (measurement date of June 30, 2018), 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:

System	Total Pension Liability	Plan Fiduciary Net Liability	Employers' Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 192,138,407	\$ 103,956,209	\$ 88,182,198	54.1%	0.393551%
PORS	\$ 108,356,696	\$ 66,887,976	\$ 41,468,720	61.7%	1.463494%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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 following table provides a summary of the actuarial assumptions and methods used in the July 1, 2017 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)	3.5% 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 125%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

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 below.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	47.0%		
Global public equity	33.0%	6.99%	2.31%
Private equity	9.0%	8.73%	0.79%
Equity options securities	5.0%	5.52%	0.28%
Real assets	10.0%		
Real estate (private)	6.0%	3.54%	0.21%
Real estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk parity	8.0%	3.75%	0.30%
Hedge funds (non-PA)	2.0%	3.45%	0.07%
Other opportunistic strategies	3.0%	375.00%	0.11%
Diversified credit	18.0%		
Mixed credit	6.0%	3.05%	0.18%
Emerging markets	5.0%	3.94%	0.20%
Private debt	7.0%	3.89%	0.27%
Conservative fixed income	12.0%		
Core fixed income	10.0%	0.94%	0.09%
Cash and short duration (net)	2.0%	0.34%	0.01%
	<u>100%</u>		
		Total expected real return	<u>5.03%</u>
		Inflation for actuarial purposes	<u>2.25%</u>
		Total expected nominal return	<u><u>7.28%</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 112,680,526	\$ 88,182,198	\$ 70,668,311
PORS	\$ 55,905,021	\$ 41,468,720	\$ 29,644,183

Pension Expense

For the year ended June 30, 2019, the County recognized its proportionate share of collective pension expense of \$8,584,402 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 \$1,260,437 for a total of \$9,844,839 for the SCRS plan. Additionally, for the year ended June 30, 2019, the County recognized its proportionate share of collective pension expense of \$5,417,244 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 (\$147,631) for a total of \$5,269,613 for the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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

At June 30, 2019, 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:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,180	\$ 518,928
Net difference between projected and actual earnings on pension plan investments	1,400,776	-
Assumption changes	3,498,576	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,370,269	53,970
Employer contributions subsequent to the measurement date	6,136,750	-
Total	\$ 14,565,551	\$ 572,898

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,277,718	\$ -
Net difference between projected and actual earnings on pension plan investments	829,275	-
Assumption changes	2,734,235	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	282,298	735,177
Employer contributions subsequent to the measurement date	3,440,718	-
Total	\$ 8,564,244	\$ 735,177

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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

County contributions subsequent to the measurement date of \$6,136,750 and \$3,440,718 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, 2020. 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 ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2020	\$ 4,984,352	\$ 2,438,169
2021	3,477,374	1,758,256
2022	(494,366)	205,045
2023	(111,457)	(13,121)
Total	<u>\$ 7,855,903</u>	<u>\$ 4,388,349</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, South Carolina 29211-1960.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. 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, 2019, to cover unused, unpaid Personal Leave including fringe benefits totaled \$3,729,712.

Accrued compensated absences for governmental activities as of June 30, 2019 are as follows:

<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Due in One Year</u>
\$ 4,118,499	\$ 6,015,576	\$ 6,565,349	\$ 3,568,726	\$ 499,622

Accrued compensated absences for business-type activities as of June 30, 2019 are as follows:

<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Due in One Year</u>
\$ 134,077	\$ 321,966	\$ 295,057	\$ 160,986	\$ 22,538

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 post-employment health care benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. 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, 2019, 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 11. 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 11. FUND BALANCES (CONTINUED)

Fund balances for all the major and nonmajor funds as of June 30, 2019, were distributed as follows:

	General Fund	County Wide General Obligation Bonds	Local Hospitality Tax Program	Road Impact Fees	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepaid items	\$ 1,441,679	\$ -	\$ -	\$ -	\$ 162,165	\$ 1,603,844
	<u>1,441,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,165</u>	<u>1,603,844</u>
Restricted:						
General government grants	-	-	2,351,748	-	10,258,508	12,610,256
Public safety grants	-	-	-	-	6,107,435	6,107,435
Public works grants	-	-	-	20,396,031	8,425,312	28,821,343
Public health grants	-	-	-	-	5,030,178	5,030,178
Public welfare grants	-	-	-	-	1,166,240	1,166,240
Cultural and recreation grants	-	-	-	-	10,544,204	10,544,204
Capital projects	-	-	-	-	38,859,032	38,859,032
Debt service	-	21,841,334	-	-	3,577,898	25,419,232
	<u>-</u>	<u>21,841,334</u>	<u>2,351,748</u>	<u>20,396,031</u>	<u>83,968,807</u>	<u>128,557,920</u>
Committed:						
Parks and leisure capital program	-	-	-	-	307,580	307,580
General government services	159,379	-	-	-	-	159,379
Public safety facility	245,585	-	-	-	-	245,585
Public works equipment	691,623	-	-	-	-	691,623
Cultural and recreation equipment	7,722	-	-	-	-	7,722
	<u>1,104,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,580</u>	<u>1,411,889</u>
Assigned:						
General government	3,261,035	-	-	-	-	3,261,035
Traffic engineering	29,260	-	-	-	-	29,260
Parks and leisure special events	260,356	-	-	-	-	260,356
	<u>3,550,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,550,651</u>
Unassigned						
	<u>37,214,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,214,289</u>
	<u>\$ 43,310,928</u>	<u>\$ 21,841,334</u>	<u>\$ 2,351,748</u>	<u>\$ 20,396,031</u>	<u>\$ 84,438,552</u>	<u>\$ 172,338,593</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. 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, 2019, the County has outstanding construction contracts of \$16,563,168.

NOTE 13. RISK MANAGEMENT AND LITIGATION

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

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, 2019 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.



REQUIRED SUPPLEMENTARY INFORMATION



BEAUFORT COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive / (Negative)
	Original	Final	Actual	
Revenues				
Property taxes:				
Current taxes	\$ 88,869,810	\$ 88,869,810	\$ 91,339,301	\$ 2,469,491
Delinquent taxes	3,278,061	3,278,061	1,726,448	(1,551,613)
Automobile taxes	6,221,537	6,221,537	6,018,832	(202,705)
Penalties	1,329,662	1,329,662	907,092	(422,570)
Total property taxes	<u>99,699,070</u>	<u>99,699,070</u>	<u>99,991,673</u>	<u>292,603</u>
Licenses and permits				
Business licenses	800,000	800,000	1,720,108	920,108
Building permits	1,143,800	1,143,800	1,270,404	126,604
Cable franchise fees	450,000	450,000	457,395	7,395
Marriage licenses	90,000	90,000	87,535	(2,465)
Other licenses and permits	95,200	95,200	105,030	9,830
Total licenses and permits	<u>2,579,000</u>	<u>2,579,000</u>	<u>3,640,472</u>	<u>1,061,472</u>
Intergovernmental				
State aid to subdivisions	6,952,193	6,952,193	6,245,500	(706,693)
Homestead exemption	1,802,269	1,802,269	1,924,097	121,828
Merchants' inventory tax	186,308	186,308	186,309	1
Manufacturers tax	36,000	36,000	29,198	(6,802)
Motor carrier tax	100,000	100,000	222,107	122,107
Payments in lieu of taxes	85,000	85,000	162,935	77,935
Veterans office stipend	4,000	4,000	5,371	1,371
Registration and election	3,000	3,000	15,810	12,810
Salary supplements	7,875	7,875	7,875	-
Local traffic signal maintenance	20,000	20,000	107,296	87,296
Local, state and federal grant funds	-	-	7,352,553	7,352,553
Pollution control penalties	1,000	1,000	5,196	4,196
Total intergovernmental	<u>9,197,645</u>	<u>9,197,645</u>	<u>16,264,247</u>	<u>7,066,602</u>
Charges for services				
Register of deeds fees	3,706,907	3,706,907	4,591,812	884,905
Sheriff's service contracts and fees	3,348,963	3,348,963	3,238,896	(110,067)
Emergency medical service fees	2,679,000	2,679,000	3,234,028	555,028
Court support services	1,698,126	1,698,126	1,591,955	(106,171)
Recreation fees	554,408	554,408	538,154	(16,254)
Administrative services	241,681	241,681	450,076	208,395
DSO/rezoning/CRB fees	50,000	50,000	86,509	36,509
Solid waste disposal fees	5,000	5,000	6,550	1,550
Animal shelter fees	3,000	3,000	-	(3,000)
Total charges for services	<u>12,287,085</u>	<u>12,287,085</u>	<u>13,737,980</u>	<u>1,450,895</u>
Fines and forfeitures				
Clerk of court fines	11,300	11,300	15,968	4,668
Bond escrement	55,000	55,000	26,140	(28,860)
Magistrate's court fines	607,700	607,700	663,858	56,158
Library fines	75,000	75,000	93,323	18,323
Other fines	1,000	1,000	91,408	90,408
Forfeitures	-	-	7,299	7,299
Total fines and forfeitures	<u>750,000</u>	<u>750,000</u>	<u>897,996</u>	<u>147,996</u>
Interest earned on investments	<u>442,805</u>	<u>442,805</u>	<u>719,249</u>	<u>276,444</u>
Miscellaneous				
Rental of county property	78,000	78,000	50,364	(27,636)
Sale of county property	121,136	121,136	319,492	198,356
Miscellaneous	52,000	52,000	30,197	(21,803)
Total Miscellaneous	<u>251,136</u>	<u>251,136</u>	<u>400,053</u>	<u>148,917</u>
Total Revenues	<u>125,206,741</u>	<u>125,206,741</u>	<u>135,651,670</u>	<u>10,444,929</u>

(Continued)

BEAUFORT COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive / (Negative)
	Original	Final	Actual	
Expenditures				
General government				
Elected and state appointed officials:				
Magistrate's court	\$ 2,063,293	\$ 2,063,293	\$ 2,035,420	\$ 27,873
Clerk of court and family court	1,150,605	1,176,331	1,030,669	145,662
Treasurer	1,573,963	1,602,663	1,521,733	80,930
Solicitor	1,245,000	1,424,500	1,424,500	-
Probate court	790,257	811,925	834,452	(22,527)
County council	681,397	681,397	761,013	(79,616)
County council - supplemental appropriations	-	10,000	10,000	-
Auditor	891,578	912,186	855,370	56,816
Coroner	518,796	527,432	550,335	(22,903)
Master in equity	321,892	329,369	291,517	37,852
Department of social services	147,349	147,349	138,738	8,611
Legislative delegation	65,760	65,760	53,204	12,556
Total elected and state appointed officials	9,449,890	9,752,205	9,506,951	245,254
Administrative services				
County administrator	772,692	775,012	573,014	201,998
Communications and accountability	578,342	586,190	445,512	140,678
Broadcast services	323,416	330,801	369,221	(38,420)
County attorney	383,653	389,774	652,182	(262,408)
Finance, risk management and purchasing	1,153,736	1,172,469	1,176,166	(3,697)
Assessor	2,421,600	2,464,743	2,177,753	286,990
Register of deeds	545,224	551,188	524,824	26,364
Community planning and development	917,200	933,645	885,382	48,263
Business license	67,884	72,600	81,537	(8,937)
Voter registration and elections	662,289	670,907	410,392	260,515
Management and geographical information systems	4,451,783	4,484,910	4,384,844	100,066
Records management	602,108	613,215	509,357	103,858
Employee services	849,179	860,108	793,848	66,260
Nondepartmental	15,677,458	14,602,366	11,500,579	3,101,787
Total administrative services	29,406,564	28,507,928	24,484,611	4,023,317
Economic and regional development				
Lowcountry Council of Governments	143,217	143,217	121,675	21,542
Lowcountry Regional Transportation Authority	228,844	228,844	285,094	(56,250)
Economic development	770,000	770,000	509,600	260,400
Small business center	25,000	25,000	25,000	-
Total economic and regional development	1,167,061	1,167,061	941,369	225,692
Total General Government Services	40,023,515	39,427,194	34,932,931	4,494,263
Public safety services				
Sheriff's office	23,383,449	22,728,939	22,368,417	360,522
Emergency and traffic management	7,024,905	7,162,754	6,591,229	571,525
Emergency medical services	6,584,214	6,756,495	7,739,699	(983,204)
Detention center	5,841,318	5,951,082	5,934,352	16,730
Building codes and enforcement	1,192,242	1,222,640	1,126,963	95,677
Animal services	939,217	999,235	944,100	55,135
Traffic and transportation engineering	535,323	545,116	631,298	(86,182)
Total public safety services	45,500,668	45,366,261	45,336,058	30,203

(Continued)

BEAUFORT COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>			<u>Variance from Final Budget Positive / (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures (Continued)				
Public works services				
Public works general support	\$ 2,426,279	\$ 2,471,291	\$ 2,339,698	\$ 131,593
Engineering	426,441	436,208	315,208	121,000
Facilities maintenance	6,518,125	5,494,042	5,045,220	448,822
Solid waste and recycling	7,457,653	7,571,395	7,649,445	(78,050)
Total public works services	<u>16,828,498</u>	<u>15,972,936</u>	<u>15,349,571</u>	<u>623,365</u>
Public health services				
Mosquito control	1,614,985	1,625,853	1,483,348	142,505
Medical indigent act contributions	1,631,000	1,631,000	1,631,000	-
Total public health services	<u>3,245,985</u>	<u>3,256,853</u>	<u>3,114,348</u>	<u>142,505</u>
Public welfare services				
Veterans' affairs office	173,162	174,772	165,686	9,086
Human services alliance	441,000	398,000	398,000	-
HUD home consortium	56,000	56,000	56,000	-
Total public welfare services	<u>670,162</u>	<u>628,772</u>	<u>619,686</u>	<u>9,086</u>
Cultural and recreation services				
Parks and seisure services	3,388,127	4,346,753	4,261,581	85,172
Libraries	4,106,651	4,275,196	4,290,916	(15,720)
Education allocation	4,509,290	4,509,290	4,509,290	-
Total cultural and recreation services	<u>12,004,068</u>	<u>13,131,239</u>	<u>13,061,787</u>	<u>69,452</u>
Disaster related expenditures	-	-	950,677	(950,677)
Capital outlay	<u>3,381,341</u>	<u>6,106,666</u>	<u>6,101,216</u>	<u>5,450</u>
Total Expenditures	<u>121,654,237</u>	<u>123,889,921</u>	<u>119,466,274</u>	<u>4,423,647</u>
Excess of revenues over expenditures	<u>3,552,504</u>	<u>1,316,820</u>	<u>16,185,396</u>	<u>14,868,576</u>
Issuance of BAN	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	1,568,750	1,568,750	1,564,996	3,754
Transfers out	(5,121,254)	(5,279,500)	(6,316,761)	1,037,261
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>(3,552,504)</u>	<u>(3,710,750)</u>	<u>(4,751,765)</u>	<u>1,041,015</u>
Net Change in Fund Balance	-	(2,393,930)	11,433,631	(13,827,561)
Fund Balance - beginning	<u>31,877,297</u>	<u>31,877,297</u>	<u>31,877,297</u>	<u>-</u>
Fund Balance - ending	<u>\$ 31,877,297</u>	<u>\$ 29,483,367</u>	<u>\$ 43,310,928</u>	<u>\$ (13,827,561)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR 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
2018	0.393551%	\$ 88,182,198	\$ 38,542,987	228.8%	54.1%
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
2018	1.46349%	\$ 41,468,720	\$ 17,304,198	239.6%	61.7%
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 YEAR 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
2019	\$ 6,136,750	\$ 6,136,750	\$ -	\$ 40,402,521	15.19%
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
2019	\$ 3,440,718	\$ 3,440,718	\$ -	\$ 17,288,882	19.90%
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

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Calculation date	July 1, 2016	July 1, 2016
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Five-year smoothed	Five-year smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	30 years variable, but not to exceed 30 years	30 years variable, but not to exceed 30 years
Investment return	7.50%	7.50%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service.
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 125% and female rates are multiplied by 111%.

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

BEAUFORT COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF MODIFIED APPROACH FOR AIRPORT INFRASTRUCTURE ASSETS JUNE 30, 2019

Beaufort County's airport 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 2019</u>	<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%	100%
Percent of Taxiways in Fair or Better Condition	100%	100%	100%	100%	100%
Percent of Aprons in Fair or Better Condition	100%	100%	100%	100%	100%
Percent of Annual Resurfacing of Runways Completed	0%	0%	0%	0%	0%
Percent of Annual Resurfacing of Taxiways Completed	0%	0%	0%	0%	0%
Percent of Annual Resurfacing of Aprons Completed	0%	0%	0%	0%	0%

The County estimates maintenance expense in the amount of \$650,000 to be incurred every five 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 2019, 2018, 2017 and 2016, the Hilton Head Island Airport expended \$4.4 million, \$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 also has a grant request in process with the FAA and the SCAC to obtain funding for the resurfacing of the entire runway to increase the weight bearing capacity due to jet service beginning July 2018.

A close-up photograph of a purple lupine flower spike. The flowers are arranged in a dense, elongated cluster along a central stem. The petals are a vibrant purple color, and the center of the flowers shows a darker, magenta hue. The background is filled with out-of-focus green leaves and branches, suggesting a natural outdoor setting. A semi-transparent white banner with black text is overlaid across the middle of the image.

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 10,071,984	\$ 10,587,341	\$ 515,357
Intergovernmental	235,450	268,092	32,642
Interest	145,000	301,486	156,486
Total revenues	<u>10,452,434</u>	<u>11,156,919</u>	<u>704,485</u>
Expenditures			
Debt service - principal	6,885,124	7,138,585	(253,461)
Debt service - interest and fees	3,180,246	3,559,737	(379,491)
Total debt service expenditures	<u>10,065,370</u>	<u>10,698,322</u>	<u>(632,952)</u>
Excess of revenues over expenditures	387,064	458,597	71,533
Other Financing Sources			
Bond premiums	609,072	609,072	-
Total other financing sources	<u>609,072</u>	<u>609,072</u>	<u>-</u>
Net Change in Fund Balance	996,136	1,067,669	71,533
Fund Balance - beginning	<u>20,773,665</u>	<u>20,773,665</u>	<u>-</u>
Fund Balance - ending	<u>\$ 21,769,801</u>	<u>\$ 21,841,334</u>	<u>\$ 71,533</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
LOCAL HOSPITALITY TAX PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 2,000,000	\$ 2,332,813	332,813
Intergovernmental	-	163,700	163,700
Fines and forfeitures	-	2,876	2,876
Interest	10,000	77,948	67,948
Total revenues	<u>2,010,000</u>	<u>2,577,337</u>	<u>567,337</u>
Expenditures			
General government:			
Personnel	66,626	48,375	18,251
Purchased services	8,243	20,563	(12,320)
Supplies	1,850	530	1,320
Capital	-	1,420,650	(1,420,650)
Other	-	3,243,000	(3,243,000)
Total expenditures	<u>76,719</u>	<u>4,733,118</u>	<u>(4,656,399)</u>
Excess (deficiency) of revenues over expenditures	1,933,281	(2,155,781)	(4,089,062)
Other Financing Sources (Uses)			
Transfers in	50,000	-	(50,000)
Transfers out	(1,500,000)	(1,500,000)	-
Total other financing sources (uses)	<u>(1,450,000)</u>	<u>(1,500,000)</u>	<u>(50,000)</u>
Net Change in Fund Balance	483,281	(3,655,781)	(4,139,062)
Fund Balance - beginning	<u>6,007,529</u>	<u>6,007,529</u>	<u>-</u>
Fund Balance - ending	<u>\$ 6,490,810</u>	<u>\$ 2,351,748</u>	<u>\$ (4,139,062)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ROAD IMPACT FEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 3,770,000	\$ 5,306,976	\$ 1,536,976
Interest	16,000	281,669	265,669
Miscellaneous	-	206	206
Total revenues	<u>3,786,000</u>	<u>5,588,851</u>	<u>1,802,851</u>
Expenditures			
Capital projects	2,779,706	266,320	2,513,386
Excess (deficiency) of revenues over (under) expenditures	1,006,294	5,322,531	4,316,237
Other Financing Uses			
Transfers out	(1,006,294)	(1,133,980)	(127,686)
Total other financing uses	<u>(1,006,294)</u>	<u>(1,133,980)</u>	<u>(127,686)</u>
Net Change in Fund Balance	-	4,188,551	4,188,551
Fund Balance - beginning	<u>16,207,480</u>	\$ <u>16,207,480</u>	<u>-</u>
Fund Balance - ending	<u>\$ 16,207,480</u>	<u>\$ 20,396,031</u>	<u>\$ 4,188,551</u>

BEAUFORT COUNTY, SOUTH CAROLINA

BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS GENERAL GOVERNMENT PROGRAMS

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and equity in pooled cash and investments	\$ 44,722,298	\$ 3,577,898	\$ 37,136,904	\$ 85,437,100
Receivables, net	601,242	-	1,813,607	2,414,849
Due from other governments	2,027,320	-	276,684	2,304,004
Prepaid items	162,165	-	-	162,165
Total assets	\$ 47,513,025	\$ 3,577,898	\$ 39,227,195	\$ 90,318,118
<u>LIABILITIES</u>				
Accounts payable	\$ 4,207,859	\$ -	\$ 367,722	\$ 4,575,581
Accrued payroll	641,248	-	441	641,689
Due to others	662,296	-	-	662,296
Total liabilities	5,511,403	-	368,163	5,879,566
<u>FUND BALANCE</u>				
Nonspendable	162,165	-	-	162,165
Restricted	41,531,877	3,577,898	38,859,032	83,968,807
Committed	307,580	-	-	307,580
Total fund balance	42,001,622	3,577,898	38,859,032	84,438,552
Total liabilities and fund balances	\$ 47,513,025	\$ 3,577,898	\$ 39,227,195	\$ 90,318,118

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 9,103,645	\$ 425,057
Licenses and permits	4,367,000	5,610,838	1,243,838
Intergovernmental	13,506,435	16,910,078	3,403,643
Charge for services	5,202,276	6,430,742	1,228,466
Fines and forfeitures	194,000	356,846	162,846
Interest	51,300	676,871	625,571
Miscellaneous	1,008,106	1,373,811	365,705
Total revenues	<u>33,007,705</u>	<u>40,462,831</u>	<u>7,455,126</u>
Expenditures			
General government	6,378,629	6,155,133	223,496
Public safety	2,627,218	2,958,922	(331,704)
Public works	563,587	585,360	(21,773)
Public health	11,083,797	10,776,817	306,980
Public welfare	2,136,002	2,028,409	107,593
Cultural and recreation	1,009,500	547,794	461,706
Capital projects	5,212,478	10,114,355	(4,901,877)
Debt service - principal	5,972,905	6,271,734	(298,829)
Debt service - interest and fees	3,399,337	3,627,266	(227,929)
Total expenditures	<u>38,383,453</u>	<u>43,065,790</u>	<u>(4,682,337)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,375,748)</u>	<u>(2,602,959)</u>	<u>2,772,789</u>
Other Financing Sources (Uses)			
Transfers in	6,224,970	6,216,020	(8,950)
Transfers out	<u>(2,791,562)</u>	<u>(1,864,998)</u>	<u>926,564</u>
Total other financing sources, net	<u>3,433,408</u>	<u>4,351,022</u>	<u>917,614</u>
Net Change in Fund Balance	(1,942,340)	1,748,063	3,690,403
Fund Balance - beginning	<u>40,253,559</u>	<u>40,253,559</u>	<u>-</u>
Fund Balance - ending	<u>\$ 38,311,219</u>	<u>\$ 42,001,622</u>	<u>\$ 3,690,403</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Debt Service Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 56,288	\$ 56,288
Total revenues	<u>-</u>	<u>56,288</u>	<u>56,288</u>
Expenditures			
Debt service - principal	2,021,967	2,168,984	(147,017)
Debt service - interest and fees	799,694	764,996	34,698
Total expenditures	<u>2,821,661</u>	<u>2,933,980</u>	<u>(112,319)</u>
Deficiency of revenues under expenditures	<u>(2,821,661)</u>	<u>(2,877,692)</u>	<u>(56,031)</u>
Other Financing Sources (Uses)			
Transfers in	3,006,295	2,933,981	(72,314)
Total other financing sources (uses)	<u>3,006,295</u>	<u>2,933,981</u>	<u>(72,314)</u>
Net Change in Fund Balance	184,634	56,289	(128,345)
Fund Balance - beginning	<u>3,521,609</u>	<u>3,521,609</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,706,243</u>	<u>\$ 3,577,898</u>	<u>\$ (128,345)</u>

(Continued)

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Capital Projects Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 5,708,435	\$ 1,296,469	\$ (4,411,966)
Interest	32,000	595,141	563,141
Miscellaneous	250,800	2,042,400	1,791,600
Total revenues	<u>5,991,235</u>	<u>3,934,010</u>	<u>(2,057,225)</u>
Expenditures			
Capital projects	53,230,721	19,474,233	33,756,488
Bond issuance costs	94,500	94,500	-
Debt service - principal	4,000,000	-	4,000,000
Total expenditures	<u>57,325,221</u>	<u>19,568,733</u>	<u>37,756,488</u>
Excess (deficiency) of revenues over expenditures	(51,333,986)	(15,634,723)	35,699,263
Other Financing Sources (Uses)			
Issuance of bonds	11,250,000	11,250,000	-
Transfers in	-	138,796	138,796
Transfers out	<u>(200,000)</u>	<u>(826,142)</u>	<u>(626,142)</u>
Total other financing sources (uses)	<u>11,050,000</u>	<u>10,562,654</u>	<u>(487,346)</u>
Net Change in Fund Balance	(40,283,986)	(5,072,069)	35,211,917
Fund Balance - beginning	<u>43,931,101</u>	<u>43,931,101</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,647,115</u>	<u>\$ 38,859,032</u>	<u>\$ 35,211,917</u>

(Continued)

BEAUFORT COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Total Nonmajor Governmental Funds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 9,103,645	\$ 425,057
Licenses and permits	4,367,000	5,610,838	1,243,838
Intergovernmental	19,214,870	18,206,547	(1,008,323)
Charge for services	5,202,276	6,430,742	1,228,466
Fines and forfeitures	194,000	356,846	162,846
Interest	83,300	1,328,300	1,245,000
Miscellaneous	1,258,906	3,416,211	2,157,305
Total revenues	38,998,940	44,453,129	5,454,189
Expenditures			
General government	6,378,629	6,155,133	223,496
Public safety	2,627,218	2,958,922	(331,704)
Public works	563,587	585,360	(21,773)
Public health	11,083,797	10,776,817	306,980
Public welfare	2,136,002	2,028,409	107,593
Cultural and recreation	1,009,500	547,794	461,706
Debt service - principal	11,994,872	8,440,718	3,554,154
Debt service - interest and fees	4,199,031	4,392,262	(193,231)
Capital projects	58,443,199	29,588,588	28,854,611
Bond issuance costs	94,500	94,500	-
Total expenditures	98,530,335	65,568,503	32,961,832
Excess (deficiency) of revenues over (under) expenditures	(59,531,395)	(21,115,374)	38,416,021
Other Financing Sources			
Issuance of bonds	11,250,000	11,250,000	-
Transfers in	9,231,265	9,288,797	57,532
Transfers out	(2,991,562)	(2,691,140)	300,422
Total other financing sources, net	17,489,703	17,847,657	357,954
Net Change in Fund Balance	(42,041,692)	(3,267,717)	38,773,975
Fund Balance - beginning	87,706,269	87,706,269	-
Fund Balance - ending	\$ 45,664,577	\$ 84,438,552	\$ 38,773,975

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BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
ALL NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	General Government Programs	Public Safety Programs	Public Works Programs
<u>ASSETS</u>			
Cash and equity in pooled cash and investments	\$ 10,470,343	\$ 6,933,906	\$ 9,011,357
Receivables, net	95,093	95,830	11,470
Due from other governments	583,080	209,505	589,081
Prepaid items	4,602	117,392	-
Total assets	<u>\$ 11,153,118</u>	<u>\$ 7,356,633</u>	<u>\$ 9,611,908</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 772,976	\$ 264,177	\$ 1,181,989
Accrued payroll	117,032	250,083	4,607
Due to others	-	617,546	-
Total liabilities	<u>890,008</u>	<u>1,131,806</u>	<u>1,186,596</u>
<u>FUND BALANCE</u>			
Nonspendable	4,602	117,392	-
Restricted	10,258,508	6,107,435	8,425,312
Committed	-	-	-
Total fund balances	<u>10,263,110</u>	<u>6,224,827</u>	<u>8,425,312</u>
Total liabilities and fund balances	<u>\$ 11,153,118</u>	<u>\$ 7,356,633</u>	<u>\$ 9,611,908</u>

Public Health Programs	Public Welfare Programs	Cultural and Recreational Programs	Total
\$ 5,809,452	\$ 1,621,280	\$ 10,875,960	\$ 44,722,298
22,485	29,645	346,719	601,242
208,446	387,208	50,000	2,027,320
40,171	-	-	162,165
<u>\$ 6,080,554</u>	<u>\$ 2,038,133</u>	<u>\$ 11,272,679</u>	<u>\$ 47,513,025</u>
\$ 704,877	\$ 862,945	\$ 420,895	\$ 4,207,859
260,578	8,948	-	641,248
44,750	-	-	662,296
<u>1,010,205</u>	<u>871,893</u>	<u>420,895</u>	<u>5,511,403</u>
40,171	-	-	162,165
5,030,178	1,166,240	10,544,204	41,531,877
-	-	307,580	307,580
<u>5,070,349</u>	<u>1,166,240</u>	<u>10,851,784</u>	<u>42,001,622</u>
<u>\$ 6,080,554</u>	<u>\$ 2,038,133</u>	<u>\$ 11,272,679</u>	<u>\$ 47,513,025</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, 2019**

	General Government Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 9,103,645	\$ 425,057
Licenses and permits	2,800,000	3,150,693	350,693
Intergovernmental	2,344,350	2,487,472	143,122
Charge for services	1,400,000	1,241,718	(158,282)
Fines and forfeitures	65,000	202,991	137,991
Interest	22,100	167,371	145,271
Miscellaneous	637,300	707,434	70,134
Total revenues	15,947,338	17,061,324	1,113,986
Expenditures			
General government	6,378,629	6,155,133	223,496
Debt service - principal	5,489,612	5,764,974	(275,362)
Debt service - interest and fees	3,174,507	3,417,808	(243,301)
Total expenditures	15,042,748	15,337,915	(295,167)
Excess of revenues over expenditures	904,590	1,723,409	818,819
Other Financing Sources (Uses)			
Transfers in	911,349	849,809	(61,540)
Transfers out	(2,118,750)	(1,864,998)	253,752
Total other financing sources (uses), net	(1,207,401)	(1,015,189)	192,212
Net Change in Fund Balance	(302,811)	708,220	1,011,031
Fund Balance - beginning	9,554,890	9,554,890	-
Fund Balance - ending	\$ 9,252,079	\$ 10,263,110	\$ 1,011,031

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, 2019**

	Public Safety Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ -	\$ 31,550	\$ 31,550
Intergovernmental	1,358,436	1,809,328	450,892
Charge for services	525,000	1,469,198	944,198
Fines and forfeitures	129,000	153,855	24,855
Interest	11,500	84,157	72,657
Miscellaneous	115,000	172,699	57,699
Total revenues	<u>2,138,936</u>	<u>3,720,787</u>	<u>1,581,851</u>
Expenditures			
Public safety	2,627,218	2,958,922	(331,704)
Capital	94,458	669,301	(574,843)
Total expenditures	<u>2,721,676</u>	<u>3,628,223</u>	<u>(906,547)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(582,740)</u>	<u>92,564</u>	<u>675,304</u>
Other Financing Sources			
Transfers in	194,408	194,408	-
Total other financing sources	<u>194,408</u>	<u>194,408</u>	<u>-</u>
Net Change in Fund Balance	(388,332)	286,972	675,304
Fund Balance - beginning	<u>5,937,855</u>	<u>5,937,855</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,549,523</u>	<u>\$ 6,224,827</u>	<u>\$ 675,304</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, 2019**

	Public Works Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 265,000	\$ 3,206,553	\$ 2,941,553
Charge for services	2,400,000	2,768,140	368,140
Interest	10,000	169,119	159,119
Miscellaneous	37,000	103,305	66,305
Total revenues	<u>2,712,000</u>	<u>6,247,117</u>	<u>3,535,117</u>
Expenditures			
Public works	563,587	585,360	(21,773)
Capital	2,662,255	7,949,874	(5,287,619)
Debt service - principal	285,326	304,936	(19,610)
Debt service - interest and fees	76,832	65,419	11,413
Total expenditures	<u>3,588,000</u>	<u>8,905,589</u>	<u>(5,317,589)</u>
Deficiency of revenues under expenditures	<u>(876,000)</u>	<u>(2,658,472)</u>	<u>(1,782,472)</u>
Net Change in Fund Balance	(876,000)	(2,658,472)	(1,782,472)
Fund Balance - beginning	<u>11,083,784</u>	<u>11,083,784</u>	<u>-</u>
Fund Balance - ending	<u>\$ 10,207,784</u>	<u>\$ 8,425,312</u>	<u>\$ (1,782,472)</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, 2019**

	Public Health Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 7,667,186	\$ 7,632,239	\$ (34,947)
Charge for services	580,476	691,267	110,791
Interest	-	95,153	95,153
Miscellaneous	187,756	248,783	61,027
Total revenues	<u>8,435,418</u>	<u>8,667,442</u>	<u>232,024</u>
Expenditures			
Public health	11,083,797	10,776,817	306,980
Capital	2,077,765	1,021,412	1,056,353
Total expenditures	<u>13,161,562</u>	<u>11,798,229</u>	<u>1,363,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,726,144)</u>	<u>(3,130,787)</u>	<u>1,595,357</u>
Other Financing Sources			
Transfers in	3,623,956	3,632,987	9,031
Transfers out	(672,812)	-	672,812
Total other financing sources	<u>2,951,144</u>	<u>3,632,987</u>	<u>681,843</u>
Net Change in Fund Balance	(1,775,000)	502,200	2,277,200
Fund Balance - beginning	<u>4,568,149</u>	<u>4,568,149</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,793,149</u>	<u>\$ 5,070,349</u>	<u>\$ 2,277,200</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, 2019**

	Public Welfare Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,517,761	\$ 1,416,745	\$ (101,016)
Charge for services	171,800	135,348	(36,452)
Interest	-	244	244
Miscellaneous	16,050	126,585	110,535
Total revenues	<u>1,705,611</u>	<u>1,678,922</u>	<u>(26,689)</u>
Expenditures			
Public welfare	<u>2,136,002</u>	<u>2,028,409</u>	<u>107,593</u>
Total expenditures	<u>2,136,002</u>	<u>2,028,409</u>	<u>107,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(430,391)</u>	<u>(349,487)</u>	<u>80,904</u>
Other Financing Sources			
Transfers in	<u>1,495,257</u>	<u>1,508,917</u>	<u>13,660</u>
Total other financing sources	<u>1,495,257</u>	<u>1,508,917</u>	<u>13,660</u>
Net Change in Fund Balance	1,064,866	1,159,430	94,564
Fund Balance - beginning	<u>6,810</u>	<u>6,810</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,071,676</u>	<u>\$ 1,166,240</u>	<u>\$ 94,564</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, 2019**

	Cultural and Recreation Programs		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,567,000	\$ 2,428,595	\$ 861,595
Intergovernmental	353,702	357,741	4,039
Charge for services	125,000	125,071	71
Interest	7,700	160,827	153,127
Miscellaneous	15,000	15,005	5
Total revenues	<u>2,068,402</u>	<u>3,087,239</u>	<u>1,018,837</u>
Expenditures			
Cultural and recreation	1,009,500	547,794	461,706
Capital	378,000	473,768	(95,768)
Debt service - principal	197,967	201,824	(3,857)
Debt service - interest and fees	147,998	144,039	3,959
Total expenditures	<u>1,733,465</u>	<u>1,367,425</u>	<u>366,040</u>
Net Change in Fund Balance	334,937	1,749,713	1,414,776
Fund Balance - beginning	<u>9,102,071</u>	<u>9,102,071</u>	<u>-</u>
Fund Balance - ending	<u>\$ 9,437,008</u>	<u>\$ 10,851,784</u>	<u>\$ 1,414,776</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, 2019**

	Totals		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 9,103,645	\$ 425,057
Licenses and permits	4,367,000	5,610,838	1,243,838
Intergovernmental	13,506,435	16,910,078	3,403,643
Charge for services	5,202,276	6,430,742	1,228,466
Fines and forfeitures	194,000	356,846	162,846
Interest	51,300	676,871	625,571
Miscellaneous	1,008,106	1,373,811	365,705
Total revenues	<u>33,007,705</u>	<u>40,462,831</u>	<u>7,455,126</u>
Expenditures			
General government	6,378,629	6,155,133	223,496
Public safety	2,627,218	2,958,922	(331,704)
Public works	563,587	585,360	(21,773)
Public health	11,083,797	10,776,817	306,980
Public welfare	2,136,002	2,028,409	107,593
Cultural and recreation	1,009,500	547,794	461,706
Capital	5,212,478	10,114,355	(4,901,877)
Debt service - principal	5,972,905	6,271,734	(298,829)
Debt service - interest and fees	3,399,337	3,627,266	(227,929)
Total expenditures	<u>38,383,453</u>	<u>43,065,790</u>	<u>(4,682,337)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,375,748)</u>	<u>(2,602,959)</u>	<u>2,772,789</u>
Other Financing Sources (Uses)			
Transfers in	6,224,970	6,216,020	(8,950)
Transfers out	(2,791,562)	(1,864,998)	926,564
Total other financing sources, net	<u>3,433,408</u>	<u>4,351,022</u>	<u>917,614</u>
Net Change in Fund Balance	(1,942,340)	1,748,063	3,690,403
Fund Balance - beginning	<u>40,253,559</u>	<u>40,253,559</u>	<u>-</u>
Fund Balance - ending	<u>\$ 38,311,219</u>	<u>\$ 42,001,622</u>	<u>\$ 3,690,403</u>

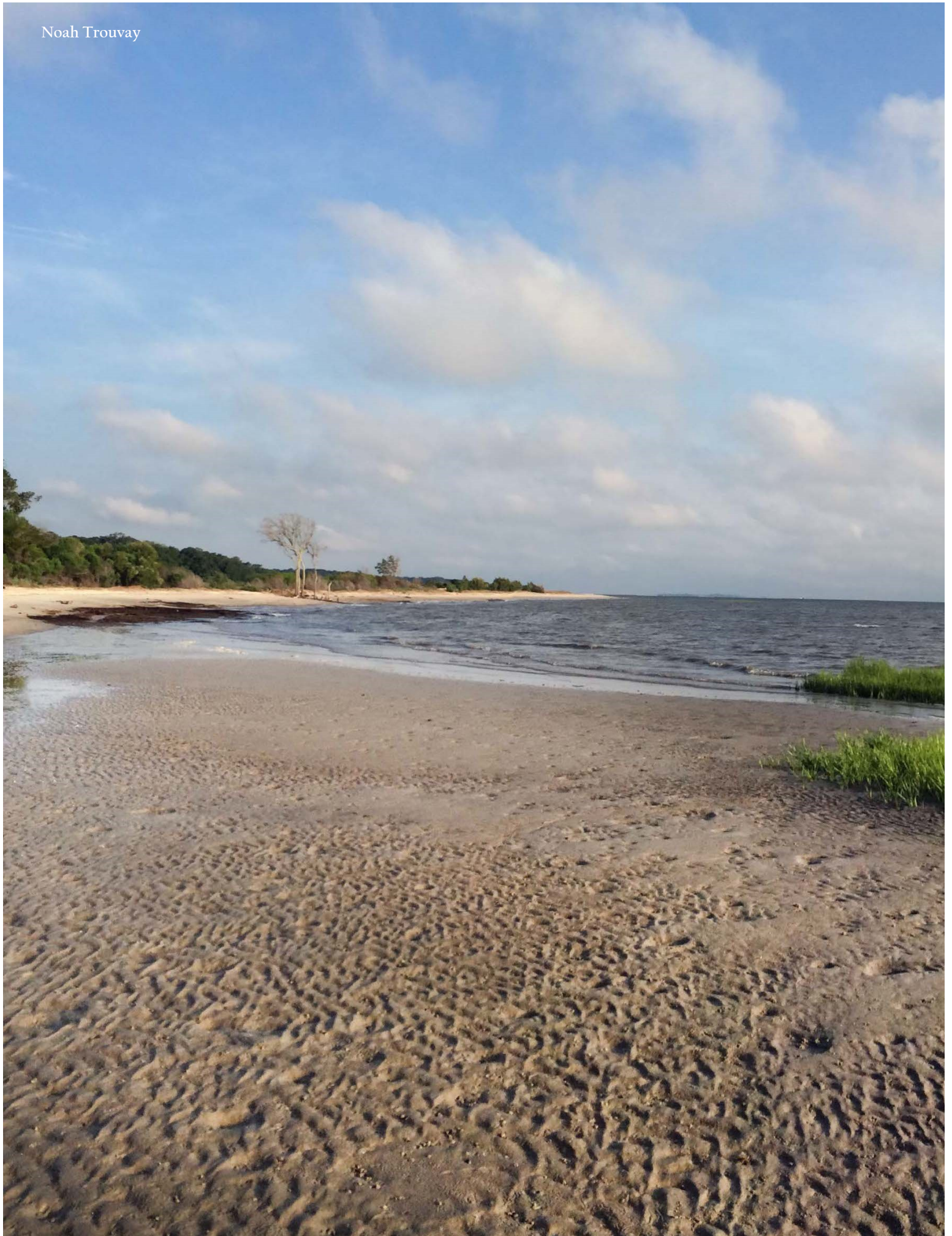
BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT PROGRAMS
JUNE 30, 2019**

	State Accommodations Tax Program	Purchase of Real Property Program	Local Accommodations Tax Program	Local Admissions Fee Program
<u>ASSETS</u>				
Cash and equity in pooled cash and investments	\$ -	\$ 804,492	\$ 3,599,938	\$ 1,219,527
Receivables, net	-	57,215	-	-
Due from other governments	305,404	176,798	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 305,404</u>	<u>\$ 1,038,505</u>	<u>\$ 3,599,938</u>	<u>\$ 1,219,527</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 259,370	\$ -	\$ 4,742	\$ 433,698
Accrued payroll	-	-	1,191	2,170
Total liabilities	<u>259,370</u>	<u>-</u>	<u>5,933</u>	<u>435,868</u>
<u>FUND BALANCE</u>				
Nonspendable	-	-	-	-
Restricted	46,034	1,038,505	3,594,005	783,659
Total fund balance	<u>46,034</u>	<u>1,038,505</u>	<u>3,594,005</u>	<u>783,659</u>
Total liabilities and fund balances	<u>\$ 305,404</u>	<u>\$ 1,038,505</u>	<u>\$ 3,599,938</u>	<u>\$ 1,219,527</u>

Treasurer Execution Fees	Clerk of Court Incentives	Clerk of Court Unit Cost	Employer Group Benefit Trust	Public Defender Trust	Reforestation Trust	Total
\$ 2,669,715	\$ 346,745	\$ 73,559	\$ 321,017	\$ 408,775	\$ 1,026,575	\$ 10,470,343
-	-	28,109	9,769	-	-	95,093
-	1,825	48,277	-	50,776	-	583,080
515	-	-	-	4,087	-	4,602
<u>\$ 2,670,230</u>	<u>\$ 348,570</u>	<u>\$ 149,945</u>	<u>\$ 330,786</u>	<u>\$ 463,638</u>	<u>\$ 1,026,575</u>	<u>\$ 11,153,118</u>
\$ 18,570	\$ 12,109	\$ 3,545	\$ 7,779	\$ 33,163	\$ -	\$ 772,976
29,947	-	9,058	-	74,666	-	117,032
<u>48,517</u>	<u>12,109</u>	<u>12,603</u>	<u>7,779</u>	<u>107,829</u>	<u>-</u>	<u>890,008</u>
515	-	-	-	4,087	-	4,602
2,621,198	336,461	137,342	323,007	351,722	1,026,575	10,258,508
<u>2,621,713</u>	<u>336,461</u>	<u>137,342</u>	<u>323,007</u>	<u>355,809</u>	<u>1,026,575</u>	<u>10,263,110</u>
<u>\$ 2,670,230</u>	<u>\$ 348,570</u>	<u>\$ 149,945</u>	<u>\$ 330,786</u>	<u>\$ 463,638</u>	<u>\$ 1,026,575</u>	<u>\$ 11,153,118</u>

Noah Trouvay



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, 2019**

	State Accommodations Tax Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 860,000	\$ 824,968	\$ (35,032)
Total revenues	<u>860,100</u>	<u>824,968</u>	<u>(35,132)</u>
Expenditures			
General government:			
Other	791,350	729,990	61,360
Total expenditures	<u>791,350</u>	<u>729,990</u>	<u>61,360</u>
Excess of revenues over expenditures	<u>68,750</u>	<u>94,978</u>	<u>26,228</u>
Other Financing Uses			
Transfers out	(118,750)	(64,998)	53,752
Total other financing uses	<u>(118,750)</u>	<u>(64,998)</u>	<u>53,752</u>
Net Change in Fund Balance	(50,000)	29,980	79,980
Fund Balance - beginning	16,054	16,054	-
Fund Balance - ending	<u>\$ (33,946)</u>	<u>\$ 46,034</u>	<u>\$ 79,980</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, 2019**

	Purchase of Real Property Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 9,103,645	\$ 425,057
Intergovernmental	184,350	197,124	12,774
Interest	2,000	19,019	17,019
Miscellaneous	7,800	16,232	8,432
Total revenues	<u>8,872,738</u>	<u>9,336,020</u>	<u>463,282</u>
Expenditures			
General government:			
Purchased services	62,650	40,414	22,236
Debt service:			
Principal	5,489,612	5,764,974	(275,362)
Interest and fees	3,174,507	3,417,808	(243,301)
Total expenditures	<u>8,726,769</u>	<u>9,223,196</u>	<u>(496,427)</u>
Net Change in Fund Balance	145,969	112,824	(33,145)
Fund Balance - beginning	<u>925,681</u>	<u>925,681</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,071,650</u>	<u>\$ 1,038,505</u>	<u>\$ (33,145)</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, 2019**

	<u>Local Accommodations Tax Program</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Licenses and permits	\$ 1,300,000	\$ 1,237,638	\$ (62,362)
Intergovernmental	-	16,005	16,005
Fines and forfeitures	-	1,137	1,137
Interest	5,000	53,712	48,712
Total revenues	<u>1,305,000</u>	<u>1,308,492</u>	<u>3,492</u>
Expenditures			
General government:			
Personnel	66,626	50,869	15,757
Purchased services	7,843	20,682	(12,839)
Supplies	1,850	503	1,347
Other	1,228,681	841,107	387,574
Total expenditures	<u>1,305,000</u>	<u>913,161</u>	<u>391,839</u>
Net Change in Fund Balance	-	395,331	395,331
Fund Balance - beginning	<u>3,198,674</u>	<u>3,198,674</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,198,674</u>	<u>\$ 3,594,005</u>	<u>\$ 395,331</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, 2019**

	Local Admissions Fee Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,500,000	\$ 1,913,055	\$ 413,055
Interest	1,000	18,773	17,773
Total revenues	<u>1,501,000</u>	<u>1,931,828</u>	<u>430,828</u>
Expenditures			
General government:			
Personnel	66,626	48,388	18,238
Purchased services	7,843	20,542	(12,699)
Supplies	1,850	492	1,358
Total expenditures	<u>76,319</u>	<u>69,422</u>	<u>6,897</u>
Excess of revenues over expenditures	<u>1,424,681</u>	<u>1,862,406</u>	<u>437,725</u>
Other Financing Uses			
Transfers out	<u>(2,000,000)</u>	<u>(1,800,000)</u>	<u>200,000</u>
Total other financing uses	<u>(2,000,000)</u>	<u>(1,800,000)</u>	<u>200,000</u>
Net Change in Fund Balance	(575,319)	62,406	637,725
Fund Balance - beginning	<u>721,253</u>	<u>721,253</u>	<u>-</u>
Fund Balance - ending	<u>\$ 145,934</u>	<u>\$ 783,659</u>	<u>\$ 637,725</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, 2019**

	Treasurer Execution Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ 1,400,000	\$ 1,241,718	\$ (158,282)
Interest	10,000	45,583	35,583
Miscellaneous	8,000	10,051	2,051
Total revenues	<u>1,418,000</u>	<u>1,297,352</u>	<u>(120,648)</u>
Expenditures			
General government:			
Personnel	658,420	688,810	(30,390)
Purchased services	452,800	620,639	(167,839)
Supplies	28,300	12,530	15,770
Other	500	961	(461)
Total expenditures	<u>1,140,020</u>	<u>1,322,940</u>	<u>(182,920)</u>
Net Change in Fund Balance	277,980	(25,588)	(303,568)
Fund Balance - beginning	<u>2,647,301</u>	<u>2,647,301</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,925,281</u>	<u>\$ 2,621,713</u>	<u>\$ (303,568)</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, 2019**

	Clerk of Court Incentives		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 50,000	\$ 58,432	\$ 8,432
Interest	500	5,006	4,506
Total revenues	<u>50,500</u>	<u>63,438</u>	<u>12,938</u>
Expenditures			
General government:			
Purchased services	8,800	20,342	(11,542)
Supplies	41,700	250	41,450
Total expenditures	<u>50,500</u>	<u>20,592</u>	<u>29,908</u>
Net Change in Fund Balance	-	42,846	42,846
Fund Balance - beginning	<u>293,615</u>	<u>293,615</u>	-
Fund Balance - ending	<u>\$ 293,615</u>	<u>\$ 336,461</u>	<u>\$ 42,846</u>



Monica N. Spells

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, 2019**

	Clerk of Court Unit Cost		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 250,000	\$ 274,485	\$ 24,485
Total revenues	<u>250,000</u>	<u>274,485</u>	<u>24,485</u>
Expenditures			
General government:			
Personnel	285,540	206,256	79,284
Purchased services	25,500	25,032	468
Supplies	500	1,703	(1,203)
Total expenditures	<u>311,540</u>	<u>232,991</u>	<u>78,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,540)</u>	<u>41,494</u>	<u>103,034</u>
Other Financing Sources			
Transfers in	61,540	-	(61,540)
Total other financing sources	<u>61,540</u>	<u>-</u>	<u>(61,540)</u>
Net Change in Fund Balance	-	41,494	41,494
Fund Balance - beginning	<u>95,848</u>	<u>95,848</u>	<u>-</u>
Fund Balance - ending	<u>\$ 95,848</u>	<u>\$ 137,342</u>	<u>\$ 41,494</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, 2019**

	Employer Group Benefit Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 500	\$ -	\$ (500)
Miscellaneous	200,000	254,750	54,750
Total revenues	<u>200,500</u>	<u>254,750</u>	<u>54,250</u>
Expenditures			
General government:			
Other	200,500	242,369	(41,869)
Total expenditures	<u>200,500</u>	<u>242,369</u>	<u>(41,869)</u>
Net Change in Fund Balance	-	12,381	12,381
Fund Balance - beginning	<u>310,626</u>	<u>310,626</u>	<u>-</u>
Fund Balance - ending	<u>\$ 310,626</u>	<u>\$ 323,007</u>	<u>\$ 12,381</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, 2019**

	Public Defender Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 1,000,000	\$ 1,116,458	\$ 116,458
Interest	1,000	8,728	7,728
Miscellaneous	421,500	426,401	4,901
Total revenues	<u>1,422,500</u>	<u>1,551,587</u>	<u>129,087</u>
Expenditures			
General government:			
Personnel	2,270,700	2,297,285	(26,585)
Purchased services	81,350	106,366	(25,016)
Supplies	21,700	16,022	5,678
Capital	-	-	-
Total expenditures	<u>2,373,750</u>	<u>2,419,673</u>	<u>(45,923)</u>
Excess (deficiency) of revenues over (under) expenditures	(951,250)	(868,086)	83,164
Other Financing Sources			
Transfers in	849,809	849,809	-
Total other financing sources	<u>849,809</u>	<u>849,809</u>	<u>-</u>
Net Change in Fund Balance	(101,441)	(18,277)	83,164
Fund Balance - beginning	374,086	374,086	-
Fund Balance - ending	<u>\$ 272,645</u>	<u>\$ 355,809</u>	<u>\$ 83,164</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, 2019

	Reforestation Trust		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and forfeitures	\$ 65,000	\$ 201,854	\$ 136,854
Interest	2,000	16,550	14,550
Total revenues	<u>67,000</u>	<u>218,404</u>	<u>151,404</u>
Expenditures			
General government:			
Purchased services	67,000	163,581	(96,581)
Total expenditures	<u>67,000</u>	<u>163,581</u>	<u>(96,581)</u>
Net Change in Fund Balance	-	54,823	54,823
Fund Balance - beginning	<u>971,752</u>	<u>971,752</u>	-
Fund Balance - ending	<u>\$ 971,752</u>	<u>\$ 1,026,575</u>	<u>\$ 54,823</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, 2019

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 8,678,588	\$ 9,103,645	\$ 425,057
Licenses and permits	2,800,000	3,150,693	350,693
Intergovernmental	2,344,350	2,487,472	143,122
Charges for services	1,400,000	1,241,718	(158,282)
Fines and forfeitures	65,000	202,991	137,991
Interest	22,100	167,371	145,271
Miscellaneous	637,300	707,434	70,134
Total revenues	<u>15,947,338</u>	<u>17,061,324</u>	<u>1,113,986</u>
Expenditures			
General government:			
Personnel	3,347,912	3,291,608	56,304
Purchased services	713,786	1,017,598	(303,812)
Supplies	95,900	31,500	64,400
Other	2,221,031	1,814,427	406,604
Debt service:			
Principal	5,489,612	5,764,974	(275,362)
Interest and fees	3,174,507	3,417,808	(243,301)
Total expenditures	<u>15,042,748</u>	<u>15,337,915</u>	<u>(295,167)</u>
Excess of revenues over expenditures	904,590	1,723,409	818,819
Other Financing Sources (Uses)			
Transfers in	911,349	849,809	(61,540)
Transfers out	(2,118,750)	(1,864,998)	253,752
Total other financing sources (uses)	<u>(1,207,401)</u>	<u>(1,015,189)</u>	<u>192,212</u>
Net Change in Fund Balance	(302,811)	708,220	1,011,031
Fund Balance - beginning	<u>9,554,890</u>	<u>9,554,890</u>	<u>-</u>
Fund Balance - ending	<u>\$ 9,252,079</u>	<u>\$ 10,263,110</u>	<u>\$ 1,011,031</u>



BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY PROGRAMS
JUNE 30, 2019**

	E-911 Telephone Program	Victims Assistance Program	Sheriff's Office Special Projects	Public Safety Grants	Total
<u>ASSETS</u>					
Cash and equity in pooled cash and investments	\$ 3,586,321	\$ 563,771	\$ 2,412,789	\$ 371,025	\$ 6,933,906
Receivables, net	56,070	12,192	18,305	9,263	95,830
Due from other governments	150,136	-	20,858	38,511	209,505
Prepaid items	113,749	-	3,643	-	117,392
Total assets	<u>\$ 3,906,276</u>	<u>\$ 575,963</u>	<u>\$ 2,455,595</u>	<u>\$ 418,799</u>	<u>\$ 7,356,633</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 57,581	\$ 2,633	\$ 203,957	\$ 6	\$ 264,177
Accrued payroll	13,526	214,398	22,159	-	250,083
Due to others	-	-	591,414	26,132	617,546
Total liabilities	<u>71,107</u>	<u>217,031</u>	<u>817,530</u>	<u>26,138</u>	<u>1,131,806</u>
<u>FUND BALANCE</u>					
Nonspendable	113,749	-	3,643	-	117,392
Restricted	3,721,420	358,932	1,634,422	392,661	6,107,435
Total fund balance	<u>3,835,169</u>	<u>358,932</u>	<u>1,638,065</u>	<u>392,661</u>	<u>6,224,827</u>
Total liabilities and fund balance	<u>\$ 3,906,276</u>	<u>\$ 575,963</u>	<u>\$ 2,455,595</u>	<u>\$ 418,799</u>	<u>\$ 7,356,633</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, 2019**

	E-911 Telephone Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 765,000	\$ 727,993	\$ (37,007)
Charges for services	525,000	1,211,894	686,894
Interest	10,000	57,271	47,271
Total revenues	<u>1,300,000</u>	<u>1,997,158</u>	<u>697,158</u>
Expenditures			
Public safety:			
Personnel	431,643	363,227	68,416
Purchased services	1,045,181	960,618	84,563
Supplies	8,552	78,755	(70,203)
Capital	67,315	469,007	(401,692)
Other	142,641	125,650	16,991
Total expenditures	<u>1,695,332</u>	<u>1,997,257</u>	<u>(301,925)</u>
Net Change in Fund Balance	(395,332)	(99)	395,233
Fund Balance - beginning	<u>3,835,268</u>	<u>3,835,268</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,439,936</u>	<u>\$ 3,835,169</u>	<u>\$ 395,233</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, 2019**

	Victims Assistance Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 63,542	\$ 63,542	\$ -
Fines and forfeitures	129,000	153,855	24,855
Interest	1,500	8,155	6,655
Total revenues	<u>194,042</u>	<u>225,552</u>	<u>31,510</u>
Expenditures			
Public safety:			
Personnel	219,819	183,623	36,196
Total expenditures	<u>219,819</u>	<u>183,623</u>	<u>36,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,777)</u>	<u>41,929</u>	<u>67,706</u>
Other Financing Sources			
Transfers in	32,777	32,777	-
Total other financing sources	<u>32,777</u>	<u>32,777</u>	<u>-</u>
Net Change in Fund Balance	7,000	74,706	67,706
Fund Balance - beginning	<u>284,226</u>	<u>284,226</u>	<u>-</u>
Fund Balance - ending	<u>\$ 291,226</u>	<u>\$ 358,932</u>	<u>\$ 67,706</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, 2019**

	Sheriff's Office Special Projects		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ -	\$ 31,550	\$ 31,550
Intergovernmental	484,894	580,107	95,213
Charges for services	-	257,304	257,304
Interest	-	14,125	14,125
Miscellaneous	-	56,145	56,145
Total revenues	<u>484,894</u>	<u>939,231</u>	<u>454,337</u>
Expenditures			
Public safety:			
Personnel	576,634	688,593	(111,959)
Purchased services	29,611	19,867	9,744
Supplies	13,137	23,483	(10,346)
Capital	27,143	61,902	(34,759)
Other	-	187,859	(187,859)
Total expenditures	<u>646,525</u>	<u>981,704</u>	<u>(335,179)</u>
Excess (deficiency) of revenues over expenditures	<u>(161,631)</u>	<u>(42,473)</u>	<u>119,158</u>
Other Financing Sources			
Transfers in	161,631	161,631	-
Total other financing sources	<u>161,631</u>	<u>161,631</u>	<u>-</u>
Net Change in Fund Balance	-	119,158	119,158
Fund Balance - beginning	<u>1,518,907</u>	<u>1,518,907</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,518,907</u>	<u>\$ 1,638,065</u>	<u>\$ 119,158</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, 2019**

	Public Safety Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 45,000	\$ 437,686	\$ 392,686
Interest	-	4,606	4,606
Miscellaneous	115,000	116,554	1,554
Total revenues	<u>160,000</u>	<u>558,846</u>	<u>398,846</u>
Expenditures			
Public safety			
Purchased services	30,000	185,349	(155,349)
Supplies	-	25,868	(25,868)
Capital	-	138,392	(138,392)
Other	130,000	116,030	13,970
Total expenditures	<u>160,000</u>	<u>465,639</u>	<u>(305,639)</u>
Net Change in Fund Balance	-	93,207	93,207
Fund Balance - beginning	<u>299,454</u>	<u>299,454</u>	-
Fund Balance - ending	<u>\$ 299,454</u>	<u>\$ 392,661</u>	<u>\$ 93,207</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, 2019**

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Licenses and permits	\$ -	\$ 31,550	\$ 31,550
Intergovernmental	1,358,436	1,809,328	450,892
Charges for services	525,000	1,469,198	944,198
Fines and forfeitures	129,000	153,855	24,855
Interest	11,500	84,157	72,657
Miscellaneous	115,000	172,699	57,699
Total revenues	<u>2,138,936</u>	<u>3,720,787</u>	<u>1,581,851</u>
Expenditures			
Public safety:			
Personnel	1,228,096	1,235,443	(7,347)
Purchased services	1,104,792	1,165,834	(61,042)
Supplies	21,689	128,106	(106,417)
Capital	94,458	669,301	(574,843)
Other	272,641	429,539	(156,898)
Total expenditures	<u>2,721,676</u>	<u>3,628,223</u>	<u>(906,547)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(582,740)</u>	<u>92,564</u>	<u>675,304</u>
Other Financing Sources			
Transfers in	194,408	194,408	-
Total other financing sources	<u>194,408</u>	<u>194,408</u>	<u>-</u>
Net Change in Fund Balance	(388,332)	286,972	675,304
Fund Balance - beginning	<u>5,937,855</u>	<u>5,937,855</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,549,523</u>	<u>\$ 6,224,827</u>	<u>\$ 675,304</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC WORKS PROGRAMS
JUNE 30, 2019**

	Solid Waste & Recycling Grants	County Road Improvement Program	Barton's Run Agreement	Del Webb Boat Ramp Repair Fees	Total
<u>ASSETS</u>					
Cash and equity in pooled cash and investments	\$ 316,652	\$ 8,659,627	\$ 31,658	\$ 3,420	\$ 9,011,357
Receivables, net	-	11,470	-	-	11,470
Due from other governments	71,419	517,662	-	-	589,081
Total assets	<u>\$ 388,071</u>	<u>\$ 9,188,759</u>	<u>\$ 31,658</u>	<u>\$ 3,420</u>	<u>\$ 9,611,908</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 5,114	\$ 1,176,875	\$ -	\$ -	\$ 1,181,989
Accrued payroll	-	4,607	-	-	4,607
Total liabilities	<u>5,114</u>	<u>1,181,482</u>	<u>-</u>	<u>-</u>	<u>1,186,596</u>
<u>FUND BALANCE</u>					
Restricted	382,957	8,007,277	31,658	3,420	8,425,312
Total fund balance	<u>382,957</u>	<u>8,007,277</u>	<u>31,658</u>	<u>3,420</u>	<u>8,425,312</u>
Total liabilities and fund balance	<u>\$ 388,071</u>	<u>\$ 9,188,759</u>	<u>\$ 31,658</u>	<u>\$ 3,420</u>	<u>\$ 9,611,908</u>



Nick Henry

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, 2019**

	Solid Waste and Recycling Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 265,000	\$ 267,990	\$ 2,990
Miscellaneous	12,000	12,950	950
Total revenues	<u>277,000</u>	<u>280,940</u>	<u>3,940</u>
Expenditures			
Public works			
Purchased services	175,000	157,457	17,543
Supplies	102,000	83,212	18,788
Total expenditures	<u>277,000</u>	<u>240,669</u>	<u>36,331</u>
Net Change in Fund Balance	-	40,271	40,271
Fund Balance - beginning	<u>342,686</u>	<u>342,686</u>	-
Fund Balance - ending	<u>\$ 342,686</u>	<u>\$ 382,957</u>	<u>\$ 40,271</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, 2019**

	County Road Improvement Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	2,938,563	\$ 2,938,563
Charges for services	2,400,000	2,765,440	365,440
Interest	10,000	169,064	159,064
Miscellaneous	25,000	90,315	65,315
Total revenues	<u>2,435,000</u>	<u>5,963,382</u>	<u>3,528,382</u>
Expenditures			
Public works:			
Personnel	29,016	72,790	(43,774)
Purchased services	237,800	261,156	(23,356)
Supplies	19,771	10,745	9,026
Capital	2,662,255	7,949,874	(5,287,619)
Debt service:			
Principal	285,326	304,936	(19,610)
Interest and fees	76,832	65,419	11,413
Total expenditures	<u>3,311,000</u>	<u>8,664,920</u>	<u>(5,353,920)</u>
Net Change in Fund Balance	(876,000)	(2,701,538)	(1,825,538)
Fund Balance - beginning	<u>10,708,815</u>	<u>10,708,815</u>	<u>-</u>
Fund Balance - ending	<u>\$ 9,832,815</u>	<u>\$ 8,007,277</u>	<u>\$ (1,825,538)</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, 2019**

	Barton's Run Agreement		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ -	\$ 2,700	\$ 2,700
Total revenues	-	2,700	2,700
Net Change in Fund Balance	-	2,700	2,700
Fund Balance - beginning	28,958	28,958	-
Fund Balance - ending	\$ 28,958	\$ 31,658	\$ 2,700

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, 2019**

	<u>Del Webb Boat Ramp Repair Fees</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ -	\$ 55	\$ 55
Miscellaneous	-	40	40
Total revenues	<u>-</u>	<u>95</u>	<u>95</u>
Net Change in Fund Balance	-	95	95
Fund Balance - beginning	<u>3,325</u>	<u>3,325</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,325</u>	<u>\$ 3,420</u>	<u>\$ 95</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, 2019**

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Intergovernmental	\$ 265,000	\$ 3,206,553	\$ 2,941,553
Charges for services	2,400,000	2,768,140	368,140
Interest	10,000	169,119	159,119
Miscellaneous	37,000	103,305	66,305
Total revenues	<u>2,712,000</u>	<u>6,247,117</u>	<u>3,535,117</u>
Expenditures			
Public works:			
Personnel	29,016	72,790	(43,774)
Purchased services	412,800	418,613	(5,813)
Supplies	121,771	93,957	27,814
Capital	2,662,255	7,949,874	(5,287,619)
Debt service:			
Principal	285,326	304,936	(19,610)
Interest and fees	76,832	65,419	11,413
Total expenditures	<u>3,588,000</u>	<u>8,905,589</u>	<u>(5,317,589)</u>
Net Change in Fund Balance	(876,000)	(2,658,472)	(1,782,472)
Fund Balance - beginning	11,083,784	11,083,784	-
Fund Balance - ending	<u>\$ 10,207,784</u>	<u>\$ 8,425,312</u>	<u>\$ (1,782,472)</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC HEALTH PROGRAMS
JUNE 30, 2019**

	<u>Alcohol and Drug Abuse Department</u>	<u>Disabilities and Special Needs Department</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and equity in pooled cash and investments	\$ 1,557,484	\$ 4,251,968	\$ 5,809,452
Receivables, net	9,062	13,423	22,485
Due from other governments	207,921	525	208,446
Prepaid items	4,950	35,221	40,171
Total assets	<u>\$ 1,779,417</u>	<u>\$ 4,301,137</u>	<u>\$ 6,080,554</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 445,450	\$ 259,427	\$ 704,877
Accrued payroll	45,351	215,227	260,578
Due to others	-	44,750	44,750
Total liabilities	<u>490,801</u>	<u>519,404</u>	<u>1,010,205</u>
<u>FUND BALANCE</u>			
Nonspendable	4,950	35,221	40,171
Restricted	1,283,666	3,746,512	5,030,178
Total fund balance	<u>1,288,616</u>	<u>3,781,733</u>	<u>5,070,349</u>
Total liabilities and fund balance	<u>\$ 1,779,417</u>	<u>\$ 4,301,137</u>	<u>\$ 6,080,554</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, 2019

	Alcohol and Drug Abuse Department		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 857,000	\$ 836,351	\$ (20,649)
Charges for services	257,500	391,569	134,069
Interest	-	18,208	18,208
Miscellaneous	500	550	50
Total revenues	<u>1,115,000</u>	<u>1,246,678</u>	<u>131,678</u>
Expenditures			
Public health:			
Personnel	1,489,020	1,314,893	174,127
Purchased services	156,806	103,839	52,967
Supplies	56,677	88,381	(31,704)
Capital	-	22,018	(22,018)
Total expenditures	<u>1,702,503</u>	<u>1,529,131</u>	<u>173,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(587,503)</u>	<u>(282,453)</u>	<u>305,050</u>
Other Financing Sources			
Transfers in	587,503	596,533	9,030
Total other financing sources	<u>587,503</u>	<u>596,533</u>	<u>9,030</u>
Net Change in Fund Balance	-	314,080	314,080
Fund Balance - beginning	<u>974,536</u>	<u>974,536</u>	<u>-</u>
Fund Balance - ending	<u>\$ 974,536</u>	<u>\$ 1,288,616</u>	<u>\$ 314,080</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, 2019**

	Disabilities and Special Needs Department		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 6,810,186	\$ 6,795,888	\$ (14,298)
Charges for services	322,976	299,698	(23,278)
Interest	-	76,945	76,945
Miscellaneous	187,256	248,233	60,977
Total revenues	<u>7,320,418</u>	<u>7,420,764</u>	<u>100,346</u>
Expenditures			
Public health:			
Personnel	6,932,723	6,825,568	107,155
Purchased services	2,047,410	2,086,878	(39,468)
Supplies	401,161	357,258	43,903
Capital	2,077,765	999,394	1,078,371
Total expenditures	<u>11,459,059</u>	<u>10,269,098</u>	<u>1,189,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,138,641)</u>	<u>(2,848,334)</u>	<u>1,290,307</u>
Other Financing Sources			
Transfers in	3,036,453	3,036,454	1
Total other financing sources	<u>2,363,641</u>	<u>3,036,454</u>	<u>672,813</u>
Net Change in Fund Balance	(1,775,000)	188,120	1,963,120
Fund Balance - beginning	<u>3,593,613</u>	<u>3,593,613</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,818,613</u>	<u>\$ 3,781,733</u>	<u>\$ 1,963,120</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, 2019**

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Intergovernmental	\$ 7,667,186	\$ 7,632,239	\$ (34,947)
Charges for services	580,476	691,267	110,791
Interest	-	95,153	95,153
Miscellaneous	187,756	248,783	61,027
Total revenues	<u>8,435,418</u>	<u>8,667,442</u>	<u>232,024</u>
Expenditures			
Public health:			
Personnel	8,421,743	8,140,461	281,282
Purchased services	2,204,216	2,190,717	13,499
Supplies	457,838	445,639	12,199
Capital	2,077,765	1,021,412	1,056,353
Total expenditures	<u>13,161,562</u>	<u>11,798,229</u>	<u>1,363,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,726,144)</u>	<u>(3,130,787)</u>	<u>1,595,357</u>
Other Financing Sources			
Transfers in	3,623,956	3,632,987	9,031
Transfers out	(672,812)	-	672,812
Total other financing sources	<u>2,951,144</u>	<u>3,632,987</u>	<u>681,843</u>
Net Change in Fund Balance	(1,775,000)	502,200	2,277,200
Fund Balance - beginning	<u>4,568,149</u>	<u>4,568,149</u>	<u>-</u>
Fund Balance - ending	<u>\$ 2,793,149</u>	<u>\$ 5,070,349</u>	<u>\$ 2,277,200</u>



Monica N. Spells

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC WELFARE PROGRAMS
JUNE 30, 2019**

	Daufuskie Ferry Grant	HUD Homes Program	CDBG Water Grants	Collaborative Organization for Services to Youth	Total
<u>ASSETS</u>					
Cash and equity in pooled cash and investments	\$ 77,525	\$ 17,458	\$ 1,464,043	\$ 62,254	\$ 1,621,280
Receivables, net	26,845	-	-	2,800	29,645
Due from other governments	-	43,050	344,158	-	387,208
Total assets	<u>\$ 104,370</u>	<u>\$ 60,508</u>	<u>\$ 1,808,201</u>	<u>\$ 65,054</u>	<u>\$ 2,038,133</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 53,036	\$ 60,508	\$ 741,485	\$ 7,916	\$ 862,945
Accrued payroll	-	-	-	8,948	8,948
Total liabilities	<u>53,036</u>	<u>60,508</u>	<u>741,485</u>	<u>16,864</u>	<u>871,893</u>
<u>FUND BALANCE</u>					
Restricted	51,334	-	1,066,716	48,190	1,166,240
Total fund balance	<u>51,334</u>	<u>-</u>	<u>1,066,716</u>	<u>48,190</u>	<u>1,166,240</u>
Total liabilities and fund balance	<u>\$ 104,370</u>	<u>\$ 60,508</u>	<u>\$ 1,808,201</u>	<u>\$ 65,054</u>	<u>\$ 2,038,133</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, 2019**

	Daufuskie Ferry Grant		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 85,000	\$ 80,000	\$ (5,000)
Charges for services	50,000	44,770	(5,230)
Miscellaneous	-	110,778	110,778
Total revenues	<u>135,000</u>	<u>235,548</u>	<u>100,548</u>
Expenditures			
Public welfare:			
Other	<u>397,075</u>	<u>446,289</u>	<u>(49,214)</u>
Total expenditures	<u>397,075</u>	<u>446,289</u>	<u>(49,214)</u>
Deficiency of revenues under expenditures	<u>(262,075)</u>	<u>(210,741)</u>	<u>51,334</u>
Other Financing Sources			
Transfers in	<u>262,075</u>	<u>262,075</u>	<u>-</u>
Total other financing sources	<u>262,075</u>	<u>262,075</u>	<u>-</u>
Net Change in Fund Balance	-	51,334	51,334
Fund Balance - beginning	-	-	-
Fund Balance - ending	<u>\$ -</u>	<u>\$ 51,334</u>	<u>\$ 51,334</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, 2019**

	HUD Homes Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 500,000	\$ 388,058	\$ (111,942)
Total revenues	<u>500,000</u>	<u>388,058</u>	<u>(111,942)</u>
Expenditures			
Public welfare			
Other	500,000	388,058	111,942
Total expenditures	<u>500,000</u>	<u>388,058</u>	<u>111,942</u>
Net Change in Fund Balance	-	-	-
Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Ben Disparu

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, 2019**

	CDBG Water Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 751,485	\$ 751,485	\$ -
Total revenues	<u>751,485</u>	<u>751,485</u>	<u>-</u>
Expenditures			
Public welfare:			
Purchased services	751,485	751,485	-
Total expenditures	<u>751,485</u>	<u>751,485</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Other Financing Sources			
Transfers in	1,064,866	1,064,866	-
Total other financing sources	<u>1,064,866</u>	<u>1,064,866</u>	<u>-</u>
Net Change in Fund Balance	1,064,866	1,064,866	-
Fund Balance - beginning	<u>1,850</u>	<u>1,850</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,066,716</u>	<u>\$ 1,066,716</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, 2019**

	Collaborative Organization for Services to Youth		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 181,276	\$ 197,202	\$ 15,926
Charges for services	121,800	90,578	(31,222)
Interest	-	244	244
Miscellaneous	16,050	15,807	(243)
Total revenues	<u>319,126</u>	<u>303,831</u>	<u>(15,295)</u>
Expenditures			
Public welfare:			
Personnel	222,626	247,653	(25,027)
Purchased services	169,600	86,955	82,645
Supplies	1,600	4,603	(3,003)
Other	93,616	103,366	(9,750)
Total expenditures	<u>487,442</u>	<u>442,577</u>	<u>44,865</u>
Deficiency of revenues under expenditures	<u>(168,316)</u>	<u>(138,746)</u>	<u>29,570</u>
Other Financing Sources			
Transfers in	168,316	181,976	13,660
Total other financing sources	<u>168,316</u>	<u>181,976</u>	<u>13,660</u>
Net Change in Fund Balance	-	43,230	43,230
Fund Balance - beginning	4,960	4,960	-
Fund Balance - ending	<u>\$ 4,960</u>	<u>\$ 48,190</u>	<u>\$ 43,230</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, 2019**

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Intergovernmental	\$ 1,517,761	\$ 1,416,745	\$ (101,016)
Charges for services	171,800	135,348	(36,452)
Interest	-	244	244
Miscellaneous	16,050	126,585	110,535
Total revenues	<u>1,705,611</u>	<u>1,678,922</u>	<u>(26,689)</u>
Expenditures			
Public welfare:			
Personnel	222,626	247,653	(25,027)
Purchased services	921,085	838,440	82,645
Supplies	1,600	4,603	(3,003)
Other	990,691	937,713	52,978
Total expenditures	<u>2,136,002</u>	<u>2,028,409</u>	<u>107,593</u>
Deficiency of revenues under expenditures	<u>(430,391)</u>	<u>(349,487)</u>	<u>80,904</u>
Other Financing Sources			
Transfers in	<u>1,495,257</u>	<u>1,508,917</u>	<u>13,660</u>
Total other financing sources	<u>1,495,257</u>	<u>1,508,917</u>	<u>13,660</u>
Net Change in Fund Balance	1,064,866	1,159,430	94,564
Fund Balance - beginning	<u>6,810</u>	<u>6,810</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,071,676</u>	<u>\$ 1,166,240</u>	<u>\$ 94,564</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
CULTURAL AND RECREATION PROGRAMS
JUNE 30, 2019**

	<u>Library Grants</u>	<u>Library Trusts</u>	<u>Library Impact Fees</u>	<u>PALS Capital Program</u>
<u>ASSETS</u>				
Cash and equity in pooled cash and investments	\$ 30,847	\$ 243,106	\$ 4,163,679	\$ 307,924
Receivables, net	36,289	-	92,986	-
Due from other governments	-	-	-	-
Total assets	<u>67,136</u>	<u>243,106</u>	<u>4,256,665</u>	<u>307,924</u>
<u>LIABILITIES</u>				
Accounts payable	-	-	1,106	344
Total liabilities	<u>-</u>	<u>-</u>	<u>1,106</u>	<u>344</u>
<u>FUND BALANCE</u>				
Restricted	67,136	243,106	4,255,559	-
Committed	-	-	-	307,580
Total fund balance	<u>67,136</u>	<u>243,106</u>	<u>4,255,559</u>	<u>307,580</u>
Total liabilities and fund balance	<u>\$ 67,136</u>	<u>\$ 243,106</u>	<u>\$ 4,256,665</u>	<u>\$ 307,924</u>

PALS Impact Fees	PALS PARD Grant	Total
\$ 6,130,404	\$ -	\$ 10,875,960
217,444	-	346,719
-	50,000	50,000
<u>6,347,848</u>	<u>50,000</u>	<u>11,272,679</u>
410,802	8,643	420,895
<u>410,802</u>	<u>8,643</u>	<u>420,895</u>
5,937,046	41,357	10,544,204
-	-	307,580
<u>5,937,046</u>	<u>41,357</u>	<u>10,851,784</u>
<u>\$ 6,347,848</u>	<u>\$ 50,000</u>	<u>\$ 11,272,679</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, 2019**

	Library Grants		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 255,000	\$ 307,741	\$ 52,741
Total revenues	<u>255,000</u>	<u>307,741</u>	<u>52,741</u>
Expenditures			
Cultural and recreation:			
Purchased services	-	2,856	(2,856)
Supplies	255,000	279,886	(24,886)
Total expenditures	<u>255,000</u>	<u>282,742</u>	<u>(27,742)</u>
Net Change in Fund Balance	-	24,999	24,999
Fund Balance - beginning	<u>42,137</u>	<u>42,137</u>	-
Fund Balance - ending	<u>\$ 42,137</u>	<u>\$ 67,136</u>	<u>\$ 24,999</u>



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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, 2019**

	Library Trusts		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 3,700	\$ 3,733	\$ 33
Miscellaneous	12,000	11,589	(411)
Total revenues	<u>15,700</u>	<u>15,322</u>	<u>(378)</u>
Expenditures			
Cultural and recreation:			
Supplies	10,500	10,435	65
Other	5,200	5,287	(87)
Total expenditures	<u>15,700</u>	<u>15,722</u>	<u>(22)</u>
Net Change in Fund Balance	-	(400)	(400)
Fund Balance - beginning	<u>243,506</u>	<u>243,506</u>	-
Fund Balance - ending	<u>\$ 243,506</u>	<u>\$ 243,106</u>	<u>\$ (400)</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, 2019**

	Library Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 562,000	\$ 810,537	\$ 248,537
Interest	-	61,758	61,758
Miscellaneous	-	135	135
Total revenues	<u>562,000</u>	<u>872,430</u>	<u>310,430</u>
Expenditures			
Cultural and recreation:			
Purchased Services	-	39,599	(39,599)
Supplies	562,000	183,585	378,415
Total expenditures	<u>562,000</u>	<u>223,184</u>	<u>338,816</u>
Net Change in Fund Balance	-	649,246	649,246
Fund Balance - beginning	<u>3,606,313</u>	<u>3,606,313</u>	-
Fund Balance - ending	<u>\$ 3,606,313</u>	<u>\$ 4,255,559</u>	<u>\$ 649,246</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, 2019**

	PALS Capital Program		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ 125,000	\$ 125,071	\$ 71
Interest	4,000	4,046	46
Miscellaneous	3,000	3,281	281
Total revenues	<u>132,000</u>	<u>132,398</u>	<u>398</u>
Expenditures			
Cultural and recreation:			
Supplies	132,000	2,130	129,870
Total expenditures	<u>132,000</u>	<u>2,130</u>	<u>129,870</u>
Net Change in Fund Balance	-	130,268	130,268
Fund Balance - beginning	<u>177,312</u>	<u>177,312</u>	-
Fund Balance - ending	<u>\$ 177,312</u>	<u>\$ 307,580</u>	<u>\$ 130,268</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, 2019**

	PALS Impact Fees		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and permits	\$ 1,005,000	\$ 1,618,058	\$ 613,058
Interest	-	91,290	91,290
Total revenues	<u>1,005,000</u>	<u>1,709,348</u>	<u>704,348</u>
Expenditures			
Cultural and recreation:			
Purchased services	50,000	24,016	25,984
Capital	225,000	399,169	(174,169)
Debt service:			
Principal	197,967	201,824	(3,857)
Interest and fees	147,998	144,039	3,959
Total expenditures	<u>620,965</u>	<u>769,048</u>	<u>(148,083)</u>
Net Change in Fund Balance	384,035	940,300	556,265
Fund Balance - beginning	<u>4,996,746</u>	<u>4,996,746</u>	<u>-</u>
Fund Balance - ending	<u>\$ 5,380,781</u>	<u>\$ 5,937,046</u>	<u>\$ 556,265</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, 2019**

	PARD Grant		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Intergovernmental	\$ 98,702	\$ 50,000	\$ (48,702)
Total revenues	<u>98,702</u>	<u>50,000</u>	<u>(48,702)</u>
Expenditures			
Cultural and recreation:			
Capital	153,000	74,599	78,401
Total expenditures	<u>153,000</u>	<u>74,599</u>	<u>78,401</u>
Deficiency of revenues under expenditures	(54,298)	(24,599)	29,699
Other Financing Sources			
Transfers In	-	29,899	29,899
Total other financing sources	<u>-</u>	<u>29,899</u>	<u>29,899</u>
Net Change in Fund Balance	(54,298)	5,300	59,598
Fund Balance - beginning	<u>36,057</u>	<u>36,057</u>	<u>-</u>
Fund Balance - ending	<u>\$ (18,241)</u>	<u>\$ 41,357</u>	<u>\$ 59,598</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, 2019**

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Licenses and permits	\$ 1,567,000	\$ 2,428,595	\$ 861,595
Intergovernmental	353,702	357,741	4,039
Charges for services	125,000	125,071	71
Interest	7,700	160,827	153,127
Miscellaneous	15,000	15,005	5
Total revenues	2,068,402	3,087,239	1,018,837
Expenditures			
Cultural and recreation:			
Purchased services	50,000	66,471	(16,471)
Supplies	959,500	476,036	483,464
Capital	378,000	473,768	(95,768)
Other	5,200	5,287	(87)
Debt service:			
Principal	197,967	201,824	(3,857)
Interest and fees	147,998	144,039	3,959
Total expenditures	1,738,665	1,367,425	371,240
Excess of revenues over expenditures	329,737	1,719,814	1,390,077
Other Financing Sources			
Transfers in	-	29,899	29,899
Total Other Financing Sources	-	29,899	29,899
Net Change in Fund Balance	329,737	1,749,713	1,419,976
Fund Balance - beginning	9,102,071	9,102,071	-
Fund Balance - ending	\$ 9,431,808	\$ 10,851,784	\$ 1,419,976

BEAUFORT COUNTY, SOUTH CAROLINA

BALANCE SHEET ALL NONMAJOR DEBT SERVICE FUNDS JUNE 30, 2019

	<u>Bluffton Parkway Bonds</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and equity in pooled cash and investments	\$ 3,577,898	\$ 3,577,898
Total assets	<u>\$ 3,577,898</u>	<u>\$ 3,577,898</u>
<u>FUND BALANCE</u>		
Restricted	\$ 3,577,898	\$ 3,577,898
Total fund balance	<u>\$ 3,577,898</u>	<u>\$ 3,577,898</u>

Noah Trouvay



BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Bluffton Parkway Bonds		
	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 56,288	\$ 56,288
Total revenues	-	56,288	56,288
Expenditures			
Debt service - principal	2,021,967	2,168,984	(147,017)
Debt service - interest and fees	799,694	764,996	34,698
Total debt service expenditures	2,821,661	2,933,980	(112,319)
Deficiency of revenues under expenditures	(2,821,661)	(2,877,692)	(56,031)
Other Financing Sources			
Transfers in	3,006,295	2,933,981	(72,314)
Total other financing sources	3,006,295	2,933,981	(72,314)
Net Change in Fund Balance	184,634	56,289	(128,345)
Fund Balance - beginning	3,521,609	3,521,609	-
Fund Balance - ending	\$ 3,706,243	\$ 3,577,898	\$ (128,345)

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Total		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Interest	\$ -	\$ 56,288	\$ 56,288
Total revenues	-	56,288	56,288
Expenditures			
Debt service - principal	2,021,967	2,168,984	(147,017)
Debt service - interest and fees	799,694	764,996	34,698
Total debt service expenditures	2,821,661	2,933,980	(112,319)
Deficiency of revenues under expenditures	(2,821,661)	(2,877,692)	(56,031)
Other Financing Sources			
Transfers in	3,006,295	2,933,981	(72,314)
Total other financing sources	3,006,295	2,933,981	(72,314)
Net Change in Fund Balance	184,634	56,289	(128,345)
Fund Balance - beginning	3,521,609	3,521,609	-
Fund Balance - ending	\$ 3,706,243	\$ 3,577,898	\$ (128,345)

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
ALL NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019**

	2009 GO Bond Projects	2013 GO Bond Projects	2014 GO Bond Projects	2017 GO Bond Projects	2019 GO Bond Projects
<u>ASSETS</u>					
Cash and equity in pooled cash and investments	\$ 1,298	\$ 445,561	\$ 13,956	\$ 14,746,186	\$ 11,014,765
Receivables, net	-	-	103,281	160,000	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 1,298</u>	<u>\$ 445,561</u>	<u>\$ 117,237</u>	<u>\$ 14,906,186</u>	<u>\$ 11,014,765</u>
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 54,539	\$ -
Accrued payroll	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,539</u>	<u>-</u>
<u>FUND BALANCE</u>					
Restricted for capital projects	1,298	445,561	117,237	14,851,647	11,014,765
Total fund balance	<u>1,298</u>	<u>445,561</u>	<u>117,237</u>	<u>14,851,647</u>	<u>11,014,765</u>
Total liabilities and fund balance	<u>\$ 1,298</u>	<u>\$ 445,561</u>	<u>\$ 117,237</u>	<u>\$ 14,906,186</u>	<u>\$ 11,014,765</u>

Rural and Critical Lands Program	Multicounty Industrial Park	Sales Tax Projects	Administrative Building Renovations	Spanish Moss Rail Trail	Myrtle Park Phase II	Totals
\$ 8,769,073	\$ 365,270	\$ 910,818	\$ -	\$ 142,048	\$ 727,929	\$ 37,136,904
310	-	1,250,016	300,000	-	-	1,813,607
-	-	276,684	-	-	-	276,684
<u>\$ 8,769,383</u>	<u>\$ 365,270</u>	<u>\$ 2,437,518</u>	<u>\$ 300,000</u>	<u>\$ 142,048</u>	<u>\$ 727,929</u>	<u>\$ 39,227,195</u>
\$ 1,899	\$ -	\$ 11,284	\$ 300,000	\$ -	\$ -	\$ 367,722
-	-	441	-	-	-	441
<u>1,899</u>	<u>-</u>	<u>11,725</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>368,163</u>
8,767,484	365,270	2,425,793	-	142,048	727,929	38,859,032
<u>8,767,484</u>	<u>365,270</u>	<u>2,425,793</u>	<u>-</u>	<u>142,048</u>	<u>727,929</u>	<u>38,859,032</u>
<u>\$ 8,769,383</u>	<u>\$ 365,270</u>	<u>\$ 2,437,518</u>	<u>\$ 300,000</u>	<u>\$ 142,048</u>	<u>\$ 727,929</u>	<u>\$ 39,227,195</u>

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL NONMAJOR CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2009 GO Bond Projects	2013 GO Bond Projects	2014 GO Bond Projects	2017 GO Bond Projects	2019 GO Bond Projects
Project Authorization	\$ 5,134,187	\$ 7,588,225	\$ 17,288,002	\$ 26,215,502	\$ -
Prior year's revenues	5,134,187	7,588,225	17,288,002	26,215,502	-
Prior year's expenditures	5,121,514	7,149,216	16,006,963	2,471,720	-
Fund Balances - beginning of year	12,673	439,009	1,281,039	23,743,782	-
Revenues					
Intergovernmental	-	-	-	-	-
Interest	-	6,792	7,403	326,696	59,265
Miscellaneous	-	-	-	2,000,000	-
Total revenues	-	6,792	7,403	2,326,696	59,265
Expenditures					
Capital projects	11,375	139,036	1,171,205	10,731,485	-
Bond issuance costs	-	-	-	-	94,500
Total expenditures	11,375	139,036	1,171,205	10,731,485	94,500
Excess (deficiency) of revenues over (under) expenditures	(11,375)	(132,244)	(1,163,802)	(8,404,789)	(35,235)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	11,250,000
Transfers In	-	138,796	-	-	-
Transfers out	-	-	-	(487,346)	(200,000)
Total other financing sources (uses)	-	138,796	-	(487,346)	11,050,000
Net Change in Fund Balance	(11,375)	6,552	(1,163,802)	(8,892,135)	11,014,765
Fund Balances - end of year	\$ 1,298	\$ 445,561	\$ 117,237	\$ 14,851,647	\$ 11,014,765

Rural and Critical Lands Program	Multicounty Industrial Park	Sales Tax Projects	Administrative Building Renovations	Spanish Moss Rail Trail	Myrtle Park Phase II	Totals
\$ 147,922,050	\$ 707,528	\$ 225,969,089	\$ 26,811,670	\$ 2,273,751	\$ 5,930,492	\$ 504,795,449
147,922,050	707,528	225,969,089	26,811,670	2,273,751	5,930,492	504,795,449
133,077,107	348,118	223,727,615	26,672,874	2,131,703	5,202,563	460,864,346
14,844,941	359,410	2,241,474	138,796	142,048	727,929	43,931,101
-	-	1,296,469	-	-	-	1,296,469
180,100	5,860	9,025	-	-	-	595,141
42,400	-	-	-	-	-	2,042,400
222,500	5,860	1,305,494	-	-	-	3,934,010
6,299,957	-	1,121,175	-	-	-	19,474,233
-	-	-	-	-	-	94,500
6,299,957	-	1,121,175	-	-	-	19,568,733
(6,077,457)	5,860	184,319	-	-	-	(15,634,723)
-	-	-	-	-	-	11,250,000
-	-	-	-	-	-	138,796
-	-	-	(138,796)	-	-	(826,142)
-	-	-	(138,796)	-	-	10,562,654
(6,077,457)	5,860	184,319	(138,796)	-	-	(5,072,069)
\$ 8,767,484	\$ 365,270	\$ 2,425,793	\$ -	\$ 142,048	\$ 727,929	\$ 38,859,032

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance July 01, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Broad Creek Public Service District				
Assets:				
Equity in pooled cash and investments	\$ 106,865	\$ 2,297,787	\$ 2,276,261	\$ 128,391
Due to Agency:				
Operations	105,176	1,523,799	1,547,875	81,100
Water/sewer	1,372	26,867	27,802	437
Debt service	245	747,119	700,584	46,780
Capital projects	72	2	-	74
	<u>\$ 106,865</u>	<u>\$ 2,297,787</u>	<u>\$ 2,276,261</u>	<u>\$ 128,391</u>
Fripp Island Public Service District				
Assets:				
Equity in pooled cash and investments	\$ 1,395,006	\$ 1,867,769	\$ 1,606,081	\$ 1,656,694
Due to Agency:				
Erosion control	98,877	140,393	75,000	164,270
Water/sewer	352,000	371,783	364,218	359,565
Debt service	300,310	756,161	649,970	406,501
Fire operations	351,074	565,122	500,000	416,196
Fire department 1% funds	292,745	34,310	16,893	310,162
	<u>\$ 1,395,006</u>	<u>\$ 1,867,769</u>	<u>\$ 1,606,081</u>	<u>\$ 1,656,694</u>
Forest Beach Public Service District				
Assets:				
Equity in pooled cash and investments	\$ 6	\$ 290,859	\$ 290,856	\$ 9
Due to Agency:				
Operations	-	96	96	-
Fire operations	5	5,921	5,918	8
Fire debt service	1	736	736	1
Fire department 1% funds	-	284,106	284,106	-
	<u>\$ 6</u>	<u>\$ 290,859</u>	<u>\$ 290,856</u>	<u>\$ 9</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance July 01, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Hilton Head #1 Public Service District				
Assets:				
Equity in pooled cash and investments	\$ 2,255,837	\$ 3,123,266	\$ 4,606,120	\$ 772,983
Due to Agency:				
Operations	1,064,131	1,036,251	2,049,000	51,382
Water/sewer	485,520	431,355	899,000	17,875
Debt service	703,738	1,408,972	1,414,675	698,035
Assessment A	146	2	146	2
Assessment B	243	25,873	25,400	716
Assessment C	508	75,913	76,000	421
Assessment D	105	30,656	30,500	261
Assessment H11	208	37,090	36,999	299
Folly field area front foot assessment	1,075	30,343	29,500	1,918
Front foot assessment revenue bonds	163	19,016	18,500	679
Front foot assessment revenue bonds	-	27,795	26,400	1,395
	<u>\$ 2,255,837</u>	<u>\$ 3,123,266</u>	<u>\$ 4,606,120</u>	<u>\$ 772,983</u>
South Beach Public Service District				
Assets:				
Equity in pooled cash and investments	\$ 50,849	\$ 27,143	\$ 37,942	\$ 40,050
Due to Agency:				
Water/sewer	18,272	11,866	25,000	5,138
Debt service	32,566	2,328	-	34,894
Fire operations	10	12,223	12,216	17
Fire debt service	1	726	726	1
	<u>\$ 50,849</u>	<u>\$ 27,143</u>	<u>\$ 37,942</u>	<u>\$ 40,050</u>
Bluffton Fire District				
Assets:				
Equity in pooled cash and investments	\$ 3,004,046	\$ 22,851,840	\$ 16,095,022	\$ 9,760,864
Due to Agency:				
Operations	2,511,724	14,721,442	14,174,131	3,059,035
Debt service	43,092	1,089,606	571,769	560,929
Capital projects	15,566	5,994,900	716,432	5,294,034
Fire department 1% fund	47,687	379,061	336,624	90,124
Fire impact fees	385,977	666,831	296,066	756,742
	<u>\$ 3,004,046</u>	<u>\$ 22,851,840</u>	<u>\$ 16,095,022</u>	<u>\$ 9,760,864</u>

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance July 01, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Burton Fire District				
Assets:				
Equity in pooled cash and investments	\$ 462,957	\$ 5,466,006	\$ 5,444,313	\$ 484,650
Due to Agency:				
Operations	81,798	4,995,857	5,153,560	(75,905)
Debt service	258,055	378,049	272,490	363,614
Fire department 1% fund	21,205	55,359	18,263	58,301
Fire impact fees	101,899	36,741	-	138,640
	<u>\$ 462,957</u>	<u>\$ 5,466,006</u>	<u>\$ 5,444,313</u>	<u>\$ 484,650</u>
Daufuskie Island Fire District				
Assets:				
Equity in pooled cash and investments	\$ (63,825)	\$ 1,302,811	\$ 1,265,242	\$ (26,256)
Due to Agency:				
Operations	(117,208)	1,326,930	1,246,855	(37,133)
Debt service	41,520	(40,899)	-	621
Fire department 1% fund	3,678	11,337	12,418	2,597
Fire impact fees	8,185	5,443	5,969	7,659
	<u>\$ (63,825)</u>	<u>\$ 1,302,811</u>	<u>\$ 1,265,242</u>	<u>\$ (26,256)</u>
Ladys Island/St Helena Island Fire District				
Assets:				
Equity in pooled cash and investments	\$ 1,809,564	\$ 6,498,584	\$ 6,656,040	\$ 1,652,108
Due to Agency:				
Operations	617,609	5,919,663	6,089,019	448,253
Debt service	32,862	300,945	311,338	22,469
Fire department 1% fund	329,397	171,110	255,683	244,824
Fire impact fees	829,696	106,866	-	936,562
	<u>\$ 1,809,564</u>	<u>\$ 6,498,584</u>	<u>\$ 6,656,040</u>	<u>\$ 1,652,108</u>
Sheldon Fire District				
Assets:				
Equity in pooled cash and investments	\$ 405,928	\$ 1,548,359	\$ 1,511,299	\$ 442,988
Due to Agency:				
Operations	215,566	1,387,076	1,409,078	193,564
Debt service	76,060	120,292	72,046	124,306
Fire department 1% fund	86,448	23,775	21,710	88,513
Fire impact fees	27,854	17,216	8,465	36,605
	<u>\$ 405,928</u>	<u>\$ 1,548,359</u>	<u>\$ 1,511,299</u>	<u>\$ 442,988</u>



Monica N. Spells

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 01, 2018	Additions	Deductions	Balance June 30, 2019
City of Beaufort				
Assets:				
Equity in pooled cash and investments	\$ 156,398	\$ 7,841,752	\$ 7,929,287	\$ 68,863
Due to Agency:				
Municipal	146,805	6,693,250	6,782,517	57,538
Stormwater fees	9,593	1,087,538	1,085,806	11,325
Fire department 1% fund	-	60,964	60,964	-
	\$ 156,398	\$ 7,841,752	\$ 7,929,287	\$ 68,863
 Town of Port Royal				
Assets:				
Equity in pooled cash and investments	\$ 64,689	\$ 3,087,233	\$ 3,101,029	\$ 50,893
Due to Agency:				
Municipal	61,373	2,866,617	2,878,810	49,180
Stormwater fees	3,316	208,613	210,216	1,713
Fire department 1% fund	-	12,003	12,003	-
	\$ 64,689	\$ 3,087,233	\$ 3,101,029	\$ 50,893
 Town of Bluffton				
Assets:				
Equity in pooled cash and investments	\$ 138,509	\$ 10,433,239	\$ 10,489,213	\$ 82,535
Due to Agency:				
Municipal	129,305	8,930,065	8,981,098	78,272
Stormwater fees	9,204	1,503,174	1,508,115	4,263
	\$ 138,509	\$ 10,433,239	\$ 10,489,213	\$ 82,535
 Town of Yemassee				
Assets:				
Equity in pooled cash and investments	\$ 828	\$ 39,233	\$ 39,463	\$ 598
Due to Agency:				
Municipal	828	39,105	39,335	598
Fire department 1% fund	-	128	128	-
	\$ 828	\$ 39,233	\$ 39,463	\$ 598

BEAUFORT COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 01, 2018	Additions	Deductions	Balance June 30, 2019
Town of Hilton Head				
Assets:				
Equity in pooled cash and investments	\$ 772,443	\$ 35,654,953	\$ 36,158,648	\$ 268,748
Due to Agency:				
Municipal	519,070	29,503,368	29,858,441	163,997
Motor vehicle fee	192,273	1,045,629	1,159,102	78,800
Stormwater fees	42,333	4,753,959	4,790,357	5,935
Fire operations	-	19,777	19,777	-
Fire debt service	18,767	1,249	-	20,016
Fire department 1% fund	-	330,971	330,971	-
	\$ 772,443	\$ 35,654,953	\$ 36,158,648	\$ 268,748
 City of Hardeeville				
Assets:				
Equity in pooled cash and investments	\$ 46	\$ 71,762	\$ 71,724	\$ 84
Due to Agency:				
Municipal	46	71,762	71,724	84
	\$ 46	\$ 71,762	\$ 71,724	\$ 84
 Beaufort-Jasper Academy for Career Excellence				
Assets:				
Equity in pooled cash and investments	\$ 953,797	\$ 2,821,497	\$ 3,121,311	\$ 653,983
Due to Agency:				
General	797,008	2,613,826	2,967,123	443,711
Special revenue funds	33,249	26,487	28,365	31,371
Education improvement act	123,540	181,184	125,823	178,901
	\$ 953,797	\$ 2,821,497	\$ 3,121,311	\$ 653,983
 Beaufort County School District				
Assets:				
Equity in pooled cash and investments	\$ 92,598,899	\$ 366,861,434	\$ 373,665,757	\$ 85,794,576
Due to Agency:				
General	44,048,122	230,373,432	246,760,765	27,660,789
Special revenue funds	(229,863)	14,357,213	15,266,418	(1,139,068)
School lunch program	(2,117,708)	11,541,439	9,527,206	(103,475)
Education improvement act	5,170,626	14,458,010	7,379,042	12,249,594
Debt service	15,774,952	63,044,785	60,562,990	18,256,747
Capital projects	1,321,189	86,087	64,548	1,342,728
School 8% projects	15,869,734	32,531,042	34,104,788	14,295,988
Facilities 2005	7,654,409	305,945	-	7,960,354
Facilities 2007	30,636	500	-	31,136
Facilities 2008	5,076,802	162,981	-	5,239,783
	\$ 92,598,899	\$ 366,861,434	\$ 373,665,757	\$ 85,794,576

BEAUFORT COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance July 01, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Special Assessments				
Assets:				
Equity in pooled cash and investments	\$ 152,625	\$ 49,666	\$ 47,434	\$ 154,857
Due to Agency:				
Burlington estates	24,376	397	-	24,773
Burlington land	17,951	293	-	18,244
Kings grant II	21,093	344	-	21,437
O'Neal place	14,598	238	-	14,836
Pleasant farm	7	-	-	7
Robin wood	19,860	324	-	20,184
Seabrook point	37,701	37,497	37,356	37,842
Woodland estates	16,993	277	-	17,270
Brown's island	46	10,296	10,078	264
	<u>\$ 152,625</u>	<u>\$ 49,666</u>	<u>\$ 47,434</u>	<u>\$ 154,857</u>
Departmentally Held Funds				
Assets:				
Equity in pooled cash and investments	\$ 14,340,094	\$ 26,020,734	\$ 30,410,410	\$ 9,950,418
Due to Agency:				
Clerk of court	2,840,459	593,455	1,473,835	1,960,079
Master in equity - foreclosures	790,310	12,001,692	12,429,671	362,331
Register of deeds - bonds	67,869	69,420	49,010	88,279
Treasurer - JPC escrow	427,555	15,578	-	443,133
Treasurer - bankruptcy escrow	520,978	107,458	218,184	410,252
Treasurer - surplus tax escrow	9,692,923	13,233,131	16,239,710	6,686,344
	<u>\$ 14,340,094</u>	<u>\$ 26,020,734</u>	<u>\$ 30,410,410</u>	<u>\$ 9,950,418</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 118,605,561	\$ 498,155,927	\$ 504,823,452	\$ 111,938,036
Due to Agency:				
General	\$ 118,605,561	\$ 498,155,927	\$ 504,823,452	\$ 111,938,036

**BEAUFORT COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2019**

FOR THE STATE TREASURER'S OFFICE¹

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 605,634	\$ 1,972,652	N/A	\$ 2,578,286
Court fines and assessments remitted to State Treasurer and other State Agencies	\$ 431,701	\$ 934,037	N/A	\$ 1,365,738
Total Court Fines and Assessments retained	\$ 173,933	\$ 1,038,615	N/A	\$ 1,212,548
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	44,500.00	-	N/A	\$ 44,500
Assessments retained	-	-	N/A	\$ -
Total Surcharges and Assessments retained for victim services	\$ 44,500	\$ -	N/A	\$ 44,500

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ 284,226	\$ 284,226
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	\$ 109,519	\$ 109,519
Victim Service Assessments Retained by City/County Treasurer	N/A	-	-
Victim Service Surcharges Retained by City/County Treasurer	N/A	\$ 44,336	\$ 44,336
Interest Earned	N/A	\$ 8,155	\$ 8,155
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	\$ 32,777	\$ 32,777
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	\$ 542,555	\$ 542,555

**BEAUFORT COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 183,623	\$ 183,623
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	\$ 183,623	\$ 183,623
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	\$ 358,932	\$ 358,932
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ 358,932	\$ 358,932

BEAUFORT COUNTY, SOUTH CAROLINA

ALCOHOL AND DRUG ABUSE PROGRAMS - PROFIT AND LOSS STATEMENT FOR THE FISCAL YEAR ENDING JUNE 30, 2019

	Central Administration	Safety Action	School Intervention	Community Based Treatment	Preventive Education	Intensive Outpatient	Total
Revenues							
State Mini Bottles	\$ -	\$ -	\$ 92,585	\$ 92,585	\$ 92,584	\$ 92,585	\$ 370,339
DAODOS Block Grant:¹							
IOP Uninsured Treatment	-	-	-	-	-	38,783	38,783 F
Outpatient - TB Testing	-	-	-	1,356	-	-	1,356 F
Outpatient	-	-	-	148,617	-	-	148,617 F
Outpatient Uninsured Treatment	-	-	-	21,785	-	15,142	36,927 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	-	-	-	16,000	-	-	16,000 F
Synar/STEP Youth Tobacco Buys ³	-	-	-	-	1,177	-	1,177 F
SBG (State Block Grant) ⁴	-	6,308	-	-	-	-	6,308 S
COLA (Cost of Living Allowance) ⁵	-	9,906	2,568	14,676	6,971	2,568	36,689 S
DSS DTS ⁶	-	-	-	2,400	-	-	2,400 O
STEP UP ⁷	-	-	-	6,611	-	-	6,611 O
Charges for Services - Fees	-	170,744	-	500	-	-	171,244
Charges for Services - Medicaid	-	-	-	153,476	-	-	153,476
Interest Income	18,208	-	-	67,349	-	-	85,557
Beaufort County School District	-	-	-	-	12,000	-	12,000
Miscellaneous	-	-	-	-	550	-	550
Total Revenues	18,208	215,965	96,906	556,355	210,166	149,078	1,246,678
Expenditures							
Personnel	197,314	78,016	64,446	585,992	169,324	219,801	1,314,893
Purchased Services	58,818	20,628	2,880	15,545	4,515	1,453	103,839
Supplies	60,904	11,478	3,119	5,967	790	6,123	88,381
Capital	22,018	-	-	-	-	-	22,018
Total Expenditures	339,054	110,122	70,445	607,504	174,629	227,377	1,529,131
Excess of Revenues Over (Under) Expenditures	(320,846)	105,843	26,461	(51,149)	35,537	(78,299)	(282,453)
Other Financing Sources Transfers In (Out)	596,533	-	-	-	-	-	596,533
Net Change in Fund Balance	275,687	105,843	26,461	(51,149)	35,537	(78,299)	314,080
Fund Balance - beginning	796,662	106,502	128,825	199,376	(33,186)	(223,643)	974,536
Fund Balance - ending	\$ 1,072,349	\$ 212,345	\$ 155,286	\$ 148,227	\$ 2,351	\$ (301,942)	\$ 1,288,616

Notes:

- 1: Fiscal Year 2019 Department of Alcohol and Other Drug Abuse Services (DAODAS) Block Grant is contract number BEA-BG-19 and is comprised of federal funds in the amount of \$382,574 and state funds in the amount of \$1,753, for a total annual contract amount of \$384,327 (contract number BEA-BG-19; CFDA No. 93.959).
- 2: Fiscal Year 2019 Substance Abuse Prevention and Treatment Block Grant (SAPT BG) for Assessment consists of federal funds in the amount of \$16,000 (CFDA No. 93.959).
- 3: Fiscal Year 2019 Synar/STEP Youth Tobacco Buys consists of federal funds in the amount of \$1,177 (CFDA No. 93.959).
- 4: Fiscal Year 2019 DAODAS State Block Grant consists of state funds in the amount of \$6,308 (contract number BEA-SBG-19).
- 5: Fiscal Year 2019 Cost of Living Allowance (COLA) is state funds in the amount of \$36,689 (contract number BEA-COLA-19).
- 6: Fiscal Year 2019 Assessment State is identified as state funds in the amount of \$2,400.
- 7: Fiscal Year 2019 STEP UP is identified as other funds in the amount of \$6,611 (contract number STEP UP).
- 8: Fiscal Year 2019 Gambling is identified as other funds in the amount of \$500 (contract number Gambling).

Legend:

F - Federal Funds	399,751
S - State Funds	47,150
O - Other Funds	7,111
	\$ 454,012

BEAUFORT COUNTY, SOUTH CAROLINA

DAUFUSKIE FERRY SCHEDULE OF BUDGETED TO ACTUAL SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION - STATE MASS TRANSIT FUNDS (SMTF) CONTRACT PT-9G699-28 FOR THE PERIOD BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019

	<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	45,000	-	44,770	44,770	(230)
	110,000	-	110,778	110,778	778
Total Revenues	<u>235,000</u>	<u>80,000</u>	<u>155,548</u>	<u>235,548</u>	<u>548</u>
Expenditures					
Ferry Service	441,037	80,000	361,037	441,037	-
Parking Fees	1,052	-	1,052	1,052	-
Administration	4,200	-	4,200	4,200	-
Total Expenditures	<u>446,289</u>	<u>80,000</u>	<u>366,289</u>	<u>446,289</u>	<u>-</u>
Other Financing Sources					
Transfers In ²	262,075	-	262,075	262,075	-
Total Other Financing Sources	<u>262,075</u>	<u>-</u>	<u>262,075</u>	<u>262,075</u>	<u>-</u>
Net Change in Fund Balance	50,786	-	51,334	51,334	548
Fund Balance - beginning	-	-	-	-	-
Fund Balance - ending	<u>\$ 50,786</u>	<u>\$ -</u>	<u>\$ 51,334</u>	<u>\$ 51,334</u>	<u>\$ 548</u>

Notes:

1. The intergovernmental revenues are provided by the South Carolina Department of Transportation, State Mass Transit Funds.
2. The Charges for Services are Ridership Fees. The transfer in is funding provided by Beaufort County's General Fund.
3. In July 2018, Beaufort County purchased real property that is the embarkation point for the Daufuskie Ferry. Beaufort County receives rental income and also incurs utility expenditures for the real property.

Ben Disparu

A full-page photograph of a sunset over a body of water. The sun is a bright yellow-orange orb in the center of the horizon, with its light reflecting on the water's surface. The sky is filled with wispy, white and light blue clouds, and a few white contrails are visible. In the foreground, there are tall, green reeds on the left side. The overall scene is peaceful and scenic.

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	158 – 163
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	164 – 167
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	168 – 172
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	173 and 174
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	175 – 177
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

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 350,435,861
Restricted	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	97,597,158
Unrestricted	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)	(64,605,798)
Total governmental activities net position	<u>\$ 230,298,486</u>	<u>\$ 262,204,039</u>	<u>\$ 293,907,882</u>	<u>\$ 322,066,496</u>	<u>\$ 332,887,563</u>	<u>\$ 294,157,984</u>	<u>\$ 324,007,074</u>	<u>\$ 313,730,787</u>	<u>\$ 361,437,061</u>	<u>\$ 383,427,221</u>
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 30,353,828
Unrestricted	(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)	(2,062,519)
Total business-type activities net position	<u>\$ 22,041,020</u>	<u>\$ 22,477,118</u>	<u>\$ 22,460,978</u>	<u>\$ 22,781,042</u>	<u>\$ 22,578,082</u>	<u>\$ 19,019,457</u>	<u>\$ 23,588,304</u>	<u>\$ 25,569,253</u>	<u>\$ 25,305,705</u>	<u>\$ 28,291,309</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 380,789,689
Restricted	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	97,597,158
Unrestricted	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)	(66,668,317)
Total primary government net position	<u>\$ 252,339,506</u>	<u>\$ 284,681,157</u>	<u>\$ 316,368,860</u>	<u>\$ 344,847,538</u>	<u>\$ 355,465,645</u>	<u>\$ 313,177,441</u>	<u>\$ 347,595,378</u>	<u>\$ 339,300,040</u>	<u>\$ 386,742,766</u>	<u>\$ 411,718,530</u>

BEAUFORT COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 67,483,600
Public Safety	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	55,090,970
Public Works	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	13,085,477
Public Health	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	14,714,866
Public Welfare	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	4,208,514
Cultural and Recreation	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	17,544,898
Interest	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	4,981,961
Total Governmental Activities Expenses	<u>147,742,126</u>	<u>145,218,771</u>	<u>142,010,195</u>	<u>147,983,303</u>	<u>153,769,193</u>	<u>147,557,476</u>	<u>147,619,919</u>	<u>193,994,820</u>	<u>167,963,493</u>	<u>177,110,286</u>
Business-Type Activities										
Stormwater Utility	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	4,366,551
Lady's Island Airport	664,128	693,783	668,094	667,068	602,879	703,949	901,521	610,714	996,300	1,404,657
Hilton Head Airport	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	7,587,534
Total Business-Type Expenses	<u>6,900,860</u>	<u>6,643,791</u>	<u>7,029,532</u>	<u>6,478,438</u>	<u>6,608,199</u>	<u>8,755,867</u>	<u>12,895,428</u>	<u>16,179,759</u>	<u>24,349,981</u>	<u>13,358,742</u>
Total Government Expenses	<u><u>\$ 154,642,986</u></u>	<u><u>\$ 151,862,562</u></u>	<u><u>\$ 149,039,727</u></u>	<u><u>\$ 154,461,741</u></u>	<u><u>\$ 160,377,392</u></u>	<u><u>\$ 156,313,343</u></u>	<u><u>\$ 160,515,347</u></u>	<u><u>\$ 210,174,579</u></u>	<u><u>\$ 192,313,474</u></u>	<u><u>\$ 190,469,028</u></u>

BEAUFORT COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Program Revenues										
Governmental Activities										
Charges for services										
General Government	\$ 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	\$ 17,035,862
Public Safety	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	9,336,041
Public Works	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	8,081,666
Public Health	551,682	525,615	525,594	522,846	535,092	597,297	591,235	626,822	599,225	691,268
Public Welfare	72,702	40,715	40,913	64,283	60,147	87,992	144,682	170,795	132,341	308,496
Cultural and Recreation	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	3,180,854
Operating Grants and Contributions	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	13,405,223
Capital Grants and Contributions	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	9,275,113
Total Governmental Activities Program Revenues	40,591,543	41,046,582	43,175,953	56,235,822	60,322,709	61,795,493	61,357,705	63,152,151	85,931,489	61,314,523
Business-Type Activities										
Charges for services										
Garage	-	-	-	-	-	-	-	-	-	-
Stormwater Utility	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	5,653,287
Lady's Island Airport	490,691	530,525	567,734	560,766	528,390	552,091	529,750	567,029	619,624	611,654
Hilton Head Airport	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	2,269,795
Operating Grants and Contributions	133,223	134,837	116,234	112,695	116,090	65,450	65,440	50,560	42,960	47,260
Capital Grants and Contributions	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	7,290,165
Total Business-Type Activities Program Revenues	7,635,959	7,059,845	6,952,161	6,797,408	6,401,070	7,103,275	17,409,068	18,137,570	23,936,037	15,872,161
Total Government Program Revenues	\$ 48,227,502	\$ 48,106,427	\$ 50,128,114	\$ 63,033,230	\$ 66,723,779	\$ 68,898,768	\$ 78,766,773	\$ 81,289,721	\$ 109,867,526	\$ 77,186,684
Net (Expense) / Revenue										
Governmental Activities	\$ (104,627,228)	\$ (100,963,613)	\$ (104,807,350)	\$ (97,533,371)	\$ (87,234,767)	\$ (85,824,426)	\$ (132,637,115)	\$ (104,811,342)	\$ (82,032,004)	\$ (115,795,763)
Business-Type Activities	992,168	30,313	473,723	189,209	(2,354,797)	(5,792,153)	1,229,309	(6,212,411)	(413,944)	2,513,419
Total Government Net (Expense) / Revenue	\$ (103,635,060)	\$ (100,933,300)	\$ (104,333,627)	\$ (97,344,162)	\$ (89,589,564)	\$ (91,616,579)	\$ (131,407,806)	\$ (111,023,753)	\$ (82,445,948)	\$ (113,282,344)

BEAUFORT COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
General Revenues and Other										
Changes in Net Assets										
Governmental Activities										
Property Taxes	\$ 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	\$ 119,334,712
Sales Taxes	28,257,192	29,292,574	30,442,155	15,043,485	330,889	105,253	31,232	27,661	109,728	46,453
Grants and contributions not restricted	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	9,215,559
Unrestricted investment earnings	4,093,395	1,378,709	883,768	540,155	293,213	269,080	495,848	581,229	1,495,650	5,557,428
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	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	3,631,771
Total Governmental Activities	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	137,785,923
Business-Type Activities										
Unrestricted Investments Earnings	48,779	11,282	11,231	4,835	4,169	3,133	14,710	19,694	150,396	272,185
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	-	-	-	-	-	1,079	1,995	3,444	-	-
Total Business-Type Activities	299,257	20,044	61,231	1,094	4,169	1,235,141	55,207	23,138	150,396	272,185
Total Government	\$ 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	\$ 138,058,108
Changes in Net Position										
Governmental Activities	\$ 32,317,851	\$ 37,243,500	\$ 44,580,157	\$ 26,459,611	\$ 18,505,568	\$ 48,605,851	\$ (16,942,127)	\$ 38,534,378	\$ 47,706,274	\$ 21,990,160
Business-Type Activities	715,311	(57,327)	380,201	(206,035)	(1,648,423)	5,748,781	2,013,018	(390,806)	(263,548)	2,985,604
Total Government Changes in Net Position	\$ 33,033,162	\$ 37,186,173	\$ 44,960,358	\$ 26,253,576	\$ 16,857,145	\$ 54,354,632	\$ (14,929,109)	\$ 38,143,572	\$ 47,442,726	\$ 24,975,764

BEAUFORT COUNTY, SOUTH CAROLINA

FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
General Fund										
Reserved	\$ 2,023,487									
Unreserved	16,217,306									
Total General Fund	<u>\$ 18,240,793</u>									
All Other Governmental Funds										
Reserved	\$ 140,360,312									
Unreserved, Reported In: Special revenue funds	-									
Total All Other Governmental Funds	<u>\$ 140,360,312</u>									
Total All Governmental Funds	<u>\$ 158,601,105</u>									
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	\$ 1,441,679
Committed		960,216	150,788	218,526	186,084	23,537	247,507	313,641	451,287	1,104,309
Assigned		-	23,697	1,733,143	1,047,473	381,041	452,883	1,700,200	3,298,504	3,550,651
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	37,214,289
Total General Fund		<u>18,719,739</u>	<u>22,342,008</u>	<u>24,221,269</u>	<u>23,772,669</u>	<u>26,694,383</u>	<u>28,552,962</u>	<u>27,767,395</u>	<u>31,877,297</u>	<u>43,310,928</u>
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	162,165
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	128,557,920
Committed		4,466	32,889	56,058	67,748	94,222	94,911	52,595	177,312	307,580
Unassigned (Deficit)		(1,361)	(28,933)	365,494	-	-	-	-	-	-
Total All Other Governmental Funds		<u>129,350,835</u>	<u>125,732,229</u>	<u>109,849,777</u>	<u>94,621,380</u>	<u>103,427,275</u>	<u>87,313,240</u>	<u>132,328,862</u>	<u>130,694,943</u>	<u>129,027,665</u>
Total All Governmental Funds		<u>\$ 148,070,574</u>	<u>\$ 148,074,237</u>	<u>\$ 134,071,046</u>	<u>\$ 118,394,049</u>	<u>\$ 130,121,658</u>	<u>\$ 115,866,202</u>	<u>\$ 160,096,257</u>	<u>\$ 162,572,240</u>	<u>\$ 172,338,593</u>

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

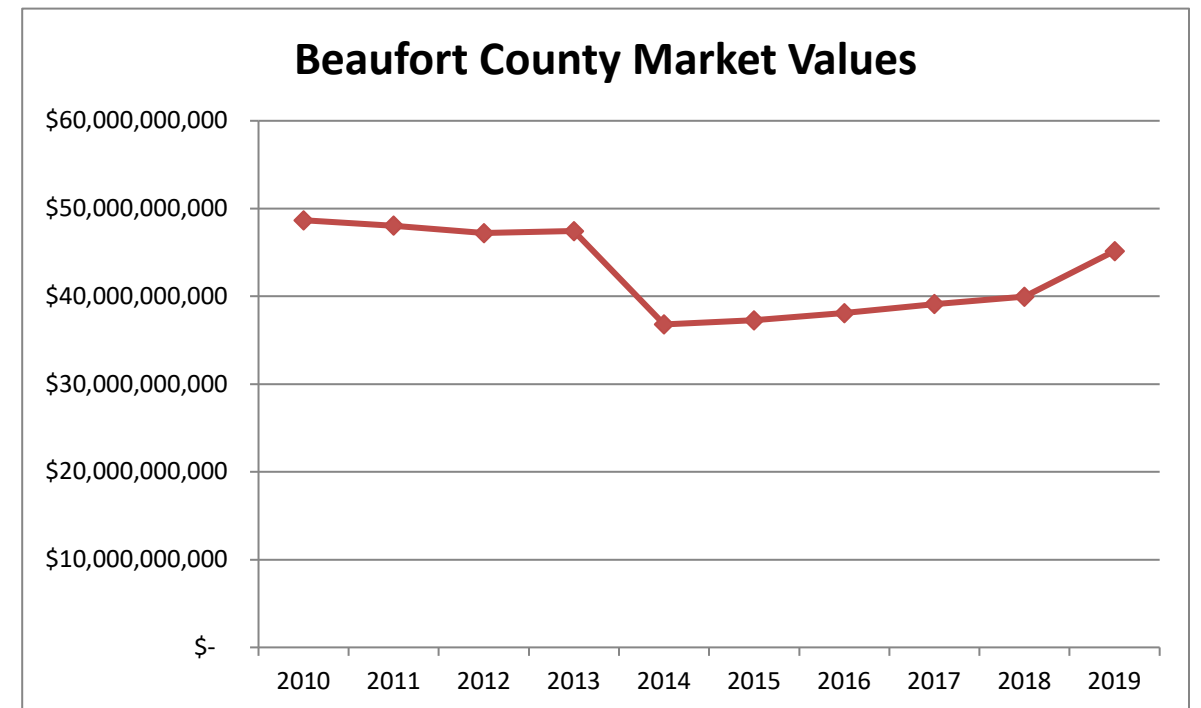
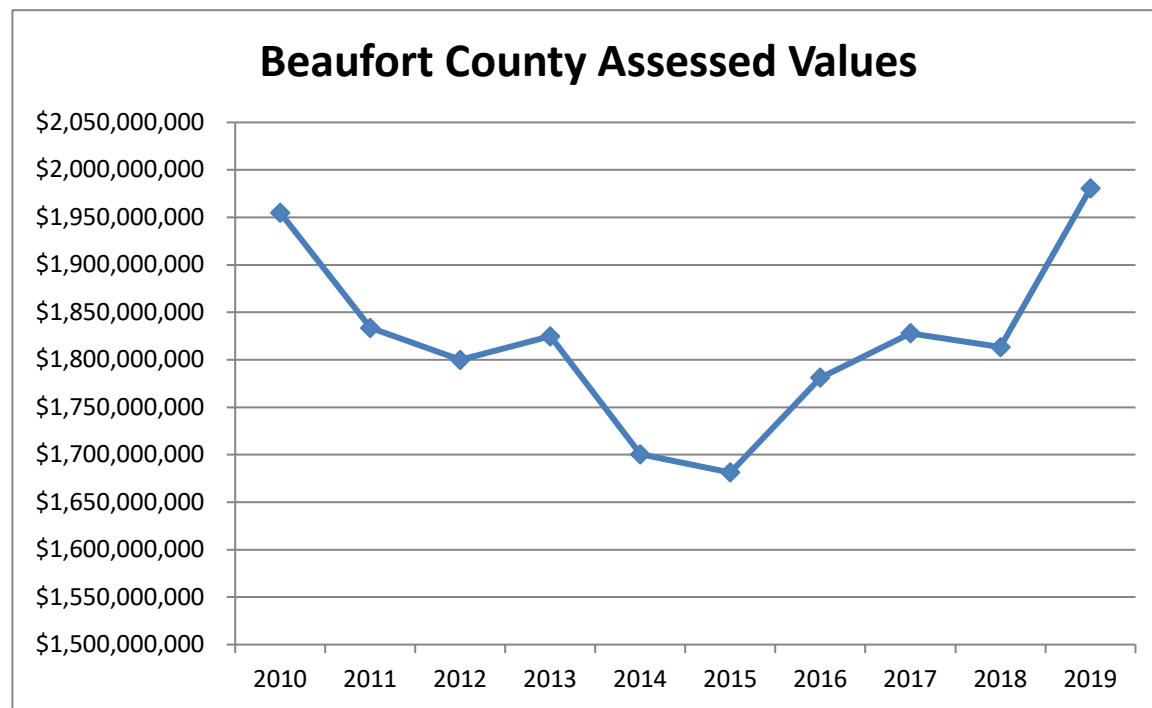
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues										
Property Taxes	\$ 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	\$ 119,682,659
Licenses and Permits	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	16,891,099
Intergovernmental	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	34,902,586
Charges for Services	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	20,168,722
Fines and Forfeitures	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	1,257,718
Interest	1,175,420	782,749	883,768	540,155	293,213	269,082	495,852	581,160	1,495,652	2,708,652
Miscellaneous	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	3,816,470
Total Revenues	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	199,427,906
Expenditures										
General Government	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	45,821,182
Public Safety	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	48,294,980
Public Works	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	15,934,931
Public Health	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	13,891,165
Public Welfare	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	2,648,095
Cultural and Recreation	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	13,609,581
Disaster related expenditures	-	-	-	-	-	-	-	38,727,223	1,920,614	950,677
Debt Service - Principal	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	15,579,303
Debt Service - Interest and Fees	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	7,951,999
Capital Projects	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	35,956,124
Total Expenditures	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	200,638,037
Excess (deficiency) of revenues over expenditures	(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	(1,210,131)
Other Financing Sources (Uses)										
Issuance of Bonds	48,755,000	8,125,000	12,500,000	49,265,000	-	19,450,000	-	51,000,000	-	11,250,000
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)	-	3	(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	-	609,072
Transfers In	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	10,853,793
Transfers Out	(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)	(11,641,881)
Total Other Financing Sources (Uses)	2,667,975	8,718,460	12,850,975	53,216,598	-	45,458,397	4,170,471	85,080,901	(658,583)	11,070,984
Net Change in Fund Balance	\$ (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	\$ 9,860,853
Debt Service as a Percentage of Non-capital Expenditures	14.1%	16.4%	18.2%	42.7%	16.7%	16.2%	15.7%	13.5%	30.3%	14.3%

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	
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
2019	1,746,777,223	42,176,881,298	4.14%	233,576,952	2,987,568,570	7.82%	1,980,354,175	45,164,449,868	62.78



Source: Beaufort County Tax Database

BEAUFORT COUNTY, SOUTH CAROLINA

PROPERTY TAX MILLAGES - ALL OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<u>County Wide Levies</u>										
County - Operations	40.21	40.21	40.21	40.21	46.48	46.48	48.77	50.89	50.61	50.03
County - Higher Education	-	-	-	-	-	-	-	-	2.40	2.37
County - Debt Service	3.62	4.57	4.57	4.44	5.48	5.48	5.48	5.48	5.58	5.58
County-Purchase of Real Property Program	2.13	2.76	2.76	3.87	4.34	4.90	4.90	4.90	4.80	4.80
Total Direct Tax Rate	45.96	47.54	47.54	48.52	56.30	56.86	59.15	61.27	63.39	62.78
School - Operations	90.26	90.26	90.26	92.26	97.45	103.50	103.50	111.50	113.50	104.60
School - Debt Service	24.43	26.33	28.00	28.00	31.71	31.71	31.71	31.71	31.71	31.71
<u>Municipal Levies</u>										
City of Beaufort	60.62	60.62	60.62	60.62	66.61	72.62	72.61	73.57	73.57	74.59
Town of Port Royal	69.00	69.00	69.00	69.00	69.00	69.00	72.00	72.00	74.00	74.00
Town of Bluffton	38.00	38.00	38.00	38.00	44.35	44.35	44.35	42.35	40.35	38.50
Town of Hilton Head	18.54	18.54	19.33	19.33	20.83	21.35	22.18	22.18	28.36	27.72
Town of Yemassee	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	71.00	66.63
<u>Fire Levies</u>										
Bluffton Fire - Operation	19.67	19.67	19.67	20.49	24.02	24.02	24.02	24.64	24.70	24.10
Bluffton Fire - Debt Service	0.37	0.38	0.38	-	-	-	1.22	1.10	1.04	1.45
Burton Fire - Operations	55.87	55.87	55.87	58.21	60.18	60.18	60.66	62.42	64.53	68.82
Burton Fire - Debt Service	5.53	5.53	5.53	5.53	5.74	5.74	5.26	5.26	5.26	5.15
Daufuskie Island Fire - Operations	30.11	30.71	31.74	33.07	52.57	54.72	56.98	58.44	60.27	60.27
Daufuskie Island Fire - Debt Service	2.23	-	-	-	2.00	2.00	2.00	-	-	-
Lady's Island/St. Helena - Operations	30.39	31.00	32.04	33.34	34.82	35.94	36.94	37.92	39.26	39.30
Lady's Island/St. Helena - Debt Service	1.50	1.50	1.50	1.50	2.30	2.36	2.20	2.20	2.11	2.00
Sheldon Fire - Operations	32.09	32.22	32.22	33.11	34.53	35.82	36.33	36.86	38.32	37.18
Sheldon Fire - Debt Services	2.14	2.18	2.18	2.18	2.20	2.20	2.20	2.20	3.21	3.21

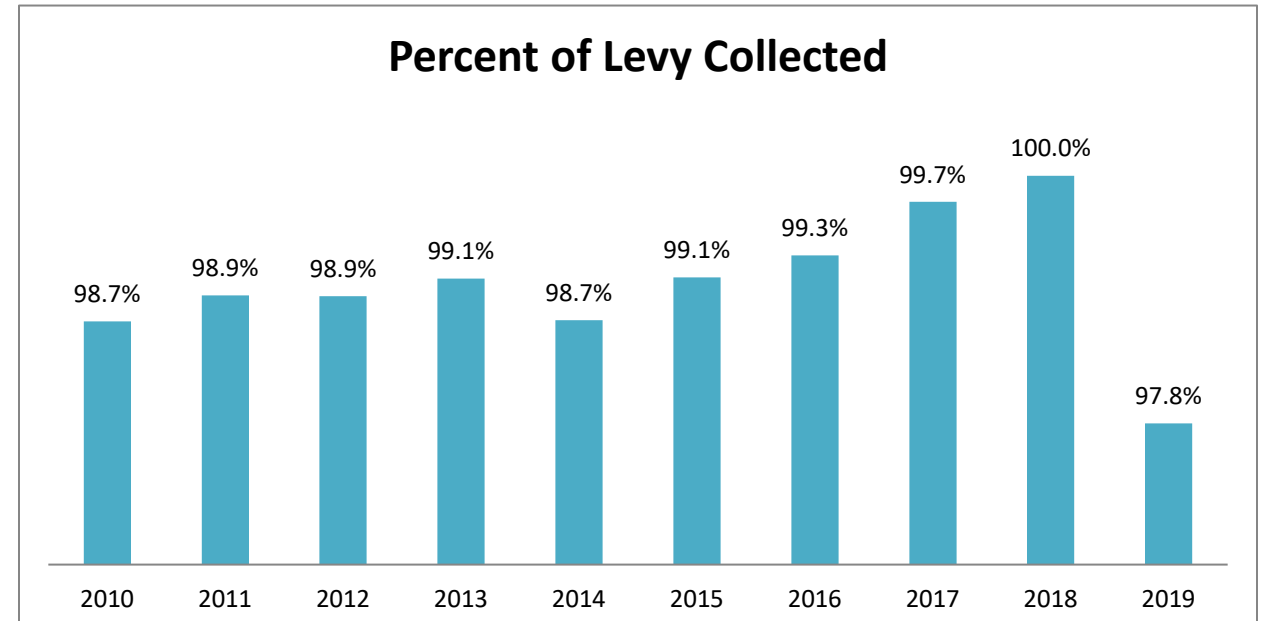
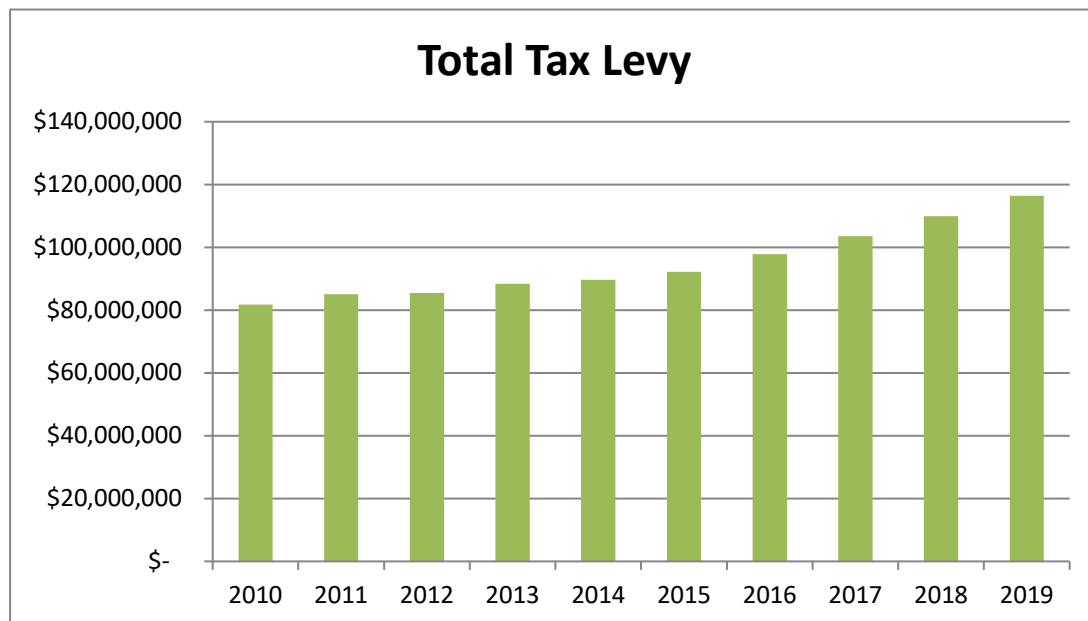
Source: Beaufort County Auditor

BEAUFORT COUNTY, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Total Levy (1)	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Total Collections As Percent of Levy
2010	\$ 81,772,052	\$ 79,374,355	97.1%	\$ 1,314,447	\$ 80,688,802	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%	1,850,320	109,959,122	100.0%
2019	116,392,375	113,789,436	97.8%	-	113,789,436	97.8%

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

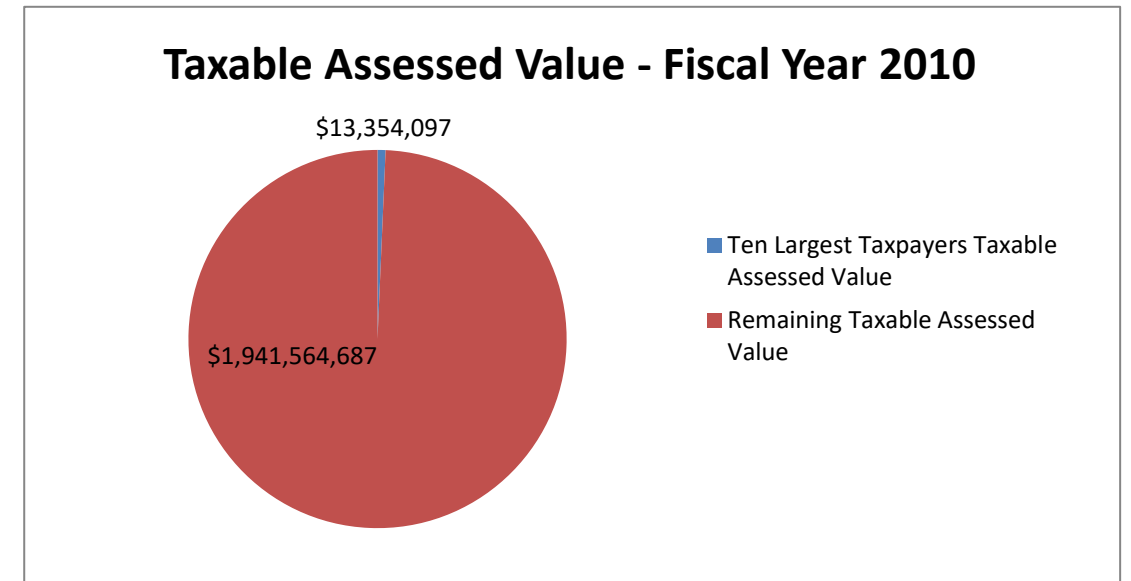
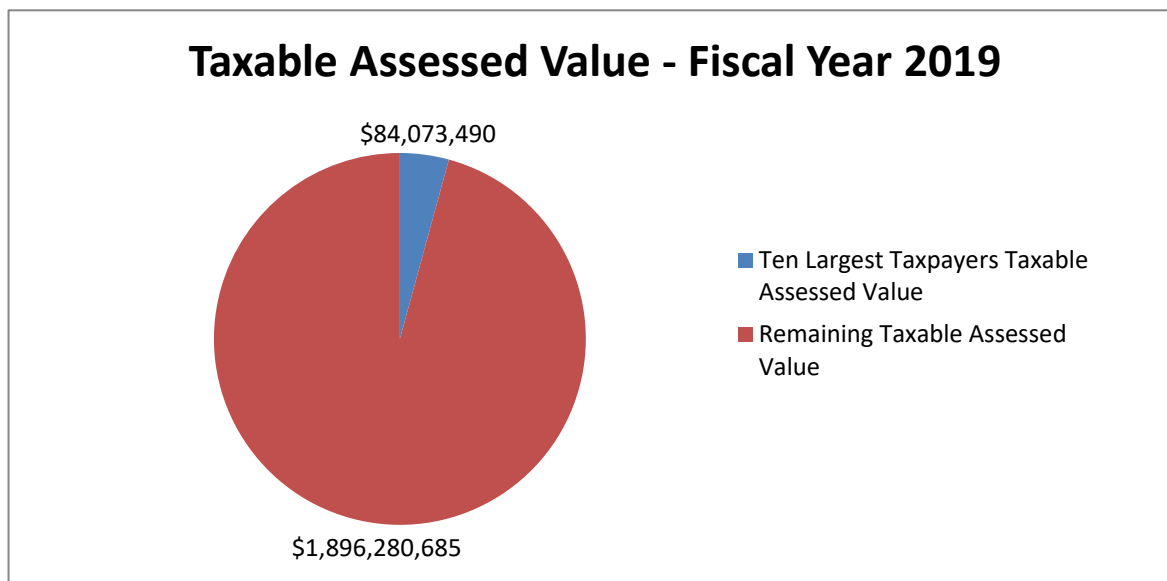


Source: Beaufort County Treasurer

BEAUFORT COUNTY, SOUTH CAROLINA

TEN LARGEST TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Taxes Paid	2019 Fiscal Year				2010 Fiscal Year		
		Taxable Assessed Value	Rank	Percentage of Total Taxes Levied	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
South Carolina Electric & Gas	\$ 6,591,471	\$ 25,941,180	1	5.66%	1.31%	\$ 3,351,877	2	4.10%
Marriott Ownership Resorts, Inc.	3,915,083	16,833,450	2	3.36%	0.85%	3,731,409	1	4.56%
Palmetto Electric Cooperative, Inc.	2,437,091	10,685,890	3	2.09%	0.54%	1,861,416	3	2.28%
Bluffton Telephone Company	1,256,154	5,386,220	4	1.08%	0.27%	630,603	6	0.77%
Columbia Properties Hilton Head LLC	1,164,078	4,880,580	5	1.00%	0.25%	881,867	4	1.08%
Hargray Telephone Company	1,048,687	4,659,090	6	0.90%	0.24%	495,017	9	0.61%
SCG Hilton Head Property LLC	1,021,930	4,335,720	7	0.88%	0.22%	870,360	5	1.06%
PBLH LLC	914,677	3,425,070	8	0.79%	0.17%	N/A	N/A	N/A
Sea Pines Resort LLC	870,326	5,135,140	9	0.75%	0.26%	588,569	7	0.72%
Shelter Cove III LLC	683,166	2,791,150	10	0.59%	0.14%	N/A	N/A	N/A
Greenwood Development Corp.	N/A	N/A		N/A	N/A	576,958	8	0.71%
Hargray, Inc	N/A	N/A		N/A	N/A	366,021	10	0.45%
Total	\$ 19,902,663	\$ 84,073,490		17.10%	4.25%	\$ 13,354,097		16.34%



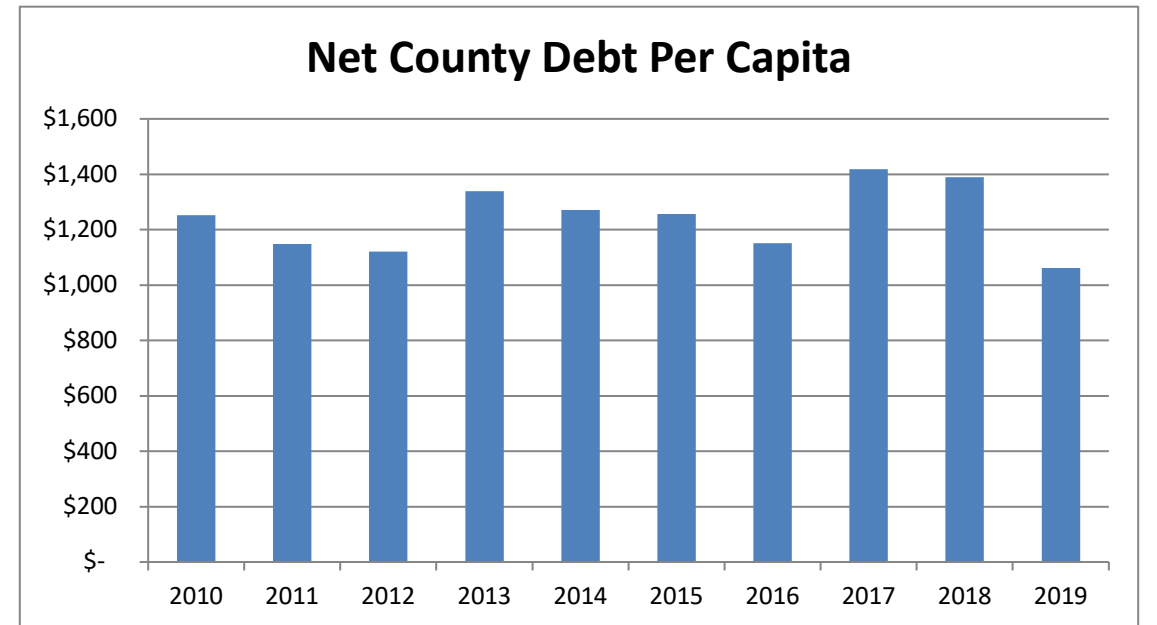
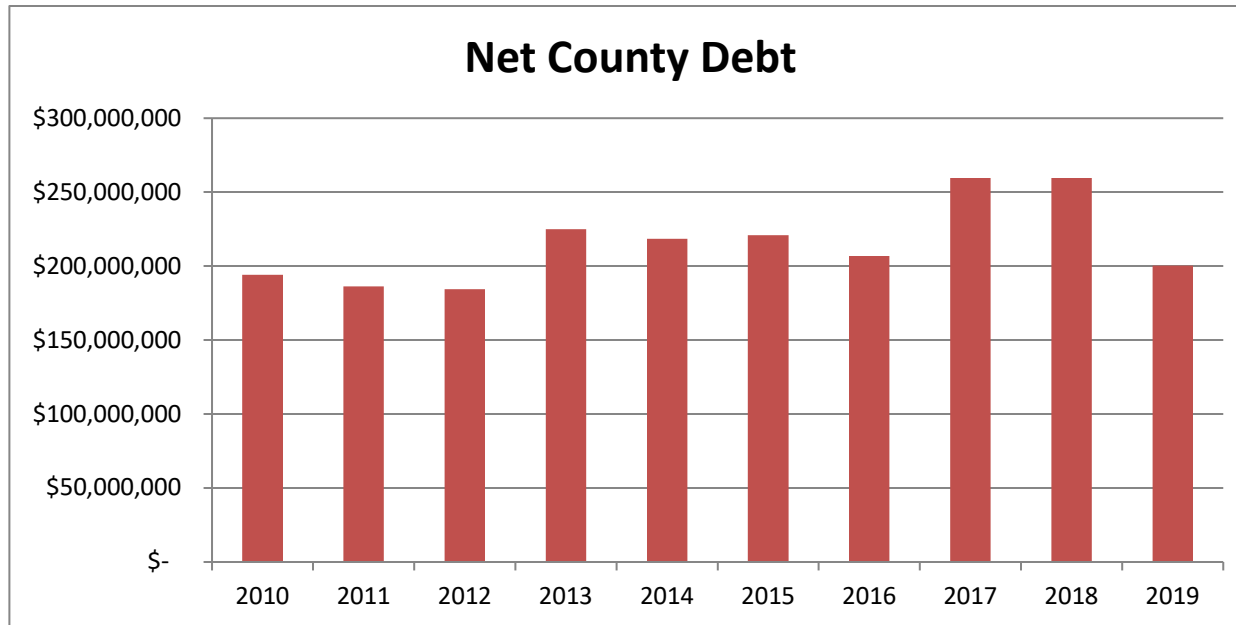
Source: Beaufort County Treasurer

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
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	283,501,455	23,799,011	259,702,444	14.32%	1,390
2019	188,715	1,980,354,175	225,667,326	25,419,232	200,248,094	10.11%	1,061

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



BEAUFORT COUNTY, SOUTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN JUNE 30, 2019

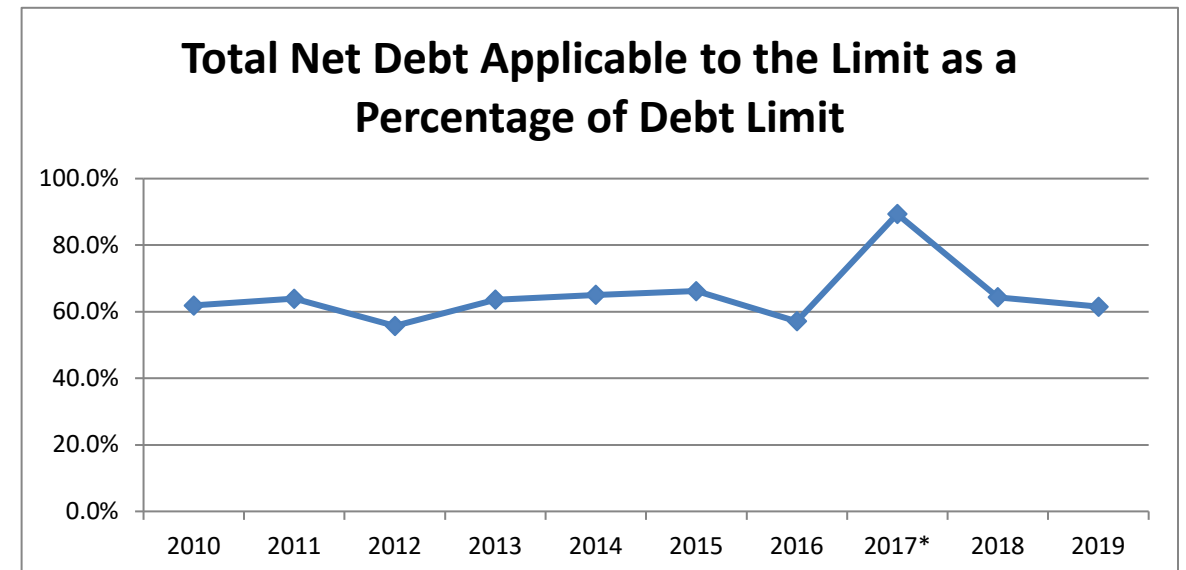
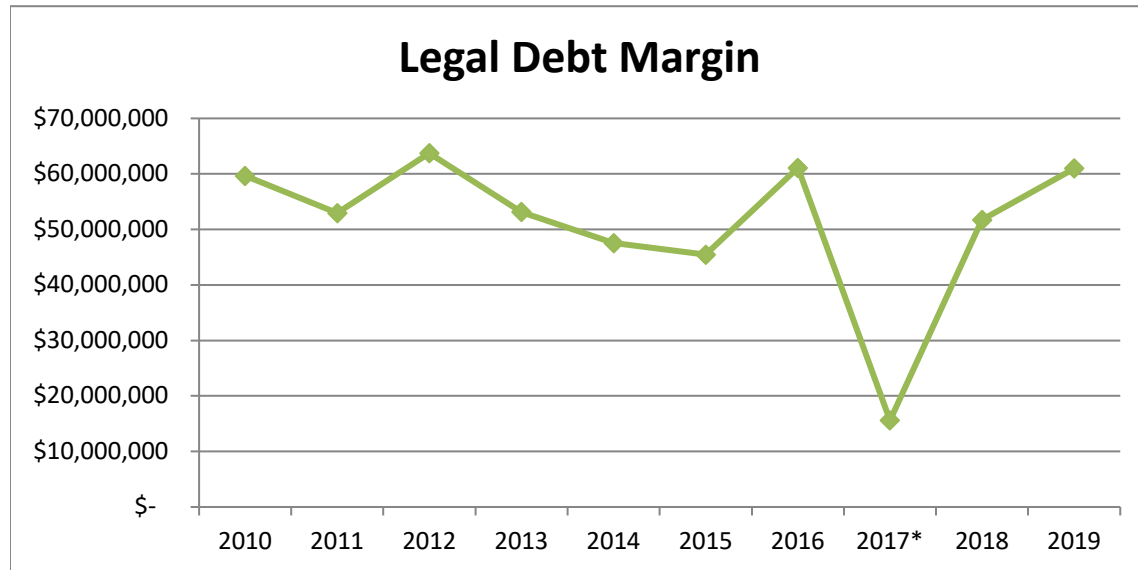
Assessed Value - 2018 Tax Year (Fiscal Year 2019)		\$ 1,980,354,175
		<u>x 8%</u>
Constitutional Debt Limit		158,428,334
Outstanding Subject to Debt Limit		<u>97,459,059</u>
Legal Debt Limit Remaining Without a Referendum		<u>\$ 60,969,275</u>
Total Outstanding General Obligation Debt	\$ 225,667,326	
Less General Obligation Debt Issued Under Referendum	(86,244,377)	
Less General Obligation Debt Issued Paid by Other Sources	(30,126,633)	
Less Premiums related to General Obligation Debt	<u>(11,837,257)</u>	
Total Outstanding Debt Subject to Debt Limit	<u>\$ 97,459,059</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>
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%
2019	158,428,334	97,459,059	60,969,275	61.5%

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



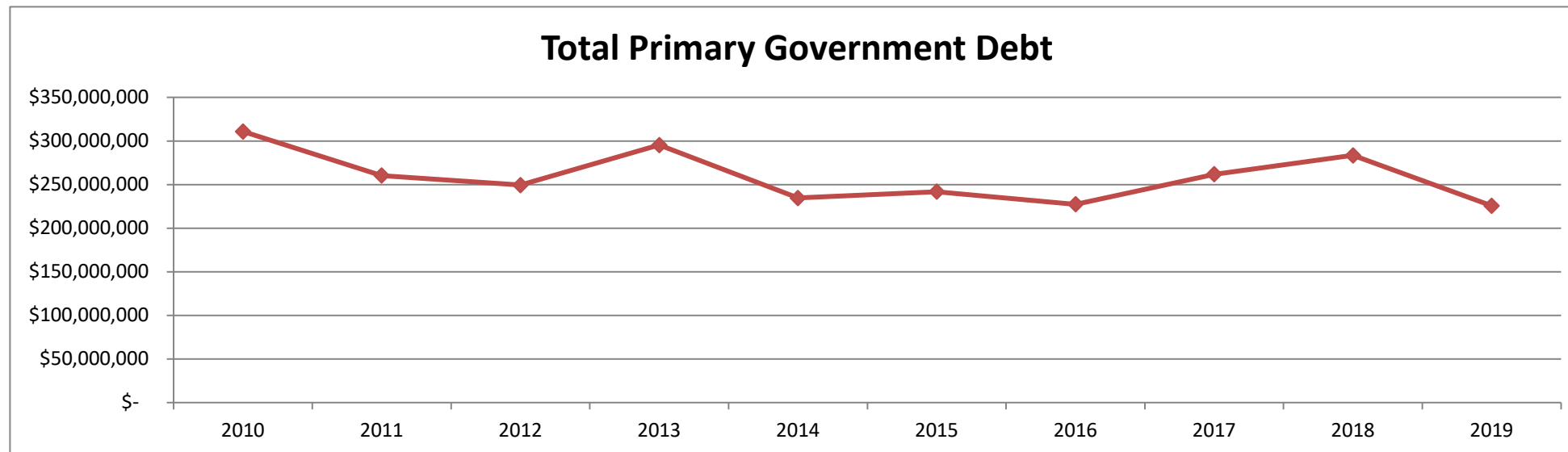
BEAUFORT COUNTY, SOUTH CAROLINA

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					
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	233,933,174	5,767,750	2,148,791	-	241,849,715	47,664	8,381,809,728	2.89%	1,375
2016	179,589	220,921,444	4,586,750	1,790,659	-	227,298,853	49,914	8,964,005,346	2.54%	1,266
2017	183,149	227,555,765	30,250,000	-	4,000,000	261,805,765	52,147	9,550,670,903	2.74%	1,429
2018	186,844	249,251,455	-	-	-	283,501,455	53,766	10,045,854,504	2.82%	1,517
2019	188,715	225,667,326	-	-	-	225,667,326	56,711	10,702,216,365	2.11%	1,196

(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, 2019

	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Beaufort County</u>	<u>Amount Applicable to Beaufort County</u>
Beaufort County School District	\$ 294,338,417	100%	\$ 294,338,417
City of Beaufort	39,897,737	100%	39,897,737
Town of Bluffton	11,889,275	100%	11,889,275
Town of Hilton Head	141,344,265	100%	141,344,265
Town of Port Royal	341,852	100%	341,852
Broad Creek Public Service District	- *	100%	-
Fripp Island Public Service District	- *	100%	-
Hilton Head No. 1 Public Service District	11,426,744	100%	11,426,744
Burton Fire District	- *	100%	-
Bluffton Fire District	13,337,254	100%	13,337,254
Lady's Island/St. Helena Island Fire District	- *	100%	-
Sheldon Fire District	184,009	100%	184,009
	512,759,553		512,759,553
Subtotal of Overlapping Debt			512,759,553
Beaufort County Direct Debt			225,667,326
Total of Direct and Overlapping Debt			\$ 738,426,879

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.

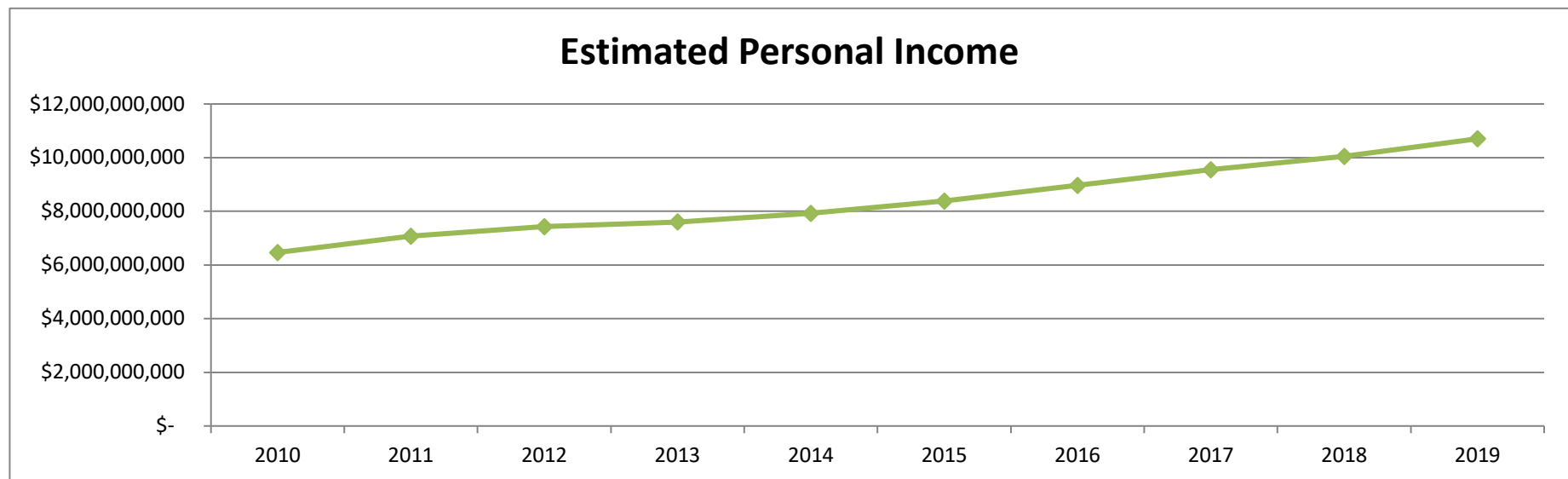
BEAUFORT COUNTY, SOUTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Estimated Personal Income</u>	<u>Unemployment Margin</u>	<u>Unemployment Rate (2)</u>
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	47,664	8,381,809,728	128,188	5.6%
2016	179,589	49,914	8,964,005,346	129,675	5.0%
2017	183,149	52,147	9,550,670,903	131,002	4.0%
2018	186,844	53,766	10,045,854,504	133,078	3.4%
2019	188,715	56,711	10,702,216,365	132,004	3.3%

(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	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaufort County School District	2,788	*	*	3,500	1	5.9%
Beaufort County	2,788	*	*	1,193	2	2.1%
Department of Defense	*	*	*	7,358	3	12.3%
Beaufort Memorial Hospital	*	*	*	1,250	4	2.2%
Marine Corp Community Services	*	*	*	770	5	1.3%
Hilton Head Medical Center	*	*	*	557	6	0.9%
Wal-Mart Associates, Inc.	*	*	*	400	7	0.7%
Care Core	*	*	*	396	8	0.7%
Cybress Club, Inc.	*	*	*	350	9	0.6%
Mariners Inn	*	*	*	200	10	0.3%
Sodexo, Inc.	*	*	*	200	10	0.3%

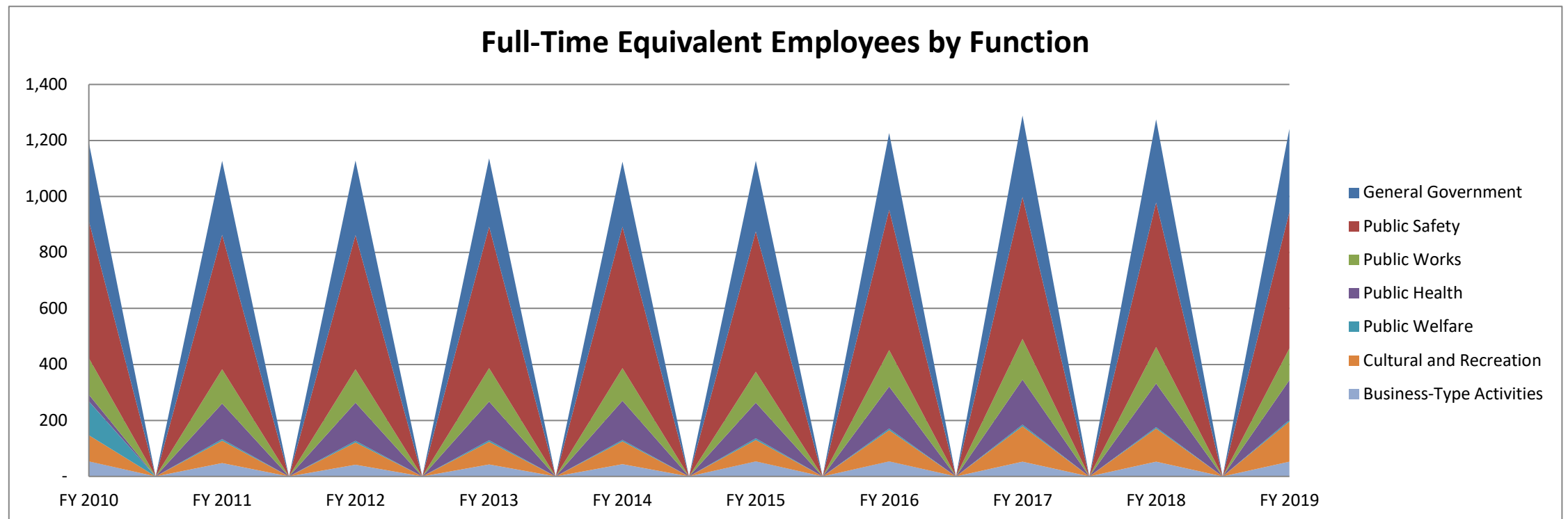
* Specific information related to those employers was deemed confidential by the South Carolina Department of Employment & Workforce.

BEAUFORT COUNTY, SOUTH CAROLINA

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
General Government	281	264	266	244	232	252	275	291	297	297
Public Safety	490	480	479	505	505	501	501	507	516	487
Public Works	130	123	120	120	117	111	130	145	130	113
Public Health	24	127	136	138	140	127	150	161	156	142
Public Welfare	121	6	6	6	5	6	6	6	5	6
Cultural and Recreation	93	79	79	80	81	76	111	126	118	143
Business-Type Activities	54	48	42	43	44	54	54	53	53	53
Total Full-Time Employees	<u>1,193</u>	<u>1,127</u>	<u>1,128</u>	<u>1,136</u>	<u>1,124</u>	<u>1,127</u>	<u>1,227</u>	<u>1,289</u>	<u>1,275</u>	<u>1,241</u>

Source: Beaufort County Employee Services



BEAUFORT COUNTY, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<u>General Government</u>										
Number of Parcels Owned	219	225	234	245	249	284	293	299	302	312
Acreage of County-Owned Land	11,872	11,968	13,739	15,161	15,247	15,344	15,682	15,890	15,894	15,967
Miles of Paved (Maintained) Road	194	197	200	202	205	208	211	211	211	211
Miles of Unimproved Road	112	109	106	104	101	98	95	95	95	95
Total Miles of Road	<u>306</u>	<u>306</u>	<u>306</u>	<u>306</u>	<u>306</u>	<u>306</u>	<u>306</u>	<u>306</u>	<u>306</u>	<u>306</u>
Number of Vehicles	50	34	39	59	47	48	56	58	61	65
<u>Public Safety</u>										
Number of Vehicles	323	347	345	388	388	387	377	408	425	433
<u>Public Works</u>										
Number of Vehicles	93	93	90	92	91	89	98	105	112	113
<u>Public Health</u>										
Number of Vehicles	58	59	57	63	60	63	70	71	78	87
<u>Public Welfare</u>										
Number of Vehicles	2	2	2	3	3	3	3	5	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	20	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	18	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	3	6	6	6	6
Number of Racquetball Courts	2	2	2	2	2	2	2	2	4	4
Number of Fitness Centers	1	1	1	1	1	1	1	1	2	2
Number of Boat Landings	25	25	25	25	25	25	25	25	25	25
Number of Vehicles	28	27	28	31	31	31	31	31	35	35

Source: Beaufort County

BEAUFORT COUNTY, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<u>Detention Center (1)</u>										
Inmates booked	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,142	3,907
Average Daily Population (ADP)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	177	180
<u>Emergency Medical Services (1)</u>										
Number of Calls Responded to	15,829	15,207	13,799	12,744	14,906	14,350	15,121	15,507	15,751	16,360
<u>Building Codes and Enforcement (1)</u>										
Permits issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,299	4,023
Plans reviewed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,056	1,136
Inspections completed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14,061	14,319
Violations issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,710
Complaints received	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	114
<u>Animal Services (1)</u>										
Intake	N/A	4,983	4,770	4,524	4,274	3,271	3,276	3,116	3,408	3,013
Euthanasia rate	N/A	3,120	1,750	1,228	1,046	731	566	385	436	364
<u>Mosquito Control (1)</u>										
Service requests	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	611	966
<u>Parks and Recreation (1)</u>										
Athletic registrations - youth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5,328
Athletic registrations - adults	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,421
Pool admissions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13,280
<u>Registered Voters (2)</u>										
Beaufort County	94,143	98,145	100,320	111,168	100,320	101,761	113,271	115,600	119,685	122,447
State of South Carolina	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	3,147,589

(1) - **Source:** Beaufort County

(2) - **Source:** South Carolina State Election Commission

N/A - Data Not Available



COMPLIANCE SECTION





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, 2019, 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 February 29, 2020.

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.

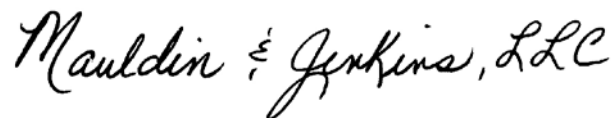
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Savannah, Georgia
February 29, 2020



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, 2019. 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, 2019.

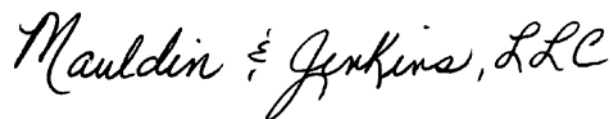
Report on Internal Control Over Compliance

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.



Savannah, Georgia
February 29, 2020

BEAUFORT COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Federal CFDA Number	Project / Award Number	Federal Award Expended	Passed Through to Subrecipients
<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	\$ 751,485	\$ 751,485
HOME Investments Partnership Program - Lowcountry Regional HOME Consortium	14.239	M17-DC-45-0210	388,058	388,058
Total Housing and Urban Development			<u>\$ 1,139,543</u>	<u>\$ 1,139,543</u>
<u>U.S. Department of Justice</u>				
State Criminal Alien Assistance Program	16.606	2019-AP-BX-0526	\$ 68,089	\$ -
DNA Backlog Reduction Program Fiscal Year 2017 DNA Capacity Enhancement and Backlog Reduction (CEBR) Program	16.741	2017-DN-BX-0067	818	-
Fiscal Year 2018 DNA Capacity Enhancement and Backlog Reduction (CEBR) Program	16.741	2018-DN-BX-0061	10,000	-
Total U.S. Department of Justice			<u>\$ 78,907</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	\$ 142,492	\$ -
Lady's Island Airport, Rehabilitate Runway 7/25 Lighting (Including PAPI's, REILs and Electrical Vault); Rehabilitate Taxiway Lighting (Including Lighted Signs)	20.106	3-45-0008-014-2018	143,861	-
Hilton Head Island Airport, Relocate Taxiway A, Expand GA Apron, Remove Obstructions and Acquire Land	20.106	3-45-0030-037-2015	388,503	-
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	2,909,619	-
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	752,693	-
Hilton Head Island Airport, Acquire Land (Fee Simple, Easement and Relocation - Runway OFA and Taxiway A and F)	20.106	3-45-0030-042-2018	1,981,716	-
Total Airport Improvement Program			<u>6,318,884</u>	<u>-</u>
Transit Services Programs Cluster Passed through SC Department of Transportation Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	PT-95510-A9	50,000	-
Total Transit Services Programs Cluster			<u>50,000</u>	<u>-</u>
Passed through South Carolina Emergency Management Division Hazardous Materials Emergency Preparedness Planning Grant	20.703	HM-HMP-0566-16-03	18,894	-
Total U.S. Department of Transportation			<u>\$ 6,387,778</u>	<u>\$ -</u>
<u>Institute of Museums and Library Services</u>				
Passed through South Carolina State Library Library Services and Technology Act - Library Management Skills Institute - Helser-Howard	45.310	IID-18-23	\$ 2,094	\$ -
Total Institute of Museums and Library Services			<u>\$ 2,094</u>	<u>\$ -</u>
<u>U.S. Environmental Protection Agency</u>				
Passed through SC Department of Health and Environmental Control Okatie West Water Quality Retrofit	66.460	C9994629-14/EQ-6-279	\$ 175,010	\$ -
Total U.S. Environmental Protection Agency			<u>\$ 175,010</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	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 Social Services				
Child Support Enforcement IV-D Transaction Reimbursement	93.563	1901SCCES	\$ 274,485	\$ -
Child Support Enforcement IV-D Incentive Payments	93.563	1901SCCES	58,432	-
Child Support Enforcement IV-D Service of Process Payments	93.563	1901SCCES	14,223	-
Child Support Enforcement IV-D Filing Fees	93.563	1901SCCES	23,826	-
Total Child Support Enforcement			370,966	-
Passed through SC Health and Human Services Finance Commission				
Collaborator / Coordinator - Medicaid Contract	93.778	A20200545A	98,586	-
Total Medicaid Cluster			\$ 98,586	\$ -
Passed through SC Department of Alcohol and Other Drug Abuse Services (SC DAODAS)				
SC DAODAS Block Grant	93.959	BEA-BG-19	\$ 382,574	\$ -
SAPT BG Assessment	93.959	BEA-BG-19	16,000	-
SAPT BG SynarYouth Tobacco Buys	93.959	BEA-BG-19	1,177	-
Total Substance Abuse Prevention and Treatment (SAPT) Pass-Through from SC DAODAS			399,751	-
Total U.S. Department of Health and Human Services			\$ 869,303	\$ -
<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	\$ 5,435,981	\$ -
FEMA Disaster Grant - Public Assistance - Hurricane Irma	97.036	FEMA-4346-DR-SC	14,470	-
Total Emergency Management Division			5,450,451	-
Passed through the Office of the SC Adjutant General				
Fiscal Year 2017 Local Emergency Management Performance Grant	97.042	17EMPG01	5,001	-
Fiscal Year 2018 Local Emergency Management Performance Grant	97.042	18EMPG01	75,925	-
Total Local Emergency Management Performance			80,926	-
Passed through SC Law Enforcement Division				
Low Country Regional WMD Bomb Squad, Beaufort County, SC	97.067	18SHSP03	20,528	-
Low Country Regional WMD SWAT Team, Beaufort County, SC	97.067	18SHSP10	28,791	-
Low Country Regional Medical Assistance Team - Beaufort County, SC	97.067	18SHSP32	33,242	-
Low Country Regional WMD Bomb Squad, Beaufort County, SC	97.067	17SHSP03	67,167	-
Low Country Regional WMD SWAT Team, Beaufort County, SC	97.067	17SHSP10	36,497	-
Low Country Regional Medical Assistance Team - Beaufort County, SC	97.067	17SHSP32	492	-
Low Country Regional WMD Bomb Squad, Beaufort County, SC	97.067	16SHSP04	75,898	-
Total Passed through SC Law Enforcement Division			262,615	-
Transportation Security Administration				
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0216HSLR742	51,450	-
Total U.S. Department of Homeland Security			\$ 5,845,442	\$ -
Grand Total of Fiscal Year 2019 Schedule of Expenditures of Federal Awards			\$ 14,498,077	\$ 1,139,543

BEAUFORT COUNTY, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019, the County did not use the 10% 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.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 the Uniform Guidance ___ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation Federal Aviation Administration, Airport Improvement Programs
14.228	U.S. Department of Housing and Urban Development Bonaire Estates Sewer Extension

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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, 2019

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

BEAUFORT COUNTY, SOUTH CAROLINA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

None reported.

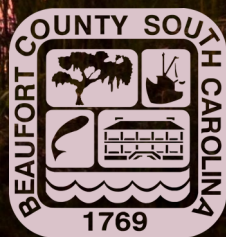
Monica N. Spells



Front and Back Cover Photo
by Gregg J. Hunt

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Civic Engagement and Outreach Area

March 11, 2020



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