

**2024**

# **Accommodations Tax Funds Request Application**

**Organization Name:** Hilton Head Island Airport

**Project/Event Name:** Hilton Head Island Airport

## **Executive Summary**

An ATAX Effectiveness Measurement form has been attached to this application.

# 2024 Accommodations Tax Funds Request Application

Date Received: 08/30/2023

Time Received: 02:14 PM

By: Online Submittal

*Applications will not be accepted if submitted after 4 pm on September 1, 2023*

## A. SUMMARY OF GRANT REQUEST:

**ORGANIZATION NAME:** Hilton Head Island Airport

**Project/Event Name:** Hilton Head Island Airport

Contact Name: Jon Rembold Title: Airports Director

Address: 120 Beach City Road, Hilton Head Island, SC 29926

Email Address: jrembold@bcgov.net Contact Phone: 843-441-5871

Event Date: Year-round Event Location: THE Hilton Head Island Airport

**Total Budget:** \$540,000.00 **Grant Requested:** \$150,000.00

Provide a brief summary on the intended use of the grant and how the money would be used. (100 words or less)

Grant funds will be used to continue to educate inbound visitors about flight access to Hilton Head Island. This will be accomplished through inbound advertising to target potential visitors and grow awareness of airline/flight options to the island. Tactics to be funded include digital marketing to targeted travel intenders, continued/expanded cooperative advertising partnerships with the Hilton Head Island VCB, and inclusion in key tourism guidebooks. Messaging will highlight 200+ nonstop and one-stop cities served on American, Delta & United and reduce visitor leakage to competing destinations by showcasing air access to the Island.

How does the organization/event either drive tourism to Hilton Head Island or enhance the visitor experience on Hilton Head Island? How is this impact being measured? (100 words or less)

Hilton Head Island Airport is the only commercial flight gateway directly to Hilton Head Island. Since 2019, HHH has added new routes and air carriers. 2022 saw a decrease in destinations due to industry drivers – creating more impetus to advertise in 2023 and 2024. Passengers flying direct to the island enjoy more leisure time and less drive time. Not only do visitors arrive only minutes from resorts, nearly ALL of their spending occurs ON the island. This economic

impact is a benefit directly linked to air service. Impact measured by: Increased passenger traffic to airport; increased car rentals at HHH.

A. Total Number of Physical Tourists Served: 96,000

*A Tourist is considered a non-resident, traveling more than 50 miles to the Town of Hilton Head Island.*

B. Total Number of Physical Visitors Served: N/A

*A Visitor is considered a non-resident, who travels 50 miles or less to visit the Town of Hilton Head Island.*

C. Total Number of Physical Residents Served: 32,000

*A Resident is considered any person who claims their property address within the limits of the Town of Hilton Head Island as their primary residence.*

D. Total Number of Physical Patrons Served (A+B+C=D): 128,000

How was the Number of Visitors/Tourists Documented? (250 words or less)

Commercial airline passenger data is officially tracked and reported by the FAA. Approximately 75% of total arriving passengers are tourists. Due to the private nature of general aviation (GA), those GA passenger numbers are not available and, therefore not included in this total. We do know that the number of private flights has experienced a slight increase year over year, with nearly all of that being in private jet flights. The size of these corporate jets has also increased, meaning more people tend to be aboard, and the jets are arriving from farther away. The economic impact studies, such as the statewide economic impact of aviation that was presented in 2018 showed GA activity and its economic impact at a destination airport such as Hilton Head Island Airport is significantly higher than at the average airport. The airport's advertising has a spillover effect, which elevates the GA traffic and the overall ATAX contribution of the airport.

**Passenger numbers are for commercial flights from January 2023-July 2023**

## B. DESCRIPTION OF OPERATIONS:

1. For state reporting purposes, give a brief description of the organization. (250 words or less)

Hilton Head Island Airport is a public-use airport owned and operated by Beaufort County. The airport operates as an enterprise fund and relies solely on revenues generated at the airport via airline fees, business contracts, parking revenues, and other commercial activities on airport property, including car rental companies and aircraft maintenance. Neither Beaufort County nor the Town of Hilton Head Island contributes financially to the

airport's operational budget. FAA and state grants support eligible capital projects. Hilton Head Island Airport provides both Commercial Aviation and General Aviation (private) as it serves as a vital tourist/visitor gateway to the Island, welcoming visitors from all over the country and the world. American Airlines, United Airlines (seasonal) and Delta Air Lines (seasonal) provide commercial jet service from 10 cities in peak season and maintains frequency to many year-round. The weekly commercial departures in 2023 averaged 33, compared to 65 weekly flights in 2019, just after the airport's runway extension.

Operational safety, security, and maintenance are provided by airport staff as well as by the professional staff in the FAA-contract Air Traffic Control Tower. The airport's Aircraft Rescue and Firefighting crew stands ready for any airfield contingency. Since the runway was extended, the direct market to Hilton Head Island has greatly expanded, resulting in a growing number of tourists arriving by air. This impact is seen in commercial and general aviation business.

2. Describe in detail how the requested grant funding would be used? (250 words or less)

2024 funds will be used to reach visitors considering travel to Hilton Head Island or competing destinations by air or car, educating them on increased flight options right to the island. Program will continue the steadfast cooperative digital campaign, aligned with the VCB and layered with additional digital tactics, all working to target air travel "searchers" or intenders that are actively searching for flights + hotel in other similar, competitive destinations. Goals: convert them to travel to Hilton Head Island via HHH; Enhance the Island's competitive efforts; Attract air-travelers to fly directly to the Island.

In-Bound /ATAX: \$150,000

1. Cooperative:

- VCB/Airport Co-Op Digital Advertising: \$75,000
- VCB Cooperative Media Relations / Sales: \$5,000

The airport proposes to work with VCB to directly target potential visitors residing in the airport's key nonstop/1-stop markets. Goal: increased awareness for routes to HHH to ensure visitors flying in spend the most nights possible on the Island; maximize local rental cars, dining.

VCB Vacation Planner(s) + Website: \$18,500

Includes: Bluffton Vacation planner, VCB website, and the Hilton Head Island Vacation Planner.

2. Leakage Reduction Digital Targeting: \$45,000

Airport to reach "intended travelers" by using 1st party booking data. Landing pages encourage potential visitors to fly directly to HHH vs. another state/county; increasing opportunity for hotel/car bookings directly on HHI.

3. Key Publications and Programs focused on Potential Visitors: \$6500

These funds will be spent on programs like targeted visitor guides (Lowcountry Visitors Guide, SERG menu, other) and targeting Heritage visitors; golf enthusiasts.

3. What impact would partial funding have on the activities, if full funding were not received? What would the organization change to account for partial funding? (100 words or less)

Strict FAA regulations limit use of airport revenue. Partial funding would limit the airport's ability to advertise as described, hampering the airport's ability to increase national awareness of direct flights to the Island, particularly in coordination with the VCB. FAA limits the airport's ability to use funds to promote destinations. Each element would be cut proportionately if only partially funded. It is crucial for HHH to demonstrate to airline partners that our destination and airport have the drive to come out ahead of similarly sized airports. Full funding will help ensure successful flights and maintenance of air service levels.

4. What is expected economic impact and benefit to the Island's tourism? (100 words or less)

The airport's annual economic impact grew from \$166 Million in 2018 to over \$415 Million in early 2020. 2022 saw about 245,000 passengers at HHH, and seven months into 2023, counts are at 128,000. Though this number declined from our peak due to decreased nonstop flights, the economic impact is expected to continue to increase with strong marketing. Tourists arriving by air tend to spend more than traditional drive tourists. Increased local spending and reduced revenue leakage to another state benefits island shops, restaurants, services, and accommodations. Increased air travel contributes to increased collection of accommodation taxes.

5. In order to comply with the State's Tourism Expenditure Review Committee annual reporting requirements, **please classify your current grant request into the following authorized categories:**

1 - Destination Advertising/Promotion

*Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity.*

100 %

2 - Tourism-Related Events

*Promotion of the arts and cultural events.*

0 %

### 3 - Tourism-Related Facilities

*Construction, maintenance and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities.* 0 %

### 4 - Tourism-Related Public Services

*The criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourist. Also includes public facilities such as restrooms, dressing rooms, parks and parking lots.* 0 %

### 5 - Tourist Public Transportation

*Tourist shuttle transportation.* 0 %

### 6 - Waterfront Erosion/Control/Repair

*Control and repair of waterfront erosion.* 0 %

### 7 - Operation of Visitor Information Centers

*Operating visitor information centers.* 0 %

**Total: 100 %**

6. If not covered elsewhere in the application, please describe (a) how the organization will collaborate with other organizations to enhance tourism efforts, and (b) provide a venue or service not otherwise available to visitors to the Town of Hilton Head Island. (250 words or less)

To maximize the effectiveness of awarded funds, the airport partners with several local organizations.

#### Visitor & Convention Bureau

- Cooperative marketing - the largest financial marketing partnership;
- Airport presence in Visitor Guide, website ads, digital marketing campaigns;
- Key nonstop and connecting markets - highlight ease of traveling to our region
- Stronger effort each year; seeking key media exposure and creative initiatives.

#### Heritage Classic Foundation/RBC Heritage PGA Golf Event

- Work with the Foundation and PGA to promote ease of travel directly to tournament location;
- Partner with Foundation to "paint the airport plaid," celebrating the event's status as a signature event (in development);
- Provide free parking on both sides of the airport for the BMWs used at the event.

#### Hilton Head Island Motoring Event & Concours d'Elegance - Flights and Fancy Aeroport Gala and Airport Expo

- In-kind sponsor - host venue for Gala event and Aero Expo;
- Gala features "hot laps" on taxiway in high-performance vehicles for top-tier ticket holders;

- Aero Expo has been a collaborative win for both organizations.

#### Hilton Head Island Sea Turtle Patrol

- Myrtle the Turtle is on duty in the terminal, providing educational materials to tourists as they collect their baggage

#### Mitchelville Preservation Project

- The airport and the Mitchelville Preservation Project continue to brainstorm future programs that will benefit both entities, with a focus on the new terminal.

HHH is THE ONLY AIRPORT on the Island. It's a unique venue, and needs continued support so it can provide the best service possible to all customers.

#### 7. Additional comments. (250 words or less)

Again this year, the available airline seats were lower than we've had in the past. The primary reason is the ongoing industry-wide pilot shortage. This makes it imperative to fill every available seat coming to the island and to increase that number. **Airlines respond to market demand, and ATAX-funded efforts are a significant driver of awareness of the direct flight options.** One of our collective goals is to be seen as a destination at which the airlines want to increase their offerings. To be successful, we must collectively remain engaged by maintaining a relevant presence in key inbound markets so those seats are filled and the routes produce revenue. This is an expensive task and the airport relies on community support like ATAX funds and our partnerships to accomplish.

**Repatriating lost revenues from other counties and states is an important economic goal.** A relevant airport with a meaningful and cooperative marketing effort helps achieve this goal. Increased time on the island means increased spending, which benefits all of the island. .

The airport continues to emphasize its community partnerships to the airlines. **Airlines want to know the community is "all-in."** The use of ATAX funds to market their service for the benefit of the island is a great way to demonstrate our commitment to success.

#### C. FUNDING:

##### 1. Please describe how the organization is currently funded. (100 words or less)

Airport operations are funded exclusively by airport revenues through airline leases and

fees, concessions fees (tenant businesses such as repair facilities, rental cars, flight schools), user fees, parking revenue, hangar rentals, aviation fuel sales, and other tenant businesses. **There are no local tax dollars funding airport operations.**

The Airport receives Federal Aviation Administration and South Carolina Aeronautics Commission funding for capital improvements projects that are related to the airfield capacity and safety. These funds CANNOT be used for marketing efforts.

2. Please also estimate, as a percentage, the source of the organization's total annual funding.

|           |                                     |   |
|-----------|-------------------------------------|---|
| <u>5</u>  | Government Sources                  | Private Contributions, Donations and Grants |
|           | Corporate Support, Sponsors         | Membership, Dues, Subscriptions             |
| <u>95</u> | Ticket Sales, or Sales and Services | Other                                       |

3. Has the organization requested other ATAX or any other funding from other public sources or organizations?

Yes  No

If so, please list top 3 sources and amounts.

|   |                 |
|---|-----------------|
| South Carolina State Budget (Restricted to Terminal Construction)           | \$12,000,000.00 |
| South Carolina Aeronautics Commission (Restricted to Terminal Construction) | \$3,000,000.00  |
| FAA BIL Funding (Restricted to Air Traffic Control Tower)                   | \$275,000.00    |

#### D. FINANCIAL INFORMATION:

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Fiscal Year Disclosure: Start Month: **July** End Month: **June**

#### Financial Statement Requirements:

1. The upcoming fiscal year's operating budget for the organization.

Budget Provided: **Yes**

2. The previous two fiscal years and current year-to-date profit and loss reports for the organization.

Current fiscal year Profit Loss Report Provided: **Yes**



Previous fiscal year Profit Loss Reports Provided:

2022- Previous FY 1

2021- Previous FY 2

3. The previous two fiscal years and current year-to-date **balance sheets**.

Current fiscal year Balance Sheet Provided: **Yes**

Previous fiscal year Balance Sheets Provided:

2022 - Previous FY 1

2021 - Previous FY 2

4. The previous two years and current year **IRS Form 990 or 990T**.

Current year IRS Form 990 or 990T Provided: **Yes**

Previous IRS Form 990 or 990T Years Provided:

2023 - Previous FY 1

2022 - Previous FY 2

#### E. FINANCIAL GUARANTEES AND PROCEDURES:

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1. Provide a copy of the **official minutes** wherein the organization approves the submission of this application.

An official set of minutes have been attached to this application.

2. Indicate whether your organization follows Town procurement guidelines or has its own procurement guidelines which are utilized and followed in the expenditure of ATAX grant funds.

Follow Town procurement guidelines

Utilize and follow organization's own procurement guidelines

Our organization does not have or follow procurement guidelines

#### F. MEASURING EFFECTIVENESS:

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If you received 2022 or 2023 HHI ATAX funds

1. List any ATAX award amounts received in 2022 and/or 2023.

|      |              |                                   |
|------|--------------|-----------------------------------|
| 2021 | \$165,000.00 | Air Service Destination Marketing |
| 2022 | \$160,000.00 | Air Service Destination Marketing |

|      |              |                                   |
|------|--------------|-----------------------------------|
| 2022 | \$160,000.00 | Air Service Destination Marketing |
| 2023 | \$155,000.00 | Air Service Destination Marketing |

2. How were the ATAX funds used? To what extent were the objectives achieved? The ATAX Effectiveness Measurement spreadsheet available in the application portal will show the numerics. Use the space below for verbal comments. (200 words or less)

Similar to previous years, 2023 ATAX funds are dedicated to advertising commercial air service access to HHH in nonstop/key connecting cities. The key program goal: increase awareness of direct air service access available to Hilton Head Island, while encouraging travel seekers to book trips to the island, starting with a direct flight. The program includes a cooperative campaign with the VCB, aimed at bringing people back to Hilton Head Island by targeting travel seekers in the Midwest and Northeast + all nonstop destinations served. VCB collaboration allows HHH to reach potential HHI travelers while highlighting air access to HHH. Sample reporting from March-May 2023 of the program:

Page Visits: 33.1K (63.4%+ YoY)

Avg Time on Landing Page: 4:34 (36.2% YoY)

Partner Referrals: 12.2K (130.3%+ YoY)

Landing page data shows strong performance/referrals to the Airport/airlines. High conversion rates and partner referrals indicate an engaged audience and validate the tactics. Our top regions based on visitation were: New York, Ohio, Chicago, Pennsylvania, and Massachusetts.

Since implementing the program, the airport has shown solid gains in passenger numbers. Though a modest increase, July 2023 passenger numbers (enplanements + deplanements) show total monthly passengers at 29,074 as compared to 28,479 in 2022.

3. What impact did this have on the success of the organization/event and how did it benefit the community? (200 words or less)

ATAX funds continue to have a **profoundly positive impact** on the airport's success as arriving passengers have increased tremendously since the airport first began receiving these funds. The community benefit is realized primarily through the **\$417 million annual impact generated by airport activity**. This includes visitor spending, job creation, salaries, etc., all of which generate additional ATAX. ATAX support helps the airport ensure continued passenger growth, benefiting the **entire island**. Passenger growth has created employment opportunities at the airport and within the community. Based on survey data, 4 of 5 travelers surveyed showed interest in an extra night on the island if they could fly directly to and from Hilton Head Island, SC (81%). This would be a windfall for the island and shows that the impact of advertising to visitors will continue to increase revenues to the island. We must keep telling our story to attract inbound passengers

directly to the island.

4. How does the organization measure the effectiveness of both the overall activity and of individual programs? (200 words or less)

Effectiveness is measured by increased passengers, rental cars originating at HHH, parking revenues, shuttle service activity, and rideshare business. The digital makeup of the airport's inbound advertising allows for stats related to passenger interest and demographics of the program results. The programs can be adjusted mid-stream, as necessary, based on progress reports. Even with a change to airline operations and route offerings, HHH continues to see a steady relative increase in passengers/users. The Airport has plans to conduct an updated passenger survey/study in 2024 to understand growth and changes. The last study will be used to compare findings and understand growth and effectiveness.

#### G. EXECUTIVE SUMMARY

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Provide an executive summary using the "ATAX Effectiveness Measurement" form provided via the link on the left, or by utilizing the text area provided below to report uses of the organization's prior ATAX grant, if applicable. If creating your own format, please refer to the "ATAX Effectiveness Measurement" form and use the criteria as a guideline in developing your executive summary below. (1300 words or less)

An ATAX Effectiveness Measurement form has been attached to this application.

Signature: Jon Rembold

Title/Position: Airports Director

Mailing Address: 120 Beach City Rd, Hilton Head Island, SC 29926

Email Address: jrembold@bcgov.net

Office Phone Number: 843-441-5871

Home Phone Number:

**HILTON HEAD AIRPORT FISCAL YEAR 2024 BUDGET**

|                 | <b>ORG</b> | <b>OBJ</b> | <b>ACCOUNT DESCRIPTION</b>     | <b>FY2024 BUDGET</b> |
|-----------------|------------|------------|--------------------------------|----------------------|
| <b>REVENUES</b> |            |            |                                |                      |
|                 | 54000001   | 43680      | TOWN OF HHI REVENUES (ATAX)    | \$ 160,000           |
|                 | 54000001   | 43780      | FEDERAL GRANT FUNDS            | 52,730               |
|                 | 54000001   | 44840      | LANDING FEES                   | 280,000              |
|                 | 54000001   | 44850      | PARKING FEES                   | 186,718              |
|                 | 54000001   | 44860      | TAXI/LIMO FEES                 | 25,000               |
|                 | 54000001   | 44890      | FIREFIGHTING FEES-OTHERS       | 350,000              |
|                 | 54000001   | 44895      | SECURITY FEES (AIRLINES)       | 216,000              |
|                 | 54000001   | 44896      | SECURITY REVENUE (BADGES)      | 12,000               |
|                 | 54000001   | 47010      | MISCELLANEOUS REVENUES         | 71,234               |
|                 | 54000001   | 47100      | FBO - GROUND LEASE             | 70,000               |
|                 | 54000001   | 47105      | FBO - CONCESSIONS              | 25,000               |
|                 | 54000001   | 47110      | FBO - FUEL FLOW                | 680,000              |
|                 | 54000001   | 47120      | RENT -AIRLINE /COMMON          | 460,000              |
|                 | 54000001   | 47121      | RENT -AIRLINE / ASSIGNED SPACE | 188,000              |
|                 | 54000001   | 47130      | RENTAL CARS - COUNTER          | 18,800               |
|                 | 54000001   | 47131      | RENTAL CARS -READY SPACES      | 26,025               |
|                 | 54000001   | 47132      | RENTAL CARS - COMMISSION       | 800,000              |
|                 | 54000001   | 47140      | RENT -SNACK BAR/GIFT SHOP      | 20,000               |
|                 | 54000001   | 47150      | RENT -ADVERTISING SPACE        | 30,000               |
|                 | 54000001   | 47180      | FLIGHT TRAINING COMMISSIONS    | 6,000                |
|                 | 54000001   | 47190      | OPERATING AGREEMENTS (3%)      | 45,000               |
|                 | 54000001   | 47210      | RENTAL TSA                     | 19,500               |
|                 | 54000001   | 47220      | HANGAR RENTAL                  | 116,500              |
|                 | 54000001   | 47225      | RENTAL CO PROPERTY - AIRPORT   | 60,200               |
|                 | 54000001   | 47230      | HANGAR RENTAL - 60 X 52        | 49,500               |
|                 | 54000001   | 47240      | HANGAR RENTAL - 80 X 80        | 33,800               |
|                 |            |            | <b>TOTAL REVENUES</b>          | <b>\$ 4,002,007</b>  |
|                 |            |            |                                |                      |

## HILTON HEAD AIRPORT FISCAL YEAR 2024 BUDGET (continued)

| EXPENSES |          |       |                                   |                     |
|----------|----------|-------|-----------------------------------|---------------------|
|          | ORG      | OBJ   | ACCOUNT DESCRIPTION               | FY2024 BUDGET       |
|          | 54000011 | 50020 | SALARIES AND WAGES                | 980,313             |
|          | 54000011 | 50060 | OVERTIME                          | 40,000              |
|          | 54000011 | 50100 | EMPLOYER FICA                     | 63,260              |
|          | 54000011 | 50110 | EMPLOYER MEDICARE                 | 14,795              |
|          | 54000011 | 50120 | EMPLOYER SC RETIREMENT            | 119,503             |
|          | 54000011 | 50130 | EMPLOYER PO RETIREMENT            | 79,955              |
|          | 54000011 | 50140 | EMPLOYER GROUP INSURANCE          | 132,000             |
|          | 54000011 | 50150 | EMPLOYER WORK COMP INS            | 32,000              |
|          | 54000011 | 50198 | EMPLOYER PENSION EXP GASB 68      | 51,150              |
|          | 54000011 | 51000 | ADVERTISING                       | 290,000             |
|          | 54000011 | 51010 | PRINTING                          | 500                 |
|          | 54000011 | 51030 | POSTAGE                           | 500                 |
|          | 54000011 | 51040 | LICENSES/PERMITS                  | 2,000               |
|          | 54000011 | 51041 | SWU Fees                          | 33,000              |
|          | 54000011 | 51050 | TELEPHONE                         | 18,000              |
|          | 54000011 | 51060 | ELECTRICITY                       | 135,000             |
|          | 54000011 | 51070 | WATER/SEWER/GARBAGE               | 16,500              |
|          | 54000011 | 51110 | MAINTENANCE CONTRACTS             | 180,000             |
|          | 54000011 | 51120 | EQUIPMENT MAINTENANCE             | 10,000              |
|          | 54000011 | 51130 | REPAIRS TO BUILDINGS              | 75,000              |
|          | 54000011 | 51140 | EQUIPMENT RENTALS                 | 2,000               |
|          | 54000011 | 51160 | PROFESSIONAL SERVICES             | 630,000             |
|          | 54000011 | 51170 | NON-PROFESSIONAL SERVICES         | 295,000             |
|          | 54000011 | 51300 | GARAGE REPAIRS & MAINTENANCE      | 15,000              |
|          | 54000011 | 51310 | DUES & SUBSCRIPTIONS              | 5,000               |
|          | 54000011 | 51320 | TRAINING & CONFERENCES            | 16,500              |
|          | 54000011 | 51500 | VEHICLE INSURANCE                 | 7,500               |
|          | 54000011 | 51510 | BLDG/CONTENTS INSURANCE           | 45,000              |
|          | 54000011 | 51540 | INSURANCE - OTHER                 | 27,000              |
|          | 54000011 | 51990 | MISC. EXPENDITURES                | 5,000               |
|          | 54000011 | 52010 | OFFICE SUPPLIES                   | 20,000              |
|          | 54000011 | 52050 | UNIFORMS                          | 6,500               |
|          | 54000011 | 52500 | FUELS/LUBRICANTS                  | 20,000              |
|          | 54000011 | 52610 | TECHNOLOGY EQUIP (NON-CAP)        | 2,500               |
|          | 54000011 | 53110 | INTEREST                          | 56,000              |
|          | 54000011 | 54200 | CAPITAL EQUIPMENT                 | 260,000             |
|          | 54000011 | 57999 | LOCAL GRANT MATCH                 | 10,531              |
|          | 54000011 | 58500 | DEPRECIATION EXPENSE              | 305,000             |
|          |          |       | <b>TOTAL EXPENSES</b>             | <b>\$ 4,002,007</b> |
|          |          |       | Total 5400 HHI AIRPORT OPERATIONS | \$ -                |
|          |          |       | <b>Revenue Total</b>              | <b>\$ 4,002,007</b> |
|          |          |       | <b>Expense Total</b>              | <b>\$ 4,002,007</b> |
|          |          |       | <b>Grand Total</b>                | <b>\$ -</b>         |

# Income Statement

2023

2023

Period: 1 to 12

|  | 2023                  |
|--|-----------------------|
| <b>Revenue</b>                         | <b>\$4,786,399.89</b> |
| 54000001 - HHI AIRPORT OPERATIONS      | \$4,786,399.89        |
| 42200 - CABLE TV FRANCHISES            | \$36,080.92           |
| 43680 - TOWN OF HILTON HEAD REVENUES   | \$160,000.00          |
| 43730 - FAA GRANT REVENUES             | \$532,168.47          |
| 43780 - FEDERAL GRANT FUNDS            | \$57,510.00           |
| 44840 - RAMP FEES                      | \$192,339.94          |
| 44850 - PARKING FEES                   | \$168,611.58          |
| 44860 - TAXI/LIMO FEES                 | \$6,600.00            |
| 44890 - FIREFIGHTING FEES-OTHERS       | \$423,461.25          |
| 44895 - SECURITY FEES                  | \$240,525.99          |
| 44896 - SECURITY REVENUE               | \$14,471.00           |
| 46010 - INTEREST ON INVESTMENTS        | \$0.00                |
| 47010 - MISCELLANEOUS REVENUES         | \$79,132.83           |
| 47030 - CONTRIBUTION                   | \$0.00                |
| 47100 - FBO LEASES                     | \$71,935.68           |
| 47105 - FBO - CONCESSIONS              | \$34,549.36           |
| 47110 - RESORT AVIATION REVENUES       | \$737,768.49          |
| 47120 - RENT - AIRLINE / COMMON        | \$458,655.37          |
| 47121 - RENT - AIRLINE / ASSIGNED SPAC | \$191,600.20          |
| 47130 - RENTAL CARS - COUNTER          | \$18,759.60           |
| 47131 - RENTAL CARS - READY SPACES     | \$25,260.00           |
| 47132 - RENTAL CARS - COMMISSION       | \$946,743.89          |
| 47140 - RENT - SNACK BAR/GIFT SHOP     | \$31,492.07           |
| 47150 - RENT - ADVERTISING SPACE       | \$44,736.29           |
| 47180 - FLIGHT TRAINING COMMISSIONS    | \$5,186.67            |
| 47190 - OPERATING AGREEMENTS (3%)      | \$47,822.50           |
| 47210 - RENTAL CO PROPERTY-OTHERS      | \$17,499.96           |
| 47220 - RENTAL CO PROP - AIRPORT       | \$120,206.00          |
| 47225 - RENTAL CO PROPERTY - AIRPORT   | \$45,030.83           |
| 47230 - RENTAL CO PROPERTY - BUTLER    | \$48,055.00           |
| 47240 - RENTAL CO PROPERTY - PALS      | \$28,150.00           |
| 47400 - SALE OF COUNTY PROPERTY        | \$2,046.00            |
| 4CARE - CARES GRANT REVENUE            | \$0.00                |
| <b>Expense</b>                         | <b>\$2,855,816.70</b> |
| 54000011 - HHI AIRPORT OPERATIONS      | \$2,855,816.70        |
| 50020 - SALARIES AND WAGES             | \$511,162.82          |
| 50060 - OVERTIME                       | \$42,236.74           |

2023

2023

# Income Statement

Period: 1 to 12

|                                      |              |
|--------------------------------------|--------------|
| 50100 - Employer FICA                | \$63,070.98  |
| 50110 - Employer Medicare            | \$14,750.36  |
| 50120 - Employer SC Retirement       | \$101,892.37 |
| 50130 - EMPLOYER PO RETIREMENT       | \$91,847.88  |
| 50140 - EMPLOYER GROUP INSURANCE     | \$156,436.04 |
| 50150 - EMPLOYER WORK COMP INS       | \$16,575.45  |
| 50160 - EMPLOYER TORT LIAB INS       | \$3,482.41   |
| 50198 - EMPLOYER PENSION EXP GASB 68 | \$0.00       |
| 51000 - ADVERTISING                  | \$211,203.92 |
| 51010 - Printing                     | \$59.30      |
| 51030 - Postage                      | \$70.37      |
| 51040 - Licenses & Permits           | \$75.00      |
| 51041 - SWU Fees                     | \$33,224.97  |
| 51042 - HH POLICE FEES               | \$8,514.00   |
| 51043 - PROPERTY TAX PAYMENTS        | \$0.00       |
| 51050 - TELEPHONE                    | \$14,108.49  |
| 51060 - ELECTRICITY/NAT'L GAS        | \$121,077.80 |
| 51070 - WATER/SEWER                  | \$13,907.66  |
| 51090 - GARBAGE SERVICES             | \$0.00       |
| 51110 - MAINTENANCE CONTRACTS        | \$176,063.57 |
| 51120 - REPAIRS TO EQUIPMENT         | \$10,800.28  |
| 51130 - REPAIRS TO BUILDINGS         | \$48,951.32  |
| 51140 - Rental of Equipment          | \$2,339.59   |
| 51160 - PROFESSIONAL SERVICES        | \$413,510.10 |
| 51170 - Non-Professional Services    | \$418,474.87 |
| 51185 - AIRPORT SECURITY             | \$0.00       |
| 51210 - CLEANING SERVICES            | \$0.00       |
| 51220 - CONTRACTUAL SRVCS            | \$0.00       |
| 51300 - Vehicle Maintenance          | \$24,734.61  |
| 51310 - Books & Subscriptions        | \$8,096.00   |
| 51320 - Education & Training         | \$17,429.66  |
| 51340 - JURORS/WITNESS FEES          | \$1,016.25   |
| 51500 - VEHICLE INSURANCE            | \$8,416.27   |
| 51510 - BLDG/CONTENTS INSURANCE      | \$40,737.65  |
| 51540 - INSURANCE - OTHER            | \$22,547.17  |
| 51990 - MISC. EXPENDITURES           | \$0.00       |
| 52010 - SUPPLIES & MATERIALS         | \$17,575.07  |
| 52020 - DATA PROCESSING SUPPLIES     | \$0.00       |
| 52030 - CLEAN'G/SANI SUPPLIES        | \$0.00       |
| 52050 - Uniforms                     | \$6,861.48   |

# Income Statement

2023

2023

Period: 1 to 12

|  |                       |
|--|-----------------------|
| 52240 - SMALL TOOLS, ETC.              | \$0.00                |
| 52330 - FACILITY MAINT SUPPLIES        | \$34.96               |
| 52340 - SIGNS                          | \$0.00                |
| 52390 - ARFF SUPPLIES                  | \$0.00                |
| 52400 - OTHER SUPPLIES                 | \$0.00                |
| 52410 - GROUNDS MAINT SUPPLIES         | \$0.00                |
| 52500 - Fuels & Lubricants             | \$18,238.09           |
| 52600 - EQUIPMENT (NON-CAP)            | \$0.00                |
| 52610 - TECHNOLOGY EQUIP (NON-CAP)     | \$2,640.00            |
| 52700 - HANGAR MAINTENANCE             | \$0.00                |
| 52990 - UNCLASSIFIED SUPPLIES EXP      | \$0.00                |
| 53110 - INTEREST EXPENSE               | \$61,824.25           |
| 54200 - Equipment, Capital             | \$75,029.99           |
| 54420 - RENOVATIONS EXIST BLDGS        | \$1,376.76            |
| 54XXX - CAPITAL ASSET CLEARING ACCOUNT | \$0.00                |
| 56000 - GENERAL CONTINGENCY            | \$75,422.20           |
| 58500 - DEPRECIATION EXPENSE           | \$0.00                |
| <b>Net Income:</b>                     | <b>\$1,930,583.19</b> |



**BEAUFORT COUNTY, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|  | Business-Type Activities - Enterprise Funds |                     |                      |                     |                      | Internal           |
|--|---|---------------------|----------------------|---------------------|----------------------|--------------------|
|  | Stormwater                                  | Beaufort            | Hilton Head          | Solid Waste         | Totals               | Service Fund       |
|  | Utility                                     | Executive Airport   | Airport              | and Recycling       |                      | Garage             |
| <b>Operating Revenues</b>                      |   |                     |                      |                     |                      |                    |
| Fuel and oil sales                             | \$ -  | \$ 731,986          | \$ -                 | \$ -                | \$ 731,986           | \$ -               |
| Stormwater utility fees                        | 5,934,666                                   | -                   | -                    | -                   | 5,934,666            | -                  |
| Stormwater utility project billings            | 783,661                                     | -                   | -                    | -                   | 783,661              | -                  |
| Solid waste and recycling fees                 | -   | -                   | -                    | 9,911,562           | 9,911,562            | -                  |
| Solid waste disposal fees                      | -   | -                   | -                    | 8,480               | 8,480                | -                  |
| Recyclables sales                              | -   | -                   | -                    | 428,803             | 428,803              | -                  |
| Fixed base operator revenue                    | -   | -                   | 867,472              | -                   | 867,472              | -                  |
| Operating agreements/commission revenue        | -   | -                   | 908,690              | -                   | 908,690              | -                  |
| Concession sales                               | -   | 7,225               | -                    | -                   | 7,225                | -                  |
| Firefighting/security fees                     | -   | -                   | 985,740              | -                   | 985,740              | -                  |
| Landing fees                                   | -   | 48,437              | 299,912              | -                   | 348,349              | -                  |
| Parking/taxi fees                              | -   | -                   | 185,968              | -                   | 185,968              | -                  |
| Rentals  | -   | -                   | 1,354,519            | -                   | 1,354,519            | -                  |
| Hangar rentals                                 | -   | 97,676              | 198,955              | -                   | 296,631              | -                  |
| Other charges                                  | 41,778                                      | 52,805              | 202,471              | -                   | 297,054              | -                  |
| Total operating revenues                       | <u>6,760,105</u>                            | <u>938,129</u>      | <u>5,003,727</u>     | <u>10,348,845</u>   | <u>23,050,806</u>    | <u>-</u>           |
| <b>Operating Expenses</b>                      |   |                     |                      |                     |                      |                    |
| Costs of sales and services                    | -   | 566,321             | -                    | -                   | 566,321              | -                  |
| Personnel                                      | 1,857,453                                   | 252,386             | 1,377,064            | 4,432,700           | 7,919,603            | 99,983             |
| Purchased services                             | 2,413,953                                   | 201,765             | 1,482,358            | 5,964,729           | 10,062,805           | 1,289,308          |
| Supplies                                       | 357,078                                     | 12,110              | 592,450              | 110,040             | 1,071,678            | 689,098            |
| Capital  | 6,616                                       | -                   | -                    | 6,450               | 13,066               | 5,336              |
| Depreciation                                   | 419,051                                     | 101,040             | 303,272              | 141,606             | 964,969              | 8,768              |
| Total operating expenses                       | <u>5,054,151</u>                            | <u>1,133,622</u>    | <u>3,755,144</u>     | <u>10,655,525</u>   | <u>20,598,442</u>    | <u>2,092,493</u>   |
| Operating income (loss)                        | <u>1,705,954</u>                            | <u>(195,493)</u>    | <u>1,248,583</u>     | <u>(306,680)</u>    | <u>2,452,364</u>     | <u>(2,092,493)</u> |
| <b>Non-Operating Revenues (Expenses)</b>       |   |                     |                      |                     |                      |                    |
| Operating grant                                | -   | -                   | 52,730               | -                   | 52,730               | -                  |
| Non-operating grant expenses                   | -   | (46,352)            | -                    | -                   | (46,352)             | -                  |
| Passenger facility charges                     | -   | -                   | 549,911              | -                   | 549,911              | -                  |
| Interest income                                | 42,293                                      | -                   | 508                  | 3,264               | 46,065               | 146                |
| Interest expense                               | (188,231)                                   | -                   | (66,450)             | -                   | (254,681)            | -                  |
| Total non-operating revenues (expenses)        | <u>(145,938)</u>                            | <u>(46,352)</u>     | <u>536,699</u>       | <u>3,264</u>        | <u>347,673</u>       | <u>146</u>         |
| Income (loss) before capital contributions and | <u>1,560,016</u>                            | <u>(241,845)</u>    | <u>1,785,282</u>     | <u>(303,416)</u>    | <u>2,800,037</u>     | <u>(2,092,347)</u> |
| <b>Capital Contributions</b>                   |   |                     |                      |                     |                      |                    |
| Capital grants - federal                       | 142,937                                     | 239,815             | 4,011,188            | -                   | 4,393,940            | -                  |
| Capital grants - state                         | -   | 118,999             | 153,742              | -                   | 272,741              | -                  |
| Other  | -   | -                   | -                    | 1,351,249           | 1,351,249            | -                  |
| Total capital contributions                    | <u>142,937</u>                              | <u>358,814</u>      | <u>4,164,930</u>     | <u>1,351,249</u>    | <u>6,017,930</u>     | <u>-</u>           |
| <b>Transfers</b>                               |   |                     |                      |                     |                      |                    |
| Transfer in                                    | -   | 617,941             | -                    | -                   | 617,941              | 2,093,351          |
| Transfer out                                   | (350,000)                                   | -                   | (617,941)            | -                   | (967,941)            | -                  |
| Total transfers                                | <u>(350,000)</u>                            | <u>617,941</u>      | <u>(617,941)</u>     | <u>-</u>            | <u>(350,000)</u>     | <u>2,093,351</u>   |
| Change in net position                         | <u>1,352,953</u>                            | <u>734,910</u>      | <u>5,332,271</u>     | <u>1,047,833</u>    | <u>8,467,967</u>     | <u>1,004</u>       |
| Net position, beginning                        | <u>12,155,521</u>                           | <u>2,586,074</u>    | <u>25,478,863</u>    | <u>-</u>            | <u>40,220,458</u>    | <u>(8,871)</u>     |
| Net position, ending                           | <u>\$ 13,508,474</u>                        | <u>\$ 3,320,984</u> | <u>\$ 30,811,134</u> | <u>\$ 1,047,833</u> | <u>\$ 48,688,425</u> | <u>\$ (7,867)</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, 2021**

|  | <b>Business-Type Activities - Enterprise Funds</b> |   |                                |   |
|--|--|---|--------------------------------|---|
|  |  |   | <b>Hilton Head<br/>Airport</b> |   |
| <b>Operating Revenues</b>                                |  |   |                                |   |
| Garage billings  | -  | - | \$ -                           | - |
| Fuel and oil sales                                       | -  |   | -                              |   |
| Stormwater Utility fees                                  |  | - | -                              | - |
| Stormwater Utility project billings                      |  | - | -                              | - |
| Fixed base operator revenue                              | -  | - | 573,057                        | - |
| Passenger facility charges                               | -  | - | 605,408                        | - |
| Operating agreements/commission revenue                  | -  |   | 771,053                        | - |
| Concession sales   | -  |   | -                              | - |
| Firefighting/security fees                               | -  | - | 812,198                        | - |
| Landing fees   | -  |   | 298,638                        | - |
| Parking/taxi fees  | -  | - | 51,988                         | - |
| Rentals  | -  | - | 945,070                        | - |
| Hangar rentals   | -  |   | 224,239                        | - |
| Other charges  |  |   | 161,350                        | - |
| Total operating revenues                                 |  |   | <u>4,443,001</u>               |   |
| <b>Operating Expenses</b>                                |  |   |                                |   |
| Costs of sales and services                              | -  |   | -                              | - |
| Personnel  |  |   | 1,468,930                      |   |
| Purchased services                                       |  |   | 2,478,127                      |   |
| Supplies   |  |   | 56,549                         |   |
| Depreciation   |  |   | 312,160                        |   |
| Total operating expenses                                 |  |   | <u>4,315,766</u>               |   |
| Operating income (loss)                                  |  |   | <u>127,235</u>                 |   |
| <b>Non-Operating Revenues (Expenses)</b>                 |  |   |                                |   |
| Operating grant  | -  | - | 222,326                        | - |
| Non-operating grant expenses                             | -  |   | -                              | - |
| Interest income  |  |   | 92                             | - |
| Interest expense   |  | - | (70,957)                       | - |
| Total non-operating revenues (expenses)                  |  |   | <u>151,461</u>                 | - |
| Income (loss) before capital contributions and transfers |  |   | <u>278,696</u>                 |   |
| <b>Capital Contributions</b>                             |  |   |                                |   |
| Capital grants - federal                                 |  |   | 3,107,464                      | - |
| Capital grants - state                                   | -  | - | 13,021                         | - |
| Total capital contributions                              |  |   | <u>3,120,485</u>               | - |
| <b>Transfers</b>   |  |   |                                |   |
| Transfer in  | -  | - | -                              | - |
| Total transfers  | -  | - | -                              | - |
| Change in net position                                   |  |   | 3,399,181                      |   |
| Net position, beginning                                  |  |   | <u>22,079,682</u>              | - |
| Net position, ending                                     |  |   | <u>\$ 25,478,863</u>           |   |

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

# Balance Sheet Report for 2023 Period 13



| Account Number                     | Description                    | Period Net Change   | Account Balance      |
|------------------------------------|--------------------------------|---------------------|----------------------|
| <b>5400 HHI AIRPORT OPERATIONS</b> |                                |                     |                      |
| <b>Assets</b>                      |                                | <b>Total Assets</b> | <b>0.00</b>          |
|                                    |                                |                     | <b>36,304,259.56</b> |
| <a href="#">54000000 10020</a>     | PETTY CASH/CHANGE FUNDS        | 0.00                | 0.00                 |
| <a href="#">54000000 10400</a>     | EQUITY IN POOLED CASH          | 0.00                | 1,378,263.98         |
| <a href="#">54000000 15000</a>     | ACCTS REC-GENERAL              | 0.00                | 372,427.73           |
| <a href="#">54000000 15010</a>     | ACCTS REC-FEDERAL FUNDS        | 0.00                | 295,232.57           |
| <a href="#">54000000 15020</a>     | ACCTS REC-STATE FUNDS          | 0.00                | 0.00                 |
| <a href="#">54000000 15040</a>     | RETURNED CHECKS RECEIVBLE      | 0.00                | 0.00                 |
| <a href="#">54000000 15500</a>     | LOANS RECEIVABLE               | 0.00                | 0.00                 |
| <a href="#">54000000 16750</a>     | PREPAID EXPENSES               | 0.00                | 0.00                 |
| <a href="#">54000000 16900</a>     | DEFERRED OUTFLOWS - PEN CONT   | 0.00                | 0.00                 |
| <a href="#">54000000 16950</a>     | DEFERRED OUTFLOWS - EXPERIENCE | 0.00                | 318,699.00           |
| <a href="#">54000000 17000</a>     | LAND & LAND IMPROVEMENTS       | 0.00                | 12,301,216.58        |
| <a href="#">54000000 17010</a>     | BUILDINGS & IMPROVEMENTS       | 0.00                | 478,863.00           |
| <a href="#">54000000 17020</a>     | FURNITURE, FIXTURES & EQUIPMNT | 0.00                | 0.00                 |
| <a href="#">54000000 17030</a>     | CONSTRUCTION IN PROGRESS       | 0.00                | 0.00                 |
| <a href="#">54000000 17040</a>     | INFRASTRUCTURE                 | 0.00                | 6,042,327.76         |
| <a href="#">54000000 17050</a>     | FIXED ASSETS/VEHICLES          | 0.00                | 0.00                 |
| <a href="#">54000000 17500</a>     | FIXED ASSETS                   | 0.00                | 26,671,997.12        |
| <a href="#">54000000 17505</a>     | CONSTRUCTION IN PROGRESS       | 0.00                | 262,167.83           |
| <a href="#">54000000 17510</a>     | ACCUMULATED DEPRECIATION       | 0.00                | (11,898,556.12)      |
| <a href="#">54000000 19100</a>     | ESTIMATED REVENUES             | 0.00                | 4,871,100.00         |
| <a href="#">54000000 19200</a>     | REVENUE CONTROL ACCOUNT        | 0.00                | (4,789,479.89)       |
| <a href="#">54000000 20200</a>     | DEFERRED REVENUES              | 0.00                | 0.00                 |
| <a href="#">54000000 23190</a>     | PFL INS W/H PAYABLE            | 0.00                | 0.00                 |
| <a href="#">54000000 23570</a>     | YMCA W/H PAYABLE               | 0.00                | 0.00                 |
| <a href="#">54000011 16750</a>     | PREPAID EXPENSES               | 0.00                | 0.00                 |

# Balance Sheet Report for 2023 Period 13



| Account Number                     | Description                    | Period Net Change        | Account Balance            |
|------------------------------------|--------------------------------|--------------------------|----------------------------|
| <b>5400 HHI AIRPORT OPERATIONS</b> |                                |                          |                            |
| <b>Liabilities</b>                 |                                | <b>Total Liabilities</b> | <b>0.00 (9,969,410.78)</b> |
| <a href="#">54000000 20000</a>     | CTRL DEP - DUE TO ...FUND      | 0.00                     | 0.00                       |
| <a href="#">54000000 20040</a>     | DUE TO OTHERS-RENT PROP SEC DE | 0.00                     | 0.00                       |
| <a href="#">54000000 20050</a>     | DUE TO OTHERS - HANGAR DEPOSIT | 0.00                     | (18,813.72)                |
| <a href="#">54000000 20060</a>     | DUE OTHERS - HANGAR WAIT DEPOS | 0.00                     | (5,389.80)                 |
| <a href="#">54000000 20100</a>     | ACCTS PAYABLE-GENERAL          | 0.00                     | (110,092.68)               |
| <a href="#">54000000 20105</a>     | ACTIVE CARD INTEGRATION PAYABL | 0.00                     | 0.00                       |
| <a href="#">54000000 20110</a>     | NOTE/LOAN PAYABLE              | 0.00                     | (2,237,086.75)             |
| <a href="#">54000000 20115</a>     | PAYABLE TO GENERAL FUND        | 0.00                     | (3,592,965.05)             |
| <a href="#">54000000 23000</a>     | ACCRUED PAYROLL & PR TAX       | 0.00                     | 0.00                       |
| <a href="#">54000000 23010</a>     | FED W/H PAYABLE                | 0.00                     | 0.00                       |
| <a href="#">54000000 23020</a>     | STATE W/H PAYABLE              | 0.00                     | 34.55                      |
| <a href="#">54000000 23030</a>     | FICA W/H PAYABLE               | 0.00                     | 105.43                     |
| <a href="#">54000000 23040</a>     | MEDICARE W/H PAYABLE           | 0.00                     | 24.70                      |
| <a href="#">54000000 23050</a>     | SC RET W/H PAYABLE             | 0.00                     | (3,096.68)                 |
| <a href="#">54000000 23060</a>     | PO RET W/H PAYABLE             | 0.00                     | 1,872.50                   |
| <a href="#">54000000 23070</a>     | DEFERRED COMP W/H PAYABLE      | 0.00                     | 0.00                       |
| <a href="#">54000000 23080</a>     | FED TAX LEVY PAYABLE           | 0.00                     | 0.00                       |
| <a href="#">54000000 23090</a>     | STATE TAX LEVY PAYABLE         | 0.00                     | 0.00                       |
| <a href="#">54000000 23100</a>     | GROUP INS W/H PAYABLE          | 0.00                     | 0.00                       |
| <a href="#">54000000 23130</a>     | COMPANION EMPLOYEE SUPP LIFE   | 0.00                     | 0.00                       |
| <a href="#">54000000 23140</a>     | COMPANION SPOUSE SUPP LIFE     | 0.00                     | 0.00                       |
| <a href="#">54000000 23150</a>     | COMPANION DEPENDENT SUPP LIFE  | 0.00                     | 0.00                       |
| <a href="#">54000000 23160</a>     | COLONIAL LIFE/ACC W/H PBL      | 0.00                     | 0.00                       |
| <a href="#">54000000 23170</a>     | AMER FAM INS W/H PAYABLE       | 0.00                     | 0.00                       |
| <a href="#">54000000 23180</a>     | KANSAS CTY INS W/H PAYABL      | 0.00                     | 0.00                       |
| <a href="#">54000000 23300</a>     | BEAUFORT-FAM CT W/H PAYBL      | 0.00                     | 0.00                       |

# Balance Sheet Report for 2023 Period 13



| Account Number                     | Description                    | Period Net Change                       | Account Balance             |
|------------------------------------|--------------------------------|---|-----------------------------|
| <b>5400 HHI AIRPORT OPERATIONS</b> |                                |   |                             |
| <a href="#">54000000 23310</a>     | STATE-FAM CRT W/H PAYABLE      | 0.00                                    | 0.00                        |
| <a href="#">54000000 23340</a>     | JASPER-FAM CRT W/H PAY'BL      | 0.00                                    | 0.00                        |
| <a href="#">54000000 23510</a>     | UNITED WAY W/H PAYABLE         | 0.00                                    | 0.00                        |
| <a href="#">54000000 23520</a>     | DUE COUNTY W/HOLD PAYABLE      | 0.00                                    | 0.00                        |
| <a href="#">54000000 23606</a>     | PSB W/H PAYABLE                | 0.00                                    | 0.00                        |
| <a href="#">54000000 23621</a>     | CAR W/H PBL                    | 0.00                                    | 0.00                        |
| <a href="#">54000000 25400</a>     | OTHER POST EMPLOYMENT BENEFITS | 0.00                                    | 0.00                        |
| <a href="#">54000000 25401</a>     | PENSION LIABILITY - GASB 68    | 0.00                                    | (1,584,911.30)              |
| <a href="#">54000000 25450</a>     | DEFERRED INFLOWS - EXPERIENCE  | 0.00                                    | (366,240.00)                |
| <a href="#">54000000 26000</a>     | ACCRUED COMPENSATED ABSEN      | 0.00                                    | (40,270.62)                 |
| <a href="#">54000000 29000</a>     | BUDGETARY FUND BALANCE         | 0.00                                    | (289,222.00)                |
| <a href="#">54000000 29100</a>     | APPROPRIATIONS                 | 0.00                                    | (4,581,878.00)              |
| <a href="#">54000000 29200</a>     | EXPENDITURE CONTROL ACCT       | 0.00                                    | 2,858,518.64                |
| <a href="#">54000000 29250</a>     | ENCUMBRANCES                   | 0.00                                    | 22,841.76                   |
| <a href="#">54000000 29260</a>     | RESERVED FOR ENCUMBRANCES      | 0.00                                    | (22,841.76)                 |
| <a href="#">54000000 29270</a>     | PRIOR YEAR ENCUMBRANCE         | 0.00                                    | 0.00                        |
| <b>Fund Balance</b>                |                                | <b>Total Fund Balance</b>               | <b>0.00 (26,334,848.78)</b> |
| <a href="#">54000000 30000</a>     | CONTRIB'T CAPITAL              | 0.00                                    | 0.00                        |
| <a href="#">54000000 31510</a>     | RETAINED EARNINGS              | 0.00                                    | (26,334,848.78)             |
| <a href="#">54000000 32000</a>     | INVSTS GEN FX ASSET-LAND       | 0.00                                    | 0.00                        |
|                                    |                                | <b>Total Liabilities + Fund Balance</b> | <b>0.00 (36,304,259.56)</b> |

**BEAUFORT COUNTY, SOUTH CAROLINA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022**

|  | <b>Business-Type Activities - Enterprise Funds</b> |                                       |                                |                                      | <b>Totals</b> | <b>Internal</b>                |
|--|--|---------------------------------------|--------------------------------|--------------------------------------|---------------|--------------------------------|
|  | <b>Stormwater<br/>Utility</b>                      | <b>Beaufort<br/>Executive Airport</b> | <b>Hilton Head<br/>Airport</b> | <b>Solid Waste<br/>and Recycling</b> |               | <b>Service Fund<br/>Garage</b> |
| <b>ASSETS</b>  |  |                                       |                                |                                      |               |                                |
| Current assets:  |  |                                       |                                |                                      |               |                                |
| Cash and cash equivalents  | \$ 18,490,060                                      | \$ 250                                | \$ -                           | \$ 2,854,440                         | \$ 21,344,750 | \$ 165,048                     |
| Receivables, operating   | 112,280  | 46,402                                | 424,899                        | 76,835                               | 660,416       | 13,754                         |
| Receivables, federal and state grants                              | -  | -                                     | 1,413,963                      | -                                    | 1,413,963     | -                              |
| Lease receivable   | -  | 31,055                                | 86,332                         | -                                    | 117,387       | -                              |
| Inventories  | 190,673  | 63,326                                | -                              | -                                    | 253,999       | -                              |
| Total current assets   | 18,793,013   | 141,033                               | 1,925,194                      | 2,931,275                            | 23,790,515    | 178,802                        |
| Non-current assets:  |  |                                       |                                |                                      |               |                                |
| Lease receivable   | -  | 444,012                               | 1,008,877                      | -                                    | 1,452,889     | -                              |
| Capital assets   | 6,434,695  | 5,822,705                             | 51,153,571                     | 3,496,936                            | 66,907,907    | 445,159                        |
| Accumulated depreciation   | (3,877,117)  | (1,373,289)                           | (11,899,882)                   | (2,287,293)                          | (19,437,581)  | (430,333)                      |
|  | 2,557,578  | 4,893,428                             | 40,262,566                     | 1,209,643                            | 48,923,215    | 14,826                         |
| Total assets   | 21,350,591   | 5,034,461                             | 42,187,760                     | 4,140,918                            | 72,713,730    | 193,628                        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                              |  |                                       |                                |                                      |               |                                |
| Pension  | 449,265  | 46,228                                | 318,699                        | 432,500                              | 1,246,692     | -                              |
| Total deferred outflows of resources                               | 449,265  | 46,228                                | 318,699                        | 432,500                              | 1,246,692     | -                              |
| Total assets and deferred outflows of resources                    | \$ 21,799,856                                      | \$ 5,080,689                          | \$ 42,506,459                  | \$ 4,573,418                         | \$ 73,960,422 | \$ 193,628                     |
| <b>LIABILITIES</b>   |  |                                       |                                |                                      |               |                                |
| Current liabilities:   |  |                                       |                                |                                      |               |                                |
| Account payable  | \$ 252,362   | \$ 49,409                             | \$ 669,411                     | \$ 584,659                           | \$ 1,555,841  | \$ 200,196                     |
| Accrued payroll  | 32,441   | 6,493                                 | 14,606                         | 31,031                               | 84,571        | 1,299                          |
| Accrued compensated absences                                       | 14,201   | 258                                   | 5,638                          | 6,424                                | 26,521        | -                              |
| Unearned revenue   | -  | -                                     | 7,392                          | -                                    | 7,392         | -                              |
| Current portion - due to debt service fund                         | 58,824   | -                                     | 183,417                        | -                                    | 242,241       | -                              |
| Total current liabilities  | 357,828  | 56,160                                | 880,464                        | 622,114                              | 1,916,566     | 201,495                        |
| Non-current liabilities:   |  |                                       |                                |                                      |               |                                |
| Accrued compensated absences                                       | 87,238   | 1,582                                 | 34,633                         | 39,465                               | 162,918       | -                              |
| Net pension liability  | 2,496,013  | 258,229                               | 1,584,911                      | 2,415,927                            | 6,755,080     | -                              |
| Advances from other funds  | -  | 920,774                               | 5,496,780                      | -                                    | 6,417,554     | -                              |
| Due to debt service fund   | 4,882,352  | -                                     | 2,237,088                      | -                                    | 7,119,440     | -                              |
| Total non-current liabilities                                      | 7,465,603  | 1,180,585                             | 9,353,412                      | 2,455,392                            | 20,454,992    | -                              |
| Total liabilities  | 7,823,431  | 1,236,745                             | 10,233,876                     | 3,077,506                            | 22,371,558    | 201,495                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |  |                                       |                                |                                      |               |                                |
| Lease receipts   | -  | 475,067                               | 1,095,209                      | -                                    | 1,570,276     | -                              |
| Pension  | 467,951  | 47,893                                | 366,240                        | 448,079                              | 1,330,163     | -                              |
| Total deferred inflows of resources                                | 467,951  | 522,960                               | 1,461,449                      | 448,079                              | 2,900,439     | -                              |
| <b>NET POSITION</b>  |  |                                       |                                |                                      |               |                                |
| Investment in capital assets                                       | 2,557,578  | 4,893,428                             | 40,262,566                     | 1,209,643                            | 48,923,215    | 14,826                         |
| Unrestricted (deficit)   | 10,950,896   | (1,572,444)                           | (9,451,432)                    | (161,810)                            | (234,790)     | (22,693)                       |
| Total net position   | 13,508,474   | 3,320,984                             | 30,811,134                     | 1,047,833                            | 48,688,425    | (7,867)                        |
| Total liabilities, deferred inflows of resources, and net position | \$ 21,799,856                                      | \$ 5,080,689                          | \$ 42,506,459                  | \$ 4,573,418                         | \$ 73,960,422 | \$ 193,628                     |

The accompanying notes are an integral part of these financial statements

**BEAUFORT COUNTY, SOUTH CAROLINA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021**

|   | <u>Business-Type Activities - Enterprise Funds</u> |                                |   |
|---|--|--------------------------------|---|
|   |  | <u>Hilton Head<br/>Airport</u> |   |
| <b><u>ASSETS</u></b>  |  |                                |   |
| Current assets:   |  |                                |   |
| Cash and cash equivalents   |  | \$ -                           | - |
| Receivables, operating  |  | 1,116,467                      | - |
| Receivables, federal and state grants                                     | -  | 892,240                        | - |
| Inventories   |  | -                              | - |
| Prepayments   | -  | 3,242                          | - |
| Total current assets  |  | <u>2,011,949</u>               |   |
| Capital assets  |  | 47,455,099                     |   |
| Accumulated depreciation  |  | (11,807,860)                   |   |
|   |  | 35,647,239                     |   |
| <br>Total assets  |  | <br>37,659,188                 |   |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>                              |  |                                |   |
| Pension   |  | 355,924                        | - |
| Total deferred outflows of resources                                      |  | <u>355,924</u>                 | - |
| <br>Total assets and deferred outflows of resources                       |  | <br><u>\$ 38,015,112</u>       |   |
| <b><u>LIABILITIES</u></b>   |  |                                |   |
| Current liabilities:  |  |                                |   |
| Account payable   |  | \$ 719,988                     |   |
| Accrued payroll   |  | 61,924                         |   |
| Accrued compensated absences  |  | 5,711                          | - |
| Current portion - due to debt service fund                                | -  | 178,791                        | - |
| Total current liabilities   |  | <u>966,414</u>                 |   |
| Non-current liabilities:  |  |                                |   |
| Accrued compensated absences  |  | 35,085                         |   |
| Net pension liability   |  | 1,900,264                      |   |
| Advances from other funds   |  | 7,177,017                      |   |
| Due to debt service fund  |  | 2,420,506                      |   |
| Total non-current liabilities   |  | <u>11,532,872</u>              |   |
| <br>Total liabilities   |  | <br>12,499,286                 |   |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                               |  |                                |   |
| Pension   |  | 36,963                         | - |
| Total deferred inflows of resources                                       |  | <u>36,963</u>                  | - |
| <b><u>NET POSITION</u></b>  |  |                                |   |
| Investment in capital assets  |  | 35,647,239                     |   |
| Unrestricted (deficit)  |  | (10,168,376)                   |   |
| Total net position  |  | <u>25,478,863</u>              |   |
| <br>Total liabilities, deferred inflows<br>of resources, and net position |  | <br><u>\$ 38,015,112</u>       |   |

The accompanying notes are an integral part of these financial statements



**HILTON HEAD ISLAND**  
A I R P O R T

August 29, 2023

Chairman  
Accommodations Tax Advisory Committee  
Town of Hilton Head Island  
One Town Center Court  
Hilton Head Island, SC 29928

Dear ATAX Committee Chairman,

Beaufort County is a political subdivision within the State of South Carolina and is considered to be a tax-exempt governmental entity. The Hilton Head Island Airport, as a department within Beaufort County, is also a tax-exempt governmental entity. Beaufort County's Federal Tax Identification Number is #57-6000311.

Please accept this letter in lieu of an IRS 503 (c)(3) or IRS 990/990T.

Respectfully,

Jon Rembold  
Airport Director





**HILTON HEAD ISLAND**  
A I R P O R T

August 31, 2022

Chairman  
Accommodations Tax Advisory Committee  
Town of Hilton Head Island  
One Town Center Court  
Hilton Head Island, SC 29928

Dear ATAX Committee Chairman,

Beaufort County is a political subdivision within the State of South Carolina and is considered to be a tax-exempt governmental entity. The Hilton Head Island Airport, as a department within Beaufort County, is also a tax-exempt governmental entity. Beaufort County's Federal Tax Identification Number is #57-6000311.

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Respectfully,

Jon Rembold  
Airport Director



County Council of Beaufort County  
Hilton Head Island Airport  
120 Beach City Road  
Hilton Head Island, South Carolina 29926  
Phone: (843) 255-2950 Fax: (843) 255-9424  
[www.hiltonheadairport.com](http://www.hiltonheadairport.com)



August 31, 2021

Chairman  
Accommodations Tax Advisory Committee  
Town of Hilton Head Island  
One Town Center Court  
Hilton Head Island, SC 29928

Dear ATAX Committee Chairman.

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Respectfully,

Jon Rembold  
Airport Director

# MINUTES

## Beaufort County Airports Board

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February 23, 2023 | 1:30 pm | Meeting called to order by Chairman Howard Ackerman

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### Attendance

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**Present:** Howard Ackerman, Nick Mesenburg, Thomas Sheahan, Brian Turrisi, Chris Butler, Anne Esposito, Mark Bailey, and James Buckley

**Absent:** Leslie Adlam Flory

**County Staff:** Jon Rembold, Airports Director; Stephen Parry, Assistant Airports Director; and Rocio Rexrode, Administrative Specialist.

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### Adoption of Agenda

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**Motion:** Anne Esposito made a motion to adopt the agenda. Nick Mesenburg seconded the motion. All were in favor and the motion passed.

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### Approval of Minutes

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**Motion:** James Buckley made a motion to approve the January 19, 2023, meeting minutes. Chris Butler seconded the motion. All were in favor and the motion passed.

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### Public Comments

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There were no Public Comments.

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### Director's Report

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- **DEPARTMENT UPDATE**

**SCAA Conference:**

Jon Rembold mentioned that he and Steve Parry went to the SCAA Conference. He stated that it was a good Conference. He said that they were able to have some facetime with FAA regional administrators and were able to let the FAA staff know what the important issues are at both airports – primarily HXD. Rembold said that he and Steve Parry got together with the consultants, the team of engineers, planners, and the FAA staff to talk through the Terminal project. He said that being able to have these meetings/get together is the primary benefit of the conference. Rembold said that through conversations they were able to learn about other airports and find out what is going on at the airports across the State.

**Meet The Team – Robert “Rob” Street:**

Jon Rembold mentioned that each month he is going to introduce a member of the Airports team. Rembold said that Rob, a member of the maintenance crew, is very technical and he has been a huge help to the team. Rembold mentioned that Rob has saved the Airports time and money with his technical skills. Rembold described Rob as very personable and said that he is glad to have him on the team.

- **BEAUFORT EXECUTIVE AIRPORT (ARW) UPDATE:**

**SC Breakfast Club Fly-In Recap:**

Jon Rembold informed that they had about 35 people who were there for the breakfast. He said it was a little bit cool that day and everybody kind of migrated inside the terminal building, and they were able to enjoy that renovated building, and everybody really liked it. He said that several of the folks who flew in had not been there in several years and were extremely impressed with the renovations.

**Terminal as a Venue:**

Jon Rembold mentioned that the Terminal as a venue has been talked about at the Staff level. Rembold said that the Terminal is a nice place to have small intimate gatherings – such as an annual nonprofit board meeting, or a baby reveal. Rembold said that the space can probably accommodate 50 to 60 people between indoor and outdoor. Rembold stated that more than a revenue generator, it is a great way to generate interest and a means to open the gates, so folks can enjoy the airport. Rembold suggested that it could be an interesting venue.

**Renovations - Landscape:**

Jon Rembold mentioned that a rain garden was designed to handle the stormwater. He said that the roof drains are connected, and they will go into a pit underneath the plants. He said that there are beds planted on either side of the walkway leading up to the front door and behind the retaining wall. He said that a ribbon cutting ceremony for the new renovated facility has been scheduled.

- **HILTON HEAD ISLAND AIRPORT (HXD) UPDATE:**

**Terminal – Roof Clean and Airside Paint:**

Jon Rembold informed that the Terminal roof was pressure washed in advanced of the season and it looks good. He said that all the exposed steel on the on the air side of the building will get cleaned up as well.

**Runway – Rubber Removal/Painting**

Jon Rembold mentioned that the rubber removal and painting on the runway is a follow up to some of the comments from last year’s inspection. He said the rubber removal keeps getting delayed, and that as soon as it’s done, then the paint can be refreshed.

**ARFF Live Drill:**

Jon Rembold mentioned that the FAA requires a live ARFF drill at the airport every third year. He informed the drill is scheduled for Friday, March 24<sup>th</sup>. He stated that Chief Davidson has coordinated with the agencies in the area and they will have a simulated incident including a fire that needs to be put out and a casualty scenario that gets a run through. Rembold stated that the Chief has done a great job putting it together. Rembold mentioned that the County Channel might be there. He said it is good for the County to show the training and it allows the crew to go back and watch that film.

**St. Patrick’s Day Parade:**

Jon Rembold informed that the Airport will be participating in the St. Patrick’s Day parade with the new firetruck.

**Volunteers in Medicine (VIM) Golf Sponsorship:**

Jon Rembold stated that the VIM golf sponsorship is another great community outreach opportunity. He said the Airport is a Birdie Level sponsor. He said the Airport gets 2 entrances and 2 of our firefighters are going to play and they'll be matched up with some local pros.

**Valentine’s Day with Tenants:**

Jon Rembold mentioned that sixty Valentine's Day treat bags full of candy and goodies were prepared and the administrative staff went around and deliver them to all the members of all the teams within the Terminal, including airlines, TSA, car rentals and cleaning crews.

### **EMAS Field Strength Tests:**

Jon Rembold informed that it is getting close to the five years point when a field strength test must be done. He said the tests are done at both ends of the airport, and it tell if the beds are still at their expected effectiveness level. He said once the tests are done, and the results are found it will roll into a comprehensive maintenance project.

### **Project Cloud Update:**

Jon Rembold informed that a meeting with the Economic Development Corporation, the Town of Hilton Head and the County took place, and all seem to be in support of the concept. Rembold said that the Developer needs to provide some more information, then the first step after that will be to engage Town Council since it's on the Island, then move on from there. He said that once they get to that stage, he will brief the Board.

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## **Unfinished Business**

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There was no Unfinished Business.

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## **New Business – Action Items**

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1. **HILTON HEAD ISLAND AIRPORT (HXD) - PURCHASE OF A PORTION OF EXECAIR PROPERTY ADJACENT TO TAXIWAY A FOR AN AMOUNT NOT TO EXCEED \$50,000**

Mr. Rembold explained that there is a small portion on one of ExecAir parcels that basically became de facto airport property when the taxiway project was done back in 2017. He said that when the taxiway got moved over, the lights, the utilities, and stormwater drainage ended up in that parcel. Mr. Butler made a motion to approve the purchase of the ExecAir property adjacent to the taxiway, for the amount not to exceed fifty thousand dollars. Mr. Buckley seconded the motion. All were in favor and the motion passed.

2. **HILTON HEAD ISLAND AIRPORT (HXD) - APPROVAL TO APPLY FOR TOWN OF HILTON HEAD ISLAND ACCOMMODATIONS TAX GRANT FOR TOURISM MARKETING**

Mr. Mesenburg made a motion to approve the application for the Town of Hilton Head Island Accommodations Tax Grant for Tourism Marketing. Mr. Buckley seconded the motion. All were in favor and the motion passed.

3. **APPROVAL TO APPLY FOR COUNTY HOSPITALITY TAX GRANT FOR TOURISM MARKETING (HXD) AND INFRASTRUCTURE (ARW)**

Mr. Sheahan made a motion to approve the application for the County Hospitality Tax Grant for Tourism Marketing (HXD) and Infrastructure (ARW). Ms. Esposito seconded the motion. All were in favor and the motion passed.

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## **Chairman Update**

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1. **FINANCE COMMITTEE**

Members: Howard Ackerman (Chair), Anne Esposito, Chris Butler, and Brian Turrisi  
The Committee has nothing new to report this month. They will keep the board informed of any developments.

2. **COMMUNICATIONS AND MARKETING COMMITTEE**

Members: Jim Buckley (Chair), Brian Turrisi, and Leslie Adlam Flory.  
The Committee has nothing new to report this month. They will keep the board informed of any new developments.

**3. PASSENGER SERVICE COMMITTEE**

Members: Leslie Adlam Flory (Chair), Anne Esposito

The Committee has nothing new to report this month. They will keep the board informed of any new developments.

**4. ARW FACILITIES USE AND IMPROVEMENT COMMITTEE**

Members: Chris Butler (Chair), and Mark Bailey

The Committee has nothing new to report this month. They will keep the board informed of any new developments.

**5. THE HHI AIRPORT GENERAL AVIATION IMPROVEMENT COMMITTEE (HXD)**

Members: Howard Ackerman and Brian Turrisi

The Committee has nothing new to report this month. They will keep the board informed of any new developments.

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**Public Comments**

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There were no Public Comments.

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**Adjournment**

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Motion to adjourn was made at 2:23 pm. It passed unanimously.

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**Next Meeting**

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March 16, 2023 | 1:30 pm | Hybrid Meeting

Town of Hilton Head Island, One Town Center Ct., Hilton Head Island, SC.

ATAX EFFECTIVENESS MEASUREMENT

Please refer to the SAMPLE ATAX Effectiveness Measurement Form for examples. When completing this form, please expand, contract, or add to the sections as needed (but contain the form to a total of approximately 2 pages). You may choose to use your own format instead of this form, and if doing so, please use the criteria below as a guideline. Regardless of format, **each applicant should choose how they measure degree of success. Applicants need to explain why this is an effective measurement technique that reflects results and how that relates to the objective.**

| TOPIC  | THE PLAN  | TOTAL BUDGET | Airport /Non-ATAX Portion | ATAX Portion | ATAX Reimbursed TO-DATE | ATAX Remaining to bill in 2023 | Total ATAX Component | RESULTS<br><i>When possible, provide planned results vs. actual results, and/or current year vs. prior year results .</i>   |
|--|---|--------------|---------------------------|--------------|-------------------------|--------------------------------|----------------------|---|
| <p><b>In-Bound Advertising - VCB Partnership Campaign 2023 - \$105,000 TOTAL budgeted for 2023 co-op. \$60,000 of program was covered through other program funds, with \$45,000 funded through 2023 ATAX. Remainder (\$60,000) was or will be paid by other airport resources.</b></p>  | <p><b>Program investment: \$105,000 targeting:</b> • DCA, BOS, PHL, PIT, CMH, CLE, CAK, CVG, IND, STL, ATL,</p> <p>Marketing Channels:</p> <ul style="list-style-type: none"> <li>• Paid Media</li> <li>• Brand and Category Search</li> <li>• Paid social advertising and boosting</li> <li>• GDN Display/Bing and Remarketing</li> <li>• Integrated Campaign Landing Page</li> </ul> <p>OBJECTIVES: 1. Increase awareness and interest in travel to Hilton Head Island target visitor markets. 2. Highlight Hilton Head Island's accessibility through direct flights and one-stop connecting flights right to the island. 3. Drive qualified traffic to the campaign landing page to facilitate trip booking and awareness of Hilton Head Island in new fly markets. Inspire desire to travel to Hilton Head Island and Bluffton. Encourage trip planning in all core drive and flight markets – consumer direct, trade, media, etc. Focused media efforts to drive maximum awareness in all core feeder markets. Push to integrate new HHH Airport branding into perspective of inbound travelers and position the travelers as viewing HHH as the airport located ON Hilton Head Island.</p> | \$110,000    | \$60,000                  | \$50,000     | \$15,000                | \$35,000                       | \$50,000             | <p>2023 program is essentially a follow through from successful 2022 partnership, to continue reach into market and awareness of travel options to HHH via the VCB/Island marketing programs. Program also ensures HHH inclusion in VCB efforts, which is important to airport and region. July programming timed with Airport's rebranding efforts - to highlight new brand of airport and include logo update. Reach travelers and ensure they know that HHH is located ON Hilton Head Island and that all efforts encourage visitors to check flight options to HHH.</p> <p>Sample reporting from March-May 2023 of the program is as follows:<br/>                     Page Visits: 33.1K (63.4%+ YoY)<br/>                     Avg Time on Landing Page: 4:34 (36.2% YoY)<br/>                     Partner Referrals: 12.2K (130.3%+ YoY)<br/>                     Bounce Rate: 38.47% Conversion Rate: 28.13%</p> <p>Landing page data from March 1 - May 30 shows strong performance and referrals through to the Airport and airlines. The high conversion rate and partner referrals for the time period indicates an engaged audience and affirms the tactics reaching them.</p> <p>Our top regions based on visitation were<br/>                     1. New York 2. Ohio 3.Chicago 4. Pennsylvania 5. Massachusetts</p> <p><b>Note: June- Sept. reporting not included -- this is a partial campaign sample.</b></p> |
| Total  |   | \$110,000    | \$60,000                  | \$50,000     | \$15,000                | \$35,000                       | \$50,000             |   |
| VCB Website Sponsorship Agreement for Digital Ads, Tier 1 ad placement, Our Island Section + Social media and E-Newsletter   | <p>Aimed at showcasing the Airport's increased offerings to all visitors of the VCB website, namely inbound travelers and potential island visitors.</p> <p>2024 Website Advertising - \$9,965 Total (Retail \$12,000+)<br/>                     -Our Island section &amp;Offers Section -on Visit Hilton Head plus See&amp; Do on visitbluffton.com</p>  | \$9,965      | \$0                       | \$9,965      | \$0                     | \$9,965                        | \$9,965              | <p>We are awaiting reporting on 2023 website program stats, but feel that the inclusion of HHH on the Visit Hilton Head website(s) is imperative as we continue to work to educate travelers that there are multiple flight options right to the island's airport and that the need to fly to SAV has lessened over the past 3-4 years. This program ensure placement and impact on potential HHI travelers.</p>  |
| Total  |   | \$9,965      | \$0                       | \$9,965      | \$0                     | \$9,965                        | \$9,965              |   |
| 2023 VCB Travel Planner (committed and paid in calendar year 2023 for 2024 published book) (\$6475) + Participation in Bluffton Vacation planner for \$1510  | <p>Planned presence for 2024 agreement /plan for airport to increase presence in The Official Vacation Planner 2024 (paid 2023- fall commitment) Hilton Head Island, Bluffton and Daufuskie Island, South Carolina. The Airport will continue with a full page ad. Chart Your Course Section of book</p>  | \$7,985      | \$0                       | \$7,985      | \$0                     | \$7,985                        | \$7,985              | <p>Planned results include an increased presence in the Travel Planner, will allow the airport to continue to access to the enhanced Digital offerings in the 2024 book. Airport considered a premium placement at a higher rate for higher presence, but no locations were available. Airport feels that the support of the Visitor Guide is invaluable to both the airport and the island. Cost quoted for 2024 renewal at discounted airport rate is similar to 2023 and airport plans to repeat placement. If premium location opens up, the airport will expand budget for this item to have even better exposure particularly in relation to competing with other airports that have prime locations in the book. This is the second year the airport has done the Bluffton Vacation planner. The added investment planned is \$1510 as included here. VCB identified a special rate for airport for 2024 books.</p>  |
| Total  |   | \$7,975      | \$0                       | \$7,985      | \$0                     | \$7,985                        | \$7,985              |   |
| Expedia: Targeted Point of Sale Advertising program within the Expedia Brands Portfolio and Expedia.com. Program aimed at showcasing Hilton Head Island's increased airline options to ALL travelers, actively searching for flights/hotels to the region and/or competitive destinations. Interested travelers click through to an Expedia hosted, HHH branded landing page, pre-populated for them to then search for fares to HHH directly. May - August 2022 | <p>May - August 2022</p>  | \$24,000     | \$0                       | \$24,000     | \$0                     | \$24,000                       | \$24,000             | <p>Campaign reporting for summer 2023 is still pending. Should align nicely with campaign reporting from 2022</p> <p>Top ticket sales<br/>                     New York, USA -<br/>                     Boston, USA -<br/>                     Newark, USA -<br/>                     Columbus, USA -<br/>                     Pittsburgh, USA -<br/>                     Washington, USA -<br/>                     Cleveland, USA -<br/>                     Philadelphia, USA -<br/>                     Cincinnati, USA -<br/>                     Chicago, USA -</p>   |

ATAX EFFECTIVENESS MEASUREMENT

| TOPIC   | THE PLAN   | TOTAL BUDGET     | Airport /Non-ATAX Portion | ATAX Portion     | ATAX Reimbursed TO-DATE | ATAX Remaining to bill in 2023 | Total ATAX Component | RESULTS<br><i>When possible, provide planned results vs. actual results, and/or current year vs. prior year results .</i>   |
|---|--|------------------|---------------------------|------------------|-------------------------|--------------------------------|----------------------|---|
| <b>Total</b>  |  | \$24,000         | \$0                       | \$24,000         | \$0                     | \$24,000                       | \$24,000             |   |
| Lowcountry Visitors Guide   |  | \$3,275          | \$0                       | \$3,275          | \$3,275                 | \$0                            | \$3,275              | 65,000 distributed. TOP 5 STATES REQUESTING A LOWCOUNTRY VISITORS GUIDE<br>South Carolina • North Carolina • Georgia • Florida • Ohio<br><br>Is mailed out in response to the Lowcountry Tourism Commission’s national and international advertising, requests from the website, and given to visitors coming to  |
| <b>Total</b>  |  | \$3,275          | \$0                       | \$3,275          | \$3,275                 | \$0                            | \$3,275              |   |
| SERG MENU GUIDE   |  | \$3,800          | \$0                       | \$3,800          | \$3,800                 | \$0                            | \$3,800              | 170,000 printed, and distributed to visitors in more than 130 prime high-traffic locations throughout the Lowcountry: HHI airport, premium hotels, timeshares, rental check-in areas, grocery stores & more. This is a static item, so tracking is difficult, but we have heard travelers mention the presence. .   |
| <b>Total</b>  |  | \$3,800          | \$0                       | \$3,800          | \$3,800                 | \$0                            | \$3,800              |   |
| Weather.com Ads in NYC, D.C., Chicago + other key markets (2022). Jan- April and Aug. Dec.  | Program in coordination with local WJCL station - serving ads to out markets, via partnership with weather.com -- digital programing promoting HHH on weather.com in key cities - as noted in results section. Monthly rotations of key cities, including NY, Boston, Ohio, etc. markets.  | \$15,200         | \$3,225                   | \$11,975         | \$5,500                 | \$6,475                        | \$11,975             | Program results are pending as program is still in progress. Sample stats from June 2023 include: Clicks: 659. CTR: 0.76% Impressions: 102,001<br>Program targets weather.com viewers in key markets. Sample stats for May 2023 include: Clicks: 813. CTR: 0.93% Impressions: 101,926   |
| <b>Total</b>  |  | \$15,200         | \$3,225                   | \$11,975         | \$5,500                 | \$6,475                        | \$11,975             |   |
| Sojern, Targeted SEM, Display Digital, Social using 1st party travel data to target passengers actively seeking travel, particularly those looking for travel to competing destination markets (hotel/car rental data) and/or competing airports (flight search data) | Partially funded by ATAX and other Airport funds. Program targeting key visitor regions, by using 1st party booking data to show ads to those that have searched for travel in the past days, but not yet converted to book a flight from another facility. <b>Program also targets travelers interested in destinations similar to HHI.</b> Reporting includes top search trends based on airline data, hotel data and Online travel agency data. | \$44,000         | \$0                       | \$44,000         | \$4,156                 | \$39,844                       | \$44,000             | Funded by ATAX in 2023. Program targeting key visitor regions, by using 1st party booking data to show ads to those that have searched for travel in the past days, but not yet converted to book a flight from another facility. Program also targets travelers interested in destinations similar to HHI. Reporting includes top search trends based on airline data, hotel data and Online travel agency |
| <b>Total</b>  |  | \$44,000         | \$0                       | \$44,000         | \$4,156                 | \$39,844                       | \$44,000             |   |
| <b>Total Budget to Actual</b>   |  | <b>\$218,215</b> | <b>\$63,225</b>           | <b>\$155,000</b> | <b>\$31,731</b>         | <b>\$123,269</b>               | <b>\$155,000</b>     |   |

Sojern Stats sample Image:





OFFICE OF THE COUNTY ADMINISTRATOR  
COUNTY COUNCIL OF BEAUFORT COUNTY

**GARY KUBIC**  
COUNTY ADMINISTRATOR

**CHERYL HARRIS**  
EXECUTIVE ASSISTANT

ADMINISTRATION BUILDING  
100 RIBAUT ROAD  
POST OFFICE DRAWER 1228  
BEAUFORT, SOUTH CAROLINA 29901-1228  
TELEPHONE: (843) 255-2180  
FAX: (843) 255-9401  
[www.bcgov.net](http://www.bcgov.net)

**BRYAN J. HILL**  
DEPUTY COUNTY ADMINISTRATOR

**JOSHUA A. GRUBER**  
STAFF ATTORNEY

September 11, 2012

Mr. Bret Martin, Chairman  
Accommodations Tax Advisory Committee  
Town of Hilton Head Island  
One Town Center Court  
Hilton Head Island, SC 29928

Dear Mr. Martin,

Beaufort County, a body politic and political subdivision within the State of South Carolina, is a tax exempt governmental entity. The Hilton Head Island Airport as a department within Beaufort County is also a tax exempt government entity. This tax exempt status as a governmental unit is the same as that of the Town of Hilton Head Island.

Beaufort County's Federal Tax Identification Number is #57-6000311. This statement is submitted in lieu of a Non-profit Determination Letter from the IRS. Due to the tax exempt and non-profit status of Beaufort County and the Hilton Head Island Airport, it is my legal opinion that the Hilton Head Island Airport is eligible to apply for Accommodations Tax consideration.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Joshua A. Gruber  
Staff Attorney



County Council of Beaufort County  
Hilton Head Island Airport  
120 Beach City Road  
Hilton Head Island, South Carolina 29926  
Phone: (843) 255-2950 Fax: (843) 255-9424  
[www.hiltonheadairport.com](http://www.hiltonheadairport.com)



September 19, 2017

Chairman Brown  
Accommodations Tax Advisory Committee  
Town of Hilton Head Island  
One Town Center Court  
Hilton Head Island, SC 29928

Dear Chairman Brown,

Beaufort County is a political subdivision within the State of South Carolina and is considered to be a tax-exempt governmental entity. The Hilton Head Island Airport, as a department within Beaufort County, is also a tax-exempt governmental entity. Beaufort County's Federal Tax Identification Number is #57-6000311.

Please accept this letter in lieu of an IRS 503 (c)(3) or IRS 990/990T.

Respectfully,

Jon Rembold  
Airport Director