

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**WITH**

**REPORT OF INDEPENDENT AUDITOR**



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# INTRODUCTORY SECTION





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December 23, 2013

To the members of County Council and the citizens of Charleston County, South Carolina:

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Charleston County, South Carolina, for the fiscal year ending June 30, 2013.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and fairness of presentation of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to ensure compliance with applicable laws, regulations and County policies, and safeguards the County's assets. It is designed to compile sufficient reliable information for the preparation of the County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

Charleston County's financial statements have been audited by Scott and Company LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on auditor's judgment, including the assessment of risk of material misstatement to the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was sufficient and appropriate evidence for rendering an unmodified opinion that Charleston County's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Charleston County was part of a broader, federally mandated "Single Audit" that is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Charleston County's separately issued *Single Audit Report*.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement, and should be read in conjunction with MD&A. Charleston County's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE GOVERNMENT

The County of Charleston was established by the state of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government under the S.C Home Rule Act of 1975. Policy-making and legislative authority is vested in a governing council consisting of nine Council members. The Council is elected to single member districts on a partisan basis.

Charleston County Council is responsible for, among other duties, passing ordinances and policies, approving the budget, appointing committee members, and hiring the County's Clerk of Council, County Administrator, and appointing the Internal Auditor, and Attorney. The Administrator is responsible for implementing the policies and ordinances of the governing council, overseeing the day-to-day operations of government (except those services provided by countywide elected officials), and for appointing the heads of the various non-elected or appointed County departments. The County has approximately 2,330 employees.

Charleston County provides or supports a broad range of services that include, but are not limited to:

- Public safety - countywide law enforcement (Sheriff's Office), detention facilities, emergency preparedness plans to include activation of the County's Emergency Operations Center in an event of a disaster, as well as fire protection in the Awendaw Consolidated Fire District, the East Cooper Fire District, the West St. Andrew's Fire District, and the Northern Charleston County Fire District
- Veterans' assistance
- Health-related assistance - Emergency Medical Services (EMS), alcohol and other drug abuse services, indigent health care, and social services
- Voter registration
- Rural street and drainage maintenance and urban maintenance upon request of the municipalities
- Waste disposal and recycling
- Planning and zoning administration
- Criminal, civil, probate, and family court administration in county Magistrates' court and in State courts with the support of the elected Clerk of Court
- Public defender assistance funding to the Public Defender office, run by an appointed official
- Property assessments, tax billing (Auditor's office), collection and disbursement to appropriate entities/municipalities (Treasurer's office)
- Mosquito control

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Charleston Public Facilities Corporation has been shown in the government-wide statements in both the governmental and business-type activities, as appropriate. It is also shown in the fund financial statements, in the debt service and capital project governmental funds, and in the parking garages and other enterprise funds. The Charleston Development Corporation has been shown in the government-wide statements in the governmental activities, and in the fund financial statements in other governmental funds.

Discretely presented component units are reported in a separate column in the Statement of Net Position and in the Statement of Activities in order to emphasize that they are legally separate from the primary government, and to differentiate their financial position and results of operations from those of the primary government.

The following entities are being reported as discretely presented component units:

- Charleston County Library (CCL)
- Charleston County Park and Recreation Commission (CCPRC)
- Cooper River Park and Playground Commission (CRPPC)
- James Island Public Service District (JIPSD)
- North Charleston District (NCD)
- St. Andrew's Parish Parks and Playground Commission (SAPPPC)
- St. John's Fire District (SJFD)
- St. Paul's Fire District (SPFD)
- Charleston County Volunteer Rescue Squad (CCVRS)

Additional information on these nine legally separate entities can be found in Note I.B. in the Notes to Financial Statements starting on page 63.

The annual budget serves as the foundation for Charleston County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the County's Budget Office by February 1 each year. The County Administrator presents the proposed budget to County Council for review during May. Council is required to hold public hearings on the proposed budget, and to adopt a final budget each year no later than June 30, which is the close of Charleston County's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., Sheriff's Office).

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level, and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document. The County Administrator has the authority to make transfers between major expenditure categories within departments and between departments within the same fund. The Administrator has further delegated to the three Deputy County Administrators and two Assistant Administrators the authority to transfer between departments under their authority. County Council may effect changes in fund totals through amendment to the budget ordinance or the County Administrator has the authority to change fund totals, with the exception of the general fund, if available sources (revenues, transfer in, and fund balance) differ from the budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 48-51 as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the nonmajor governmental fund subsection of this report, which begins on page 145.

## **LOCAL ECONOMIC CONDITIONS AND OUTLOOK**

**Charleston's Economy at a Glance.** Charleston County's economic base is diversified and growing. The Charleston-North Charleston-Summerville Metropolitan Statistical Area ranked ninth in the Milken Institute's "Best-Performing Cities 2012", up from 11th last year, and from 30th in 2009. The Charleston region also experienced steady growth in manufacturing jobs from the first quarter of 2012 to the fourth quarter of 2012, where Charleston ranked ninth for job recovery by the Brookings Institution Report in December 2012. The economy has gone through a significant shift in the past two decades from a military dependent economy to a more diversified economy that is stimulated by six engines of growth:



- The Port of Charleston, fueling the manufacturing and supply chain sectors in Charleston, statewide, and in the Southeast.
- The military, with significant Air Force, Navy, Army, and Coast Guard facilities in Charleston, including SPAWAR.
- The tourism industry, with a year-round tourist season.
- The medical industry, focused around the Medical University of South Carolina (MUSC), the State's primary teaching hospital.
- Manufacturing and service companies, where recruitment activity has grown with the focus on a tri-county collaborative industry recruitment program.
- Higher education, with 26 public and private colleges and universities offering a range of two-year, bachelor's, master's and doctoral degree programs.

**Recent Economic Indicators.** General economic indicators for 2012 were reported by the Charleston Metro Chamber Economic Outlook Board in March of 2013. Highlights are as follows:

*Population* - The Charleston metro area population increased by over 21 percent, 549,033 to 664,607 persons, from 2000 to 2010. According to the U.S. Census Bureau's Population Estimates Program's (PEP) report as of July 1, 2012, the population in the metro area is 697,439, meaning that the percentage growth from 2010 to 2012 was 4.9 percent. This percentage growth is significant as it surpasses the State of South Carolina's growth (2.1 percent) and the United States growth (2.2 percent) during the same period.

*Labor Force & Employment* – Since 2003, the civilian labor force in the Charleston region has grown by 19 percent, from 277,055 to 330,202 persons as of 2013. As of June 2013, the Charleston region is experiencing 7.2 percent unemployment, compared to the state of South Carolina at 8.7 percent.

*Housing* - A total of 10,496 homes were sold in the Charleston region in 2012. The forecast, by the Charleston Metro Chamber of Commerce's Center for Business Research, is for sales to increase by 9 percent in 2013.

*Retail Sales* - Total retail sales for the Charleston area remain stable over the previous year, totaling \$20.31 billion with over \$13 billion of that total being spent in Charleston County. The City of North Charleston has led the state in sales tax collection by over \$1 billion to the second-place city for over a decade.

*Visitor Industry* - The Charleston region attracted over 4.83 million visitors in 2012, generating an economic impact of \$3.58 billion. Hotel occupancy rates were 71 percent for the year, and the average daily rate for lodging was \$124 per night. Attendance rates at area attractions remain flat during 2012. Repeat visitations to the Charleston area are high and attractions are challenged to creatively attract new visitors. The industry is expected to continue to strengthen over the next few years. The arrival of low-cost carrier Southwest Airlines in May of 2010 boosted both leisure travel as well as convention visitation. Kiawah Island was host to the 2012 PGA Championship golf tournament in August 2012, which had a significant impact on the tourism industry in the Charleston region. Charleston also received international recognition when it was named #1 destination by Conde Nast.

*Port Activity* - The Port of Charleston is consistently recognized as one of the nation's most efficient and productive ports. Each day, an average of six vessels sail into South Carolina harbors, carrying cargo worth more than \$150 million. In 2012, the Port of Charleston handled 1.5 million TEUs (twenty foot equivalent cargo containers), which was an increase of 9.6 percent from the previous year. Break-bulk cargo totaled 1.41 million tons. Port activity is expected to rise over the next decade, largely due to the new container terminal currently under construction on the former Navy base. The South Carolina Ports Authority (SCPA) plans to invest nearly \$1.3 billion during the next decade on capital projects. The agency's fiscal year 2013 capital plan calls for \$594 million in the development and enhancement of new and existing facilities over the next ten years.

*Airport Activity* - Total passenger activity at the Charleston International Airport increased by 2.8 percent in 2012 as a result of Southwest's new service to Charleston. Passenger volumes for all airlines serving Charleston increased

during the year with Southwest's low fare impact resulting in a dramatic drop in ticket prices for nearly all flights. An additional increase of three percent in passenger volume is expected for 2013 with the addition of JetBlue and the strong pre-bookings for flights to New York and Boston. The Charleston International Airport also began redevelopment and expansion of the airport terminal in 2012. The first phase will include an expansion of the parking area outside the terminal. The second phase will include terminal construction that will include additional gates, a renovated baggage handling area, and other improvements.

## **BRIEF SECTOR PROFILES**

**The Port.** The Port of Charleston is one of the busiest container ports of the U.S. East and Gulf Coasts and is also one of the nation's most productive and efficient ports. Port volume is expected to increase in the coming years due to the new three-berth, 280-acre marine terminal under construction at the former Charleston Naval Base. The South Carolina Ports Authority (SCPA) fiscal year 2013 capital improvement program called for \$594 million in development and enhancements of new and existing facilities over the next ten years. In addition, the SCPA plans to invest nearly \$1.3 billion on capital projects over the next decade.

One of these projects is the deepening of Charleston Harbor to 50 feet. With 45 feet of depth at mean low water, Charleston currently has the deepest channels in the region and can handle ships drafting up to 48 feet on high tide. Deepening Charleston Harbor to 50 feet will open the port to handling larger post-Panamax container ships 24 hours a day.

The Charleston customs district ranks as the nation's eighth largest in dollar value of international shipments, with the Port of Charleston's cargo valued at more than \$58 billion in 2012. Top commodities that pass through Charleston docks include consumer goods, auto parts, agricultural products, vehicles, machinery, chemicals and metals. Charleston's five port facilities, located close to the open ocean for fast turnarounds, consist of two container ports, two break-bulk ports, and one multi-use break-bulk and roll-on/roll-off facility.

The SCPA, which operates the Port of Charleston, employs approximately 500 people. In the Charleston region, the Port of Charleston is directly and indirectly responsible for 50,700 jobs, which provides \$2.2 billion in labor income, and \$7.1 billion in annual economic impact. Statewide, international trade through the SCPA's facilities provides 260,800 jobs paying \$11.8 billion in wages to South Carolinians. In all, trade pumps nearly \$44.8 billion into the state economy and generates \$1.5 billion in state and local taxes.

**The Military.** The military has a large annual economic impact in the Charleston region. There are 22,000 active-duty, reserve personnel, civilians, and civilian contractors employed in the region by the area's defense facilities. In total, the military provides an annual economic impact on the Charleston region estimated at \$4.67 billion. This figure does not include the private sector contractors in Charleston who do work on behalf of the military.

In October 2010 Charleston Air Force Base and the Charleston Naval Weapons Station merged to create Joint Base Charleston. It is now the region's largest single employer with 22,000 employees. The combined payroll of Joint Base Charleston has an economic impact of \$4.36 billion to the Charleston region annually. The Air Force portion of Joint Base Charleston is home to the 437<sup>th</sup> Airlift Wing along with 6,150 (airbase) employees and over 50 C-17 aircraft. The C-17s are currently serving a vital supply role to the military in both Afghanistan and Iraq. The Naval Consolidated Brig, which houses prisoners from all branches of the armed services, is located on the Joint Base Charleston campus. The brig has 400 cells and can hold 288 inmates.

The Space and Naval Warfare Systems Center Atlantic (SPAWAR) is a high technology engineering facility that designs, builds, tests, fields, and supports the Navy as well as other federal customers. SPAWAR Atlantic is responsible for integrating the Mine Resistant Ambush Protected (MRAP) vehicles that are used to protect the war fighters on the ground in Iraq and Afghanistan. The facility employs over 3,100 Civil Service employees with an average salary of \$75,678 and supports an estimated 80 local defense contractors operating in the region, which employ 12,000 contractor employees. SPAWAR's economic impact on South Carolina's economy is estimated at \$2.6 billion.

Other facilities include the Nuclear Power Training Command and Nuclear Power Training Unit, which are both state-of-the-art nuclear power schools that graduate over 3,000 students each year. The Army's Combat Equipment Group Afloat and Surface Deployment Distribution Command 841<sup>st</sup> Transportation Battalion both transport equipment to

support the war efforts. The U.S. Coast Guard and Federal Law Enforcement Training Center also operate facilities in the region, and train more than 12,000 students annually.

**Visitor Industry.** Tourism has long been an economic mainstay in one of America's most photogenic and historic cities. In the 1990's this sector soared, recording visitation and earnings once thought impossible. Charleston recorded 4.8 million visitors in 2012, providing an economic impact of \$3.58 billion to the local economy. The hospitality industry directly employs 28,740 people in Charleston County, accounting for 10.1 percent of the workforce. When direct and indirect employment from the hospitality industry is combined, the total number employed balloons to over 50,000.

Charleston received significant international and national recognition in 2012 as it was named the world's and the nation's number one destination by Conde Nast Traveler. This is the second consecutive year that Charleston has been voted the nation's favorite destination.

Charleston hoteliers have widely expanded the regional room inventory and range of choices in the past decade. Charleston County's inventory of hotel rooms stood with a 71 percent occupancy rate and an average daily rate of \$124 per night. And the addition of several new high profile hotels has added 1,500 rooms to the downtown Charleston area alone...a 44 percent increase over the current room inventory.



The past few years have seen the emergence of a new facet to Charleston's tourism market – the cruise ship industry. Both Carnival Cruise Lines and Celebrity Cruise Lines have chosen to make Charleston a new departure and arrival point. In addition, many other cruise lines (including Holland America Cruises, Oceania Cruises, Princess Cruises, Costa Cruises, P & O Cruises, Aida Cruises, Regent Seven Seas Cruises, and Crystal Cruises) bring their ships to Charleston as a port of call. The SCPA is in the process of upgrading its passenger terminal to more effectively meet new security requirements, as well as to better serve the growing number of cruise customers. Currently there are three lawsuits pending challenging the proposed project. Concerns center

around the impact the project will have on the City of Charleston's historic district and limiting the number of cruise ships allowed to visit the city. The cruise business has an estimated \$37 million annual impact on the Charleston market.

Restaurants in Charleston multiply and flourish, nourished by a constant flow of aspiring and accomplished chefs coupled with an increasingly affluent Charleston visitor. *The New York Times*, *Southern Living*, *Bon Appétit*, and *Wine Spectator* have all praised area restaurants where seafood, nouvelle, and southern cooking predominate in the over 100 restaurants in downtown Charleston alone. The average Charleston visitor is well acquainted with these wonderful restaurants, as they spent an average of \$194 per day in 2012 on food, accommodations, local attractions, shopping, and other entertainment.

**The Medical Industry.** The region's medical industry is anchored by the State's teaching hospital, the Medical University of South Carolina (MUSC), and accounts for over 10 percent of the area's total employment. The majority of the employment currently exists in five private regional hospitals, MUSC, and the Ralph H. Johnson VA Medical Center, along with the hundreds of general practitioners, dentists, and medical specialists in the region.

The center of energy in the region's medical arena is MUSC. It is made up of six colleges which give students a variety of options for their focus of study. Enrollment in the six colleges collectively stands at 2,600, with over 1,300 faculty members being employed. In fiscal year 2012, MUSC received over \$232 million in research funding.

MUSC established one of the first infirmaries specifically for teaching purposes in 1834, which is now known as the MUSC Medical Center. Among the programs that have earned distinguished reputations at the MUSC are: neuroscience, substance abuse, cardiovascular medicine, drug sciences, prenatal medicine, ophthalmology, hearing loss, genetics, rheumatology, and cancer care.

Roper St. Francis Healthcare provides three full-service hospitals, conveniently located throughout the region, in addition to more than 90 facilities and doctors' offices. These area hospitals provide 657 patient beds and employ 4,800 employees. Roper St. Francis Healthcare is ranked among the top 100 Integrated Health Networks in the nation.

**Manufacturing and Service Companies.** In 2012, Charleston County continued its success in the recruitment of new jobs and capital investment. Over \$162 million in capital investment and 950 jobs were announced. These numbers have put Charleston County in the top ten in the state for 2012 and for the past 9 years.

Pro-business government attitudes permeate through the State of South Carolina and the Charleston region, where state commerce department officials work hand-in-hand with economic developers from the Charleston Regional Development Alliance, Charleston County, and its three largest municipalities: City of Charleston, City of North Charleston, and Town of Mount Pleasant. This team searches out national and international business prospects, facilitating their relocations and expansions. State and local financial incentives are strategically utilized to leverage private sector relocation and expansion decisions.

Local economic developers were seeking an updated economic development recruitment strategy when they hired Avalanche Consulting / McCallum Sweeney in 2010. Laboring for over a year, the group in 2011 unveiled the strategy *Opportunity Next*, identifying four primary vertical industry targets for the Charleston region:

- Aerospace
- Biomedical
- Advanced Security & IT
- Wind Energy

In addition to the list above, local economic developers also continue to nurture the automotive sector, a long-standing source of high-paying manufacturing jobs in the tri-county region.

*Aerospace* - The date of October 28, 2009, is now forever etched in Charleston County and South Carolina history books as the day that The Boeing Company announced that it had chosen North Charleston as the location for a second final assembly site for the 787 Dreamliner program. Boeing's selection of Charleston was the largest economic development announcement in South Carolina history, featuring a commitment to create 3,800 direct jobs and make a minimum \$750 million capital investment. A recent economic impact study valued Boeing's future economic impact to South Carolina's economy at \$6.1 billion each year, with an additional \$3 billion to state tax revenues over the next 30 years. The impact on the Charleston region specifically accounts for \$5.9 billion of the total, including more than 15,000 direct, indirect, and induced jobs that will be created as a result of Boeing's presence.

The Final Assembly Building had its official ribbon cutting on June 10, 2011. The first aircraft built at the North Charleston facility was completed and rolled out on April 27, 2012. The impressive Boeing campus was expanded when the 1.2 million square-foot assembly building was joined by a visitor's center, a tail fin and rudder facility, an enlarged employee training center, and a cutting-edge delivery center where aircraft customers will be entertained, delivery ceremonies held, and where the finished airliners will be presented.



This latter function deserves further mention, because the 787 Delivery Center will present unprecedented cultural and economic opportunities for the Charleston area. Heads of state, aircraft executives, and many guests comprising the international delegations will journey to Charleston to be entertained and to take part in week-long ceremonies marking the delivery of their aircraft fleets. Extensive hospitality industry impacts are anticipated, along with vast opportunities for local service providers and very significant consumerism by the international visitors. Boeing delivered the first North Charleston-made 787s to Air India in October 2012.

In 2010, Boeing invested again in Charleston County when it constructed the Interiors Responsibility Center at Palmetto Commerce Park, about 9 miles north of the Final Assembly campus. Here the galleys, overhead bins, restrooms and other interior components are fabricated and assembled for just-in-time delivery to Final Assembly.

The year 2013 proved eventful indeed, as Boeing expanded its 787 resources, introduced new capabilities, and brought a portion of work for the new 737-Max to North Charleston.

On April 9, 2013 Boeing announced that it intended to invest an additional \$1 billion and create 2,000 additional jobs at the Final Assembly campus. In the wake of that announcement, Boeing is currently expanding its aft-fuselage and

paint buildings to support a greater 787 production rate, as well as constructing a 'Dreamlifter Operations Center' to maintain and service the workhorse cargo planes that ferry finished 787 sections from around the world to Everett, WA and North Charleston. Boeing also announced the establishment of engineering resources in Charleston, along with one of three "IT centers of excellence." The company plans on adding about 600 information technology jobs in North Charleston during the next three years as the company makes changes to its IT sites.

During 2013, Boeing also acquired an additional 320 acres immediately adjacent to its current Final Assembly Operations, along with a right of first refusal on another 488 acres adjacent to the site. Finally, the company also revealed that it would establish a 737 Max Inlet production facility in Palmetto Commerce Park, creating an additional 300 production jobs. The North Charleston-made composite inlets will rim the nacelles of the 737 Max engines, with final aircraft assembly slated to occur in Renton, WA.

InterTech subsidiary TIGHITCO opened a 120,000 square foot composites facility in North Charleston in March 2013. TIGHITCO makes parts for everything from trucks to planes, but the focus of the new factory will be supplying aircraft makers in the Southeast. TIGHITCO currently supplies Boeing, providing parts like landing gear-well insulation to the plane maker's North Charleston 787 Dreamliner factory.

*Biomedical* – MUSC completed and opened the \$120 million two-building complex comprising a Drug Discovery Building and the Bioengineering Building in October 2011. The Drug Discovery Building is 114,000 square feet, and houses leading edge laboratory space as well as bio-tech startup space. The South Carolina Research Authority MUSC Innovation Center continues to be a wonderful asset for the biomedical community. The Center is equipped with 11 high-tech labs for use by its entrepreneurial tenants. This facility is a critical piece of infrastructure in the commercialization of pharmaceutical discoveries emanating from the Medical University of South Carolina.

*Advanced Security & IT* – Information technology companies continued to expand in Charleston during 2012, anchored by nationally known companies servicing research and development contracts from the U.S. Navy's (SPAWAR) Center Atlantic. SPAWAR Systems Center Atlantic has a \$3.1 billion statewide economic impact and employs some 25,000 employees with a payroll of \$1.3 billion.

*Energy Systems* – Wind Energy represents a real growth opportunity for the Charleston region. The sector is anchored locally by the Clemson University Restoration Institute's drive train test facility. The facility will cut its ribbon in November 2013 and is expected to be ready to receive its first turbine by December 2013. It will then undergo a four-month period to evaluate the control systems and other analytic equipment. The fully commissioned facility will be open for use by any qualified public or private partner early in 2014. The project is expected to cost \$98 million, of which \$45 million will be financed by a U.S. Department of Energy grant. The entire campus is being renamed Energy Systems Innovation Center due in part to the addition of a Grid Simulator which allow for testing of the wind turbine generators compatibility to 50 or 60 Hz electrical transmission grids. The Zucker Family Graduate Education Center, financed in part by a \$5 million gift from the family, will foster collaboration and innovation in a place where students, university faculty and staff, and private industry will interact on a daily basis.

*Automotive* – The Charleston region's automotive sector is an important employer, represented by many of the major industry players. Within Charleston County this list includes General Dynamics Land Systems – Force Protection (mine resistant military vehicles), Streit USA Armoring (armored cars), Cummins Turbo Technologies (turbo-charged engines for Dodge Ram pick-up), Daimler Vans Manufacturing (re-assembly of Sprinter vans), and Robert Bosch (automotive components) to name a few. Cummins and Streit grabbed headlines during 2011-12 as they expanded their operations at Palmetto Commerce Park, investing \$23.8 million and adding 63 new jobs. A newcomer Morgan Olson, a converter of Sprinter vans to cargo trucks, entered the market in 2012 creating 119 new jobs.

**Higher Education.** There are 26 colleges and universities offering a range of two-year, bachelor's, master's, and doctoral degree programs in Charleston. The five largest are: Trident Technical College, with 14,800 students; College of Charleston, with 11,800 students; The Citadel, with 3,300 students; Charleston Southern University, with 3,200 students; and Medical University of South Carolina with 2,600 students.

## WHY CHARLESTON?

Companies relocating to Charleston, as well as entrepreneurs, who start businesses in the area, typically give two primary reasons for why they chose to do business here: the renowned quality of life and the enviable competitive posture.

**Quality of Life.** Key among the region's advantages is its geographic location, its natural beauty, moderate climate, and a quality of life which has been deliberately and carefully protected.

Charleston's history spans over 340 years and is widely acknowledged as among the world's leaders in the area of historic preservation. The stunning, well-preserved eighteenth and nineteenth century homes and commercial buildings in downtown Charleston are a testament to this passion. Familiar scenes in historic downtown Charleston are sightseeing pedestrians and tourists in horse-drawn carriages. Far from receiving a staid museum-like experience, the visitor to Charleston is struck by the busy streets of a vibrant city which are packed with tourists and locals well into the night.



Charleston is a medium-sized city with big-city arts offerings. The world-renowned Spoleto Festival USA is an annual two-week celebration of opera, jazz, dance, and visual arts that attracts legendary performers to the city. Charleston has an active arts community, with over 70 arts and cultural organizations, including a first-class symphony, museums, a proliferation of art galleries, and local stage and theater groups.

Sports are an important part of the Charleston social landscape in a community where the median age is 35. Sporting events contribute over \$50 million annually to the regional economy and employ nearly 1,200 people. Charleston hosts several professional teams. The Charleston RiverDogs

Baseball team is a Class A affiliate of the New York Yankees, the Charleston Battery Soccer team is part of the USL First Division, and the South Carolina Stingrays Hockey team is a member of the ECHL Southern Division, and an affiliate of the NHL Boston Bruins. Southern Conference, Colonial Athletic Association, and Big South Conference collegiate sports round out the mix, with the teams of The Citadel, College of Charleston, and Charleston Southern University taking center stage.

Charleston also plays host to many high-profile sporting events throughout the year. The annual Family Circle Cup Tennis Tournament, a Women's Tennis Association Tier 1 event, is played at the Family Circle Tennis Center (capacity 10,200) on Daniel Island. The 2012 tournament was attended by 88,972 people with an economic impact of over \$30 million. The Cooper River Bridge Run 10K hosted 44,200 runners in April 2012. Kiawah Island's world class Ocean Course was selected to host the 94<sup>th</sup> Annual PGA Championship in August of 2012.

**Competitive Posture.** Charleston has won numerous accolades in recent years from esteemed business and travel publications. Charleston was named one of the Top Ten Places to visit before you die by Andrew Harper. *Forbes* named Charleston one of the Best Places for Business & Careers in 2013. *Conde Nast* ranked Charleston as the #1 tourist city in the world in 2012. Charleston was also ranked in the top 10 for job recovery amongst U.S. metros by the Brookings Institute in 2012. And the Milken Institute named Charleston amongst the Top Ten 'Best Performing U.S. Metros for High Tech & Economic Growth' and Top Ten 'Best Performing Cities.'

The Charleston region offers a sizeable real estate portfolio for a mid-sized market, with over 11.5 million square feet in upscale executive buildings and offices. The 16.8 million square feet of retail space in the region is distributed between regional malls, strip centers, and the downtown Charleston central business district. Office space vacancy rates are currently at 11.94 percent. The average lease rate for office space is \$20.11 per square-foot in the region.

Over 20 industrial parks are strategically located throughout the Charleston region. As of March 2012, the Charleston region had over 32.7 million square feet of warehouse and flex space. Vacancy stands at 11.5 percent and average lease rates are \$4.30 per square-foot for industrial space.



## MAJOR COUNTY INITIATIVES

Charleston County's initiatives in fiscal year 2013 focused on enhancing the value of services provided to our citizens, partnering with municipal governments, encouraging economic development, and continuing with an extensive facilities improvement and replacement program.

**Library completes Strategic Plan, looks to future:** Charleston County Public Library marked a milestone with the completion and adoption of a Long-Range Strategic Plan that reviewed the library's services, facilities, technology and funding and identified specific improvements that are needed. The year-long planning process also included extensive interviews with library users and community leaders plus an independent survey of county residents to find out if they use the library, how they use it and what they want in the future. The Plan identified needs in each key area, specifically recommending current branch libraries be renovated and new libraries be built. The last major library building program was launched after residents overwhelmingly approved a referendum in 1986 to build four Regional Libraries and a new Main Library, but the county's growth has eclipsed the existing facilities. As part of the Strategic Plan, the Library's Board of Trustees adopted a new mission, vision and goals and presented the Plan's findings to County Council.

### Key Findings of the Strategic Plan:

- Library circulation is up 87 percent in past 10 years and Program attendance is up 178 percent in past 10 years;
- 90 percent of residents believe library services are very important to the county;
- 75 percent of residents visited a branch library within the past six months;
- A majority of residents support increased funding for the library;
- A majority of residents want library funding to be a separate line item on their tax bill; and
- The library needs, and residents want, more and better facilities, expanded technology services and more hours Sundays and in the evenings.

**Summer Youth Work Program:** In the summer of 2012, Charleston County took the opportunity to extend its Summer Youth Work Program to seven weeks. In only its second year, the program hired nearly 100 students at various positions around the county. The goal is to provide area youth with valuable workforce skills and let them explore career opportunities within the County.

Officials from multiple jurisdictions celebrated the grand opening of Charleston County's **Consolidated Dispatch Center (CDC)** and **Emergency Operations Center** on January 24, 2013. The CDC uses dedicated call takers to process calls through the use of nationally-recognized protocols and has a full-time Quality Assurance Department. The 38,000 square foot structure enables the full consolidation of 9-1-1 and emergency dispatch operations in Charleston County and serves as the new location for the Emergency Operations Center and public safety information hub. It is designed to be occupied during disasters, with the ability to withstand winds of 191 mph and resist earthquake forces.

The International Academies of Emergency Dispatch awarded Accreditation to the Charleston County Consolidated Dispatch Center as an Emergency Fire and Emergency Medical Dispatch Center of Excellence. The Consolidated Dispatch Center is only the 24<sup>th</sup> Emergency Fire Dispatch Center and the 171<sup>st</sup> Emergency Medical Dispatch Center in the world to be awarded the highest distinction for their comprehensive implementation and compliance with the Fire and Medical Priority Dispatch System and associated 20 Points of Excellence.

Expanding its use of **social media communication** with the public, Charleston County added the following:

- New County Facebook page offers news releases, additional photos and video links to County programs and events.
- Consolidated 9-1-1 Center's Public Education Program Facebook page includes video examples of 9-1-1 calls to teach the proper way to call for help during an emergency.
- Emergency Management Department Facebook page plays a key role in disseminating information to citizens in the event of a hurricane or other natural or manmade disaster situation.
- The Delinquent Tax Department announced a new website service to help citizens identify unclaimed funds. The new service offers citizens the ability to identify an unclaimed balance resulting from a tax sale of property, as well as access the property Tax Sale Year link for unclaimed funds.

- The Economic Development Department implemented a new website to address a full range of informational needs for site location consultants, existing businesses seeking assistance with problems or help in expanding, and businesses seeking to do business with other local businesses.
- The Charleston County Clerk of Court's office launched the **CourtPlus** online application, which is one of the first such applications in the nation. CourtPlus makes it easier for citizens to access court information such as General Sessions's cases, Family Court cases or Common Pleas cases. With this application, all citizens of Charleston County can track cases online without needing to call or visit the office for assistance.

The **County Treasurer** and the S.C. Department of Motor Vehicles (SCDMV) implemented a new effort that will save taxpayer dollars and will streamline the process for vehicle license renewals. Through a Memorandum of Agreement, the County Treasurer participates in a service that the SCDMV offers to all counties regarding how receipts are sent to taxpayers. The SCMV will mail one document that will contain both the customer's vehicle registration and their vehicle property tax receipt. Previously, the treasurer and the SCMV sent two different pieces of mail. An estimated savings of \$72,000 annually will be realized by the County through the partnership.

### **Transportation Solutions:**

During the year, Charleston County Government completed significant enhancements or improvements to the infrastructure of Charleston County. Some of the improvements include:

- St. Andrews Boulevard bike lanes and SC-61 Resurfacing. Dedicated bike lanes as well and shared-use bicycle/vehicle travel lanes were installed in the area as well as the resurfacing of St. Andrews Boulevard from Wesley Drive to Wallace School Road.
- The traffic flow in and out of Mount Pleasant on Highway 17 during rush hour was improved with the completion of the Johnnie Dodds Boulevard Project.
- Drainage and intersection improvements were completed in North Charleston and Isle of Palms.

### **Urban/Rural Parkland and Rural Greenspace:**

Greenbelt projects funded during fiscal year 2013 included three rural projects that were recommended by the Greenbelt Bank Board and approved by County Council. These projects totaled \$551,950 in rural funding to protect 500 acres. The rural projects are located on Johns Island, Wadmalaw Island and near McClellanville.

Additionally, Council approved four urban projects recommended by the Urban Grants Review Committee and the Charleston County Park and Recreation Commission. These urban projects are located in the municipalities of North Charleston and Isle of Palms. Greenbelt funds totaling \$724,871 were awarded to purchase 12 acres.

Of the total Greenbelt projects funded during FY13, \$953,571 was used to purchase 32 acres of land for public access and use.

The **South Carolina African American Heritage Commission** (SCAAHC) recognized Charleston County Government for their efforts to preserve and document the remnants of a large inland rice field located in the Palmetto Commerce Parkway area. The visible water dikes in this area were once part of a large inland rice plantation that has not been used for over a century. Charleston County created the Inland Rice Fields Project to offer citizens a chance to learn about the site. The project is registered with the State Historic Preservation Office, which is a part of the South Carolina Department of Archives and History. Included in the plan are a website, a resource guide, and a Traveling Trunk program to help educate students about the historic rice fields.

### **Environmental Management:**

The **Environmental Management Department** implemented the following additional services to encourage recycling:

- Developed the Special Event Recycling Program to effectively recycle waste generated at special events.
- Expanded the Greening Schools Program to include food waste recycling at 10 elementary schools across the County.
- Partnered with Publix Super Markets to launch a pilot program for composting their organic waste.



- Implemented Phase V of the single stream residential recycling program to include 9,000 more homes. This program allows additional neighborhoods to start recycling more, which supports the County's 40 percent recycling goal.
- Began a collaborative effort to recycle more cardboard generated by downtown Charleston businesses.

#### **Awards and Acknowledgements:**

Charleston County Government's offices, departments and employees have been honored with numerous awards and recognitions in FY 2013. These awards reflect Charleston County employees' dedication to providing the best services to our citizens.

The American Public Works Association (APWA) awarded Accreditation to the **Public Works, Transportation Development, and Facilities** departments. Public Works is charged with maintaining county roads and drainage systems as well as managing the mosquito control program. Transportation Development is tasked with road improvement projects from the design phase to maintenance and all stages in between. Facilities ensure all County building structures are in efficient working order.

In November of 2012, Charleston County Council honored Beverly T. Craven, who has served as Clerk of Charleston County Council since November 9, 1987. Council declared November 9 as Beverly T. Craven Day and will continue the recognition on November 9 of each year to come.

Charleston County Emergency Medical Services won the S.C. Paramedic Championship for the third year in a row. They also continue to rate 90 percent or higher patient satisfaction on surveys sent out to all patients.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the 25<sup>th</sup> consecutive year to Charleston County for its fiscal year 2012 Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting given to governments that demonstrate a constructive "spirit of full disclosure" to communicate clearly the County's financial story. A Certificate of Achievement is valid for a period of one year only. We believe that Charleston County's current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Charleston County also received its 24<sup>th</sup> consecutive Distinguished Budget Presentation Award for its fiscal year 2013 budget from GFOA. According to the GFOA, the award reflects the commitment of Charleston County Government and its staff to meeting the highest principles of governmental budgeting. The award was given based not only on how well the County budgets its funds, but also on how well it communicates to the public how the money is spent. The fiscal year 2014 budget was submitted to the GFOA and we believe it will receive the award.

Charleston County maintained its AAA bond rating with Standard & Poor's Ratings Service, Moody's Investors Service and Fitch Ratings.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Charleston County's Finance Department. Special thanks go to the team headed by Carla Ritter, who with the assistance of Summer Gillespie, and Chrisanne Porter of the Finance Department produced the Comprehensive Annual Financial Report, and coordinated the audit with the external auditors. Substantial contributions were also made by several financial staffs throughout the County: Mack Gile, and Catherine Ksenzak from the Budget Office; Andrew Smith and Julie Riley-Hollar from the Treasurer's Office; Lisa Murray from the Department of Alcohol and Other Drug Abuse Services; Jean Sullivan from Grants Administration; Jackie Proveaux from the Public Works Department; and Reggie Fuller of the Economic Development Office. Much appreciation also goes to Dawn Murray of the Finance Department who provided administrative support for the financial notes and the Management's Discussion and Analysis, as well as support to the external auditors. Substantial assistance also came from the staff members of the County Administrator and Deputy Administrator for Finance. Thanks are also extended to the staff of Scott and Company LLC, the external auditors, for their efforts in assisting the County produce this Comprehensive Annual Financial Report.

In addition, Charleston County staff would like to acknowledge the leadership and support of Charleston County Council in making this report possible.



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W. Kurt Taylor  
County Administrator



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Keith Bustraan  
Deputy Administrator for Finance



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Corine Altenhein  
Finance Director



Government Finance Officers Association

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

Presented to

**County of Charleston  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Charleston County, South Carolina

## Organizational Chart County Departments

Effective 06/30/2013

**ELECTED**  
 Auditor – Peggy Moseley  
 Clerk of Court – Julie Armstrong  
 Coroner – Rae Wooten  
 Probate Court – Judge Irv Condon  
 RMC – Charlie Lybrand  
 Sheriff – Al Cannon  
 Solicitor – Scarlett Wilson  
 Treasurer – Andy Smith

**APPOINTED**  
 Elections/Voter Registration – Joseph Debney  
 Library Board – Doug Henderson  
 Magistrate Courts – Judge David Coker  
 Master-in-Equity – Judge Mikell Scarborough  
 Public Defender – Ashley Pennington  
 Veterans Affairs – Donald Morillo

**Citizens of Charleston County**

**Charleston County Council**

**County Administrator**  
*Kurt Taylor*

**BUDGET OVERSIGHT**  
 Fire Districts  
 Park & Recreation Commission  
 Public Service Districts  
 Trident Technical College

Clerk of Council – Beverly Craven  
 County Attorney – Joe Dawson – Environmental Mgt.  
 Internal Auditor – Robert Stewart

Consolidated Dispatch – Jim Lake  
 Economic Development – Steve Dykes  
 Greenbelt Programs – Cathy Ruff  
 Minority Business Development – Evelyn Delaine-Hart

**Assistant County Administrator for Transportation & Public Works**  
*Jim Armstrong*

Public Works  
*Jim Neal*

Transportation Development  
*Steve Thigpen*

**Deputy Administrator Finance**  
*Keith Bustraan*

Assessor  
*Toy Glennon*

Budget  
*Mack Gile*

Finance  
*Corine Altenhein*

Revenue Collections  
*Tami Fralick*

**Deputy Administrator General Services**  
*Walt Smalls*

Building Inspections  
*Carl Simmons*

Facilities Mgt.  
*Dan Chandler*

Internal Services  
*Mike Filan*

Magistrate Courts  
*Junerese Rhodan*

Technology Services  
*Donnie Giacomo*

Zoning/Planning  
*Dan Pennick*

**Deputy Administrator Human Services**  
*Jennifer Miller*

Human Resources  
*Fagan Stackhouse*

Emergency Medical Services  
*Don Lundy*

Emergency Mgt.  
*Jason Patno*

Awendaw Fire Dept.  
*Tommy Norris*

Procurement  
*Barrett Tolbert*

Safety & Risk Mgt.  
*Mike Schwerin*

**Assistant County Administrator for Community Services**  
*Christine DuRant*

Community Services  
*Christine DuRant*

Brownfields Program

Community Development

Medically Indigent Assistance

DAODAS  
*Chanda Brown*

**COUNTY OF CHARLESTON, SOUTH CAROLINA**

**PRINCIPAL OFFICIALS**

**For the Year Ended June 30,2013**

**MEMBERS OF COUNTY COUNCIL**

	<u>Year's in Office</u>	<u>Term Expiration Date</u>	
Teddy E. Pryor, Sr.	8 <sup>1/2</sup>	12/31/2014	Chairman, District 5
J. Elliott Summey	4 <sup>1/2</sup>	12/31/2016	V. Chairman District 3
Herbert R. Sass, III	2	12/31/2014	District 1
Henry D. Schweers	6 <sup>1/2</sup>	12/31/2014	District 2
Henry E. Darby	8 <sup>1/2</sup>	12/31/2016	District 4
A. Victor Rawl	4 <sup>1/2</sup>	12/31/2016	District 6
Colleen T. Condon	8	12/31/2016	District 7
Anna B. Johnson	2 <sup>1/2</sup>	12/31/2014	District 8
Joseph K. Qualey	2 <sup>1/2</sup>	12/31/2014	District 9

**ELECTED OFFICIALS**

Peggy Moseley	21	6/30/2013	Auditor
Julie J. Armstrong	21 <sup>1/2</sup>	12/31/2016	Clerk of Court
Rae Wooten	7	12/31/2016	Coroner
Irvin G. Condon	19 <sup>1/2</sup>	12/31/2014	Probate Court
Charlie Lybrand	19 <sup>1/2</sup>	12/31/2014	Register Mesne Conveyance
James A. Cannon, Jr.	25 <sup>1/2</sup>	12/31/2016	Sheriff
Scarlett A. Wilson	6	12/31/2016	Solicitor
Andrew Smith	16	6/30/2013	Treasurer

**OTHER OFFICIALS**

	<u>Years with County</u>	<u>Years in Current Position</u>	
W. Kurt Taylor	22	1 <sup>1/2</sup>	County Administrator
Keith D. Bustraan	26 <sup>1/2</sup>	12	Deputy Administrator Finance
Walter L. Smalls	14	7	Deputy Admin Gen Svcs
Jennifer Miller	25	6	Deputy Admin Human Svcs
Jim Armstrong	25	1 <sup>1/2</sup>	Assist Cnty Administrator Transportation & Public Works
Christine DuRant	23 <sup>1/2</sup>	1 <sup>1/2</sup>	Assist Cnty Administrator Community Services
Corine Altenhein	23	6	Finance Director

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# FINANCIAL SECTION



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Independent Auditor's Report

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To the Charleston County Council  
County of Charleston, South Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, other than the financial statements of the aggregate discretely presented component units, and the budgetary comparison schedule of the general fund, of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non-major governmental, enterprise, internal service, and agency funds, and the respective budgetary comparison schedules for the special revenue funds, presented as supplementary information in the accompanying combining financial statements and schedules, as of and for the year ended June 30, 2013, as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinions*

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, enterprise, internal service, and agency fund of the County as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The victim notification schedule of fines, assessments, and surcharges collected as well as the schedules of capital assets used in the operation of governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the victim notification schedule of fines, assessments, and surcharges collected as well as the schedules of capital assets used in the operation of governmental funds are fairly stated, in all material respects in relation to the financial statements as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Scott and Company LLC*

Columbia, South Carolina  
December 23, 2013

## Management's Discussion and Analysis

As management of Charleston County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Charleston County for the fiscal year ended June 30, 2013. The Management Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial condition, material deviations from the financial budget and individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2 through 14 of this report, and the County's financial statements, which follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- Charleston County reported net position (total assets less total liabilities) of \$66,773 at June 30, 2013, comprised of \$963,771 in total assets offset by \$896,998 in total liabilities.
- The government's total net position decreased by \$34,663 during the fiscal year ended June 30, 2013, with a \$37,890 decrease resulting from governmental activities and a \$3,226 increase resulting from business-type activities.
- As of the close of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$290,776, which is a \$62,933 decrease from the prior year. Approximately 14 percent or \$40,799 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$40,799 or approximately 22.2 percent of the total general fund disbursements.
- Charleston County's total assets decreased by \$54,064, while total liabilities decreased by \$19,401.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Charleston County's basic financial statements which are comprised of three sections:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required supplementary and other supplementary financial information in addition to the basic financial statements.

**Government-wide Financial Statements.** Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Charleston County and are similar to private sector financial statements. They include a Statement of Net Position and a Statement of Activities. These statements appear on pages 40 through 42 of this report.

The Statement of Net Position shows the County's assets less its liabilities at June 30, 2013. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

The Statement of Activities follows the statement of net position and presents information showing how the County's net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in future fiscal periods.

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

Governmental activities reported in the statements include general government, public safety, judicial, public works, health and welfare, economic development, culture and recreation, and education. Major business activities include environmental management (recycling and waste disposal) and parking garages. Other business-type activities include the Department of Alcohol and Other Drug Abuse Services (DAODAS), a countywide E-911 communication system, radio communications, and revenue collections.

Charleston County's government-wide financial statements include component units of the County. Component units can be blended or discretely presented. Component units are legally separate organizations for which the primary government is financially accountable and are presented as a separate column in the government-wide statements and as combining statements of net position and of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. For those readers interested in more information on the component units, contact information is provided in Note I. B. on pages 63 through 65 of this report.

The government-wide financial statements can be found on pages 40 through 42 of this report.

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

**Governmental Funds.** Governmental funds, presented on pages 44 through 47, essentially account for the same functions as those reported under the governmental activities on the government-wide Statement of Net Position and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Charleston County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Charleston County's statements include four major funds: the General Fund, the Debt Service Fund, the Transportation and Road Sales Tax Special Revenue Fund, and the General Obligation Bond (GOB) Capital Projects Fund. Although there are many smaller governmental funds in Charleston County government, they have been presented in a total column termed as "Other Governmental Funds". Combining statements for these other governmental funds have been presented on pages 133 through 143 of this report.

**Proprietary Funds.** Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 51 through 56 and pages 159 through 170 of this report.

Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for Environmental Management and Parking Garages. DAODAS, E-911 Communications Radio Communications, and Revenue Collections are presented in one total column termed as "Nonmajor Other Funds" but may be separately reviewed in the combining statements on pages 159 through 164.

Internal service funds (ISFs) are an accounting mechanism to accumulate and allocate costs internally for Charleston County Government. The County uses internal service funds to account for Fleet Management, Office Support Services, Workers' Compensation, Employee Benefits, and Telecommunications. See pages 166 through 170 of this report. ISFs have been eliminated on the Statement of Net Position.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Charleston County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 172 through 174 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 63 through 124 of the report.

**Other Information.** Individual statements, which present more detailed views of nonmajor funds used in governmental and business-type funds, begin on page 133. Additional trend information about the County, which may be of interest to the reader, is found under the Statistical Section of this report, starting on page 180.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charleston County, assets exceeded liabilities by \$66,773 at the close of fiscal year 2013. This was a decrease of \$34,663 or 34.2 percent during fiscal year 2013.

A portion of the County's net position, \$135,571, is net investment in capital assets (e.g., land, building, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. Although the County's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

An additional portion of the County's net position, (\$81,224), represents resources that are subject to external restrictions on how they may be used. These include funds for road projects, operation of the environmental management department (which are held by a trustee), and construction/purchase of capital assets. This net position is negative as the County has borrowed and expended funds on state and municipal roads. The debt is County debt, but the asset created does not belong to the County.

Unrestricted net position is \$12,426, indicates the portion of net position which can be used for day-to-day operations without constraints established by legislation or other legal requirements.

At the end of 2013, the County had positive balances in two of the three categories of net position for the primary government. As stated above, the restricted net position is negative as the County has issued GO bonds for roads and greenbelt projects in the transportation sales tax fund. The roads are not County roads and the greenbelt funds are used by other local governments, therefore those assets are not shown on the County's statements.

Charleston County's Net Position  
June 30, 2013  
(Recapped from page 40)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$468,243	\$529,012	\$124,728	\$120,374	\$ 592,971	\$ 649,386
Capital assets	322,612	321,570	48,187	46,878	370,799	368,448
<b>Total assets</b>	<b>\$790,855</b>	<b>\$850,582</b>	<b>\$172,915</b>	<b>\$167,252</b>	<b>\$ 963,770</b>	<b>\$1,017,834</b>
Long-term liabilities outstanding	\$635,703	\$661,471	\$ 10,716	\$ 12,572	\$ 646,419	\$ 674,043
Other liabilities	211,417	207,486	39,162	34,869	250,579	242,355
<b>Total liabilities</b>	<b>\$847,120</b>	<b>\$868,957</b>	<b>\$ 49,878</b>	<b>\$ 47,441</b>	<b>\$ 896,998</b>	<b>\$ 916,398</b>
Net Position:						
Investment in capital assets	\$93,885	\$113,296	\$ 41,686	\$ 38,035	\$135,571	\$151,331
Restricted for:						
Environmental trust operations	-	-	54,311	51,142	54,311	51,142
Capital projects	31,872	41,931	555	570	32,427	42,501
Transportation and road sales tax projects	(207,620)	(175,586)	-	-	(207,620)	(175,586)
Debt service	17,516	19,123	2,470	2,470	19,986	21,593
General government	93	-	-	-	93	-
Public safety	3,885	4,042	-	-	3,885	4,042
Judicial	3,232	3,644	-	-	3,232	3,644
Public works	9,393	13,177	-	-	9,393	13,177
Health and welfare	395	33	-	-	395	33
Economic development	1,651	1,209	-	-	1,651	1,209
Culture and recreation	1,023	758	-	-	1,023	758
Unrestricted	(11,589)	(40,002)	24,015	27,594	12,426	(12,408)
<b>Total net position</b>	<b>(\$56,264)</b>	<b>(\$18,375)</b>	<b>\$123,037</b>	<b>\$119,811</b>	<b>\$66,773</b>	<b>\$101,436</b>

The County's net position decreased by \$34,663 during fiscal year 2013. The governmental activities had a decrease in net position of \$37,890. This is due primarily to expenditures in the transportation and road sales tax special revenue fund. During fiscal year 2013 proceeds from the 2011 transportation sales tax general obligation bonds (GOBs) were used by the Charleston County Park and Recreation Commission (PRC), municipalities, and other special purpose districts to acquire greenspace within the County. This property is not an asset of Charleston County. In addition, proceeds from the 2006, 2007, and 2011 transportation sales tax GOBs were used to construct and improve roads that are not assets of the County.

The business type activities had an increase in net position of \$3,226 resulting primarily from activity in the environmental management fund. The user fee is set at a rate designed to accumulate net assets for future pay-as-you go project funding such as the new materials recovery facility.

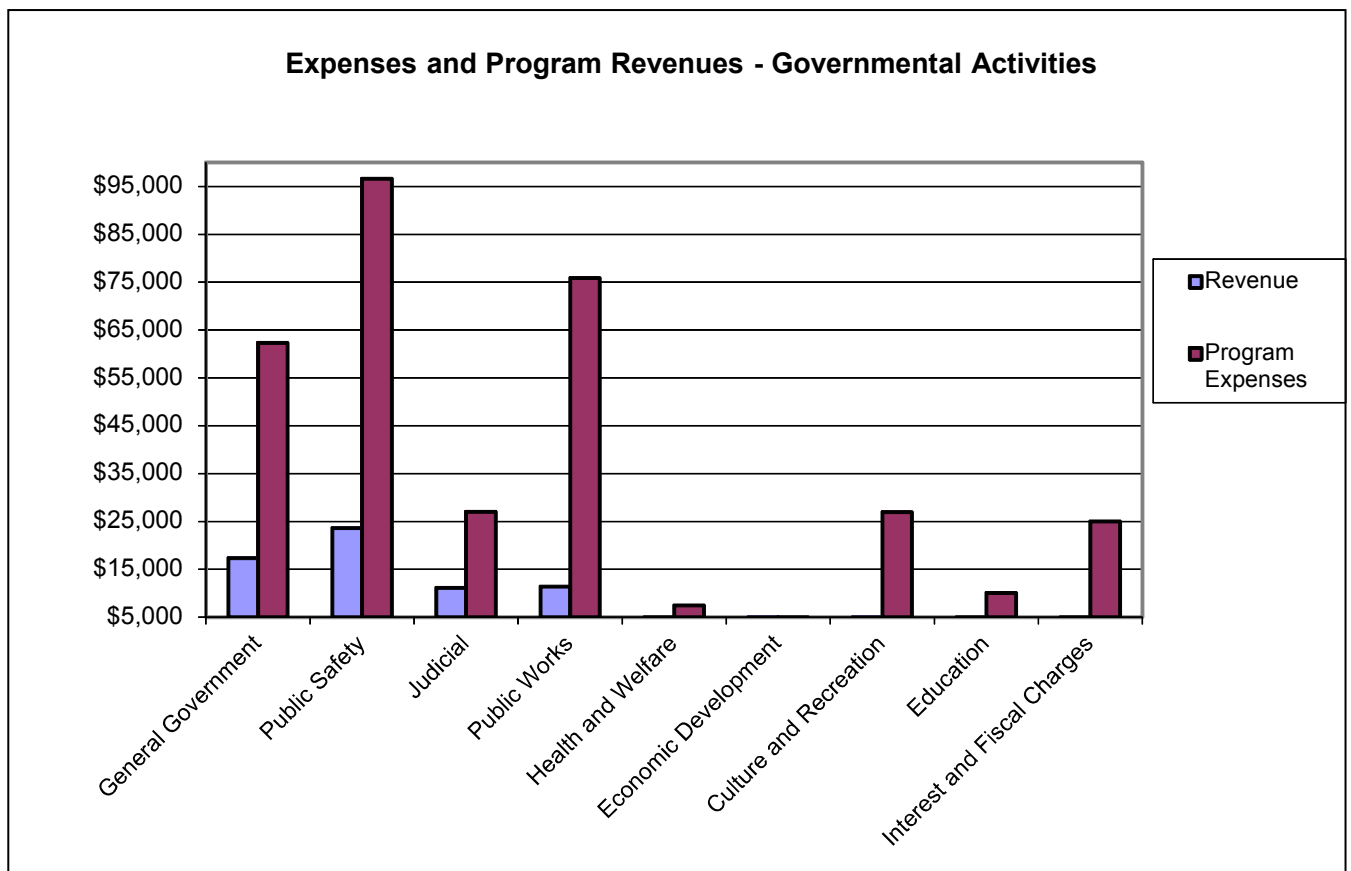
County of Charleston, South Carolina  
Changes in Net Position (Recapped from pages 41 and 42)  
For the Fiscal Year Ended June 30, 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 48,725	\$ 39,861	\$ 42,539	\$ 41,692	\$ 91,264	\$ 81,553
Operating grants and contributions	22,966	25,771	765	779	23,731	26,550
Capital grants and contributions	-	2,620	-	-	-	2,620
<b>General Revenues:</b>						
Property taxes	105,804	107,177	-	-	105,804	107,177
Other taxes and fees	104,095	99,969	480	606	104,575	100,575
State aid to political subdivisions	12,883	10,780	-	-	12,883	10,780
Unrestricted investments earnings	770	1,277	34	32	804	1,309
Gain on sale of capital assets	-	239	20	189	20	428
<b>Total Revenues</b>	<b>295,243</b>	<b>287,694</b>	<b>43,838</b>	<b>43,298</b>	<b>339,081</b>	<b>330,992</b>
<b>Program Expenditures:</b>						
<b>Governmental Activities:</b>						
General government	62,312	60,157	-	-	62,312	60,157
Public safety	96,642	86,502	-	-	96,642	86,502
Judicial	26,996	26,578	-	-	26,996	26,578
Public works	75,872	92,741	-	-	75,872	92,741
Health and welfare	7,456	7,174	-	-	7,456	7,174
Economic development	1,700	4,314	-	-	1,700	4,314
Culture and recreation	26,937	30,821	-	-	26,937	30,821
Education	10,033	6,643	-	-	10,033	6,643
Interest and fiscal charges	24,988	26,019	-	-	24,988	26,019
<b>Business-Type Activities:</b>						
DAODAS	-	-	7,691	7,761	7,691	7,761
E-911 communications	-	-	2,083	1,616	2,083	1,616
Environmental management	-	-	24,544	21,278	24,544	21,278
Parking garages	-	-	2,068	1,975	2,068	1,975
Radio communications	-	-	3,058	2,469	3,058	2,469
Revenue collections	-	-	1,364	1,321	1,364	1,321
<b>Total Expenditures</b>	<b>332,936</b>	<b>340,949</b>	<b>40,808</b>	<b>36,420</b>	<b>373,744</b>	<b>377,369</b>
Excess (deficiency) of revenues over (under) expenditures	(37,693)	(53,255)	3,030	6,878	(34,663)	(46,377)
Transfers	(196)	(3,054)	196	3,054	-	-
<b>Increase (Decrease) in Net Position</b>	<b>(37,889)</b>	<b>(56,309)</b>	<b>3,226</b>	<b>9,932</b>	<b>(34,663)</b>	<b>(46,377)</b>
Net position, beginning	(18,375)	37,934	119,811	109,879	101,436	147,813
<b>Net Position, ending</b>	<b>(\$56,264)</b>	<b>(\$18,375)</b>	<b>\$123,037</b>	<b>\$119,811</b>	<b>\$66,773</b>	<b>\$101,436</b>

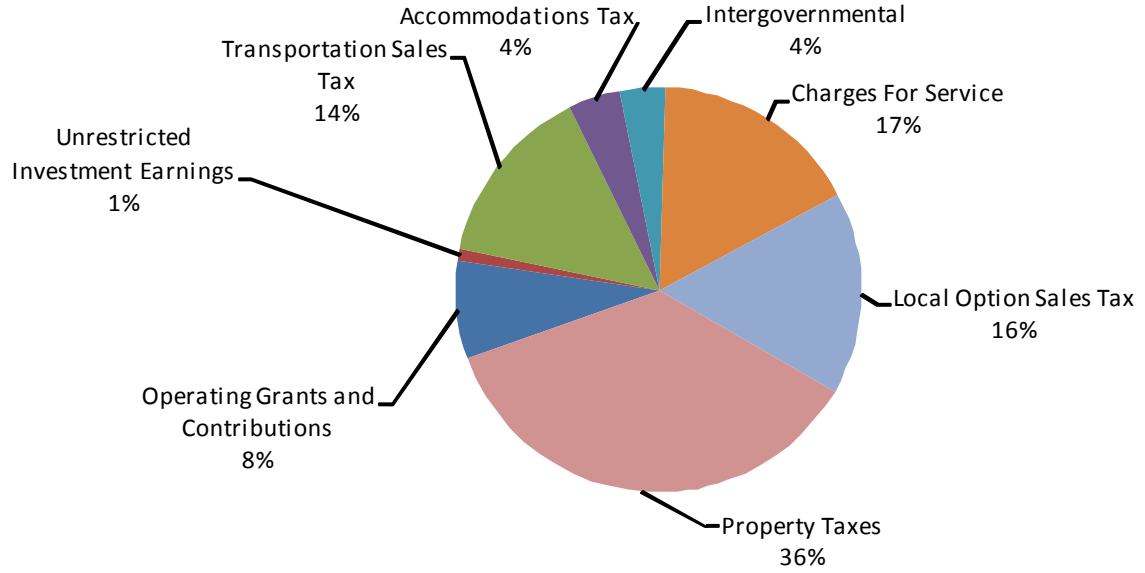


**Governmental Activities.** Governmental activities decreased the County's net position by \$37,890. Key elements of the decrease are:

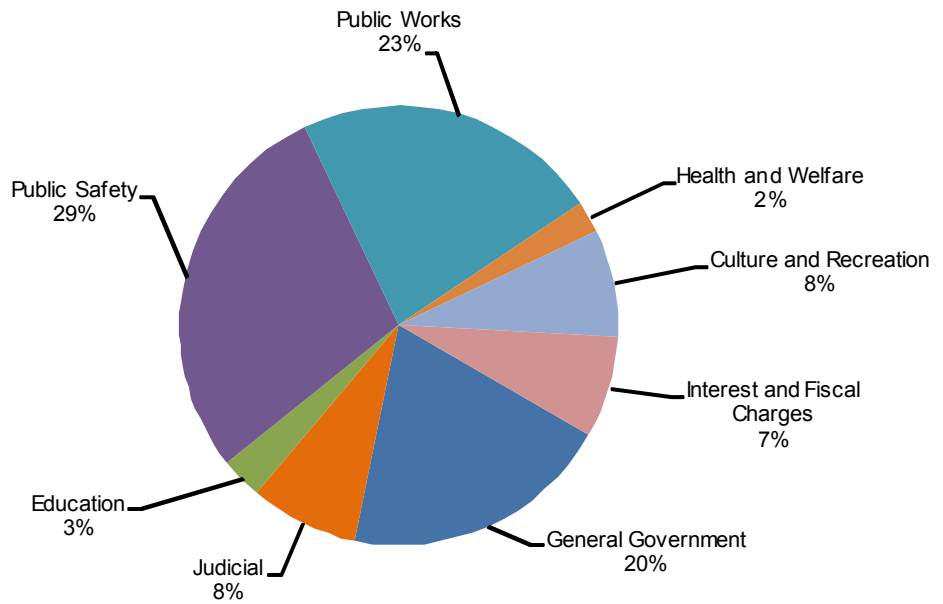
- Charges for services in public works decreased by \$7,054 (80.0 percent) because of a one-time reimbursement for roadwork in fiscal year 2012.
- Operating grants decreased by \$2,805 (10.9 percent) due primarily to the elimination of grants for the consolidated dispatch center.
- Public Safety expenditures increased \$10,140 (11.7 percent). The Sheriff's Office general fund expenditures were increased due to additional staffing and increases in personnel costs. Consolidated dispatch expenditures increased due to the addition of 17 FTEs for expanded dispatch services.



### Revenues by Source - Governmental Activities

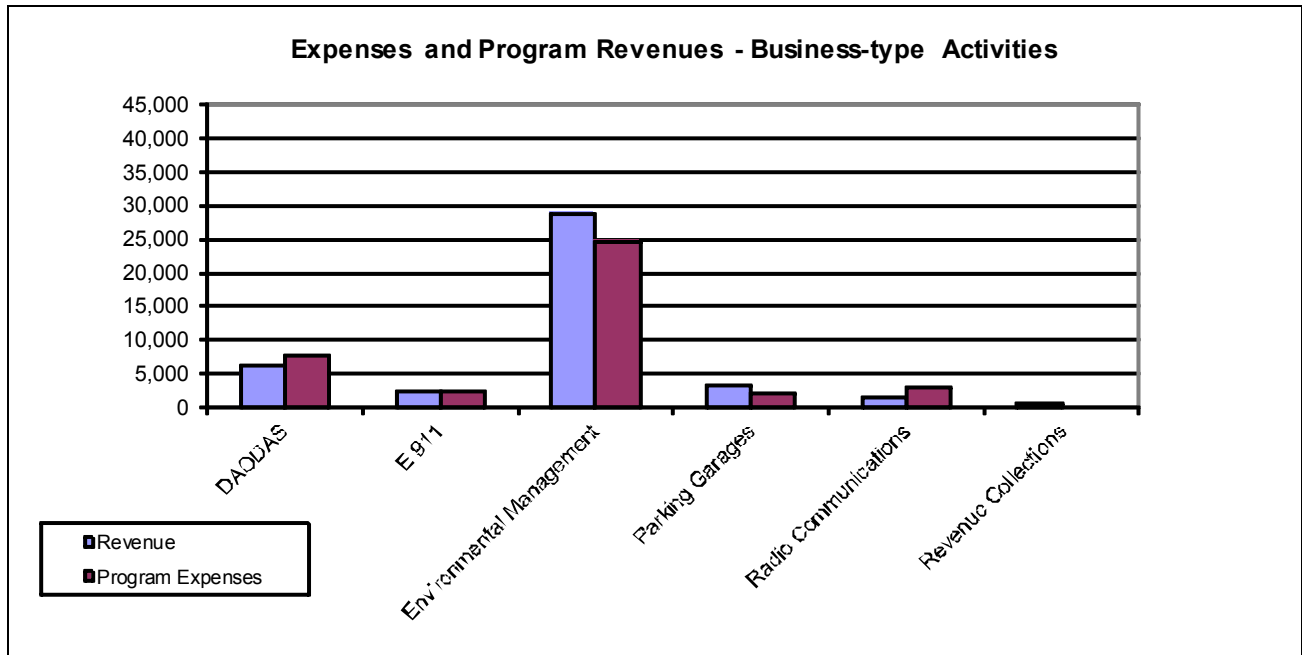
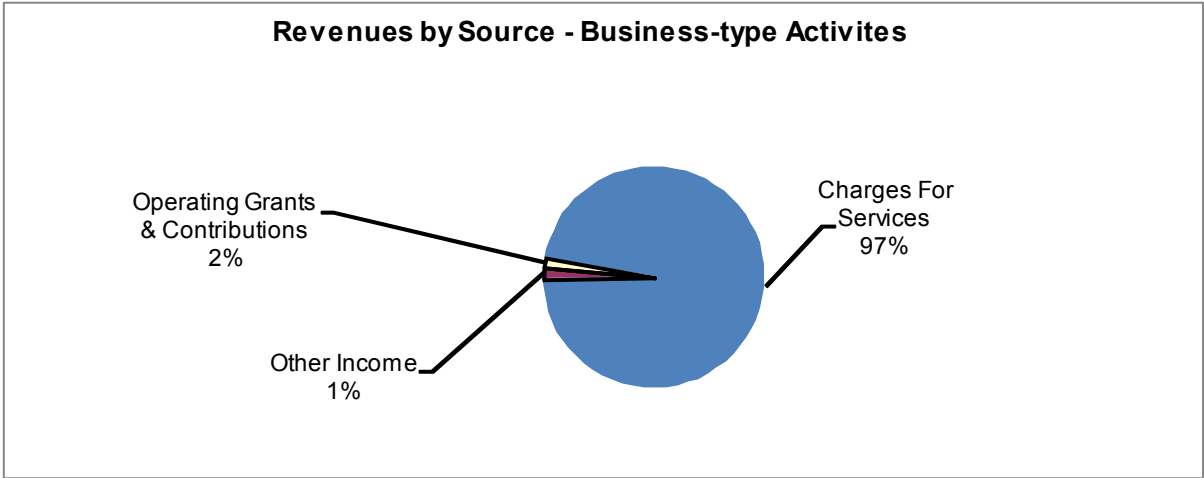


### Expenses by Program - Governmental Activities



**Business-type Activities.** Business-type activities increased the County's net position by \$3,226. The key element of this increase was:

- Environmental management had an increase in net position of \$1,336. The user fee is set at a rate designed to accumulate net position for future pay-as-you go project funding, including a new materials recovery facility.



## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$290,776, a decrease of \$62,933 in comparison with the prior year. This decrease is largely due to the transportation and road sales tax special revenue fund where \$57,542 was spent on non-County road projects and greenbelt purchases. In addition, the GOB capital projects fund had expenditures of \$12,992. Upgrades to the County's 800 MHz system were \$5,400, reimbursements to Trident Technical College for its new nursing building totaled \$4,181, and \$1,043 was spent on the new Consolidate Dispatch Center.

The ending fund balance of \$290,776 for the governmental funds is composed of five components: unassigned fund balance of \$40,799, assigned fund balance of \$11,470, committed fund balance of \$31,872, restricted fund balance of \$205,712 and nonspendable fund balance of \$923

Unassigned fund balance accounts for approximately 14.0 percent or \$40,799 of the total fund balance. Unassigned fund balance is available for spending at Charleston County's discretion.

Assigned fund balance for the current fiscal year is \$11,470 or 3.9 percent of ending fund balance. Assigned fund balance includes \$7,594 budgeted for use in the 2014 budget and \$3,876 which was encumbered at the end of fiscal year 2013. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$31,872 or 11.0 percent of ending fund balance and is comprised of the fund balances in the capital project funds. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of County Council.

The restricted fund balance totals \$205,712 or 70.8 percent of ending fund balance. The major restricted fund balances are for: 1) roads and stormwater projects of \$177,917, 2) debt service of \$17,516, 3) \$3,885 for public safety activities (primarily comprised of balances in the Sheriff's office), and 4) \$3,232 for judicial services (primarily balances in the Solicitor's office.) The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Nonspendable fund balance is \$923 or 0.3 percent of ending fund balance. Nonspendable fund balance accounts for inventories recorded in the general fund.

**General Fund.** The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$40,799 while total fund balance reached \$53,193. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$9,088 and is composed of \$3,388 from the general fund and \$5,700 from the environmental management fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund disbursements. Unassigned fund balance represents 20.3 percent of total general fund disbursements, while total fund balance represents 28.8 percent of that same amount. This meets the County's financial policy of maintaining an unassigned fund balance of 1½ to 2 months of expenditures. Excluding the rainy day fund from the calculation, unassigned fund balance is 22.1 percent of disbursements, which also meets the financial policy. There was a decrease of \$3,266 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$4,598 or 2.6 percent higher than the previous fiscal year.

- Intergovernmental revenues increased \$2,523 or 12.4 percent. State aid to political subdivisions increased \$2,103 resulting from growth in state revenues. The local government fund is a formula driven allocation. The allocation was increased for fiscal year 2013, but it is still below the level called for in the formula.
- Services charges were up \$1,834 or 9.5 percent. Register Mesne Conveyance (RMC) revenues are increased \$1,460 due to an increase in the volume of recorded real estate transactions

Expenditures increased by \$7,803 or 4.8 percent.

- Public Safety expenditures are up \$3,912 or 5.2 percent. The Sheriff's expenditures were \$2,529 greater than the prior year. The Law Enforcement budget included five additional FTEs in fiscal year 2013 for 24 hour coverage of the Sheriff's non-emergency phone line. Personnel costs in the Sheriff's Office also increased because of a 2 percent increase in the County fringe rate (primarily for workers' compensation and retirement benefits), and the full-year impact of a Cost of Living Adjustment made during fiscal year 2012. Expenditures for consolidated dispatch increased \$1,097 resulting from the addition of 17 FTEs for the next phase of consolidation.
- General Government expenditures are increased \$2,156 or 4.9 percent. Technology services expended \$750 more than the prior year primarily for software maintenance and personnel costs. Expenditures for the Board of Elections and Voter Registration increased \$479 due to the 2012 general election and the associated run-off elections.

Transfers out increased \$4,701 or 43.0 percent. This increase is primarily due to one-time funding of \$2,855 for the new law enforcement computer software and \$1,760 for station alerting.

**Debt Service Fund.** The debt service fund balance is \$17,516 and is \$1,607 or 8.4 percent lower than the prior fiscal year. The use of fund balance was anticipated in the fiscal year 2013 budget.

**Transportation and Road Sales Tax Special Revenue Fund.** This fund balance was decreased \$44,809 or 21.0 percent from the prior fiscal year. The County has several road projects that were in the construction process during fiscal year 2013.

**GOB Capital Projects Fund.** This fund showed a decrease in fund balance of \$10,375 or 30.7 percent. Expenditures were \$10,842 for upgrades to the County's 800 MHZ radio system, reimbursement to Trident Technical College for its new nursing building, and construction of the new consolidated dispatch center.

**Other Governmental Funds.** The other governmental funds had a decrease in fund balance of \$2,876 or 9.3 percent from the prior fiscal year due to expenditures for road projects in the public works construction fund.

**Nonmajor Capital Projects Funds.** The nonmajor capital projects funds reflect a total fund balance of \$8,440 and are shown on pages 136 through 137 and 142 through 143. The fund balance for the nonmajor capital projects funds is up \$316 for fiscal year 2013. The decrease in fund balance of \$3,215 in the capital projects construction fund was offset by an increase in fund balance of \$3,580 in the ITS/MIS capital projects fund.

**Nonmajor Special Revenue Funds.** The nonmajor special revenue funds have a combined total fund balance of \$19,672, all classified as restricted. Nonmajor special revenue funds are shown on pages 133 through 136, and 139 through 142. The fund balance for the non-major special revenue funds decreased \$3,192 from the prior year. The largest decrease in fund balance is \$2,878 in the construction public works fund which accounts for state C-fund expenditures. In addition, the fund balances in the solicitor and storm water drainage funds decreased \$610 and \$528, respectively.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Total net position for the enterprise funds at June 30, 2013, is \$92,189 (before the elimination of internal service fund charges and indirect costs.) The major funds are environmental management and the parking garages with total net position of \$81,463. The nonmajor proprietary funds have total net position of \$10,726. These funds include DAODAS, E-911 communications, radio communications, and revenue collections. See pages 51 through 56 and pages 159 through 164 for the proprietary funds statements.

As of the end of the current fiscal year, Charleston County's enterprise funds reported combined ending net position of \$92,189 (before internal eliminations), a decrease of \$874 or 0.9 percent in comparison with the prior year. The E-911 communications fund had a decrease of \$2,095 due to a transfer to the capital projects fund for the new consolidated dispatch center. This decrease is offset by an increase of \$1,336 in the environmental management fund as revenues exceeded expenditures for fiscal year 2013.

### **General Fund Budgetary Highlights**

During fiscal year 2013 County Council approved an adjustment to the general fund budget totaling \$2,404. In addition, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

The budget was adjusted by \$2,404 during the fiscal year. County Council approved a one-time Cost of Living payment for employees in March 2013. The general fund budget was increased by \$2,000 for this payment. The source of funds was fiscal year 2012 fund balance. In addition, the consolidated dispatch budget was increased \$404 for the early transition of the dispatch function from the Town of Mt. Pleasant. The county added 19 FTEs to cover the additional workload. The increase in expenditures was funded by the Town.

Actual revenues and transfers in were \$5,061 over the final budget. The most significant revenue variances are outlined below:

- Property and local option sales taxes were over budget by \$3,196. Local option sales tax collections exceeded the budget by \$2,444 reflecting an increase in consumer spending throughout the fiscal year. Current and delinquent real property tax collections were over budget \$1,248 resulting from better than anticipated collections.
- Service charges were over budget by \$2,750. RMC charges exceeded budget by \$1,693 due to the increased volume of recorded real estate transactions. Court fees were over budget by approximately \$500 due to increased court activity.
- Intergovernmental revenues were under budget by \$1,271 primarily due to decreases in federal inmate per diem resulting from a decrease in inmates held.

Actual expenditures and transfers out were \$6,252 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology services was \$1,696 below budget. Capital purchases were \$1,382 below budget. The lapsed budget was rolled forward to fiscal year 2014.
- The Sheriff's office was \$1,227 below budget. Undocumented persons' assistance funds of \$557 were not spent during fiscal year 2013. These funds were rolled to fiscal year 2014. Additional savings were seen throughout the Sheriff's budget. The majority of these savings were encumbered at fiscal year-end.
- Facilities Management was \$793 below budget largely due to unspent building supply funds. About half of the lapse was encumbered and rolled into the fiscal year 2014 budget.

## Capital Asset and Debt Administration

**Capital Assets.** Charleston County's net investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounted to \$370,800 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, bridges and drainage easements. The County's net investment in capital assets increased \$2,351 or 0.6 percent for the current year. Construction in progress decreased \$14,628 due to the opening of the consolidated dispatch center. Buildings and machinery and equipment increased \$18,170 primarily due to the consolidated dispatch center.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and easements	\$ 21,211	\$ 21,213	\$ 3,951	\$ 3,951	\$ 25,162	\$ 25,164
Buildings	241,587	232,507	17,981	18,380	259,568	250,887
Improvements other than buildings	615	686	14,562	14,576	15,177	15,262
Machinery and equipment	43,367	35,581	11,674	9,971	55,041	45,552
Infrastructure	13,417	14,520	-	-	13,417	14,520
Construction in progress	<u>2,416</u>	<u>17,063</u>	<u>19</u>	<u>-</u>	<u>2,435</u>	<u>17,063</u>
Total	<u>\$ 322,613</u>	<u>\$ 321,570</u>	<u>\$ 48,187</u>	<u>\$ 46,878</u>	<u>\$ 370,800</u>	<u>\$ 368,448</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 85 through 90 of this report.

**Long-Term Debt.** At the end of the current fiscal year, Charleston County had total certificates of participation (COPs) and bonded debt outstanding of \$609,795. Of this amount, \$575,303 comprises debt backed by the full faith and credit of the government (general obligation bonds), \$32,958 is comprised of certificates of participation secured by the capital assets constructed with their proceeds, and \$1,534 is comprised of revenue bond debt secured solely by solid waste user fees.

In addition to the bonded debt, Charleston County signed a contract with the S.C. Infrastructure Bank to pay \$3,000 a year starting on January 1, 2004, for a period of 25 years as the County's commitment toward the new Arthur Ravenel, Jr. Bridge over the Cooper River. As of June 30, 2013, this obligation is recorded at a net present value of \$29,658 using a discount rate of 5.7 percent. This is the same rate the Bank is repaying its loan from the federal government, using the money received from the County.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 575,303	\$ 597,380	\$ -	\$ -	\$ 575,303	\$ 597,380
Certificates of participation	27,991	31,583	4,967	5,610	32,958	37,193
Revenue bonds	-	-	1,534	3,232	1,534	3,232
Intergovernmental note payable	<u>29,658</u>	<u>30,888</u>	<u>-</u>	<u>-</u>	<u>29,658</u>	<u>30,888</u>
Total	<u>\$ 632,952</u>	<u>\$ 659,851</u>	<u>\$ 6,501</u>	<u>\$ 8,842</u>	<u>\$ 639,453</u>	<u>\$ 668,693</u>

The County's total bonded debt decreased by \$29,240 (4.4 percent) during the current fiscal year. The County did not issue any new money bonds during fiscal year 2013.

In May the County issued \$70,135 of General Obligation Transportation Sales Tax Refunding Bonds. The bonds refunded portions of the 2006 and 2007 transportation sales tax general obligation bonds (GOBs). The County also issued \$28,940 General Obligation Refunding Bond Series A, and \$30,695 General Obligation Refunding Bonds Taxable Series B. These bonds refunded portions of the 2004 and 2007 GOBs.

The refunding GOBs were rated Aaa by Moody's Investors Service, AAA by Standard & Poor's Ratings Service, and AAA by Fitch Ratings.

South Carolina statutes limit the amount of general obligation (G.O.) debt a governmental entity may issue (without referendum) to 8 percent of its total assessed value. The current available G.O. debt limit for Charleston County is \$265,881. The outstanding debt at June 30, 2013 subject to the debt limitation is \$187,795. This would indicate that the County has not exceeded its limit.

Additional information on the County's long-term debt can be found in Note III. I. on pages 93 through 107 of this report.

### **Economic Factors and Next Year's Budget Rates**

The fiscal year 2014 general fund budget is a balanced budget. Total disbursements are \$194,003, an increase of \$6,865 or 3.7 percent from the prior year. The budget includes the use of \$7,594 of fund balance for pay-as-you-go capital projects and other one-time expenditures. The millage was increased 0.8 mills from 39.9 mills for tax year 2012 to 40.7 mills. The local option sales tax credit was also increased.

The general fund budgeted revenues for fiscal year 2014 increased by \$10,368 or 5.6 percent from 2013. The major changes are:

- The local option sales tax is anticipated to increase \$6,160 or 13.7 percent. This increase reflects the growth that was seen in collections during fiscal year 2013.
- Property tax revenues reflect an increase of \$5,710 or 5.0 percent resulting from the 0.8 mill increase in the tax year 2013 millage rate. The local option sales tax credit applied against property taxes is increased \$6,090 or 13.8 percent reflecting the growth in collections during fiscal year 2013.



- Charges and fees are increased \$1,764 or 9.7 percent in the fiscal year 2014 budget. RMC fees are expected to increase \$1,755 or 44.7 percent based on an anticipated increase in the volume of recorded real estate transactions.
- Intergovernmental revenues are increased \$1,645 or 6.8 percent for fiscal year 2014. Local government contributions for the operation of the consolidated dispatch center are increased \$2,600 or 83.5 percent over the fiscal year 2013 contribution. The increase reflects the transition of dispatch services for additional municipalities, such as the City of Charleston and the Town of Mount Pleasant, to the consolidated center. The increase reflects total consolidation of dispatch services in the county (with the exception of the City of Folly Beach) as of January 1, 2014. Offsetting this increase is a decrease in state aid to subdivisions of \$675 or 5.2 percent. This decrease reflects state approved funding for fiscal year 2014.

The general fund budgeted disbursements for fiscal year 2014 are increased \$6,865 or 3.7 percent from fiscal year 2013. The major changes for fiscal year 2014 are:

- The budget for consolidated dispatch operations increased \$1,589 or 22.2 percent. As mentioned above, the fiscal year 2014 budget reflects total consolidation of dispatch services in the county (with the exception of the City of Folly Beach) as of January 1, 2014.
- The fiscal year 2014 budget includes \$1,217 for the cost of converting temporary employees to benefits eligible positions for compliance with the Affordable Health Care act. In addition, funding is included to implement recommendations from the 2013 compensation study. These funds are in the nondepartmental budget and will be transferred to the appropriate departments once the above-mentioned changes have been completed.
- Increases of \$1,159 (7.1 percent), \$1,157 (1.5 percent), and \$1,099 (3.7 percent) are seen in the consolidated budgets of the Deputy Administrator for Human Services, Elected Officials, and the Deputy Administrator for General Services, respectively. Increased personnel costs, including increased fringe benefits and growth in salaries due to the County's longevity program, are responsible for the growth in these budgets.
- Transfers out are decreased \$1,326 or 8.2 percent due to a reduction in the need to fund one-time capital projects. The fiscal year 2013 budget included funding for a comprehensive station alerting system and an upgrade to the total law enforcement system.

## **Requests for Information**

This financial report is designed to provide a general overview of Charleston County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to the Finance Department, 4045 Bridge View Drive, Suite A225, North Charleston, SC 29405-7464.

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# BASIC FINANCIAL STATEMENTS



COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
June 30, 2013

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Non-pooled cash and cash equivalents	\$ 4,613,645	\$ 322,485	\$ 4,936,130	\$ 40,333,984
Pooled cash and cash equivalents	58,286,001	7,411,720	65,697,721	-
Pooled investments	216,720,991	-	216,720,991	-
Non-pooled investments	-	-	-	110,899
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash - current portion	1,524,686	82,624	1,607,310	-
Restricted investments - current portion	3,161,768	1,451,682	4,613,450	-
Receivables (net of allowances for uncollectibles)	206,116,477	30,597,410	236,713,887	40,480,828
Interest receivable from note receivable	807	-	807	-
Due from primary government	-	-	-	902,882
Internal balances - current	(27,425,078)	27,425,078	-	-
Due from agency fund	149,170	-	149,170	-
Inventories	1,276,190	-	1,276,190	720,179
Prepaid items and deposits	-	-	-	1,132,692
Note receivable - within one year	365,533	-	365,533	-
Deferred issuance costs	3,328,252	101,216	3,429,468	348,766
Other noncurrent assets	-	-	-	40,000
Restricted assets - non-current:				
Temporarily restricted:				
Cash and cash equivalents	-	57,336,068	57,336,068	21,206,971
Capital assets, net of accumulated depreciation:				
Land and easements - nondepreciable	21,210,703	3,950,930	25,161,633	85,858,104
Construction in progress - nondepreciable	2,415,653	18,825	2,434,478	5,510,625
Infrastructure - nondepreciable	9,049,102	-	9,049,102	-
Artwork and other - nondepreciable	-	-	-	11,000
Buildings	241,586,939	17,981,019	259,567,958	64,489,304
Improvements other than buildings	614,541	14,562,219	15,176,760	19,103,550
Machinery and equipment	43,366,958	11,674,178	55,041,136	35,413,555
Infrastructure	4,367,902	-	4,367,902	45,239,129
Library materials	-	-	-	18,645,770
Accumulated depreciation	-	-	-	(91,010,008)
<b>Total assets</b>	<b>790,855,240</b>	<b>172,915,454</b>	<b>963,770,694</b>	<b>288,538,230</b>
<b>LIABILITIES</b>				
Accounts payable	13,358,115	33,584,670	46,942,785	3,239,631
Accrued payroll and fringe benefits	6,765,434	608,063	7,373,497	1,108,155
Intergovernmental payable	6,945,584	2,043,499	8,989,083	116,746
Interest payable	5,513,468	49,034	5,562,502	597,918
Tax anticipation note payable	-	-	-	300,000
Unearned revenue	147,734,687	32,115	147,766,802	39,063,369
Noncurrent liabilities:				
Due within one year	31,099,071	2,845,126	33,944,197	6,893,387
Due in more than one year	635,703,337	10,715,584	646,418,921	65,680,315
<b>Total liabilities</b>	<b>847,119,696</b>	<b>49,878,091</b>	<b>896,997,787</b>	<b>116,999,521</b>
<b>NET POSITION</b>				
Net investment in capital assets	93,885,285	41,685,714	135,570,999	138,194,364
Restricted for:				
Environmental trust operations	-	54,310,707	54,310,707	-
Capital projects	31,871,717	555,000	32,426,717	554,027
Transportation and road sales tax projects	(207,620,105)	-	(207,620,105)	-
Debt service	17,516,049	2,470,361	19,986,410	16,839,332
General government	93,194	-	93,194	-
Public safety	3,885,422	-	3,885,422	-
Judicial	3,231,688	-	3,231,688	-
Public works	9,392,925	-	9,392,925	-
Health and welfare	394,629	-	394,629	-
Economic development	1,651,474	-	1,651,474	-
Culture and recreation	1,022,612	-	1,022,612	-
Donors	-	-	-	31,004
Unrestricted	(11,589,346)	24,015,581	12,426,235	15,919,982
<b>Total net position</b>	<b>\$ (56,264,456)</b>	<b>\$ 123,037,363</b>	<b>\$ 66,772,907</b>	<b>\$ 171,538,709</b>

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 62,312,191	\$ 16,937,093	\$ 390,505	\$ -	\$ (44,984,593)	\$ -	\$ (44,984,593)	\$ -
Public safety	96,642,229	16,546,185	7,082,076	-	(73,013,968)	-	(73,013,968)	-
Judicial	26,996,074	8,442,110	2,678,847	-	(15,875,117)	-	(15,875,117)	-
Public works	75,871,851	1,767,564	9,636,691	-	(64,467,596)	-	(64,467,596)	-
Health and welfare	7,455,826	309,820	2,972,855	-	(4,173,151)	-	(4,173,151)	-
Economic development	1,699,728	-	205,462	-	(1,494,266)	-	(1,494,266)	-
Culture and recreation	26,936,941	4,721,867	-	-	(22,215,074)	-	(22,215,074)	-
Education	10,033,030	-	-	-	(10,033,030)	-	(10,033,030)	-
Interest and fiscal charges	24,988,554	-	-	-	(24,988,554)	-	(24,988,554)	-
<b>Total governmental activities</b>	<b>332,936,424</b>	<b>48,724,639</b>	<b>22,966,436</b>	<b>-</b>	<b>(261,245,349)</b>	<b>-</b>	<b>(261,245,349)</b>	<b>-</b>
Business-type activities:								
DAODAS	7,691,351	6,230,481	636,390	-	-	(824,480)	(824,480)	-
E-911 Communications	2,083,438	2,244,167	-	-	-	160,729	160,729	-
Environmental Management	24,543,597	28,784,638	128,854	-	-	4,369,895	4,369,895	-
Parking Garages	2,067,862	3,245,683	-	-	-	1,177,821	1,177,821	-
Radio Communications	3,058,029	1,543,965	-	-	-	(1,514,064)	(1,514,064)	-
Revenue Collections	1,364,203	490,052	-	-	-	(874,151)	(874,151)	-
<b>Total business-type activities</b>	<b>40,808,480</b>	<b>42,538,986</b>	<b>765,244</b>	<b>-</b>	<b>-</b>	<b>2,495,750</b>	<b>2,495,750</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 373,744,904</b>	<b>\$ 91,263,625</b>	<b>\$ 23,731,680</b>	<b>\$ -</b>	<b>(261,245,349)</b>	<b>2,495,750</b>	<b>(258,749,599)</b>	<b>-</b>
<b>Component Units:</b>								
Charleston County Library	\$ 15,656,184	\$ 495,566	\$ 14,434,123	\$ 398,052				(328,443)
Charleston County PRC	33,439,479	12,835,197	-	2,049,196				(18,555,086)
Cooper River Park & Playground	208,932	-	-	-				(208,932)
James Island PSD	12,013,988	5,922,551	-	-				(6,091,437)
North Charleston District	1,239,240	-	-	-				(1,239,240)
St. Andrew's Parish Parks & Playground	3,310,399	1,522,901	5,252	-				(1,782,246)
St. John's Fire District	11,049,265	-	3,614	-				(11,045,651)
St. Paul's Fire District	5,363,937	-	-	13,742				(5,350,195)
Charleston County Volunteer Rescue Squad	362,814	-	340,517	-				(22,297)
<b>Total component units</b>	<b>\$ 82,644,238</b>	<b>\$ 20,776,215</b>	<b>\$ 14,783,506</b>	<b>\$ 2,460,990</b>				<b>(44,623,527)</b>

<b>General Revenues:</b>				
Property taxes	105,803,544	-	105,803,544	-
Charleston County PRC	-	-	-	16,178,590
Cooper River Park & Playground	-	-	-	151,790
James Island PSD	-	-	-	6,199,450
North Charleston District	-	-	-	935,115
St. Andrew's Parish Parks & Playground	-	-	-	1,470,930
St. John's Fire District	-	-	-	11,229,140
St. Paul's Fire District	-	-	-	4,885,108
Local option sales tax	47,280,580	-	47,280,580	-
Transportation sales tax	42,527,427	-	42,527,427	-
Accommodations tax	11,987,748	-	11,987,748	-
Franchise tax	791,536	-	791,536	44,322
Alcohol beverage tax	-	469,405	469,405	-
Merchants inventory tax and manufacturer's depreciation	1,402,584	10,832	1,413,416	1,153,887
Motor carrier tax	105,961	-	105,961	-
Unrestricted state aid to political subdivisions	12,882,676	-	12,882,676	-
Grants and contributions not restricted to specific program	-	-	-	4,124
Unrestricted investment earnings	769,780	34,210	803,990	53,875
Gain on sale of capital assets	-	19,902	19,902	118,391
Fundraising and donations	-	-	-	46,661
Miscellaneous	-	-	-	722,621
Transfers	(196,329)	196,329	-	-
<b>Total general revenues and transfers</b>	<b>223,355,507</b>	<b>730,678</b>	<b>224,086,185</b>	<b>43,194,004</b>
Change in position	(37,889,842)	3,226,428	(34,663,414)	(1,429,523)
Net position - beginning	(18,374,614)	119,810,935	101,436,321	172,968,232
Net position - ending	<u>\$ (56,264,456)</u>	<u>\$ 123,037,363</u>	<u>\$ 66,772,907</u>	<u>\$ 171,538,709</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013

<u>ASSETS</u>	<u>General</u>	<u>Debt Service</u>	<u>Transportation and Road Sales Tax Special Revenue</u>	<u>G.O.B. Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Non-pooled cash and cash equivalents	\$ 2,599,581	\$ -	\$ -	\$ -	\$ 2,014,064	\$ 4,613,645
Pooled cash and cash equivalents	2,836,663	-	-	-	25,633,530	28,470,193
Pooled investments	33,237,077	13,645,477	145,681,657	24,156,780	-	216,720,991
Restricted cash and cash equivalents	-	573,139	-	-	951,547	1,524,686
Restricted investments	-	3,161,768	-	-	-	3,161,768
Receivables (net of allowances for uncollectibles)	142,767,160	18,652,987	27,654,329	95,712	16,664,678	205,834,866
Due from other funds	4,035,468	-	-	-	-	4,035,468
Inventories	923,453	-	-	-	-	923,453
Total assets	<u>\$ 186,399,402</u>	<u>\$ 36,033,371</u>	<u>\$ 173,335,986</u>	<u>\$ 24,252,492</u>	<u>\$ 45,263,819</u>	<u>\$ 465,285,070</u>
 <u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 2,462,137	\$ -	\$ 4,730,402	\$ 820,784	\$ 1,414,222	\$ 9,427,545
Accrued payroll and fringe benefits	6,047,383	-	44,752	-	521,298	6,613,433
Due to other funds	765,249	-	-	-	463,177	1,228,426
Intergovernmental payable	1,715,127	-	36,667	-	4,832,741	6,584,535
Deferred revenue	122,216,955	18,517,322	-	-	9,920,428	150,654,705
Total liabilities	<u>133,206,851</u>	<u>18,517,322</u>	<u>4,811,821</u>	<u>820,784</u>	<u>17,151,866</u>	<u>174,508,644</u>
Fund balances:						
Nonspendable - Inventories	923,453	-	-	-	-	923,453
Restricted - Debt service	-	17,516,049	-	-	-	17,516,049
Restricted - General government	-	-	-	-	93,194	93,194
Restricted - Public safety	-	-	-	-	3,885,422	3,885,422
Restricted - Judicial	-	-	-	-	3,231,688	3,231,688
Restricted - Public works	-	-	168,524,165	-	9,392,925	177,917,090
Restricted - Health and welfare	-	-	-	-	394,629	394,629
Restricted - Economic Development	-	-	-	-	1,651,474	1,651,474
Restricted - Culture and Recreation	-	-	-	-	1,022,612	1,022,612
Committed - Capital project funds	-	-	-	23,431,708	8,440,009	31,871,717
Assigned - General government	9,441,650	-	-	-	-	9,441,650
Assigned - Public safety	1,833,438	-	-	-	-	1,833,438
Assigned - Judicial	62,662	-	-	-	-	62,662
Assigned - Public works	99,052	-	-	-	-	99,052
Assigned - Health and welfare	33,112	-	-	-	-	33,112
Unassigned	40,799,184	-	-	-	-	40,799,184
Total fund balances	<u>53,192,551</u>	<u>17,516,049</u>	<u>168,524,165</u>	<u>23,431,708</u>	<u>28,111,953</u>	<u>290,776,426</u>
Total liabilities and fund balances	<u>\$ 186,399,402</u>	<u>\$ 36,033,371</u>	<u>\$ 173,335,986</u>	<u>\$ 24,252,492</u>	<u>\$ 45,263,819</u>	<u>\$ 465,285,070</u>

See notes to financial statements.



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
June 30, 2013**

**Total Governmental Fund Balances** **\$ 290,776,426**

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

**Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.** **310,430,256**

**Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:**

Deferred issuance costs	\$	3,328,252	
Interest receivable		807	
Note receivable		365,533	
Property taxes		<u>2,920,018</u>	<b>6,614,610</b>

**Internal service funds are used by management to charge the costs of insurance, and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.** **16,879,472**

**Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance.** **(30,848,294)**

**Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:**

General obligation bonds	\$	(575,303,035)	
Certificates of participation		(27,990,569)	
Leases payable		(1,552,522)	
Compensated absences		(10,099,602)	
Intergovernmental note payable		(29,657,730)	
Accrued interest payable		<u>(5,513,468)</u>	<u><b>(650,116,926)</b></u>

**Net position of governmental activities** **\$ (56,264,456)**

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2013

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	G.O.B. Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property, local option sales and transportation sales tax	\$ 124,026,409	\$ 18,398,899	\$ 42,527,427	\$ -	\$ 10,840,028	\$ 195,792,763
Intergovernmental	22,880,588	337,269	9,498,216	-	17,262,388	49,978,461
Permits and licenses	4,363,426	-	-	-	-	4,363,426
Fines and forfeitures	1,999,387	-	-	-	834,894	2,834,281
Interest	673,249	190,114	429,856	73,336	48,748	1,415,303
Service charges	21,242,677	-	-	-	14,119,013	35,361,690
Rental and use of property	565,683	-	21,850	-	-	587,533
Other revenues	4,511,154	5,006	76,706	484	544,700	5,138,050
Total revenues	<u>180,262,573</u>	<u>18,931,288</u>	<u>52,554,055</u>	<u>73,820</u>	<u>43,649,771</u>	<u>295,471,507</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	46,385,888	-	7,190,000	-	470,977	54,046,865
Public safety	79,216,528	-	-	-	7,560,092	86,776,620
Judicial	17,052,520	-	-	-	8,688,324	25,740,844
Public works	8,005,633	-	57,542,410	-	9,123,686	74,671,729
Health and welfare	4,194,503	-	-	-	3,026,730	7,221,233
Economic development	-	-	-	-	1,689,704	1,689,704
Culture and recreation	14,148,330	-	2,425,488	-	11,774,252	28,348,070
Education	-	-	-	4,180,974	5,852,056	10,033,030
Capital outlay	-	-	-	8,418,263	5,372,862	13,791,125
Debt service	-	24,939,157	27,619,089	393,124	-	52,951,370
Total expenditures	<u>169,003,402</u>	<u>24,939,157</u>	<u>94,776,987</u>	<u>12,992,361</u>	<u>53,558,683</u>	<u>355,270,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,259,171</u>	<u>(6,007,869)</u>	<u>(42,222,932)</u>	<u>(12,918,541)</u>	<u>(9,908,912)</u>	<u>(59,799,083)</u>
<b>Other financing sources (uses):</b>						
Capital lease proceeds	-	-	-	-	712,056	712,056
Refunding general obligation bonds issued	-	-	70,135,000	59,635,000	-	129,770,000
Bond premium	-	-	16,701,791	7,281,927	-	23,983,718
Payment to escrow agent for refunding	-	-	(86,404,758)	(66,457,934)	-	(152,862,692)
Transfers in	1,114,433	5,086,160	22,834,210	2,150,300	13,746,945	44,932,048
Transfers out	(15,639,608)	(684,986)	(25,852,634)	(65,869)	(7,904,075)	(50,147,172)
Proceeds from sale of capital assets	-	-	-	-	478,115	478,115
Total other financing sources (uses)	<u>(14,525,175)</u>	<u>4,401,174</u>	<u>(2,586,391)</u>	<u>2,543,424</u>	<u>7,033,041</u>	<u>(3,133,927)</u>
Net change in fund balances	(3,266,004)	(1,606,695)	(44,809,323)	(10,375,117)	(2,875,871)	(62,933,010)
Fund balances at beginning of year	<u>56,458,555</u>	<u>19,122,744</u>	<u>213,333,488</u>	<u>33,806,825</u>	<u>30,987,824</u>	<u>353,709,436</u>
Fund balances at end of year	<u>\$ 53,192,551</u>	<u>\$ 17,516,049</u>	<u>\$ 168,524,165</u>	<u>\$ 23,431,708</u>	<u>\$ 28,111,953</u>	<u>\$ 290,776,426</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ (62,933,010)  
*Amounts reported for governmental activities in the statement of activities are different because:*

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

Capital asset additions	\$ 17,270,134	
Depreciation expense	<u>(17,541,300)</u>	(271,166)

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

Cost of capital assets	\$ 10,766,761	
Accumulated depreciation	<u>(9,149,582)</u>	
Net book value	1,617,179	
Proceeds	<u>(478,115)</u>	
Loss on disposal	1,139,064	
Difference of proceeds and loss on sale		(1,617,179)

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

Property taxes and local option sales tax		(181,212)
---	--	-----------

Other revenue which does not provide current resources (356,893)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not result in an expense in the statement of activities. 25,231,675

Other financing source (use) which does not provide current resources or current uses:

Capital lease proceeds	(712,056)	
Refunding general obligation bonds issued	(129,770,000)	
Bond premium	(23,983,718)	
Payment to escrow agent for refunding	<u>152,862,692</u>	(1,603,082)

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due. 734,092

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences payable	\$ (125,422)	
Deferred refunding costs and amortization of premium	<u>3,767,821</u>	3,642,399

To record internal service fund transfers. 5,018,795

The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue of the internal service funds are reported with governmental activities. 61,682

Elimination of indirect income between governmental funds and the enterprise funds. (3,080,555)

The increase of governmental expenditures to avoid the doubling up of net income from the internal service funds. (2,535,388)

Change in net position of governmental activities \$ (37,889,842)

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

<u>REVENUES</u>	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property and local option sales taxes	\$ 120,830,000	\$ 120,830,000	\$ 124,026,409	\$ 3,196,409
Intergovernmental	23,747,574	24,151,331	22,880,588	(1,270,743)
Permits and licenses	4,370,650	4,370,650	4,363,426	(7,224)
Fines and forfeitures	1,968,250	1,968,250	1,999,387	31,137
Interest	806,500	806,500	673,249	(133,251)
Service charges	18,492,525	18,492,525	21,242,677	2,750,152
Rental and use of property	565,000	565,000	565,683	683
Other revenues	4,314,301	4,314,301	4,511,154	196,853
<b>Total revenues</b>	<b>175,094,800</b>	<b>175,498,557</b>	<b>180,262,573</b>	<b>4,764,016</b>
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	3,687,077	3,794,469	3,690,227	104,242
Assistant Administrator for Transportation & Public Works	17,842	18,919	18,864	55
Auditor	2,076,391	2,109,763	1,918,810	190,953
Board of Elections & Voter Registration	1,594,868	1,609,457	1,944,255	(334,798)
Budget	646,272	643,408	625,325	18,083
Community Services	713,720	599,312	551,040	48,272
County Administrator	788,893	964,691	881,998	82,693
County Council	1,449,590	1,414,701	1,326,978	87,723
Deputy Administrator for Finance	472,341	478,042	473,438	4,604
Deputy Administrator for General Services	360,733	363,963	355,988	7,975
Deputy Administrator for Human Services	427,201	413,864	413,644	220
Delinquent Tax	1,089,440	1,111,681	856,473	255,208
Facilities Management	12,631,504	13,232,759	12,439,928	792,831
Finance	936,351	949,269	946,617	2,652
Human Resources	1,324,992	1,421,744	1,362,361	59,383
Internal Auditor	219,666	221,819	191,040	30,779
Legal	1,063,980	1,033,516	977,488	56,028
Legislative Delegation	191,767	194,997	186,992	8,005
Nondepartmental	144,000	144,000	88,942	55,058
Procurement	827,128	837,018	805,594	31,424
Register Mesne Conveyance	1,857,907	1,883,743	1,712,746	170,997
Safety & Risk Management	1,840,957	1,891,610	1,958,105	(66,495)
Technology Services	9,268,636	11,032,676	9,336,330	1,696,346
Treasurer	1,695,325	1,717,932	1,769,615	(51,683)
Zoning/Planning	1,541,045	1,603,635	1,553,090	50,545
<b>Total general government</b>	<b>46,867,626</b>	<b>49,686,988</b>	<b>46,385,888</b>	<b>3,301,100</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Public Safety:</b>				
Building Inspections	\$ 1,446,639	\$ 1,479,187	\$ 1,434,895	\$ 44,292
Consolidated Dispatch	6,852,294	7,280,799	6,578,079	702,720
Emergency Management	714,666	720,049	725,893	(5,844)
Emergency Medical Services	10,940,095	11,040,374	10,855,150	185,224
Sheriff	58,928,197	60,849,320	59,622,511	1,226,809
<b>Total public safety</b>	<b>78,881,891</b>	<b>81,369,729</b>	<b>79,216,528</b>	<b>2,153,201</b>
<b>Judicial:</b>				
Clerk of Court	3,422,265	3,492,655	3,172,641	320,014
Coroner	1,210,948	1,218,119	1,169,964	48,155
Magistrates	4,679,837	4,734,045	4,712,504	21,541
Master-In-Equity	598,317	605,853	604,358	1,495
Probate Court	2,228,513	2,250,589	2,165,549	85,040
Solicitor	5,162,498	5,227,428	5,227,504	(76)
<b>Total judicial</b>	<b>17,302,378</b>	<b>17,528,689</b>	<b>17,052,520</b>	<b>476,169</b>
<b>Public Works:</b>				
Transportation Development	371,554	389,855	602,869	(213,014)
Public Works Department	7,320,384	7,177,809	7,402,764	(224,955)
<b>Total public works</b>	<b>7,691,938</b>	<b>7,567,664</b>	<b>8,005,633</b>	<b>(437,969)</b>
<b>Health and Welfare:</b>				
Indigent Care	1,324,916	1,325,993	1,321,444	4,549
Public Works - Mosquito Abatement	1,949,908	2,380,063	2,250,664	129,399
State Agencies	377,106	377,106	313,574	63,532
Veterans Affairs	300,586	304,982	308,821	(3,839)
<b>Total health and welfare</b>	<b>3,952,516</b>	<b>4,388,144</b>	<b>4,194,503</b>	<b>193,641</b>
<b>Culture and Recreation:</b>				
Charleston County Library	13,921,188	14,148,330	14,148,330	-
<b>Total culture and recreation</b>	<b>13,921,188</b>	<b>14,148,330</b>	<b>14,148,330</b>	<b>-</b>
<b>Total expenditures</b>	<b>168,617,537</b>	<b>174,689,544</b>	<b>169,003,402</b>	<b>5,686,142</b>
<b>Excess of revenues over expenditures</b>	<b>6,477,263</b>	<b>809,013</b>	<b>11,259,171</b>	<b>10,450,158</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources (uses):				
Transfers in	\$ 817,859	\$ 817,859	\$ 1,114,433	\$ 296,574
Transfers out	(16,116,276)	(16,205,899)	(15,639,608)	566,291
Total other financing sources and (uses)	<u>(15,298,417)</u>	<u>(15,388,040)</u>	<u>(14,525,175)</u>	<u>862,865</u>
Net change in fund balance	(8,821,154)	(14,579,027)	(3,266,004)	11,313,023
Fund balance at beginning of year	<u>56,458,555</u>	<u>56,458,555</u>	<u>56,458,555</u>	-
Fund balance at end of year	<u><u>\$ 47,637,401</u></u>	<u><u>\$ 41,879,528</u></u>	<u><u>\$ 53,192,551</u></u>	<u><u>\$ 11,313,023</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2013

<u>ASSETS</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
<b>Current assets:</b>					
Non-pooled cash and cash equivalents	\$ 951	\$ 3,100	\$ 318,434	\$ 322,485	\$ -
Pooled cash and cash equivalents	-	2,250,841	5,160,879	7,411,720	29,815,808
Restricted cash - current portion	82,624	-	-	82,624	-
Restricted investment - current portion	1,451,682	-	-	1,451,682	-
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	28,159,406	49,465	2,388,539	30,597,410	281,611
Due from other funds	-	-	-	-	765,250
Inventories	-	-	-	-	352,737
<b>Total current assets</b>	<b>29,694,663</b>	<b>2,303,406</b>	<b>7,867,852</b>	<b>39,865,921</b>	<b>31,340,406</b>
<b>Noncurrent assets:</b>					
Restricted cash and cash equivalents	57,336,068	-	-	57,336,068	-
	57,336,068	-	-	57,336,068	-
<b>Deferred issuance costs</b>	<b>23,501</b>	<b>45,042</b>	<b>32,673</b>	<b>101,216</b>	<b>-</b>
<b>Capital assets:</b>					
Land	1,600,610	2,350,320	-	3,950,930	-
Construction in progress	18,825	-	-	18,825	-
Buildings	3,654,455	14,515,236	9,702,367	27,872,058	1,695,683
Improvements other than buildings	16,551,526	-	270,255	16,821,781	-
Machinery and equipment	22,176,749	630,204	4,396,536	27,203,489	30,779,179
Less accumulated depreciation	(16,971,451)	(4,912,949)	(5,795,512)	(27,679,912)	(20,293,320)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>27,030,714</b>	<b>12,582,811</b>	<b>8,573,646</b>	<b>48,187,171</b>	<b>12,181,542</b>
<b>Total noncurrent assets</b>	<b>84,390,283</b>	<b>12,627,853</b>	<b>8,606,319</b>	<b>105,624,455</b>	<b>12,181,542</b>
<b>Total assets</b>	<b>\$ 114,084,946</b>	<b>\$ 14,931,259</b>	<b>\$ 16,474,171</b>	<b>\$ 145,490,376</b>	<b>\$ 43,521,948</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2013

<u>LIABILITIES</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
<b>Current liabilities:</b>					
Accounts payable	\$ 32,909,575	\$ 35,263	\$ 639,832	\$ 33,584,670	\$ 3,930,570
Accrued payroll and fringe benefits	263,726	42,921	301,416	608,063	152,001
Compensated absences - current	6,376	1,161	50,355	57,892	11,098
Intergovernmental payable	4,056	1,761	2,037,682	2,043,499	361,049
Due to other funds	3,423,122	-	-	3,423,122	-
Unearned revenue	2,115	-	30,000	32,115	-
Accrued interest payable	27,750	11,660	9,624	49,034	-
Lease payable - current	-	-	-	-	12,326
Certificates of participation - current	-	385,247	310,681	695,928	-
Revenue bonds - current restricted	1,534,306	-	-	1,534,306	-
Accrual for landfill closure - current	557,000	-	-	557,000	-
<b>Total current liabilities</b>	<b>38,728,026</b>	<b>478,013</b>	<b>3,379,590</b>	<b>42,585,629</b>	<b>4,467,044</b>
<b>Noncurrent liabilities:</b>					
OPEB liability	-	-	-	-	21,780,235
Accrual for landfill closure	5,360,000	-	-	5,360,000	-
Compensated absences	540,322	65,943	478,096	1,084,361	382,866
Lease payable	-	-	-	-	12,331
Certificates of participation (net of unamortized discounts and deferred amount on refunding)	-	2,380,673	1,890,550	4,271,223	-
<b>Total noncurrent liabilities</b>	<b>5,900,322</b>	<b>2,446,616</b>	<b>2,368,646</b>	<b>10,715,584</b>	<b>22,175,432</b>
<b>Total liabilities</b>	<b>44,628,348</b>	<b>2,924,629</b>	<b>5,748,236</b>	<b>53,301,213</b>	<b>26,642,476</b>
<b><u>NET POSITION</u></b>					
Net investment in capital assets	25,496,408	9,816,891	6,372,415	41,685,714	12,156,885
Restricted for capital projects	555,000	-	-	555,000	-
Restricted for environmental trust	54,310,707	-	-	54,310,707	-
Restricted for debt service	2,470,361	-	-	2,470,361	-
Unrestricted	(13,375,878)	2,189,739	4,353,520	(6,832,619)	4,722,587
<b>Total net position</b>	<b>\$ 69,456,598</b>	<b>\$ 12,006,630</b>	<b>\$ 10,725,935</b>	<b>\$ 92,189,163</b>	<b>\$ 16,879,472</b>
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(2,763,298)	
Adjustment to reflect the elimination of indirect costs charged by the governmental funds				33,611,498	
				<b>\$ 123,037,363</b>	

See notes to financial statements.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
<b>Operating revenues:</b>					
Charges for services	\$ 1,154,456	\$ 3,239,233	\$ 12,931,892	\$ 17,325,581	\$ 46,668,650
User fees	26,752,522	-	-	26,752,522	-
Sale of recyclables	823,770	-	-	823,770	-
Other revenues	53,893	6,450	13,578	73,921	-
<b>Total operating revenues</b>	<u>28,784,641</u>	<u>3,245,683</u>	<u>12,945,470</u>	<u>44,975,794</u>	<u>46,668,650</u>
<b>Operating expenses:</b>					
Personnel services	6,108,844	1,008,778	7,335,803	14,453,425	3,500,217
Contractual services	7,638,600	164,791	790,254	8,593,645	3,828,286
Materials and supplies	4,649,934	88,833	1,013,907	5,752,674	9,275,552
Utilities	101,073	170,589	893,407	1,165,069	1,400,406
Repairs and maintenance	28,358	19,980	1,695,487	1,743,825	288,275
Rental expenses	96,022	-	523,083	619,105	32,696
Vehicle fleet charges	3,491,972	12,599	36,769	3,541,340	124,766
Employee benefits	-	-	-	-	25,810,195
Other expenses	1,598,595	106,224	3,815,019	5,519,838	1,243,178
Depreciation and amortization	3,136,870	345,505	964,021	4,446,396	2,974,743
Landfill closure	557,000	-	-	557,000	-
<b>Total operating expenses</b>	<u>27,407,268</u>	<u>1,917,299</u>	<u>17,067,750</u>	<u>46,392,317</u>	<u>48,478,314</u>
<b>Operating income (loss)</b>	<u>1,377,373</u>	<u>1,328,384</u>	<u>(4,122,280)</u>	<u>(1,416,523)</u>	<u>(1,809,664)</u>
<b>Nonoperating revenues (expenses):</b>					
Interest income	-	7,322	26,888	34,210	62,538
Interest expense	(153,749)	(161,447)	(158,200)	(473,396)	(20,942)
Intergovernmental revenues	128,854	-	636,390	765,244	-
Gain (loss) on disposal of capital assets	18,029	-	1,873	19,902	314,472
<b>Total nonoperating revenues (expenses)</b>	<u>(6,866)</u>	<u>(154,125)</u>	<u>506,951</u>	<u>345,960</u>	<u>356,068</u>
<b>Income (loss) before transfers</b>	<u>1,370,507</u>	<u>1,174,259</u>	<u>(3,615,329)</u>	<u>(1,070,563)</u>	<u>(1,453,596)</u>
Transfers in	-	-	3,651,638	3,651,638	5,865,132
Transfers out	(34,200)	(1,270,809)	(2,150,300)	(3,455,309)	(846,337)
<b>Change in net position</b>	<u>1,336,307</u>	<u>(96,550)</u>	<u>(2,113,991)</u>	<u>(874,234)</u>	<u>3,565,199</u>
<b>Total net position- beginning</b>	<u>68,120,291</u>	<u>12,103,180</u>	<u>12,839,926</u>		<u>13,314,273</u>
<b>Total net position - ending</b>	<u>\$ 69,456,598</u>	<u>\$ 12,006,630</u>	<u>\$ 10,725,935</u>		<u>\$ 16,879,472</u>
<b>Adjustment to reflect the elimination of indirect costs charged by governmental funds</b>				3,080,552	
<b>Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds</b>				1,020,110	
<b>Change in net position of business-type activities</b>				<u>\$ 3,226,428</u>	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 27,177,604	\$ 3,217,933	\$ 12,550,570	\$ 42,946,107	\$ 395,773
Cash receipts from interfund services provided	-	-	-	-	46,253,409
Cash payments to suppliers for goods and services	(13,520,284)	(579,059)	(8,635,559)	(22,734,902)	(39,081,766)
Cash payments to employees for services	(6,051,643)	(1,015,132)	(7,365,964)	(14,432,739)	(3,461,744)
<b>Net cash (used in) provided by   operating activities</b>	<b>7,605,677</b>	<b>1,623,742</b>	<b>(3,450,953)</b>	<b>5,778,466</b>	<b>4,105,672</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	-	-	3,651,638	3,651,638	5,865,132
Transfers (out)	(34,200)	(1,270,809)	(2,150,300)	(3,455,309)	(846,337)
Interfund advances (repayments)	(1,080,753)	-	-	(1,080,753)	-
Intergovernmental receipt	160,479	-	636,390	796,869	-
<b>Net cash provided by (used in)   noncapital financing activities</b>	<b>(954,474)</b>	<b>(1,270,809)</b>	<b>2,137,728</b>	<b>(87,555)</b>	<b>5,018,795</b>
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on long-term debt	(1,697,984)	(365,595)	(276,801)	(2,340,380)	(281,929)
Interest paid	(182,249)	(162,907)	(159,405)	(504,561)	(20,942)
Proceeds from sale of capital assets	28,029	-	1,873	29,902	632,599
Acquisition and construction of capital assets	(3,342,430)	-	(2,378,721)	(5,721,151)	(6,223,134)
<b>Net cash used in capital and   related financing activities</b>	<b>(5,194,634)</b>	<b>(528,502)</b>	<b>(2,813,054)</b>	<b>(8,536,190)</b>	<b>(5,893,406)</b>
<b>Cash flows from investing activities:</b>					
Interest received	-	7,322	26,888	34,210	62,538
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>7,322</b>	<b>26,888</b>	<b>34,210</b>	<b>62,538</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,456,569</b>	<b>(168,247)</b>	<b>(4,099,391)</b>	<b>(2,811,069)</b>	<b>3,293,599</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>57,414,756</b>	<b>2,422,188</b>	<b>9,578,704</b>	<b>69,415,648</b>	<b>26,647,209</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 58,871,325</b>	<b>\$ 2,253,941</b>	<b>\$ 5,479,313</b>	<b>\$ 66,604,579</b>	<b>\$ 29,940,808</b>
<b>Reconciliation to balance sheet:</b>					
Non-pooled cash and cash equivalents	\$ 951	\$ 3,100	\$ 318,434	\$ 322,485	\$ -
Pooled cash and cash equivalents	-	2,250,841	5,160,879	7,411,720	29,815,808
Restricted cash and investments	58,870,374	-	-	58,870,374	-
Cash with fiscal agent	-	-	-	-	125,000
<b>Cash and cash equivalents at end of year</b>	<b>\$ 58,871,325</b>	<b>\$ 2,253,941</b>	<b>\$ 5,479,313</b>	<b>\$ 66,604,579</b>	<b>\$ 29,940,808</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,377,373	\$ 1,328,384	\$ (4,122,280)	\$ (1,416,523)	\$ (1,809,664)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,136,870	345,505	964,021	4,446,396	2,974,743
Provision for landfill closure	557,000	-	-	557,000	-
Provision for uncollectable accounts	292,055	-	-	292,055	-
Changes in assets and liabilities:					
(Increase) decrease in receivables	(1,899,092)	(27,708)	(424,901)	(2,351,701)	(19,467)
(Increase) decrease in inventories	-	-	-	-	22,548
Increase (decrease) in accounts payable	4,084,270	(16,085)	132,367	4,200,552	2,899,041
Increase (decrease) in accrued payroll	57,201	(6,354)	(30,160)	20,687	38,471
Increase (decrease) in unearned revenue	-	-	30,000	30,000	-
Total adjustments	6,228,304	295,358	671,327	7,194,989	5,915,336
Net cash provided by (used in) operating activities	\$ 7,605,677	\$ 1,623,742	\$ (3,450,953)	\$ 5,778,466	\$ 4,105,672

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
June 30, 2013**

**ASSETS**

Non-pooled cash and cash equivalents	\$ 14,603,434
Pooled investments	<u>65,035,307</u>
<b>Total assets</b>	<b><u>\$ 79,638,741</u></b>

**LIABILITIES**

Due to component units	\$ 673,437
Due to other funds	149,170
Intergovernmental payable	47,309,884
Due to third parties	<u>31,506,250</u>
<b>Total liabilities</b>	<b><u>\$ 79,638,741</u></b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS**  
**June 30, 2013**

<u>ASSETS</u>	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD
Non-pooled cash and cash equivalents	\$ 2,271,871	\$ 25,011,706	\$ 13,255	\$ 7,587,592
Investments	-	-	-	-
Receivables (net of allowances for uncollectibles)	67,839	17,056,883	149,803	5,286,974
Due from primary government	-	140,733	1,723	366,607
Inventories	36,638	666,612	-	16,929
Prepaid items and deposits	136,189	323,861	-	190,171
Deferred issuance costs	-	-	-	127,890
Other noncurrent assets	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	13,387,561	-	1,754,088
Capital assets:				
Land and easements - nondepreciable	-	83,253,117	66,161	552,670
Construction in progress - nondepreciable	-	4,287,785	-	615,350
Artwork and other - nondepreciable	11,000	-	-	-
Buildings	-	45,899,747	162,840	1,545,928
Improvements other than buildings	-	19,023,239	-	45,564
Machinery and equipment	2,292,982	7,159,087	353,535	6,860,168
Infrastructure	-	4,886,974	-	40,352,155
Library materials	18,645,770	-	-	-
Accumulated depreciation	(17,838,654)	(39,568,923)	(508,064)	(17,318,514)
Total assets	<u>5,623,635</u>	<u>181,528,382</u>	<u>239,253</u>	<u>47,983,572</u>
 <u>LIABILITIES</u>				
Accounts payable	454,041	2,094,154	-	411,884
Accrued payroll and fringe benefits	376,812	316,420	-	101,171
Intergovernmental payable	-	-	-	-
Interest payable	-	397,850	-	35,745
Tax anticipation note payable	-	-	-	-
Unearned revenue	18,490	16,798,593	130,362	4,672,859
Noncurrent liabilities:				
Due within one year	68,401	3,522,395	-	1,086,820
Due in more than one year	1,085,228	40,295,339	-	9,019,772
Total liabilities	<u>2,002,972</u>	<u>63,424,751</u>	<u>130,362</u>	<u>15,328,251</u>
 <u>NET POSITION</u>				
Net investment in capital assets	3,111,098	97,605,368	74,472	25,220,909
Restricted for:				
Debt service	-	14,774,411	-	1,790,607
Capital improvement program	-	554,027	-	-
Donors	31,004	-	-	-
Unrestricted	478,561	5,169,825	34,419	5,643,805
Total net position	<u>\$ 3,620,663</u>	<u>\$ 118,103,631</u>	<u>\$ 108,891</u>	<u>\$ 32,655,321</u>

See notes to financial statements.

North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Charleston County Volunteer Rescue Squad Dec. 31, 2012	Totals
\$ 554,835	\$ 790,298	\$ 3,611,941	\$ 40,910	\$ 451,576	\$ 40,333,984
-	-	38,151	72,748	-	110,899
856,581	1,285,727	10,793,243	4,955,964	27,814	40,480,828
10,559	19,066	304,383	59,811	-	902,882
-	-	-	-	-	720,179
-	17,972	238,093	204,933	21,473	1,132,692
-	-	147,920	72,956	-	348,766
-	40,000	-	-	-	40,000
-	-	4,726,669	1,338,653	-	21,206,971
71,068	519,000	586,806	721,603	87,679	85,858,104
-	-	607,490	-	-	5,510,625
-	-	-	-	-	11,000
481,541	5,732,880	5,687,060	4,667,547	311,761	64,489,304
-	-	-	-	34,747	19,103,550
801,233	1,515,894	9,951,077	4,415,200	2,064,379	35,413,555
-	-	-	-	-	45,239,129
-	-	-	-	-	18,645,770
(1,171,838)	(3,949,883)	(6,028,107)	(2,835,515)	(1,790,510)	(91,010,008)
<u>1,603,979</u>	<u>5,970,954</u>	<u>30,664,726</u>	<u>13,714,810</u>	<u>1,208,919</u>	<u>288,538,230</u>
-	65,490	111,898	102,164	-	3,239,631
-	68,075	139,034	106,643	-	1,108,155
114,461	2,285	-	-	-	116,746
-	927	128,017	35,379	-	597,918
-	300,000	-	-	-	300,000
834,959	1,300,334	10,577,915	4,679,387	50,470	39,063,369
-	190,592	1,373,490	651,689	-	6,893,387
-	352,931	10,828,080	4,098,965	-	65,680,315
<u>949,420</u>	<u>2,280,634</u>	<u>23,158,434</u>	<u>9,674,227</u>	<u>50,470</u>	<u>116,999,521</u>
182,004	3,342,240	3,599,135	4,351,082	708,056	138,194,364
-	260	242,286	31,768	-	16,839,332
-	-	-	-	-	554,027
-	-	-	-	-	31,004
<u>472,555</u>	<u>347,820</u>	<u>3,664,871</u>	<u>(342,267)</u>	<u>450,393</u>	<u>15,919,982</u>
<u>\$ 654,559</u>	<u>\$ 3,690,320</u>	<u>\$ 7,506,292</u>	<u>\$ 4,040,583</u>	<u>\$ 1,158,449</u>	<u>\$ 171,538,709</u>



COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS  
 For the Year Ended June 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position										Chas County Volunteer Rescue Squad Dec. 31, 2012	Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD	North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District			
<b>Charleston County Library</b>															
Governmental activities:															
Culture and recreation	\$ 15,656,184	\$ 495,566	\$ 14,434,123	\$ 398,052	\$ (328,443)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (328,443)	
<b>Charleston County PRC</b>															
Governmental activities:															
General government	13,606,134	-	-	2,049,196	-	(11,556,938)	-	-	-	-	-	-	-	(11,556,938)	
Culture and recreation	3,823,114	304,863	-	-	-	(3,518,251)	-	-	-	-	-	-	-	(3,518,251)	
Planning and development	946,616	-	-	-	-	(946,616)	-	-	-	-	-	-	-	(946,616)	
Interest and fiscal charges	979,917	-	-	-	-	(979,917)	-	-	-	-	-	-	-	(979,917)	
Total governmental activities	19,355,781	304,863	-	2,049,196	-	(17,001,722)	-	-	-	-	-	-	-	(17,001,722)	
Business-type activities:															
Park operations	14,083,698	12,530,334	-	-	-	(1,553,364)	-	-	-	-	-	-	-	(1,553,364)	
Total Charleston County PRC	33,439,479	12,835,197	-	2,049,196	-	(18,555,086)	-	-	-	-	-	-	-	(18,555,086)	
<b>Cooper River Park &amp; Playground</b>															
Governmental activities:															
General government	11,900	-	-	-	-	(11,900)	-	-	-	-	-	-	-	(11,900)	
Culture and recreation	197,032	-	-	-	-	(197,032)	-	-	-	-	-	-	-	(197,032)	
Total governmental activities	208,932	-	-	-	-	(208,932)	-	-	-	-	-	-	-	(208,932)	
<b>James Island PSD</b>															
Governmental activities:															
General government	734,575	-	-	-	-	-	(734,575)	-	-	-	-	-	-	(734,575)	
Public safety	3,860,544	-	-	-	-	-	(3,860,544)	-	-	-	-	-	-	(3,860,544)	
Health and welfare	1,953,766	-	-	-	-	-	(1,953,766)	-	-	-	-	-	-	(1,953,766)	
Interest and fiscal charges	51,597	-	-	-	-	-	(51,597)	-	-	-	-	-	-	(51,597)	
Total governmental activities	6,600,482	-	-	-	-	-	(6,600,482)	-	-	-	-	-	-	(6,600,482)	
Business-type activities:															
Wastewater	5,413,506	5,922,551	-	-	-	-	509,045	-	-	-	-	-	-	509,045	
Total James Island PSD	12,013,988	5,922,551	-	-	-	-	(6,091,437)	-	-	-	-	-	-	(6,091,437)	
<b>North Charleston District</b>															
Governmental activities:															
General government	19,123	-	-	-	-	-	-	(19,123)	-	-	-	-	-	(19,123)	
Public safety	894,576	-	-	-	-	-	-	(894,576)	-	-	-	-	-	(894,576)	
Public works	325,541	-	-	-	-	-	-	(325,541)	-	-	-	-	-	(325,541)	
Total governmental activities	1,239,240	-	-	-	-	-	-	(1,239,240)	-	-	-	-	-	(1,239,240)	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS  
 For the Year Ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets									Chas County Volunteer Rescue Squad Dec. 31, 2012	Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD	North Charleston District	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District			
<b>St. Andrew's Parish Parks &amp; Playground Commission</b>															
Governmental activities:															
General government	\$ 1,227,388	\$ -	\$ 5,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,222,136)	\$ -	\$ -	\$ -	\$ (1,222,136)	
Culture and recreation	527,718	462,333	-	-	-	-	-	-	-	(65,385)	-	-	-	(65,385)	
Interest	9,459	254	-	-	-	-	-	-	-	(9,205)	-	-	-	(9,205)	
Total governmental activities	1,764,565	462,587	5,252	-	-	-	-	-	-	(1,296,726)	-	-	-	(1,296,726)	
Business-type activities:															
Culture and recreation	1,545,834	1,060,314	-	-	-	-	-	-	-	(485,520)	-	-	-	(485,520)	
<b>Total St. Andrew's Parish Parks &amp; Playground Commission</b>	<b>3,310,399</b>	<b>1,522,901</b>	<b>5,252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,782,246)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,782,246)</b>	
<b>St. John's Fire District</b>															
Governmental activities:															
Public safety	10,843,072	-	3,614	-	-	-	-	-	-	-	(10,839,458)	-	-	(10,839,458)	
Interest	206,193	-	-	-	-	-	-	-	-	-	(206,193)	-	-	(206,193)	
Total governmental activities	11,049,265	-	3,614	-	-	-	-	-	-	-	(11,045,651)	-	-	(11,045,651)	
<b>St. Paul's Fire District</b>															
Governmental activities:															
Public safety	5,363,937	-	-	13,742	-	-	-	-	-	-	-	(5,350,195)	-	(5,350,195)	
<b>Charleston County Volunteer Rescue Squad</b>															
Governmental activities:															
Public Safety	362,814	-	340,517	-	-	-	-	-	-	-	-	-	(22,297)	(22,297)	
<b>Total Component Units</b>	<b>\$ 82,644,238</b>	<b>\$ 20,776,215</b>	<b>\$ 14,783,506</b>	<b>\$ 2,460,990</b>										<b>\$ (44,623,527)</b>	
<b>General Revenues:</b>															
Property taxes					-	16,178,590	151,790	6,199,450	935,115	1,470,930	11,229,140	4,885,108	-	41,050,123	
Merchants inventory tax and manufacturer's depreciation					-	587,201	55,574	26,232	214,731	238,383	18,024	13,742	-	1,153,887	
Franchise fees					-	-	-	-	44,322	-	-	-	-	44,322	
Grants not restricted to specific program					-	4,124	-	-	-	-	-	-	-	4,124	
Unrestricted investment earnings					18	47,925	-	3,340	920	-	428	477	767	53,875	
Gains on sale of capital assets					-	-	-	3,192	-	-	-	115,199	-	118,391	
Fundraising and donations					-	-	-	-	-	-	-	-	46,661	46,661	
Miscellaneous					-	311,062	-	318,738	-	-	66,763	25,240	818	722,621	
Total general revenues					18	17,128,902	207,364	6,550,952	1,195,088	1,709,313	11,314,355	5,039,766	48,246	43,194,004	
Change in net position					(328,425)	(1,426,184)	(1,568)	459,515	(44,152)	(72,933)	268,704	(310,429)	25,949	(1,429,523)	
Net position - beginning, as restated					3,949,088	119,529,815	110,459	32,195,806	698,711	3,763,253	7,237,588	4,351,012	1,132,500	172,968,232	
Net position - end of year					<u>\$ 3,620,663</u>	<u>\$ 118,103,631</u>	<u>\$ 108,891</u>	<u>\$ 32,655,321</u>	<u>\$ 654,559</u>	<u>\$ 3,690,320</u>	<u>\$ 7,506,292</u>	<u>\$ 4,040,583</u>	<u>\$ 1,158,449</u>	<u>\$ 171,538,709</u>	

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2013

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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Introduction**

The financial statements of the County of Charleston (County) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds, governmental and business-type activities, and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainders of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended June 30, 2013.

**B. Financial Reporting Entity**

The County of Charleston, South Carolina, was established by the State of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government and provides the following services: public safety (sheriff and fire), highways and streets, sanitation, health and social services, cultural and recreational programs, public improvements, planning and zoning, courts, economic development and general administrative services. As required by GAAP, these financial statements present the County (the Primary Government) and its component units, entities for which the County is considered to be financially accountable or for which exclusion of a component unit would render the financial statements misleading.

The County implemented GASB Statement No. 61 in the year ended June 30, 2013, which amended requirements for the inclusion of component units. The implementation did not have a material effect on the County's financial statements.

The core of the financial reporting entity is the primary government, which has a separately elected governing body. As required by generally accepted accounting principles, the financial reporting entity includes both the primary government and all of its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In turn, component units may have component units.

An organization other than a primary government may serve as a nucleus for a reporting entity when it issues separate financial statements. That organization is identified herein as a primary entity. The financial reporting entity includes the County (a primary entity).

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

A primary government or entity is financially accountable if it appoints a voting majority of the organization's governing body, including situations in which the voting majority consists of the primary entity's officials serving as required by law (e.g., employees who serve in an ex officio capacity on the component unit's board are considered appointments by the primary entity) and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

An organization can provide a financial benefit to, or impose a financial burden on, a primary government in a variety of ways. The benefit or burden may result from legal entitlements or obligations, or it may be less formalized and exist because of decisions made by the primary government or agreements between the primary government and a component unit. If a primary government appoints a voting majority of an organization's officials or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for those organizations. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists:

- (1) The primary government is legally entitled to or can otherwise access the organization's resources.
- (2) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- (3) The primary government is obligated in some manner for the debt of the organization.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

Based on the criteria, component units are reported in the County's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

Blended Component Units Reported with the Primary Government	Brief Description of Activities and Relationship to the County	Reporting Funds
<p>Charleston Public Facilities Corporation Administrative Office Address: 4045 Bridge View Drive Room 429 North Charleston, SC 29405 Telephone: (843) 958-4600</p> <p>Charleston Development Corporation Administrative Office Address: 4045 Bridge View Drive Suite B226 North Charleston, SC 29405 Telephone: (843) 958-4600</p>	<p>Single purpose corporate entity established on July 31, 1990, which is prohibited from engaging in any business other than to construct, own and lease facilities to be used for essential County functions in connection with the issuance of tax-exempt Certificates of Participation to finance such facilities. The Corporation is governed by a Board of Directors who is appointed to staggered terms by County Council. The Corporation exists solely for the benefit of Charleston County.</p> <p>Non-Profit Corporate entity established September 16, 2004, to further human, social, and economic development in the County of Charleston, to promote a healthier and safer community, and apply for funding that the County would otherwise not be eligible to receive. The Corporation is governed by a Board of Directors which shall consist of one member of Charleston County Council, two Charleston County employees, and two Charleston County citizens. The Corporation exists solely for the benefit of Charleston County and Charleston County is the sole beneficiary of the corporation's funding.</p>	<p>Debt Service Fund- Certificates of Participation Enterprise Fund- Parking Garages DAODAS</p> <p>Special Revenue Fund- Charleston Development Corporation</p>
Discretely Presented Component Units	Brief Description of Activities and Relationship to the County	
<p>Charleston County Library (CCL) Administrative Office Address: 68 Calhoun Street Charleston, SC 29401 Telephone: (843) 805-6801</p>	<p>The Charleston County Library System was created by South Carolina Legislation in 1979 as part of Charleston County Government. Its primary purpose is to provide library services to the citizens of Charleston County and bookmobile services in the rural areas of the County. The Library operates under an 11 member Board of Trustees which is appointed by County Council. County Council approves the budget and all general obligation debt for the Library.</p>	

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
<p>Charleston County Park and Recreation Commission (CCPRC) Administrative Office Address: 861 Riverland Drive Charleston, SC 29412 Telephone: (843) 762-2172</p>	<p>The Commission was created under the provisions of Act 1595 of the South Carolina Legislature on August 3, 1972. The Commission is empowered to acquire land, establish recreational facilities, and provide recreational activities within Charleston County. The Commission is governed by a seven member board which is appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.</p>
<p>Cooper River Park &amp; Playground Commission (CRPPC) Administrative Office Address: PO Box 71846 N. Charleston, SC 29415 Telephone: (843) 764-3072</p>	<p>The Commission was created on April 27, 1942, under Act 640 of the South Carolina Legislature to provide parks and recreation facilities for use by citizens residing within the geographic boundaries of the Commission. The Commission is governed by a six member Board of Trustees appointed by the North Charleston District and the Cooper River School District. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.</p>
<p>North Charleston District (NCD) Administrative Office Address: P.O. Box 63009 Charleston, SC 29419 Telephone: (843) 764-3072</p>	<p>The District was created as a public service district in 1972 by Act 1768 of the South Carolina Legislature. The District provides fire, sanitation, street lighting, and cleaning services to the residents within its geographic boundaries. The District is governed by a nine member Commission appointed by the Governor through recommendations of the City of North Charleston and the Legislative Delegation. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the District.</p>
<p>James Island Public Service District (JIPSD) Administrative Office Address: P.O. Box 12140 Charleston, SC 29422 Telephone: (843) 795-9060</p>	<p>The District was created by Act 498 of the General Assembly of South Carolina in 1961. The District provides sanitation, fire protection, and sewer treatment services to the residents within geographic boundaries. The District is governed by a seven member Commission elected by the residents of the service area. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the District.</p>

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Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
<p>St. Andrew's Parish Parks &amp; Playground Commission (SAPPPC) Administrative Office Address: P.O. Box 31825 Charleston, SC 29407 Telephone: (843) 763-4360</p>	<p>The Commission was created by the General Assembly of the State of South Carolina in 1945. The Commission has the power to create, develop, maintain, and operate a system of parks and playgrounds for the use and benefit of the residents within its jurisdictional area. The Commission is governed by five members appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.</p>
<p>St. John's Fire District (SJFD) Administrative Office Address: P.O. Box 56 Johns Island, SC 29457 Telephone: (843) 559-9194</p>	<p>The Fire District was created by Act 369 of the South Carolina General Assembly on April 9, 1959. The Fire District provides fire protection services to residents within its geographic boundaries. The Fire District is governed by a seven member commission appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Fire District.</p>
<p>St. Paul's Fire District (SPFD) Administrative Office Address: P.O. Box 65 Hollywood, SC 29449 Telephone: (843) 889-6450</p>	<p>The Fire District was formed under Act 440 of the South Carolina General Assembly in 1949. The Fire District provides fire protection services to the western portion of the County. The Fire District is governed by a seven member commission appointed by the Governor upon recommendation of the County Council. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Fire District.</p>
<p>Charleston County Volunteer Rescue Squad, Inc. (CCVRS) Administrative Office Address: P.O. Box 5012 North Charleston, SC 24906 Telephone: (843) 225-7728</p>	<p>The Rescue Squad received its Charter January 30, 1973, from the State of South Carolina. The primary purpose is to provide volunteer rescue services for the citizens of Charleston County. The rescue squad is exempt from federal and state income taxation under Section 501(c) (3) of the U.S. Internal Revenue Code and is not a private foundation. The rescue squad is economically dependent on the County. In the event CCVRS is dissolved, Charleston County would be the beneficiary of any assets.</p>

The complete financial statements for each component unit may be obtained from their administrative offices at the addresses stated above.



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**C. Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The accounts of the County and its component units are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary, and fiduciary.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

**Fund Financial Statements**

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

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**Fund Accounting** - The major fund types are:

**Governmental funds** are used to account for general governmental activities. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

*General Fund* – This is the primary operating fund of the County. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Debt Service Fund* – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

*General Obligation Bond Capital Projects Fund* – This fund accounts for financial resources to be used to complete several construction projects funded by bond issues. These include the Consolidated Dispatch Center, Detention Center expansion, and radio system improvements.

*Transportation and Road Sales Tax Special Revenue Fund* – This fund accounts for revenues generated by the half cent sales tax for roads, public transportation, and greenbelts.

**Proprietary funds** reporting focus is on the determination of operating income, changes in net position, financial position, and cash flow. Proprietary funds are classified as either enterprise or internal service. These funds use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

**Enterprise Funds** – These funds are used to account for those operations that are financed and operated in a manner similar to private business. In the enterprise funds a fee is charged to external users. The County reports the following major proprietary funds:

*Environmental Management* – This fund is used to account for the County's solid waste disposal activities, currently consisting of the following:

1. Incineration plant service agreement including ash disposal, which was terminated December 2009.
2. Landfill to dispose of all county dry goods and construction materials.
3. Service contracts for hauling and transfer of municipal solid waste.

This fund is also used to account for the County's recycling operations, which consist of the following:

1. Curbside collection of recyclables in the urban areas of the County.
2. Drop-box collection in all areas of the County.
3. Operation of materials recovery facility.
4. Yard waste mulch facility.

These services are funded from collection of a countywide user fee, tipping fees at the landfill, and sale of recyclables.

Charleston County Council elected not to renew the service agreement with Montenay for the incinerator that ended November 30, 2009. The waste-to-energy facility has been dismantled according to the terms of the facility site lease removing all buildings and equipment improvements. Charleston County and Montenay are currently negotiating the final adjustment to the operation and maintenance fees according to the service agreement.

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*Parking Garages* – This fund is used to account for the operation, financing, and construction of parking facilities. The County has operated a 454 space parking garage adjacent to the County's administrative and court facilities, which also serves area hotels, restaurants, and others since the 1970's. During 1992 the fund received \$12,375,000 of the proceeds from Charleston Public Facilities Corporation (a component unit of the County) Certificates of Participation to construct a 1,608 space-parking garage adjacent to the Charleston Memorial Hospital. During 1996 the fund received \$8,884,000 of the proceeds from the 1995 Certificates of Participation to construct an additional 438 space parking garage adjacent to the existing City of Charleston Cumberland Street garage to service the future Judicial Center. The County assumed the operation of the existing Cumberland Street garage in April 1998 from the City of Charleston. During fiscal year 2004 the parking garage adjacent to the Charleston Memorial Hospital was sold to the Medical University Hospital Authority.

*Internal Service Funds* – These funds account for the financing of services provided by one department to other departments of the County, or to other governments, on a cost reimbursement basis.

*Fleet Management* – This fund is used to account for all operations of the County's centrally administered vehicle operation. Functions included within this operation are writing the specifications and assisting in the purchase of all on and off-road vehicles and equipment; owning all vehicles and equipment not specifically used in other County proprietary operation; maintaining all vehicles and equipment; operating a County-wide fuel distribution and monitoring system; operating a fleet of pool cars for those departments not directly assigned vehicles; and operating a vehicle parts warehouse.

*Office Support Services* – This fund is used to account for the centrally administered mail pick-up and delivery service, duplicating machines, postage metering service, and records management. Records management includes establishing records retention schedules for all County operations, centralized storage of records, and a centralized microfilming operation.

*Telecommunications* – This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

*Workers' Compensation* – This fund is used to account for the costs of staffing a workers' compensation division as well as the cost of providing insurance through the S.C. Association of County Commissioners Self-Insurance Fund. Funding is provided by levying a percentage charge against all departmental payrolls. In fiscal year 1996, insurance was converted to self-insurance coverage for all claims less than \$100,000.

*Employee Benefits* – This fund is used to account for costs of providing health and life insurance to the County's employees and retirees. Funding is provided by a percentage charge against all departmental payrolls and payments from retirees. The fund is administered by seven trustees; the Finance Director and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator and 4) Assistant Administrator of Finance. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance.

**Fiduciary fund** reporting focuses on net position and changes in net position. This fund accounts for assets held by the County as an agent on behalf of others. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's only fiduciary funds are agency funds.

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*Agency Funds* – This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections Director, Clerk of Court (who administers both Clerk of Court and Family Court funds), Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

**Component units** are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

**D. Measurement Focus**

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

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

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34*, effective for periods beginning after June 15, 2012, improves financial reporting by enhancing guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The County implemented the new requirements in the current year.

**E. Basis of Accounting**

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

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

**Revenues – Exchange and Non-Exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end with respect to property taxes and one year after fiscal year-end for all other governmental revenues.

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Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements in which the County must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes collected within 60 days of fiscal year end, sales tax, grants, interest, accommodations fees, intergovernmental revenue, and charges for services.

**Unearned/Deferred Revenue** – Deferred and unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance fiscal year 2014 operations have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Expenses/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**F. Assets, Liabilities and Equity**

**1. Cash and Investments**

The County maintains and controls several major cash and investment pools which the funds of the primary government share. Each fund's portion of a pool is presented on its respective balance sheets as "pooled cash and cash equivalents." In addition, non-pooled cash and investments are separately held and reflected in the respective funds as "non-pooled cash and cash equivalents" and "investments," some of which are restricted assets.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. For purposes of the Proprietary Funds' statement of cash flows, all short-term highly liquid investments, including restricted assets, with original maturities of three months or less from the date of acquisition are considered to be cash equivalents.

South Carolina State law limits investments to those authorized by South Carolina Code of Laws Section 6-5-10. These state statutes authorize investments in the following:

1. Obligations of the United States and agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation.

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4. Certificates of deposits and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest.
5. No load open and closed-end portfolios of certain investment companies with issues of the US Government.

The County and its component units have certain funds invested with the South Carolina State Treasurer's Office which established the South Carolina Local Government Investment Pool (the Pool) pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs which are under the custody of any county treasurer or any governing body of a political subdivision of the State may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Separate financial statements can be requested at Wade Hampton Office Building, 1200 Senate Street, Columbia, SC, 29201.

**2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The allowance for trade accounts receivable is computed based upon an estimate of collections within each aging category. The allowance for property taxes receivable is based upon a composite average of each delinquent tax year's collections to the outstanding balance at the beginning of the fiscal year.

The County bills and collects property taxes for itself and all other taxing entities within the County. Property taxes are recognized in the period for which they are levied and available for financing current expenditures. Property taxes receivable represents current and delinquent real and personal taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year-end, except those collected within 60 days, are recorded as deferred revenue and thus not recognized as revenue until collected in the governmental funds. Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – 3 percent, February 1 – an additional 7 percent, March 16 – an additional 5 percent. On March 16, the property tax bills are turned over to the delinquent tax office and the properties are subject to sale. Taxes on licensed motor vehicles are levied during the month when the taxpayer's vehicle license registration is up for renewal. The County must provide proof of payment to the South Carolina Department of Transportation before that agency will renew the taxpayer's vehicle license.

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The County charges a user fee to real property owners and certain commercial and governmental entities providing revenues for a portion of the County's solid waste collection and disposal effort (e.g., incineration, landfill and recycling). Tipping fees charged to certain commercial and governmental entities are also included. Annual charges to real property owners are billed in the fall for the subsequent calendar year, but are recognized in full in the year of billing. An allowance for uncollectible accounts is established based upon an historical estimate of the collections within each customer category: residential, commercial, governmental or housing agencies.

The County also charges an annual storm water fee to real property owners in unincorporated areas and certain municipalities. This fee funds the County's storm water management program, which is now required under federal regulations. An allowance for uncollectible accounts is established based upon historical estimates.

**3. *Inventories and Prepaid Items***

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

In the governmental fund statements, reported inventories and prepaid items are equally offset by a nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**4. *Restricted Assets***

Certain assets of the County's Debt Service and Enterprise Funds and component units derived from proceeds of various General Obligation Bonds, Revenue Bonds and Certificates of Participation are set aside for their repayment or earmarked by the Trustee for specific purposes. These assets are classified as restricted assets on the balance sheet in both the government-wide and fund financial statements, because their use is limited by applicable bond covenants. All restricted assets are considered expendable.

**5. *Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the assets are not capitalized by governmental or business-type activities.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the year ended June 30, 2013.

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All reported capital assets except land and certain infrastructure assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Buildings Improvements	10-45
Improvements other than buildings	10-45
Public Domain Infrastructure	20-50
Vehicles	5
Office Equipment	5-10
Computer Equipment	3-5
Other Equipment	5-12
Landfill Land	10-20
Sewer Systems	25-50

**6. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred refunding costs represent the difference between the reacquisition price and the net carrying value of the refunded debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**7. Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is recorded when accrued by the employee in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of the employee resignations and retirements.

**8. Fund Equity**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.



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2. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of the other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – A net position that does not meet the definition of “net investment in capital assets” or “restricted.”

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, effective for periods beginning after December 15, 2011, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, and changes the caption Net Assets to Net Position. The County implemented the new requirements in the current year.

***Fund Statements***

The County has adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (required implementation date of June 2011). This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the County to classify and report amounts in the appropriate fund balance classifications. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. Fund balances are classified as follows:

Nonspendable fund balance cannot be spent because of its form.

Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Restrictions are placed on fund balances when legally enforceable legislation establishes the County's right to assess, levy, or charge fees to be used for a specific purpose. Legal enforceability means that the County can be compelled by an external party to use resources created by enabling legislation only the purpose specified by the legislation.

Committed fund balance has self-imposed limitations imposed at the highest level of decision making authority. County Council is the County's highest level of decision making that can, by adoption of an ordinance establish, modify or rescind a fund balance commitment. Committed amounts cannot be used for any other purpose unless Council removes those constraints by taking the same type of action. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Council.

Assigned fund balance are amounts intended to be used by the County for specific purposes. Assigned fund balance includes all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed and amounts in the General Fund that are intended to be used for a specific purpose. At this time, Council has elected not to delegate this authority.

Unassigned fund balance in the General Fund equals the net resources in excess of what can be properly classified in one of the above four categories.

The County targets General Fund unassigned fund balance at a minimum of 1-1/2 to 2 months of the subsequent year's General Fund disbursements.

Unassigned – All amounts not included in other spendable classifications. The County permits funds to be expended in the following order: Committed, Assigned, and Unassigned.

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**9. Accounting Estimates**

The preparation of financial statements in accordance with GAAP requires the County's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**10. Net Position**

Net position represents the difference between assets and liabilities. Net position, net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Nonspendable fund balance cannot be spent because of its form.

Restricted fund balance has limitations imposed by creditors, grantors, or contributors of by enabling legislation or constitutional provisions. Restrictions are placed on fund balances when legally enforceable legislation establishes the County's right to assess, levy, or charge fees to be used for a specific purpose. Legal enforceability means that the County can be compelled by an external party to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed fund balance has self-imposed limitations imposed at the highest level of decision making authority. County is the County's highest level of decision making that can, by adoption of an ordinance establish, modify or rescind a fund balance commitment. Committed amounts cannot be used for any other purpose unless Council removes those constraints by taking the same type of action. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Council.

Assigned fund balanced are amounts intended to be used by the County for specific purposes. County Council delegates the authority to classify fund balance as "assigned" to the Administrator per the County's financial policy. Assigned fund balance includes all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed and amounts in the General Fund that are intended to be used for a specific purpose.

Unassigned fund balance in the General Fund equals the net resources in excess of what can be properly classified in one of the above four categories.

**11. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for solid waste disposal, recycling, parking garages, E-911 communication system, radio communication system, revenue collections, and the activity of the programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS), vehicle maintenance, telephone service, and insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

**12. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in as general revenues as transfers.

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Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund and certain Special Revenue Funds including Accommodations, Child Support Enforcement, Economic Development, Education, Fire Districts, Hazardous Materials Enforcement, Public Defender, Storm Water Drainage, Sheriff, Solicitor, and Victim Notification Funds. The balance of the Special Revenue Funds and Capital Projects Funds are budgeted over the life of the grant or project. Formal budgetary policies are not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through General Obligation Bond indenture provisions and the base lease agreements governing the Certificates of Participation. Certain reclasses have been made to the general fund presentation of the budget.

All agencies of the County and its component units must submit requests for appropriations to the County Administrator by March 15 along with revenue estimates so that a budget may be prepared. By May 1, the proposed budgets are presented to County Council for review. The Council holds public hearings and adopts the final budgets by July 1 through passage of an ordinance.

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level and major category, i.e. personnel, non-personnel and capital outlay, are further defined in the budget document and are subject to County Administrator approval. The County Administrator is authorized to make transfers between major expenditure categories within departments and between departments within the same fund.

The Administrator has further delegated to the Assistant Administrators the authority to transfer between departments. The budget ordinance must be amended by Council to effect changes in fund totals.

Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations were necessary.

The results were increases and decreases within the individual departments within the funds. All annual appropriations lapse at year-end.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits, Cash Equivalents and Investments**

***Custodial Credit Risk - Deposits***

Custodial Credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County follows Section 6-5-15, South Carolina Code of Law, 1976 (as amended) as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or (2) pledge as collateral: (a) obligations of the United States; (b) obligations fully guaranteed both as to principal and interest by the United States; (c) general obligations of this State or any political subdivision of this State; or (d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity.

As of June 30, 2013, none of the County's bank balance of \$149,758,681 was exposed to custodial credit risk.

***Custodial Credit Risk – Investments***

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2013, the County had no exposed custodial credit risk on its investments which total \$286,369,748. \$221,334,441 is reported on the Statement of Net Position and \$65,035,307 is reported with Agency Funds. The County does not have a formal investment policy to address custodial credit risk.

The State Treasurer sells participation in the South Carolina Local Government Investment Pool to political subdivisions of the State. Funds deposited into the South Carolina Local Government Investment Pool by legally qualified entities are used to purchase investment securities as follows:

1. U.S. Government Securities (direct obligations)
2. Federal Agency Securities
3. Repurchase Agreements Secured by U.S. Government Securities and/or Federal Agency Securities
4. A1/P1 Commercial Paper (Moody's/S&P highest rating)

Funds belonging to any entity that are on deposit with the South Carolina Local Government Investment Pool represent participation units in a portfolio comprised of the above referenced securities, and the external investment pool is not rated.

It is policy of the State Treasurer's Office that no derivatives of U.S. Government Securities and/or Federal Agency Securities and/or A1/P1 Commercial Paper are to be purchased by or for the South Carolina Local Government Investment Pool.

***Credit Risk***

The County had \$33,975,174 invested in the South Carolina Local Government Investment Pool (SCLGIP). \$41,596,124 has been invested in certificates of deposits and therefore by definition is not subject to credit risk. \$30,976,681 has been invested in debt securities of the Federal Home Loan Mortgage Discount Note and \$138,666,769 has been invested in Federal National Mortgage Assistance Pool. \$2,155,000 has been invested in Federal Farm Credit Bank and \$39,000,000 has been invested in Federal Home Loan Bank. They are rated AAA and Aaa for long-term unsecured debt by Standards & Poor's and Moodys, respectively. The County has no formal policy relating to the credit risk of investments.

***Investment Policy***

The County's Investments are carried at cost or amortized cost. Non-participating interest-earning investment contracts, such as bank certificates of deposit whose terms are not affected by changes in market rates, are stated at cost. Investment contracts that have a remaining maturity at the time of the purchase of one year or less are stated at amortized cost, provided the fair value of the investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Amortization of investment premiums and discounts is netted against investment income for financial statement purposes. Money market investments are short-term, highly liquid debt instruments including US Treasury obligations. Interest-earning investment contracts are contracts that a government enters into with a financial institution or other financial services company for which it receives interest payments.

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As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy specifies limitations on instruments; diversification and maturity scheduling that are dependent upon whether the funds being invested are considered short term or long term funds. Investment maturities for operating funds are scheduled to coincide with projected cash flow needs, taking in to account large routine expenditures as well as considering sizeable blocks of anticipated revenue. Maturities in this category are timed to comply with the following guidelines:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	90% minimum
Under 18 months	100% minimum

Long-term investment maturity scheduling is timed according to anticipated needs. The County's investments have a fair value of \$286,369,748 as of June 30, 2013.

	<u>Maturity Date</u>		
	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<b>Investments and Maturity:</b>			
Certificates of Deposits	\$ 491,124	\$ 41,105,000	\$ -
SCLGIP	33,975,174	-	-
Federal Home Loan Bank	-	-	39,000,000
Federal Farm Credit Bureau	-	2,155,000	-
Federal Home Loan Mortgage Discount Note	1,451,681	19,525,000	10,000,000
Federal National Mortgage Assistance Pool	-	127,931,769	10,735,000
	<u>\$ 35,917,979</u>	<u>\$ 190,716,769</u>	<u>\$ 59,735,000</u>

***Concentrations of Credit Risk***

More than 5 percent of the County's investments are listed as follows:

Certificates of Deposits	14.44%
SCLGIP	11.88%
Federal Home Loan Bank	13.63%
Federal Farm Credit Bureau	.75%
Federal Home Loan Mortgage Discount Note	10.83%
Federal National Mortgage Assistance Pool	<u>48.47%</u>
	100.00%

**Component Units**

**Cash Deposits, Cash Equivalents and Investments**

***Interest Rate Risk***

The Component Units have no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

***Custodial Credit Risk***

None of the component unit's deposits or investments were subject to custodial credit risk.

***Credit Risk***

None of the component unit's deposits or investments were subject to credit risk.

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**Concentrations of Credit Risk**

The component units have no formal policies that limit the amounts that may be invested in any one issuer.

**Custodial Credit Risk-Investments**

None of the component units have a formal investment policy for managing custodial credit risk. As of June 30, 2013, the Charleston County Park and Recreation Commission had \$31,058,957, St. Paul's Fire District had \$72,748 and St. John's Fire District had \$4,764,820 invested in the State Treasurer's Local Government Investment Pool.

**Concentration of Risk**

The Library and St Paul's Fire District have no limit on the amount they may invest in any one issuer. The remaining component units have no formal investment policy that would limit its investment choices. None of the component units have more than 5 percent of their investments in any one issuer.

A reconciliation of cash and investments as shown on the Statement of Net Position for the primary government and the component units and Statement of Fiduciary Net Position for agency funds follows:

Cash on hand - primary government	\$ 55,372
Cash on hand - component units	92,164
Carrying amount of deposits - primary government	144,125,291
Carrying amount of deposits - component units	30,389,834
Carrying amount of investments - primary government	286,369,748
Carrying amount of investments - component units	31,169,856
Cash with fiscal agent - primary government	125,000
	<hr/>
Total carrying amount of cash and investments	\$ 492,327,265
	<hr/>
Non-pooled cash and cash equivalents	59,873,548
Pooled cash and cash equivalents	65,697,721
Restricted cash and cash equivalents	80,150,349
Pooled investments	281,756,298
Non-pooled investments	110,899
Restricted investments	4,613,450
Cash with fiscal agent	125,000
	<hr/>
Total carrying amount of cash and investments	\$ 492,327,265
	<hr/>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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**B. Receivables**

Receivables as of June 30, 2013, including the applicable allowances for uncollectible accounts, are as follows:

<b>Primary government:</b>	<u>Governmental Funds</u>				
	General	Debt Service	Transportation Special Revenue Fund	G.O.B. Capital Projects	Non-major Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Receivables:					
Current property taxes	\$ 127,288,458	\$ 19,080,880	\$ -	\$ -	\$ 10,016,262
Delinquent property taxes	3,582,610	776,069	-	-	446,483
Accounts	14,572,049	-	-	95,712	1,029,560
Intergovernmental	17,119,936	27,653	27,654,329	-	6,513,643
Notes	-	-	-	-	26,737
Gross receivables	<u>162,563,053</u>	<u>19,884,602</u>	<u>27,654,329</u>	<u>95,712</u>	<u>18,032,685</u>
Less allowance for uncollectable:					
Current property taxes	7,255,442	1,028,459	-	-	672,600
Delinquent property taxes	954,356	203,156	-	-	118,506
Accounts	11,586,095	-	-	-	550,164
Notes	-	-	-	-	26,737
Gross allowance	<u>19,795,893</u>	<u>1,231,615</u>	<u>-</u>	<u>-</u>	<u>1,368,007</u>
Net total receivable	<u>\$ 142,767,160</u>	<u>\$ 18,652,987</u>	<u>\$ 27,654,329</u>	<u>\$ 95,712</u>	<u>\$ 16,664,678</u>

	<u>Proprietary</u>	<u>Totals</u>	
	Business-type Activities	Governmental Activities-Internal Service Funds	Primary Government
	<u>          </u>	<u>          </u>	<u>          </u>
Receivables:			
Current property taxes	\$ -	\$ -	\$ 156,385,600
Delinquent property taxes	-	-	4,805,162
Accounts	36,457,533	146,081	52,300,935
Intergovernmental	526,360	135,530	51,977,451
Notes	-	-	26,737
Gross receivables	<u>36,983,893</u>	<u>281,611</u>	<u>265,495,885</u>
Less allowance for uncollectable:			
Current property taxes	-	-	8,956,501
Delinquent property taxes	-	-	1,276,018
Accounts	6,386,483	-	18,522,742
Notes	-	-	26,737
Gross allowance	<u>6,386,483</u>	<u>-</u>	<u>28,781,998</u>
Net total receivable	<u>\$ 30,597,410</u>	<u>\$ 281,611</u>	<u>\$ 236,713,887</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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**Component Units:**

	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>JIPSD</u>	<u>NCD</u>
Receivables:					
Current property taxes	\$ -	\$ 16,911,339	\$ 141,544	\$ 5,013,859	\$ 871,038
Delinquent property taxes	-	681,391	13,080	295,941	80,022
Accounts	54,243	241,449	-	264,246	-
Intergovernmental	13,596	812	10,571	113,928	-
Gross receivables	<u>67,839</u>	<u>17,834,991</u>	<u>165,195</u>	<u>5,687,974</u>	<u>951,060</u>
Less allowance for uncollectible:					
Current property taxes	-	778,108	11,182	340,441	68,812
Delinquent property taxes	-	-	4,210	20,559	25,667
Accounts	-	-	-	40,000	-
Gross allowance	<u>-</u>	<u>778,108</u>	<u>15,392</u>	<u>401,000</u>	<u>94,479</u>
Net total receivable	<u>\$ 67,839</u>	<u>\$ 17,056,883</u>	<u>\$ 149,803</u>	<u>\$ 5,286,974</u>	<u>\$ 856,581</u>
					Total Component Units
	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>CCVR</u>	
Receivables:					
Current property taxes	\$ 1,299,410	\$ 11,054,358	\$ 5,188,940	\$ -	\$ 40,480,488
Delinquent property taxes	70,585	275,564	411,917	-	1,828,500
Accounts	-	2,877	537	-	563,352
Intergovernmental	19,932	-	-	27,814	186,653
Gross receivables	<u>1,389,927</u>	<u>11,332,799</u>	<u>5,601,394</u>	<u>27,814</u>	<u>43,058,993</u>
Less allowance for uncollectible:					
Current property taxes	85,631	476,443	509,553	-	2,270,170
Delinquent property taxes	18,569	63,113	135,877	-	267,995
Accounts	-	-	-	-	40,000
Gross allowance	<u>104,200</u>	<u>539,556</u>	<u>645,430</u>	<u>-</u>	<u>2,578,165</u>
Net total receivable	<u>\$ 1,285,727</u>	<u>\$ 10,793,243</u>	<u>\$ 4,955,964</u>	<u>\$ 27,814</u>	<u>\$ 40,480,828</u>



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In fiscal year 2004, County Council approved a \$400,000 non-interest bearing loan from the County's accommodations fee special revenue fund to the Convention and Visitor's Bureau to be repaid at \$40,000 per year for the next ten years. The loan was expended on the County's books when made with a corresponding entry to allowance for doubtful accounts.

During March 2010, the County entered into an agreement with the City of Charleston where the County is to provide digital radio system and services for the City's police and fire services at an initial cost of \$1,431,217 for equipment. The County did not complete the 800 megahertz (MHz) upgrade until August 2010, at which point the City of Charleston owed the County the first of four payments of \$375,207.

Primary Government

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2014	\$ 375,207
Total minimum note payments	<u>375,207</u>
Less amount representing interest	<u>( 9,674)</u>
Present value of minimum note payments	<u>\$ 365,533</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**C. Capital Assets**

Primary government capital asset activity for the year ended June 30, 2013, was as follows:

<b>Governmental Activities</b>	<u>Balance July 1, 2012</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 21,213,038	\$ -	\$ (2,335)	\$ 21,210,703
Construction in progress	17,063,065	4,816,471	(19,463,883)	2,415,653
Infrastructure-easements, land	8,643,216	481,822	(75,936)	9,049,102
Total capital assets not being depreciated	<u>46,919,319</u>	<u>5,298,293</u>	<u>(19,542,154)</u>	<u>32,675,458</u>
Capital assets being depreciated:				
Buildings	306,472,516	16,231,252	(474,803)	322,228,965
Improvements other than buildings	2,166,637	-	-	2,166,637
Machinery and equipment	98,862,804	20,836,556	(12,309,344)	107,390,016
Infrastructure	38,227,120	590,961	(1,408,515)	37,409,566
Total capital assets being depreciated	<u>445,729,077</u>	<u>37,658,769</u>	<u>(14,192,662)</u>	<u>469,195,184</u>
Less accumulated depreciation:				
Buildings	(73,965,703)	(7,013,961)	337,638	(80,642,026)
Improvements other than buildings	(1,480,148)	(71,948)	-	(1,552,096)
Machinery and equipment	(63,281,830)	(12,034,957)	11,293,729	(64,023,058)
Infrastructure	(32,350,747)	(1,395,177)	704,260	(33,041,664)
Total accumulated depreciation	<u>(171,078,428)</u>	<u>(20,516,043)</u>	<u>12,335,627</u>	<u>(179,258,844)</u>
Total capital assets being depreciated, net	<u>274,650,649</u>	<u>17,142,726</u>	<u>(1,857,035)</u>	<u>289,936,340</u>
Governmental activities				
Total capital assets, net	<u>\$ 321,569,968</u>	<u>\$ 22,441,019</u>	<u>\$ (21,399,189)</u>	<u>\$ 322,611,798</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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	<u>Balance as of July 1, 2012</u>	<u>Transfer/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2013</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 3,950,930	\$ -	\$ -	\$ 3,950,930
Construction in progress	-	18,825	-	18,825
Total capital assets not being depreciated	<u>3,950,930</u>	<u>18,825</u>	<u>-</u>	<u>3,969,755</u>
Capital assets being depreciated:				
Buildings	27,724,082	147,976	-	27,872,058
Improvements other than buildings	16,821,781	-	-	16,821,781
Machinery and equipment	22,315,506	5,554,349	(666,366)	27,203,489
Total capital assets being depreciated	<u>66,861,369</u>	<u>5,702,325</u>	<u>(666,366)</u>	<u>71,897,328</u>
Less accumulated depreciation:				
Buildings	(9,344,362)	(546,677)	-	(9,891,039)
Improvements other than buildings	(2,246,049)	(13,513)	-	(2,259,562)
Machinery and equipment	(12,344,852)	(3,840,825)	656,366	(15,529,311)
Total accumulated depreciated	<u>(23,935,263)</u>	<u>(4,401,015)</u>	<u>656,366</u>	<u>(27,679,912)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>42,926,106</u>	<u>1,301,310</u>	<u>(10,000)</u>	<u>44,217,416</u>
Total capital assets, net	<u>\$ 46,877,036</u>	<u>\$ 1,320,135</u>	<u>\$ (10,000)</u>	<u>\$ 48,187,171</u>

Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities**

General government	\$ 8,029,410
Public safety	8,718,007
Judicial	1,432,833
Public works	1,518,220
Health and welfare	172,432
Economic development	11,393
Culture and recreation	633,748
Total	<u>\$ 20,516,043</u>

**Business-type Activities**

DAODAS	\$ 241,221
E-911 Communications	655,689
Environmental Management	3,101,618
Parking Garage	339,943
Radio Communications	59,919
Revenue Collections	2,625
Total	<u>\$ 4,401,015</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**Component Units**

Capital assets not being depreciated:	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Land	\$ 83,833,892	\$ 2,024,212	\$ -	\$ 85,858,104
Construction in progress	2,333,788	6,345,191	(3,168,354)	5,510,625
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>86,178,680</u>	<u>8,369,403</u>	<u>(3,168,354)</u>	<u>91,379,729</u>
Capital assets being depreciated:				
Buildings	63,991,498	1,257,968	(760,162)	64,489,304
Improvements other than buildings	18,987,035	117,107	(592)	19,103,550
Machinery and equipment	32,750,678	3,829,511	(1,166,634)	35,413,555
Infrastructure	43,268,615	1,970,514	-	45,239,129
Library materials	19,807,371	1,506,141	(2,667,742)	18,645,770
Total capital assets being depreciated	<u>178,805,197</u>	<u>8,681,241</u>	<u>(4,595,130)</u>	<u>182,891,308</u>
Less accumulated depreciation	<u>(87,666,905)</u>	<u>(7,538,081)</u>	<u>4,194,978</u>	<u>(91,010,008)</u>
Total capital assets being depreciated, net	<u>91,138,292</u>	<u>1,143,160</u>	<u>(400,152)</u>	<u>91,881,300</u>
Component units total capital assets, net	<u>\$ 177,316,972</u>	<u>\$ 9,512,563</u>	<u>\$ (3,568,506)</u>	<u>\$ 183,261,029</u>

Depreciation expense was charged to functions of the component units as follows:

General government	\$ 2,484,094
Public safety	1,501,435
Culture and recreation	2,634,106
Health and welfare	94,441
Wastewater	<u>824,005</u>
Total	<u>\$ 7,538,081</u>

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Construction in progress in the Governmental Activities as of June 30, 2013, is composed of the following:

<b>Primary Government</b>	<u>Project Authorization</u>	<u>Expended to June 30, 2013</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
Detention Center Admin Bldg.	1,269,225	655,886	320,566	None
Law Enforcement Center	12,500,000	1,280,294	4,419,074	General obligation bonds
Pictometry Change Analysis	<u>822,166</u>	<u>479,473</u>	<u>42,751</u>	None
Total governmental activities	<u>\$ 14,591,391</u>	<u>\$ 2,415,653</u>	<u>\$ 4,782,391</u>	

Construction in progress as of June 30, 2013 in the business-type activities is composed of the following:

**Primary Government**

Environmental Management Lined Landfill	<u>\$ 5,000,000</u>	<u>\$ 18,825</u>	<u>                  -</u>	None
Total business-type activities	<u>\$ 5,000,000</u>	<u>\$ 18,825</u>	<u>\$                  -</u>	
 Total Primary Government	 <u>\$ 19,591,391</u>	 <u>\$ 2,434,478</u>	 <u>\$ 4,782,391</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2013, the County has assets under capital lease with a total cost of \$8,345,660 and a net book value of \$4,048,725. The assets are computer equipment depreciated over a three to five year period, copier equipment depreciated over a five year period and two firefighting vehicles depreciated over an eight year period included in the County's machinery and equipment capital asset category. Also included is a capital lease for the Lee Building which is being depreciated over a 45 year period. This asset is included in the buildings capital asset category.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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<b>Component Unit</b>	<u>Project Authorization</u>	<u>Extended to June 30, 2013</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
<b>CCPRC</b>				
Folly Beach County Park	\$ 3,914,570	\$ 3,754,659	\$ 198,198	None
McLeod Plantation Phase I	487,838	301,483	186,356	None
Old Towne Property	221,225	29,228	11,899	None
West Ashley Phase I	185,387	103,694	77,891	None
Skate Park	184,076	36,706	140,519	None
Small Projects	94,234	62,015	32,220	None
<b>Total CCPRC</b>	<u>5,087,330</u>	<u>4,287,785</u>	<u>647,083</u>	
<b>JIPSD</b>				
Wastewater upgrade	2,999,945	615,360	2,384,585	Impact fees
<b>Total JIPSD</b>	<u>2,999,945</u>	<u>615,360</u>	<u>2,384,585</u>	& Revenue Bonds
<b>SJFD Building</b>				
	4,238,326	607,490	3,720,836	General Obligation
<b>Total SJFD</b>	<u>4,238,326</u>	<u>607,490</u>	<u>3,720,836</u>	Bonds
<b>Total Component Units</b>	<u>\$ 12,325,601</u>	<u>\$ 5,510,635</u>	<u>\$ 6,752,504</u>	

**D. Interfund Receivables and Payables**

The composition of primary government interfund balances at June 30, 2013, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Major governmental funds: General Fund	\$ 4,035,468	\$ 765,249
Non-major governmental funds	-	463,177
Major enterprise funds: Environmental Management	-	3,423,122
Internal service funds	765,250	-
Agency Funds	-	149,170
<b>Total</b>	<u>\$ 4,800,718</u>	<u>\$ 4,800,718</u>

Interfund activity relates to funding from the County's General Fund related to County policies for cash flow and operating cash levels of governmental funds, and are expected to be collected within one year.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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**E. Interfund Transfers**

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	\$ 1,114,433	\$ (15,639,608)
Debt Service Fund	5,086,160	(684,986)
Transportation and Road Sales Tax	22,834,210	(25,852,634)
G.O.B. Capital Projects	2,150,300	(65,869)
Non-major governmental funds	13,746,945	(7,904,075)
Major business-type activities:		
Environmental Management	-	(34,200)
Parking Garage	-	(1,270,809)
Non-major business-type activities	3,651,638	(2,150,300)
Internal Service Funds	5,865,132	(846,337)
 Total	 \$ 54,448,818	 \$ (54,448,818)

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**F. Leases**

**Operating Leases**

In December 2012 the Charleston County Library entered into a new lease agreement for computers. The lease agreement is for a thirty-six month period commencing January 2013, with a minimum monthly charge of \$8,468, for a total minimum commitment of \$304,848 over the term of the lease. In addition to this lease the Library holds other verbal agreements with various parties for the rental of Library branches and equipment. These leases run on a month-to-month basis and are cancelable by either party. Rental expense associated with the copier and facilities leases for the year ended June 30, 2013, is \$195,608.

Future minimum lease payments under these non-cancelable operating leases are as follows:

Year Ending - June 30	CCL
2014	\$101,616
2015	101,616
2016	50,808
	\$ 254,040

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**G. Landfill Closure and Post-Closure Cost**

State and federal laws and regulations require the County to place a final cover on its Romney Street and Bees Ferry landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$5,917,000 reported as the accrual for landfill closure and post-closure at June 30, 2013, represents the estimated remaining cost reported of \$23,805,000 less \$17,888,000 deferred to date based on the following information:

Landfill Site	Percentage of Capacity Used	Estimated Costs Recognized			Balance To Be Recognized
		Closure	Post-closure	Total	
Romney Street	100%	\$ 5,244,478	\$ 525,200	\$ 5,769,678	\$ -
Bees Ferry					
Ash storage facility	100%	929,018	312,500	1,241,518	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	6,190,000	3,537,000	9,727,000	-
Bees Ferry lined landfill	16%	2,552,593	847,407	3,400,000	17,830,000
Bees Ferry C&D landfill	97%	1,270,000	590,000	1,860,000	58,000
<b>Totals</b>		<b>\$ 22,224,898</b>	<b>\$ 5,812,107</b>	<b>\$ 28,037,005</b>	<b>\$ 17,888,000</b>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2013. The County began to close the Landfills in 1994. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The County anticipates that available resources will be the primary source of funds to pay the cost of closure.

The County has issued under separate cover, a certification signed by its Deputy Administrator for Finance stating compliance with final Environmental Protection Agency regulations regarding financial assurance for operators of Municipal Solid Waste Landfill Facilities, including a required statement from our independent auditors. The computations required under these regulations are included in page 201 in the statistical section of this report.

**H. Short-term Debt**

The County had no short-term borrowings during the fiscal year. Some of the County's component units use short-term tax anticipation notes or lines of credit to finance general operating expenditures during the fiscal year ended June 30, 2013. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SAPPPC	\$ 75,000	\$ 300,000	\$ (75,000)	\$ 300,000
SPFD	1,250,000	-	(1,250,000)	-
SJFD	-	1,000,000	(1,000,000)	-
	<b>\$ 1,325,000</b>	<b>\$ 1,300,000</b>	<b>\$ (2,325,000)</b>	<b>\$ 300,000</b>



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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**I. Long-term Debt**

The following is a summary of debt transactions for the County for the year ended June 30, 2013.

	July 1, 2012	Increase	Decrease	June 30, 2013	In One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 597,380,150	\$ 138,587,542	\$ (160,664,657)	\$ 575,303,035	\$ 24,830,439
Certificates of participation	31,582,499	-	(3,591,930)	27,990,569	3,767,280
Intergovernmental note payable	30,887,856	-	(1,230,126)	29,657,730	1,300,612
Capital lease payable	2,038,252	712,056	(1,173,129)	1,577,179	773,630
Compensated absences	10,348,583	427,200	(282,123)	10,493,660	427,110
OPEB	17,800,983	3,979,252	-	21,780,235	-
Total	<u>\$ 690,038,323</u>	<u>\$ 143,706,050</u>	<u>\$ (166,941,965)</u>	<u>\$ 666,802,408</u>	<u>\$ 31,099,071</u>
<u>Business-type activities</u>					
Certificates of participation	\$ 5,609,545	\$ -	\$ (642,394)	\$ 4,967,151	\$ 695,928
Revenue bonds	3,232,289	-	(1,697,983)	1,534,306	1,534,306
Accrual for landfill closure	5,360,000	557,000	-	5,917,000	557,000
Compensated absences	1,148,076	57,892	(63,715)	1,142,253	57,892
Total	<u>\$ 15,349,910</u>	<u>\$ 614,892</u>	<u>\$ (2,404,092)</u>	<u>\$ 13,560,710</u>	<u>\$ 2,845,126</u>

Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences are generally liquidated from the applicable governmental fund's budgeted operations monies.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**General Obligation Bonds.** The County and its component units issue General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. All other obligations are reported in the Governmental activities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the County.

Primary government General Obligation Bond's payable at June 30, 2013, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
April 2, 2004	General Obligation Refunding Bonds, Series 2004, 2.00 percent to 4.00 percent interest, semi-annual principal and interest payments beginning in 2004, matures 2021, the first principal payment was due in fiscal year 2005.	\$ 63,740,000	\$ 6,450,000
May 2, 2006	General Obligation Transportation Sales Tax Bonds, Series 2006 (referendum) 4.00 percent to 5.00 percent interest, semi-annual interest payments beginning in November 2006, matures 2027; the first annual principal payment was due in fiscal year 2008.	65,000,000	7,750,000
December 5, 2007	General Obligation Bonds, Series 2007, 4.30 percent to 5.0 percent interest, semi-annual interest payments beginning in May 2008, matures 2028; the first annual principal payment is due in fiscal year 2010.	75,000,000	38,820,000
December 5, 2007	General Obligation Transportation Sales Tax Bonds, Series 2007 (referendum), 4.00 percent to 5.25 percent interest, semi-annual interest payments beginning in May 2008, matures 2027; the first annual principal payment is due in fiscal year 2010.	150,000,000	77,885,000
August 1, 2009	General Obligation Capital Improvement Bonds of 2009, Series A, 3.00 percent to 5.50 percent interest, annual principal payment beginning in fiscal year 2012, semi-annual interest payments beginning in fiscal year 2010, matures in fiscal year 2029.	50,000,000	47,660,000
August 1, 2009	General Obligation Refunding Bonds of 2009, Series B, 1.25 percent to 3.25 percent interest, annual principal payments beginning in fiscal year 2011, semi-annual interest payments beginning in fiscal year 2010, matures in fiscal year 2021.	20,775,000	11,470,000
July 27, 2011	General Obligation Capital Improvement Transportation Sales Tax Bonds of 2011, 3.00 percent to 5.00 percent interest, semi-annual interest payments beginning in November 2011, first annual principal payment due in fiscal year 2013, matures in fiscal year 2030.	167,000,000	162,375,000

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July 27, 2011	General Obligation Capital Improvement Bonds of 2011, 2.00 percent to 5.00 percent interest, semi-annual interest payments beginning in November 2011, first annual principal payment due in fiscal year 2013, matures in fiscal year 2032.	27,100,000	26,260,000
March 22, 2012	General Obligation Transportation Sales Tax Refunding Bonds of 2012, 2.00 percent to 5.00 percent interest, semi-annual interest payments beginning in May 2012, first annual principal payment due in fiscal year 2013, matures in fiscal year 2025.	32,095,000	31,905,000
May 21, 2013	General Obligation Transportation Sales Tax Refunding Bond of 2013, 3.25 percent to 5.00 percent semi-annual interest payments beginning in November 2013, first annual principal payment due in fiscal year 2018, matures in fiscal year 2028.	70,135,000	70,135,000
May 21, 2013	General Obligation Refunding Bond Series A of 2013, 3.00 percent to 5.00 percent semi-annual interest payments beginning in November 2013, first annual principal payment due in fiscal year 2020, matures in fiscal year 2025.	28,940,000	28,940,000
May 21, 2013	General Obligation Refunding Bonds Taxable Series B of 2013, .250 percent to 2.00 percent semi-annual interest payments beginning in November 2013, first annual principal payment due in fiscal year 2014, matures in fiscal year 2022.	30,695,000	30,695,000
Subtotal		<u>\$780,480,000</u>	540,345,000
Less Deferred refunding cost			(20,078,359)
Add: Premium			55,036,394
General obligation debt per statement of net position			575,303,035
Less current portion, including deferred refunding cost and premium			(24,830,439)
Long-term portion outstanding			<u>\$ 550,472,596</u>

**Certificates of Participation.** The County issues Certificates of Participation through the Charleston Public Facilities Corporation, a blended component unit, to finance the acquisition of essential government facilities. The Certificates have been issued for both governmental and proprietary fund activities and are reported in the proprietary fund if they are expected to be repaid from proprietary fund revenues. All other obligations are reported in the Governmental activities.

Primary government Certificates of Participation payable at June 30, 2013, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
May 1, 2004	Certificates of Participation, Series 2004, Charleston Public Facilities Corporation, 2.00 percent to 5.00 percent interest, semi-annual principal and interest payments beginning in 2004, matures 2016.	\$ 44,160,000	\$ 19,275,000

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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March 3, 2005	Certificates of Participation, Series 2005, Charleston Public Facilities Corporation, 5.00 percent to 5.125 percent interest, semi-annual interest payments beginning in 2005, annual principal payments beginning in 2011, matures 2019.	<u>19,945,000</u>	<u>13,840,000</u>
Subtotal		<u>\$ 64,105,000</u>	33,115,000
Less: Deferred refunding cost			(924,519)
Add: Premium			<u>767,239</u>
Certificate of participation debt per statement of net position			32,957,720
Less current portion, including deferred refunding cost and premium			<u>(3,767,280)</u>
Long-term portion outstanding			<u>\$ 29,190,440</u>

**Revenue Bonds.** The County issued \$22,570,000 Solid Waste User Fee Revenue Bonds on October 12, 1994. Proceeds of this issue were to be used to reimburse the County for the acquisition of equipment previously financed through a \$9.5 million bond anticipation note; finance construction costs related to closure of the Romney Street and Bees Ferry landfills; fund the design and approval process for permitting a new landfill site; and partially fund a heavy equipment repair facility. These bonds are expected to be repaid from the countywide user fee assessment. The revenue bonds were refunded in fiscal year 2004.

Primary government Revenue Bonds payable at June 30, 2013, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
May 4, 2004	Charleston County Solid Waste User Fee Revenue Refunding Bonds, Series 2004, 2.00 percent to 5.00 percent interest, semi-annual principal and interest payments beginning in 2005, matures in 2014.	<u>\$ 14,525,000</u>	<u>\$ 1,665,000</u>
Subtotal		<u>\$ 14,525,000</u>	1,665,000
Less: Deferred refunding cost applicable to business-type activities			(133,892)
Add: Premium applicable to business-type activities			<u>3,198</u>
Revenue bond debt per statement of net position			1,534,306
Less current portion, including deferred refunding cost and premium			<u>(1,534,306)</u>
Long-term portion outstanding			<u>\$ -</u>

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**Intergovernmental Note Payable** - In July 2001 the County entered into an intergovernmental loan agreement with the South Carolina Transportation Infrastructure Bank to fund a portion of the cost of the new Arthur Ravenel, Jr. Bridge over the Cooper River. The County has agreed to pay \$3,000,000 per year for the next twenty-five years beginning January 2004. The County has recorded the obligation on its records at a net present value using the discount rate of 5.73 percent.

Annual requirements to amortize the intergovernmental note payable outstanding at June 30, 2013, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
2014	\$ 3,000,000	\$ 1,300,612	\$ 1,699,388
2015	3,000,000	1,375,137	1,624,863
2016	3,000,000	1,453,933	1,546,067
2017	3,000,000	1,537,243	1,462,757
2018	3,000,000	1,625,327	1,374,673
2019-2023	15,000,000	9,635,023	5,364,977
2024-2028	15,000,000	12,730,455	2,269,545
Total	<u>\$ 45,000,000</u>	<u>\$ 29,657,730</u>	<u>\$ 15,342,270</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**Capital Lease Obligations** - Several component units have utilized capital leases to finance the acquisition of various types of equipment. The details of each entity's capital leasing activities are summarized later in this note. The County uses capital lease funding to finance the purchase of various equipment and a building. Capital leases outstanding at June 30, 2013, include the following:

<u>Governmental Activities</u>	<u>Original</u>	<u>Outstanding</u>
Lease dated November 2004 payable to Chicora Center Inc. for the purchase of the building at 3366 Rivers Ave. Payable in 120 monthly payments of \$25,725 through October 2014, and includes principal and interest at 5.0 percent per annum.	\$ 2,425,425	\$ 397,386
Leases dated December 2009 to February 2010 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal installments of \$97,901 through November 2013, includes principal and interest at 4.933 percent to 4.964 percent per annum.	702,710	95,536
Leases dated December 2010 to May 2011 payable to MB Financial Bank for the purchase of new computer equipment. Payable in eight equal semi-annual installments of \$74,383 through January 2015, includes principal and interest at 1.220 percent to 1.598 percent per annum.	575,857	219,767
Leases dated June 2012, payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$4,649 through April 2016 includes principal and interest at 7.181 percent per annum.	32,575	24,969
Leases dated June 2012 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in ten semi-annual installments of \$31,338 through April 2017, includes principal and interest at 6.572 to 6.587 percent per annum.	267,075	193,136
Leases dated January 2013, payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$90,328 through December 2016 includes principal and interest at 5.30 to 5.52 percent per annum.	712,055	621,728
<u>Internal Service Fund</u>		
Lease dated February 2010 payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments of \$3,078 to \$9,234 through July 2013, and includes principal and interest of 5.114 to 7.807 percent per annum.	28,768	734
Lease dated July 2010 payable to Ontario Investments, Inc. for the purchase of a new copier. Payable in five equal installments of \$13,116 through July 2014 includes principal and interest at 6.366 percent per annum.	56,974	23,924
	<u>\$ 4,801,439</u>	<u>1,577,180</u>
Less current portion		(773,630)
Long-term portion outstanding		<u>\$ 803,550</u>

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A summary of the annual requirements are as follows:

Year Ending June 30	Principal	Interest	Totals
2014	\$ 773,630	\$ 59,257	\$ 832,887
2015	425,703	30,321	456,024
2016	251,348	15,795	267,143
2017	126,499	3,625	130,124
Total	\$ 1,577,180	\$ 108,998	\$ 1,686,178



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**Amortization of Long-term Debt.** Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2013, excluding notes payable and accrued compensated absences, are as follows:

Year Ending June 30, 2013	General Obligation Bonds		Certificates Of Participation		Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$ 21,630,000	\$ 22,935,167	\$ 4,490,000	\$ 1,633,050	\$ 1,665,000	\$ 83,250	\$ 52,436,467
2015	23,305,000	22,331,184	4,690,000	1,414,393	-	-	51,740,577
2016	25,230,000	21,319,038	4,920,000	1,178,768	-	-	52,647,806
2017	27,440,000	20,239,236	5,190,000	927,787	-	-	53,797,023
2018	29,635,000	19,125,118	5,450,000	663,513	-	-	54,873,631
2019	32,045,000	17,873,313	4,135,000	385,945	-	-	54,439,258
2020	34,510,000	16,563,399	2,820,000	177,000	-	-	54,070,399
2021	30,780,000	15,195,632	1,420,000	35,500	-	-	47,431,132
2022	33,035,000	13,672,131	-	-	-	-	46,707,131
2023	34,340,000	12,029,830	-	-	-	-	46,369,830
2024	37,380,000	10,311,940	-	-	-	-	47,691,940
2025	63,485,000	8,473,175	-	-	-	-	71,958,175
2026	47,470,000	6,475,362	-	-	-	-	53,945,362
2027	32,050,000	4,316,393	-	-	-	-	36,366,393
2028	25,450,000	2,478,065	-	-	-	-	27,928,065
2029	22,055,000	1,290,750	-	-	-	-	23,345,750
2030	16,535,000	489,500	-	-	-	-	17,024,500
2031	1,945,000	119,900	-	-	-	-	2,064,900
2032	2,025,000	40,500	-	-	-	-	2,065,500
<b>Totals</b>	<b>540,345,000</b>	<b>215,279,633</b>	<b>33,115,000</b>	<b>6,415,956</b>	<b>1,665,000</b>	<b>83,250</b>	<b>796,903,839</b>
Less amount in Business-type activities before discounts and deferred costs	-	-	(5,099,061)	(969,600)	(1,665,000)	(83,250)	(7,816,911)
<b>Subtotal</b>	<b>540,345,000</b>	<b>215,279,633</b>	<b>28,015,939</b>	<b>5,446,356</b>	<b>-</b>	<b>-</b>	<b>789,086,928</b>
Less discounts and deferred refunding costs	(20,078,359)	-	(700,708)	-	-	-	(20,779,067)
Add Premium	55,036,394	-	675,338	-	-	-	55,711,732
<b>Total debt- governmental activity</b>	<b>\$ 575,303,035</b>	<b>\$ 215,279,633</b>	<b>\$ 27,990,569</b>	<b>\$ 5,446,356</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 824,019,593</b>



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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The annual debt service related to that portion of long-term debt recorded in the primary government's Business-type activities is as follows:

Year Ending June 30	Certificates Of Participation		Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	
2014	\$ 715,301	\$ 252,786	\$ 1,665,000	\$ 83,250	\$ 2,716,337
2015	748,083	217,766	-	-	965,849
2016	784,692	180,218	-	-	964,910
2017	827,667	140,152	-	-	967,819
2018	869,367	97,953	-	-	967,320
2019	613,117	53,620	-	-	666,737
2020	359,706	22,577	-	-	382,283
2021	181,128	4,528	-	-	185,656
Subtotal	5,099,061	969,600	1,665,000	83,250	7,816,911
Less Discounts and deferred refunding costs	(223,811)	-	(133,892)	-	(357,703)
Add Premiums	91,901	-	3,198	-	95,099
Total business-type activities debt	<u>\$ 4,967,151</u>	<u>\$ 969,600</u>	<u>\$ 1,534,306</u>	<u>\$ 83,250</u>	<u>\$ 7,554,307</u>

The 2004 and 2005 Certificates and related trust agreements require the establishment of 1) a debt service reserve fund or surety bond, to maintain amounts equal to the next semi-annual principal and interest payment, and 2) a payment fund for use in disbursing the semi-annual payments.

There are a number of limitations and restrictions contained in the various bond and certificate indentures, such as types of investments, promise to levy tax sufficient to cover debt service and establishment of a sinking fund. The County is in compliance with all significant limitations and restrictions as of June 30, 2013.

**Advance Refundings** – The County issued \$70,135,000 General Obligation Transportation Sales Tax Refunding Bonds in May 2013 to provide resources to purchase US Government Treasury Notes that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$13,605,000 of Series 2006 General Obligation Transportation Sales Tax Bonds and \$60,635,000 of Series 2007 General Obligation Transportation Sales Tax Bonds. As a result, the refunded general obligation bonds are considered defeased and the liability has been removed from the Statement of Net Position - Governmental Activities. This refunding was undertaken to substantially reduce interest cost to the County and to level future debt service requirements to minimize the impact on property tax millage. The revised debt service was decreased by \$5,981,307 over the next fifteen years and resulted in an economic gain of \$5,058,730. At June 30, 2013, \$13,605,000 of the 2006 and \$60,635,000 of the 2007 bonds are considered defeased.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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The County also issued \$28,940,000 General Obligation Refunding Bonds Series A in May 2013 to provide resources to purchase US Government Treasury Notes that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$30,265,000 of Series 2006 General Obligation Bonds. As a result, the refunded general obligation bonds are considered defeased and the liability has been removed from the Statement of Net Position – Governmental Activities. This refunding was undertaken to substantially reduce interest cost to the County and to level future debt service requirements to minimize the impact on property tax millage. The revised debt service was decreased by \$2,024,937 over the next twelve years and resulted in an economic gain of \$1,794,591. At June 30, 2013, \$30,265,000 of the bonds are considered defeased.

In addition, the County issued \$30,695,000 General Obligation Refunding Bonds Taxable Series B in May 2013 to provide resources to purchase US Government Treasury Notes that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payment on \$28,945,000 of Series 2004 General Obligation Bonds. As a result, the refunded general obligation bonds are considered defeased and the liability has been removed from the Statement of Net Position – Governmental Activities. This refunding was undertaken to substantially reduce interest cost to the County and to level future debt service requirements to minimize the impact on property tax millage. The revised debt service was decreased by \$2,453,107 over the next nine years and resulted in an economic gain of \$2,373,697. At June 30, 2013, \$28,945,000 of the bonds are considered defeased.

**Conduit (No Commitment) Debt.** The County is authorized and empowered under and pursuant to the Code of Laws of South Carolina to acquire or cause to be acquired and in connection therewith to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties to promote the public health and welfare of the people of the State of South Carolina and/or to promote the commercial development of the State. To accomplish these objectives the County has issued Revenue Bonds to provide financial assistance to private sector entities. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the County nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The County has issued these conduit debt obligations for Hospital and Health Care, Industrial, Solid Waste, and Pollution Control facilities.

The following is a summary of the County's conduit debt at June 30, 2013:

Number of Issues	Current Amount Outstanding (in millions)	Original Issue Amount (in millions)
4	\$86	\$287

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2013:

<b>Component Units</b>	Balance			Balance	Amount Due
	July 1, 2012	Increases	Decreases	June 30, 2013	in One Year
Accrued compensated absences	\$ 3,732,472	\$ 1,455,788	\$ (1,351,036)	\$ 3,837,224	\$ 805,716
Net other post-employment benefits	4,110,196	881,691	(48,053)	4,943,834	14,175
General obligation bonds	34,735,419	20,178,925	(3,547,865)	51,366,479	3,878,531
Capital lease obligations	6,623,507	986,667	(1,797,615)	5,812,559	1,300,417
Revenue bonds	7,397,821	-	(819,127)	6,578,694	889,034
Notes payable	41,156	-	(6,244)	34,912	5,514
<b>Total</b>	<b>\$ 56,640,571</b>	<b>\$ 23,503,071</b>	<b>\$ (7,569,940)</b>	<b>\$ 72,573,702</b>	<b>\$ 6,893,387</b>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
<b>Accrued compensated absences:</b>						
CCL			\$ 1,142,014	\$ 501,282	\$ (489,667)	\$ 1,153,629
CCPRC			1,068,610	526,013	(501,296)	1,093,327
JIPSD			440,740	19,657	(25,095)	435,302
SAPPC			34,123	-	(6,251)	27,872
SJFD			780,161	62,447	-	842,608
SPFD			266,824	346,389	(328,727)	284,486
Total accrued compensated absences			<u>3,732,472</u>	<u>1,455,788</u>	<u>(1,351,036)</u>	<u>3,837,224</u>
<b>Net other post-employment benefits:</b>						
CCPRC			2,131,824	493,875	-	2,625,699
JIPSD			1,851,062	387,816	-	2,238,878
SPFD			127,310	-	(48,053)	79,257
Total net other post-employment benefits			<u>4,110,196</u>	<u>881,691</u>	<u>(48,053)</u>	<u>4,943,834</u>
<b>General obligation bonds:</b>						
CCPRC	2014 - 2028	2.00% - 4.00%	23,949,035	18,578,925	(2,895,204)	39,632,756
JIPSD	2014 - 2037	5.00% - 5.50%	339,644	-	(16,620)	323,024
SPFD	2014 - 2020	2.315% - 3.45%	2,956,466	1,600,000	(246,435)	4,310,031
SJFD	2014 - 2024	2.00% - 2.125%	7,490,274	-	(389,606)	7,100,668
Total general obligation bonds			<u>34,735,419</u>	<u>20,178,925</u>	<u>(3,547,865)</u>	<u>51,366,479</u>
<b>Capital lease obligations:</b>						
CCPRC	2014 - 2015	1.28%	407,379	725,999	(667,426)	465,952
JIPSD	2014 - 2018	4.07% - 6.88%	1,151,968	146,955	(377,233)	921,690
SAPPPC	2014 - 2014	2.99% - 3.755%	180,613	-	(90,870)	89,743
SPFD	2014 - 2015		-	113,713	(36,833)	76,880
SJFD	2014 - 2021	3.076% - 5.593%	4,883,547	-	(625,253)	4,258,294
Total capital lease obligations			<u>6,623,507</u>	<u>986,667</u>	<u>(1,797,615)</u>	<u>5,812,559</u>
<b>Revenue Bonds:</b>						
SAPPPC	2014 - 2019	3.41% - 3.95%	495,775	-	(104,779)	390,996
JIPSD	2014 - 2036	2.00% - 5.75%	7,247,999	-	(772,820)	6,475,179
Less deferred refunding costs			<u>(345,953)</u>	<u>-</u>	<u>58,472</u>	<u>(287,481)</u>
Total revenue bonds			<u>7,397,821</u>	<u>-</u>	<u>(819,127)</u>	<u>6,578,694</u>
<b>Notes payable:</b>						
SAPPPC	2014 - 2019	3.89% - 3.99%	41,156	-	(6,244)	34,912
Total component units long-term obligations			<u>\$ 56,640,571</u>	<u>\$ 23,503,071</u>	<u>\$ (7,569,940)</u>	<u>\$ 72,573,702</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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The annual debt service requirements to maturity for component unit long-term obligations, excluding compensated absences, are as follows:

**General Obligation Bonds**

<u>Year Ending June 30</u>						Total Component
	SJFD	SPFD	CCPRC	JIPSD	Units	
2014	\$ 533,513	\$ 443,030	\$ 4,223,941	\$ 30,902	\$ 5,231,386	
2015	535,712	442,344	4,957,928	30,902	5,966,886	
2016	652,713	442,613	3,987,198	30,902	5,113,426	
2017	537,212	442,811	3,982,748	30,902	4,993,673	
2018	703,813	442,940	3,989,448	30,902	5,167,103	
2019 - 2023	4,068,762	2,112,979	15,909,348	136,056	22,227,145	
2024 - 2028	1,036,569	856,108	9,112,000	113,130	11,117,807	
2029 - 2032	-	-	-	113,130	113,130	
2033 - 2037	-	-	-	1,330	1,330	
<b>Total</b>	<b>8,068,294</b>	<b>5,182,825</b>	<b>46,162,611</b>	<b>518,156</b>	<b>59,931,886</b>	
Less interest and plus amortized premium included above	(967,626)	(872,794)	(6,529,855)	(195,132)	(8,565,407)	
Debt per statement of net position	<u>\$ 7,100,668</u>	<u>\$ 4,310,031</u>	<u>\$ 39,632,756</u>	<u>\$ 323,024</u>	<u>\$ 51,366,479</u>	

**Future minimum capital lease payments**

<u>Year Ending June 30</u>						Total Component
	CCPRC	JIPSD	SAPPPC	SPFD	SJFD	Units
2014	\$ 272,427	\$ 310,316	\$ 61,898	\$ 40,108	\$ 850,764	\$ 1,535,513
2015	198,297	169,207	29,755	40,108	850,764	1,288,131
2016	-	169,207	-	-	734,198	903,405
2017	-	148,394	-	-	734,198	882,592
2018	-	104,277	-	-	565,937	670,214
2019 - 2021	-	104,277	-	-	1,346,278	1,450,555
Future minimum capital lease payments	470,724	1,005,678	91,653	80,216	5,082,139	6,730,410
Less amount representing interest	(4,772)	(83,988)	(1,910)	(3,336)	(823,845)	(917,851)
Debt per statement of net position	<u>\$ 465,952</u>	<u>\$ 921,690</u>	<u>\$ 89,743</u>	<u>\$ 76,880</u>	<u>\$ 4,258,294</u>	<u>\$ 5,812,559</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**Revenue Bonds**

<u>Year Ending June 30</u>	<u>JIPSD</u>	<u>SAPPPC</u>	Total Component Units
2014	\$ 1,020,374	\$ 107,494	\$ 1,127,868
2015	1,024,313	107,494	1,131,807
2016	1,015,470	77,192	1,092,662
2017	981,578	46,890	1,028,468
2018	861,856	46,890	908,746
2019 - 2023	1,097,443	31,258	1,128,701
2024 - 2028	1,097,433	-	1,097,433
2029 - 2033	688,126	-	688,126
2034 - 2036	92,809	-	92,809
<b>Total</b>	<u>7,879,402</u>	<u>417,218</u>	<u>8,296,620</u>
Less interest and deferred refunding costs included above	<u>(1,691,704)</u>	<u>(26,222)</u>	<u>(1,717,926)</u>
<b>Debt per statement of net position</b>	<u><u>\$ 6,187,698</u></u>	<u><u>\$ 390,996</u></u>	<u><u>\$ 6,578,694</u></u>

**Notes Payable**

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2014	\$ 6,804
2015	7,302
2016	7,293
2017	7,293
2018	7,763
2019 - 2020	2,447
<b>Total</b>	<u>38,902</u>
Less interest included above	<u>(3,990)</u>
<b>Debt per statement of net position</b>	<u><u>\$ 34,912</u></u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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**Prior Year Defeasance of Debt** - In prior years, the primary government defeased various outstanding debt issues by placing proceeds of new debt or other funds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust accounts and the defeased debt are not included in these financial statements. At June 30, 2013, the following debt issues outstanding are considered defeased:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Primary Government:		
General Obligation Bonds:		
Series 1999 - CIP	\$ 8,820,000	
Series 2001 - CIP	3,090,000	
Series 2004 - CIP	28,945,000	
Series 2006 - TST	44,515,000	
Series 2006 - CIP	30,265,000	
Series 2007 - TST	<u>60,635,000</u>	
Total General Obligation Bonds	<u>176,270,000</u>	
Certificates of Participation:		
Series 1995	<u>29,026,639</u>	<u>6,843,361</u>
Total Certificates of Participation	<u>29,026,639</u>	<u>6,843,361</u>
Revenue Bonds:		
Solid Waste User Fee Revenue Bonds		
Series 1994	<u>-</u>	<u>1,890,000</u>
Total Revenue Bonds	<u>-</u>	<u>1,890,000</u>
Total Primary Government	<u>\$ 205,296,639</u>	<u>\$ 8,733,361</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**Legal Debt Limit** - The County's borrowing power is restricted by amended Article X, Section 14, of the State Constitution effective December 1, 1977. This section provides that a local unit cannot at any time have total general obligation debt outstanding in an amount that exceeds eight percent of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness; levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing on December 1, 1977, the effective date of the constitutional amendment.

Beginning January 1, 1996, the South Carolina Legislature changed the definition of debt subject to the 8 percent limit to include all Certificates of Participation at the time of issue subsequent to December 31, 1995. The following computation reflects the County's compliance with this limitation:

Assessed value of real and personal property		\$ 3,296,566,189
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u>\$ 3,323,509,786</u>
Debt limitation-8 percent of total assessed value		\$ 265,880,783
Total bonded debt:		
General Obligation Bonds	\$ 540,345,000	
Less:		
Series 2004 Refunding G.O. Bond	\$ (2,500,000)	
Series 2006 G.O. Bond Transportation Sales Tax	(7,750,000)	
Series 2007 G.O. Bond Transportation Sales Tax	(77,885,000)	
Series 2011 G.O. Bond Transportation Sales Tax	(162,375,000)	
Series 2012 G.O. Bond Transportation Sales Tax	(31,905,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(70,135,000)	(352,550,000)
Total debt subject to debt limit		<u>187,795,000</u>
Legal debt margin		<u>\$ 78,085,783</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**J. Fund Equity**

*Nonspendable for inventories and prepaid items.* These amounts do not represent available spendable resources even though they are components of net current assets.

*Restricted for debt service.* Fund balance subject to the provision of various bond indenture and Certificate of Participation lease agreements as to restrictions on expenditures.

*Committed for capital projects.* All capital project fund balances, are committed for the acquisition of capital assets, for the completion of existing projects and for future projects.

*Restricted for special revenue funds.* Amounts restricted in accordance with the various use restrictions placed on their assets under applicable grant agreements and legislation.

**I.V. OTHER INFORMATION**

**A. Risk Management**

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For all of these risks, the County and its component units are members of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County and its component units pay an annual premium to the State Insurance Reserve Fund for its general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

The County and its component units are also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all of its employees in the State's health insurance plans administered by the South Carolina Budget and Control Board. The County records contributions from employer funds, employees, and retirees in the Employee Benefits Trust Internal Service Fund which remits the premiums to the State. The State reinsures through commercial companies for these risks. The various component units of the County insure the health, life, accident, dental and other medical benefits to their employees and their dependents through commercial insurance companies.

Effective July 1, 1995, the County established a self-insured plan to fund risks associated with workers' compensation claims. Claims administration is handled by a third party with reinsurance through commercial insurance companies for all individual claims in excess of \$100,000. All funds of the County participate in the program and make payments to the Workers' Compensation Internal Service Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$3,370,000 reported in the Fund at June 30, 2013, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County purchases insurance contracts from commercial insurers to satisfy certain liabilities under workers' compensation claims; accordingly, no liability is reported for those claims. The liability is included in the County's accounts payable as reported in the fund statement and statement of net position.



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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Changes in the Fund's estimated claims liability amount in fiscal year 2013 and 2012 were:

Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2012	\$ 3,520,000	\$ 5,466,088	\$ (4,921,088)	\$ 4,065,000
2013	\$ 4,065,000	\$ 3,004,403	\$ (3,699,403)	\$ 3,370,000

For all of the above risk management programs, except workers' compensation, the County and its component units have not significantly reduced insurance coverage from the previous year; settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the County and its Component units have effectively transferred all risk with no liability for unfunded claims.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**B. Segment Information**

The County maintains an enterprise fund which provides drug and alcohol abuse treatment. This fund is supported by a revenue-backed COP. The County also has an enterprise fund for environmental management. It is presented as a major business-type fund.

<b>Condensed Statement of Net Position</b>	<b>DAODAS</b>
Assets:	
Current assets	\$ 2,505,675
Deferred issuance costs	32,673
Capital assets	6,485,002
Total assets	<u>\$ 9,023,350</u>
Liabilities:	
Current liabilities	\$ 694,870
Certificates of participation	1,890,550
Other long-term obligations	362,040
Total liabilities	<u>2,947,460</u>
Net Position:	
Net investment in capital assets	4,283,771
Unrestricted	1,792,119
Total net position	<u>6,075,890</u>
Total liabilities and net position	<u>\$ 9,023,350</u>

<b>Condensed Statement of Revenues, Expenses, and Changes in Net Position</b>	<b>DAODAS</b>
Operating revenues	\$ 6,710,718
Depreciation and amortization	(245,788)
Other operating expenses	(8,910,397)
Operating income (loss)	<u>(2,445,467)</u>
Nonoperating revenues (expenses)	
Interest income	1,580
Interest expense	(158,200)
Intergovernmental revenue	636,390
Gain on disposal of capital assets	1,873
Total nonoperating revenues (expenses)	<u>481,643</u>
Net transfers in	<u>2,148,688</u>
Change in net position	184,864
Beginning net position	5,891,026
Ending net position	<u>\$ 6,075,890</u>

<b>Condensed Statement of Cash Flows</b>	<b>DAODAS</b>
Net cash provided (used) by:	
Operating activities	\$ (2,621,770)
Noncapital financing activities	2,785,078
Capital and related financing activities	(582,309)
Investing activities	1,580
Net increase (decrease)	<u>(417,421)</u>
Beginning cash and cash equivalents	1,211,278
Ending cash and cash equivalents	<u>\$ 793,857</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**C. Subsequent Events**

On December 11, 2013, the County issued Special Source Revenue Bonds with a par value of \$86,405,000. The bonds were issued for the purpose of: (i) defraying the costs of design and construction of an extension of South Aviation Avenue in North Charleston, (ii) paying capitalized interest on the bonds through December 1, 2016, and (iii) paying the costs of issuance of the bonds. The bonds are limited obligations of the County payable solely from revenues derived by the County from certain fees-in-lieu of taxes received and retained by the County from property located in the County's multi-county park. The interest payment for fiscal year 2014 is \$2,016,091 which will be paid from the capitalized interest account. Principal is not due on the debt until fiscal year 2019.

On September 19, 2013, the Charleston County Park and Recreation Commission entered into a contract to purchase a tract of land on the Ashley River consisting of a combination of approximately 3.85 acres of highlands and marshland at a cost of \$850,000.

In October 2013, the Charleston County Park and Recreation Commission entered into a lease Purchase Agreement in the amount of \$850,000 at an interest rate of 1.42%. The lease will be used for the purchase of various equipment and vehicles for the Commission's fleet. Principal and interest at 1.42% are due in equal semi-annual installments of \$79,209 from April 2014 through October 2016.

On October 21, 2013, the James Island Public Service District received the proceeds of a revenue bond in the amount of \$1,870,340 which will be used to cover the costs incurred in completing an addition to the wastewater system. This new revenue bond will add debt service of \$56,044 for principal and interest of \$31,248 in the next fiscal year to the District's wastewater fund debt service obligations.

During the year ending June 30, 2013 Charleston County Council approved the future issuance of a Tax Anticipation Note (TAN) in the amount of \$1,000,000 for the St. John's Fire District. Subsequent to June 30, 2013, the District has borrowed the entire \$1,000,000 from this TAN as of the audit report date. As a result, none of the \$1,000,000 TAN is available to the District. Any advances received by the District against the TAN will bear interest at a rate equal to the interest rate paid by the South Carolina Investment Pool during the period the note is outstanding, and the principal and accrued interest, if any, is due and payable in March 2013.

Subsequent to year end, the St. Paul's Fire District entered into an agreement with the primary government, Charleston County, for a Tax Anticipation Note (TAN) in the amount of \$2,000,000, maturing on March 15, 2014. The note bears interest at a rate equal to that paid by the State Investment Pool of approximately 3.5%.

**D. Contingent Liabilities**

**Federal Grants** - Amounts received or receivable from grants are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Management has not been informed of any significant matters of non-compliance with grant provisions or planned grantor audits. The amount of grant expenditures which may be disallowed cannot be determined at this time, but the County believes that any amount will be immaterial.

**Litigation** - The County and its component units are party to various lawsuits that are normal in the operations of a county government. These lawsuits involve disputes arising from various matters, including the termination of employment, wrongful death and survival, personal injury and other tort actions, delinquent tax sales, contractual agreements, and civil rights violations. It is the opinion of legal counsel that it cannot be determined whether resolution of these matters, individually or in the aggregate in excess of insurance coverage, will have a material adverse effect on the financial condition of the County and its component units.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**Annexation** - Several of the component units serve geographic regions which are subject to annexation by the surrounding municipalities. Should these annexations continue, there could be a significant impact on the operations of the various component units. The South Carolina General Assembly is currently considering legislation which would require the municipality which annexes properties of another political subdivision to assume responsibility for payment of the pro-rata bonded debt outstanding on the date of annexation.

In May 2000, the South Carolina General Assembly passed legislation to address the loss of revenues by public service districts due to annexations by municipalities. The legislation calls for an agreed-upon plan between the annexing municipality and the public service district. This plan would protect the remaining unannexed area in the public service district from economic loss of revenue brought about by annexation.

This new legislation should lessen but not eliminate the impact on the operations of various component units due to annexations.

**E. Commitments**

The County and its various component units have various commitments to provide facilities or services under numerous agreements signed with third parties in addition to its construction commitments and recorded encumbrances.

In July 2001, the County entered into an intergovernmental agreement with the South Carolina Infrastructure Bank to make twenty-five annual payments of \$3,000,000 beginning in January 2004 as a local match to help defray the cost of the Arthur Ravenel Jr. Bridge over the Cooper River built by the State to replace the existing bridges connecting the City of Charleston and the Town of Mt. Pleasant. This debt is shown as an inter-government note payable in Note I of these financial statements.

The County entered into an agreement with the South Carolina Transportation Infrastructure Bank (SCTIB) for the completion of the Mark Clark Expressway. This agreement was executed on June 8, 2007, between the County, the SCTIB, and The South Carolina Department of Transportation. The total project funding requested was \$420 million. Preliminary design is underway on the project.

On September 15, 1997, the County entered into an intergovernmental agreement with the City of North Charleston to help fund the construction of a convention center adjacent to the North Charleston Coliseum. The agreement requires the County to be responsible for the pro-rata debt service on \$18,095,000 of a total \$48,045,000 in Certificates of Participation issued by the City on September 15, 1997. The debt service is to be paid monthly to a trustee from the revenues of the County Accommodations Special Revenue Fund. The agreement allows for non-payment in the event of non-appropriation by the City of North Charleston and for reduced payments if accommodation fee revenues fall below the payment amount. Annual debt service on the County's \$18,095,000 obligation, maturing in 2020, under the agreement is approximately \$1.4 million.

The County partnered with the City of Charleston and Berkeley County to construct the Daniel Island Tennis Center. County Council committed to fund \$750,000 of the project with 15 annual payments of \$50,000 from Accommodations Fee revenues. This agreement contains the same allowances for reduced or non-payment as the City of North Charleston agreement.

Both of these agreements are funded from a specific source of funds, the Accommodations Fee. The agreements also contain provisions for the non-payment of these obligations by the County if the revenues from the Accommodations Fee are not sufficient to make the payment or if the parties that issued the debt (the City of North Charleston and City of Charleston, respectively) do not make their pro-rata debt service. Therefore, the determination has been made that these commitments do not represent debt to the County and are not reflected in the entity-wide financial statements.

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In July 2005, the County entered into an agreement with the LPA Group Incorporated for program management services of the County's \$150,000,000 roads portion of the half-cent sales tax monies (Roadwise Program). The original contract amount was \$18,329,782 over a five year period beginning July 2005. The services are to include: design work, right of way easements, consulting on feasibility, land acquisitions, engineering work, developing bid specifications, and construction services. Amendment 1 of the contract was approved August 23, 2007, changing the contract amount to \$17,973,126 and leaving the contract length unchanged. Amendment 2 of the contract was approved October 20, 2008, changing the contract amount to \$17,882,899 and leaving the contract length the same. Starting November 2008, the contract contains for a monthly base fee of \$316,824, plus 10 percent of work completed. An amendment dated January 27, 2010, extends the term of the contract until June 30, 2014. This extension is subject to annual approval for continuation by the County. This amendment also fixed the contract amount of \$11,122,273 over a four year period.

The following is a schedule by fiscal year of the minimum future payments under this contract:

<u>Year ending June 30</u>	
2014	\$ <u>2,037,402</u>
TOTAL	\$ <u>2,037,402</u>

The amount paid for these services for the year-ended June 30, 2013, was \$3,181,725.

On April 7, 2008, the County entered into a ten-year agreement with the Charleston Animal Society formerly the John Ancrum Society for the Prevention of Cruelty to Animals for the care and impoundment of animals delivered to the shelter by the County. The original agreement with the Society was dated January 23, 1979, and has been updated several times since then. The amended non-cancelable portion of the agreement calls for the County to pay a base monthly fee of \$34,539. Additionally, the County agrees to pay the Society \$5.77 for the receiving and immunization of each animal placed in custody and \$5.77 boarding fee per animal per day. The County will also pay a euthanasia fee of \$5.77 fee for each animal. The County also agrees to pay any reasonable out-of-pocket expenses associated with animal cruelty cases.

As part of the contract, the County provided \$4,500,000 in funds and property towards the construction of a new shelter. Upon early termination of the agreement by the Society, the Society shall repay the County a pro-rata portion of the \$4,500,000.

This contract was amended on July 1, 2009. The amended, non-cancellable portion of the agreement calls for the County to pay a base monthly fee of \$51,772, as well as \$7.48 for the receiving and immunization of each animal placed in the custody of the Society, and \$7.48 boarding fee per animal per day. The County will also pay a euthanasia fee of \$7.48 to the Society for each animal euthanized.

In addition, the County agrees to pay a cremation fee of \$7.48 for each dead animal brought to the shelter by a law enforcement officer, animal control officer of the County or municipality within the County. The Society will bill the County separately for stray animals that it receives from citizens of the County.

The non-cancelable portion of the agreement states the County shall continue to pay the Society the current monthly fee for a five-year period plus any annual increases in the CPI during such five-year period if the County terminates the contract. The agreement was amended February 1, 2011. The following language was added: The Society may contract for accounting services in order to maintain an accurate record of fees and costs associated with the intake of animals delivered to Society. The Society will submit monthly invoices to the County for reimbursement. These monthly invoices shall include an itemized bill for said accounting services.

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The Society will be entirely responsible for any and all costs that exceed Fifteen Hundred (\$1,500.00) Dollars per month. The County may, at any time, request from Society a full audit of the accounting services and duties performed by accountant and Society will comply within a reasonable time with any and all such requests.

The Charleston County Park and Recreation Commission has entered into an agreement with the City of Folly Beach to restrict \$77,850 each year to provide for the re-nourishment of the erosion that occurs along Folly Beach. During the year ended June 30, 2013, \$0 funds were transferred to the City of Folly Beach for re-nourishment. Capital Projects fund balance of \$554,027 has been reserved for beach re-nourishment as of June 30, 2013.

As of June 30, 1997, the Charleston County Park and Recreation Commission had provided approximately \$2,065,171 to the City of Charleston for the construction of the Charleston Maritime Center which was to be leased to and operated by the Commission. On August 4, 1997, the City of Charleston and Charleston County Park and Recreation Commission entered into an agreement that terminated the Master Lease of the Charleston Maritime Center dated August 1, 1995, between the two parties. This agreement grants the Commission the right of first refusal for the purchase of the Maritime Center for a period of 50 years from the date of execution of the agreement. In the event that the Commission does elect to purchase the Maritime Center, then the City of Charleston will credit \$1,500,000 toward the purchase price. If the Commission elects not to purchase the Maritime Center, then the City of Charleston will pay the Commission \$1,500,000 from the proceeds of the sale.

The Charleston County Park and Recreation Commission has an agreement with the Charleston County School District to cooperate in the operation of a Community Education Program. Each sponsor has determined which of its facilities and resources is available to the Community Education Program and agrees to supply the cost of necessary part-time professional staff that may be required. Available state, federal, and private funding is sought with the remaining costs shared to the extent agreed upon by the parties. The agreement with the School District was modified in July 1992 to provide for one-half of the Commission's share of the expenses to be paid to the school district prior to December 21 of each fiscal year and the balance to be paid by March 12 of the following year. The agreement was modified for the 2012 program to eliminate the equitable sharing of program fees collected during the year. As of June 30, 2013, the parties have dissolved their partnership.

In July 1995 the Commission entered into a lease agreement with Charleston County whereby the Commission assumed the responsibilities of operating and maintaining 19 boat landings throughout Charleston County. The lease is for a term of 99 years and commenced on July 1, 1995. The Commission pays a nominal fee of \$1 per year under the lease terms, but the agreement expressed the intent of Charleston County to transfer millage each year to help fund related expenses. Funding is contingent upon future County Council approval.

On June 29, 1988, Kiawah Island was sold to Kiawah Resort Associates. The Charleston County Park and Recreation Commission has been in contact with the owners in order to obtain a new lease agreement for Beach Walker Park. A verbal agreement has been made to ensure that the Park can continue to operate. To date, however, no formal agreement has been signed.

During 1988 the Charleston County Park and Recreation Commission was advised by the South Carolina Highway Department that the proposed Mark Clark Expressway will go through the northern portion of James Island County Park. The Commission is awaiting determination from the South Carolina Department of Transportation and Charleston County on the future location of the Mark Clark corridor.

An open letter of credit for \$33,460 was established in 1989 with the Wachovia Bank at the request of the Commissioners of Public Works. The Charleston County Park and Recreation Commission is required to keep this line of credit open. As of year-end, none of this credit had been utilized.

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In December 2000, the U.S. Secretary of the Interior conveyed property consisting of approximately 25 acres in fee and 0.6 acres of easements to the Charleston County Park and Recreation Commission in a Quitclaim Deed. The property conveyed includes areas presently known as the Cooper River Marina, previously known as the Old Navy Base Marina facilities. The conveyance has several restrictions including the following: the property must be used and maintained for the public park and recreation purposes for which it was conveyed in perpetuity, the property shall not be sold, leased, assigned or otherwise disposed of except to another eligible governmental agency that the Secretary of the Interior agrees in writing can assure the same continued use of the property, and funds generated on the property may not be used for non-recreational purposes and, furthermore, must be used for the development, operation and maintenance of the property until it is fully developed in accordance with the Program of Utilization. There are also various reporting requirements.

The Cooper River Park and Playground Commission contracted on July 1, 1996, with the City of North Charleston (City) to provide recreational services for the fiscal year to the citizens within the Commission's jurisdictional boundaries. Since the original contract date, the Commission and the City have renewed this contract annually with an effective date of July 1 of each fiscal year. Under the terms of this contract, the City agrees to pay all reasonable administrative and professional costs incurred by the Commission, and the Commission agrees to transfer and pay over to the City all appropriated funds, from whatever source, in the accounts of the Commission except for the remaining unreserved fund balance carried forward from June 30, 2009. The City also assumed control and possession (but not legal title) of fixed property and equipment. Due to the declining tax base and the fractured property lines of the Commission, it would be difficult or impractical to provide services to its citizens without this contract with the City. On July 1, 2013, the Commission entered into another one year contract with the City covering the period from July 1, 2013 to June 30, 2014, with essentially identical terms as previous contracts.

Certain real estate and facilities acquired by the Cooper River Park and Playground Commission are located within the corporate limits of the City of North Charleston. Those facilities were originally leased to the City for a 25-year lease term commencing May 23, 1980, at a \$1 annual rental fee. This lease was renegotiated and signed May 23, 2006, for a 50-year term at a \$1 annual rental fee. Additional facilities were leased in February and May of 1990 for a 100-year term also at an annual rental fee of \$1.

Under the annual contract with the City of North Charleston, the Cooper River Park and Playground Commission has agreed to assign to the City all of its assets, real and personal, thereby allowing the City exclusive use, possession, control and management of these assets. As of June 30, 2013, the leased assets have a book value of \$74,472.

The North Charleston District entered into an agreement on April 1, 1996, with the City of North Charleston for the City to provide fire, sanitation, and street lighting services to the constituents of the District. The contract requires the payment of substantially all of the District's revenues to the City and turning over control and possession, but not legal title to, all of the District's fixed property and equipment. On an annual basis since June 30, 1997, the District has entered into additional one year contracts with the City with essentially the same terms as described above. To fulfill the contract at June 30, 2013, the District owes the City \$113,324. This contract was extended for one year until June 30, 2014.

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During the 2011 fiscal year, the City of Charleston, SC completed an audit of the taxes remitted to the James Island Public Service District for the last five years relating to properties which were annexed into the City of Charleston. The City of Charleston is required to remit to the District the portion of ad valorem tax the City collects from annexed properties representing the District's fire department budget that would have been collected by the District had the properties not been annexed into the city. As a result of this audit, the City determined the District had been overpaid \$395,328 in the general fund and overpaid \$35,946 in debt service. The District will repay the excess remittances over a five (5) year period beginning in fiscal year 2011 at the rate of \$79,066 per year in the general fund and \$7,189 through the debt service fund. The City will reduce future tax payments each year due to the District until this overpayment has been recovered by the City.

**F. Deferred Compensation Plan**

The County and its component units offer their employees several deferred compensation plans under programs administered by the South Carolina Deferred Compensation Commission. The multiple employer plans were created in accordance with Internal Revenue Code Sections 457 and 401(K). The plans available to all full-time County and component unit employees, at their option, permit participants to defer a portion of their salary until future years. Only upon termination, retirement, disability, death, or an approved hardship is the deferred compensation available to an employee.

During the year ended June 30, 2000, the deferred compensation plans were amended to allow for employer matching contributions of up to \$300 per year for each covered participant. Effective December 23, 2008, the County suspended this match of \$75 per quarter. The total contributions made by the County's plan members were \$2,064,992 for the fiscal year ending June 30, 2013.

Total contributions made by the Charleston County Library's plan members were \$172,633 for the fiscal year ending June 30, 2013.

**G. Other Post-Employment Benefits**

***Plan Description***

The County provides post-employment health, life and dental care benefits, as per the requirement of a local ordinance, for certain retirees and their dependents. This plan is a single employer defined benefit plan. Substantially all employees who retire under the State retirement plans are eligible to continue their coverage with the County paying 50 percent of health insurance premiums and the retiree paying 100 percent of life and dental insurance premiums and the remaining 50 percent of the health insurance premiums. The County's regular insurance providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. Effective July 1, 2008, the County modified its post-employment benefits policy as follows:

A) Increase years of service with the County:

1. Twenty five years of service with the County for the fifty percent of health premium benefit
2. Fifteen years of service with the County for the twenty five percent of health premium benefit

B) Reduce surviving spouse benefit to one year for future retirees who start work with the County January 1, 2009 and later.



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The James Island Public Service District also provides a retiree benefit equal to 100 percent of the health insurance premiums over age 65 and a portion if under age 65. The retiree must pay for all life and dental insurance premiums. At July 1, 2011, the District had 141 covered participants. Of this number, 114 participants are current employees and 27 are retirees. The District's regular insurance providers underwrite the retiree's insurance policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. Effective November 1, 2010, the District will limit the amount it contributes to the health premium, and the contribution will be subject to annual appropriation.

During the fiscal year ended June 30, 2006, the St. Paul's Fire District established a policy that allowed retiree insurance benefits. The plan was amended in 2009 to cease coverage at the earlier of the date of death or the date the participant becomes eligible for Medicare coverage. The plan was further curtailed at the end of the 2010 fiscal year, continuing coverage for those individuals who had retired prior to June 30, 2010, but providing no coverage to any employee retiring after that date.

The Charleston County Park and Recreation Commission provide retiree benefits as follows:

A) Any covered employee who retires with at least 20 years, but less than 25 years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50 percent of the retiree cost and 50 percent of the dependent cost for health and dental coverage.

B) Any covered employee who retires with 25 years or more years of Commission-covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular, position. The Commission will pay 100 percent of the retiree cost and 65 percent of the dependent cost for health and dental coverage.

C) The health and dental insurance premium for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50 percent or 65 percent) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.

D) Employees may opt out of the plan. The Commission is not required to contribute at an actuarially determined rate, but has elected to contribute based on an advanced funding basis based on the actuarial determined amount.

***Funding Policy***

As of year-end, there were 450 employees who had retired from the County and are receiving health insurance premium coverage benefits. The County currently finances the plan on a pay-as-you-go basis. For the year ended June 30, 2013, the County recognized expenses of \$1,828,273 for retiree healthcare, which were net of retiree contributions of \$1,285,112. The James Island Public Service District had 27 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$139,872 for health care premium net of retiree contributions of \$76,885. The St. Paul's Fire District had 3 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$18,200 for health care premiums for the current year. The Charleston County Park and Recreation Commission had 3 employees who are retired and receiving benefits.

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The County's annual cost (expense) for other post-employment benefits is calculated based on the annual required contribution (ARC) of the employer, which is actuarially determined based upon the requirements and parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year plus the amount necessary to amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years. The current ARC is based on a level percent of payroll increasing at 3 percent.

For the year ended June 30, 2013, the County's annual OPEB cost was \$6,142,719 for the post-employment healthcare plan. The County's annual OPEB cost for the current year is as follows:

Annual required Contribution	\$ 6,083,834
Interest on OPEB obligation	801,044
Adjustment of ARC	<u>(742,159)</u>
Annual OPEB cost (expense) end of year	6,142,719
Net estimated employer contributions	<u>(2,163,467)</u>
Increase in net OPEB obligation	\$ 3,979,252
Net OPEB obligation/ (asset) beginning of year	17,800,983
Net OPEB obligation/ (asset) beginning of year	21,780,235

Actuarial methods and assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the County's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Investment rate of return	4.5% net of expenses
Actuarial cost method	Projected Unit credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	Open 30-year period
Salary Growth	3.00% per annum
Inflation	3.00% per annum
Medical Trend	7.25%; 4.5% after 11 years
Drug Trend	7.75%; 4.5% after 11 years

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Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2013, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
June 30, 2011	\$4,570,445	\$1,676,012	36.7%	\$13,833,426
June 30, 2012	\$5,952,395	\$1,984,838	33.3%	\$17,800,983
June 30, 2013	\$6,142,719	\$2,163,467	35.2%	\$21,780,235

Schedule of Funding Progress and Status

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$93,550,000	56.62%
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$97,800,000	54.16%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$96,600,000	49.04%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$99,400,000	47.66%
7/1/2011	\$ -	\$54,526,503	\$54,526,503	0%	\$98,300,000	55.47%
7/1/2012	\$ -	\$63,154,853	\$63,154,853	0%	\$105,200,000	60.04%

**H. Funds Held by Coastal Community Foundation**

As of June 30, 2013, the Coastal Community Foundation was holding \$448,834 in the Charleston County Library Fund. The fund was established in November 1983 as a capital fund for the purpose of providing support for unusual or innovative programs and services at the Library not normally funded by government appropriations. Of the balance, \$15,594 is available for grants to the Library.

As of June 30, 2013, the Coastal Community Foundation was holding \$88,379 in the Roper Foundation Community Wellness Endowment for the Charleston County Library. The endowment was established for the purpose of updating the health education information collection. At year-end, \$3,007 is available for grants to the Library.

These amounts are not reflected in the Library's financial statements until grants are received by the Library from the Foundation.

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**I. Employee Retirement Systems and Plans**

**South Carolina Retirement and Police Officers' Retirement Systems**

**Plan Description** - All permanent employees of the County and its component units, except for certain employees involved in law enforcement and fire fighting activities, participate in the South Carolina Retirement System (SCRS). The employees excluded above participate in the South Carolina Police Officers' Retirement System (SCPORS). Both systems are cost-sharing multiple-employer defined benefit plans administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. The SCRS and SCPORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance and survivor benefits to plan members and beneficiaries. Each plan's provisions are established under Title 9 of the S.C. Code of Laws.

The Retirement Division maintains five independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for both the SCRS and SCPORS is issued and publicly available by writing the South Carolina Public Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

Under the SCRS, Class II members are eligible for a full service retirement annuity upon reaching age 65 or completion of 28 years of credited service regardless of age. Employees who first became members of the System after June 30, 2012 are considered Class III members and are eligible for a full service retirement annuity upon reaching age 65 or upon meeting the rule of 90 requirement (i.e., the members age plus the years of service add up to a total of at least 90). The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. Early retirement options with reduced benefits are available as early as age 55 for Class II members and age 60 for Class III members. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Disability annuity benefits are payable to Class II members if they have permanent incapacity to perform regular duties of the member's job and they have at least 5 years of earned service (this requirement does not apply if the disability is a result of a job related injury). Class III members qualify for disability annuity benefits provided they have a minimum of eight years of credited service. An incidental death benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service or to a working retired contributing member. There is no service requirement for death resulting from actual performance of duties for an active member. For eligible retired members, a lump-sum payment is made to the retiree's beneficiary of up to \$6,000 based on years of service at retirement. TERI participants and retired contributing members are eligible for the increased death benefit equal to their annual salary in lieu of the standard retired member benefit.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years.

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Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. The TERI program will end effective June 30, 2018.

The South Carolina Police Officers Retirement Systems (PORS) is a cost-sharing multiple employer defined benefit public employee retirement system. Generally, all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to PORS as a condition of employment. This plan provides lifetime monthly annuity benefits as well as disability, survivor benefits and incidental benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Under the PORS, Class II members are eligible for a full service retirement annuity upon reaching age 55 or completion of 25 years of credited service regardless of age. Class III member are eligible for a full service retirement annuity upon reaching age 55 or 27 years of credited service. The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 2.14 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. PORS does not have an early retirement option. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

**Funding Policy – SCRS.** Plan members are required to contribute 7.0 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 10.60 percent of annual covered payroll. The contribution requirements of plan members and employers are established under authority of Title 9 of the South Carolina Code of Law, 1976 (as amended).

**Funding Policy – SCPORS.** Plan members are required to contribute 7.0 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 12.30 percent of annual covered payroll. The contribution requirements of plan members and employers are established under authority of Title 9 of the South Carolina Code of Law, 1976 (as amended).

Additionally, participating employers of the SCRS contribute .15 percent of payroll to provide a group life insurance benefit for their participants; and participating employers of the SCPORS contribute .4 percent of payroll to provide a group life insurance benefit and accidental death benefits for their participants.

The following table presents the required contributions to the SCRS and SCPORS by the County and its component units for the years ended June 30, 2013, 2012, and 2011:

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<b>SCRS</b>	Retirement			Incidental Death		
	2013	2012	2011	2013	2012	2011
Rate	10.450%	9.385%	9.240%	0.15%	0.15%	0.15%
Primary Government	\$ 6,999,501	\$ 6,117,302	\$ 5,298,885	\$ 100,471	\$ 97,773	\$ 96,248
Component units:						
CCL	719,395	669,178	653,332	10,326	10,695	348
CCPRC	931,623	807,797	797,589	13,373	12,911	12,948
JISPD	448,073	395,714	389,510	6,432	6,325	6,323
SAPPPC	104,590	106,699	104,502	1,501	1,705	1,696
SJFD	40,954	36,075	35,954	588	577	584
SPFD	11,737	9,811	9,464	168	157	154

<b>PORS</b>	Retirement			Incidental Death			Accidental Death		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
	11.900%	11.363%	11.130%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Primary Government	\$ 3,961,664	\$ 3,669,060	\$ 3,629,268	\$ 66,583	\$ 64,579	\$ 62,216	\$ 66,583	\$ 64,579	\$ 62,216
Component units:									
SJFD	580,182	540,335	507,179	9,751	9,510	9,114	9,751	9,510	9,114
SPFD	397,658	272,394	258,948	5,003	4,794	4,653	5,003	4,794	4,653

One hundred percent of the required contributions have been made for the current and each of the previous two years.

**J. Related Party**

During the year St. Paul's Fire District paid \$13,650 to Charleston County in cost sharing for radios used by first responders throughout the County, and \$95,347 for vehicle maintenance performed by the County. In addition, the District entered into a short-term financing agreement with the County for a \$1,250,000 Tax Anticipation Note.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

During the year there were several transactions between Charleston County Library and Charleston County. These transactions were as follows:

	Amount
Amounts given to CCL:	
Appropriation (including supplemental appropriation)	\$ 14,180,611
Amounts paid to the County by CCL	
Janitorial services	102,831
Carpet cleaning	24,209
Workers' compensation	400,720
OPEB compensation	410,060
Insurance coverage-building & contents, liability, fidelity bond, theft	92,299
Motor vehicle repairs	20,650
Motor vehicle fuel charges	24,556
Other general services	116,245
Solid Waste User Fee	11,806
Health, life and dental insurance (library employees covered through County plan)	845,092
Other minor charges	1,037
	\$ 2,049,505
Other transactions:	
Rent-free use of County-owned Library buildings and County-owned vehicles*	*
*Not Determined	

**K. Pending GASB Pronouncements**

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, intends to improve financial reporting by clarifying the appropriate use of the financial statement elements “deferred outflows of resources” and “deferred inflows of resources” to ensure consistency in financial reporting. The statement is effective for financial statements for periods beginning after December 15, 2012. The County will implement the new guidance with the 2014 financial statements.

GASB Statement No. 66, Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62, intends to improve financial reporting by resolving conflicting guidance in previous pronouncements regarding the accounting and presentation of risk financing activities, operating leases and certain loan transactions. The statement is effective for financial statements for periods beginning after December 15, 2012. The County will implement the new guidance with the 2014 financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, intends to improve financial reporting for most governments that provide their employees with pension benefits. The statement is effective for financial statements for periods beginning after June 15, 2014. The County will implement the new guidance with the 2015 financial statements.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, intends to improve accounting and financial reporting of combinations and disposals of government operations of US state and local governments. The statement is effective for financial statements for periods beginning after December 15, 2013. The County will implement the new guidance with the 2015 financial statements.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, intends to enhance comparability of financial statements among governments by requiring consistent reporting and enhance information disclosed about a government's obligations and risk exposure extending from nonexchange financial guarantees. The statement is effective for financial statements for periods beginning after June 15, 2013. The County will implement the new guidance with the 2014 financial statements.

Management has not yet determined the impact implementation of these standards will have on the County's financial statements, if any.



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**CHARLESTON COUNTY, SOUTH CAROLINA  
REQUIRED SUPPLEMENTARY FINANCIAL  
INFORMATION**



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –  
OTHER POSTEMPLOYMENT BENEFITS – DEFINED BENEFIT HEALTH CARE PLAN  
FISCAL YEAR ENDED JUNE 30, 2013 (UNAUDITED)**

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
<b>Primary Government</b>						
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$93,550,000	56.62%
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$97,800,000	54.16%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$96,600,000	49.04%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$99,400,000	47.66%
7/1/2011	\$ -	\$54,526,503	\$54,526,503	0%	\$98,300,000	55.47%
7/1/2012	\$ -	\$63,154,853	\$63,154,853	0%	\$105,200,000	60.04%
<b>Component Units</b>						
<u>7/1/2007</u>						
JIPSD	\$ -	\$6,024,106	\$6,024,106	0%	\$4,105,074	146.75%
CCPRC	\$ -	\$3,089,213	\$3,089,213	0%	\$6,457,330	47.84%
SPFD	\$ -	\$3,111,459	\$3,111,459	0%	\$2,022,100	153.87%
<u>7/1/2008</u>						
JIPSD	\$ -	\$6,024,106	\$6,024,106	0%	\$4,333,412	139.02%
CCPRC	\$ -	\$3,089,213	\$3,089,213	0%	\$7,155,052	43.18%
SPFD	\$ -	\$1,138,768	\$1,138,768	0%	\$2,299,864	49.51%
<u>7/1/2009</u>						
JIPSD	\$ -	\$5,493,663	\$5,493,663	0%	\$4,227,757	129.94%
CCPRC	\$ -	\$3,089,213	\$3,089,213	0%	\$7,780,156	39.71%
SPFD	\$ -	\$120,334	\$120,334	0%	0	0%
<u>7/1/2010</u>						
JIPSD	\$ -	\$5,493,663	\$5,493,663	0%	\$4,331,757	126.82%
CCPRC	\$ -	\$3,058,193	\$3,058,193	0%	\$8,003,946	38.21%
SPFD	\$ -	\$130,811	\$130,811	0%	0	0%
<u>7/1/2011</u>						
JIPSD	\$ -	\$5,824,192	\$5,824,192	0%	\$4,319,558	134.83%
CCPRC	\$ -	\$4,321,784	\$4,321,784	0%	\$7,780,156	55.55%
SPFD	\$ -	\$127,310	\$127,310	0%	0	0%
<u>7/1/2012</u>						
JIPSD	\$ -	\$5,824,192	\$5,824,192	0%	\$4,481,867	129.95%
CCPRC	\$ -	\$4,137,514	\$4,137,514	0%	\$8,282,581	49.95%
SPFD	\$ -	\$79,257	\$79,257	0%	0	0%

**CONTINUED**

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –  
OTHER POSTEMPLOYMENT BENEFITS – DEFINED BENEFIT HEALTH CARE PLAN  
FISCAL YEAR ENDED JUNE 30, 2013 (UNAUDITED)**

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**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Percent of ARC Contributed</b>
<b>Primary Government</b>		
2008	\$5,874,245	28.30%
2009	\$5,947,354	31.49%
2010	\$4,402,193	39.74%
2011	\$4,570,445	36.67%
2012	\$5,952,395	33.30%
2013	\$6,142,719	35.22%
<b>Component Units</b>		
<u>2008</u>		
JIPSD	\$481,068	27.78%
CCPRC	\$378,935	0%
SPFD	\$367,100	0%
<u>2009</u>		
JIPSD	\$504,234	30.05%
CCPRC	\$378,935	0%
SPFD	\$242,038	0%
<u>2010</u>		
JIPSD	\$510,638	26.08%
CCPRC	\$378,935	0%
SPFD	0	0%
<u>2011</u>		
JIPSD	\$510,638	28.69%
CCPRC	\$363,911	0%
SPFD	0	0%
<u>2012</u>		
JIPSD	\$532,649	23.15%
CCPRC	\$497,510	0%
SPFD	0	0%
<u>2013</u>		
JIPSD	\$527,688	26.51%
CCPRC	\$493,875	0%
SPFD	0	0%

**Note: The amounts shown as Actual Contribution include the implicit subsidy.**

# CHARLESTON COUNTY, SOUTH CAROLINA SUPPLEMENTARY FINANCIAL INFORMATION



**CHARLESTON COUNTY, SOUTH CAROLINA  
COMBINING FINANCIAL STATEMENTS  
AND  
SCHEDULES**



# CHARLESTON COUNTY COMBINING SCHEDULES - NONMAJOR GOVERNMENTAL FUNDS

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## Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Accommodations** – This fund is used to account for the two percent local accommodation tax collected by the County and the two percent accommodation tax collected by the State on transient room rentals throughout the County. All expenditures must be tourist related with the exception of the first \$25,000 and five percent of the remainder of accommodations taxes remitted by the State. The budget is adopted on an annual basis.

**American Recovery and Reinvestment Act** – This fund was established to account for grants received under the economic stimulus package enacted by the United States Congress. The Act was intended to provide a stimulus to the United States economy in the wake of the economic downturn. The budget is adopted on a project length basis.

**Child Support Enforcement** – This fund is used to account for federal monies received to enforce child support obligations at the local level. The budget is adopted on an annual basis.

**Community Development** – This fund is used to account for Community Development Block Grants received from the U.S. Department of Housing and Urban Development, various state community development grants and matching funds. The budget is adopted on a project-length basis.

**Construction Public Works** – This fund is used to account for the receipt of state gasoline tax “C” funds earmarked for local road maintenance. The budget is adopted on a project-length basis.

**Economic Development** – This fund was established to account for local cooperative economic development activities in the tri-county area. Revenue is received from Multi-county Industrial Park fees assessed in lieu of property taxes on individual properties under regulations developed by the S. C. Department of Revenue. The budget is adopted on an annual basis.

**Education** – This fund is used to account for specific property taxes levied to fund maintenance of facilities owned by the Trident Technical College within the tri-county area used by residents of Charleston County. The budget is adopted on an annual basis.

**Emergency Medical Services** – This fund is used to account for proceeds of state grants and matching funds used to purchase equipment for use by emergency medical service personnel. The budget is adopted on a project-length basis.

**Fire Districts** – This fund was established to account for revenues generated by a property tax levy for the Awendaw Consolidated Fire District, East Cooper Fire District, Northern Charleston County Fire District, and West St. Andrew’s Fire District. In addition, this fund accounts for revenues received under a contract with the Towns of McClellanville and Awendaw for the Awendaw Consolidated Fire District to provide fire protection for the Town’s residents. These services are provided by County employees and through contracts with other entities. The budget is adopted on an annual basis.

**Hazardous Materials Enforcement** – This fund was established to pay for a county-wide hazardous materials training program and to acquire equipment needed to support the various fire departments within the county when they have to handle hazardous material situations. It is funded by a fee charged to the various businesses within the county that use hazardous materials. The budget is adopted on an annual basis.

**Public Defender** - This fund was established to account for the activities of the Ninth Circuit Public Defender. The Public Defender is mandated to defend in the State court system all persons within Charleston County who are required by Statute, State or Federal Constitution to be provided with a legal counsel at public expense. The budget is adopted on an annual basis.

**Safety Enforcement** – This fund is used to account for federal and state grants, contributions from individuals and corporations, and County matching funds to provide public safety enforcement and prevention activities. The budget is adopted on a project-length basis.

**Sheriff** – This fund was established to account for federal and state grants and asset forfeitures received in various drug interdiction activities used to fund law enforcement activities. The budget is adopted on an annual basis.

**Solicitor** – This fund was established to account for funds provided by the State, grants for reducing domestic violence, grants for prosecuting DUI cases and fees charged to first time defendants under the Pretrial Intervention Program, who upon completion may have their records expunged. State appropriations are to be used for providing assistance to victims and witnesses of violent crimes and to supplement County appropriations for Solicitor activities. The budget is adopted on an annual basis.

**Storm Water Drainage** – This fund was established to account for the storm water fee the County began charging November 1, 2006. This fee funds the County's storm water management program which is required under federal regulations. The program regulates run off from all properties and activities that have the potential to pollute local water systems. The fee provides funds for operations, maintenance and capital improvements. The budget is adopted on an annual basis.

**Victim Notification** – This fund was established to account for court assessments and conviction surcharges received pursuant to a change in state law which required counties to provide notification to victims of violent crime anytime there is a change in the status of the offender. The budget is adopted on an annual basis.

**Charleston Development Corporation** – This fund is used to account for the County's non-profit blended component unit. This entity was established in September 2004 to further human, social, and economic development in the County of Charleston. The Corporation exists solely for the benefit of the County. The budget is adopted on a project-length basis.

### **Nonmajor Capital Projects Funds**

Capital Projects funds are used to account for the acquisition and construction of major capital outlays other than those financed by proprietary funds.

**Construction** - This fund was established in fiscal year 1986 by amendment to the budget ordinance to receive the proceeds of property sales and finance new construction with these funds. Per the County Budget Ordinance, all proceeds from the sale of real estate must be used for capital projects.

**Equipment Replacement Fund** - This fund was established in fiscal year 2005 to finance replacement of fleet and technology equipment. Funding comes from the sale of the County's general capital assets (excluding real estate) and from the general fund.

**ITS/Management Information Systems** - This fund was established in fiscal year 1996 to control funds for multi-year data processing hardware and software acquisitions that have been approved by County Council. Funding comes from the general fund. This fund also was established to account for the replacement of computer hardware and software. Funding comes from various leases.



COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2013

<u>ASSETS</u>	<u>Special Revenue Funds</u>			
	<u>Accommo- dations</u>	<u>American Recovery &amp; Reinvestment Act</u>	<u>Child Support Enforcement</u>	<u>Community Development</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	2,401,033	-	39,997	310,719
Restricted cash and cash equivalents	951,547	-	-	-
Receivables (net of allowances for uncollectibles)	2,649,904	-	79,884	311,472
Due from other funds	-	-	-	-
<b>Total assets</b>	<b><u>\$ 6,002,484</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 119,881</u></b>	<b><u>\$ 622,191</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 456,339	\$ -	\$ 25,250	\$ 75,050
Accrued payroll and fringe benefits	-	-	20,154	14,096
Due to other funds	-	-	-	-
Intergovernmental payable	4,523,533	-	-	171,236
Deferred revenue	-	-	-	752
<b>Total liabilities</b>	<b><u>4,979,872</u></b>	<b><u>-</u></b>	<b><u>45,404</u></b>	<b><u>261,134</u></b>
 <b>Fund balances:</b>				
Restricted	1,022,612	-	74,477	361,057
Committed	-	-	-	-
<b>Total fund balances</b>	<b><u>1,022,612</u></b>	<b><u>-</u></b>	<b><u>74,477</u></b>	<b><u>361,057</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 6,002,484</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 119,881</u></b>	<b><u>\$ 622,191</u></b>

See notes to financial statements.

**Special Revenue Funds**

<u>Construction Public Works</u>	<u>Economic Development</u>	<u>Education</u>	<u>Emergency Medical Services</u>	<u>Fire Districts</u>
\$ -	\$ -	\$ -	\$ -	\$ -
6,406,977	1,947,268	116,455	-	161,428
-	-	-	-	-
1,628,862	43,326	7,357,793	26,205	2,823,181
-	-	-	-	-
<u>\$ 8,035,839</u>	<u>\$ 1,990,594</u>	<u>\$ 7,474,248</u>	<u>\$ 26,205</u>	<u>\$ 2,984,609</u>
\$ 625,910	\$ 14,490	\$ -	\$ -	\$ 41,178
-	24,630	23,261	-	70,431
-	-	41,346	26,205	-
-	-	11,524	-	16,200
-	300,000	7,304,923	-	2,314,753
<u>625,910</u>	<u>339,120</u>	<u>7,381,054</u>	<u>26,205</u>	<u>2,442,562</u>
7,409,929	1,651,474	93,194	-	542,047
-	-	-	-	-
<u>7,409,929</u>	<u>1,651,474</u>	<u>93,194</u>	<u>-</u>	<u>542,047</u>
<u>\$ 8,035,839</u>	<u>\$ 1,990,594</u>	<u>\$ 7,474,248</u>	<u>\$ 26,205</u>	<u>\$ 2,984,609</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2013

<u>ASSETS</u>	<u>Special Revenue Funds</u>			
	<u>Hazardous Materials Enforcement</u>	<u>Public Defender</u>	<u>Safety Enforcement</u>	<u>Sheriff</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 17,765	\$ 51,021
Pooled cash and cash equivalents	198,353	1,047,714	-	2,455,782
Restricted cash and cash equivalents	-	-	-	-
Receivables (net of allowances for uncollectibles)	42	115,661	1,024,996	28,803
Due from other funds	-	-	-	-
<b>Total assets</b>	<b><u>\$ 198,395</u></b>	<b><u>\$ 1,163,375</u></b>	<b><u>\$ 1,042,761</u></b>	<b><u>\$ 2,535,606</u></b>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,081	\$ 29,528	\$ 65,444	\$ 623
Accrued payroll and fringe benefits	4,737	175,353	23,069	16,865
Due to other funds	-	-	391,464	-
Intergovernmental payable	-	-	90,413	8,028
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b><u>5,818</u></b>	<b><u>204,881</u></b>	<b><u>570,390</u></b>	<b><u>25,516</u></b>
Fund balances:				
Restricted	192,577	958,494	472,371	2,510,090
Committed	-	-	-	-
<b>Total fund balances</b>	<b><u>192,577</u></b>	<b><u>958,494</u></b>	<b><u>472,371</u></b>	<b><u>2,510,090</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 198,395</u></b>	<b><u>\$ 1,163,375</u></b>	<b><u>\$ 1,042,761</u></b>	<b><u>\$ 2,535,606</u></b>

See notes to financial statements.

<b>Special Revenue Funds</b>				<b>Capital Projects Funds</b>
<b>Solicitor</b>	<b>Storm Water Drainage</b>	<b>Victim Notification</b>	<b>Charleston Development Corp</b>	<b>Construction</b>
\$ 1,929,726	\$ -	\$ 15,552	\$ -	\$ -
154,981	1,671,702	178,192	33,572	1,758,592
-	-	-	-	-
213,043	357,627	-	-	-
-	-	-	-	-
<b>\$ 2,297,750</b>	<b>\$ 2,029,329</b>	<b>\$ 193,744</b>	<b>\$ 33,572</b>	<b>\$ 1,758,592</b>
\$ 1,815	\$ 9,863	\$ 528	\$ -	\$ 23,498
93,056	36,470	13,308	-	5,868
4,162	-	-	-	-
-	-	11,571	-	-
-	-	-	-	-
<b>99,033</b>	<b>46,333</b>	<b>25,407</b>	<b>-</b>	<b>29,366</b>
2,198,717	1,982,996	168,337	33,572	-
-	-	-	-	1,729,226
<b>2,198,717</b>	<b>1,982,996</b>	<b>168,337</b>	<b>33,572</b>	<b>1,729,226</b>
<b>\$ 2,297,750</b>	<b>\$ 2,029,329</b>	<b>\$ 193,744</b>	<b>\$ 33,572</b>	<b>\$ 1,758,592</b>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 June 30, 2013

	<b>Capital Projects Funds</b>		
<b><u>ASSETS</u></b>	<b>Equipment Replacement Fund</b>	<b>ITS / MIS</b>	<b>Total Nonmajor Governmental Funds</b>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 2,014,064
Pooled cash and cash equivalents	554,573	6,196,192	25,633,530
Restricted cash and cash equivalents	-	-	951,547
Receivables (net of allowances for uncollectibles)	3,879	-	16,664,678
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 558,452</b>	<b>\$ 6,196,192</b>	<b>\$ 45,263,819</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 15,225	\$ 28,400	\$ 1,414,222
Accrued payroll and fringe benefits	-	-	521,298
Due to other funds	-	-	463,177
Intergovernmental payable	236	-	4,832,741
Deferred revenue	-	-	9,920,428
<b>Total liabilities</b>	<b>15,461</b>	<b>28,400</b>	<b>17,151,866</b>
 <b>Fund balances:</b>			
Restricted	-	-	19,671,944
Committed	542,991	6,167,792	8,440,009
<b>Total fund balances</b>	<b>542,991</b>	<b>6,167,792</b>	<b>28,111,953</b>
<b>Total liabilities and fund balances</b>	<b>\$ 558,452</b>	<b>\$ 6,196,192</b>	<b>\$ 45,263,819</b>

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2013

	Special Revenue Funds			
	Accommo- dations	American Recovery & Reinvestment Act	Child Support Enforcement	Community Development
<b>Revenues:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	74,749	106,847	1,054,454	2,811,174
Fines and forfeitures	-	-	-	-
Service charges	11,987,748	-	-	-
Interest	3,559	-	-	-
Other revenues	-	-	-	283
<b>Total revenues</b>	<b>12,066,056</b>	<b>106,847</b>	<b>1,054,454</b>	<b>2,811,457</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	77,227	-
Judicial	-	36,307	658,231	-
Public works	-	-	-	-
Health and welfare	-	70,588	-	2,823,461
Economic development	-	-	-	-
Culture and recreation	11,774,252	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>11,774,252</b>	<b>106,895</b>	<b>735,458</b>	<b>2,823,461</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>291,804</b>	<b>(48)</b>	<b>318,996</b>	<b>(12,004)</b>
<b>Other financing sources (uses):</b>				
Capital lease proceeds	-	-	-	-
Transfers in	-	-	24,955	3,102
Transfers out	(27,540)	-	(317,551)	(3,102)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(27,540)</b>	<b>-</b>	<b>(292,596)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>264,264</b>	<b>(48)</b>	<b>26,400</b>	<b>(12,004)</b>
<b>Fund balances at beginning of year</b>	<b>758,348</b>	<b>48</b>	<b>48,077</b>	<b>373,061</b>
<b>Fund balances at end of year</b>	<b>\$ 1,022,612</b>	<b>\$ -</b>	<b>\$ 74,477</b>	<b>\$ 361,057</b>

See notes to financial statements.

**Special Revenue Funds**

<b>Construction Public Works</b>	<b>Economic Development</b>	<b>Education</b>	<b>Emergency Medical Services</b>	<b>Fire Districts</b>	<b>Hazardous Materials Enforcement</b>
\$ -	\$ 1,905,212	\$ 7,172,740	\$ -	\$ 1,762,076	\$ -
4,253,623	133,522	176,647	26,136	780,577	-
-	-	-	-	-	-
-	-	-	-	-	216,241
18,192	-	-	-	-	-
-	71,940	-	69	242	166
<b>4,271,815</b>	<b>2,110,674</b>	<b>7,349,387</b>	<b>26,205</b>	<b>2,542,895</b>	<b>216,407</b>
-	-	26,597	-	-	-
-	-	-	27,657	2,901,003	217,690
-	-	-	-	-	-
7,167,927	-	-	-	-	-
-	1,689,704	-	-	-	-
-	-	-	-	-	-
-	-	5,852,056	-	-	-
-	-	-	-	-	-
<b>7,167,927</b>	<b>1,689,704</b>	<b>5,878,653</b>	<b>27,657</b>	<b>2,901,003</b>	<b>217,690</b>
<b>(2,896,112)</b>	<b>420,970</b>	<b>1,470,734</b>	<b>(1,452)</b>	<b>(358,108)</b>	<b>(1,283)</b>
-	-	-	-	-	-
4,579,613	21,060	119,791	1,452	154,507	-
(4,561,189)	-	(1,497,331)	-	(154,507)	-
-	-	-	-	27,750	-
<b>18,424</b>	<b>21,060</b>	<b>(1,377,540)</b>	<b>1,452</b>	<b>27,750</b>	<b>-</b>
<b>(2,877,688)</b>	<b>442,030</b>	<b>93,194</b>	<b>-</b>	<b>(330,358)</b>	<b>(1,283)</b>
<b>10,287,617</b>	<b>1,209,444</b>	<b>-</b>	<b>-</b>	<b>872,405</b>	<b>193,860</b>
<b>\$ 7,409,929</b>	<b>\$ 1,651,474</b>	<b>\$ 93,194</b>	<b>\$ -</b>	<b>\$ 542,047</b>	<b>\$ 192,577</b>

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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2013

	<u>Special Revenue Funds</u>		
	<u>Public Defender</u>	<u>Safety Enforcement</u>	<u>Sheriff</u>
<b>Revenues:</b>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	1,563,797	4,077,431	103,500
Fines and forfeitures	-	90,991	316,002
Service charges	310,869	-	21,400
Interest	2,368	258	2,494
Other revenues	-	46,051	376,448
<b>Total revenues</b>	<b>1,877,034</b>	<b>4,214,731</b>	<b>819,844</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	-	-	-
Public safety	-	3,542,874	600,721
Judicial	4,679,956	726,898	79,825
Public works	-	-	-
Health and welfare	-	89,569	-
Economic development	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>4,679,956</b>	<b>4,359,341</b>	<b>680,546</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,802,922)</b>	<b>(144,610)</b>	<b>139,298</b>
<b>Other financing sources (uses):</b>			
Capital lease proceeds	-	-	-
Transfers in	2,974,404	117,971	92,935
Transfers out	-	(2,838)	(41,405)
Proceeds from sale of capital assets	-	-	5,735
<b>Total other financing sources (uses)</b>	<b>2,974,404</b>	<b>115,133</b>	<b>57,265</b>
<b>Net change in fund balance</b>	<b>171,482</b>	<b>(29,477)</b>	<b>196,563</b>
<b>Fund balances at beginning of year</b>	<b>787,012</b>	<b>501,848</b>	<b>2,313,527</b>
<b>Fund balances at end of year</b>	<b>\$ 958,494</b>	<b>\$ 472,371</b>	<b>\$ 2,510,090</b>

See notes to financial statements.

Special Revenue Funds				Capital Projects Funds	
Solicitor	Storm Water Drainage	Victim Notification	Charleston Development Corp	Construction	Equipment Replacement Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,100,456	621,363	2,905	-	375,207	-
36,218	-	391,683	-	-	-
780,193	802,074	488	-	-	-
2,038	4,070	-	84	13,317	2,368
6,389	-	-	43,112	-	-
<u>1,925,294</u>	<u>1,427,507</u>	<u>395,076</u>	<u>43,196</u>	<u>388,524</u>	<u>2,368</u>
-	-	-	-	444,380	-
-	-	192,920	-	-	-
2,307,985	-	199,122	-	-	-
-	1,955,759	-	-	-	-
-	-	-	43,112	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,765,279	15,000
<u>2,307,985</u>	<u>1,955,759</u>	<u>392,042</u>	<u>43,112</u>	<u>4,209,659</u>	<u>15,000</u>
<u>(382,691)</u>	<u>(528,252)</u>	<u>3,034</u>	<u>84</u>	<u>(3,821,135)</u>	<u>(12,632)</u>
-	-	-	-	-	-
54,847	-	-	-	170,415	816,337
(281,868)	-	-	-	-	(862,615)
-	-	-	-	435,498	9,132
<u>(227,021)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,913</u>	<u>(37,146)</u>
<u>(609,712)</u>	<u>(528,252)</u>	<u>3,034</u>	<u>84</u>	<u>(3,215,222)</u>	<u>(49,778)</u>
<u>2,808,429</u>	<u>2,511,248</u>	<u>165,303</u>	<u>33,488</u>	<u>4,944,448</u>	<u>592,769</u>
<u>\$ 2,198,717</u>	<u>\$ 1,982,996</u>	<u>\$ 168,337</u>	<u>\$ 33,572</u>	<u>\$ 1,729,226</u>	<u>\$ 542,991</u>

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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2013**

	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>ITS / MIS</b>	
<b>Revenues:</b>		
Property taxes	\$ -	\$ 10,840,028
Intergovernmental	-	17,262,388
Fines and forfeitures	-	834,894
Service charges	-	14,119,013
Interest	-	48,748
Other revenues	-	544,700
	-	544,700
<b>Total revenues</b>	-	<b>43,649,771</b>
<b>Expenditures:</b>		
<b>Current:</b>		
General government	-	470,977
Public safety	-	7,560,092
Judicial	-	8,688,324
Public works	-	9,123,686
Health and welfare	-	3,026,730
Economic development	-	1,689,704
Culture and recreation	-	11,774,252
Education	-	5,852,056
Capital outlay	1,592,583	5,372,862
	1,592,583	5,372,862
<b>Total expenditures</b>	1,592,583	<b>53,558,683</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(1,592,583)	<b>(9,908,912)</b>
<b>Other financing sources (uses):</b>		
Capital lease proceeds	712,056	712,056
Transfers in	4,615,556	13,746,945
Transfers out	(154,129)	(7,904,075)
Proceeds from sale of capital assets	-	478,115
	5,173,483	478,115
<b>Total other financing sources (uses)</b>	5,173,483	<b>7,033,041</b>
<b>Net change in fund balance</b>	3,580,900	<b>(2,875,871)</b>
<b>Fund balances at beginning of year</b>	2,586,892	<b>30,987,824</b>
<b>Fund balances at end of year</b>	<b>\$ 6,167,792</b>	<b>\$ 28,111,953</b>

See notes to financial statements.

**CHARLESTON COUNTY, SOUTH CAROLINA  
INDIVIDUAL FUND SCHEDULES OF REVENUES  
EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET  
(GAAP BASIS) AND ACTUAL**



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
 ACCOMMODATIONS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 74,749	\$ 49,749
Service charges	11,110,000	11,813,117	11,987,748	174,631
Interest	5,000	5,000	3,559	(1,441)
<b>Total revenues</b>	<b>11,140,000</b>	<b>11,843,117</b>	<b>12,066,056</b>	<b>222,939</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Culture and recreation	11,145,725	11,870,991	11,774,252	96,739
<b>Total expenditures</b>	<b>11,145,725</b>	<b>11,870,991</b>	<b>11,774,252</b>	<b>96,739</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,725)</b>	<b>(27,874)</b>	<b>291,804</b>	<b>319,678</b>
<b>Other financing uses:</b>				
Transfers out	(25,000)	(25,000)	(27,540)	(2,540)
<b>Net change in fund balance</b>	<b>(30,725)</b>	<b>(52,874)</b>	<b>264,264</b>	<b>317,138</b>
<b>Fund balance at beginning of year</b>	<b>758,348</b>	<b>758,348</b>	<b>758,348</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 727,623</b>	<b>\$ 705,474</b>	<b>\$ 1,022,612</b>	<b>\$ 317,138</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
CHILD SUPPORT ENFORCEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 1,165,000	\$ 1,165,000	\$ 1,054,454	\$ (110,546)
<b>Total revenues</b>	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,054,454</u>	<u>(110,546)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	75,962	77,039	77,227	(188)
Judicial	674,112	763,977	658,231	105,746
<b>Total expenditures</b>	<u>750,074</u>	<u>841,016</u>	<u>735,458</u>	<u>105,558</u>
<b>Excess of revenues over expenditures</b>	<u>414,926</u>	<u>323,984</u>	<u>318,996</u>	<u>(4,988)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	24,955	24,955
Transfers out	(414,926)	(372,061)	(317,551)	54,510
<b>Total other financing sources (uses)</b>	<u>(414,926)</u>	<u>(372,061)</u>	<u>(292,596)</u>	<u>79,465</u>
<b>Net change in fund balance</b>	-	(48,077)	26,400	74,477
<b>Fund balance at beginning of year</b>	<u>48,077</u>	<u>48,077</u>	<u>48,077</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 48,077</u>	<u>\$ -</u>	<u>\$ 74,477</u>	<u>\$ 74,477</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
<b>Revenues:</b>				
Property taxes	\$ 1,939,952	\$ 1,939,952	\$ 1,905,212	\$ (34,740)
Intergovernmental	-	133,635	133,522	(113)
Other revenues	-	71,940	71,940	-
<b>Total revenues</b>	<u>1,939,952</u>	<u>2,145,527</u>	<u>2,110,674</u>	<u>(34,853)</u>
<b>Expenditures:</b>				
Current:				
Economic development	<u>1,939,952</u>	<u>2,237,205</u>	<u>1,689,704</u>	<u>547,501</u>
<b>Total expenditures</b>	<u>1,939,952</u>	<u>2,237,205</u>	<u>1,689,704</u>	<u>547,501</u>
<b>Excess (deficiency) of revenues over (under) over expenditures</b>	<u>-</u>	<u>(91,678)</u>	<u>420,970</u>	<u>512,648</u>
<b>Other financing sources:</b>				
Transfers in	<u>-</u>	<u>21,061</u>	<u>21,060</u>	<u>(1)</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>(70,617)</u>	<u>442,030</u>	<u>512,647</u>
<b>Fund balance at beginning of year</b>	<u>1,209,444</u>	<u>1,209,444</u>	<u>1,209,444</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,209,444</u>	<u>\$ 1,138,827</u>	<u>\$ 1,651,474</u>	<u>\$ 512,647</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**EDUCATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>Revenues:</b>				
Property taxes	\$ 7,280,000	\$ 7,359,000	\$ 7,172,740	\$ (186,260)
Intergovernmental	-	-	176,647	176,647
<b>Total revenues</b>	<u>7,280,000</u>	<u>7,359,000</u>	<u>7,349,387</u>	<u>(9,613)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	-	119,791	26,597	93,194
Education	5,824,000	5,903,000	5,852,056	50,944
<b>Total expenditures</b>	<u>5,824,000</u>	<u>6,022,791</u>	<u>5,878,653</u>	<u>144,138</u>
<b>Excess of revenues over expenditures</b>	<u>1,456,000</u>	<u>1,336,209</u>	<u>1,470,734</u>	<u>134,525</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	119,791	119,791	-
Transfers out	(1,456,000)	(1,456,000)	(1,497,331)	(41,331)
<b>Total other financing sources (uses)</b>	<u>(1,456,000)</u>	<u>(1,336,209)</u>	<u>(1,377,540)</u>	<u>(41,331)</u>
<b>Net change in fund balance</b>	-	-	93,194	93,194
<b>Fund balance at beginning of year</b>	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,194</u>	<u>\$ 93,194</u>

See notes to financial statements.



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**FIRE DISTRICTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Property taxes	\$ 1,782,685	\$ 1,793,026	\$ 1,762,076	\$ (30,950)
Intergovernmental	580,154	726,420	780,577	54,157
Other revenues	-	(975)	242	1,217
<b>Total revenues</b>	<b>2,362,839</b>	<b>2,518,471</b>	<b>2,542,895</b>	<b>24,424</b>
<b>Expenditures:</b>				
Current:				
Public safety	2,422,834	3,132,484	2,901,003	231,481
<b>Total expenditures</b>	<b>2,422,834</b>	<b>3,132,484</b>	<b>2,901,003</b>	<b>231,481</b>
<b>Deficiency of revenues under expenditures</b>	<b>(59,995)</b>	<b>(614,013)</b>	<b>(358,108)</b>	<b>255,905</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	206,317	154,507	(51,810)
Transfers out	-	(154,508)	(154,507)	1
Proceeds from sale of capital assets	-	27,750	27,750	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>79,559</b>	<b>27,750</b>	<b>(51,809)</b>
<b>Net change in fund balance</b>	<b>(59,995)</b>	<b>(534,454)</b>	<b>(330,358)</b>	<b>204,096</b>
<b>Fund balance at beginning of year</b>	<b>872,405</b>	<b>872,405</b>	<b>872,405</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 812,410</b>	<b>\$ 337,951</b>	<b>\$ 542,047</b>	<b>\$ 204,096</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
HAZARDOUS MATERIALS ENFORCEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Service charges	\$ 191,000	\$ 191,000	\$ 216,241	\$ 25,241
Other revenues	-	-	166	166
<b>Total revenues</b>	<u>191,000</u>	<u>191,000</u>	<u>216,407</u>	<u>25,407</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	246,810	250,040	217,690	32,350
<b>Total expenditures</b>	<u>246,810</u>	<u>250,040</u>	<u>217,690</u>	<u>32,350</u>
Deficiency of revenues under expenditures	<u>(55,810)</u>	<u>(59,040)</u>	<u>(1,283)</u>	<u>57,757</u>
Net change in fund balance	(55,810)	(59,040)	(1,283)	57,757
Fund balance at beginning of year	<u>193,860</u>	<u>193,860</u>	<u>193,860</u>	<u>-</u>
Fund balance at end of year	<u>\$ 138,050</u>	<u>\$ 134,820</u>	<u>\$ 192,577</u>	<u>\$ 57,757</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
PUBLIC DEFENDER SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>Revenues:</b>				
Intergovernmental	\$ 1,386,959	\$ 1,443,952	\$ 1,563,797	\$ 119,845
Service charges	167,500	337,500	310,869	(26,631)
Interest	-	-	2,368	2,368
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>1,554,459</u>	<u>1,781,452</u>	<u>1,877,034</u>	<u>95,582</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Judicial	4,595,194	4,836,373	4,679,956	156,417
<b>Total expenditures</b>	<u>4,595,194</u>	<u>4,836,373</u>	<u>4,679,956</u>	<u>156,417</u>
<b>Deficiency of revenues under expenditures</b>	<u>(3,040,735)</u>	<u>(3,054,921)</u>	<u>(2,802,922)</u>	<u>251,999</u>
<b>Other financing sources:</b>				
Transfers in	2,925,961	2,974,404	2,974,404	-
<b>Net change in fund balance</b>	(114,774)	(80,517)	171,482	251,999
<b>Fund balance at beginning of year</b>	<u>787,012</u>	<u>787,012</u>	<u>787,012</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 672,238</u>	<u>\$ 706,495</u>	<u>\$ 958,494</u>	<u>\$ 251,999</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SHERIFF SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 103,500	\$ -
Fines and forfeitures	97,450	121,059	316,002	194,943
Interest	-	-	2,494	2,494
Service charges	-	-	21,400	21,400
Other revenues	359,172	359,172	376,448	17,276
<b>Total revenues</b>	<b>560,122</b>	<b>583,731</b>	<b>819,844</b>	<b>236,113</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	1,107,768	1,181,851	600,721	581,130
Judicial	83,168	83,168	79,825	3,343
<b>Total expenditures</b>	<b>1,190,936</b>	<b>1,265,019</b>	<b>680,546</b>	<b>584,473</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(630,814)</b>	<b>(681,288)</b>	<b>139,298</b>	<b>820,586</b>
<b>Other financing sources (uses):</b>				
Transfers in	97,359	100,589	92,935	(7,654)
Transfers out	-	(41,405)	(41,405)	-
Proceeds from sale of capital assets	-	-	5,735	5,735
<b>Total other financing sources (uses)</b>	<b>97,359</b>	<b>59,184</b>	<b>57,265</b>	<b>(1,919)</b>
<b>Net change in fund balance</b>	<b>(533,455)</b>	<b>(622,104)</b>	<b>196,563</b>	<b>818,667</b>
<b>Fund balance at beginning of year</b>	<b>2,313,527</b>	<b>2,313,527</b>	<b>2,313,527</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 1,780,072</b>	<b>\$ 1,691,423</b>	<b>\$ 2,510,090</b>	<b>\$ 818,667</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
SOLICITOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 936,925	\$ 1,087,749	\$ 1,100,456	\$ 12,707
Fines and forfeitures	50,000	50,000	36,218	(13,782)
Service charges	810,241	810,913	780,193	(30,720)
Interest	-	-	2,038	2,038
Other revenues	90,000	-	6,389	6,389
<b>Total revenues</b>	<b>1,887,166</b>	<b>1,948,662</b>	<b>1,925,294</b>	<b>(23,368)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Judicial	2,306,503	2,519,971	2,307,985	211,986
<b>Total expenditures</b>	<b>2,306,503</b>	<b>2,519,971</b>	<b>2,307,985</b>	<b>211,986</b>
Deficiency of revenues under expenditures	(419,337)	(571,309)	(382,691)	188,618
<b>Other financing sources (uses):</b>				
Transfers in	-	60,664	54,847	(5,817)
Transfers out	(125,290)	(281,869)	(281,868)	1
<b>Total other financing sources (uses)</b>	<b>(125,290)</b>	<b>(221,205)</b>	<b>(227,021)</b>	<b>(5,816)</b>
<b>Net change in fund balance</b>	<b>(544,627)</b>	<b>(792,514)</b>	<b>(609,712)</b>	<b>182,802</b>
<b>Fund balance at beginning of year</b>	<b>2,808,429</b>	<b>2,808,429</b>	<b>2,808,429</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 2,263,802</b>	<b>\$ 2,015,915</b>	<b>\$ 2,198,717</b>	<b>\$ 182,802</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
 STORMWATER DRAINAGE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 297,650	\$ 297,650	\$ 621,363	\$ 323,713
Service charges	1,280,000	1,280,000	802,074	(477,926)
Interest	-	-	4,070	4,070
<b>Total revenues</b>	<u>1,577,650</u>	<u>1,577,650</u>	<u>1,427,507</u>	<u>(150,143)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public works	<u>2,904,385</u>	<u>3,692,690</u>	<u>1,955,759</u>	<u>1,736,931</u>
<b>Total expenditures</b>	<u>2,904,385</u>	<u>3,692,690</u>	<u>1,955,759</u>	<u>1,736,931</u>
Deficiency of revenues under expenditures	<u>(1,326,735)</u>	<u>(2,115,040)</u>	<u>(528,252)</u>	<u>1,586,788</u>
Net change in fund balance	(1,326,735)	(2,115,040)	(528,252)	1,586,788
Fund balance at beginning of year	<u>2,511,248</u>	<u>2,511,248</u>	<u>2,511,248</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,184,513</u>	<u>\$ 396,208</u>	<u>\$ 1,982,996</u>	<u>\$ 1,586,788</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**VICTIM NOTIFICATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2013**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
<b>Revenues:</b>				
Intergovernmental	\$ 3,000	\$ 8,000	\$ 2,905	\$ (5,095)
Fines and forfeitures	340,000	340,000	391,683	51,683
Service charges	-	-	488	488
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	<b>343,000</b>	<b>348,000</b>	<b>395,076</b>	<b>47,076</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	175,781	200,387	192,920	7,467
Judicial	215,496	222,909	199,122	23,787
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<b>391,277</b>	<b>423,296</b>	<b>392,042</b>	<b>31,254</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(48,277)</b>	<b>(75,296)</b>	<b>3,034</b>	<b>78,330</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing uses:</b>				
Transfers out	-	(5,817)	-	5,817
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net change in fund balance</b>	<b>(48,277)</b>	<b>(81,113)</b>	<b>3,034</b>	<b>84,147</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balance at beginning of year</b>	<b>165,303</b>	<b>165,303</b>	<b>165,303</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balance at end of year</b>	<b>\$ 117,026</b>	<b>\$ 84,190</b>	<b>\$ 168,337</b>	<b>\$ 84,147</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
VICTIM NOTIFICATION SPECIAL REVENUE FUND  
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED  
June 30, 2013**

	<u>Total Collections</u>	<u>Remittance to State</u>	<u>Retained by County</u>	<u>General Fund</u>	<u>Victim Notification</u>	<u>Total County Revenue</u>
<b>Magistrates:</b>						
<b>Fines:</b>						
Traffic/criminal	\$ 2,444,005	\$ -	\$ 2,444,005	\$ 2,444,005	\$ -	\$ 2,444,005
Wildlife/littering	27,327	27,327	-	-	-	-
DUI/DUS/BUI	70,177	70,177	-	-	-	-
Assessments	1,548,502	1,410,394	138,108	-	138,108	138,108
Surcharges	616,869	566,179	50,690	-	50,690	50,690
	<u>4,706,880</u>	<u>2,074,077</u>	<u>2,632,803</u>	<u>2,444,005</u>	<u>188,798</u>	<u>2,632,803</u>
<b>Clerk of Court:</b>						
<b>Fines:</b>						
Fines and Fees	1,281,141	901,742	379,399	379,399	-	379,399
Family court	1,975,978	1,044,744	931,234	931,234	-	931,234
DUI/DUS/BUI	13,446	13,446	-	-	-	-
Assessments	111,603	81,719	29,885	-	29,885	29,885
Surcharges	296,332	123,332	173,000	-	173,000	173,000
	<u>3,678,500</u>	<u>2,164,983</u>	<u>1,513,518</u>	<u>1,310,633</u>	<u>202,885</u>	<u>1,513,518</u>
	<u>\$ 8,385,381</u>	<u>\$ 4,239,060</u>	<u>\$ 4,146,321</u>	<u>\$ 3,754,638</u>	<u>\$ 391,683</u>	<u>\$ 4,146,321</u>

See notes to financial statements.



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## CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

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Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business.

**DAODAS** - This fund records the activity of programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS). These programs reduce the negative impact of alcohol and other drugs on constituents by planning and implementing comprehensive and effective programs of professional services. State and Federal funding, Medicaid, client fees, and other funding sources support these programs.

**E-911 Communications** - This fund is used to account for the operations of the County's Emergency 911 communication system. This service is funded through a county-wide service charge on all telephone service and is collected by local utilities for the County.

**Radio Communications** - This fund is used to account for the comprehensive communications support to Charleston County agencies and neighboring external public safety agencies, including management of the 800 MHz public safety radio system, operation of the communications electronic maintenance facility, and management of the command post's emergency equipment and vehicles for response to emergencies and natural disasters.

**Revenue Collections** - This fund is used to account for the administration on a fee basis of the collection of accommodations, business licenses, hazardous material fees, storm water fees and the solid waste user fee for the County and municipalities.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 June 30, 2013

<u>ASSETS</u>	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
<b>Current assets:</b>					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 317,734	\$ 318,434
Pooled cash and cash equivalents	793,157	2,068,169	333,591	1,965,962	5,160,879
Receivables (net of allowances for uncollectibles)	1,711,818	463,820	16,362	196,539	2,388,539
<b>Total current assets</b>	<b>2,505,675</b>	<b>2,531,989</b>	<b>349,953</b>	<b>2,480,235</b>	<b>7,867,852</b>
Deferred issuance costs	32,673	-	-	-	32,673
<b>Capital assets:</b>					
Buildings	9,702,367	-	-	-	9,702,367
Improvements other than buildings	270,255	-	-	-	270,255
Machinery and equipment	157,267	3,929,417	273,100	36,752	4,396,536
Less accumulated depreciation	(3,644,887)	(1,930,516)	(217,484)	(2,625)	(5,795,512)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>6,485,002</b>	<b>1,998,901</b>	<b>55,616</b>	<b>34,127</b>	<b>8,573,646</b>
<b>Total noncurrent assets</b>	<b>6,517,675</b>	<b>1,998,901</b>	<b>55,616</b>	<b>34,127</b>	<b>8,606,319</b>
<b>Total assets</b>	<b>9,023,350</b>	<b>4,530,890</b>	<b>405,569</b>	<b>2,514,362</b>	<b>16,474,171</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 June 30, 2013

<u>LIABILITIES AND EQUITY</u>	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
<b>Current liabilities:</b>					
Accounts payable	\$ 78,758	\$ 525,963	\$ 28,780	\$ 6,331	\$ 639,832
Accrued payroll and fringe benefits	229,043	15,188	7,885	49,300	301,416
Compensated absences-current	35,260	-	-	15,095	50,355
Intergovernmental payable	1,504	1,086	-	2,035,092	2,037,682
Unearned revenue	30,000	-	-	-	30,000
Accrued interest payable	9,624	-	-	-	9,624
Certificates of participation - current	310,681	-	-	-	310,681
<b>Total current liabilities</b>	<b>694,870</b>	<b>542,237</b>	<b>36,665</b>	<b>2,105,818</b>	<b>3,379,590</b>
<b>Noncurrent liabilities:</b>					
Certificates of participation (net of unamortized discounts)	1,890,550	-	-	-	1,890,550
Compensated absences	362,040	12,748	10,395	92,913	478,096
<b>Total noncurrent liabilities</b>	<b>2,252,590</b>	<b>12,748</b>	<b>10,395</b>	<b>92,913</b>	<b>2,368,646</b>
<b>Total liabilities</b>	<b>2,947,460</b>	<b>554,985</b>	<b>47,060</b>	<b>2,198,731</b>	<b>5,748,236</b>
<b>NET POSITION</b>					
Net investment in capital assets	4,283,771	1,998,901	55,616	34,127	6,372,415
Unrestricted	1,792,119	1,977,004	302,893	281,504	4,353,520
<b>Total net position</b>	<b>\$ 6,075,890</b>	<b>\$ 3,975,905</b>	<b>\$ 358,509</b>	<b>\$ 315,631</b>	<b>\$ 10,725,935</b>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2013

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
<b>Operating revenues:</b>					
Charges for services	\$ 6,697,140	\$ 2,244,167	\$ 2,205,837	\$ 1,784,748	\$ 12,931,892
Other revenues	13,578	-	-	-	13,578
<b>Total operating revenues</b>	<b>6,710,718</b>	<b>2,244,167</b>	<b>2,205,837</b>	<b>1,784,748</b>	<b>12,945,470</b>
<b>Operating expenses:</b>					
Personnel services	5,566,495	366,425	171,733	1,231,150	7,335,803
Contractual services	496,233	-	260,242	33,779	790,254
Materials and supplies	622,940	48,324	330,013	12,630	1,013,907
Utilities	232,323	549,775	111,309	-	893,407
Repairs and maintenance	156,810	82,475	1,454,702	1,500	1,695,487
Rental expenses	123,652	-	399,431	-	523,083
Vehicle fleet charges	17,830	-	2,973	15,966	36,769
Other expenses	1,694,114	497,004	1,134,966	488,935	3,815,019
Depreciation and amortization	245,788	655,689	59,919	2,625	964,021
<b>Total operating expenses</b>	<b>9,156,185</b>	<b>2,199,692</b>	<b>3,925,288</b>	<b>1,786,585</b>	<b>17,067,750</b>
<b>Operating income (loss)</b>	<b>(2,445,467)</b>	<b>44,475</b>	<b>(1,719,451)</b>	<b>(1,837)</b>	<b>(4,122,280)</b>
<b>Nonoperating revenues (expenses):</b>					
Interest income	1,580	10,664	31	14,613	26,888
Interest expense	(158,200)	-	-	-	(158,200)
Intergovernmental revenues	636,390	-	-	-	636,390
Gain (loss) on disposal of capital assets	1,873	-	-	-	1,873
<b>Total nonoperating revenues (expenses)</b>	<b>481,643</b>	<b>10,664</b>	<b>31</b>	<b>14,613</b>	<b>506,951</b>
<b>Income (loss) before transfers</b>	<b>(1,963,824)</b>	<b>55,139</b>	<b>(1,719,420)</b>	<b>12,776</b>	<b>(3,615,329)</b>
Transfers in	2,148,688	-	1,502,950	-	3,651,638
Transfers out	-	(2,150,300)	-	-	(2,150,300)
<b>Change in net position</b>	<b>184,864</b>	<b>(2,095,161)</b>	<b>(216,470)</b>	<b>12,776</b>	<b>(2,113,991)</b>
<b>Total net position - beginning</b>	<b>5,891,026</b>	<b>6,071,066</b>	<b>574,979</b>	<b>302,855</b>	<b>12,839,926</b>
<b>Total net position - ending</b>	<b>\$ 6,075,890</b>	<b>\$ 3,975,905</b>	<b>\$ 358,509</b>	<b>\$ 315,631</b>	<b>\$ 10,725,935</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2013

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 6,341,833	\$ 2,329,278	\$ 2,291,250	\$ 1,588,209	\$ 12,550,570
Cash payments to suppliers for goods and services	(3,369,449)	(744,792)	(3,700,344)	(820,974)	(8,635,559)
Cash payments to employees for services	(5,594,154)	(362,440)	(168,169)	(1,241,201)	(7,365,964)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,621,770)</b>	<b>1,222,046</b>	<b>(1,577,263)</b>	<b>(473,966)</b>	<b>(3,450,953)</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	2,148,688	-	1,502,950	-	3,651,638
Transfers (out)	-	(2,150,300)	-	-	(2,150,300)
Intergovernmental receipt	636,390	-	-	-	636,390
<b>Net cash provided by noncapital financing activities</b>	<b>2,785,078</b>	<b>(2,150,300)</b>	<b>1,502,950</b>	<b>-</b>	<b>2,137,728</b>
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on long-term debt	(276,801)	-	-	-	(276,801)
Interest paid	(159,405)	-	-	-	(159,405)
Proceeds from sale of capital assets	1,873	-	-	-	1,873
Acquisition and construction of capital assets	(147,976)	(2,150,300)	(43,693)	(36,752)	(2,378,721)
<b>Net cash used in capital and related financing activities</b>	<b>(582,309)</b>	<b>(2,150,300)</b>	<b>(43,693)</b>	<b>(36,752)</b>	<b>(2,813,054)</b>
<b>Cash flows from investing activities:</b>					
Interest received	1,580	10,664	31	14,613	26,888
<b>Net cash provided by investing activities</b>	<b>1,580</b>	<b>10,664</b>	<b>31</b>	<b>14,613</b>	<b>26,888</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(417,421)</b>	<b>(3,067,890)</b>	<b>(117,975)</b>	<b>(496,105)</b>	<b>(4,099,391)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,211,278</b>	<b>5,136,059</b>	<b>451,566</b>	<b>2,779,801</b>	<b>9,578,704</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 793,857</b>	<b>\$ 2,068,169</b>	<b>\$ 333,591</b>	<b>\$ 2,283,696</b>	<b>\$ 5,479,313</b>
<b>Reconciliation to balance sheet:</b>					
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ 317,734	\$ 318,434
Pooled cash and cash equivalents	793,157	2,068,169	333,591	1,965,962	5,160,879
<b>Cash and cash equivalents at end of year</b>	<b>\$ 793,857</b>	<b>\$ 2,068,169</b>	<b>\$ 333,591</b>	<b>\$ 2,283,696</b>	<b>\$ 5,479,313</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2013

	DAODAS	E-911 Communications	Radio Communications	Revenue Collections	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (2,445,467)	\$ 44,475	\$ (1,719,451)	\$ (1,837)	\$ (4,122,280)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	245,788	655,689	59,919	2,625	964,021
Changes in assets and liabilities:					
(Increase) decrease in receivables	(398,886)	85,111	85,413	(196,539)	(424,901)
Increase (decrease) in accounts payable	(25,546)	432,786	(6,709)	(268,164)	132,367
Increase (decrease) in accrued payroll	(27,659)	3,985	3,565	(10,051)	(30,160)
Increase (decrease) in unearned revenue	30,000	-	-	-	30,000
Total adjustments	(176,303)	1,177,571	142,188	(472,129)	671,327
Net cash provided by (used in) operating activities	<u>\$ (2,621,770)</u>	<u>\$ 1,222,046</u>	<u>\$ (1,577,263)</u>	<u>\$ (473,966)</u>	<u>\$ (3,450,953)</u>

See notes to financial statements.



## CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments of the government, on a cost reimbursement basis.

**Fleet Management** - This fund is used to account for all operations of the County's centrally administered vehicle operation. Functions included within this operation are writing the specifications and assisting in the purchase of all on and off-road vehicles and equipment; owning all vehicles and equipment not specifically used in other County proprietary operations; maintaining all vehicles and equipment; operating a County-wide fuel distribution and monitoring system; operating a fleet of pool cars for those departments not directly assigned vehicles; and operating a vehicle parts warehouse.

**Office Support Services** - This fund is used to account for the mail pick-up and delivery service, duplicating machines, postage metering service and records management. Records management includes establishing records retention schedules for all County operations, centralized storage of records and a centralized microfilming operation.

**Workers' Compensation** - This fund is used to account for the costs of staffing a workers' compensation division as well as the cost of providing insurance through the S.C. Association of County Commissioners Self-Insurance Fund. Funding is provided by levying a percentage charge against all departmental payrolls. In fiscal year 1996, insurance was converted to self-insurance coverage for all claims less than \$100,000.

**Employee Benefits** - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees. Funding is provided by a percentage charge against all departmental payrolls and payments from retirees. The fund is administered by seven trustees; the Finance Director and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator, and 4) Deputy Administrator for Finance. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance.

**Telecommunications** - This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 June 30, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>ASSETS</b>						
<b>Current assets:</b>						
Pooled cash and cash equivalents	\$ 1,621,189	\$ 266,732	\$ 5,334,387	\$ 22,085,005	\$ 508,495	\$ 29,815,808
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	162,346	1,256	-	117,655	354	281,611
Due from other funds	-	-	217,893	547,357	-	765,250
Inventories	352,737	-	-	-	-	352,737
<b>Total current assets</b>	<b>2,136,272</b>	<b>267,988</b>	<b>5,677,280</b>	<b>22,750,017</b>	<b>508,849</b>	<b>31,340,406</b>
<b>Capital assets:</b>						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	28,435,646	1,653,602	167,023	-	522,908	30,779,179
Less accumulated depreciation	(18,023,525)	(1,673,927)	(164,402)	-	(431,466)	(20,293,320)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>11,962,624</b>	<b>124,855</b>	<b>2,621</b>	<b>-</b>	<b>91,442</b>	<b>12,181,542</b>
<b>Total assets</b>	<b>14,098,896</b>	<b>392,843</b>	<b>5,679,901</b>	<b>22,750,017</b>	<b>600,291</b>	<b>43,521,948</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	392,712	22,787	3,389,688	28,790	96,593	3,930,570
Accrued payroll and fringe benefits	90,306	29,656	18,273	-	13,766	152,001
Compensated absences-current	8,680	2,418	-	-	-	11,098
Intergovernmental payable	1,855	-	359,194	-	-	361,049
Lease payable - current	-	12,326	-	-	-	12,326
<b>Total current liabilities</b>	<b>493,553</b>	<b>67,187</b>	<b>3,767,155</b>	<b>28,790</b>	<b>110,359</b>	<b>4,467,044</b>
<b>Noncurrent liabilities:</b>						
OPEB liability	-	-	-	21,780,235	-	21,780,235
Compensated absences	261,182	62,004	53,005	-	6,675	382,866
Lease payable	-	12,331	-	-	-	12,331
<b>Total noncurrent liabilities</b>	<b>261,182</b>	<b>74,335</b>	<b>53,005</b>	<b>21,780,235</b>	<b>6,675</b>	<b>22,175,432</b>
<b>Total liabilities</b>	<b>754,735</b>	<b>141,522</b>	<b>3,820,160</b>	<b>21,809,025</b>	<b>117,034</b>	<b>26,642,476</b>
<b>NET POSITION</b>						
Net investment in capital assets	11,962,624	100,198	2,621	-	91,442	12,156,885
Unrestricted	1,381,537	151,123	1,857,120	940,992	391,815	4,722,587
<b>Total net position</b>	<b>\$ 13,344,161</b>	<b>\$ 251,321</b>	<b>\$ 1,859,741</b>	<b>\$ 940,992</b>	<b>\$ 483,257</b>	<b>\$ 16,879,472</b>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 12,110,098	\$ 1,561,477	\$ 5,522,892	\$ 25,684,423	\$ 1,789,760	\$ 46,668,650
<b>Total operating revenues</b>	<b>12,110,098</b>	<b>1,561,477</b>	<b>5,522,892</b>	<b>25,684,423</b>	<b>1,789,760</b>	<b>46,668,650</b>
<b>Operating expenses:</b>						
Personnel services	2,070,734	696,882	419,962	-	312,639	3,500,217
Contractual services	5,599	11,381	3,732,792	77,380	1,134	3,828,286
Materials and supplies	8,490,062	637,941	140,928	715	5,906	9,275,552
Utilities	101,256	19,865	-	-	1,279,285	1,400,406
Repairs and maintenance	11,466	221,492	29,972	-	25,345	288,275
Rental expenses	-	32,696	-	-	-	32,696
Vehicle fleet charges	94,061	10,379	11,943	-	8,383	124,766
Employee benefits	-	-	-	25,810,195	-	25,810,195
Other expenses	1,174,319	26,315	29,743	-	12,801	1,243,178
Depreciation	2,683,330	266,926	13,524	-	10,963	2,974,743
<b>Total operating expenses</b>	<b>14,630,827</b>	<b>1,923,877</b>	<b>4,378,864</b>	<b>25,888,290</b>	<b>1,656,456</b>	<b>48,478,314</b>
<b>Operating income (loss)</b>	<b>(2,520,729)</b>	<b>(362,400)</b>	<b>1,144,028</b>	<b>(203,867)</b>	<b>133,304</b>	<b>(1,809,664)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	-	-	12,829	49,709	-	62,538
Interest expense	-	(20,942)	-	-	-	(20,942)
Gain (loss) on disposal of capital assets	313,580	892	-	-	-	314,472
<b>Total nonoperating revenues (expenses)</b>	<b>313,580</b>	<b>(20,050)</b>	<b>12,829</b>	<b>49,709</b>	<b>-</b>	<b>356,068</b>
<b>Income (loss) before transfers</b>	<b>(2,207,149)</b>	<b>(382,450)</b>	<b>1,156,857</b>	<b>(154,158)</b>	<b>133,304</b>	<b>(1,453,596)</b>
Transfers out	(816,337)	-	-	-	(30,000)	(846,337)
Transfers in	5,397,850	467,282	-	-	-	5,865,132
<b>Change in net position</b>	<b>2,374,364</b>	<b>84,832</b>	<b>1,156,857</b>	<b>(154,158)</b>	<b>103,304</b>	<b>3,565,199</b>
<b>Total net position - beginning</b>	<b>10,969,797</b>	<b>166,489</b>	<b>702,884</b>	<b>1,095,150</b>	<b>379,953</b>	<b>13,314,273</b>
<b>Total net position - ending</b>	<b>\$ 13,344,161</b>	<b>\$ 251,321</b>	<b>\$ 1,859,741</b>	<b>\$ 940,992</b>	<b>\$ 483,257</b>	<b>\$ 16,879,472</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 390,186	\$ -	\$ -	\$ -	\$ 5,587	\$ 395,773
Cash receipts from interfund services provided	11,647,253	1,561,169	5,587,370	25,671,035	1,786,582	46,253,409
Cash payments to suppliers for goods and services	(10,038,623)	(1,011,791)	(4,796,486)	(21,892,215)	(1,342,651)	(39,081,766)
Cash payments to employees for services	(2,051,898)	(697,772)	(402,774)	-	(309,300)	(3,461,744)
Net cash provided by (used in) operating activities	(53,082)	(148,394)	388,110	3,778,820	140,218	4,105,672
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	5,397,850	467,282	-	-	-	5,865,132
Transfers (out)	(816,337)	-	-	-	(30,000)	(846,337)
Net cash provided by (used in) noncapital financing activities	4,581,513	467,282	-	-	(30,000)	5,018,795
<b>Cash flows from capital and related financing activities:</b>						
Principal paid on long-term debt	-	(281,929)	-	-	-	(281,929)
Interest paid	-	(20,942)	-	-	-	(20,942)
Proceeds from capital lease	-	-	-	-	-	-
Proceeds from sale of capital assets	629,707	2,892	-	-	-	632,599
Acquisition and construction of capital assets (including capitalized interest)	(6,108,642)	(18,127)	-	-	(96,365)	(6,223,134)
Net cash used in capital and related financing activities	(5,478,935)	(318,106)	-	-	(96,365)	(5,893,406)
<b>Cash flows from investing activities:</b>						
Interest received	-	-	12,829	49,709	-	62,538
Net cash provided by investing activities	-	-	12,829	49,709	-	62,538
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(950,504)</b>	<b>782</b>	<b>400,939</b>	<b>3,828,529</b>	<b>13,853</b>	<b>3,293,599</b>
Cash and cash equivalents at beginning of year	2,571,693	265,950	5,058,448	18,256,476	494,642	26,647,209
Cash and cash equivalents at end of year	<u>\$ 1,621,189</u>	<u>\$ 266,732</u>	<u>\$ 5,459,387</u>	<u>\$ 22,085,005</u>	<u>\$ 508,495</u>	<u>\$ 29,940,808</u>
<b>Reconciliation to balance sheet:</b>						
Pooled cash and cash equivalents	\$ 1,621,189	\$ 266,732	\$ 5,334,387	\$ 22,085,005	\$ 508,495	\$ 29,815,808
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,621,189</u>	<u>\$ 266,732</u>	<u>\$ 5,459,387</u>	<u>\$ 22,085,005</u>	<u>\$ 508,495</u>	<u>\$ 29,940,808</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2013

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,520,729)	\$ (362,400)	\$ 1,144,028	\$ (203,867)	\$ 133,304	\$ (1,809,664)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	2,683,330	266,926	13,524	-	10,963	2,974,743
Changes in assets and liabilities:						
(Increase) decrease in receivables	(72,659)	(308)	64,479	(13,388)	2,409	(19,467)
(Increase) decrease in inventory	22,548	-	-	-	-	22,548
Increase (decrease) in accounts payable	(184,408)	(51,721)	(851,108)	3,996,075	(9,797)	2,899,041
Increase (decrease) in accrued payroll	18,836	(891)	17,187	-	3,339	38,471
Total adjustments	2,467,647	214,006	(755,918)	3,982,687	6,914	5,915,336
Net cash provided by operating activities	<u>\$ (53,082)</u>	<u>\$ (148,394)</u>	<u>\$ 388,110</u>	<u>\$ 3,778,820</u>	<u>\$ 140,218</u>	<u>\$ 4,105,672</u>

See notes to financial statements.

## CHARLESTON COUNTY COMBINING STATEMENTS - FIDUCIARY FUNDS

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Agency funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations.

**Agency Funds** - This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections, Clerk of Court (who administers both Clerk of Court and Family Court funds), Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b><u>ASSETS</u></b>				
<b>Non-pooled cash and cash equivalents:</b>				
Held by Revenue Collections Third parties	\$ 192,481	\$ 44,677	\$ 5,901	\$ 231,257
Held by Clerk of Court Third parties	9,365,003	12,444,579	12,633,034	9,176,548
Held by Delinquent Tax Third parties	3,055,611	1,274,019	3,310,209	1,019,421
Held by Family Court Third parties	328,634	30,711,034	30,631,350	408,318
Held by Magistrates Third parties	121,813	109,148	121,813	109,148
Held by Master-In-Equity Third parties	2,943,061	47,939,887	48,202,587	2,680,361
Held by Probate Third parties	2,370	11,976	8,593	5,753
Held by Public Defender Third parties	19,262	171,088	173,444	16,906
Held by Sheriff Third parties	175,696	4,745,579	4,507,001	414,274
Held by Solicitor Third parties	402,080	1,429,386	1,290,018	541,448
<b>Total non-pooled cash and cash equivalents</b>	<b>16,606,011</b>	<b>98,881,373</b>	<b>100,883,950</b>	<b>14,603,434</b>

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See notes to financial statements.



COUNTY OF CHARLESTON, SOUTH CAROLINA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Pooled investments:				
Held by Treasurer				
C & B Fire Department	\$ -	\$ 8,424	\$ 8,424	\$ -
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	551,199	36,090,606	36,501,072	140,733
Charleston County School District	56,780,797	528,310,880	538,786,336	46,305,341
City of Charleston	6,829,914	68,864,726	75,333,516	361,124
City of Folly Beach	102,900	1,922,843	2,009,164	16,579
City of Folly Beach/James Island	12	67	77	2
City of Isle of Palms	158,809	4,966,303	5,103,509	21,603
City of North Charleston	2,736,983	50,884,372	54,035,043	(413,688)
Cooper River PPC	46,659	206,690	251,626	1,723
East Cooper Fire District	68	-	-	68
James Island PSD	549,608	5,557,093	6,025,789	80,912
James Island Fireman's Fund	-	130,130	130,130	-
North Charleston District	254,343	1,141,130	1,384,914	10,559
S. C. Fireman's Association	-	2,106,254	2,106,254	-
St. Andrew's PPPC	201,191	1,644,659	1,826,784	19,066
St. Andrew's Public Service District	681,153	5,420,226	5,964,028	137,351
St. John's Fire District	740,134	12,485,121	12,920,872	304,383
St. John's Fireman's Fund	-	320,043	320,043	-
St. Paul's Fire District	1,004,395	8,744,414	9,632,748	116,061
State Agencies	191,379	4,163,452	4,119,868	234,963
Third parties	22,948,333	119,580,815	126,085,955	16,443,193
Town of Awendaw Fireman's Assoc	-	43,910	43,910	-
Town of Awendaw	20,782	352,264	369,305	3,741
Town of Lincolnville	21,326	138,289	163,496	(3,881)
Town of McClellanville	38,344	313,701	349,734	2,311
Town of Mount Pleasant	8,470,574	28,670,497	37,072,545	68,526
Town of Sullivan's Island	98,696	1,703,491	1,792,817	9,370
Town of Summerville	228,310	231,284	228,806	230,788
Town of James Island Trustee	149,042	5,172	5,044	149,170
Ten Mile Whitehall Escrow	447,344	979	111,599	336,724
<b>Total held by Treasurer</b>	<b>103,251,257</b>	<b>884,007,835</b>	<b>922,683,408</b>	<b>64,575,684</b>
Held by Drug & Vice Seizure Trust				
Third parties	488,812	322,336	351,525	459,623
<b>Total pooled investments</b>	<b>103,740,069</b>	<b>884,330,171</b>	<b>923,034,933</b>	<b>65,035,307</b>
<b>Total assets</b>	<b>\$ 120,346,080</b>	<b>\$ 983,211,544</b>	<b>\$ 1,023,918,883</b>	<b>\$ 79,638,741</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b><u>LIABILITIES</u></b>				
<b>Due to component units:</b>				
Charleston County PRC	\$ 551,199	\$ 36,090,606	\$ 36,501,072	\$ 140,733
Cooper River PPC	46,659	206,690	251,626	1,723
James Island PSD	549,608	5,557,093	6,025,789	80,912
North Charleston District	254,343	1,141,130	1,384,914	10,559
St. Andrew's PPC	201,191	1,644,659	1,826,784	19,066
St. John's Fire District	740,134	12,485,121	12,920,872	304,383
St. Paul's Fire District	1,004,395	8,744,414	9,632,748	116,061
<b>Total due to component units</b>	<b>3,347,529</b>	<b>65,869,713</b>	<b>68,543,805</b>	<b>673,437</b>
<b>Intergovernmental payable:</b>				
C & B Fire Department	-	8,424	8,424	-
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	56,780,797	528,310,880	538,786,336	46,305,341
City of Charleston	6,829,914	68,864,726	75,333,516	361,124
City of Folly Beach	102,900	1,922,843	2,009,164	16,579
City of Folly Beach/James Island	12	67	77	2
City of Isle of Palms	158,809	4,966,303	5,103,509	21,603
City of North Charleston	2,736,983	50,884,372	54,035,043	(413,688)
East Cooper Fire District	68	-	-	68
James Island Fireman's Fund	-	130,130	130,130	-
S. C. Fireman's Association	-	2,106,254	2,106,254	-
St. John's Fireman's Fund	-	320,043	320,043	-
St. Andrew's Public Service District	681,153	5,420,226	5,964,028	137,351
State Agencies	191,379	4,163,452	4,119,868	234,963
Town of Awendaw Fireman's Assoc	-	43,910	43,910	-
Town of Awendaw	20,782	352,264	369,305	3,741
Town of Lincolnville	21,326	138,289	163,496	(3,881)
Town of McClellanville	38,344	313,701	349,734	2,311
Town of Mount Pleasant	8,470,574	28,670,497	37,072,545	68,526
Town of Sullivan's Island	98,696	1,703,491	1,792,817	9,370
Town of Summerville	228,310	231,284	228,806	230,788
Ten Mile Whitehall Escrow	447,344	979	111,599	336,724
<b>Total intergovernmental payable</b>	<b>76,806,353</b>	<b>698,552,135</b>	<b>728,048,604</b>	<b>47,309,884</b>
<b>Due to other funds</b>	<b>149,042</b>	<b>5,172</b>	<b>5,044</b>	<b>149,170</b>
<b>Due to third parties</b>	<b>40,043,156</b>	<b>218,784,524</b>	<b>227,321,430</b>	<b>31,506,250</b>
<b>Total liabilities</b>	<b>\$ 120,346,080</b>	<b>\$ 983,211,544</b>	<b>\$ 1,023,918,883</b>	<b>\$ 79,638,741</b>

See notes to financial statements.

**CHARLESTON COUNTY, SOUTH CAROLINA  
CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENT FUNDS**



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function**  
**June 30, 2013**

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 2,523,569	\$ 73,379,102	\$ 1,055,674	\$ 36,246,514	\$ -	\$ 479,473	\$ 113,684,332
Public safety	6,002,667	154,646,788	0	37,261,433	0	1,936,181	199,847,069
Judicial	0	60,706,495	0	950,800	0	0	61,657,295
Public works	188,336	397,168	67,191	1,162,120	46,458,669	0	48,273,484
Health and welfare	177,160	3,282,223	1,043,770	805,220	0	0	5,308,373
Culture and recreation	12,318,972	28,121,507	0	105,000	0	0	40,545,479
Economic Development	0	0	0	79,750	0	0	79,750
<b>Total</b>	<b>\$ 21,210,704</b>	<b>\$ 320,533,283</b>	<b>\$ 2,166,635</b>	<b>\$ 76,610,837</b>	<b>\$ 46,458,669</b>	<b>\$ 2,415,654</b>	<b>\$ 469,395,782</b>

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function**  
**For the Year Ended June 30, 2013**

<u>Function</u>	<u>Balance July 1, 2012</u>	<u>Additions *</u>	<u>Deletions *</u>	<u>Balance June 30, 2013</u>
General government	\$ 119,964,444	\$ 2,334,252.65	\$ (8,715,933.20)	\$ 113,582,763
Public safety	186,591,937	33,164,909.02	(19,802,217.42)	199,954,629
Judicial	61,515,699	141,596.47	-	61,657,295
Public works	48,687,745	1,093,169.14	(1,522,367.09)	48,258,547
Health and welfare	5,483,176	-	-174803.2	5,308,373
Culture and recreation	40,569,748	-	-15323	40,554,425
Economic Development	79,750	-	-	79,750
<b>Total</b>	<b><u>\$ 462,892,499</u></b>	<b><u>\$ 36,733,928</u></b>	<b><u>\$ (30,230,644)</u></b>	<b><u>\$ 469,395,782</u></b>

\* The additions and deletions include amounts for inter-function transfers.

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**STATISTICAL TABLES  
(UNAUDITED)**



# STATISTICAL TABLES

This section of the County of Charleston South Carolina’s comprehensive annual financial report presents detailed trend and other information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary information says about the County’s overall financial health.

	<b>Page Number</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	180 - 186
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	187 - 191
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County’s current level of outstanding debt and the County’s ability to issue additional debt in the future.	192 - 196
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	197 - 198
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	199 - 206
<b>Financial Assurance Coverage</b>	208

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

**UNAUDITED**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 49,998,715	\$ 57,359,439	\$ 73,784,397	\$ 89,153,294	\$ 102,685,537	\$ 99,409,429	\$ 98,333,460	\$ 109,879,879	\$ 113,295,767	\$ 93,885,285
Restricted	32,932,674	60,338,152	51,638,770	69,829,579	120,020,898	26,497,016	31,716,002	133,951,227	297,250,879	(138,560,395)
Unrestricted	33,263,298	11,749,363	37,628,366	26,178,518	(61,981,588)	(1,257,571)	(41,322,471)	(205,897,191)	(428,921,260)	(11,589,346)
Total Governmental Activities Net Position	<u>\$116,194,687</u>	<u>\$ 129,446,954</u>	<u>\$ 163,051,533</u>	<u>\$ 185,161,391</u>	<u>\$ 160,724,847</u>	<u>\$ 124,648,874</u>	<u>\$ 88,726,991</u>	<u>\$ 37,933,915</u>	<u>\$ (18,374,614)</u>	<u>\$ (56,264,456)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 18,801,715	\$ 20,241,171	\$ 17,983,156	\$ 24,637,561	\$ 26,839,792	\$ 27,790,358	\$ 30,486,244	\$ 32,625,114	\$ 38,035,202	\$ 41,685,714
Restricted	8,462,709	11,141,799	49,159,942	34,873,968	38,021,909	39,974,530	41,832,681	48,107,916	54,181,917	57,336,068
Unrestricted	38,441,936	42,327,249	15,023,549	36,781,998	40,032,892	35,882,091	30,461,308	29,145,836	27,593,816	24,015,581
Total Business-type Activities Net Position	<u>\$ 65,706,360</u>	<u>\$ 73,710,219</u>	<u>\$ 82,166,647</u>	<u>\$ 96,293,527</u>	<u>\$ 104,894,593</u>	<u>\$ 103,646,979</u>	<u>\$ 102,780,233</u>	<u>\$ 109,878,866</u>	<u>\$ 119,810,935</u>	<u>\$ 123,037,363</u>
Primary Government										
Net Investment in Capital Assets	\$ 68,800,430	\$ 77,600,610	\$ 91,767,553	\$ 113,790,855	\$ 129,525,329	\$ 127,199,787	\$ 128,819,704	\$ 142,504,993	\$ 151,330,969	\$ 135,570,999
Restricted	41,395,383	71,479,951	100,798,712	104,703,547	158,042,807	66,471,546	73,548,683	182,059,143	351,432,796	(81,224,327)
Unrestricted	71,705,234	54,076,612	52,651,915	62,960,516	(21,948,696)	34,624,520	(10,861,163)	(176,751,355)	(401,327,444)	12,426,235
Total Primary Government Net Position	<u>\$181,901,047</u>	<u>\$ 203,157,173</u>	<u>\$ 245,218,180</u>	<u>\$ 281,454,918</u>	<u>\$ 265,619,440</u>	<u>\$ 228,295,853</u>	<u>\$ 191,507,224</u>	<u>\$ 147,812,781</u>	<u>\$ 101,436,321</u>	<u>\$ 66,772,907</u>



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

**UNAUDITED**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 44,073,903	\$ 48,480,730	\$ 54,974,087	\$ 65,198,099	\$ 65,852,893	\$ 57,001,166	\$ 51,006,419	\$ 55,667,451	\$ 60,157,225	\$ 62,312,191
Public Safety	60,199,756	65,411,630	67,475,922	65,619,715	79,153,052	79,004,932	77,890,858	82,516,821	86,501,938	96,642,229
Judicial	16,303,000	17,626,761	19,042,092	20,545,790	22,201,442	28,605,375	25,578,697	26,116,113	26,577,935	26,996,074
Public Works	13,047,445	14,569,632	23,717,878	40,185,783	31,011,124	39,605,730	56,597,207	80,325,185	92,740,984	75,871,851
Health and Welfare	12,259,223	11,823,614	10,992,770	11,112,177	12,879,164	13,211,079	16,552,891	7,903,090	7,173,509	7,455,826
Economic Development	1,057,507	943,669	3,481,117	1,324,790	3,228,377	858,483	6,078,107	1,457,107	4,314,493	1,699,728
Culture and Recreation	17,464,877	16,731,110	18,133,308	21,307,239	53,822,207	48,254,152	41,390,976	38,886,387	30,820,517	26,936,941
Education	3,735,895	3,931,038	5,004,959	5,137,843	5,325,300	5,651,921	5,719,553	5,884,830	6,642,621	10,033,030
Interest and Fiscal Charges	9,306,029	10,107,693	10,453,449	9,311,104	18,461,680	20,934,569	21,109,522	20,739,273	26,019,356	24,988,554
Total Governmental Activities Expenses	<u>177,447,635</u>	<u>189,625,877</u>	<u>213,275,582</u>	<u>239,742,540</u>	<u>291,935,239</u>	<u>293,127,407</u>	<u>301,924,230</u>	<u>319,496,257</u>	<u>340,948,578</u>	<u>332,936,424</u>
Business-Type Activities:										
DOADAS	8,185,395	8,493,417	8,667,219	8,984,048	9,348,853	8,976,846	8,407,723	7,802,742	7,760,727	7,691,351
E 911 Communications	905,427	1,167,080	888,812	984,112	1,015,968	1,096,409	1,199,876	1,564,753	1,616,207	2,083,438
Environmental Management	27,252,627	29,335,704	32,430,587	30,229,939	39,064,678	43,209,125	33,738,089	19,920,437	21,278,034	24,543,597
Parking Garages	2,322,980	1,922,169	1,712,310	1,753,719	2,008,395	2,149,055	1,969,322	1,967,543	1,974,977	2,067,862
Radio Communications	-	-	-	1,800,430	1,973,647	2,153,163	2,226,905	2,226,407	2,469,246	3,058,029
Revenue Collections	-	-	-	-	1,724,477	1,641,615	1,721,430	1,483,346	1,320,851	1,364,203
Total Business-Type Activities Expenses	<u>38,666,429</u>	<u>40,918,370</u>	<u>43,698,928</u>	<u>43,752,248</u>	<u>55,136,018</u>	<u>59,226,213</u>	<u>40,855,622</u>	<u>27,162,486</u>	<u>28,659,315</u>	<u>40,808,480</u>
Total Primary Government Expenses	<u>\$ 216,114,064</u>	<u>\$ 230,544,247</u>	<u>\$ 256,974,510</u>	<u>\$ 283,494,788</u>	<u>\$ 347,071,257</u>	<u>\$ 352,353,620</u>	<u>\$ 342,779,852</u>	<u>\$ 346,658,743</u>	<u>\$ 369,607,893</u>	<u>\$ 373,744,904</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 15,440,672	\$ 17,935,275	\$ 19,041,161	\$ 18,098,660	\$ 16,034,883	\$ 10,852,721	\$ 9,697,135	\$ 13,632,343	\$ 9,999,742	\$ 16,937,093
Public Safety	7,878,504	6,290,751	6,157,762	6,622,976	11,396,678	11,079,419	11,478,288	19,420,040	12,539,246	16,546,185
Judicial	7,292,551	7,253,058	7,778,889	7,641,424	8,319,231	9,285,809	8,892,660	8,379,703	7,738,371	8,442,110
Public Works	143,354	179,664	196,147	1,927,468	4,941,336	4,123,329	1,939,108	1,780,797	8,821,907	1,767,564
Health and Welfare	558,244	788,557	1,150,312	4,930,221	612,029	476,756	412,732	233,266	250,352	309,820
Culture and Recreation	66,441	73,303	201,705	179,007	4,003,383	1,767,195	912,786	882,902	511,170	4,721,867
Education	10,170	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	16,592,529	19,298,359	21,435,951	18,216,119	20,814,984	18,703,242	29,232,648	15,639,213	25,771,280	22,966,436
Capital Grants and Contributions	-	3,131,573	-	-	-	-	-	396,000	2,620,425	-
Total Governmental Activities Program Revenues	<u>47,982,465</u>	<u>54,950,540</u>	<u>55,961,927</u>	<u>57,615,875</u>	<u>66,122,524</u>	<u>56,288,471</u>	<u>62,565,357</u>	<u>60,364,264</u>	<u>68,252,493</u>	<u>71,691,075</u>

(CONTINUED)  
**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

UNAUDITED	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-Type Activities:</b>										
Charges for Services:										
DAODAS	\$ 3,783,036	\$ 5,519,478	\$ 4,113,731	\$ 6,361,075	\$ 4,475,009	\$ 4,700,331	\$ 6,124,605	\$ 5,095,135	\$ 5,916,198	\$ 6,230,481
E 911 Communications	1,273,381	1,940,631	1,265,946	1,379,569	1,365,183	1,429,854	2,070,562	1,690,605	1,747,860	2,244,167
Environmental Management	32,729,983	33,605,612	35,799,249	37,594,483	43,770,682	38,969,998	30,790,268	27,092,882	29,223,218	28,784,638
Parking Garages	8,290,653	2,008,933	2,066,315	2,424,078	2,501,491	2,698,693	2,556,854	2,807,563	2,902,769	3,245,683
Radio Communications	-	-	-	107,515	525,126	1,099,255	846,525	1,137,250	1,272,530	1,543,965
Revenue Collections	-	-	-	-	1,071,795	464,550	528,649	497,742	629,551	490,052
Operating Grants and Contributions	3,092,077	1,138,657	2,933,166	979,399	3,081,039	2,661,638	284,416	768,317	779,097	765,244
Capital Grants and Contributions	-	-	904,389	1,240	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>49,169,130</u>	<u>44,213,311</u>	<u>47,082,796</u>	<u>48,847,359</u>	<u>56,790,325</u>	<u>52,024,319</u>	<u>43,201,879</u>	<u>39,089,494</u>	<u>42,471,223</u>	<u>43,304,230</u>
Total Primary Government Program Revenues	<u>\$ 97,151,595</u>	<u>\$ 99,163,851</u>	<u>\$ 103,044,723</u>	<u>\$ 106,463,234</u>	<u>\$ 122,912,849</u>	<u>\$ 108,312,790</u>	<u>\$ 105,767,236</u>	<u>\$ 99,453,758</u>	<u>\$ 110,723,716</u>	<u>\$ 114,995,305</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (129,465,170)	\$ (134,675,337)	\$ (157,313,655)	\$ (182,126,665)	\$ (225,812,715)	\$ (236,838,936)	\$ (239,358,873)	\$ (259,131,993)	\$ (272,696,085)	\$ (261,245,349)
Business-type Activities	10,502,701	3,294,941	3,383,868	5,095,111	1,654,307	(7,201,894)	2,346,257	11,927,008	13,811,908	2,495,750
Total Primary Government Net (Expense)/Revenue	<u>\$ (118,962,469)</u>	<u>\$ (131,380,396)</u>	<u>\$ (153,929,787)</u>	<u>\$ (177,031,554)</u>	<u>\$ (224,158,408)</u>	<u>\$ (244,040,830)</u>	<u>\$ (237,012,616)</u>	<u>\$ (247,204,985)</u>	<u>\$ (258,884,177)</u>	<u>\$ (258,749,599)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 76,421,626	\$ 77,341,114	\$ 82,216,983	\$ 82,289,668	\$ 86,507,891	\$ 96,621,772	\$ 104,955,894	\$ 106,384,010	\$ 107,176,522	\$ 105,803,544
Local Option Sales Tax	35,629,077	38,100,097	42,159,174	44,024,396	44,458,297	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580
Transportation Sales Tax	-	5,870,000	37,116,336	39,521,307	40,097,074	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427
Accommodations Tax	6,927,227	7,611,446	8,292,848	9,176,823	9,872,302	8,864,365	8,851,895	9,927,318	11,010,862	11,987,748
Franchise Tax	589,622	793,129	774,254	538,048	955,712	793,067	825,465	578,864	754,091	791,536
Merchants Inventory Tax and Manufacture's Depreciation	1,715,716	1,677,255	1,563,067	1,632,214	1,611,561	1,607,308	1,385,891	1,440,092	1,395,507	1,402,584
Motor Carrier Tax	77,160	108,871	116,292	129,110	140,426	138,236	120,432	111,247	92,429	105,961
Unrestricted State Aid to Political Subdivisions	13,781,116	13,959,555	14,603,288	16,098,226	17,864,865	17,036,681	14,223,422	12,111,216	10,779,692	12,882,676
Unrestricted Investment Earnings	469,755	2,495,650	5,757,314	5,421,959	3,749,245	1,173,784	1,318,508	837,142	1,276,697	769,780
Gain (Loss) on Sale of Capital Assets	387,618	-	514,247	-	-	-	-	-	239,152	-
Transfers	8,151,631	(3,289,535)	(3,601,887)	(5,052,023)	(3,881,034)	(4,337,551)	(4,493,248)	(2,322,103)	(3,054,286)	(196,329)
Total Governmental Activities	<u>144,150,548</u>	<u>144,667,582</u>	<u>189,511,916</u>	<u>193,779,728</u>	<u>201,376,339</u>	<u>200,453,043</u>	<u>203,436,990</u>	<u>208,338,917</u>	<u>216,387,556</u>	<u>223,355,507</u>

(CONTINUED)  
**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

<b>UNAUDITED</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Business-type activities:</b>										
Property Taxes	\$ 48	\$ 64	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic Beverage Tax	528,466	542,927	523,037	505,366	542,927	542,927	542,927	537,486	594,682	469,405
Merchants Inventory tax and Manufacture's Depreciation	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832
Unrestricted Investment Earnings	396,412	832,632	1,782,440	3,368,608	2,446,082	747,835	102,188	85,303	31,880	34,210
Gain (Loss) on Sale of Capital Assets	-	-	3,811	94,940	65,886	45,467	45,525	18,643	189,208	19,902
Transfers	(8,151,631)	3,289,535	3,601,887	5,052,023	3,881,034	4,337,551	4,493,248	2,322,103	3,054,286	196,329
Total Business-type Activities	(7,215,873)	4,675,990	5,922,072	9,031,769	6,946,761	5,684,612	5,194,720	2,974,367	3,880,888	730,678
Total Primary Government	<u>\$ 136,934,675</u>	<u>\$ 149,343,572</u>	<u>\$ 195,433,988</u>	<u>\$ 202,811,497</u>	<u>\$ 208,323,100</u>	<u>\$ 206,137,655</u>	<u>\$ 208,631,710</u>	<u>\$ 211,313,284</u>	<u>\$ 220,268,444</u>	<u>\$ 224,086,185</u>
<b>Special Items</b>	\$ (9,151,217)	\$ 3,471,464	\$ 1,383,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Change in Net Position:</b>										
Governmental Activities	5,534,161	13,463,709	33,582,201	11,653,063	(24,436,376)	(36,385,893)	(35,921,883)	(50,793,076)	(56,308,529)	(37,889,842)
Business-type Activities	3,286,828	7,970,931	9,305,940	14,126,880	8,601,068	(1,517,282)	7,540,977	14,901,375	17,692,796	3,226,428
Total Primary Government	<u>\$ 8,820,989</u>	<u>\$ 21,434,640</u>	<u>\$ 42,888,141</u>	<u>\$ 25,779,943</u>	<u>\$ (15,835,308)</u>	<u>\$ (37,903,175)</u>	<u>\$ (28,380,906)</u>	<u>\$ (35,891,701)</u>	<u>\$ (38,615,733)</u>	<u>\$ (34,663,414)</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)**

**UNAUDITED**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund										
Reserved	\$ 2,057,482	\$ 2,470,102	\$ 5,202,242	\$ 3,367,810	\$ 1,461,994	\$ 2,035,197	\$ 2,727,154	-	-	-
Unreserved	28,453,427	33,899,138	43,731,980	46,333,758	43,266,383	43,676,650	49,868,870	-	-	-
Nonspendable - inventory	-	-	-	-	-	-	-	1,080,137	935,078	923,453
Assigned	-	-	-	-	-	-	-	10,093,341	12,579,028	11,469,914
Unassigned	-	-	-	-	-	-	-	41,175,155	42,944,449	40,799,184
Total General Fund	<u>\$ 30,510,909</u>	<u>\$ 36,369,240</u>	<u>\$ 48,934,222</u>	<u>\$ 49,701,568</u>	<u>\$ 44,728,377</u>	<u>\$ 45,711,847</u>	<u>\$ 52,596,024</u>	<u>\$ 52,348,633</u>	<u>\$ 56,458,555</u>	<u>\$ 53,192,551</u>
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ 204,652	\$ 299,021	\$ 11,603	\$ 11,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	7,163,103	5,628,457	13,318,333	9,008,571	11,406,709	48,296,368	60,767,518	-	-	-
Debt Service	11,951,945	26,279,539	18,953,106	18,252,403	19,702,506	17,263,879	20,672,652	-	-	-
Capital Projects Funds	34,782,398	34,058,613	32,685,664	22,441,838	82,345,276	27,529,136	39,387,522	-	-	-
Transportation and Road Sales Tax	-	-	78,931,458	96,021,511	230,106,543	171,548,405	109,412,393	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	12,505,052	14,384,176	12,042,386	16,128,286	18,760,941	9,386,959	10,096,927	-	-	-
Restricted - Debt Service	-	-	-	-	-	-	-	19,694,980	19,122,743	17,516,049
Restricted - Transportation Sales Tax	-	-	-	-	-	-	-	90,159,784	213,333,488	168,524,165
Restricted - Special Revenue Funds	-	-	-	-	-	-	-	24,096,463	22,863,714	19,671,944
Committed - Capital Project Funds	-	-	-	-	-	-	-	37,748,923	41,930,934	31,871,717
Total All Other Governmental Funds	<u>\$ 66,607,150</u>	<u>\$ 80,649,806</u>	<u>\$ 155,942,550</u>	<u>\$ 161,864,211</u>	<u>\$ 362,321,975</u>	<u>\$ 274,024,747</u>	<u>\$ 240,337,012</u>	<u>\$ 171,700,150</u>	<u>\$ 297,250,879</u>	<u>\$ 237,583,875</u>

GASB 54 was implemented fiscal year 2011; fund balance information is not available for prior fiscal years.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

**UNAUDITED**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>										
Taxes by Source:										
Property Tax	\$ 76,637,031	\$ 77,352,935	\$ 82,395,793	\$ 82,296,820	\$ 84,190,895	\$ 94,147,427	\$ 102,001,515	\$ 104,625,890	\$ 106,334,895	\$ 105,984,756
Local Option Sales Tax	35,629,077	38,100,097	42,159,174	44,024,396	44,458,297	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580
Transportation Sales Tax	-	5,870,000	37,116,336	39,521,307	40,097,074	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427
Intergovernmental	35,526,262	35,529,286	38,162,337	36,427,704	44,083,506	43,140,957	49,794,898	42,499,737	51,449,921	49,978,461
Permits and Licenses	23,974,732	28,134,114	5,039,668	5,290,740	5,700,779	4,439,742	3,985,696	3,883,031	4,215,705	4,363,426
Fines and Forfeitures	2,950,070	3,093,825	3,120,755	3,171,436	3,183,551	2,826,897	3,148,433	2,546,099	2,744,848	2,834,281
Interest	2,690,076	4,211,316	8,221,219	12,701,241	13,619,319	6,408,940	2,781,824	1,691,902	2,072,291	1,415,303
Service Charges	5,005,436	5,362,174	30,891,094	31,321,258	32,921,990	28,331,156	29,905,313	32,021,795	33,092,628	35,361,690
Rental and Use of Property	913,155	764,147	824,999	749,145	723,986	632,741	663,862	618,864	610,801	587,533
Other Revenues	2,429,717	15,712,452	3,195,766	2,912,098	5,356,322	5,695,690	6,356,037	9,838,439	5,286,895	5,138,050
<b>Total Revenues</b>	<b>185,755,556</b>	<b>214,130,346</b>	<b>251,127,141</b>	<b>258,416,145</b>	<b>274,335,719</b>	<b>264,178,931</b>	<b>274,886,309</b>	<b>276,996,888</b>	<b>292,524,874</b>	<b>295,471,507</b>
<b>Expenditures</b>										
Current:										
General Government	36,301,070	39,019,532	47,343,899	49,539,889	54,474,427	51,243,769	48,173,320	50,423,995	55,735,812	54,046,865
Public Safety	58,756,537	63,543,857	65,342,995	67,808,448	73,042,772	75,028,138	71,750,504	77,281,411	82,715,371	86,776,620
Judicial	14,573,036	16,001,052	17,593,865	19,349,156	20,946,565	23,390,831	23,894,465	23,801,633	24,845,144	25,740,844
Public Works	12,461,062	11,762,912	25,287,241	30,892,171	28,562,619	36,624,088	55,001,817	79,237,736	90,687,146	74,671,729
Health and Welfare	11,980,147	11,665,243	10,822,458	10,984,189	12,728,543	12,876,658	16,366,568	7,858,271	7,118,808	7,221,233
Economic Development	1,055,405	953,526	3,480,343	1,327,411	3,230,479	858,031	6,121,263	1,473,821	4,297,764	1,689,704
Culture and Recreation	15,121,758	16,029,300	17,427,709	20,501,703	53,428,524	47,899,154	42,786,960	40,394,034	33,975,501	28,348,070
Education	3,735,895	3,931,038	5,004,959	5,137,843	5,325,300	5,651,921	5,719,553	5,833,110	6,642,621	10,033,030
Capital Outlay	12,418,844	8,378,854	11,443,269	16,785,576	23,940,281	55,775,140	42,040,219	12,706,413	23,016,677	13,791,125
Debt Service:										
Principal	11,383,731	9,190,168	13,935,403	14,163,474	16,569,890	16,503,464	19,671,318	18,910,800	18,302,723	25,231,675
Interest and Fiscal Charges	10,445,027	9,675,723	9,437,517	8,906,724	15,476,402	21,410,902	20,983,775	21,716,423	25,323,973	26,881,813
Bond Issuance Costs	887,728	314,963	288,427	-	97,756	102,252	413,848	-	1,474,750	837,882
<b>Total Expenditures</b>	<b>189,120,240</b>	<b>190,466,168</b>	<b>227,408,085</b>	<b>245,396,584</b>	<b>307,823,558</b>	<b>347,364,348</b>	<b>352,923,610</b>	<b>339,637,647</b>	<b>374,136,290</b>	<b>355,270,590</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,364,684)	23,664,178	23,719,056	13,019,561	(33,487,839)	(83,185,417)	(78,037,301)	(62,640,759)	(81,611,416)	(57,648,783)

(CONTINUED)

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

UNAUDITED

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other Financing Sources (Uses)</b>										
Capital Lease Proceeds	\$ 431,614	\$ 844,468	\$ 841,831	\$ 1,429,804	\$ 100,539	\$ 775,100	\$ 702,710	\$ 632,831	\$ 299,650	\$ 712,056
Sale of GO Transportation Sales Tax Bonds	-	-	65,000,000	-	150,000,000	-	-	-	167,000,000	-
Sale of General Obligation Bonds	-	-	-	-	75,000,000	-	50,000,000	-	27,100,000	-
Refunding General Obligation Bonds Issued	63,740,000	-	-	-	-	-	20,775,000	-	32,095,000	129,770,000
Refunding Certificates of Participation Issued	38,527,153	16,139,845	-	-	-	-	-	-	-	-
Premium on Bonds Sold	2,753,332	707,763	1,978,623	-	10,789,016	-	6,493,791	-	27,995,947	23,983,718
Payment to Refunded Debt Escrow Agent	(100,978,948)	(16,749,287)	-	-	-	-	(21,447,212)	-	(36,334,680)	(152,862,692)
Transfers In	27,328,853	11,448,598	26,475,413	20,464,780	30,244,272	30,727,314	29,771,504	69,527,149	33,566,665	44,932,048
Transfers Out	(22,250,488)	(17,580,736)	(32,954,151)	(28,357,277)	(37,208,200)	(36,161,026)	(35,529,299)	(76,474,112)	(40,697,894)	(50,147,172)
Proceeds from Sale of Capital Assets	1,144,447	1,572,599	1,390,616	194,554	46,780	220,347	467,250	70,524	247,378	478,115
Total Other Financing Sources (Uses)	10,695,963	(3,616,750)	62,732,332	(6,268,139)	228,972,407	(4,438,265)	51,233,744	(6,243,608)	211,272,066	(3,133,927)
Special Item	(9,151,217)	-	1,383,940	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (1,819,938)	\$ 20,047,428	\$ 87,835,328	\$ 6,751,422	\$ 195,484,568	\$ (87,623,682)	\$ (26,803,557)	\$ (68,884,367)	\$ 129,660,650	\$ (60,782,710)
Capital Asset Expenditures	\$ 14,125,020	\$ 10,692,730	\$ 16,576,342	\$ 15,664,602	\$ 21,139,930	\$ 52,710,904	\$ 42,611,071	\$ 14,204,807	\$ 28,282,000	\$ 17,270,045
Debt Service as a Percentage of Noncapital Expenditures	13.0%	10.7%	11.2%	10.0%	11.2%	12.9%	13.2%	12.5%	13.0%	15.7%

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)**

**UNAUDITED**

Fiscal Year Ended June 30	Real Property	Personal Property	Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Tax Value
2004	1,394,103,212	210,193,376	173,309,334	1,777,605,922	191.9	32,425,619,687	5.48%
2005	2,041,172,452	213,698,050	164,182,170	2,419,052,672	161.3	46,536,987,902	5.20%
2006	2,197,536,874	194,576,361	153,380,326	2,545,493,561	160.8	47,282,058,031	5.38%
2007	2,308,701,112	210,195,223	159,335,124	2,678,231,459	168.0	49,446,157,317	5.42%
2008	2,525,310,042	215,663,434	175,326,815	2,916,300,291	177.0	52,960,945,426	5.51%
2009	2,567,170,930	225,355,873	167,364,803	2,959,891,606	181.0	55,081,538,273	5.37%
2010	2,530,782,359	236,859,543	156,340,695	2,923,982,597	181.0	54,571,987,194	5.36%
2011	2,729,144,416	234,746,374	155,001,548	3,118,892,338	179.5	58,181,179,259	5.36%
2012	2,748,065,264	241,398,440	141,452,040	3,130,915,744	180.3	58,596,835,791	5.34%
2013	2,834,713,312	236,854,152	168,553,108	3,240,120,572	180.3	60,515,482,331	5.35%

Source: Charleston County Auditor

Note: 1 Property in the county was last reassessed for fiscal year 2010. Tax rates are per \$1,000 of assessed value.

Note: 2 For FY 1989, the State passed legislation that exempted business inventory from property tax. The assessed value of the exempted inventory for FY 1990 was approximately \$209,000,000. In place of the property tax, the State now pays the County, through State shared revenues the amount of tax that was received in FY 1988. This amount is frozen for all future years at the FY 1988 level.

Note: 3 Under SC Law all real property is appraised at actual market value then adjusted to reflect the county-wide composite average of appraised value to sales for the prior year, to arrive at assessed value. This value of both real estate and personal property is then adjusted to a taxable value between 4% and 10.5% depending on the type of property. This is used to determine the legal debt margin.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(Rate per \$1,000 of Assessed Value)**

**UNAUDITED**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>County Direct Rates:</b>										
Charleston County Government Operating	50.8	51.3	40.2	40.2	40.2	40.2	40.2	40.2	39.1	39.9
Charleston County Government Debt Service	10.4	9.9	6.6	6.6	6.6	6.6	6.6	6.6	6.1	6.1
Park and Recreation Commission Operating	3.5	3.5	3.5	3.5	3.5	3.6	3.7	3.7	3.6	4.0
Park and Recreation Commission Debt Service	3.7	3.7	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.4
Trident Technical College	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.4	1.9
Trident Technical College Bonds	-	-	-	-	-	-	-	-	-	0.5
County School Board Operating	105.1	109.0	91.1	92.8	95.4	98.7	98.7	98.7	98.6	100.5
County School Board Debt Service	12.1	12.4	15.8	13.6	18.2	23.9	27.9	27.9	27.9	26.0
<b>Total Direct Rate</b>	<b>187.7</b>	<b>191.9</b>	<b>161.3</b>	<b>160.8</b>	<b>168.0</b>	<b>177.0</b>	<b>181.0</b>	<b>181.0</b>	<b>179.5</b>	<b>180.3</b>
<b>Fire District Rates:</b>	23.2 - 50.9	23.9 - 51.5	16.7 - 38.0	16.7 - 40.3	12.0 - 41.5	12.0 - 42.7	12.0 - 47.7	12.0 - 48.4	11.2 - 48.6	11.2- 51.3
<b>City/Town Rates:</b>	27.9 - 116.4	28.5 -116.4	17.9 - 115.5	18.5 - 92.8	22.4 - 92.8	22.2 - 92.8	22.2 - 92.8	22.2 - 92.8	22.9 - 90.0	22.9 - 94.0
<b>Public Service District Rates:</b>	74.2 - 104.5	74.2 - 111.4	55.2 - 111.2	55.2 - 102.3	51.6 - 102.3	55.2 - 102.3	57.6 - 102.3	57.6 - 102.3	53.9 - 102.3	53.9 - 102.3



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 GENERAL OBLIGATION BONDS  
 AS OF JUNE 30, 2013**

<u>Name of Jurisdiction</u>	<u>Principal Balance</u>	<u>Percentage of Debt Applicable to this Jurisdiction</u>	<u>Jurisdiction's Share of Debt</u>
County of Charleston	\$ 540,345,000	100%	\$ 540,345,000
Overlapping:			
Park & Recreation Commission	38,275,000	100%	38,275,000
Public School Districts	199,965,000	100%	199,965,000
Subtotal	238,240,000	100%	238,240,000
<b>Total</b>	<b>\$ 778,585,000</b>	<b>100%</b>	<b>\$ 778,585,000</b>

**Note:** This schedule represents the debt of all county-wide jurisdictions. Individual cities and other districts within Charleston County have debt which is paid separately from their individual tax levies. These individual debts have not been included in the overlapping principal balance because the total debt differs within each individual jurisdiction.

This information was obtained from the Charleston County Treasurer's Office.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
(Modified Accrual Basis of Accounting)**

**UNAUDITED**

Taxpayer	Type of Business	2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SC Electric & Gas	Public Utility	\$ 53,339,630	1	1.83%	\$ 36,034,580	1	3.6%
Boeing	Manufacturing	34,877,551	2	1.20%	-		-
Kapstone Kraft	Manufacturing/Chemical	14,479,482	3	0.50%	18,182,025	3	1.8%
Bell South	Public Utility	12,138,160	4	0.42%	18,626,550	2	1.8%
Kiawah Real Estate Co.	Real Estate	7,876,700	5	0.27%	4,642,630	5	0.5%
Kinder Morgan		6,322,123	6	0.22%	-		-
Charleston/North Charleston MSA	Retail	6,208,460	7	0.21%	3,560,100	8	-
East Cooper Community Hospital	Hospital	6,320,353	8	0.22%	-		-
Northwood Mall CMBS		5,428,950	9	0.19%	-		-
Charleston Place LLC	Hotel	5,008,500	10	0.17%	5,573,310	4	0.6%
Berkeley Electric Co-Op	Public Utility	-		-	4,550,220	6	0.5%
Celco	Telecommunications	-		-	4,416,040	7	0.4%
G and I III	Developer/PropertyManager	-		-	3,384,430	9	0.3%
Rhodia	Manufacturer - Chemicals	-		-	3,022,340	10	0.3%
<b>Totals</b>		<u>\$ 151,999,909</u>		<u>5.21%</u>	<u>\$ 101,992,225</u>		<u>9.8%</u>

Source: Charleston County Auditor

**COUNTY OF CHARLESTON  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	73,504,819	73,504,819	70,729,990	96.2%	2,690,655	73,420,645	99.9%
2005	71,982,912	71,982,912	69,530,828	96.6%	2,363,092	71,893,920	99.9%
2006	75,825,360	75,825,360	73,525,524	97.0%	2,220,927	75,746,451	99.9%
2007	76,026,583	76,026,583	73,199,901	96.3%	2,720,159	75,920,060	99.9%
2008	78,854,461	78,854,461	75,500,629	95.7%	3,211,492	78,712,121	99.8%
2009	82,649,921	82,649,921	77,757,867	94.1%	4,705,819	82,463,686	99.8%
2010	92,300,468	92,300,468	86,401,791	93.6%	5,896,803	92,298,594	100.0%
2011	93,003,512	93,003,512	87,880,320	94.5%	4,523,125	92,403,445	99.4%
2012	92,854,478	92,854,478	86,833,723	93.5%	5,519,312	92,353,035	99.5%
2013	91,424,352	91,424,352	86,267,951	94.4%	2,286,225	88,554,176	96.9%

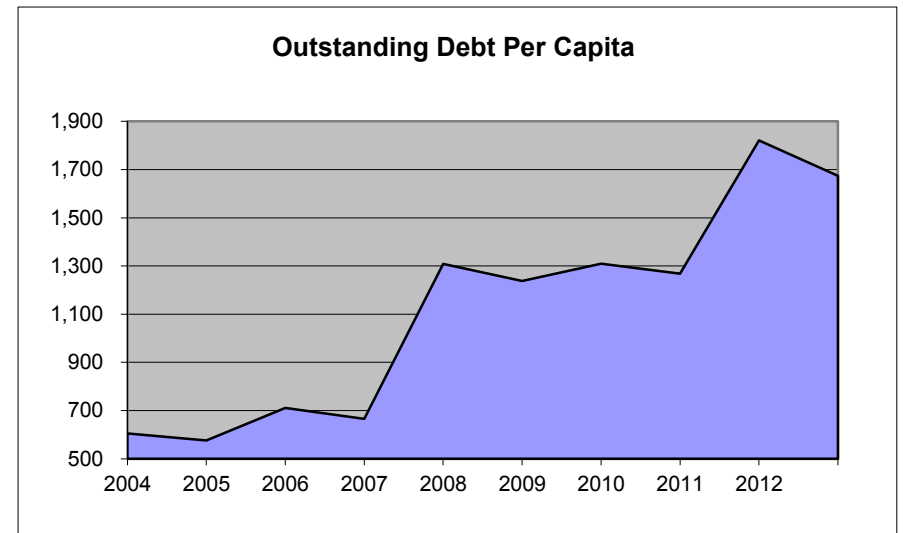
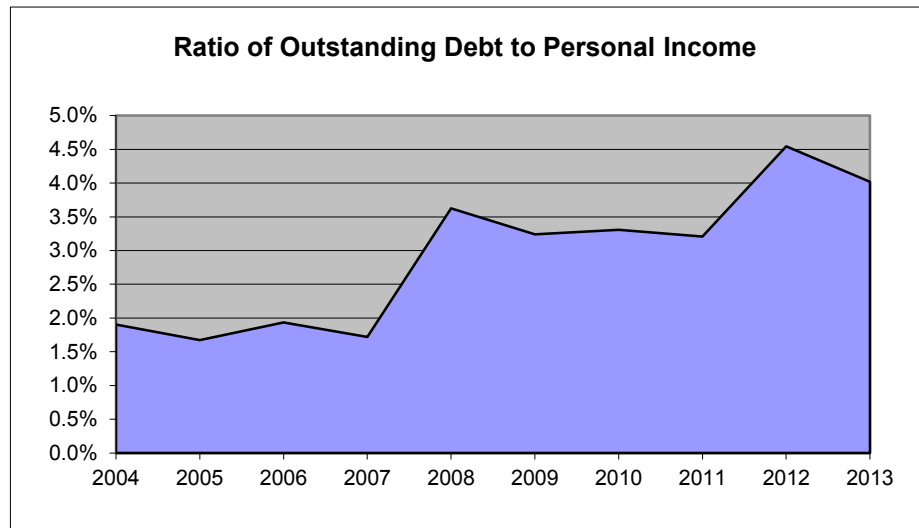
Source: This information was provided by the Charleston County Treasurer's Office.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Certificates of Participation	Revenue Bonds	Capital Leases			
2004	100,755,000	71,254,819	1,306,196	13,365,181	14,525,000	-	201,206,196	1.9%	605
2005	97,535,000	66,992,312	3,636,998	12,542,688	13,280,000	-	193,986,998	1.7%	576
2006	153,448,297	62,427,073	3,474,081	11,065,789	11,723,994	-	242,139,234	1.9%	711
2007	146,394,774	57,631,034	3,873,002	10,231,634	10,491,229	-	228,621,673	1.7%	666
2008	373,504,430	52,628,009	2,947,139	9,356,755	9,194,837	-	447,631,170	3.6%	1,309
2009	363,444,567	47,313,497	3,788,455	8,418,114	7,824,327	-	430,788,960	3.2%	1,238
2010	406,590,609	41,756,721	3,070,072	7,421,883	6,374,140	-	465,213,425	3.3%	1,309
2011	394,957,209	35,245,570	2,810,433	6,252,256	4,843,673	-	444,109,141	3.2%	1,268
2012	597,380,150	31,582,499	2,038,252	5,609,545	3,232,288	-	639,842,734	4.5%	1,821
2013	575,303,035	27,990,569	1,577,179	4,967,151	1,534,306	-	611,372,240	4.0%	1,674

See the Schedule of Demographic and Economic Statistics for personal income and population data.



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
RATIO OF GENERAL OBLIGATION BONDED DEBT TO  
ASSESSED VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

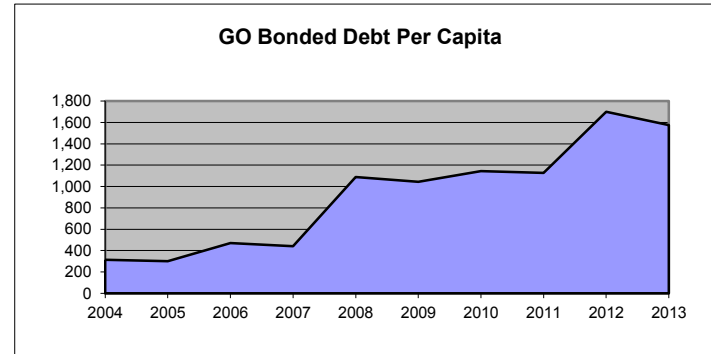
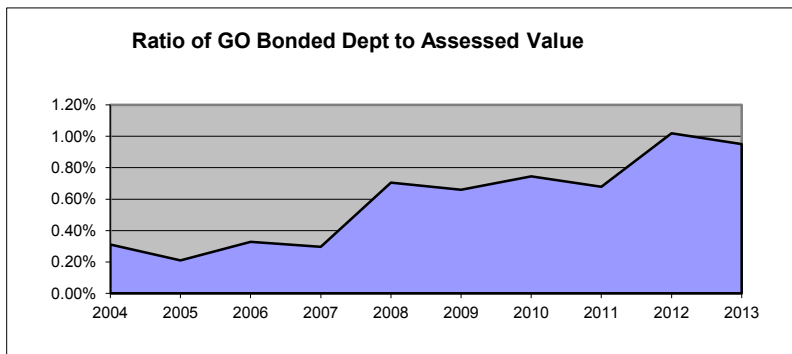
**UNAUDITED**

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>G.O. Bonded Debt</u>	<u>Ratio of G.O. Bonded Debt to Assessed Value</u>	<u>G.O. Bonded Debt Per Capita</u>
2004	321,014	32,425,619,687	100,755,000	0.31%	314
2005	324,224	46,536,987,902	97,535,000	0.21%	301
2006	329,482	47,282,058,031	155,025,000	0.33%	471
2007	331,917	49,446,157,317	146,394,774	0.30%	441
2008	342,973	52,960,945,426	373,504,430	0.71%	1,089
2009	348,046	55,081,538,273	363,444,567	0.66%	1,044
2010	355,276	54,571,987,194	406,590,609	0.75%	1,144
2011	350,209	58,181,179,259	394,957,209	0.68%	1,128
2012	351,336	58,596,835,791	597,380,150	1.02%	1,700
2013	365,162	60,515,482,331	575,303,035	0.95%	1,575

Note 1 Details regarding the County of Charleston's Outstanding Debt can be found in the notes to the basic financial statements.

Note 2 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the Property Value Data.

Note 3 See the Schedule for Demographic and Economic Statistics for population data.



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
RATIO OF TOTAL TAX SUPPORTED DEBT TO  
ASSESSED VALUE AND TOTAL TAX SUPPORTED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

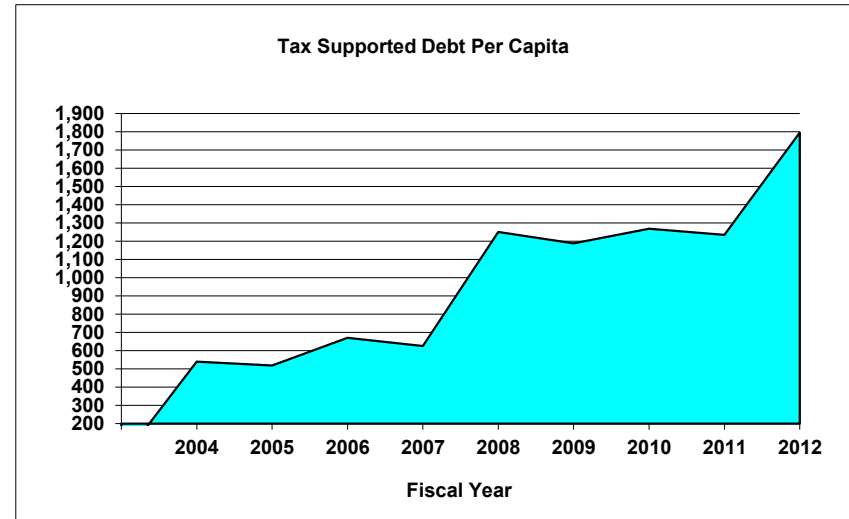
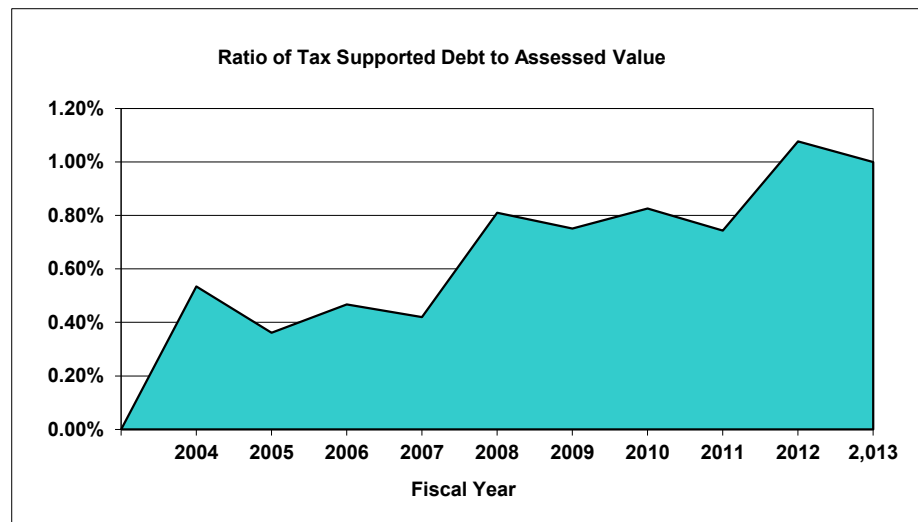
**UNAUDITED**

<b>Fiscal Year</b>	<b>Estimated Population</b>	<b>Assessed Value</b>	<b>General Obligation Bonds</b>	<b>Certificates of Participation</b>	<b>Capital Leases</b>	<b>Net Tax Supported Debt</b>	<b>Ratio of Tax Supported Debt to Assessed Value</b>	<b>Net Tax Supported Debt Per Capita</b>
2004	321,014	32,425,619,687	100,755,000	71,254,819	1,306,196	173,316,015	0.53%	540
2005	324,224	46,536,987,902	97,535,000	66,992,312	3,636,998	168,164,310	0.36%	519
2006	329,482	47,282,058,031	155,025,000	62,427,073	3,474,081	220,926,154	0.47%	671
2007	331,917	49,446,157,317	146,394,774	57,361,034	3,873,002	207,628,810	0.42%	626
2008	342,973	52,960,945,426	373,504,430	52,628,009	2,886,523	429,018,962	0.81%	1,251
2009	348,046	55,081,538,273	363,444,567	47,313,498	2,907,395	413,665,460	0.75%	1,189
2010	355,276	54,571,987,194	406,590,609	41,756,721	2,360,292	450,707,622	0.83%	1,269
2011	350,209	58,181,179,259	394,957,209	35,245,570	2,283,608	432,486,387	0.74%	1,235
2012	351,336	58,596,835,791	597,380,150	31,582,499	2,038,252	631,000,901	1.08%	1,796
2013	365,162	60,515,482,331	575,303,035	27,990,569	1,577,179	604,870,783	1.00%	1,656

Note 1 Details regarding the County of Charleston's Outstanding Debt can be found in the notes to the basic financial statements.

Note 2 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the Property Value Data.

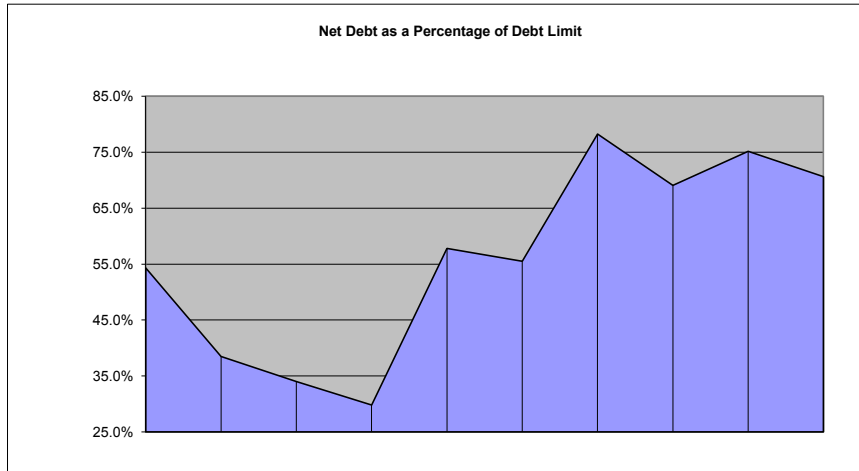
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 144,634,276	\$ 195,786,861	\$ 205,995,772	\$ 216,723,669	\$ 235,740,344	\$ 239,227,649	\$ 235,980,407	\$ 251,666,874	\$ 257,590,000	\$ 265,880,783
Total Net Debt Applicable to Debt Limit	78,558,957	75,338,957	69,974,368	64,575,697	136,260,341	132,862,801	184,650,000	173,825,000	193,600,000	187,795,000
Legal Debt Margin	<u>\$ 66,075,319</u>	<u>\$ 120,447,904</u>	<u>\$ 136,021,404</u>	<u>\$ 152,147,972</u>	<u>\$ 99,480,003</u>	<u>\$ 106,364,848</u>	<u>\$ 51,330,407</u>	<u>\$ 77,841,874</u>	<u>\$ 63,990,000</u>	<u>\$ 78,085,783</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>54.3%</u>	<u>38.5%</u>	<u>34.0%</u>	<u>29.8%</u>	<u>57.8%</u>	<u>55.5%</u>	<u>78.2%</u>	<u>69.1%</u>	<u>75.2%</u>	<u>70.6%</u>



**Legal Debt Margin Calculation for Fiscal Year 2012**

Total Assessed Value	\$ 3,323,509,786
Debt Limit (8% of Total Assessed Value)	265,880,783
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	540,345,000
Less: Debt Issued Through Referendum	(352,550,000)
Total Amount of Debt Applicable to Debt Limit	<u>187,795,000</u>
Legal Debt Margin	<u>\$ 78,085,783</u>

Note: Article Ten X, Section fourteen (14) of the South Carolina Constitution of December 1, 1977, as amended, provides that no government shall incur any bonded debt which shall exceed eight percent of the assessed value of the property therein without voter approval.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
 PLEDGED REVENUE COVERAGE  
 REVENUE BOND COVERAGE  
 ENVIRONMENTAL MANAGEMENT ENTERPRISE FUND**

**UNAUDITED**

<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Operating Expenses</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2004	33,291,523	25,611,601	7,679,922	1,060,000	716,904	1,776,904	4.32
2005	34,588,461	27,570,465	7,017,996	1,245,000	620,262	1,865,262	3.76
2006	37,566,510	31,391,266	6,175,244	1,225,000	651,750	1,876,750	3.29
2007	40,753,403	29,554,141	11,199,262	1,275,000	602,750	1,877,750	5.96
2008	45,999,989	39,615,963	6,384,026	1,335,000	539,000	1,874,000	3.41
2009	39,875,189	42,880,897	(3,005,708)	1,405,000	472,250	1,877,250	-1.60
2010	31,007,576	33,276,013	(2,268,437)	1,480,000	402,000	1,882,000	-1.21
2011	27,288,187	19,130,053	8,158,134	1,555,000	328,000	1,883,000	4.33
2012	29,579,086	20,512,271	9,066,815	1,630,000	250,250	1,880,250	4.82
2013	28,931,564	24,270,398	4,661,166	1,710,000	168,750	1,878,750	2.48

Note: 1 Details regarding the County of Charleston's outstanding debt can be found in the notes to the basic financial statements.

Note: 2 Gross revenues include interest, operating grants, and loss on disposal of capital assets.

Note: 3 Total operating expenses are exclusive of depreciation and amortization.

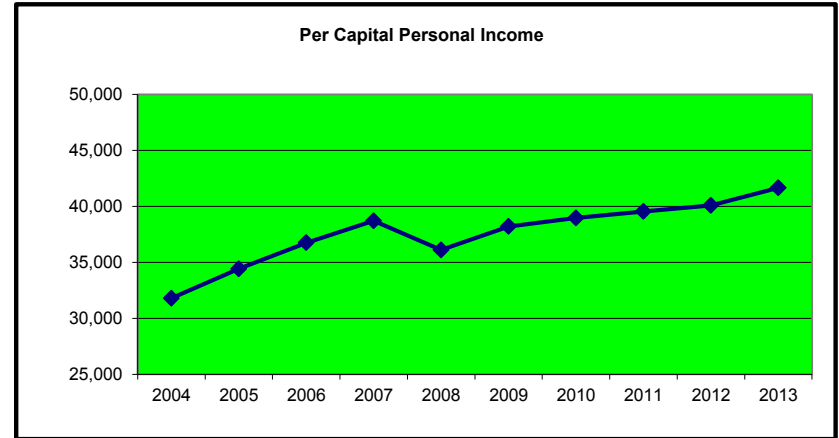
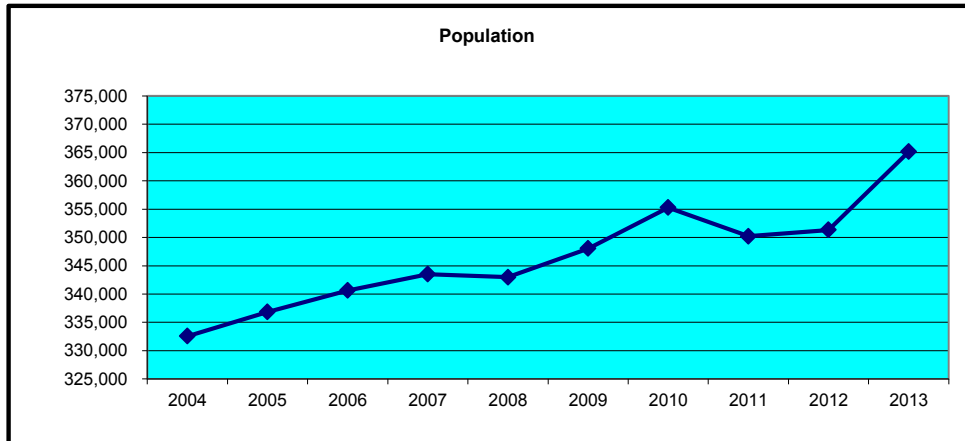


**COUNTY OF CHARLESTON  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Median Age</b>	<b>School Enrollment</b>
2004	332,561	10,569,980,000	31,784	4.4%	35.3	43,814
2005	336,865	11,594,427,000	34,419	4.7%	35.5	43,465
2006	340,625	12,517,629,000	36,749	5.0%	36.2	43,335
2007	343,522	13,295,048,000	38,702	5.0%	36.0	42,742
2008	342,973	12,380,254,000	36,097	4.5%	36.0	42,303
2009	348,046	13,295,048,000	38,199	5.3%	36.0	42,482
2010	355,276	13,844,611,000	38,969	8.6%	36.9	42,942
2011	350,209	13,845,863,000	39,536	9.4%	36.0	43,796
2012	351,336	14,079,924,000	40,075	7.8%	35.0	45,076
2013	365,162	14,900,450,000	41,656	7.2%	35.7	45,278

Some of the statistics for Fiscal Year Ended June 30, 2004 and beyond are estimated from past year trend analysis.



The following Data Sources were used to develop this information:

- South Carolina Office of Research and Statistics
- Charleston County Chamber of Commerce
- Charleston County School District - 45 Day Enrollment
- South Carolina Association of Counties

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

**UNAUDITED**

County Employment for 2013 **182,933**  
County Employment for 2004 **166,751**

Employer	2013			2004		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Joint Base Charleston	22,000	1	12.03%			
Medical University of South Carolina (MUSC)	13,245	2	7.24%	8,200	2	4.92%
Boeing Charleston	6,000	3	3.28%			
Charleston County School District	5,300	4	2.90%	5,000	4	3.00%
Roper St. Francis Healthcare	5,100	5	2.79%	4,000	5	2.40%
JEM Restaurant Group Inc.	3,000	6	1.64%			
Trident Medical Center (Trident Health System)	2,500	7	1.37%	1,800	10	1.08%
Wal-Mart	2,300	8	1.26%			
County of Charleston	2,330	9	1.27%	2,243	8	1.35%
College of Charleston	2,000	10	1.09%			
Piggly Wiggly Carolina Co. Inc.	1,800		0.98%	2,447	7	1.47%
City of Charleston	1,600		0.87%			
US Navy <sup>1</sup>				12,543	1	
Charleston Air Force Base <sup>1</sup>				5,000	3	
Mead Westvaco				2,858	6	1.71%
Columbia/HCA Carolina's HQ & Med Center				2,082	9	1.25%
<b>Totals</b>	<u><u>67,175</u></u>		<u><u>24.69%</u></u>	<u><u>44,091</u></u>		<u><u>15.92%</u></u>

<sup>1</sup> In 2010 all military installations were combined to form Joint Base Charleston

Source: Charleston Metro Chamber of Commerce, Center for Business Research.

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

**UNAUDITED**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administrator	7.00	7.00	7.00	7.00	7.00	6.31	5.31	6.80	5.90	5.90
Assessor	44.00	47.00	47.00	47.00	49.00	53.00	51.00	53.00	53.00	53.00
Assist Cty Admin Community Svcs	11.25	11.25	11.25	9.75	9.75	8.75	8.15	7.40	6.40	6.40
Assist Cty Admin Trans. & PW								0.10	0.10	0.10
Auditor	30.00	30.00	30.00	29.00	29.00	30.00	29.00	31.00	31.00	31.00
Budget	6.00	6.00	6.00	8.00	8.00	8.00	7.00	8.00	7.00	7.00
County Council	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00	12.00
Delinquent Tax	12.00	12.00	12.00	12.00	12.00	10.00	10.00	-	-	-
Deputy Admin for Finance	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Deputy Admin for General Svcs	-	-	-	-	-	4.00	4.00	3.00	3.00	3.00
Deputy Admin for Human Svcs	-	-	-	3.00	3.00	3.00	3.00	4.00	3.00	3.00
Elections/Voter Registration	8.50	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Facilities Mgmt.	17.00	17.00	17.00	16.00	14.00	12.00	11.00	62.00	75.25	75.25
Finance	14.00	14.00	14.00	14.00	14.00	15.00	13.00	13.00	12.00	12.00
Human Resources	14.00	14.00	14.00	14.00	14.00	17.00	15.00	16.00	17.00	17.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	77.60	76.60	72.60	68.60	68.60	67.80	61.80	60.00	30.50	30.50
Legal	5.56	5.56	5.56	6.56	6.42	8.42	7.42	6.67	6.41	6.41
Legislative Delegation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Nondepartmental								12.00	4.00	4.00
Organization Development	-	-	-	4.00	4.00	4.35	3.35	-	-	-
Procurement Services	15.00	15.00	15.00	16.00	16.00	16.00	15.00	14.00	14.00	14.00
Radio Communications	3.00	3.00	3.00	-	-	-	-	-	-	-
Register Mesne Conveyance	30.00	30.00	30.00	33.00	33.00	32.00	27.00	27.00	27.00	27.00
Revenue Collections	6.00	6.00	6.00	6.00	22.00	22.00	22.00	30.00	25.00	25.00
Safety & Risk Management	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00
Technology Services	13.00	8.00	9.00	17.00	17.00	17.00	16.00	16.00	25.25	25.25
Treasurer	18.00	18.00	18.00	18.00	18.00	18.00	18.00	19.00	20.00	20.00
Zoning/Planning	25.00	25.00	26.00	24.00	24.00	24.00	22.00	21.00	20.60	20.60
<b>Total General Government</b>	<b>383.91</b>	<b>382.41</b>	<b>380.41</b>	<b>388.91</b>	<b>404.77</b>	<b>412.63</b>	<b>385.03</b>	<b>444.97</b>	<b>422.41</b>	<b>422.41</b>

(CONTINUED)

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

**UNAUDITED**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Building Inspections	21.00	21.00	22.00	22.00	22.00	24.00	21.00	22.00	21.00	21.00
Consolidated Dispatch	-	-	-	-	-	1.00	72.50	100.25	120.00	120.00
Emergency Management	6.00	20.00	25.00	27.00	30.00	30.00	24.50	34.00	33.00	33.00
Emergency Medical Svcs.	170.00	161.00	169.00	174.00	174.00	165.00	139.50	134.00	151.50	151.50
Planning	1.00	1.00	1.00	1.00	2.00	-	-	-	-	-
Sheriff	741.31	777.31	779.31	780.31	792.31	808.11	834.11	828.74	836.74	836.74
Technology Services	-	-	-	-	-	2.00	2.00	-	-	-
Other (No Longer Used)	-	-	-	-	-	-	-	-	-	-
Total Public Safety	<u>939.31</u>	<u>980.31</u>	<u>996.31</u>	<u>1,004.31</u>	<u>1,020.31</u>	<u>1,030.11</u>	<u>1,093.61</u>	<u>1,118.99</u>	<u>1,162.24</u>	<u>1,162.24</u>
Judicial										
Clerk of Court	53.00	53.00	53.00	54.00	54.00	54.00	55.00	56.00	57.00	57.00
Coroner	6.00	6.00	6.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00
Magistrates Courts	67.89	68.89	70.41	70.41	70.41	69.41	68.39	68.13	68.63	68.63
Master-In-Equity	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Probate Courts	19.30	19.30	19.30	19.30	20.30	20.30	19.30	19.30	19.80	19.80
Public Defender	-	-	-	-	-	52.00	52.00	52.00	52.00	52.00
Solicitor	79.00	79.00	81.00	88.00	91.00	93.00	96.00	111.00	102.00	102.00
Total Judicial	<u>231.19</u>	<u>232.19</u>	<u>235.71</u>	<u>243.71</u>	<u>249.71</u>	<u>303.71</u>	<u>305.69</u>	<u>321.43</u>	<u>315.43</u>	<u>315.43</u>
Public Works										
Administrator	-	-	-	-	-	0.69	0.69	0.69	0.30	0.30
Revenue Collections	11.00	12.00	12.00	13.00	-	-	-	-	-	-
Chief Deputy Administrator	-	-	1.00	1.00	1.00	-	-	-	-	-
Environmental Management	126.00	126.00	126.00	126.00	128.00	127.00	134.20	132.26	130.40	130.40
Organizational Development	-	-	-	-	-	1.65	1.65	-	-	-
Procurement Svcs.	-	-	-	-	-	-	-	2.00	3.00	3.00
Public Works	159.00	159.00	161.00	168.00	176.00	164.00	150.00	138.02	136.00	136.00
Transportation Development	-	-	-	-	-	-	-	21.63	21.41	21.41
Total Public Works	<u>296.00</u>	<u>297.00</u>	<u>300.00</u>	<u>308.00</u>	<u>305.00</u>	<u>293.34</u>	<u>286.54</u>	<u>294.60</u>	<u>291.11</u>	<u>291.11</u>

(CONTINUED)

COUNTY OF CHARLESTON, SOUTH CAROLINA  
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

UNAUDITED

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Health and Welfare										
Facilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Copmmunity Services	25.75	25.75	25.75	26.25	36.25	33.25	33.85	5.60	5.60	5.60
DAODAS	131.00	131.00	131.00	133.00	137.00	129.00	111.00	107.00	102.00	102.00
Public Works	24.00	24.00	24.00	23.00	23.00	24.00	20.00	20.00	20.00	20.00
Veterans Affairs	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Health and Welfare	<u>185.75</u>	<u>185.75</u>	<u>185.75</u>	<u>187.25</u>	<u>202.25</u>	<u>192.25</u>	<u>170.85</u>	<u>138.60</u>	<u>132.60</u>	<u>132.60</u>
Culture and Recreation										
Assist Admin for Transportation & Emergency Management	-	-	-	-	-	2.00	1.80	-	-	-
Greenbelt								2.00	1.30	1.30
Planning	-	-	-	1.00	1.00	-	-	-	-	-
Revenue Collections	3.00	3.00	3.00	3.00	-	-	-	-	-	-
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.00</u>	<u>1.00</u>	<u>2.00</u>	<u>1.80</u>	<u>2.00</u>	<u>1.30</u>	<u>1.30</u>
Economic Development	2.00	2.00	2.00	2.00	3.00	3.00	3.00	5.00	5.00	5.00
Total Economic Development	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
Total	<u>2,038.16</u>	<u>2,079.66</u>	<u>2,100.18</u>	<u>2,135.18</u>	<u>2,186.04</u>	<u>2,237.04</u>	<u>2,246.52</u>	<u>2,325.59</u>	<u>2,330.09</u>	<u>2,330.09</u>

Source: Charleston County Budget Department

Note: 1 Includes the Authorized Full Time Employees for both Government and Business-type Activities

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government</b>										
Auditor - Tax Notices Processed	520,000	545,000	600,000	590,283	521,701	550,000	575,000	585,470	583,240	560,097
RMC Documents Recorded	142,244	143,500	147,569	133,772	116,770	84,711	90,890	87,894	97,137	116,435
Zoning Applications Processed	3,340	3,400	3,741	3,336	3,266	2,846	2,500	1,206	1,327	2,684
Illegal Businesses Located	998	831	714	278	346	86	117	172	154	165
<b>Public Safety</b>										
Building Inspections Performed	18,323	22,563	28,191	23,702	22,519	15,472	12,577	17,634	19,400	20,804
Bad Check Warrants Served	2,432	7,107	3,774	6,124	6,194	6,594	9,107 <sup>1</sup>	0 <sup>1</sup>	0	6,078
Daily Costs Per Prisoner	40	40	40	40	55	55	55	55	55	55
<b>Judicial</b>										
Marriage Licenses Issued	2,429	3,712	3,733	3,877	3,769	3,846	3,764	4,000	4,200	4,500
Master-in-Equity Cases Disposed of	1,323	1,248	718	998	1,390	2,227	3,560	3,459	2,063	1,736
<b>Health and Welfare</b>										
Veterans Claims Filed	7,438	8,505	8,038	9,215	9,215	10,254	10,688	522	2,871	3,388
<b>Economic Development</b>										
Number of New Companies Relocating to Charleston	1	4	5	1	4	0	1	3	3	2
Number of New Jobs From Relocating Companies	10	1,767	328	25	390	0	30	120	360	203
Number of Expanding Employers in Charleston	0	1	2	3	1	3	3	4	5	7
Number of Jobs Resulting from Expansion	0	180	300	268	30	320	4,275	323	492	2,226
<b>Culture &amp; Recreation</b>										
Library Visits Per Capita	5.50	5.60	6.21	6.38	6.66	6.99	7.01	6.05	5.54	5.45
Library Cards In Use	247,821	277,688	350,320	329,189	355,481	310,417	326,600 <sup>2</sup>	284,617 <sup>2</sup>	269,552	284,328
<b>Environmental Management</b>										
Total Tons of Incinerated Waste	230,673	222,108	227,383	227,514	211,907	188,626	69,215	n/a	n/a	n/a
<b>Parking Garages</b>										
Average Operating Revenue Per Space	1,124	1,384	1,623	1,777	1,913	2,114	2,043	2,287	2,264	2,463
Average Operating Expenditure Per Space	1,091	685	945	1,115	984	1,852	1,179	1,742	1,683	1,585

Sources: Charleston County Budget Performance Measures

<sup>1</sup> The Sheriff's Office no longer performs this function. The Solicitor's "Worthless Check" Unit now performs this functions. No indicators available.

<sup>2</sup> Library system was purged of old unused accounts in 2012.

**COUNTY OF CHARLESTON  
CAPITAL ASSETS BY FUNCTION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Function</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General Government										
Automobiles	70	77	80	84	91	80	79	92	118	114
Buildings	21	28	28	28	44	97	99	104	102	104
Public Safety										
Police Cars	197	231	290	325	316	332	324	336	333	351
Fire Trucks	6	7	8	11	11	10	10	10	10	11
Ambulances	0	17	23	24	28	22	23	24	25	30
Judicial										
Magistrate Courts	14	14	14	15	15	15	15	15	15	15
Public Works										
Paved Streets (in Miles)	163	186	195	132	129	128	129	129	131	131
Ground Equipment	32	33	43	51	62	60	65	67	69	68
Heavy Trucks	21	21	25	29	35	35	35	35	34	34
Environmental Management										
Collection/Refuse Trucks	23	27	33	37	45	44	48	44	47	59
Ground Equipment	13	13	16	19	24	26	25	26	27	30
Culture & Recreation										
Libraries, Main and Branches	16	16	16	16	16	16	11	11	11	11

Note 1. Town of James Island was created in 2007 creating a decrease in county owned infrastructure.

Note 2. Some indicators have been added through the years.

Note 3. There was a review of buildings in fiscal year 2008 that reorganized the buildings and assigned more to the general government.

Note 4. Charleston County owns 11 libraries and leases 5 libraries.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
SOLID WASTE USER FEE RATE HISTORY  
LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>Residential</b>		<b>Non-Residential</b>	
	<b>Single Family Residences (1)</b>	<b>Multi-Family Residences (2)</b>	<b>One-half Cubic Yard or Less Per Week (3)</b>	<b>More Than One-half Cubic Yard Per Week (4)</b>
2004	89	63	78	155
2005	89	63	78	155
2006	89	63	78	155
2007	89	63	78	155
2008	99	70	86	172
2009	99	70	86	172
2010	99	70	86	172
(5) 2011	99	70	86	172
2012	99	70	86	172
2013	99	70	86	172

(1) Per residence.

(2) Per unit.

(3) Per property.

(4) Per average number of cubic yards per week.

(5) In 2011 County Council approved a one time \$25.00 credit for all Single Family and Multi-Family Residences.



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
USER FEE BILLING HISTORY  
LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>User Fee Billed</b>	<b>User Fee Revenue</b>	<b>User Fee Applied to Payment of the Disposal Fee</b>	<b>User Fee Applied to Other Purposes</b>	<b>Net Unused User Fee</b>	<b>Year End Working Capital Balance (A)</b>
2013	\$ 26,867,096	\$ 27,044,577	-	\$ 26,983,852	\$ 60,725	\$ 45,277,344
2012	26,328,706	26,407,988	-	23,809,469	2,598,519	45,216,619
2011	23,734,852	23,737,170	(350,000)	17,960,181	6,126,989	42,618,100
2010	27,815,338	27,111,689	13,772,426	9,992,175	3,347,088	36,491,111
2009	27,398,662	26,708,365	11,676,865	24,631,637	(9,600,137)	33,144,023
2008	26,840,075	26,229,892	10,805,777	11,843,919	4,667,677	42,744,160
2007	23,539,944	23,174,604	10,636,050	10,159,150	2,379,404	38,076,483
2006	23,203,440	21,464,636	9,846,181	21,138,074	(8,759,515)	35,697,079
2005	22,808,943	21,802,327	6,347,904	22,689,167	(7,234,744)	44,456,594
2004	21,547,735	21,321,884	4,868,276	7,286,315	9,167,293	51,691,338

(A) Working capital balance net of revenue bond related funds.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
DISPOSAL FEE HISTORY  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Gross Disposal Fee Trust			Sources Used To Pay Disposal Fee Trust					
	Incinerator Operations	Debt Service	Total Disposal Fee	Steam Sales (1)	Electric Sales	Equity Payment	Interest Income	User Fee Applied to Disposal Fee	Total Sources Used to Pay Disposal Fee
2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2010	4,886,407	10,372,142	15,258,549	630,618	583,305	-	272,200	13,772,426	15,258,549
2009	11,000,707	11,200,561	22,203,268	5,760,181	4,590,673	-	175,549	11,676,865	22,203,268
2008	10,676,239	11,865,294	22,541,533	5,984,861	5,312,276	-	438,619	10,805,777	22,541,533
2007	10,217,188	11,523,258	21,740,446	3,772,500	5,787,124	-	1,544,772	10,636,050	21,740,446
2006	9,742,483	10,015,279	19,757,762	3,430,833	4,698,308	-	1,782,440	9,846,181	19,757,762
2005	7,910,814	7,326,349	15,237,163	3,634,265	4,493,514	-	761,480	6,347,904	15,237,163
2004	7,719,190	5,769,142	13,488,332	3,498,333	4,856,830	-	263,893	4,868,276	13,487,332

(1) In April 1996 the United States Navy closed its base in Charleston, South Carolina.  
Since that date the Navy has been making the minimum required payments under the Navy Steam Agreement.

**The Incinerator was demolished in December 2010.**

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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
FINANCIAL ASSURANCE COVERAGE  
MUNICIPAL SOLID WASTE LANDFILL FACILITIES**

**LOCAL GOVERNMENT FINANCIAL TEST:**

1. Financial component:

A. Bond rating requirement: Investment grade bond rating of no less than BBB.  
The County's current general obligation bond ratings are:

Moody's Investors Service	Aaa
Standard & Poors Corporation	AAA
Fitch, Inc.	AAA

B. Financial ratio alternative:

The prescribed financial ratios computed under GAAP are:

1. Ratio of cash and marketable securities to total expenditures - Primary Government

Cash and cash equivalents	\$ 129,577,229
Total expenditures	<u>\$ 450,635,559</u>

Requirement is no less than 5 percent 28.75%

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 56,099,182
Total expenditures	<u>\$ 450,635,559</u>

Requirement is no more than 20 percent 12.45%

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 388,312,317
Maximum percent of revenue eligible for self-insured local government financial test	<u>43%</u>

Limitation on deferred cost of closure \$ 166,974,296

Total estimated closure and post-closure costs for County landfills:

Estimated costs from Note III.G. on landfill closure	\$ 45,925,005
Less: Expenditures to date	\$ (22,120,005)
Restricted assets committed to closure	<u>\$ (5,917,000)</u>

Balance of closure costs being deferred \$ 17,888,000

Additional permissible deferred cost \$ 149,086,296

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