

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

WITH

REPORT OF INDEPENDENT AUDITOR



PREPARED BY:

FINANCE DEPARTMENT

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TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>Page(s)</u>
Letter of Transmittal	2-13
GFOA Certificate of Achievement for Excellence in Financial Reporting	14
Organizational Chart	15
Principal Officials	16
 FINANCIAL SECTION	
Independent Auditor’s Report	19-21
Management’s Discussion and Analysis	22-35
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	38
Statement of Activities	39-40
Fund Financial Statements	
Balance Sheet-Governmental Funds.....	42
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	43
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	44
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	45
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	46-48
Statement of Net Position – Proprietary Funds	49-50
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	52
Statement of Cash Flows – Proprietary Funds.....	53-54
Statement of Fiduciary Net Position – Agency Funds	56
Combining Statement of Net Position – Discretely Presented Component Units	57-58
Combining Statement of Activities – Discretely Presented Component Units.....	59-60
Notes to Financial Statements	61-121
Required Supplementary Financial Information:	
Schedules of Funding Progress and Employer Contributions – Other Post-Employment Benefits	124-125
Supplementary Financial Information:	
Combining Financial Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds.....	131-135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	137-141
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Accommodations Special Revenue Fund	143
Child Support Enforcement Special Revenue Fund	144
Economic Development Special Revenue Fund	145
Education Special Revenue Fund.....	146
Fire Districts Special Revenue Fund.....	147
Hazardous Materials Enforcement Special Revenue Fund.....	148
Public Defender Special Revenue Fund	149

**COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Year Ended June 30, 2014**

Sheriff Special Revenue Fund	150
Solicitor Special Revenue Fund	151
Stormwater Drainage Special Revenue Fund	152
Victim Notification Special Revenue Fund	153
Victim Notification Special Revenue Fund:	
Schedule of Fines, Assessments, and Surcharges Collected	154
Combining Statements of Nonmajor Enterprise Funds:	
Combining Statement of Net Position – Nonmajor Enterprise Funds	157-158
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Fund	160
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	161-162
Combining Statements of Internal Service Funds:	
Combining Statement of Net Position – Internal Service Funds	164
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	166
Combining Statement Cash Flows – Internal Service Funds	167-168
Combining Statement of Changes in Assets and Liabilities – Agency Funds	170-172
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Function	174
Schedule of Changes by Function	175

STATISTICAL TABLES-UNAUDITED

TABLE

Net Position by Component	178
Changes in Net Position	179-181
Fund Balances of Governmental Funds	182
Changes in Fund Balances of Governmental Funds	183-184
Assessed Value and Estimated Actual Value of Taxable Property	185
Property Tax Rates – Direct and Overlapping Governments	186
Computation of Direct and Overlapping Governmental Activities Debt	187
Principal Property Taxpayers	188
Property Tax Levies and Collections	189
Ratio of Outstanding Debt by Type	190
Ratio of General Obligation Bonded Debt to Assessed Value and General Obligation Bonded Debt Per Capita	191
Ratio of Total Tax Supported Debt to Assessed Value and Total Supported Debt Per Capita	192
Legal Debt Margin Information	193
Pledged Revenue Bond Coverage	194
Demographic and Economic Statistics	195
Principal Employers	196
Full-Time Equivalent County Government Employees by Function	197-199
Operating Indicators by Function/Program	200
Capital Asset Statistics by Function	201
User Fee Rate History	202
User Fee Billing History	203
Disposal Fee History	204
Financial Assurance Coverage – Municipal Solid Waste Landfill Facilities	206

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INTRODUCTORY SECTION





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December 19, 2014

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, 2014.

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, 2014, 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, 2014, 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 *Supplemental Federal Financial Assistance Reports*.

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 2,400 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 64.

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 five Deputy County 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 46-48 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 143.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Charleston's Economy at a Glance. Charleston County's economic base is diversified and growing. The Charleston-North Charleston Metropolitan Statistical Area ranked 11th in the Milken Institute's "Best-Performing Cities 2013", up from 30th in 2009. The Charleston region also experienced steady growth in manufacturing jobs from the first quarter of 2013 to the fourth quarter of 2013, where Charleston ranked 11th for job recovery by the Brookings Institution Report in December 2013. 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 numerous engines of growth:

- The Port of Charleston, fueling the manufacturing and supply chain sectors in Charleston, statewide, and around the nation.
- The military, with significant Air Force, Navy, Army, and Coast Guard facilities in Charleston.
- The tourism industry, with a year round tourist season.
- The medical industry, focused around the Medical University of South Carolina (MUSC), the State's 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 colleges and universities offering a range of two-year, bachelor's, master's and doctoral degree programs.
- Aerospace and automotive manufacturers and suppliers.
- Charleston technology sector dubbed "Silicon Harbor" along with home-grown information technology and high tech firms.

Recent Economic Indicators.

Population - The Charleston metro area population increased by over 8 percent, 506,875 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, 2013, the population in the metro area is 712,219, meaning that the percentage growth from 2010 to 2013 was 7.2 percent. This percentage growth is significant as it surpasses the State of South Carolina's growth (3.2 percent) and the United States growth (2.4 percent) during the same period.

Labor Force & Employment – Since 2003, the civilian labor force in the Charleston region has grown by 21 percent, from 277,055 to 336,450 persons as of 2013. As of May 2014, the Charleston region is experiencing 4.5 percent unemployment, compared to the state of South Carolina at 5.3 percent.

Housing - A total of 12,741 homes were sold in the Charleston region in 2013. The forecast, by the Charleston Metro Chamber of Commerce's Center for Business Research, is for sales to increase by 10 percent in 2014.

Retail Sales - Total retail sales for the Charleston area increased five percent in 2013 as a result of growth in the region's housing market and strong visitor industry. Gross retail sales in the region totaled \$21.31 billion with over \$13 billion of that total being spent in Charleston County.

Visitor Industry - The Charleston region attracted over 4.51 million visitors in 2013, generating an economic impact of \$3.22 billion. Hotel occupancy rates were 72 percent for the year, and the average daily rate for lodging was \$128 per night. Attendance rates at area attractions increased by 5.8 percent. 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 JetBlue and international exposure will attract more leisure and business travelers. Charleston also received international recognition for the third year when it was named #1 destination by Conde Nast in 2013.

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 the state's harbors, carrying cargo worth more than \$150 million. In 2013-2014, the Port of Charleston handled 1.56 million TEUs (twenty foot equivalent cargo containers), which was an increase of 8.9 percent from the previous year. Break-bulk cargo totaled 723,420 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 plans to invest nearly \$1 billion during the next decade on capital projects. The agency's fiscal year 2015 capital plan calls for \$113.5 million in the development and enhancement of new and existing facilities.

Airport Activity - Total passenger activity at the Charleston International Airport increased by 3 percent in 2013 with the initiation of service by JetBlue Airlines. Passenger volumes for all airlines serving Charleston increased during the year. The Charleston International Airport also began redevelopment and expansion of the airport terminal in 2012. Phase one includes an expansion of the area outside the terminal for airplanes servicing Charleston. Phase two includes terminal construction that will create 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. The Navy Base Terminal (NBT) is slated for completion by 2019. This facility is designed specifically to host the larger Post Panamax ships and is projected to increase the container cargo capacity of the South Carolina Ports Authority (SCPA) by 50 percent. The SCPA's fiscal year 2015 capital improvement program called for \$113.5 million in development and enhancements of new and existing facilities. In addition, the SCPA plans to invest nearly \$1 billion on capital projects over the next decade.

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 \$63.6 billion in 2013. 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.

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 and pumps nearly \$45 billion into the state economy.

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 October 2010 Charleston Air Force Base and the Charleston Naval Weapons Station merged to create Joint Base Charleston. They are now the region's largest single employer with 20,172 employees. The combined payroll of Joint Base Charleston has an economic impact of \$6.7 billion to the Charleston region annually. The Air Force portion of Joint Base Charleston is home to the 437th Airlift 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, a 480-bed facility which houses prisoners from all branches of the armed services, is located on the Joint Base Charleston campus.

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 841st 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 sees more than 4 million visitors annually, providing an economic impact of \$2.8 billion to the local economy. The hospitality industry directly employs 28,949 people in Charleston County, accounting for 13.3 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 2014 as it was named No. 1 on the world's best awards list of top cities in the U.S. and Canada for the second consecutive year by *Travel & Leisure*.

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 72 percent occupancy rate and an average daily rate of \$128 per night. Several major new hotels are under way in downtown Charleston, North Charleston, and Mt. Pleasant, which will add over 1,500 new rooms.

In a city that prides itself on buying local and all things Lowcountry, it is no surprise that artisanal craft beer has taken Charleston by storm. With seven established breweries, dedicated retail stores and bars, active home brewing clubs and the annual Brewvival festival, craft beer culture is booming. The economic impact of craft beer in South Carolina is tremendous and growing. The Brewers Association report issued in December 2013 estimates a \$254 million impact, which attributes to 2,909 jobs. The Charleston market, with the lion's share of breweries and craft beer enthusiasts, accounts for the majority of the economic impact. The released figures are 2012 estimates, but craft beer grew exponentially in 2013.

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 \$170 per day 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 2,775, with over 1,300 faculty members being employed. In fiscal year 2013, 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.

Manufacturing and Service Companies. In 2013, Charleston County continued its success in the recruitment of new jobs and capital investment. Over \$1.15 billion in capital investment and 2,483 jobs were announced. These numbers ranked Charleston County as 1st in the state in jobs creation and 2nd in the state for capital investment for the year.

Pro-business government attitudes permeate through the State of South Carolina and the Charleston region. State commerce department officials work hand-in-hand with economic developers from 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 sought an updated economic development recruitment strategy when they hired Avalanche Consulting / McCallum Sweeney in 2010. After a year of research, the group in 2011 unveiled the strategy *Opportunity Next*, identifying four primary vertical industry targets for the Charleston region:

- Aerospace
- Biomedical
- Advanced Security & Information Technology (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 2009 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.

In the spring of 2013, Boeing again gave its vote of confidence in the Charleston area as it announced a \$1 billion expansion that would promise an additional 2,000 employees. As part of this expansion, Boeing committed to bring information technology and engineering capabilities to its campus, along with additional production workers. Later in the year, it also moved to acquire an additional 460 acres in and around the Final Assembly complex, and announced a new paint facility that would shift that task here from San Antonio, TX. The company also announced that a second aircraft program, the 737-Max, would be supported from North Charleston with an engine inlet (nacelles) production plant to be located in Palmetto Commerce Park.



The economic magnitude of building the 787 is breathtaking in and of itself, but is made all the more impressive when one considers the further impact of business visitors to the area. The multitude of business visitors to the North Charleston campus that occurs just in the normal daily course of business creates a massive spin-off effect in area restaurants, hotels, shops, and tourist venues. In addition, the delivery of aircraft is a prestigious ceremonial event that is preceded by the hosting of large entourages of airline owners, their families and staff over extended periods of time.

As Boeing increases its workforce to 8,000 employees during 2014, it will also be making a new imprint in the Charleston technology sector. The company announced that it will create engineering and IT centers of excellence, as well as a new Boeing research & technology center. Over 1,500 positions will be staffed by high tech knowledge workers, further complementing the home-grown technology sector growth the Charleston area has been experiencing.

Biomedical – Along with patient care and academics, research is at the heart of MUSC. With core facilities, state of the art centers and institutes, and the latest clinical trials, MUSC is poised to be a leader in medical research and development. MUSC's current strategic plan allows for the creation of the Center for Medical Innovation and Entrepreneurialism. The Center will serve as a gateway for partner engagement as well as a resource for entrepreneurial health and biomedical scientists. The South Carolina Clinical and Translation Research Institute is bringing positive change to biomedical research and creating an avenue for shared expertise and resources. Furthermore, the Foundation for Research Development is paving the way for inventors, industry, and entrepreneurs to collaborate. In patient care, for 2013-14, MUSC was ranked as the #1 hospital in South Carolina by *U.S. News & World Report*.

The Horizon Redevelopment Project is an urban revitalization and economic development vision to advance knowledge-based sectors of the Charleston region. The project aspires to be a national model for research-oriented urban infill development, an innovative initiative that will incorporate all of the elements necessary to create a vital urban place in the knowledge-based economy. The goal of the project is to create Horizon District, an urban mixed-use bio-tech research development neighborhood located in downtown Charleston adjacent to the MUSC campus. The Horizon Project Foundation, Inc. (HPF) is a South Carolina nonprofit corporation established to support the City of Charleston and the Medical University of South Carolina Foundation. As the contracting organization with the Master

Developer, HPF has performed significant pre-development work, in addition to assisting and guiding the Master Developer's efforts on the project.

Advanced Security & IT – Information technology companies continued to expand in Charleston during 2013, 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.

Home-grown IT – Charleston's technology sector has been dubbed "Silicon Harbor" by Nate DaPore, President and CEO of PeopleMatter and the Charleston County nominee as 2013 South Carolina Department of Commerce Economic Development Ambassador. Home-grown information technology and high tech firms such as PeopleMatter, SPARC, Benefitfocus, and Blackbaud have experienced exponential growth which is continuing into 2014. The recent announcement of the Boeing IT Center of Excellence showcases the pinnacle of that has been reached. The Charleston area also hosts a number of firms included in the *Inc. 500* list of fastest-growing companies and several Charleston firms successfully acquired venture capital.

Through the efforts of the Charleston Digital Corridor, the Charleston region is on the cusp of being a technology center. Knowledge based-companies and emerging companies have the convenience of utilizing one of two incubator facilities, dubbed 'Flagships,' to grow and incubate their companies and host a co-working space. The 40,000 sq. ft. Flagship 3 has just been announced and will continue to foster Charleston's development of its knowledge economy. In addition to the Digital Corridor initiatives, The Harbor Accelerator is an independent recently-founded business accelerator program for entrepreneurs with scalable business concepts. Their 14-week program caps off with introductions to potential capital sourcing to grow a start-up.

Energy Systems – The Clemson University Research Institute (CURI) Campus is home to the nation's newest and world's most advanced capacity wind-turbine drive train testing facility. The \$100 million Clemson University SCE&G Energy Innovation Center opened in November 2013. The center is capable of full-scale highly accelerated mechanical and electrical testing of advanced drivetrain systems for wind turbines with 7.5 MW and a 15 MW test bays. This technology will pave the way for future energy innovation.

By 2030, the U.S. Department of Energy has set a goal to generate 20 percent of the nation's power needs through wind. The South Carolina coast offers strong winds in shallow water, access to the ports of Charleston and Georgetown, and a large demand which drives development of offshore wind farms. In addition, ship-building and manufacturing facilities enhance the potential to become an industrial hub as larger turbines are created. Through the efforts of CURI, South Carolina can benefit from the wind energy industry that is coming to the forefront.

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 Streit USA Armoring (maker of armored vehicles), Cummins Turbo Technologies (turbo-charged engines for Dodge Ram pick-up), Daimler Vans (re-assembly of Sprinter vans), Morgan Olson (converter of Sprinter vans and cargo trucks), VTL Precision (powertrain components and assemblies), and IFA Rotorion (drive shaft manufacturer) to name a few. Cummins, VTL Precision, and IFA Rotorion, are proud participants in the first Youth Apprenticeship program with Trident Technical College and local high school juniors and seniors.

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 17,489 students; College of Charleston, with 11,619 students; The Citadel, with 3,598 students; Charleston Southern University, with 3,269 students; and Medical University of South Carolina with 2,775 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 300 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 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 town 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 2013 tournament was attended by 78,147 people with an economic impact of over \$30 million. The 10K Cooper River Bridge Run hosted over 38,000 runners in March 2013 and over 31,000 in April 2014.

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 travel company Andrew Harper. *Forbes* named Charleston one of the Best Places for Business & Careers in 2013. Charleston was named Top U.S. City by Condé Nast Traveler 2013 Readers' Choice Awards. This is the third consecutive year that Charleston has received this #1 ranking. Charleston was also ranked #11 for U.S. Cities for Economic Growth by the Milken Institute Best Performing Cities Index, December 2013.

According to Costar (second quarter 2014), the Charleston region offers a sizeable real estate portfolio for a mid-sized market with over 4.9 million square feet in upscale Class A executive buildings and offices. The 20.7 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 8.9 percent. The average lease rate for office space is \$24.66 per square-foot in the region.

Over 20 industrial parks are strategically located throughout the Charleston region. As of March 2014, the Charleston region had over 63.9 million square feet of warehouse and flex space. Vacancy stands at 9.1 percent and average lease rates are \$4.74 per square-foot for industrial space.

The Charleston International Airport, no more than a thirty-minute ride from anywhere in the region, has experienced great growth in recent years. The mix of passengers has shifted away from its tourist base toward one increasingly characterized by business travelers. Daily non-stop service is available to 18 airports and 14 cities in the U.S. including Atlanta, Baltimore, Charlotte, Chicago, Houston, Miami, New York, and Philadelphia.

MAJOR COUNTY INITIATIVES



Charleston County Public Library. Tablets, smart phones and digital devices are everywhere, and Charleston County Public Library provides residents access to free digital resources. The Library also offers Tech Talks and classes to help residents understand this new technology, how it can be used, and what devices best fit their needs. Digital content is available anytime on the Library's website: www.ccpl.org.

In March 2014, The Second Annual Charleston Tells Storytelling Festival attracted both county residents and visitors from other states, including some from as far away as Canada. The Festival offered attendees an opportunity to celebrate the art of storytelling, the human experience and the Lowcountry's rich heritage, much of it handed down verbally from generation to generation. Whether hearing the spooky echo of a passing carriage tour while listening to ghost stories or reacting to a teller's anecdote through laughter or tears, audiences were wowed by the stories, music and programs presented by a gifted group of national, regional and local performers.

The library also developed a major Construction and Renovation Plan that includes building five new libraries, three of which will serve as replacements for existing facilities. Thirteen existing branches will be renovated. The library's support staff will be moved out of the Main Library and that space will be reconfigured for public use. Technology in all buildings will be upgraded. The \$108.5 million plan was finalized after a series of 11 community meetings that drew hundreds of residents countywide. The question of funding the projects is being put before voters in the November 2014 election.

The **Human Resources Department** in conjunction with the County Veterans Affairs Department worked to set up a local Non-Paid Work Experience Program. This program helps veterans with a least a ten percent service-connected disability prepare for, find and keep suitable jobs. The program provides the veterans with on-the-job training and an opportunity to learn more about public service during their six month assignment and it provides the County with additional talent in delivering quality service to its citizens.

The **Emergency Management Department** developed an app to inform the public before, during and after an emergency situation. The app gives information such as emergency information, shelter locations, closings and contact numbers to name a few. Charleston County received a federal grant to cover the entire cost of production. The grant also provides funding for yearly maintenance costs.

The **Community Services Department** actively sought available grant funding for County programs and provided administrative and financial oversight for U.S. Department of Housing and Urban Development (HUD). These activities include the Urban Entitlement Program. Urban Entitlement funding through HUD is designed to improve housing and neighborhoods in economically disadvantaged areas. This is accomplished by various community development activities and by sub-granting funding to area organizations through the Community Development Block Grant (CDBG), Home Partnership Investment (HOME), and the newly created Emergency Solutions Grant (ESG) programs. The County assisted, either directly or through contract management, 79 households in gaining access to clean water and/or wastewater systems or providing septic system upgrades.

The **Public Works Department** introduced the YourGOV mobile device application by Cartegraph to provide a direct link for citizens to the Public Works Work Order System. The Citizen Request application allows users to report non-emergency issues and service requests for potholes, fallen trees, vandalism, street light outages and more. Designed for use nationwide, YourGOV helps prompt quicker responses to requests and issues. YourGOV opens new lines of communication, providing the access and transparency that helps build smarter, more sustainable, and more collaborative communities.

Transportation Solutions: During the year, Charleston County Government completed improvements to the infrastructure of Charleston County. Some of the improvements include:

- Completion of 28 County Transportation Committee projects this year with a total (expensed) value of \$6.2 million.

- The department worked on nine bonded projects during this time with a total (expensed) value of \$22.3 million.
- Transportation Development worked on 66 Transportation Sales Tax (TST) Allocations projects during this time with a total (expensed) value of \$9.5 million.

Urban/Rural Parkland and Rural Greenspace. The Greenbelt Bank Board reviewed fourteen rural projects that were approved by County Council. These projects totaled just under \$10 million to protect 656 acres. The rural projects are located in Hollywood, Ravenel, Awendaw, McClellanville and on Johns Island. Of the rural Greenbelt funds awarded by County Council during fiscal year 2014, \$5 million was used for the purchase of 37 acres surrounding the iconic and beloved Angel Oak on Johns Island.

Additionally, Council approved five urban Greenbelt projects recommended by the Urban Grants Review Committee and the Charleston County Park and Recreation Commission. All urban projects approved during fiscal year 2014 were for the City of North Charleston to purchase future park land. Greenbelt funds awarded to the City totaled \$682,599 for the purchase of 16 acres.

Of the total Greenbelt projects funded during fiscal year 2014, \$10.6 million was used to purchase 407 acres of land for public access and use.



Environmental Management: In Charleston County's continuing effort to maintain a more sustainable environment, the Environmental Management Department grew its Food Waste Composting Program. Entering the program's third year, diverse participants included schools, colleges and universities, hospitals, local restaurants, and other food waste generators. As a result, there was an 80 percent increase of tons of finished compost sold, 76 percent increase of revenue from compost sales, and 224 percent increase of incoming tons of food waste.

The Charleston County single stream residential recycling program was completed in June 2014. Urban Charleston County residences were provided a wheeled roll cart for recycling. With single stream recycling, instead of separating recyclables by type, residents can combine all paper, cardboard, glass, aluminum and plastic containers into one wheeled roll cart. This state-of-the-art program utilizes automated trucks to collect recyclables once every two weeks.

Awards and Acknowledgements:

Charleston County Government's offices, departments and employees have been honored with numerous awards and recognitions in FY 2014. These awards reflect Charleston County employees' dedication to providing the best services to our citizens. Five departments received national accreditation in FY 2014:

- Charleston County Consolidated 9-1-1 Center was formally awarded Accreditation by the International Academies of Emergency Dispatch as an Emergency Fire and Emergency Medical Dispatch Center of Excellence.
- Charleston County Fleet Operations becomes the first in the state to earn the Automotive Service Excellence (ASE) Blue Seal of Excellence. Also, eighty percent of Fleet Technicians have received their ASE Blue Seal of Excellence certifications in various auto-motive skills.
- Public Works was accredited by the American Public Works Association.
- Transportation Development was accredited by the American Public Works Association.
- Facilities Maintenance Department was accredited by the American Public Works Association.

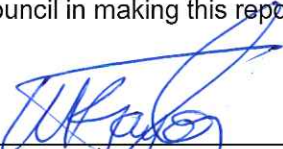
The Government Finance Officers Association of the United States and Canada (GFOA) awarded its **Certificate of Achievement for Excellence in Financial Reporting** for the 26th consecutive year to Charleston County for its fiscal year 2013 Comprehensive Annual Financial Report. The Certificate of Achievement 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. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that Charleston County's current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Charleston County also received its 25th consecutive **Distinguished Budget Presentation Award** for its fiscal year 2014 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 2015 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 Chrisanne Porter and Patricia Davis 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. 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.



W. Kurt Taylor
County Administrator



Keith Bustraan
Deputy Administrator for Finance



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, 2013

Executive Director/CEO

Charleston County, South Carolina Organizational Chart County Departments

Effective 5-19-2014

ELECTED
 Auditor – Peter Tecklenburg
 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

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

**Citizens of Charleston
County**

**Charleston County
Council**

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

**County
Administrator**
Kurt Taylor

Consolidated Dispatch – Jim Lake
 Economic Development – Steve Dykes
 Greenbelt Programs – Cathy Ruff
 Public Information Officer – Jennie Flinn
 Minority Business Development – Evelyn Delaine-Hart

**Deputy
Administrator
Transportation &
Public Works**
Jim Armstrong

**Deputy
Administrator
Finance**
Keith Bustraan

**Deputy
Administrator
General Services**
Walt Smalls

**Deputy
Administrator
Human Services**
Jennifer Miller

**Deputy
Administrator
Community Services**
Christine DuRant

Public Works
Jim Neal

Transportation
Development
Steve Thigpen

Environmental
Management
Art Braswell

Fleet
Management
Bob Gannon

Assessor
Toy Glennon

Budget
Mack Gile

Finance
Corine Altenhein

Revenue
Collections
Tami Fralick

Building
Inspections
Carl Simmons

Facilities Mgt.
Dan Chandler

Internal Services
Mike Filan

Technology
Services
Donnie Giacomo

Magistrate Courts
Junerese Rhodan

Human Resources
Fagan Stackhouse

Zoning/Planning
Dan Pennick

Emergency Mgt.
Jason Patno

Awendaw Fire
Dept.
Tommy Norris

Procurement
Barrett Tolbert

Safety & Risk Mgt.
Mike Schwerin

Community
Development
Johnna Murray

Medically
Indigent
Assistance

Brownfields
Program

DAODAS
Chanda Brown

Emergency Medical
Services
Don Lundy

COUNTY OF CHARLESTON, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2014

MEMBERS OF COUNTY COUNCIL

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

ELECTED OFFICIALS

Peter Tecklenburg	1	6/30/2017	Auditor
Julie J. Armstrong	22 ^{1/2}	12/31/2016	Clerk of Court
Rae Wooten	8	12/31/2016	Coroner
Irvin G. Condon	20 ^{1/2}	12/31/2014	Probate Court
Charlie Lybrand	20 ^{1/2}	12/31/2014	Register Mesne Conveyance
James A. Cannon, Jr.	26 ^{1/2}	12/31/2016	Sheriff
Scarlett A. Wilson	7	12/31/2016	Solicitor
Andrew Smith	17	6/30/2017	Treasurer

OTHER OFFICIALS

	<u>Years with County</u>	<u>Years in Current Position</u>	
W. Kurt Taylor	23	2 ^{1/2}	County Administrator
Keith D. Bustraan	27 ^{1/2}	13	Deputy Administrator Finance
Walter L. Smalls	15	8	Deputy Admin Gen Svcs
Jennifer Miller	26	7	Deputy Admin Human Svcs
Jim Armstrong	26	2 months	Deputy Administrator Transportation & Public Works
Christine DuRant	24 ^{1/2}	2 months	Deputy Administrator Community Services
Corine Altenhein	24	7	Finance Director

FINANCIAL SECTION



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Independent Auditor's Report

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, 2014, 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, 2014, 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, 2014, 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, 2014, 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 Information

As discussed in Note I.F.13 and Note I.V.K., the County and certain of its discretely presented component units have made adjustments that resulted in restatements of their 2014 beginning net position as part of their implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

As discussed in Note I.V.K., the County made adjustments that resulted in restatements of its beginning 2014 net position for certain of its discretely presented component units, to correct errors made in the component units' financial statements for the year ended June 30, 2013.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, 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 19, 2014

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, 2014. 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 13 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

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at June 30, 2014 by \$34,582 (net position.) This is comprised of net investment in capital assets of \$145,667, restricted net position of \$48,382 and unrestricted net position of (\$159,468).
- Charleston County's total net position decreased by \$28,958 during the fiscal year ended June 30, 2014, with a \$35,302 decrease resulting from governmental activities and a \$6,344 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 \$326,622, which is a \$35,846 increase from the prior year. Approximately 13.5 percent or \$44,085 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned and unassigned components of fund balance) for the general fund was \$52,523 or approximately 28 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$44,085, or approximately 23 percent of total general fund disbursements.

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 38 through 40 of this report.

The Statement of Net Position presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference 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, public safety 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 64 through 66 of this report.

The government-wide financial statements can be found on pages 38 through 40 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 42 through 45, 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. The Governmental Funds Balance Sheet and the Governmental Funds 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 Special Source Revenue Bond 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 131 through 141 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 49 through 54 and pages 157 through 168 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, Public Safety System 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 157 through 162.

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 164 through 168 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 170 through 172 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 61 through 121 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 131. 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 178. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 154.

This report also presents required supplementary financial information concerning the County's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees. Required Supplementary Financial Information can be found on page 124.

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 and deferred outflows exceeded liabilities and deferred inflows by \$34,582 at the close of fiscal year 2014. This was a decrease of \$28,958 or 46 percent during fiscal year 2014.

A portion of the County's net position, \$145,667, 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, \$48,382, represents resources that are subject to external restrictions on how they may be used. These include funds for road projects, construction/purchase of capital assets, and debt service. 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 (\$159,468), indicates the portion of net position which can be used for day-to-day operations without constraints established by legislation or other legal requirements. This balance is negative as the County has borrowed and expended funds on state and municipal roads. The debt is County debt but the asset improved/created does not belong to the County.

At the end of 2014, the County had positive balances in two of the three categories of net position for the primary government. As stated above, the unrestricted 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 Country's Net Position
June 30, 2014
(Recapped from page 38)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013*	2014	2013*	2014	2013*
Current, restricted and other assets	\$ 515,366	\$ 465,067	\$ 94,857	\$ 124,671	\$ 610,223	\$ 589,738
Capital assets	319,279	322,612	47,561	48,187	366,840	370,799
Total Assets	834,645	787,679	142,418	172,858	977,063	960,537
Total deferred outflows of resources	19,595	20,779	-	358	19,595	21,137
Long-term liabilities outstanding	721,365	656,482	7,097	11,074	728,462	667,556
Other liabilities	78,156	63,683	5,997	39,162	84,153	102,845
Total liabilities	799,521	720,165	13,094	50,236	812,615	770,401
Total deferred inflows of resources	149,461	147,733	-	-	149,461	147,733
Net Position:						
Investment in capital assets	98,106	93,885	47,561	41,686	145,667	135,571
Restricted for:						
Environmental trust operations	-	-	-	54,311	-	54,311
Capital projects	6,566	31,872	-	555	6,566	32,427
Debt service	19,939	17,516	-	2,470	19,939	19,986
General government	204	93	-	-	204	93
Public safety	4,032	3,885	-	-	4,032	3,885
Judicial	3,217	3,232	-	-	3,217	3,232
Public works	10,454	9,393	-	-	10,454	9,393
Health and welfare	406	395	-	-	406	395
Economic development	2,429	1,651	-	-	2,429	1,651
Culture and recreation	1,135	1,023	-	-	1,135	1,023
Unrestricted	(241,231)	(222,385)	81,763	23,958	(159,468)	(198,427)
Total net position	\$ (94,743)	\$ (59,440)	\$ 129,324	\$ 122,980	\$ 34,581	\$ 63,540

*As restated

The County's net position decreased by \$28,958 during fiscal year 2014. The governmental activities had a decrease in net position of \$35,302. This is due primarily to expenses in the transportation and road sales tax special revenue fund. During fiscal year 2014 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 2011 transportation sales tax GOBs were used to construct and improve roads that are not assets of the County.

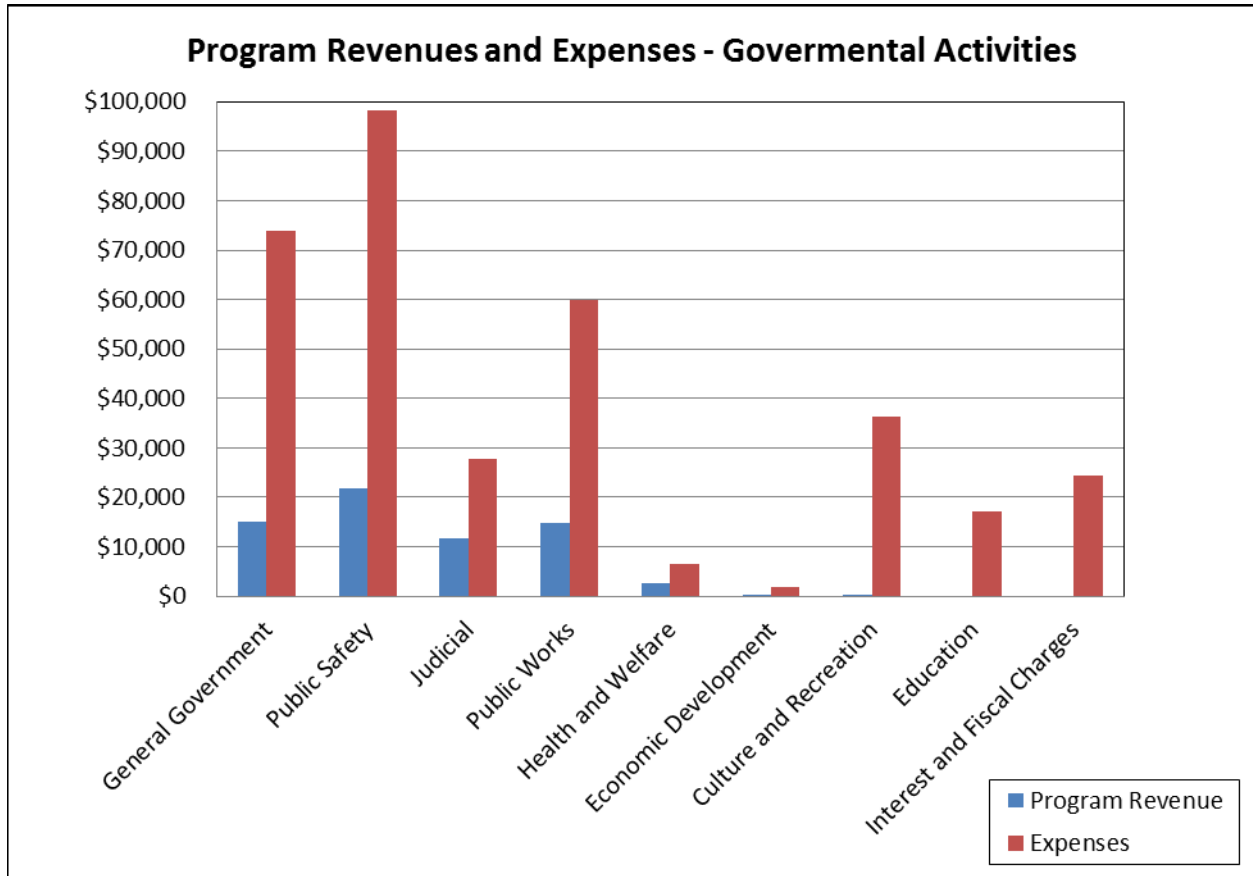
County of Charleston, South Carolina
Changes in Net Position (Recapped from pages 39 and 40)
For the Fiscal Year Ended June 30, 2014

	Governmental Activities		Business-Type Activities		Total	
	2014	2013*	2014	2013*	2014	2013*
Revenues						
Program Revenues:						
Charges for services	\$ 44,442	\$ 48,725	\$ 43,990	\$ 42,539	\$ 88,432	\$ 91,264
Operating grants and contributions	22,231	22,966	978	765	23,209	23,731
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	116,098	105,804	-	-	116,098	105,804
Other taxes and fees	116,105	104,095	543	480	116,648	104,575
State aid to political subdivisions	12,937	12,883	-	-	12,937	12,883
Unrestricted investments earnings	1,294	770	23	34	1,317	804
Gain on sale of capital assets	-	-	5	20	5	20
Total Revenues	313,107	295,243	45,539	43,838	358,646	339,081
Program Expenses						
Governmental Activities:						
General government	73,881	62,312	-	-	73,881	62,312
Public safety	98,306	96,642	-	-	98,306	96,642
Judicial	27,773	26,996	-	-	27,773	26,996
Public works	59,859	75,872	-	-	59,859	75,872
Health and welfare	6,510	7,456	-	-	6,510	7,456
Economic development	1,833	1,700	-	-	1,833	1,700
Culture and recreation	36,353	26,937	-	-	36,353	26,937
Education	17,089	10,033	-	-	17,089	10,033
Interest and fiscal charges	24,297	28,164	-	-	24,297	28,164
Business-Type Activities:						
DAODAS	-	-	7,648	7,708	7,648	7,708
E-911 communications	-	-	1,896	2,083	1,896	2,083
Environmental management	-	-	25,030	24,559	25,030	24,559
Parking garages	-	-	2,057	2,093	2,057	2,093
Public safety system	-	-	422	-	422	-
Radio communications	-	-	3,293	3,058	3,293	3,058
Revenue collections	-	-	1,357	1,364	1,357	1,364
Total Expenses	345,901	336,112	41,703	40,865	387,604	376,977
Excess (deficiency) of revenues before transfers over (under) expenses	(32,794)	(40,869)	3,836	2,973	(28,958)	(37,896)
Transfers	(2,508)	(196)	2,508	196	-	-
Increase (Decrease) in Net Position						
Net position, beginning*	(35,302)	(41,065)	6,344	3,169	(28,958)	(37,896)
Net Position, ending	(59,440)	(18,375)	122,980	119,811	63,540	101,436
	\$ (94,742)	\$ (59,440)	\$ 129,324	\$ 122,980	\$ 34,582	\$ 63,540

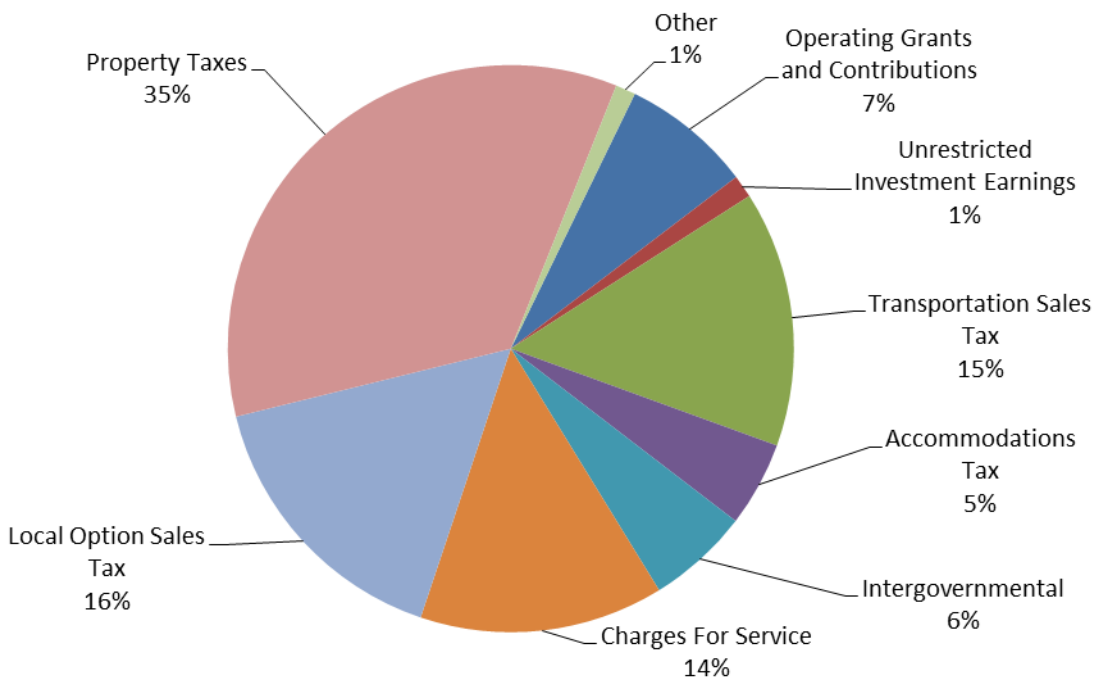
*As restated

Governmental Activities. Governmental activities decreased the County's net position by \$35,302. Key elements of the decrease are:

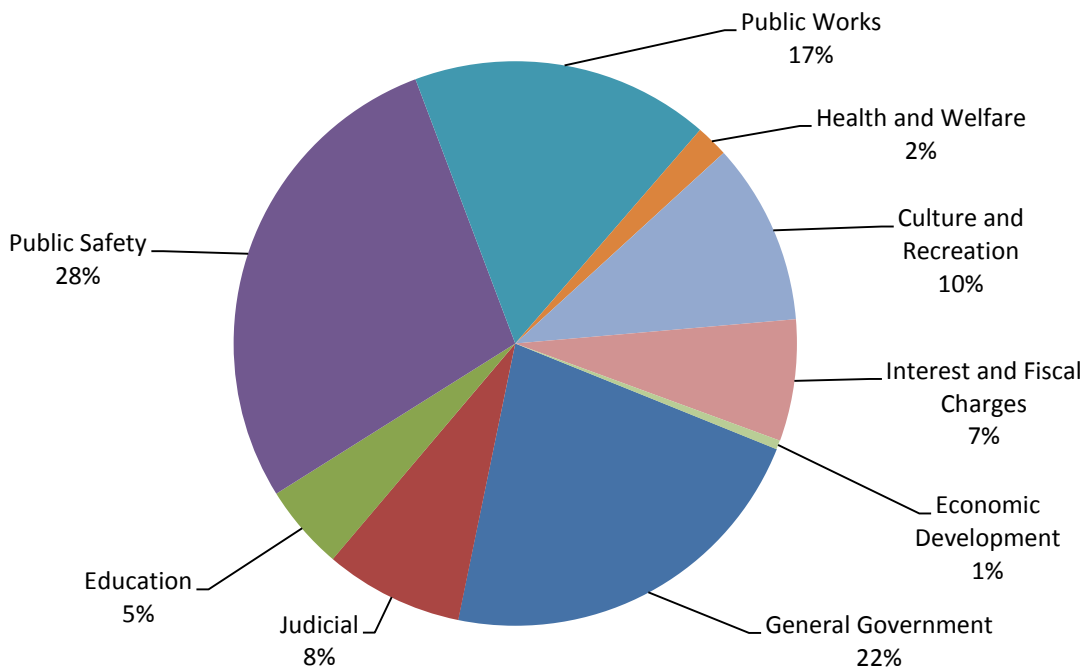
- General government expenses increased by \$11,569 (18.56 percent) because of the lump sum appropriations to other municipalities on the Special Source Revenue Bonds.
- Charges for services decreased by \$4,283 (8.78 percent) due primarily to a decrease in charges in the Transportation Sales Tax Fund for intergovernmental reimbursements.
- The increase in net transfers to the business-type activities was \$2,312.



Revenues by Source - Governmental Activities

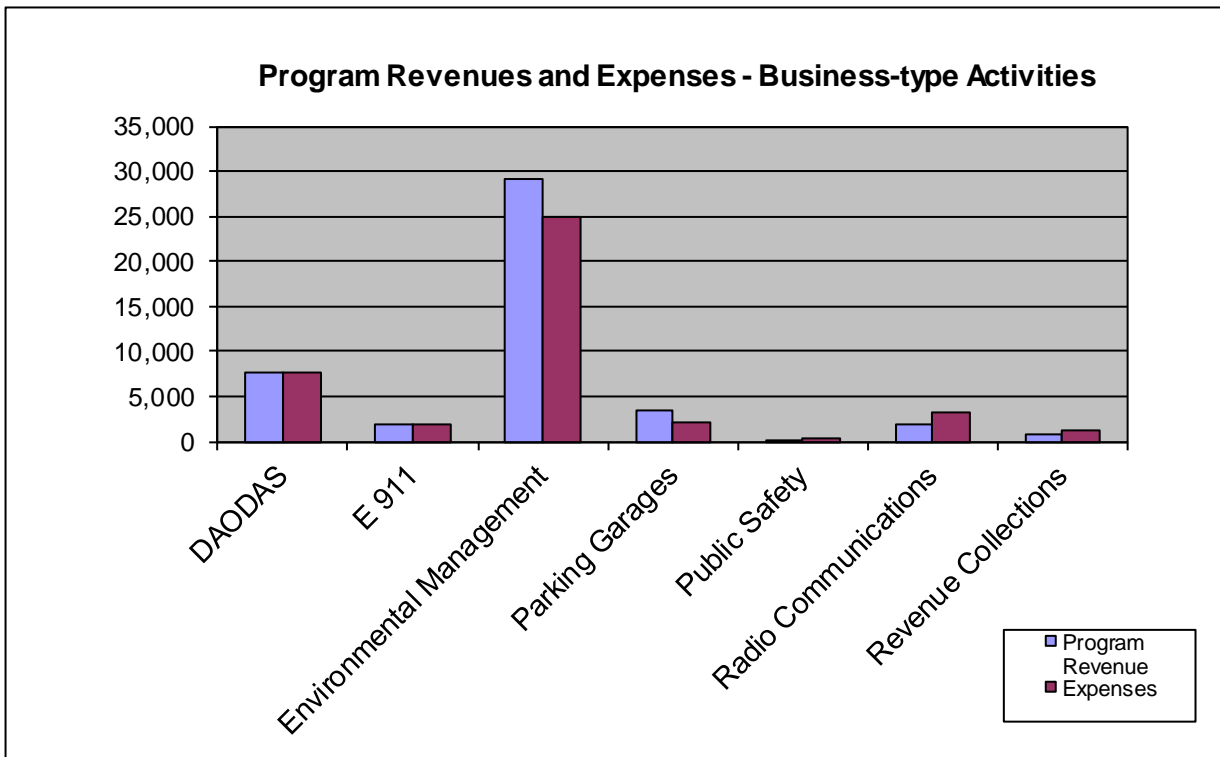
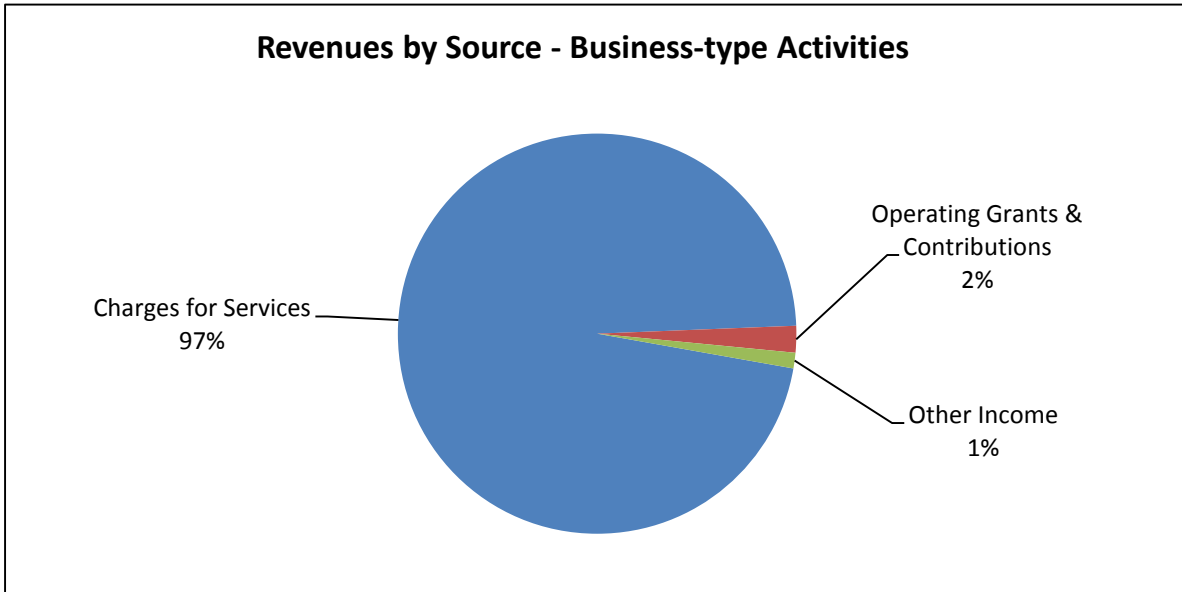


Expenses by Program - Governmental Activities



Business-type Activities. Business-type activities increased the County's net position by \$6,344. The key element of this increase was:

- Environmental management had an increase in net position of \$1,396. 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.
- The charges for services in the business-type activities increased by \$1,451 (3.4 percent) with the increases in Environmental Management \$254, Radio Communications \$402 and Revenue Collections \$276. The collection rates for these services have improved over the past year.



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 \$326,622, an increase of \$35,846 in comparison with the prior year. This increase is due to the proceeds of \$93,422 from the Special Source Revenue Bond that the County issued during fiscal year 2014. This increase is offset by a decrease in fund balance of \$41,283 in the transportation and road sales tax special revenue fund and a decrease of \$17,389 in the G.O.B. capital projects fund.

The ending fund balance of \$326,622 for the governmental funds is composed of five components: unassigned fund balance of \$44,085, assigned fund balance of \$8,438, committed fund balance of \$13,470, restricted fund balance of \$259,346 and nonspendable fund balance of \$1,282

Unassigned fund balance accounts for approximately 13.0 percent or \$44,085 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 \$8,438 or 3 percent of ending fund balance. Assigned fund balance includes \$6,905 budgeted for use in the 2015 budget and \$1,533 which was encumbered at the end of fiscal year 2014. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$13,470 or 4.0 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 \$259,346 or 79 percent of ending fund balance. The major restricted fund balances are for: 1) roads and stormwater projects of \$227,984, 2) debt service of \$19,939, 3) \$4,032 for public safety activities (primarily comprised of balances in the Sheriff's office), and 4) \$3,217 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 \$1,282. 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 \$44,085 while total fund balance reached \$53,805. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$9,401 and is composed of \$3,701 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 23 percent of total general fund disbursements, while total fund balance represents 28 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 21.3 percent of disbursements, which also meets the financial policy. There was an increase of \$613 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$6,763 or 4 percent higher than the previous fiscal year.

- Services charges were up \$1,976 or 9 percent.
- Intergovernmental revenues increased \$1,745 or 8 percent.
- Other revenues were up \$1,646
- Taxes \$1,148

Expenditures increased by \$6,324 or 4 percent.

- Public Safety expenditures are up \$4,352 or 5 percent.
- General Government expenditures are increased \$1,387 or 3 percent.
- Transfers out decreased \$1,691 or 11 percent.

Debt Service Fund. The debt service fund balance is \$19,939 and is \$2,423 or 14 percent higher than the prior fiscal year.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance was decreased \$41,283 or 24 percent from the prior fiscal year. The County has several major road projects that were in the construction process during fiscal year 2014.

Special Source Revenue Bonds. The County received \$93,422 in proceeds from a Special Source Revenue Bond that was issued in December 2013. The proceeds will be used to defray the costs of design and construction of an extension of South Aviation Avenue in North Charleston, pay capitalized interest on the Bonds through December 1, 2016, and pay the costs of issuance of the Bonds.

Other Governmental Funds. The other governmental funds had a decrease in fund balance of \$16,196 or 31 percent from the prior fiscal year

Nonmajor Capital Projects Funds. The nonmajor capital projects funds reflect a total fund balance of \$13,470 and are shown on pages 134 through 135 and 140 through 141. The fund balance for the nonmajor capital projects funds is decreased \$18,402 in fiscal year 2014. The decrease is primarily in the GOB capital projects fund which is down \$17,384 or 74 percent.

Nonmajor Special Revenue Funds. The nonmajor special revenue funds have a combined total fund balance of \$21,878, all classified as restricted. Nonmajor special revenue funds are shown on pages 131 through 134, and 137 through 140. The fund balance for the non-major special revenue funds increased \$2,206 from the prior year. The largest increase in fund balance is \$1,506 in the construction public works fund which accounts for state C-fund expenditures. In addition, the fund balance in the economic development fund increased \$778.

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, 2014, is \$99,015 (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 \$85,508. The nonmajor proprietary funds have total net position of \$13,507. These funds include DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 49 through 54 and pages 157 through 162 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 \$99,015 (before internal eliminations), an increase of \$6,884 or 7 percent in comparison with the prior year. Both DAODAS and Parking Garages had increases of \$2,652 and \$2,690, respectively. These increases were primarily due to the gain on debt restructuring.

General Fund Budgetary Highlights

During fiscal year 2014, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$3,480 over the final budget. The most significant revenue variances are outlined below:

- Service charges were over budget by \$2,930. Emergency Medical Services charges were over budget by \$1,441 due to improved collections. RMC charges exceeded budget by \$812 due to the increased volume of recorded real estate transactions.
- Intergovernmental revenues were under budget by \$1,170 primarily due to decreases in federal inmate per diem resulting from a decrease in inmates held.
- Property and local option sales taxes were under budget by \$1,905. Fee in Lieu of Taxes were \$1,886 under budget due to a portion functioning as security for the Special Source Revenue Bond.
- Interfund transfers in were \$2,964 over budget. This reflects \$2,219 of Fee in Lieu of Taxes used as security for the Special Source Revenue Bond and released to the General Fund after the bonds were paid.

Actual expenditures and transfers out were \$8,603 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology Services was \$2,067 below budget. Capital purchases were \$1,451 below budget. The lapsed budget was rolled forward to fiscal year 2015.

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, 2014, amounted to \$366,840 (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 decreased \$3,960 or 1.06 percent for the current year. Construction in progress increased \$4,061 due to construction on the law enforcement center. The depreciation expense increased by \$1,584 which, in turn, decreased the net book value of the County's capital assets.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and easements	\$ 21,211	\$ 21,211	\$ 3,951	\$ 3,951	\$ 25,162	\$ 25,162
Buildings	234,512	241,587	17,386	17,981	251,898	259,568
Improvements other than buildings	2,105	615	12,936	14,562	15,041	15,177
Machinery and equipment	42,530	43,367	13,288	11,674	55,818	55,041
Infrastructure	12,444	13,417	-	-	12,444	13,417
Construction in progress	6,477	2,416	-	19	6,477	2,435
Total	\$ 319,279	\$ 322,613	\$ 47,561	\$ 48,187	\$ 366,840	\$ 370,800

Additional information on the County's capital assets can be found in Note III. C. on pages 84 through 87 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$692,718. Of this amount, \$599,366 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$93,352 is Special Source Revenue Bonds to be repaid with FILOT payments.

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, 2014, this obligation is recorded at a net present value of \$28,357 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.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 599,366	\$ 595,381	\$ -	\$ -	\$ 599,366	\$ 595,381
Certificates of participation	-	27,991	-	4,967	-	32,958
Special source revenue bonds	93,353	-	-	-	93,353	-
Revenue bonds	-	-	-	1,534	-	1,534
Intergovernmental note payable	28,357	29,658	-	-	28,357	29,658
Total	\$ 721,076	\$ 653,030	\$ -	\$ 6,501	\$ 721,076	\$ 659,531

The County's total bonded debt increased by \$82,923 (13 percent) during the current fiscal year. The County issued \$93,352 in Special Source Revenue Bonds in December 2013.

The County refunded the 2004 and 2005 Certificates of Participation using General Obligation Bonds. In May 2014, General Obligation Refunding Bonds Series A of \$14,955 and General Obligation Refunding Bonds Taxable Series B of \$14,235 were issued for this refunding.

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 \$267,121. The outstanding debt at June 30, 2014 subject to the debt limitation is \$209,625. 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 91 through 104 of this report.

Economic Factors and Next Year's Budget Rates

The fiscal year 2015 general fund budget is a balanced budget. Total disbursements are \$195,905, an increase of \$1,903 or 1.0 percent from the prior year. The budget includes the use of \$4,760 of fund balance for pay-as-you-go capital projects and other one-time expenditures. The millage remained constant at 40.7 mills for tax year 2014. The local option sales tax credit remained unchanged also.

The general fund budgeted revenues for fiscal year 2015 increased by \$3,779 or 2.0 percent from 2014. The major changes are:

- The local option sales tax is anticipated to increase \$2,500 or 4.9 percent. This increase reflects improvement in the local economy and additional increased sales tax collections during fiscal year 2015.
- Property tax revenues reflect an increase of \$5,710 or 4.8 percent resulting from increased projection of property value and aggressive pursuit of non-qualified four percent legal residencies. The local option sales tax credit applied against property taxes is increased \$2,470 or 4.9 percent reflecting anticipated growth in collections during fiscal year 2015.
- Charges and fees are increased \$1,752 or 8.6 percent in the fiscal year 2015 budget. RMC fees are expected to increase \$1,000 or 25.0 percent based on the recent economic upswing and the resulting increase in property transfers in the County.
- Intergovernmental revenues are decreased \$3,526 or 13.7 percent for fiscal year 2015. Local government contributions for the operation of the consolidated dispatch center are decreased by \$1,798 which reflects a planned reduction in agency fees over a two year transition period. Another change to General Fund revenue is a budgeted decrease of \$1,810 million in Detention Center: Federal Prisoners revenues which is symptomatic of the decline in the number of federal inmates in the Detention Center.
- Transfers in are increased \$1,000 or 176.2 percent from the FY 2014 budget. The increase represents an increase in transfers from the Parking Garages (Enterprise Fund) due to an increase in available funds.

The general fund budgeted disbursements for fiscal year 2015 are increased \$4,280 or 2.4 percent from fiscal year 2014. The major changes for fiscal year 2015 are:

- The budget for Facilities Management increased \$1,193 or 9.2 percent due to additional costs associated with the completion of the new Consolidated Dispatch Center and the Law Enforcement Center.
- The fiscal year 2015 General Fund budget includes an increase of \$1,142 or 19.7 percent in Public Works: Field Operations, resulting from the transfer of 21 positions from Public Works: Stormwater Drainage (Special Revenue Fund) and increased fuel costs for vehicles and heavy equipment used by the department.
- The increases are offset by a budgeted \$2,000 or 73.7 percent decrease to Nondepartmental Operating. This decrease reflects FY 2014 expenditures related to a one-time fixed Cost-of-living-adjustment (COLA) for certain employees.
- Transfers out are decreased \$2,377 or 16.2 percent from the prior fiscal year primarily due to a reduction in funds being transferred to the Capital Projects Funds.

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, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Non-pooled cash and cash equivalents	\$ 4,376,751	\$ 462,058	\$ 4,838,809	\$ 38,953,087
Pooled cash and cash equivalents	110,997,134	17,189,102	128,186,236	-
Pooled investments	212,229,383	40,744,167	252,973,550	-
Non-pooled investments	-	-	-	111,093
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	885,964	-	885,964	11,825,224
Restricted investments	10,671,657	-	10,671,657	-
Receivables (net of allowances for uncollectibles)	204,599,585	6,153,185	210,752,770	42,520,687
Due from primary government	-	-	-	752,469
Internal balances - current	(30,308,555)	30,308,555	-	-
Inventories	1,636,815	-	1,636,815	735,990
Prepaid items and deposits	152,347	-	152,347	4,983,045
Other noncurrent assets	-	-	-	40,000
Capital assets, net of accumulated depreciation:				
Land and easements - nondepreciable	21,210,704	3,950,930	25,161,634	85,958,988
Construction in progress - nondepreciable	6,476,572	-	6,476,572	4,257,246
Infrastructure - nondepreciable	8,825,489	-	8,825,489	-
Artwork and other - nondepreciable	-	-	-	11,000
Buildings	234,512,069	17,385,641	251,897,710	66,816,274
Improvements other than buildings	2,105,360	12,935,801	15,041,161	22,910,371
Machinery and equipment	42,529,919	13,288,541	55,818,460	36,074,415
Infrastructure	3,618,801	-	3,618,801	47,724,843
Library materials	-	-	-	18,083,565
Accumulated depreciation	-	-	-	(95,363,347)
Total assets	834,644,995	142,417,980	977,062,975	286,394,950
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	19,594,552	-	19,594,552	101,897
LIABILITIES				
Accounts payable	15,986,805	1,186,161	17,172,966	2,755,997
Accrued payroll and fringe benefits	7,323,249	682,299	8,005,548	1,235,318
Intergovernmental payable	10,542,388	3,157,206	13,699,594	160,315
Interest payable	5,734,989	-	5,734,989	622,504
Customer deposits	-	-	-	91,369
Tax anticipation note payable	-	-	-	16,579
Unearned revenue	301,150	-	301,150	1,195,634
Noncurrent liabilities:				
Due within one year	38,267,300	971,639	39,238,939	8,194,324
Due in more than one year	721,364,620	7,097,036	728,461,656	60,147,326
Total liabilities	799,520,501	13,094,341	812,614,842	74,419,366
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes - current	149,461,408	-	149,461,408	39,758,027
NET POSITION				
Net investment in capital assets	98,106,506	47,560,913	145,667,419	130,821,271
Restricted for:				
Capital projects	6,565,525	-	6,565,525	82,757
Debt service	19,938,633	-	19,938,633	16,969,740
General government	204,091	-	204,091	-
Public safety	4,032,015	-	4,032,015	14,413
Judicial	3,217,226	-	3,217,226	-
Public works	10,454,296	-	10,454,296	-
Health and welfare	405,857	-	405,857	-
Economic development	2,429,475	-	2,429,475	-
Culture and recreation	1,135,179	-	1,135,179	-
Donors / Grantors	-	-	-	381,307
Unrestricted	(241,231,165)	81,762,726	(159,468,439)	24,049,966
Total net position	\$ (94,742,362)	\$ 129,323,639	\$ 34,581,277	\$ 172,319,454

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 73,881,418	\$ 14,623,436	\$ 335,737	\$ -	\$ (58,922,245)	\$ -	\$ (58,922,245)	\$ -
Public safety	98,306,015	18,145,233	3,792,412	-	(76,368,370)	-	(76,368,370)	-
Judicial	27,772,787	8,735,792	2,996,808	-	(16,040,187)	-	(16,040,187)	-
Public works	59,859,073	2,598,661	12,318,719	-	(44,941,693)	-	(44,941,693)	-
Health and welfare	6,509,931	189,629	2,406,929	-	(3,913,373)	-	(3,913,373)	-
Economic development	1,832,505	-	380,000	-	(1,452,505)	-	(1,452,505)	-
Culture and recreation	36,353,141	149,356	-	-	(36,203,785)	-	(36,203,785)	-
Education	17,089,466	-	-	-	(17,089,466)	-	(17,089,466)	-
Interest and fiscal charges	24,296,503	-	-	-	(24,296,503)	-	(24,296,503)	-
Total governmental activities	<u>345,900,839</u>	<u>44,442,107</u>	<u>22,230,605</u>	<u>-</u>	<u>(279,228,127)</u>	<u>-</u>	<u>(279,228,127)</u>	<u>-</u>
Business-type activities:								
DAODAS	7,648,298	6,780,014	832,451	-	-	(35,833)	(35,833)	-
E-911 Communications	1,894,982	1,842,270	-	-	-	(52,712)	(52,712)	-
Environmental Management	25,029,815	29,038,354	145,293	-	-	4,153,832	4,153,832	-
Parking Garages	2,056,808	3,467,727	-	-	-	1,410,919	1,410,919	-
Public Safety Systems	422,102	150,000	-	-	-	(272,102)	(272,102)	-
Radio Communications	3,292,487	1,946,124	-	-	-	(1,346,363)	(1,346,363)	-
Revenue Collections	1,357,247	765,637	-	-	-	(591,610)	(591,610)	-
Total business-type activities	<u>41,701,739</u>	<u>43,990,126</u>	<u>977,744</u>	<u>-</u>	<u>-</u>	<u>3,266,131</u>	<u>3,266,131</u>	<u>-</u>
Total primary government	<u>\$ 387,602,578</u>	<u>\$ 88,432,233</u>	<u>\$ 23,208,349</u>	<u>\$ -</u>	<u>(279,228,127)</u>	<u>3,266,131</u>	<u>(275,961,996)</u>	<u>-</u>
Component Units:								
Charleston County Library	\$ 15,939,520	\$ 494,454	\$ 14,736,004	\$ 437,761				(271,301)
Charleston County PRC	29,380,704	13,903,176	-	525,942				(14,951,586)
Cooper River Park & Playground	191,966	-	-	-				(191,966)
James Island PSD	12,756,198	6,255,607	-	-				(6,500,591)
North Charleston District	1,150,448	-	-	-				(1,150,448)
St. Andrew's Parish Parks & Playground	3,503,901	1,690,261	-	-				(1,813,640)
St. John's Fire District	12,215,622	-	-	-				(12,215,622)
St. Paul's Fire District	5,605,565	-	-	-				(5,605,565)
Charleston County Volunteer Rescue Squad	412,736	-	370,349	-				(42,387)
Total component units	<u>\$ 81,156,660</u>	<u>\$ 22,343,498</u>	<u>\$ 15,106,353</u>	<u>\$ 963,703</u>				<u>(42,743,106)</u>

General Revenues:				
Property taxes	116,097,868	-	116,097,868	-
Charleston County PRC	-	-	-	16,069,737
Cooper River Park & Playground	-	-	-	147,346
James Island PSD	-	-	-	6,402,122
North Charleston District	-	-	-	890,017
St. Andrew's Parish Parks & Playground	-	-	-	1,502,703
St. John's Fire District	-	-	-	11,313,379
St. Paul's Fire District	-	-	-	5,347,809
Local option sales tax	51,409,611	-	51,409,611	-
Transportation sales tax	46,683,572	-	46,683,572	-
Accommodations tax	13,425,525	-	13,425,525	-
Franchise tax	771,276	-	771,276	32,733
Alcohol beverage tax	-	532,043	532,043	-
Merchants inventory tax and manufacturer's depreciation	1,435,762	10,832	1,446,594	1,204,034
Motor carrier tax	115,352	-	115,352	-
Homestead exemption	2,264,775	-	2,264,775	-
Unrestricted state aid to political subdivisions	12,936,633	-	12,936,633	-
Grants and contributions not restricted to specific program	-	-	-	26,717
Unrestricted investment earnings	1,293,748	22,615	1,316,363	63,593
Gain on sale of capital assets	-	5,226	5,226	37,624
Fundraising and donations	-	-	-	43,089
Miscellaneous	-	-	-	1,217,300
Transfers	(2,507,996)	2,507,996	-	-
Total general revenues and transfers	243,926,126	3,078,712	247,004,838	44,298,203
Change in position	(35,302,001)	6,344,843	(28,957,158)	1,555,097
Net position - beginning, as restated	(59,440,361)	122,978,796	63,538,435	170,764,357
Net position - ending	<u>\$(94,742,362)</u>	<u>\$ 129,323,639</u>	<u>\$ 34,581,277</u>	<u>\$ 172,319,454</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

<u>ASSETS</u>	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Special Source Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Non-pooled cash and cash equivalents	\$ 2,605,584	\$ -	\$ -	\$ -	\$ 1,771,167	\$ 4,376,751
Pooled cash and cash equivalents	39,849,971	-	-	-	34,852,058	74,702,029
Pooled investments	-	19,821,159	112,609,809	79,798,415	-	212,229,383
Restricted cash and cash equivalents	-	9	-	1,765	884,190	885,964
Restricted investments	-	-	-	10,671,657	-	10,671,657
Receivables (net of allowances for uncollectibles)	143,730,650	18,701,463	23,979,241	-	17,844,097	204,255,451
Due from other funds	39,333	-	-	-	-	39,333
Inventories	1,282,008	-	-	-	-	1,282,008
Total assets	<u>\$ 187,507,546</u>	<u>\$ 38,522,631</u>	<u>\$ 136,589,050</u>	<u>\$ 90,471,837</u>	<u>\$ 55,351,512</u>	<u>\$ 508,442,576</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 2,554,553	\$ 12,370	\$ 6,356,066	\$ 183,081	\$ 1,802,911	\$ 10,908,981
Accrued payroll and fringe benefits	6,525,748	-	51,673	-	582,721	7,160,142
Due to other funds	844,464	-	-	-	39,333	883,797
Intergovernmental payable	1,168,741	-	2,940,089	-	6,097,833	10,206,663
unearned revenue	-	-	-	-	302,150	302,150
Total liabilities	<u>11,093,506</u>	<u>12,370</u>	<u>9,347,828</u>	<u>183,081</u>	<u>8,824,948</u>	<u>29,461,733</u>
Deferred inflows of resources:						
Unavailable property tax revenues - current	120,446,825	18,118,882	-	-	10,895,701	149,461,408
Unavailable property tax revenues - delinquent	2,161,872	452,746	-	-	282,768	2,897,386
Total deferred inflows of resources	<u>122,608,697</u>	<u>18,571,628</u>	<u>-</u>	<u>-</u>	<u>11,178,469</u>	<u>152,358,794</u>
Fund balances:						
Nonspendable - Inventories	1,282,008	-	-	-	-	1,282,008
Restricted - Debt service	-	19,938,633	-	-	-	19,938,633
Restricted - General government	-	-	-	-	204,091	204,091
Restricted - Public safety	-	-	-	-	4,032,015	4,032,015
Restricted - Judicial	-	-	-	-	3,217,226	3,217,226
Restricted - Public works	-	-	127,241,222	90,288,756	10,454,296	227,984,274
Restricted - Health and welfare	-	-	-	-	405,857	405,857
Restricted - Economic development	-	-	-	-	2,429,475	2,429,475
Restricted - Culture and recreation	-	-	-	-	1,135,179	1,135,179
Committed - Capital project funds	-	-	-	-	13,469,956	13,469,956
Assigned - General government	6,656,292	-	-	-	-	6,656,292
Assigned - Public safety	1,639,984	-	-	-	-	1,639,984
Assigned - Judicial	48,796	-	-	-	-	48,796
Assigned - Health and welfare	92,950	-	-	-	-	92,950
Unassigned	44,085,313	-	-	-	-	44,085,313
Total fund balances	<u>53,805,343</u>	<u>19,938,633</u>	<u>127,241,222</u>	<u>90,288,756</u>	<u>35,348,095</u>	<u>326,622,049</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 187,507,546</u>	<u>\$ 38,522,631</u>	<u>\$ 136,589,050</u>	<u>\$ 90,471,837</u>	<u>\$ 55,351,512</u>	<u>\$ 508,442,576</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, 2014**

Total Governmental Fund Balances **\$ 326,622,049**

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. **304,174,717**

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

Deferred loss on refunding	\$ 19,594,552	
Prepaid items	152,347	
Property taxes	<u>2,897,386</u>	22,644,285

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. **20,876,553**

Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance. **(30,308,555)**

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	\$ (599,365,712)	
Special source revenue bonds	(93,352,479)	
Leases payable	(1,457,974)	
Compensated absences	(10,483,139)	
Intergovernmental note payable	(28,357,118)	
Accrued interest payable	<u>(5,734,989)</u>	<u>(738,751,411)</u>

Net position of governmental activities **\$ (94,742,362)**

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, 2014

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Special Source Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property, local option sales and transportation sales tax	\$ 125,174,561	\$ 18,206,145	\$ 46,683,572	\$ 12,316,021	\$ 11,833,384	\$ 214,213,683
Intergovernmental	24,625,803	347,356	8,152,185	-	14,184,178	47,309,522
Permits and licenses	4,170,418	-	-	-	-	4,170,418
Fines and forfeitures	1,852,525	-	-	-	847,308	2,699,833
Interest	1,234,130	648,409	222,294	185,574	61,284	2,351,691
Service charges	23,218,836	-	-	-	15,579,662	38,798,498
Rental and use of property	591,338	-	-	-	-	591,338
Other revenues	6,157,487	3,944	328,350	-	726,129	7,215,910
Total revenues	<u>187,025,098</u>	<u>19,205,854</u>	<u>55,386,401</u>	<u>12,501,595</u>	<u>43,231,945</u>	<u>317,350,893</u>
Expenditures:						
Current:						
General government	47,773,126	-	9,796,000	10,815,027	126,607	68,510,760
Public safety	83,568,907	-	-	-	4,510,122	88,079,029
Judicial	17,740,222	-	-	-	8,651,418	26,391,640
Public works	8,000,713	-	45,970,162	-	4,912,486	58,883,361
Health and welfare	3,730,043	-	-	-	2,630,469	6,360,512
Economic development	-	-	-	-	1,866,650	1,866,650
Culture and recreation	14,513,976	-	10,556,308	-	13,351,309	38,421,593
Education	-	-	-	-	5,940,318	5,940,318
Capital outlay	-	-	-	-	22,237,663	22,237,663
Debt service	-	20,494,145	27,346,874	2,016,091	-	49,857,110
Total expenditures	<u>175,326,987</u>	<u>20,494,145</u>	<u>93,669,344</u>	<u>12,831,118</u>	<u>64,227,042</u>	<u>366,548,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,698,111</u>	<u>(1,288,291)</u>	<u>(38,282,943)</u>	<u>(329,523)</u>	<u>(20,995,097)</u>	<u>(49,197,743)</u>
Other financing sources (uses):						
Capital lease proceeds	-	-	-	-	794,923	794,923
Special source revenue bonds issued	-	-	-	86,405,000	-	86,405,000
Refunding general obligation bonds issued	-	-	-	-	29,190,000	29,190,000
Bond premium	-	2,339,165	-	7,017,276	-	9,356,441
Payment to escrow agent for refunding	-	-	-	-	(33,404,536)	(33,404,536)
Transfers in	2,863,730	16,418,951	16,323,120	1,830,517	16,636,406	54,072,724
Transfers out	(13,948,907)	(15,047,240)	(19,323,120)	(4,634,514)	(8,517,085)	(61,470,866)
Proceeds from sale of capital assets	-	-	-	-	99,828	99,828
Total other financing sources (uses)	<u>(11,085,177)</u>	<u>3,710,876</u>	<u>(3,000,000)</u>	<u>90,618,279</u>	<u>4,799,536</u>	<u>85,043,514</u>
Net change in fund balances	612,934	2,422,585	(41,282,943)	90,288,756	(16,195,561)	35,845,771
Fund balances at beginning of year	<u>53,192,409</u>	<u>17,516,048</u>	<u>168,524,165</u>	<u>-</u>	<u>51,543,656</u>	<u>290,776,278</u>
Fund balances at end of year	<u>\$ 53,805,343</u>	<u>\$ 19,938,633</u>	<u>\$ 127,241,222</u>	<u>\$ 90,288,756</u>	<u>\$ 35,348,095</u>	<u>\$ 326,622,049</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, 2014

Net Change in Fund Balances - Total Governmental Funds		\$ 35,845,771
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	\$ 14,192,041	
Depreciation expense	<u>(18,069,260)</u>	(3,877,219)
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	5,156,185	
Accumulated depreciation	<u>(4,516,925)</u>	
Net book value	639,260	
Proceeds	<u>(99,828)</u>	
Loss on disposal	539,432	
Difference of proceeds and loss on sale		(639,260)
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		(22,632)
Other revenue which does not provide current resources		
		(366,340)
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.		
		24,750,150
Other financing source (use) which does not provide current resources or current uses:		
Capital lease proceeds	(794,923)	
Refunding general obligation bonds issued	(29,190,000)	
Special source revenue bonds issued	(86,405,000)	
Bond premiums	(9,356,441)	
Payment to escrow agent for refunding	<u>33,404,536</u>	(92,341,828)
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.		
		(221,521)
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	(383,537)	
Deferred refunding costs and amortization of premium	<u>3,821,649</u>	3,438,112
To record internal service fund transfers.		
		4,890,146
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.		
		55,517
Elimination of indirect income between governmental funds and the enterprise funds.		
		(5,000,299)
The increase of governmental expenditures to avoid the doubling up of net income from the internal service funds.		
		(1,812,598)
Change in net position of governmental activities		<u>\$ (35,302,001)</u>

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, 2014

<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	\$ 127,080,000	\$ 127,080,000	\$ 125,174,561	\$ (1,905,439)
Intergovernmental	25,795,883	25,795,883	24,625,803	(1,170,080)
Permits and licenses	4,527,500	4,527,500	4,170,418	(357,082)
Fines and forfeitures	1,792,150	1,792,150	1,852,525	60,375
Interest	1,254,350	1,254,350	1,234,130	(20,220)
Service charges	20,289,000	20,289,000	23,218,836	2,929,836
Rental and use of property	570,000	570,000	591,338	21,338
Other revenues	4,557,604	4,557,604	6,157,487	1,599,883
Total revenues	185,866,487	185,866,487	187,025,098	1,158,611
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	4,041,205	4,144,618	3,830,546	314,072
Auditor	2,104,355	2,136,650	2,029,791	106,859
Board of Elections & Voter Registration	1,617,680	1,708,178	1,669,213	38,965
Budget	659,197	665,656	632,594	33,062
Community Services	570,165	575,548	478,083	97,465
County Administrator	989,468	998,132	977,578	20,554
County Council	2,000,843	2,003,959	1,374,000	629,959
Deputy Administrator for Finance	456,968	462,607	449,818	12,789
Deputy Administrator for General Services	372,794	373,835	358,552	15,283
Deputy Administrator for Human Services	391,542	395,710	395,311	399
Deputy Administrator for Transportation & Public Works	18,964	-	-	-
Facilities Management	12,779,472	13,247,026	13,013,360	233,666
Finance	955,078	966,858	953,962	12,896
Human Resources	1,423,644	1,456,292	1,397,707	58,585
Internal Auditor	222,303	224,456	197,665	26,791
Legal	1,067,407	1,074,881	1,053,245	21,636
Legislative Delegation	195,544	198,774	194,924	3,850
Nondepartmental	3,191,391	845,022	159,693	685,329
Procurement	879,763	891,669	860,594	31,075
Register Mesne Conveyance	1,879,066	1,908,132	1,851,047	57,085
Revenue Collections - Delinquent Tax	1,133,499	1,159,334	843,267	316,067
Safety & Risk Management	2,020,113	2,022,266	2,004,076	18,190
Technology Services	9,909,622	11,608,607	9,541,320	2,067,287
Treasurer	1,791,483	1,940,473	1,909,560	30,913
Zoning/Planning	1,566,433	1,618,335	1,597,220	21,115
Total general government	52,237,999	52,627,018	47,773,126	4,853,892

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, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Safety:				
Building Inspections	\$ 1,602,185	\$ 1,620,868	\$ 1,534,794	\$ 86,074
Consolidated Dispatch	8,734,290	9,006,327	8,348,518	657,809
Emergency Management	799,270	805,099	802,393	2,706
Emergency Medical Services	11,921,633	12,086,660	11,979,843	106,817
Sheriff	59,661,588	62,058,462	60,903,359	1,155,103
Total public safety	82,718,966	85,577,416	83,568,907	2,008,509
Judicial:				
Clerk of Court	3,408,852	3,480,169	3,416,307	63,862
Coroner	1,236,812	1,246,501	1,246,352	149
Magistrates Courts	4,770,778	4,770,291	4,763,268	7,023
Master-In-Equity	619,014	664,626	664,586	40
Probate Court	2,291,741	2,312,363	2,298,695	13,668
Solicitor	5,360,971	5,438,151	5,351,014	87,137
Total judicial	17,688,168	17,912,101	17,740,222	171,879
Public Works:				
Transportation Development	378,985	394,186	344,463	49,723
Public Works Department	7,618,367	8,063,709	7,656,250	407,459
Total public works	7,997,352	8,457,895	8,000,713	457,182
Health and Welfare:				
Indigent Care	1,372,432	1,373,509	1,370,438	3,071
Public Works - Mosquito Abatement	2,080,301	2,087,407	1,680,474	406,933
State Agencies	377,106	377,106	320,759	56,347
Veterans Affairs	342,599	360,582	358,372	2,210
Total health and welfare	4,172,438	4,198,604	3,730,043	468,561
Culture and Recreation:				
Charleston County Library	14,287,911	14,513,976	14,513,976	-
Total culture and recreation	14,287,911	14,513,976	14,513,976	-
Total expenditures	179,102,834	183,287,010	175,326,987	7,960,023
Excess of revenues over expenditures	6,763,653	2,579,477	11,698,111	9,118,634

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 542,714	\$ 542,714	\$ 2,863,730	\$ 2,321,016
Transfers out	(14,900,070)	(14,592,104)	(13,948,907)	643,197
Total other financing sources and (uses)	<u>(14,357,356)</u>	<u>(14,049,390)</u>	<u>(11,085,177)</u>	<u>2,964,213</u>
Net change in fund balance	(7,593,703)	(11,469,913)	612,934	12,082,847
Fund balance at beginning of year	<u>53,192,409</u>	<u>53,192,409</u>	<u>53,192,409</u>	<u>-</u>
Fund balance at end of year	<u>\$ 45,598,706</u>	<u>\$ 41,722,496</u>	<u>\$ 53,805,343</u>	<u>\$ 12,082,847</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

<u>ASSETS</u>	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Current assets:					
Non-pooled cash and cash equivalents	\$ 1,251	\$ 9,500	\$ 451,307	\$ 462,058	\$ -
Pooled cash and cash equivalents	7,822,450	2,567,516	6,799,136	17,189,102	36,295,105
Cash with fiscal agent	-	-	-	-	125,000
Pooled investments	40,744,167	-	-	40,744,167	-
Receivables (net of allowances for uncollectibles)	3,622,029	26,922	2,504,234	6,153,185	344,134
Due from other funds	-	-	-	-	844,464
Inventories	-	-	-	-	354,807
Total current assets	52,189,897	2,603,938	9,754,677	64,548,512	37,963,510
Capital assets:					
Land	1,600,610	2,350,320	-	3,950,930	-
Construction in progress	-	-	-	-	548,193
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	23,429,935	618,239	5,047,412	29,095,586	32,609,712
Less accumulated depreciation	(18,019,877)	(5,241,527)	(6,918,038)	(30,179,442)	(19,748,392)
Total capital assets (net of accumulated depreciation)	27,216,649	12,242,268	8,101,996	47,560,913	15,105,196
Total noncurrent assets	27,216,649	12,242,268	8,101,996	47,560,913	15,105,196
Total assets	\$ 79,406,546	\$ 14,846,206	\$ 17,856,673	\$ 112,109,425	\$ 53,068,706

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

<u>LIABILITIES</u>	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Environmental Management</u>	<u>Parking Garages</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>	
Current liabilities:					
Accounts payable	\$ 851,426	\$ 56,493	\$ 278,242	\$ 1,186,161	\$ 5,077,824
Accrued payroll and fringe benefits	301,985	47,365	332,949	682,299	163,107
Compensated absences - current	6,464	-	26,175	32,639	13,556
Intergovernmental payable	-	-	3,157,206	3,157,206	335,725
Lease payable - current	-	-	-	-	239,582
Accrual for landfill closure - current	939,000	-	-	939,000	-
Total current liabilities	2,098,875	103,858	3,794,572	5,997,305	5,829,794
Noncurrent liabilities:					
OPEB liability	-	-	-	-	25,203,859
Accrual for landfill closure	5,917,000	-	-	5,917,000	-
Compensated absences	554,649	70,364	555,025	1,180,038	375,492
Lease payable	-	-	-	-	783,008
Total noncurrent liabilities	6,471,649	70,364	555,025	7,097,038	26,362,359
Total liabilities	8,570,524	174,222	4,349,597	13,094,343	32,192,153
<u>NET POSITION</u>					
Net investment in capital assets	27,216,649	12,242,268	8,101,996	47,560,913	14,082,606
Unrestricted	43,619,373	2,429,716	5,405,080	51,454,169	6,793,947
Total net position	\$ 70,836,022	\$ 14,671,984	\$ 13,507,076	\$ 99,015,082	\$ 20,876,553
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(3,627,304)	
Adjustment to reflect the elimination of indirect costs charged by the governmental funds				33,935,861	
Total net position for business-type activities				\$ 129,323,639	

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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 304,490	\$ 3,448,671	\$ 13,854,476	\$ 17,607,637	\$ 49,622,969
User fees	27,196,403	-	-	27,196,403	-
Sale of recyclables	1,476,711	-	-	1,476,711	-
Other revenues	60,750	19,056	14,469	94,275	-
Total operating revenues	29,038,354	3,467,727	13,868,945	46,375,026	49,622,969
Operating expenses:					
Personnel services	6,574,630	1,029,701	7,448,058	15,052,389	3,708,337
Contractual services	7,395,353	197,571	1,012,764	8,605,688	4,518,968
Materials and supplies	3,109,545	123,834	688,818	3,922,197	9,992,881
Utilities	129,483	182,109	798,652	1,110,244	1,604,018
Repairs and maintenance	43,280	18,633	1,893,966	1,955,879	244,379
Rental expenses	142,176	-	540,162	682,338	9,935
Vehicle fleet charges	3,838,059	11,469	43,298	3,892,826	115,955
Employee benefits	-	-	-	-	26,092,683
Other expenses	1,919,835	236,077	4,177,329	6,333,241	1,098,456
Depreciation and amortization	3,399,501	337,114	1,154,373	4,890,988	3,551,994
Landfill closure	939,000	-	-	939,000	-
Total operating expenses	27,490,862	2,136,508	17,757,420	47,384,790	50,937,606
Operating income (loss)	1,547,492	1,331,219	(3,888,475)	(1,009,764)	(1,314,637)
Nonoperating revenues (expenses):					
Interest income	-	4,684	17,931	22,615	50,751
Interest expense	(186,194)	(64,407)	(72,424)	(323,025)	(24,528)
Intergovernmental revenues	145,293	-	821,936	967,229	-
Gain on debt restructuring	-	2,677,810	2,149,798	4,827,608	-
Gain (loss) on disposal of capital assets	(110,306)	(3,093)	5,226	(108,173)	395,349
Total nonoperating revenues (expenses)	(151,207)	2,614,994	2,922,467	5,386,254	421,572
Income (loss) before transfers	1,396,285	3,946,213	(966,008)	4,376,490	(893,065)
Transfers in	-	-	3,763,767	3,763,767	5,299,605
Transfers out	-	(1,255,771)	-	(1,255,771)	(409,459)
Change in net position	1,396,285	2,690,442	2,797,759	6,884,486	3,997,081
Total net position- beginning (as restated)	69,439,737	11,981,542	10,709,317		16,879,472
Total net position - ending	\$ 70,836,022	\$ 14,671,984	\$ 13,507,076		\$ 20,876,553
Adjustment to reflect the elimination of indirect costs charged by governmental funds				(1,403,649)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				864,006	
Change in net position of business-type activities				\$ 6,344,843	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 53,645,579	\$ 3,490,270	\$ 14,167,017	\$ 71,302,866	\$ 558,373
Cash receipts from interfund services provided	-	-	-	-	48,922,858
Cash payments to suppliers for goods and services	(48,639,936)	(750,225)	(8,397,055)	(57,787,216)	(39,133,791)
Cash payments to employees for services	(6,521,956)	(1,021,997)	(7,363,776)	(14,907,729)	(3,702,147)
Net cash (used in) provided by operating activities	(1,516,313)	1,718,048	(1,593,814)	(1,392,079)	6,645,293
Cash flows from noncapital financing activities:					
Transfers in	-	-	3,763,767	3,763,767	5,299,605
Transfers (out)	-	(1,255,771)	-	(1,255,771)	(409,459)
Interfund advances (repayments)	(3,423,122)	-	-	(3,423,122)	-
Intergovernmental receipt	133,685	-	405,285	538,970	-
Net cash provided by (used in) noncapital financing activities	(3,289,437)	(1,255,771)	4,169,052	(376,156)	4,890,146
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(1,534,306)	(76,518)	(63,156)	(1,673,980)	(288,190)
Interest paid	(213,944)	(238,205)	(83,236)	(535,385)	(24,528)
Proceeds from capital lease	-	-	-	-	1,286,123
Proceeds from sale of capital assets	1,513,495	2,590	5,226	1,521,311	563,419
Acquisition and construction of capital assets	(3,806,383)	-	(680,873)	(4,487,256)	(6,643,717)
Net cash used in capital and related financing activities	(4,041,138)	(312,133)	(822,039)	(5,175,310)	(5,106,893)
Cash flows from investing activities:					
Interest received	-	4,684	17,931	22,615	50,751
Net cash provided by investing activities	-	4,684	17,931	22,615	50,751
Net increase (decrease) in cash and cash equivalents	(8,846,888)	154,828	1,771,130	(6,920,930)	6,479,297
Cash and cash equivalents at beginning of year	57,414,756	2,422,188	5,479,313	65,316,257	29,940,808
Cash and cash equivalents at end of year	<u>48,567,868</u>	<u>2,577,016</u>	<u>7,250,443</u>	<u>58,395,327</u>	<u>36,420,105</u>
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 1,251	\$ 9,500	\$ 451,307	\$ 462,058	\$ -
Pooled cash and cash equivalents	7,822,450	2,567,516	6,799,136	17,189,102	36,295,105
Pooled investments	40,744,167	-	-	40,744,167	-
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 48,567,868	\$ 2,577,016	\$ 7,250,443	\$ 58,395,327	\$ 36,420,105

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	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)	\$ 1,547,492	\$ 1,331,219	\$ (3,888,475)	\$ (1,009,764)	\$ (1,314,637)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,399,501	337,114	1,154,373	4,890,988	3,551,994
Provision for landfill closure	939,000	-	-	939,000	-
Provision for uncollectable accounts	60,355	-	440,768	501,123	-
Changes in assets and liabilities:					
(Increase) decrease in receivables	24,548,985	22,543	(112,695)	24,458,833	(141,738)
(Increase) decrease in inventories	-	-	-	-	(2,070)
Increase (decrease) in accounts payable	(32,062,205)	19,468	757,933	(31,284,804)	4,545,489
Increase (decrease) in accrued payroll	52,674	7,704	84,282	144,660	6,225
Increase (decrease) in unearned revenue	(2,115)	-	(30,000)	(32,115)	-
Total adjustments	(3,063,805)	386,829	2,294,661	(382,315)	7,959,900
Net cash provided by (used in) operating activities	<u>\$ (1,516,313)</u>	<u>\$ 1,718,048</u>	<u>\$ (1,593,814)</u>	<u>\$ (1,392,079)</u>	<u>\$ 6,645,263</u>

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2014**

ASSETS

Non-pooled cash and cash equivalents	\$ 11,019,768
Pooled investments	<u>52,006,786</u>
Total assets	<u><u>\$ 63,026,554</u></u>

LIABILITIES

Due to component units	\$ 976,732
Intergovernmental payable	32,444,366
Due to third parties	<u>29,605,456</u>
Total liabilities	<u><u>\$ 63,026,554</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2014

	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	James Island PSD
ASSETS				
Non-pooled cash and cash equivalents	\$ 2,016,615	\$ 24,664,314	\$ 11,429	\$ 7,971,666
Investments	-	-	-	-
Receivables (net of allowances for uncollectibles)	55,564	17,295,220	158,968	5,444,801
Due from primary government	-	-	1,331	445,371
Inventories	34,362	689,447	-	12,181
Prepaid items and deposits	159,627	4,400,107	-	65,905
Other non current asset	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	8,136,377	-	1,801,088
Capital assets:				
Land and easements - nondepreciable	-	83,253,117	66,161	552,670
Construction in progress - nondepreciable	-	1,576,115	-	415,224
Artwork and other - nondepreciable	11,000	-	-	-
Buildings	-	45,949,948	162,840	1,545,928
Improvements other than buildings	-	22,808,970	-	66,654
Machinery and equipment	2,017,078	7,274,075	358,999	7,244,780
Infrastructure	-	4,886,974	-	42,837,869
Library materials	18,083,565	-	-	-
Accumulated depreciation	(16,973,904)	(42,196,391)	(511,564)	(18,266,148)
Total assets	5,403,907	178,738,273	248,164	50,137,989
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	-	-	-	101,897
LIABILITIES				
Accounts payable	483,922	1,391,025	-	255,463
Accrued payroll and fringe benefits	413,175	352,362	-	117,553
Intergovernmental payable	-	-	-	-
Interest payable	-	436,928	-	42,632
Customer deposits	-	-	-	91,369
Tax anticipation note payable	-	-	-	-
Unearned revenue	5,758	940,010	-	-
Noncurrent liabilities:				
Due within one year	50,816	5,020,967	-	1,153,366
Due in more than one year	1,100,874	34,240,341	-	10,883,197
Total liabilities	2,054,545	42,381,633	-	12,543,580
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	-	16,072,808	128,319	4,635,087
Total deferred inflows of resources	-	16,072,808	128,319	4,635,087
NET POSITION				
Net investment in capital assets	3,137,739	91,589,438	76,436	25,406,789
Restricted for:				
Debt service	-	14,810,103	-	1,917,213
Capital improvement program	-	82,757	-	-
1% fee	-	-	-	-
Donors / Grantors	33,307	348,000	-	-
Unrestricted	178,316	13,453,534	43,409	5,737,217
Total net position	\$ 3,349,362	\$ 120,283,832	\$ 119,845	\$ 33,061,219

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, 2013	Totals
\$ 550,738	\$ 545,228	\$ 2,698,132	\$ 41,928	\$ 453,037	\$ 38,953,087
-	-	38,226	72,867	-	111,093
902,078	1,242,946	12,474,131	4,946,979	-	42,520,687
8,189	30,478	266,817	283	-	752,469
-	-	-	-	-	735,990
-	19,123	140,727	176,190	21,366	4,983,045
-	40,000	-	-	-	40,000
-	-	739,373	1,148,386	-	11,825,224
71,068	519,000	586,806	822,487	87,679	85,958,988
-	-	2,265,907	-	-	4,257,246
-	-	-	-	-	11,000
489,841	5,785,226	7,926,446	4,644,284	311,761	66,816,274
-	-	-	-	34,747	22,910,371
803,696	1,534,070	10,286,201	4,357,125	2,198,391	36,074,415
-	-	-	-	-	47,724,843
-	-	-	-	-	18,083,565
(1,198,946)	(4,245,521)	(6,819,569)	(3,265,650)	(1,885,654)	(95,363,347)
<u>1,626,664</u>	<u>5,470,550</u>	<u>30,603,197</u>	<u>12,944,879</u>	<u>1,221,327</u>	<u>286,394,950</u>
-	-	-	-	-	101,897
-	53,946	526,975	44,666	-	2,755,997
-	109,853	167,017	75,358	-	1,235,318
160,315	-	-	-	-	160,315
-	563	112,714	29,667	-	622,504
-	-	-	-	-	91,369
-	-	-	16,579	-	16,579
33,312	160,243	-	-	56,311	1,195,634
-	170,231	1,428,854	370,090	-	8,194,324
-	216,519	9,725,851	3,980,544	-	60,147,326
<u>193,627</u>	<u>711,355</u>	<u>11,961,411</u>	<u>4,516,904</u>	<u>56,311</u>	<u>74,419,366</u>
<u>789,655</u>	<u>1,183,554</u>	<u>12,288,221</u>	<u>4,660,383</u>	-	<u>39,758,027</u>
<u>789,655</u>	<u>1,183,554</u>	<u>12,288,221</u>	<u>4,660,383</u>	-	<u>39,758,027</u>
165,659	3,280,316	3,469,652	3,695,242	-	130,821,271
-	-	227,616	14,808	-	16,969,740
-	-	-	-	-	82,757
-	-	-	14,413	-	14,413
-	-	-	-	-	381,307
<u>477,723</u>	<u>295,325</u>	<u>2,656,297</u>	<u>43,129</u>	<u>1,165,016</u>	<u>24,049,966</u>
<u>\$ 643,382</u>	<u>\$ 3,575,641</u>	<u>\$ 6,353,565</u>	<u>\$ 3,767,592</u>	<u>\$ 1,165,016</u>	<u>\$ 172,319,454</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position										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	Chas County Volunteer Rescue Squad Dec. 31, 2013	
Charleston County Library														
Governmental activities:														
Culture and recreation	\$ 15,939,520	\$ 494,454	\$ 14,736,004	\$ 437,761	\$ (271,301)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (271,301)
Charleston County PRC														
Governmental activities:														
General government	8,588,240	-	-	525,942	-	(8,062,298)	-	-	-	-	-	-	-	(8,062,298)
Culture and recreation	3,805,197	440,982	-	-	-	(3,364,215)	-	-	-	-	-	-	-	(3,364,215)
Planning and development	1,032,250	-	-	-	-	(1,032,250)	-	-	-	-	-	-	-	(1,032,250)
Interest and fiscal charges	1,186,135	-	-	-	-	(1,186,135)	-	-	-	-	-	-	-	(1,186,135)
Total governmental activities	14,611,822	440,982	-	525,942	-	(13,644,898)	-	-	-	-	-	-	-	(13,644,898)
Business-type activities:														
Park operations	14,768,882	13,462,194	-	-	-	(1,306,688)	-	-	-	-	-	-	-	(1,306,688)
Total Charleston County PRC	29,380,704	13,903,176	-	525,942	-	(14,951,586)	-	-	-	-	-	-	-	(14,951,586)
Cooper River Park & Playground														
Governmental activities:														
General government	12,632	-	-	-	-	(12,632)	-	-	-	-	-	-	-	(12,632)
Culture and recreation	179,334	-	-	-	-	(179,334)	-	-	-	-	-	-	-	(179,334)
Total governmental activities	191,966	-	-	-	-	(191,966)	-	-	-	-	-	-	-	(191,966)
James Island PSD														
Governmental activities:														
General government	749,246	-	-	-	-	-	(749,246)	-	-	-	-	-	-	(749,246)
Public safety	4,131,203	-	-	-	-	-	(4,131,203)	-	-	-	-	-	-	(4,131,203)
Health and welfare	2,022,791	-	-	-	-	-	(2,022,791)	-	-	-	-	-	-	(2,022,791)
Interest and fiscal charges	44,889	-	-	-	-	-	(44,889)	-	-	-	-	-	-	(44,889)
Total governmental activities	6,948,129	-	-	-	-	-	(6,948,129)	-	-	-	-	-	-	(6,948,129)
Business-type activities:														
Wastewater	5,808,069	6,255,607	-	-	-	-	447,538	-	-	-	-	-	-	447,538
Total James Island PSD	12,756,198	6,255,607	-	-	-	-	(6,500,591)	-	-	-	-	-	-	(6,500,591)
North Charleston District														
Governmental activities:														
General government	18,639	-	-	-	-	-	-	(18,639)	-	-	-	-	-	(18,639)
Public safety	824,863	-	-	-	-	-	-	(824,863)	-	-	-	-	-	(824,863)
Public works	306,946	-	-	-	-	-	-	(306,946)	-	-	-	-	-	(306,946)
Total governmental activities	1,150,448	-	-	-	-	-	-	(1,150,448)	-	-	-	-	-	(1,150,448)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets									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	Chas County Volunteer Rescue Squad Dec. 31, 2013	
St. Andrew's Parish Parks & Playground Commission														
Governmental activities:														
General government	\$ 1,285,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,285,653)	\$ -	\$ -	\$ -	\$ (1,285,653)
Culture and recreation	515,992	539,625	-	-	-	-	-	-	-	23,633	-	-	-	23,633
Interest	7,164	-	-	-	-	-	-	-	-	(7,164)	-	-	-	(7,164)
Total governmental activities	1,808,809	539,625	-	-	-	-	-	-	-	(1,269,184)	-	-	-	(1,269,184)
Business-type activities:														
Culture and recreation	1,695,092	1,150,636	-	-	-	-	-	-	-	(544,456)	-	-	-	(544,456)
Total St. Andrew's Parish Parks & Playground Commission	3,503,901	1,690,261	-	-	-	-	-	-	-	(1,813,640)	-	-	-	(1,813,640)
St. John's Fire District														
Governmental activities:														
Public safety	11,893,199	-	-	-	-	-	-	-	-	-	(11,893,199)	-	-	(11,893,199)
Interest	322,423	-	-	-	-	-	-	-	-	-	(322,423)	-	-	(322,423)
Total governmental activities	12,215,622	-	-	-	-	-	-	-	-	-	(12,215,622)	-	-	(12,215,622)
St. Paul's Fire District														
Governmental activities:														
Public safety	5,605,565	-	-	-	-	-	-	-	-	-	-	(5,605,565)	-	(5,605,565)
Charleston County Volunteer Rescue Squad														
Governmental activities:														
Public Safety	412,736	-	370,349	-	-	-	-	-	-	-	-	-	(42,387)	(42,387)
Total Component Units	\$ 81,156,660	\$ 22,343,498	\$ 15,106,353	\$ 963,703										\$ (42,743,106)
General Revenues:														
Property taxes					-	16,069,737	147,346	6,402,122	890,017	1,502,703	11,313,379	5,347,809	-	41,673,113
Merchants inventory tax and manufacturer's depreciation					-	623,833	55,574	26,233	215,757	250,111	18,784	13,742	-	1,204,034
Franchise fees					-	-	-	-	32,733	-	-	-	-	32,733
Grants not restricted to specific program					-	26,717	-	-	-	-	-	-	-	26,717
Unrestricted investment earnings					-	52,602	-	3,028	764	239	5,707	719	534	63,593
Gains on sale of capital assets					-	-	-	31,224	-	1,400	-	-	5,000	37,624
Fundraising and donations					-	-	-	-	-	-	-	-	43,089	43,089
Miscellaneous					-	358,898	-	731,363	-	-	37,922	88,786	331	1,217,300
Total general revenues					-	17,131,787	202,920	7,193,970	1,139,271	1,754,453	11,375,792	5,451,056	48,954	44,298,203
Change in net position					(271,301)	2,180,201	10,954	693,379	(11,177)	(59,187)	(839,830)	(154,509)	6,567	1,555,097
Net position - beginning, as restated					3,620,663	118,103,631	108,891	32,367,840	654,559	3,634,828	7,193,395	3,922,101	1,158,449	170,764,357
Net position - end of year					\$ 3,349,362	\$ 120,283,832	\$ 119,845	\$ 33,061,219	\$ 643,382	\$ 3,575,641	\$ 6,353,565	\$ 3,767,592	\$ 1,165,016	\$ 172,319,454

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

INDEX

	<u>Page(s)</u>
Summary of Significant Accounting Policies	
Introduction	62
Financial Reporting Entity	62-66
Basis of Presentation	67-70
Measurement Focus	70
Basis of Accounting	70-71
Assets, Liabilities and Equity	
Cash and Investments.....	72
Receivables and Payables	72-73
Inventories and Prepaid Items.....	73
Restricted Assets	73
Capital Assets	74
Long-term Obligations	74
Compensated Absences	75
Fund Equity	75-76
Accounting Estimates.....	76
Net Position	76-77
Operating Revenues and Expenses	77
Interfund Activity.....	77
Stewardship, Compliance and Accountability	
Budgetary Information.....	77-78
Detailed Notes On All Funds	
Cash Deposits, Cash Equivalents and Investments.....	78-81
Receivables	82-83
Capital Assets	84-88
Interfund Receivables and Payables	88
Interfund Transfers.....	89
Leases	89-90
Landfill Closure	90
Short-term Debt	91
Long-term Debt.....	91-104
Fund Equity.....	105
Other Information	
Risk Management.....	105-106
Subsequent Events.....	107
Contingent Liabilities.....	107-108
Commitments.....	108-113
Deferred Compensation Plan	113
Other Post-employment Benefits.....	113-116
Funds Held by Coastal Community Foundation	116
Employee Retirement Systems and Plans	117-119
Related Party.....	120
Pending Implementation of GASB Statements.....	120
Restatements.....	121
Prior Period Adjustments	121

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014**

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, 2014**

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, 2014**

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 & 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>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
<p>St. Andrew's Parish Parks & 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's operating budget is based on an annual appropriations approved by County Council during their budget process. 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

Special Source Revenue Bond Fund – This fund accounts for the financial resources to be used for the cost of designing and constructing an extension of South Aviation Avenue Project as part of the Charleston Airport Area Improvement Project.

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

Public Safety Systems – This fund accounts for the cost related to the implementation and maintenance of records management systems for the detention center, law enforcement, fire districts, and other public safety entities.

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

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.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

Unavailable and Unearned Revenues – Unavailable and unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied, and are not considered to be available to liquidate liabilities of the current period.

Property taxes for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance fiscal year 2015 operations have been recorded as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenues) until then. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted, as they are needed for their intended purposes.

When committed, assigned and unassigned resources are available for use for the same purpose, it is the County's policy to use committed resources first, then assigned and unassigned, as needed for their intended purposes.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.
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".

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

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, Special Source Revenue Bond Fund and component units derived from proceeds of various General Obligation Bonds, Revenue Bonds and Special Source Revenue Bonds 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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014.

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. Deferred loss on refunding represents the difference between the reacquisition price and the net carrying value of the refunded debt. This difference is reported as a deferred outflow of resources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.
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.”

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

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, 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. 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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

collections, public safety systems, 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.

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.

13. New Accounting Pronouncement

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This statement improves 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 County has implemented this statement in the year ended June 30, 2014. As a result, prior year bond issuance costs of \$3,175,905 and \$58,567 for governmental activities and business-type activities have been removed from the prior year ending balance of net position.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position:		
Beginning, as originally reported	\$ (56,264,456)	\$ 123,037,363
Restatement	<u>3,175,905</u>	<u>(58,576)</u>
Beginning, as restated	<u>\$ (59,440,361)</u>	<u>\$ 122,978,796</u>

The net carrying amount of the deferred loss on refunding for governmental activities \$19,594,552 has been reported as “deferred outflows of resources” and will be recognized in the statement of net position as a component of interest expense over the remaining life of the debt issued.

Unavailable revenue of \$152,358,794 has been reported as “deferred inflows of resources” in the governmental funds balance sheet and will be recognized as revenue when available.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 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, 2014, none of the County's bank balance of \$139,250,724 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, 2014, the County had no exposed custodial credit risk on its investments which total \$315,651,993. \$263,645,207 is reported on the Statement of Net Position and \$52,006,786 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:

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 \$523,212 invested in the South Carolina Local Government Investment Pool (SCLGIP). \$1,359,124 has been invested in certificates of deposits and therefore by definition is not subject to credit risk. \$81,078,000 has been invested in debt securities of the Federal Home Loan Mortgage Discount Note and \$129,195,000 has been invested in Federal National Mortgage Assistance Pool. \$2,155,000 has been invested in Federal Farm Credit Bank and \$90,670,000 has been invested in Federal Home Loan Bank and \$10,671,657 has been invested in Treasury STRIPS. 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.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Long-term investment maturity scheduling is timed according to anticipated needs. The County's investments have a fair value of \$315,651,993 as of June 30, 2014.

Investments and Maturity:	<u>Maturity Date</u>		
	Less than 1 year	1-5 years	Over 5 years
Certificates of Deposits	\$ 191,124	\$ 1,168,000	\$ -
SCLGIP	523,212	-	-
Federal Home Loan Bank	-	90,670,000	-
Treasury Strips	-	10,671,657	-
Federal Farm Credit Bureau	-	2,155,000	-
Federal Home Loan Mortgage Discount Note	-	81,078,000	-
Federal National Mortgage Assistance Pool	-	129,195,000	-
	\$ 714,336	\$ 314,937,657	\$ -

Concentrations of Credit Risk

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

Certificates of Deposits	.43%
SCLGIP	.17%
Federal Home Loan Bank	28.72%
Federal Farm Credit Bureau	.68%
Federal Home Loan Mortgage Discount Note	25.69%
Federal National Mortgage Assistance Pool	40.93%
Treasury Strips	3.38%
	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

At December 31, 2013, the Charleston County Volunteer Rescue Squad's bank balances exceeded FDIC limits by \$19,418.

Credit Risk

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

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, 2014, St. Paul's Fire District had \$72,867 and St. John's Fire District had \$38,226 invested in the State Treasurer's Local Government Investment Pool.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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	\$	122,255
Carrying amount of deposits - primary government		144,808,522
Carrying amount of deposits - component units		50,778,311
Carrying amount of investments - primary government		315,651,993
Carrying amount of investments - component units		111,093
Cash with fiscal agent - primary government		125,000
		125,000
 Total carrying amount of cash and investments	 \$	 511,597,174
		511,597,174
 Non-pooled cash and cash equivalents		 54,811,664
Pooled cash and cash equivalents		128,186,236
Restricted cash and cash equivalents		12,711,188
Pooled investments		304,980,336
Non-pooled investments		111,093
Restricted investments		10,671,657
Cash with fiscal agent		125,000
		125,000
 Total carrying amount of cash and investments	 \$	 511,597,174
		511,597,174



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

B. Receivables

Receivables as of June 30, 2014, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>			
Primary government:	<u>General</u>	<u>Debt Service</u>	<u>Transportation Special Revenue Fund</u>	<u>Non-major Governmental Funds</u>
Receivables:				
Current property taxes	\$ 127,067,017	\$ 19,044,442	\$ -	\$ 11,603,890
Delinquent property taxes	3,547,961	758,674	-	478,426
Accounts	13,430,191	-	498,841	1,004,419
Intergovernmental	17,570,659	32,876	23,480,400	6,260,302
Gross receivables	<u>161,615,828</u>	<u>19,835,992</u>	<u>23,979,241</u>	<u>19,347,037</u>
Less allowance for				
Current property taxes	6,620,192	925,560	-	441,632
Delinquent property taxes	997,835	208,969	-	128,287
Accounts	10,267,151	-	-	933,021
Gross allowance	<u>17,885,178</u>	<u>1,134,529</u>	<u>-</u>	<u>1,502,940</u>
Net total receivable	<u>\$ 143,730,650</u>	<u>\$ 18,701,463</u>	<u>\$ 23,979,241</u>	<u>\$ 17,844,097</u>

	<u>Proprietary</u>		<u>Totals</u>
	<u>Business-type Activities</u>	<u>Governmental Activities-Internal Service Funds</u>	<u>Primary Government</u>
Receivables:			
Current property taxes	\$ -	\$ -	\$ 157,715,349
Delinquent property taxes	-	-	4,785,061
Accounts	12,139,403	25,324	27,098,178
Intergovernmental	899,650	318,810	48,562,697
Gross receivables	<u>13,039,053</u>	<u>344,134</u>	<u>238,161,285</u>
Less allowance for uncollectable:			
Current property taxes	-	-	7,987,384
Delinquent property taxes	-	-	1,335,091
Accounts	6,885,868	-	18,086,040
Gross allowance	<u>6,885,868</u>	<u>-</u>	<u>27,408,515</u>
Net total receivable	<u>\$ 6,153,185</u>	<u>\$ 344,134</u>	<u>\$ 210,752,770</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Component Units:

	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>JIPSD</u>	<u>NCD</u>
Receivables:					
Current property taxes	\$ -	\$ 16,890,298	\$ 128,319	\$ 4,938,087	\$ 789,655
Delinquent property taxes	-	665,112	37,473	305,110	229,788
Accounts	42,524	162,742	-	568,604	-
Intergovernmental	13,040	378,818	10,369	-	-
Gross receivables	<u>55,564</u>	<u>18,096,970</u>	<u>176,161</u>	<u>5,811,801</u>	<u>1,019,443</u>
Less allowance for uncollectible:					
Current property taxes	-	801,750	10,765	303,198	66,247
Delinquent property taxes	-	-	6,428	18,802	51,118
Accounts	-	-	-	45,000	-
Gross allowance	<u>-</u>	<u>801,750</u>	<u>17,193</u>	<u>367,000</u>	<u>117,365</u>
Net total receivable	<u>\$ 55,564</u>	<u>\$ 17,295,220</u>	<u>\$ 158,968</u>	<u>\$ 5,444,801</u>	<u>\$ 902,078</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,275,794	\$ 12,761,679	\$ 5,175,328	\$ 41,959,160
Delinquent property taxes	77,175	235,836	429,684	1,980,178
Accounts	-	-	6,485	780,355
Intergovernmental	2,677	-	-	404,904
Gross receivables	<u>1,355,646</u>	<u>12,997,515</u>	<u>5,611,497</u>	<u>45,124,597</u>
Less allowance for uncollectible:				
Current property taxes	92,240	473,458	514,945	2,262,603
Delinquent property taxes	20,460	49,926	149,573	296,307
Accounts	-	-	-	45,000
Gross allowance	<u>112,700</u>	<u>523,384</u>	<u>664,518</u>	<u>2,603,910</u>
Net total receivable	<u>\$ 1,242,946</u>	<u>\$ 12,474,131</u>	<u>\$ 4,946,979</u>	<u>\$ 42,520,687</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2014, was as follows:

Governmental Activities	<u>Balance July 1, 2013</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 21,210,704	\$ -	\$ -	\$ 21,210,704
Construction in progress	2,415,654	5,800,977	(1,740,059)	6,476,572
Infrastructure-easements, land	9,049,103	269,950	(493,564)	8,825,489
Total capital assets not being depreciated	<u>32,675,461</u>	<u>6,070,927</u>	<u>(2,233,623)</u>	<u>36,512,765</u>
Capital assets being depreciated:				
Buildings	322,228,965	374,612	-	322,603,577
Improvements other than buildings	2,166,635	1,525,309	(36,031)	3,655,913
Machinery and equipment	107,390,016	12,860,238	(8,891,580)	111,358,674
Infrastructure	37,409,566	4,671	-	37,414,237
Total capital assets being depreciated	<u>469,195,182</u>	<u>14,764,830</u>	<u>(8,927,611)</u>	<u>475,032,401</u>
Less accumulated depreciation:				
Buildings	(80,642,026)	(7,449,482)	-	(88,091,508)
Improvements other than buildings	(1,552,096)	(19,275)	20,818	(1,550,553)
Machinery and equipment	(64,023,058)	(13,398,724)	8,593,027	(68,828,755)
Infrastructure	(33,041,664)	(753,772)	-	(33,795,436)
Total accumulated depreciation	<u>(179,258,844)</u>	<u>(21,621,253)</u>	<u>8,613,845</u>	<u>(192,266,252)</u>
Total capital assets being depreciated, net	<u>289,936,338</u>	<u>(6,856,423)</u>	<u>(313,766)</u>	<u>282,766,149</u>
Governmental activities				
Total capital assets, net	<u>\$ 322,611,799</u>	<u>\$ (785,496)</u>	<u>\$ (2,547,389)</u>	<u>\$ 319,278,914</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

	Balance as of July 1, 2013	Transfer/ Additions	Transfers/ Deletions	Balance June 30, 2014
Business-type Activities				
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	3,969,755	-	(18,825)	3,950,930
Capital assets being depreciated:				
Buildings	27,872,058	-	-	27,872,058
Improvements other than buildings	16,821,781	-	-	16,821,781
Machinery and equipment	27,203,489	4,487,257	(2,595,160)	29,095,586
Total capital assets being depreciated	71,897,328	4,487,257	(2,595,160)	73,789,425
Less accumulated depreciation:				
Buildings	(9,837,031)	(649,386)	-	(10,486,417)
Improvements other than buildings	(3,066,015)	(819,965)	-	(3,885,980)
Machinery and equipment	(14,776,866)	(3,410,893)	2,380,714	(15,807,045)
Total accumulated depreciated	(27,679,912)	(4,880,244)	2,380,714	(30,179,442)
Total capital assets being depreciated, net				
Business-type activities	44,217,416	(392,987)	(214,446)	43,609,983
Total capital assets, net	\$ 48,187,171	\$ (392,987)	\$ (233,271)	\$ 47,560,913

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

Governmental Activities	
General government	\$ 8,274,657
Public safety	10,206,908
Judicial	1,467,280
Public works	866,980
Health and welfare	162,874
Economic development	11,393
Culture and recreation	631,161
Total	\$ 21,621,253
 Business-type Activities	
DAODAS	\$ 255,806
E-911 Communications	859,507
Environmental Management	3,392,861
Parking Garages	334,860
Radio Communications	31,086
Revenue Collections	6,124
Total	\$ 4,880,244

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Component Units

Capital assets not being depreciated:	Balance July 1, 2013 (As Restated)	Additions	Deletions	Balance June 30, 2014
Land	\$ 85,858,104	\$ 100,884	\$ -	\$ 85,958,988
Construction in progress	5,345,648	6,701,169	(7,789,571)	4,257,246
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>91,214,752</u>	<u>6,802,053</u>	<u>(7,789,571)</u>	<u>90,227,234</u>
Capital assets being depreciated:				
Buildings	64,464,041	2,571,269	(219,036)	66,816,274
Improvements other than buildings	19,103,550	3,853,624	(46,803)	22,910,371
Machinery and equipment	35,355,480	2,051,987	(1,333,052)	36,074,415
Infrastructure	45,239,129	2,502,518	(16,804)	47,724,843
Library materials	18,645,770	1,512,506	(2,074,711)	18,083,565
Total capital assets being depreciated	<u>182,807,970</u>	<u>12,491,904</u>	<u>(3,690,406)</u>	<u>191,609,468</u>
Less accumulated depreciation	<u>(90,979,382)</u>	<u>(7,909,017)</u>	<u>3,525,052</u>	<u>(95,363,347)</u>
Total capital assets being depreciated, net	<u>91,828,588</u>	<u>4,582,887</u>	<u>(165,354)</u>	<u>96,246,121</u>
Component units total capital assets, net	<u>\$ 183,043,340</u>	<u>\$ 11,384,940</u>	<u>\$ (7,954,925)</u>	<u>\$ 186,473,355</u>

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

General government	\$ 2,735,317
Public safety	1,622,283
Culture and recreation	2,558,743
Health and welfare	102,959
Wastewater	<u>889,715</u>
Total	<u>\$ 7,909,017</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Construction in progress in the Governmental Activities as of June 30, 2014, is composed of the following:

Primary Government	<u>Project Authorization</u>	<u>Expended to June 30, 2014</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
Law Enforcement Center	12,500,000	5,928,379	1,445,455	None
Telecommunications System Upgrade	<u>680,000</u>	<u>548,193</u>	<u>118,744</u>	None
Total governmental activities	<u>\$ 13,180,000</u>	<u>\$ 6,476,572</u>	<u>\$ 1,564,199</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2014, the County has assets under capital lease with a total cost of \$5,546,498 and a net book value of \$4,205,160. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Component Unit	<u>Project Authorization</u>	<u>Extended to June 30, 2014</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
CCPRC				
James Island County Park	\$ 542,038	\$ 397,700	\$ 135,074	None
McLeod Plantation Phase I	3,957,015	954,781	2,940,918	None
Old Towne Access	221,225	18,630	-	None
Old Towne Stabilization	156,543	24,600	82,600	None
West Ashley Phase I	223,268	117,575	24,000	None
Skate Park	174,088	31,575	138,435	None
Small Projects	51,717	31,254	19,392	None
Total CCPRC	<u>5,325,894</u>	<u>1,576,115</u>	<u>3,340,419</u>	
JIPSD				
Wastewater upgrades	4,227,015	415,224	3,811,791	Impact fees
Total JIPSD	<u>4,227,015</u>	<u>415,224</u>	<u>3,811,791</u>	& Revenue Bonds
SJFD Buildings				
SJFD Buildings	4,168,902	2,265,907	93,698	General Obligation
Total SJFD	<u>4,168,902</u>	<u>2,265,907</u>	<u>93,698</u>	Bonds
Total Component Units	<u>\$ 13,721,811</u>	<u>\$ 4,257,246</u>	<u>\$ 7,245,908</u>	

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2014, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Major governmental funds: General Fund	\$ 39,333	\$ 844,464
Non-major governmental funds	-	39,333
Internal service funds	844,464	-
Total	<u>\$ 883,797</u>	<u>\$883,797</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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	\$ 2,863,730	\$ (13,948,907)
Debt Service Fund	16,418,951	(15,047,240)
Transportation and Road Sales Tax	16,323,120	(19,323,120)
Special Source Revenue Bonds	1,830,517	(4,634,514)
Non-major governmental funds	16,636,406	(8,517,085)
Major business-type activities:		
Parking Garage	-	(1,255,771)
Non-major business-type activities	3,763,767	-
Internal Service Funds	5,299,605	(409,459)
Total	\$ 63,136,096	\$ (63,136,096)

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 lease agreement for non-public use computers. The original lease agreement was for a thirty-six month period commencing January 2013, with a minimum monthly charge of \$8,468. In February 2014, this lease was extended another twelve months with a new monthly charge of \$6,866 for a total minimum commitment of \$358,862 over the lease term. In April 2014, the Library entered into an additional lease agreement for public computers. The lease agreement is for a forty-eight month period commencing May 2014 with a minimum monthly charge of \$7,142 for a total minimum commitment of \$342,794 over the lease term. 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, 2014, is \$174,079.

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

Year Ending - June 30	CCL
2015	\$168,091
2016	168,091
2017	133,761
2018	71,416
	\$ 541,359

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

St. Andrew's Parish Parks and Playground Commission currently leases certain equipment under non-cancelable operating leases. The future minimum lease payments due under this lease are:

<u>Year Ending - June 30</u>	<u>SAPPPC</u>
2015	\$ 8,964
2016	8,964
2017	8,964
2018	8,964
2019	1,494
	<u>\$ 37,350</u>

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 \$6,856,000 reported as the accrual for landfill closure and post-closure at June 30, 2014, represents the estimated remaining cost reported of \$24,101,000 less \$17,245,000 deferred to date based on the following information:

<u>Landfill Site</u>	<u>Percentage of Capacity Used</u>	<u>Estimated Costs Recognized</u>			<u>Balance To Be Recognized</u>
		<u>Closure</u>	<u>Post-closure</u>	<u>Total</u>	
Romney Street	100%	\$ 5,244,478	\$ 488,700	\$ 5,733,178	\$ -
Bees Ferry					
Ash storage facility	100%	929,018	305,500	1,234,518	-
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	20%	3,308,400	1,000,600	4,309,000	17,235,000
Bees Ferry C&D landfill	99.5%	1,289,000	647,000	1,936,000	10,000
Totals		<u>\$ 22,999,705</u>	<u>\$ 5,978,800</u>	<u>\$ 28,978,505</u>	<u>\$ 17,245,000</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2014. 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 206 in the statistical section of this report.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SAPPPC	\$ 300,000	\$ 500,000	\$ (800,000)	\$ -
SPFD	-	300,000	(283,421)	16,579
SJFD	-	1,000,000	(1,000,000)	-
	<u>\$ 300,000</u>	<u>\$ 1,800,000</u>	<u>\$ (2,083,421)</u>	<u>\$ 16,579</u>

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2014.

Primary Government:	Balance			Balance June 30, 2014	Amounts Due In One Year
	July 1, 2013	Increase	Decrease		
<u>Governmental activities</u>					
General obligation bonds	\$ 595,381,394	\$ 31,529,165	\$ (27,544,847)	\$ 599,365,712	\$ 35,376,249
Certificates of participation	27,990,569	-	(27,990,569)	-	-
Special source revenue bond	-	93,422,276	(69,797)	93,352,479	329,086
Intergovernmental note payable	29,657,730	-	(1,300,612)	28,357,118	1,375,137
Capital lease payable	1,577,179	2,081,046	(1,177,660)	2,480,565	830,558
Compensated absences	10,493,660	734,797	(356,270)	10,872,187	356,270
OPEB	21,780,235	3,423,624	-	25,203,859	-
Total	<u>\$ 686,880,767</u>	<u>\$ 131,190,908</u>	<u>\$ (58,439,755)</u>	<u>\$ 759,631,920</u>	<u>\$ 38,267,300</u>
<u>Business-type activities</u>					
Certificates of participation	\$ 4,967,151	\$ -	\$ (4,967,151)	\$ -	\$ -
Revenue bonds	1,534,306	-	(1,534,306)	-	-
Accrual for landfill closure	5,917,000	939,000	-	6,856,000	939,000
Compensated absences	1,142,253	95,017	(24,595)	1,212,675	32,639
Total	<u>\$ 13,560,710</u>	<u>\$ 1,034,017</u>	<u>\$ (6,526,052)</u>	<u>\$ 8,068,675</u>	<u>\$ 971,639</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, net pension obligations and net other post-employment benefit obligations are generally liquidated from the applicable governmental fund's budgeted operations monies.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, 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	\$ 4,830,000
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	5,285,000
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	36,785,000
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	73,690,000
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	46,275,000
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	8,040,000
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	157,455,000

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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	25,395,000
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	31,715,000
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 Bond Taxable Series B of 2013, 2.00 percent to 2.50 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	30,170,000
May 15, 2014	General Obligation Refunding Bonds Series A of 2014, 2.00 percent to 5.00 percent semi-annual interest payments beginning in December 2014, first annual principal payment due in fiscal year 2015, matures in fiscal year 2022.	14,955,000	14,955,000
May 15, 2014	General Obligation Refunding Bonds Taxable Series B of 2014, 1.35 percent to 5.00 percent semi-annual interest payments beginning in December 2014, first annual principal payment due in fiscal year 2015, matures in fiscal year 2019.	14,235,000	14,235,000
Subtotal		<u>\$809,670,000</u>	547,905,000
Add: Premium			<u>51,460,712</u>
General obligation debt per statement of net position			599,365,712
Less current portion, including premium			<u>(35,376,249)</u>
Long-term portion outstanding			<u>\$ 563,989,463</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Special Source Revenue Bonds. The County issued \$86,405,000 Special Source Revenue Bonds on December 11, 2013. The proceeds of this issue are to be used for the costs of designing and constructing an extension of South Aviation Avenue Project as part of the Charleston Airport Area Improvement Project. These bonds are expected to be repaid from a portion of the FILOT payments.

Primary government Special Source Revenue Bonds payable at June 30, 2014, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
December 11, 2013	Charleston County Special Source Revenue Bonds, Series 2013, 4.00 percent to 5.00 percent semi-annual interest payments beginning in June 2014, first annual principal payment due in fiscal year 2019, matures in fiscal year 2039.	\$ 86,405,000	\$ 86,405,000
Subtotal		<u>\$ 86,405,000</u>	86,405,000
Add: Premium			6,947,479
Special source revenue debt per statement of net position			93,352,479
Less current portion, including premium			<u>(329,086)</u>
Long-term portion outstanding			<u>\$ 93,023,393</u>

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, 2014, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	1,718,458	1,281,542
2020-2024	15,000,000	10,187,110	4,812,890
2025-2028	12,000,000	10,459,910	1,540,090
Total	<u>\$ 42,000,000</u>	<u>\$ 28,357,118</u>	<u>\$ 13,642,882</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, 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	\$ 101,839
Leases dated July 2013 to March 2014 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal installments of \$110,733 through December 2017, includes principal and interest at 5.485 percent to 5.993 percent per annum.	794,923	685,200
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	73,817
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	17,328
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	142,343
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	437,448
<u>Internal Service Fund</u>		
Lease dated July 2013 payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments of \$298,832 through October 2017, and includes principal and interest of 7.085 percent per annum.	1,286,123	1,010,259
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	12,331
	<u>\$ 6,151,007</u>	<u>2,480,565</u>
Less current portion		(830,558)
Long-term portion outstanding		<u>\$ 1,650,007</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

A summary of the annual requirements are as follows:

Year Ending June 30	Principal	Interest	Totals
2015	\$ 830,558	\$ 142,095	\$ 972,653
2016	682,718	99,219	781,937
2017	590,121	56,356	646,477
2018	377,168	22,588	399,756
Total	\$ 2,480,565	\$ 320,258	\$ 2,800,823



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2014.

Year Ending <u>June 30, 2014</u>	<u>General</u> <u>Obligation Bonds</u>		<u>Special Source</u> <u>Revenue Bonds</u>		Totals
	Principal	Interest	Principal	Interest	
2015	\$ 30,070,000	\$ 23,533,632	\$ -	\$ 4,269,369	\$ 57,873,001
2016	30,005,000	22,206,318	-	4,269,369	56,480,687
2017	32,470,000	20,887,766	-	4,269,369	57,627,135
2018	34,915,000	19,522,148	-	4,269,369	58,706,517
2019	35,905,000	18,094,490	3,380,000	4,184,869	61,564,359
2020	36,995,000	16,632,999	3,570,000	4,011,119	61,209,118
2021	31,775,000	15,215,532	3,330,000	3,838,619	54,159,151
2022	33,035,000	13,672,131	3,080,000	3,678,368	53,465,499
2023	34,340,000	12,029,830	2,930,000	3,528,118	52,827,948
2024	37,380,000	10,311,940	3,030,000	3,379,118	54,101,058
2025	63,485,000	8,473,175	3,155,000	3,224,494	78,337,669
2026	47,470,000	6,475,362	3,315,000	3,062,744	60,323,106
2027	32,050,000	4,316,393	3,480,000	2,892,869	42,739,262
2028	25,450,000	2,478,065	3,655,000	2,714,494	34,297,559
2029	22,055,000	1,290,750	3,835,000	2,527,244	29,707,994
2030	16,535,000	489,500	4,030,000	2,350,769	23,405,269
2031	1,945,000	119,900	4,190,000	2,186,368	8,441,268
2032	2,025,000	40,500	4,355,000	2,012,747	8,433,247
2033	-	-	4,535,000	1,809,550	6,344,550
2034	-	-	4,765,000	1,577,050	6,342,050
2035	-	-	5,000,000	1,326,675	6,326,675
2036	-	-	5,265,000	1,057,219	6,322,219
2037	-	-	5,540,000	773,587	6,313,587
2038	-	-	5,830,000	475,125	6,305,125
2039	-	-	6,135,000	161,044	6,296,044
Totals	547,905,000	195,790,431	86,405,000	67,849,666	897,950,097
Add Premium	51,460,712	-	6,947,479	-	58,408,191
Total debt- governmental activity	<u>\$ 599,365,712</u>	<u>\$ 195,790,431</u>	<u>\$ 93,352,479</u>	<u>\$ 67,849,666</u>	<u>\$ 956,358,288</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014.

Advance Refundings – The County issued \$29,190,000 General Obligation Refunding Bonds in May 2014 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 \$18,180,000 of Series 2004 Certificates of Participation and \$13,840,000 of Series 2005 Certificates of Participation. As a result, the refunded Certificates of Participation are considered defeased and the liability has been removed from the Statement of Net Position - Governmental Activities and the Statement of Net Position – Proprietary Funds. 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 \$4,973,200 over the next seven years and resulted in an economic gain of \$4,778,700. At June 30, 2014, \$18,180,000 of the 2004 and \$13,840,000 of the 2005 COPS are considered defeased.

Restructuring of Debt – As stated above, the County issued General Obligation Refunding Bonds to completely refund the Series 2004 and Series 2005 Certificates of Participation. A portion of these COPS were recorded in the Proprietary funds. The General Obligation Refunding Bonds are recorded in total on the Statement of Net Position – Governmental Activities. This debt restructuring resulted in a gain of \$4,827,608 on the Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.

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, 2014:

Number of Issues	Current Amount Outstanding (in millions)	Original Issue Amount (in millions)
3	\$39	\$245

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2014:

Component Units	Balance			Balance June 30, 2014	Amount Due in One Year
	July 1, 2013	Increases	Decreases		
Accrued compensated absences	\$ 3,837,224	\$ 2,014,462	\$ (1,931,810)	\$ 3,919,876	\$ 1,010,834
Net other post-employment benefits	4,943,834	865,491	(2,639,873)	3,169,452	14,441
General obligation bonds	51,366,479	-	(3,994,158)	47,372,321	4,642,748
Capital lease obligations	5,812,559	1,756,622	(1,507,145)	6,062,036	1,517,163
Revenue bonds	6,866,175	1,870,339	(947,461)	7,789,053	1,002,895
Notes payable	34,912	-	(6,001)	28,911	6,243
Total	\$ 72,861,183	\$ 6,506,914	\$ (11,026,448)	\$ 68,341,649	\$ 8,194,324



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
Accrued compensated absences:						
CCL			\$ 1,153,629	\$ 579,376	\$ (581,315)	\$ 1,151,690
CCPRC			1,093,327	582,789	(511,049)	1,165,067
JIPSD			435,302	6,192	(5,613)	435,881
SAPPC			27,872	6,418	-	34,290
SJFD			842,608	648,000	(648,315)	842,293
SPFD			284,486	191,687	(185,518)	290,655
Total accrued compensated absences			<u>3,837,224</u>	<u>2,014,462</u>	<u>(1,931,810)</u>	<u>3,919,876</u>
Net other post-employment benefits:						
CCPRC			2,625,699	493,875	(2,625,698)	493,876
JIPSD			2,238,878	371,616	-	2,610,494
SPFD			79,257	-	(14,175)	65,082
Total net other post-employment benefits			<u>4,943,834</u>	<u>865,491</u>	<u>(2,639,873)</u>	<u>3,169,452</u>
General obligation bonds:						
CCPRC	2015 - 2028	2.00% - 4.00%	39,632,756	-	(3,271,633)	36,361,123
JIPSD	2015 - 2034	5.00% - 5.50%	323,024	-	(12,785)	310,239
SPFD	2015 - 2025	2.315% - 3.45%	4,310,031	-	(315,134)	3,994,897
SJFD	2015 - 2024	2.00% - 2.125%	7,100,668	-	(394,606)	6,706,062
Total general obligation bonds			<u>51,366,479</u>	<u>-</u>	<u>(3,994,158)</u>	<u>47,372,321</u>
Capital lease obligations:						
CCPRC	2015 - 2017	1.28% - 1.42%	465,952	1,116,622	(341,332)	1,241,242
JIPSD	2015 - 2024	4.07% - 6.88%	921,690	640,000	(376,707)	1,184,983
SAPPPC	2015	2.36% - 3.05%	89,743	-	(60,282)	29,461
SPFD	2014		76,880	-	(76,880)	-
SJFD	2015 - 2021	3.076% - 5.593%	4,258,294	-	(651,944)	3,606,350
Total capital lease obligations			<u>5,812,559</u>	<u>1,756,622</u>	<u>(1,507,145)</u>	<u>6,062,036</u>
Revenue Bonds:						
SAPPPC	2015 - 2019	2.58% - 3.95%	390,996	-	(96,909)	294,087
JIPSD	2015 - 2037	2.00% - 5.75%	6,475,179	1,870,339	(850,552)	7,494,966
Total revenue bonds			<u>6,866,175</u>	<u>1,870,339</u>	<u>(947,461)</u>	<u>7,789,053</u>
Notes payable:						
SAPPPC	2015 - 2019	3.89% - 3.99%	34,912	-	(6,001)	28,911
Total component units long-term obligations			<u>\$ 72,861,183</u>	<u>\$ 6,506,914</u>	<u>\$ (11,026,448)</u>	<u>\$ 68,341,649</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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>	SJFD	SPFD	CCPRC	JIPSD	Total Component
					Units
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	442,941	3,989,448	30,902	5,167,104
2019	701,912	443,001	3,974,148	30,902	5,149,963
2020 - 2024	4,403,419	2,010,506	13,894,825	127,780	20,436,530
2025 - 2029	-	515,579	7,152,375	113,130	7,781,084
2030 - 2034	-	-	-	93,620	93,620
Total	7,534,781	4,739,795	41,938,670	489,040	54,702,286
Less interest and plus amortized premium included above	(828,719)	(744,898)	(5,577,547)	(178,801)	(7,329,965)
Debt per statement of net position	<u>\$ 6,706,062</u>	<u>\$ 3,994,897</u>	<u>\$ 36,361,123</u>	<u>\$ 310,239</u>	<u>\$ 47,372,321</u>

Future minimum capital lease payments

<u>Year Ending June 30</u>	CCPRC	JIPSD	SAPPPC	SJFD	Total Component
					Units
2015	\$ 585,287	\$ 264,604	\$ 29,845	\$ 850,764	\$ 1,730,500
2016	518,737	264,604	-	734,198	1,517,539
2017	158,418	243,791	-	734,198	1,136,407
2018	-	199,673	-	565,937	765,610
2019	-	199,673	-	565,938	765,611
2020 - 2021	-	95,397	-	780,340	875,737
Future minimum capital lease payments	1,262,442	1,267,742	29,845	4,231,375	6,791,404
Less amount representing interest	(21,200)	(82,759)	(384)	(625,025)	(729,368)
Debt per statement of net position	<u>\$ 1,241,242</u>	<u>\$ 1,184,983</u>	<u>\$ 29,461</u>	<u>\$ 3,606,350</u>	<u>\$ 6,062,036</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Revenue Bonds

<u>Year Ending June 30</u>	<u>JIPSD</u>	<u>SAPPPC</u>	Total Component Units
2015	\$ 1,141,406	\$ 107,494	\$ 1,248,900
2016	1,132,578	77,192	1,209,770
2017	1,098,704	46,890	1,145,594
2018	978,998	46,890	1,025,888
2019	336,647	31,258	367,905
2020 - 2024	1,683,505	-	1,683,505
2025 - 2029	1,683,993	-	1,683,993
2030 - 2034	996,499	-	996,499
2035 - 2037	61,140	-	61,140
Total	<u>9,113,470</u>	<u>309,724</u>	<u>9,423,194</u>
Less interest included above	<u>(1,618,504)</u>	<u>(15,637)</u>	<u>(1,634,141)</u>
Debt per statement of net position	<u>\$ 7,494,966</u>	<u>\$ 294,087</u>	<u>\$ 7,789,053</u>

Notes Payable

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2015	\$ 7,302
2016	7,293
2017	7,293
2018	7,763
2019	2,447
Total	<u>32,098</u>
Less interest included above	<u>(3,187)</u>
Debt per statement of net position	<u>\$ 28,911</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014, the following debt issues outstanding are considered defeased:

	<u>Governmental Activities</u>
Primary Government:	
General Obligation Bonds:	
Series 1999 - CIP	\$ 5,705,000
Series 2001 - CIP	2,765,000
Series 2004 - CIP	28,945,000
Series 2006 - TST	30,910,000
Series 2006 - CIP	30,265,000
Series 2007 - TST	<u>60,635,000</u>
Total General Obligation Bonds	<u>159,225,000</u>
 Certificates of Participation:	
Series 2005	<u>9,215,000</u>
Total Certificates of Participation	<u>9,215,000</u>
 Total Primary Government	 <u><u>\$ 168,440,000</u></u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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		\$ 3,312,065,417
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u>\$ 3,339,009,014</u>
Debt limitation-8 percent of total assessed value		\$ 267,120,722
Total bonded debt:		
General Obligation Bonds	\$ 547,905,000	
Less:		
Series 2006 G.O. Bond Transportation Sales Tax	\$ (5,285,000)	
Series 2007 G.O. Bond Transportation Sales Tax	(73,690,000)	
Series 2011 G.O. Bond Transportation Sales Tax	(157,455,000)	
Series 2012 G.O. Bond Transportation Sales Tax	(31,715,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(70,135,000)	(338,280,000)
Total debt subject to debt limit		<u>209,625,000</u>
Legal debt margin		<u>\$ 57,495,722</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Changes in the Fund's estimated claims liability amount in fiscal year 2014 and 2013 were:

Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2013	\$ 4,065,000	\$ 3,004,403	\$ (3,699,403)	\$ 3,370,000
2014	\$ 3,370,000	\$ 4,603,148	\$ (4,433,148)	\$ 3,540,000

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

B. Subsequent Events

In October 2014, Charleston County purchased 21 acres of land off Palmetto Commerce Parkway for \$2.9 million. The new recycling center is to be built on this land.

Effective July 1, 2014, the South Carolina Retirement System increased the member contribution rate from 7.5% to 8.0%. The combined employer rate was increased from 15.52% to 15.90%. The South Carolina Police Officers Retirement System increased the member rate from 7.84% to 8.41%. The combined employer rate was increased from 17.76% to 18.41%.

During the year ending June 30, 2014 Charleston County Council approved the future issuance of a Tax Anticipation Note (TAN) in the amount of \$2,000,000 for the St. John's Fire District. Subsequent to June 30, 2014, the District has borrowed \$1,500,000 from this TAN as of the audit report date. As a result, \$500,000 of the \$2,000,000 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 2015.

In July 2014, Charleston County appointed two new Board of Trustee members to replace the two who resigned in June 2014 from the Board of Trustees of the Charleston County Library.

In August 2014, the North Charleston District donated its Meeting Street fire station land, building and contents to the City of North Charleston. The book value of the assets transferred totaled approximately \$69,000.

On July 31, 2014, the St. Paul's Fire District signed two contracts to construct Station 8 at Old Jacksonboro Road and Station 9 at Ethel Post Office Road. Each contract is for \$610,630. Construction is estimated to be completed on both stations by January 31, 2015.

On September 24, 2014, the Charleston County Park and Recreation Commission purchased a 25 acre tract of land on the Charleston peninsula at a cost of approximately \$806,000. Initial plans are for the Commission to construct a skate park on the land.

On September 25, 2014, the James Island Public Service District received the proceeds of a refinancing revenue bond in the amount of \$2,130,000 which was used to refinance the Sewer System Series 2004 Revenue Bonds at a lower rate. The new bonds will be repaid over four years.

C. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

D. 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 \$556 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 in May 2000 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. The final payment is due in fiscal year 2015.

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, an additional amendment extends the term of the contract until June 30, 2015. This extension is subject to annual approval for continuation by the County.

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

<u>Year ending June 30</u>	
2015	<u>\$ 500,000</u>
Total	<u>\$ 500,000</u>

The amount paid for these services for the year-ended June 30, 2014, was \$2,499,195.

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

A new agreement with the Charleston Animal Society is effective July 1, 2014. The amount the County shall pay to the Society will be approved annually in the County budget and subject to modification at mid-year budget review. The Society will receive the amount approved in the County budget, set by County Council, in monthly installments.

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, 2014, \$550,000 was transferred to the City of Folly Beach for re-nourishment. Capital Projects fund balance of \$82,757 has been reserved for beach re-nourishment as of June 30, 2014.

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.

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.

On August 22, 2005, the Charleston County Park and Recreation Commission entered into an agreement with K.L.B. Group DBA Locklear's Beach City Grill to allow this corporation to operate the restaurant at the Folly Pier. The building held for rent had an estimated cost of \$1,253,494 and an estimated net book value of \$753,600 at June 30, 2014, and is included in the governmental activities capital assets. Rent started at \$7,400 per month and increases each November based on the current

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

CPI. The new rental per month based on the CPI increased to \$8,735 per month on November 1, 2012. The lease also provided for contingent rentals of 7.25 percent of annual sales greater than \$1,200,000.

The original lease term was for five years beginning October 1, 2005. On August 16, 2007, the Commission and K.L.B. Group agreed to suspend the contract for convenience during the time period October 1, 2007 through March 1, 2008, so that the Commission could progress with repairs to the Folly Beach Fishing Pier building. In return, the lessee received an extension of the lease for the period of time the building was closed for repairs.

On August 25, 2009, the Commission entered into an agreement with K.L.B. Group to allow the corporation to exercise the option of extending the lease for an additional five years, with the option terminating on October 31, 2015.

The following is a schedule by year of the minimum future rentals on the non-cancelable operating lease as of June 20, 2014:

<u>Year Ending June 30</u>	<u>Total</u>
2015	\$ 104,820
2016	<u>34,940</u>
Total minimum future rentals	<u>\$ 139,760</u>

Total rental income of \$111,332 was recorded during the current year.

During October 2010, the Charleston County Park and Recreation Commission entered into a lease for an area commonly known as Laurel Hill Plantation for an initial period of 25 years with a provision that the lease will be automatically extended for three separate successive terms of 25 years each provided that the Commission is not in default. The Commission is required to pay base rental fees, operating expenses and additional rental fees. The base rental fee was \$1,330,000 for the first five years of the rental term for a total of \$6,650,000 with no further base rent being required for the remainder of the lease, including extension periods. Additional rental fees are defined as other items for which the Commission may become liable during the lease, including, but not limited to, premiums for insurance. Operating expenses are defined as nominal costs including, but not limited to, ad valorem taxes and premiums for insurance. The lease also contains an option to purchase contingent upon the Lessor obtaining the right to convey a fee simple interest in the property as well as the acceptance of an appraisal of fair market value. The base rental fee is being amortized on a straight-line basis over the initial lease term of 25 years in the government-wide financial statements, and at June 30, 2014, the unamortized prepaid rent was \$4,322,500.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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. The Commission is currently negotiating another one year contract with the City covering the period from July 1, 2014 to June 30, 2015, 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, 2014, the leased assets have a book value of \$76,436.

Most of the land on which the Cooper River Park and Playground operates playground facilities is provided by the Charleston County School District at no cost. These facilities originally operated in accordance with a 20-year lease agreement dated December 25, 1981. This lease continues on a month-to-month basis until such time as the lease is terminated or renegotiated.

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, 2014, the District owes the City \$159,648. This contract was extended for one year until June 30, 2015. Due to the declining tax base and the fractured lines of the District, it would be difficult or impractical to provide services to its citizens without this contract. The District anticipates to annexation by the City in the foreseeable future.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

The St. Paul's Fire District maintains a line of credit with a financial institution for \$23,601 at 8.15% interest rate. As of June 30, 2014, the outstanding balance on the line of credit was \$0.

E. 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 \$2,098,450 for the fiscal year ending June 30, 2014.

Total contributions made by the Charleston County Library's plan members were \$237,952 for the fiscal year ending June 30, 2014.

F. 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2013, the District had 131 covered participants. Of this number, 100 participants are current employees and 31 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 444 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, 2014, the County recognized expenses of \$1,950,087 for retiree healthcare, which were net of retiree contributions of \$1,302,596. The James Island Public Service District had 31 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$142,982 for health care premium net of retiree contributions of \$73,901. The St. Paul's Fire District had 3 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$14,200 for health care premiums for the current year. The Charleston County Park and Recreation Commission had 3 employees who are retired and receiving benefits.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014, the County's annual OPEB cost was \$5,901,850 for the post-employment healthcare plan. The County's annual OPEB cost for the current year is as follows:

Annual required Contribution	\$ 5,829,801
Interest on OPEB obligation	980,111
Adjustment of ARC	<u>(908,062)</u>
Annual OPEB cost (expense) end of year	5,901,850
Net estimated employer contributions	<u>(2,478,226)</u>
Increase in net OPEB obligation	\$ 3,423,624
Net OPEB obligation/ (asset) beginning of year	21,780,235
Net OPEB obligation/ (asset) beginning of year	25,203,859

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, 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, 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
June 30, 2014	\$5,901,850	\$2,478,226	42.0%	\$25,203,859

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%

G. Funds Held by Coastal Community Foundation

As of June 30, 2014, the Coastal Community Foundation held \$504,205 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, \$17,084 is available for grants to the Library.

As of June 30, 2014, the Coastal Community Foundation was holding \$99,235 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 from earnings on the funds. At year-end, \$3,362 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. During the year, no amounts were awarded as grants to the library.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

H. 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 7.50 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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014, 2013, and 2012:

SCRS	Retirement			Incidental Death		
	2014	2013	2012	2014	2013	2012
Rate	10.45%	10.45%	9.385%	0.15%	0.15%	0.15%
Primary Government	\$ 7,345,522	\$ 6,999,501	\$ 6,117,302	\$ 105,438	\$ 100,471	\$ 97,773
Component units:						
CCL	748,365	719,395	669,178	10,742	10,326	10,695
CCPRC	973,160	931,623	807,797	14,173	13,373	12,911
JISPD	456,707	448,073	395,714	6,555	6,432	6,325
SAPPPC	121,310	104,590	106,699	1,767	1,501	1,705
SJFD	45,893	40,954	36,075	688	588	577
SPFD	11,037	11,737	9,811	158	168	157

PORS	Retirement			Incidental Death			Accidental Death		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
	12.44%	11.90%	11.363%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Primary Government	\$ 4,130,908	\$ 3,961,664	\$ 3,669,060	\$ 66,413	\$ 66,583	\$ 64,579	\$ 66,413	\$ 66,583	\$ 64,579
Component units:									
SJFD	655,731	580,182	540,335	10,542	9,751	9,510	10,542	9,751	9,510
SPFD	312,402	297,658	272,394	5,023	5,003	4,794	5,023	5,003	4,794

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



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

I. Related Party

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

Amounts given to CCL:	Amount
Appropriation (including supplemental appropriation)	\$ 14,536,176
Amounts paid to the County by CCL:	
Janitorial services	101,641
Carpet cleaning	24,209
Workers' compensation	419,042
OPEB compensation	370,665
Insurance coverage-building & contents, liability, fidelity bond, theft	94,150
Motor vehicle repairs	20,928
Motor vehicle fuel charges	22,599
Other general services	109,858
Solid Waste User Fee	12,970
Health, life and dental insurance (library employees covered through County plan)	891,036
Other minor charges	1,616
	\$ 2,068,714
Other transactions:	
Rent-free use of County-owned Library buildings and County-owned vehicles*	*

*Not Determined

J. Pending Implementation of GASB Statements

The GASB has issued the following statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for financial statements for periods beginning after June 15, 2014. This statement improves financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources and expenditures for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pension. State and local governments will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that this new statement will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the County's financial obligations to current and former employees for past services rendered.

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.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

K. Restatements

Changes were made to reflect the effect of implementing GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This statement requires that bond issue costs be shown as current-period outflows of resources (expenditures). The beginning net position of Governmental Activities and Business-type Activities for the County were decreased \$3,175,905 and \$58,567, respectively.

St. John's Fire District decreased beginning net position by \$147,920 for the restatement of bond issue costs and lease refinancing costs that were amortized under prior standards.

St. Paul's Fire District decreased beginning net position by \$72,956 for the restatement of bond issue costs that were amortized under prior standards.

James Island Public Service District decreased beginning net position by \$287,481 for the restatement of bond issue costs that were amortized under prior standards.

L. Prior Period Adjustments

St. Paul's Fire District decreased beginning net position by \$52,711 to reflect the District's capitalization policy of expensing items and capitalizing assets greater than \$5,000. Adjusting capital assets per the District's policy resulted in decreasing depreciable capital assets and net position in their Governmental Activities by \$52,711.

St. Andrew's Parish Parks and Playground Commission increased beginning net position for their Business-type Activities and Proprietary Fund by \$55,492. This restatement was to correct the amount of unearned revenue reported in prior year.

St. John's Fire District decreased beginning net position by \$164,977 to correct the construction in progress balance from prior year. Capitalized interest totaling \$164,977 was erroneously included in the costs of construction. This correction reduced beginning net position and beginning construction in progress by \$164,977.



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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, 2014 (UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

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)
Primary Government						
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%
Component Units						
<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%
<u>7/1/2013</u>						
JIPSD	\$ -	\$6,006,367	\$6,006,367	0%	\$4,534,662	132.45%
CCPRC	\$ -	\$4,137,514	\$4,137,514	0%	\$8,282,581	49.95%
SPFD	\$ -	\$65,082	\$65,082	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, 2014 (UNAUDITED)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Percent of ARC Contributed
Primary Government		
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%
2014	\$5,901,850	42.00%
Component Units		
<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%
<u>2014</u>		
JIPSD	\$514,598	28.69%
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

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.

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.

G.O.B. Capital Projects – This fund accounts for financial resources to be used to complete several construction projects funded by bond issues. These projects include radio communications equipment, station alerting system, consolidated dispatch building, and the law enforcement center.

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, 2014

<u>ASSETS</u>	<u>Special Revenue Funds</u>		
	<u>Accommo- dations</u>	<u>Child Support Enforcement</u>	<u>Community Development</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	2,495,255	-	159,059
Restricted cash and cash equivalents	884,190	-	-
Receivables (net of allowances for uncollectibles)	2,939,098	93,346	413,793
Total assets	<u>\$ 6,318,543</u>	<u>\$ 93,346</u>	<u>\$ 572,852</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 31,728	\$ 91,176
Accrued payroll and fringe benefits	-	22,285	13,662
Due to other funds	-	39,333	-
Intergovernmental payable	5,183,364	-	110,800
Unearned revenue	-	-	439
Total liabilities	<u>5,183,364</u>	<u>93,346</u>	<u>216,077</u>
Deferred inflows of resources:			
Unavailable property tax revenues-current	-	-	-
Unavailable property tax revenues-delinquent	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	1,135,179	-	356,775
Committed	-	-	-
Total fund balances	<u>1,135,179</u>	<u>-</u>	<u>356,775</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,318,543</u>	<u>\$ 93,346</u>	<u>\$ 572,852</u>

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>	<u>Hazardous Materials Enforcement</u>	<u>Public Defender</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,616,385	3,395,625	230,403	935	339,291	165,393	1,103,340
-	-	-	-	-	-	-
1,575,987	38	8,856,101	142	2,829,191	-	139,723
<u>\$ 9,192,372</u>	<u>\$ 3,395,663</u>	<u>\$ 9,086,504</u>	<u>\$ 1,077</u>	<u>\$ 3,168,482</u>	<u>\$ 165,393</u>	<u>\$ 1,243,063</u>
\$ 213,107	\$ 133,913	\$ 113	\$ -	\$ 35,965	\$ 850	\$ 35,111
-	27,362	32,866	-	79,960	7,536	199,776
-	-	-	-	-	-	-
63,488	504,913	30,709	1,077	15,854	-	-
-	300,000	-	-	-	-	-
<u>276,595</u>	<u>966,188</u>	<u>63,688</u>	<u>1,077</u>	<u>131,779</u>	<u>8,386</u>	<u>234,887</u>
-	-	8,645,441	-	2,250,260	-	-
-	-	173,284	-	109,484	-	-
-	-	8,818,725	-	2,359,744	-	-
8,915,777	2,429,475	204,091	-	676,959	157,007	1,008,176
-	-	-	-	-	-	-
<u>8,915,777</u>	<u>2,429,475</u>	<u>204,091</u>	<u>-</u>	<u>676,959</u>	<u>157,007</u>	<u>1,008,176</u>
<u>\$ 9,192,372</u>	<u>\$ 3,395,663</u>	<u>\$ 9,086,504</u>	<u>\$ 1,077</u>	<u>\$ 3,168,482</u>	<u>\$ 165,393</u>	<u>\$ 1,243,063</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014

	<u>Special Revenue Funds</u>		
<u>ASSETS</u>	<u>Safety Enforcement</u>	<u>Sheriff</u>	<u>Solicitor</u>
Non-pooled cash and cash equivalents	\$ 33,901	\$ 83,687	\$ 1,627,834
Pooled cash and cash equivalents	87,679	2,698,057	289,373
Restricted cash and cash equivalents	-	-	-
Receivables (net of allowances for uncollectibles)	462,720	29,434	225,587
Total assets	<u>\$ 584,300</u>	<u>\$ 2,811,178</u>	<u>\$ 2,142,794</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 20,829	\$ 20,729	\$ 740
Accrued payroll and fringe benefits	29,890	16,416	100,966
Due to other funds	-	-	-
Intergovernmental payable	107,811	43	63,917
Unearned revenue	1,711	-	-
Total liabilities	<u>160,241</u>	<u>37,188</u>	<u>165,623</u>
Deferred inflows of resources:			
Unavailable property tax revenues-current	-	-	-
Unavailable property tax revenues-delinquent	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	424,059	2,773,990	1,977,171
Committed	-	-	-
Total fund balances	<u>424,059</u>	<u>2,773,990</u>	<u>1,977,171</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 584,300</u>	<u>\$ 2,811,178</u>	<u>\$ 2,142,794</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014

<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
<u>Storm Water Drainage</u>	<u>Victim Notification</u>	<u>Charleston Development Corp</u>	<u>Construction</u>	<u>G.O.B Capital Projects</u>
\$ -	\$ 25,745	\$ -	\$ -	\$ -
1,330,340	236,165	39,082	2,524,558	6,904,431
-	-	-	-	-
268,937	-	10,000	-	-
<u>\$ 1,599,277</u>	<u>\$ 261,910</u>	<u>\$ 49,082</u>	<u>\$ 2,524,558</u>	<u>\$ 6,904,431</u>
\$ 25,562	\$ -	\$ -	\$ 61,048	\$ 861,480
35,196	16,806	-	-	-
-	-	-	-	-
-	13,225	-	19	6
-	-	-	-	-
60,758	30,031	-	61,067	861,486
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,538,519	231,879	49,082	-	-
-	-	-	2,463,491	6,042,945
<u>1,538,519</u>	<u>231,879</u>	<u>49,082</u>	<u>2,463,491</u>	<u>6,042,945</u>
<u>\$ 1,599,277</u>	<u>\$ 261,910</u>	<u>\$ 49,082</u>	<u>\$ 2,524,558</u>	<u>\$ 6,904,431</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014

<u>ASSETS</u>	<u>Capitol Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Equipment Replacement Fund</u>	<u>ITS / MIS</u>	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 1,771,167
Pooled cash and cash equivalents	507,647	4,729,040	34,852,058
Restricted cash and cash equivalents	-	-	884,190
Receivables (net of allowances for uncollectibles)	-	-	17,844,097
	<u>507,647</u>	<u>4,729,040</u>	<u>55,351,512</u>
Total assets	<u>\$ 507,647</u>	<u>\$ 4,729,040</u>	<u>\$ 55,351,512</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 5,783	\$ 264,777	\$ 1,802,911
Accrued payroll and fringe benefits	-	-	582,721
Due to other funds	-	-	39,333
Intergovernmental payable	350	2,257	6,097,833
Unearned revenue	-	-	302,150
	<u>6,133</u>	<u>267,034</u>	<u>8,824,948</u>
Total liabilities	<u>6,133</u>	<u>267,034</u>	<u>8,824,948</u>
Deferred inflows of resources:			
Unavailable property tax revenues-current	-	-	10,895,701
Unavailable property tax revenues-delinquent	-	-	282,768
	<u>-</u>	<u>-</u>	<u>11,178,469</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>11,178,469</u>
Fund balances:			
Restricted	-	-	21,878,139
Committed	501,514	4,462,006	13,469,956
	<u>501,514</u>	<u>4,462,006</u>	<u>35,348,095</u>
Total fund balances	<u>501,514</u>	<u>4,462,006</u>	<u>35,348,095</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 507,647</u>	<u>\$ 4,729,040</u>	<u>\$ 55,351,512</u>

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, 2014

	<u>Special Revenue Funds</u>			
	<u>Accommo- dations</u>	<u>Child Support Enforcement</u>	<u>Community Development</u>	<u>Construction Public Works</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	62,216	1,126,018	2,396,120	4,250,664
Fines and forfeitures	-	-	-	-
Service charges	13,425,525	-	-	-
Interest	3,010	-	-	11,758
Other revenues	-	-	15,988	-
Total revenues	13,490,751	1,126,018	2,412,108	4,262,422
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	81,933	-	-
Judicial	-	686,513	-	-
Public works	-	-	-	2,756,574
Health and welfare	-	-	2,416,388	-
Economic development	-	-	-	-
Culture and recreation	13,351,309	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	13,351,309	768,446	2,416,388	2,756,574
Excess (deficiency) of revenues over (under) expenditures	139,442	357,572	(4,280)	1,505,848
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Refunding bonds Issued	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Transfers in	-	3,756	28,533	4,691,915
Transfers out	(26,875)	(435,805)	(28,533)	(4,691,915)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(26,875)	(432,049)	-	-
Net change in fund balance	112,567	(74,477)	(4,280)	1,505,848
Fund balances at beginning of year	1,022,612	74,477	361,055	7,409,929
Fund balances at end of year	\$ 1,135,179	\$ -	\$ 356,775	\$ 8,915,777

See notes to financial statements.

Special Revenue Funds

<u>Economic Development</u>	<u>Education</u>	<u>Emergency Medical Services</u>	<u>Fire Districts</u>	<u>Hazardous Materials Enforcement</u>	<u>Public Defender</u>
\$ 2,264,651	\$ 7,190,182	\$ -	\$ 2,378,551	\$ -	\$ -
380,000	167,695	25,416	242,580	-	1,722,574
-	-	-	-	217,018	-
-	-	-	-	-	256,635
-	-	-	-	-	1,800
-	120,000	-	1,767	-	-
<u>2,644,651</u>	<u>7,477,877</u>	<u>25,416</u>	<u>2,622,898</u>	<u>217,018</u>	<u>1,981,009</u>
-	113,279	-	-	-	-
-	-	26,819	2,504,232	257,588	-
-	-	-	-	-	4,963,173
-	-	-	-	-	-
1,866,650	-	-	-	-	-
-	-	-	-	-	-
-	5,940,318	-	-	-	-
-	-	-	-	-	-
<u>1,866,650</u>	<u>6,053,597</u>	<u>26,819</u>	<u>2,504,232</u>	<u>257,588</u>	<u>4,963,173</u>
<u>778,001</u>	<u>1,424,280</u>	<u>(1,403)</u>	<u>118,666</u>	<u>(40,570)</u>	<u>(2,982,164)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	221,485	1,403	195,303	-	3,031,846
-	(1,534,868)	-	(195,303)	-	-
-	-	-	16,246	5,000	-
-	(1,313,383)	1,403	16,246	5,000	3,031,846
778,001	110,897	-	134,912	(35,570)	49,682
1,651,474	93,194	-	542,047	192,577	958,494
<u>\$ 2,429,475</u>	<u>\$ 204,091</u>	<u>\$ -</u>	<u>\$ 676,959</u>	<u>\$ 157,007</u>	<u>\$ 1,008,176</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, 2014

	Special Revenue Funds			
	Safety Enforcement	Sheriff	Solicitor	Storm Water Drainage
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,413,205	103,500	1,261,215	651,965
Fines and forfeitures	50,006	150,708	15,515	-
Service charges	-	33,600	712,816	1,150,919
Interest	124	1,836	-	2,703
Other revenues	52,852	507,410	2,947	-
Total revenues	1,516,187	797,054	1,992,493	1,805,587
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	843,071	590,289	-	-
Judicial	572,128	28,992	2,250,314	-
Public works	-	-	-	2,155,912
Health and welfare	204,364	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,619,563	619,281	2,250,314	2,155,912
Excess (deficiency) of revenues over (under) expenditures	(103,376)	177,773	(257,821)	(350,325)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Refunding bonds Issued	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Transfers in	56,943	82,870	356,139	-
Transfers out	(1,879)	-	(319,864)	(94,152)
Proceeds from sale of capital assets	-	3,257	-	-
Total other financing sources (uses)	55,064	86,127	36,275	(94,152)
Net change in fund balance	(48,312)	263,900	(221,546)	(444,477)
Fund balances at beginning of year	472,371	2,510,090	2,198,717	1,982,996
Fund balances at end of year	\$ 424,059	\$ 2,773,990	\$ 1,977,171	\$ 1,538,519

See notes to financial statements.

Special Revenue Funds		Capital Projects Funds		
Victim Notification	Charleston Development Corp	Construction	G.O.B. Capital Projects	Equipment Replacement Fund
\$ -	\$ -	\$ -	\$ -	\$ -
5,803	-	375,207	-	-
414,061	-	-	-	-
167	-	-	-	-
-	62	3,340	27,251	1,398
-	25,165	-	-	-
<u>420,031</u>	<u>25,227</u>	<u>378,547</u>	<u>27,251</u>	<u>1,398</u>
-	-	13,328	-	-
206,190	-	-	-	-
150,298	-	-	-	-
-	-	-	-	-
-	9,717	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,084,903	17,631,157	-
<u>356,488</u>	<u>9,717</u>	<u>1,098,231</u>	<u>17,631,157</u>	<u>-</u>
63,543	15,510	(719,684)	(17,603,906)	1,398
-	-	-	-	-
-	-	-	29,190,000	-
-	-	-	(33,404,536)	-
-	-	1,402,130	4,429,679	935,620
-	-	-	-	(1,002,000)
-	-	51,819	-	23,506
-	-	1,453,949	215,143	(42,874)
63,543	15,510	734,265	(17,388,763)	(41,476)
168,336	33,572	1,729,226	23,431,708	542,990
<u>\$ 231,879</u>	<u>\$ 49,082</u>	<u>\$ 2,463,491</u>	<u>\$ 6,042,945</u>	<u>\$ 501,514</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, 2014

	Capital Projects Funds	Total Nonmajor Governmental Funds
	ITS / MIS	
Revenues:		
Property taxes	\$ -	\$ 11,833,384
Intergovernmental	-	14,184,178
Fines and forfeitures	-	847,308
Service charges	-	15,579,662
Interest	8,002	61,284
Other revenues	-	726,129
	8,002	43,231,945
Total revenues		
	8,002	43,231,945
Expenditures:		
Current:		
General government	-	126,607
Public safety	-	4,510,122
Judicial	-	8,651,418
Public works	-	4,912,486
Health and welfare	-	2,630,469
Economic development	-	1,866,650
Culture and recreation	-	13,351,309
Education	-	5,940,318
Capital outlay	3,521,603	22,237,663
	3,521,603	64,227,042
Total expenditures		
	3,521,603	64,227,042
Excess (deficiency) of revenues over (under) expenditures	(3,513,601)	(20,995,097)
Other financing sources (uses):		
Capital lease proceeds	794,923	794,923
Refunding bonds Issued	-	29,190,000
Payment to escrow agent for refunding	-	(33,404,536)
Transfers in	1,198,784	16,636,406
Transfers out	(185,891)	(8,517,085)
Proceeds from sale of capital assets	-	99,828
	1,807,816	4,799,536
Total other financing sources (uses)		
	1,807,816	4,799,536
Net change in fund balance	(1,705,785)	(16,195,561)
Fund balances at beginning of year	6,167,791	51,543,656
Fund balances at end of year	\$ 4,462,006	\$ 35,348,095

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, 2014

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 92,000	\$ 92,000	\$ 62,216	\$ (29,784)
Service charges	12,750,000	12,929,200	13,425,525	496,325
Interest	5,000	5,000	3,010	(1,990)
Total revenues	12,847,000	13,026,200	13,490,751	464,551
Expenditures:				
Current:				
Culture and recreation	13,274,893	13,654,093	13,351,309	302,784
Total expenditures	13,274,893	13,654,093	13,351,309	302,784
Excess (deficiency) of revenues over (under) expenditures	(427,893)	(627,893)	139,442	767,335
Other financing uses:				
Transfers out	(28,350)	(28,350)	(26,875)	1,475
Net change in fund balance	(456,243)	(656,243)	112,567	768,810
Fund balance at beginning of year	1,022,612	1,022,612	1,022,612	-
Fund balance at end of year	\$ 566,369	\$ 366,369	\$ 1,135,179	\$ 768,810

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, 2014**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,055,000	\$ 1,055,000	\$ 1,126,018	\$ 71,018
Total revenues	<u>1,055,000</u>	<u>1,055,000</u>	<u>1,126,018</u>	<u>71,018</u>
Expenditures:				
Current:				
Public safety	79,064	80,142	81,933	(1,791)
Judicial	726,953	801,429	686,513	114,916
Total expenditures	<u>806,017</u>	<u>881,571</u>	<u>768,446</u>	<u>113,125</u>
Excess of revenues over expenditures	<u>248,983</u>	<u>173,429</u>	<u>357,572</u>	<u>184,143</u>
Other financing sources (uses):				
Transfers in	24,064	25,141	3,756	(21,385)
Transfers out	(273,047)	(273,047)	(435,805)	(162,758)
Total other financing sources (uses)	<u>(248,983)</u>	<u>(247,906)</u>	<u>(432,049)</u>	<u>(184,143)</u>
Net change in fund balance	-	(74,477)	(74,477)	-
Fund balance at beginning of year	<u>74,477</u>	<u>74,477</u>	<u>74,477</u>	<u>-</u>
Fund balance at end of year	<u>\$ 74,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 1,823,594	\$ 1,823,594	\$ 2,264,651	\$ 441,057
Intergovernmental	-	380,000	380,000	-
Total revenues	<u>1,823,594</u>	<u>2,203,594</u>	<u>2,644,651</u>	<u>441,057</u>
Expenditures:				
Current:				
Economic development	1,905,621	2,378,760	1,866,650	512,110
Total expenditures	<u>1,905,621</u>	<u>2,378,760</u>	<u>1,866,650</u>	<u>512,110</u>
Excess (deficiency) of revenues over (under) over expenditures	<u>(82,027)</u>	<u>(175,166)</u>	<u>778,001</u>	<u>953,167</u>
Net change in fund balance	(82,027)	(175,166)	778,001	953,167
Fund balance at beginning of year	<u>1,651,474</u>	<u>1,651,474</u>	<u>1,651,474</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,569,447</u>	<u>\$ 1,476,308</u>	<u>\$ 2,429,475</u>	<u>\$ 953,167</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, 2014

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 7,447,000	\$ 7,481,196	\$ 7,190,182	\$ (291,014)
Intergovernmental	-	-	167,695	167,695
Other revenues	-	120,000	120,000	-
Total revenues	<u>7,447,000</u>	<u>7,601,196</u>	<u>7,477,877</u>	<u>(123,319)</u>
Expenditures:				
Current:				
General Government	100,000	314,370	113,279	201,091
Education	5,910,000	5,944,196	5,940,318	3,878
Total expenditures	<u>6,010,000</u>	<u>6,258,566</u>	<u>6,053,597</u>	<u>204,969</u>
Excess of revenues over expenditures	<u>1,437,000</u>	<u>1,342,630</u>	<u>1,424,280</u>	<u>81,650</u>
Other financing sources (uses):				
Transfers in	100,000	119,570	221,485	101,915
Transfers out	(1,537,000)	(1,552,394)	(1,534,868)	17,526
Total other financing sources (uses)	<u>(1,437,000)</u>	<u>(1,432,824)</u>	<u>(1,313,383)</u>	<u>119,441</u>
Net change in fund balance	-	(90,194)	110,897	201,091
Fund balance at beginning of year	<u>93,194</u>	<u>93,194</u>	<u>93,194</u>	<u>-</u>
Fund balance at end of year	<u>\$ 93,194</u>	<u>\$ 3,000</u>	<u>\$ 204,091</u>	<u>\$ 201,091</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, 2014**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 1,973,800	\$ 2,522,558	\$ 2,378,551	\$ (144,007)
Intergovernmental	626,314	99,342	242,580	143,238
Other revenues	-	-	1,767	1,767
Total revenues	<u>2,600,114</u>	<u>2,621,900</u>	<u>2,622,898</u>	<u>998</u>
Expenditures:				
Current:				
Public safety	2,732,484	3,054,616	2,504,231	550,385
Total expenditures	<u>2,732,484</u>	<u>3,054,616</u>	<u>2,504,231</u>	<u>550,385</u>
Deficiency of revenues under expenditures	<u>(132,370)</u>	<u>(432,716)</u>	<u>118,667</u>	<u>551,383</u>
Other financing sources (uses):				
Transfers in	-	300,823	195,303	(105,520)
Transfers out	(222,245)	(222,245)	(195,303)	26,942
Proceeds from sale of capital assets	-	-	16,246	16,246
Total other financing sources (uses)	<u>(222,245)</u>	<u>78,578</u>	<u>16,246</u>	<u>(62,332)</u>
Net change in fund balance	<u>(354,615)</u>	<u>(354,138)</u>	<u>134,913</u>	<u>489,051</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>542,047</u>	<u>-</u>
Fund balance at end of year	<u>\$ (354,615)</u>	<u>\$ (354,138)</u>	<u>\$ 676,960</u>	<u>\$ 1,031,098</u>

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, 2014**

	<u>BUDGETED AMOUNTS</u>		VARIANCE WITH FINAL BUDGET POSITIVE ACTUAL (GATIVE)	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>GATIVE)</u>
Revenues:				
Service charges	\$ 201,000	\$ 205,000	\$ 217,018	\$ 12,018
Total revenues	201,000	205,000	217,018	12,018
Expenditures:				
Current:				
Public safety	254,256	258,256	257,588	668
Total expenditures	254,256	258,256	257,588	668
Deficiency of revenues under expenditures	(53,256)	(53,256)	(40,570)	12,686
Other financing sources				
Proceeds from sale of capital assets	-	-	5,000	5,000
Net change in fund balance	(53,256)	(53,256)	(35,570)	17,686
Fund balance at beginning of year	192,577	192,577	192,577	-
Fund balance at end of year	<u>\$ 139,321</u>	<u>\$ 139,321</u>	<u>\$ 157,007</u>	<u>\$ 17,686</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, 2014

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,622,404	\$ 1,725,257	\$ 1,722,574	\$ (2,683)
Service charges	167,000	342,000	256,635	(85,365)
Interest	2,000	2,000	1,800	(200)
Other revenues	-	-	-	-
Total revenues	<u>1,791,404</u>	<u>2,069,257</u>	<u>1,981,009</u>	<u>(88,248)</u>
Expenditures:				
Current:				
Judicial	4,755,157	5,046,526	4,963,173	83,353
Total expenditures	<u>4,755,157</u>	<u>5,046,526</u>	<u>4,963,173</u>	<u>83,353</u>
Deficiency of revenues under expenditures	<u>(2,963,753)</u>	<u>(2,977,269)</u>	<u>(2,982,164)</u>	<u>(4,895)</u>
Other financing sources:				
Transfers in	<u>2,984,480</u>	<u>3,031,846</u>	<u>3,031,846</u>	<u>-</u>
Net change in fund balance	20,727	54,577	49,682	(4,895)
Fund balance at beginning of year	<u>958,494</u>	<u>958,494</u>	<u>958,494</u>	<u>-</u>
Fund balance at end of year	<u>\$ 979,221</u>	<u>\$ 1,013,071</u>	<u>\$ 1,008,176</u>	<u>\$ (4,895)</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, 2014

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 103,500	\$ -
Fines and forfeitures	185,656	185,656	150,708	(34,948)
Interest	-	-	1,836	1,836
Service charges	22,000	22,000	33,600	11,600
Other revenues	357,720	357,720	507,410	149,690
Total revenues	668,876	668,876	797,054	128,178
Expenditures:				
Current:				
Public safety	1,101,903	1,299,632	590,289	709,343
Judicial	28,992	28,992	28,992	-
Total expenditures	1,130,895	1,328,624	619,281	709,343
Excess (deficiency) of revenues over (under) expenditures	(462,019)	(659,748)	177,773	837,521
Other financing sources (uses):				
Transfers in	92,724	95,954	82,870	(13,084)
Transfers out	3,865	-	-	-
Proceeds from sale of capital assets	-	-	3,257	3,257
Total other financing sources (uses)	96,589	95,954	86,127	(9,827)
Net change in fund balance	(365,430)	(563,794)	263,900	827,694
Fund balance at beginning of year	2,510,090	2,510,090	2,510,090	-
Fund balance at end of year	\$ 2,144,660	\$ 1,946,296	\$ 2,773,990	\$ 827,694

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, 2014

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,144,848	\$ 1,197,058	\$ 1,261,215	\$ 64,157
Fines and forfeitures	35,000	35,000	15,515	(19,485)
Service charges	768,800	764,400	712,816	(51,584)
Other revenues	-	-	2,947	2,947
Total revenues	1,948,648	1,996,458	1,992,493	(3,965)
Expenditures:				
Current:				
Judicial	2,439,701	2,523,354	2,250,314	273,040
Total expenditures	2,439,701	2,523,354	2,250,314	273,040
Deficiency of revenues under expenditures	(491,053)	(526,896)	(257,821)	269,075
Other financing sources (uses):				
Transfers in	508,547	507,600	356,139	(151,461)
Transfers out	(315,844)	(414,636)	(319,864)	94,772
Total other financing sources	192,703	92,964	36,275	(56,689)
Net change in fund balance	(298,350)	(433,932)	(221,546)	212,386
Fund balance at beginning of year	2,198,717	\$ 2,198,717	\$ 2,198,717	\$ -
Fund balance at end of year	\$ 1,900,367	\$ 1,764,785	\$ 1,977,171	\$ 212,386

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, 2014

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 605,000	\$ 605,000	\$ 651,965	\$ 46,965
Service charges	1,045,500	1,045,500	1,150,919	105,419
Interest	-	-	2,703	2,703
Total revenues	<u>1,650,500</u>	<u>1,650,500</u>	<u>1,805,587</u>	<u>155,087</u>
Expenditures:				
Current:				
Public works	<u>2,810,356</u>	<u>3,181,612</u>	<u>2,155,912</u>	<u>1,025,700</u>
Total expenditures	<u>2,810,356</u>	<u>3,181,612</u>	<u>2,155,912</u>	<u>1,025,700</u>
Deficiency of revenues under expenditures	<u>(1,159,856)</u>	<u>(1,531,112)</u>	<u>(350,325)</u>	<u>1,180,787</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(94,152)</u>	<u>(94,152)</u>	<u>-</u>
Net change in fund balance	<u>(1,159,856)</u>	<u>(1,625,264)</u>	<u>(444,477)</u>	<u>1,180,787</u>
Fund balance at beginning of year	<u>1,982,996</u>	<u>\$ 1,982,996</u>	<u>\$ 1,982,996</u>	<u>\$ -</u>
Fund balance at end of year	<u>\$ 823,140</u>	<u>\$ 357,732</u>	<u>\$ 1,538,519</u>	<u>\$ 1,180,787</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, 2014**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
Revenues:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 5,803	\$ (2,197)
Fines and forfeitures	340,000	340,000	414,061	74,061
Service charges	-	-	167	167
Total revenues	<u>348,000</u>	<u>348,000</u>	<u>420,031</u>	<u>72,031</u>
Expenditures:				
Current:				
Public safety	200,254	200,254	206,190	(5,936)
Judicial	206,576	206,576	150,298	56,278
Total expenditures	<u>406,830</u>	<u>406,830</u>	<u>356,488</u>	<u>50,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,830)</u>	<u>(58,830)</u>	<u>63,543</u>	<u>122,373</u>
Net change in fund balance	(58,830)	(58,830)	63,543	122,373
Fund balance at beginning of year	<u>168,336</u>	<u>168,336</u>	<u>168,336</u>	<u>-</u>
Fund balance at end of year	<u>\$ 109,506</u>	<u>\$ 109,506</u>	<u>\$ 231,879</u>	<u>\$ 122,373</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED
June 30, 2014**

	<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>
Magistrates:						
Fines:						
Traffic/criminal	\$ 2,217,095	\$ -	\$ 2,217,095	\$ 2,217,095	\$ -	\$ 2,217,095
Wildlife/littering	46,195	46,195	-	-	-	-
DUI/DUS/BUI	70,256	70,256	-	-	-	-
Assessments	1,576,941	1,433,591	143,350	-	143,350	143,350
Surcharges	654,754	595,318	59,436	-	59,436	59,436
	<u>4,565,241</u>	<u>2,145,360</u>	<u>2,419,881</u>	<u>2,217,095</u>	<u>202,786</u>	<u>2,419,881</u>
Clerk of Court:						
Fines:						
Fines and Fees	1,184,995	840,594	344,401	344,401	-	344,401
Family court	2,026,744	1,072,077	954,667	954,667	-	954,667
DUI/DUS/BUI	14,267	14,267	-	-	-	-
Assessments	92,846	59,290	33,556	-	33,556	33,556
Surcharges	295,606	117,887	177,719	-	177,719	177,719
	<u>3,614,458</u>	<u>2,104,115</u>	<u>1,510,343</u>	<u>1,299,068</u>	<u>211,275</u>	<u>1,510,343</u>
	<u>\$ 8,179,699</u>	<u>\$ 4,249,475</u>	<u>\$ 3,930,224</u>	<u>\$ 3,516,163</u>	<u>\$ 414,061</u>	<u>\$ 3,930,224</u>

See notes to financial statements.

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CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

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.

Public Safety System – This fund is used to account for the cost related to the implementation and maintenance of records management systems for the detention center, law enforcement, fire districts, and other public safety entities.

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, 2014

<u>ASSETS</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Public Safety Systems</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current assets:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 450,607	\$ 451,307
Pooled cash and cash equivalents	1,407,874	1,681,997	31,236	256,372	3,421,657	6,799,136
Receivables (net of allowances for uncollectibles)	1,837,577	505,767	13,776	147,114	-	2,504,234
Total current assets	3,246,151	2,187,764	45,012	403,486	3,872,264	9,754,677
Capital assets:						
Buildings	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	270,255	-	-	-	-	270,255
Machinery and equipment	167,054	4,525,320	-	293,828	61,210	5,047,412
Less accumulated depreciation	(3,870,696)	(2,790,023)	-	(248,570)	(8,749)	(6,918,038)
Total capital assets (net of accumulated depreciation)	6,268,980	1,735,297	-	45,258	52,461	8,101,996
Total noncurrent assets	6,268,980	1,735,297	-	45,258	52,461	8,101,996
Total assets	9,515,131	3,923,061	45,012	448,744	3,924,725	17,856,673

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2014

<u>LIABILITIES AND EQUITY</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Public Safety Systems</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current liabilities:						
Accounts payable	\$ 116,829	\$ 91,014	\$ 14,237	\$ 53,642	\$ 2,520	\$ 278,242
Accrued payroll and fringe benefits	250,791	18,157	2,762	8,837	52,402	332,949
Compensated absences-current	13,914	4,217	8,044	-	-	26,175
Intergovernmental payable	2,314	-	-	-	3,154,892	3,157,206
Total current liabilities	<u>383,848</u>	<u>113,388</u>	<u>25,043</u>	<u>62,479</u>	<u>3,209,814</u>	<u>3,794,572</u>
Noncurrent liabilities:						
Compensated absences	419,130	6,694	-	11,838	117,363	555,025
Total noncurrent liabilities	<u>419,130</u>	<u>6,694</u>	<u>-</u>	<u>11,838</u>	<u>117,363</u>	<u>555,025</u>
Total liabilities	<u>802,978</u>	<u>120,082</u>	<u>25,043</u>	<u>74,317</u>	<u>3,327,177</u>	<u>4,349,597</u>
<u>NET POSITION</u>						
Net investment in capital assets	6,268,980	1,735,297	-	45,258	52,461	8,101,996
Unrestricted	2,443,173	2,067,682	19,969	329,169	545,087	5,405,080
Total net position	<u>\$ 8,712,153</u>	<u>\$ 3,802,979</u>	<u>\$ 19,969</u>	<u>\$ 374,427</u>	<u>\$ 597,548</u>	<u>\$ 13,507,076</u>

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, 2014

	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
Operating revenues:						
Charges for services	\$ 7,130,098	\$ 1,842,270	\$ 150,074	\$ 2,656,230	\$ 2,075,804	\$ 13,854,476
Other revenues	14,469	-	-	-	-	14,469
Total operating revenues	7,144,567	1,842,270	150,074	2,656,230	2,075,804	13,868,945
Operating expenses:						
Personnel services	5,600,091	338,551	71,145	196,182	1,242,089	7,448,058
Contractual services	505,239	-	197,897	281,714	27,914	1,012,764
Materials and supplies	436,400	34,873	-	208,622	8,923	688,818
Utilities	272,392	421,818	-	104,442	-	798,652
Repairs and maintenance	141,923	-	-	1,750,543	1,500	1,893,966
Rental expenses	123,903	-	-	416,259	-	540,162
Vehicle fleet charges	22,746	1,556	-	6,029	12,967	43,298
Other expenses	1,944,855	362,207	153,842	1,208,882	507,543	4,177,329
Depreciation and amortization	257,656	859,507	-	31,086	6,124	1,154,373
Total operating expenses	9,305,205	2,018,512	422,884	4,203,759	1,807,060	17,757,420
Operating income (loss)	(2,160,638)	(176,242)	(272,810)	(1,547,529)	268,744	(3,888,475)
Nonoperating revenues (expenses):						
Interest income	1,442	3,316	-	-	13,173	17,931
Interest expense	(72,424)	-	-	-	-	(72,424)
Intergovernmental revenues	821,936	-	-	-	-	821,936
Gain on debt restructuring	2,149,798	-	-	-	-	2,149,798
Gain (loss) on disposal of capital assets	5,226	-	-	-	-	5,226
Total nonoperating revenues (expenses)	2,905,978	3,316	-	-	13,173	2,922,467
Income (loss) before transfers	745,340	(172,926)	(272,810)	(1,547,529)	281,917	(966,008)
Transfers in	1,907,540	-	292,779	1,563,448	-	3,763,767
Transfers out	-	-	-	-	-	-
Change in net position	2,652,880	(172,926)	19,969	15,919	281,917	2,797,759
Total net position - beginning (as restated)	6,059,273	3,975,905	-	358,508	315,631	10,709,317
Total net position - ending	\$ 8,712,153	\$ 3,802,979	\$ 19,969	\$ 374,427	\$ 597,548	\$ 13,507,076

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2014

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 7,432,576	\$ 1,800,323	\$ 136,298	\$ 2,525,477	\$ 2,272,343	\$ 14,167,017
Cash payments to suppliers for goods and services	(3,408,577)	(1,256,489)	(337,502)	(3,951,629)	557,142	(8,397,055)
Cash payments to employees for services	(5,542,599)	(337,419)	(60,339)	(193,787)	(1,229,632)	(7,363,776)
Net cash provided by (used in) operating activities	(1,518,600)	206,415	(261,543)	(1,619,939)	1,599,853	(1,593,814)
Cash flows from noncapital financing activities:						
Transfers in	1,907,540	-	292,779	1,563,448	-	3,763,767
Intergovernmental receipt	405,285	-	-	-	-	405,285
Net cash provided by noncapital financing activities	2,312,825	-	292,779	1,563,448	-	4,169,052
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	(63,156)	-	-	-	-	(63,156)
Interest paid	(83,236)	-	-	-	-	(83,236)
Proceeds from sale of capital assets	5,226	-	-	-	-	5,226
Acquisition and construction of capital assets	(39,784)	(595,903)	-	(20,728)	(24,458)	(680,873)
Net cash used in capital and related financing activities	(180,950)	(595,903)	-	(20,728)	(24,458)	(822,039)
Cash flows from investing activities:						
Interest received	1,442	3,316	-	-	13,173	17,931
Net cash provided by investing activities	1,442	3,316	-	-	13,173	17,931
Net increase (decrease) in cash and cash equivalents	614,717	(386,172)	31,236	(77,219)	1,588,568	1,771,130
Cash and cash equivalents at beginning of year	793,857	2,068,169	-	333,591	2,283,696	5,479,313
Cash and cash equivalents at end of year	\$ 1,408,574	\$ 1,681,997	\$ 31,236	\$ 256,372	\$ 3,872,264	\$ 7,250,443
Reconciliation to balance sheet:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 450,607	\$ 451,307
Pooled cash and cash equivalents	1,407,874	1,681,997	31,236	256,372	3,421,657	6,799,136
Cash and cash equivalents at end of year	\$ 1,408,574	\$ 1,681,997	\$ 31,236	\$ 256,372	\$ 3,872,264	\$ 7,250,443

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2014

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (2,160,638)	\$ (176,242)	\$ (272,810)	\$ (1,547,529)	\$ 268,744	\$ (3,888,475)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	257,656	859,507	-	31,086	6,124	1,154,373
Allowance for doubtful account	440,768	-	-	-	-	440,768
Changes in assets and liabilities:						
(Increase) decrease in receivables	(122,759)	(41,947)	(13,776)	(130,752)	196,539	(112,695)
Increase (decrease) in accounts payable	38,881	(436,035)	14,237	24,861	1,115,989	757,933
Increase (decrease) in accrued payroll	57,492	1,132	10,806	2,395	12,457	84,282
Increase (decrease) in unearned revenue	(30,000)	-	-	-	-	(30,000)
Total adjustments	642,038	382,657	11,267	(72,410)	1,331,109	2,294,661
Net cash provided by (used in) operating activities	<u>\$ (1,518,600)</u>	<u>\$ 206,415</u>	<u>\$ (261,543)</u>	<u>\$ (1,619,939)</u>	<u>\$ 1,599,853</u>	<u>\$ (1,593,814)</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

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, 2014

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 2,605,031	\$ 346,804	\$ 6,236,374	\$ 26,293,131	\$ 813,765	\$ 36,295,105
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	229,771	467	268	113,480	148	344,134
Due from other funds	-	-	267,524	576,940	-	844,464
Inventories	354,807	-	-	-	-	354,807
Total current assets	3,189,609	347,271	6,629,166	26,983,551	813,913	37,963,510
Capital assets:						
Construction in progress	-	-	-	-	548,193	548,193
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	30,066,938	1,888,979	262,164	-	391,631	32,609,712
Less accumulated depreciation	(18,361,758)	(905,862)	(170,714)	-	(310,058)	(19,748,392)
Total capital assets (net of accumulated depreciation)	13,255,683	1,128,297	91,450	-	629,766	15,105,196
Total assets	16,445,292	1,475,568	6,720,616	26,983,551	1,443,679	53,068,706
LIABILITIES						
Current liabilities:						
Accounts payable	1,036,521	37,351	3,568,672	57,695	377,585	5,077,824
Accrued payroll and fringe benefits	94,208	33,889	19,723	818	14,469	163,107
Compensated absences-current	13,556	-	-	-	-	13,556
Intergovernmental payable	1,380	531	331,638	65	2,111	335,725
Lease payable - current	-	239,582	-	-	-	239,582
Total current liabilities	1,145,665	311,353	3,920,033	58,578	394,165	5,829,794
Noncurrent liabilities:						
OPEB liability	-	-	-	25,203,859	-	25,203,859
Compensated absences	251,781	60,579	55,487	-	7,645	375,492
Lease payable	-	783,008	-	-	-	783,008
Total noncurrent liabilities	251,781	843,587	55,487	25,203,859	7,645	26,362,359
Total liabilities	1,397,446	1,154,940	3,975,520	25,262,437	401,810	32,192,153
NET POSITION						
Net investment in capital assets	13,255,683	105,707	91,450	-	629,766	14,082,606
Unrestricted	1,792,163	214,921	2,653,646	1,721,114	412,103	6,793,947
Total net position	\$ 15,047,846	\$ 320,628	\$ 2,745,096	\$ 1,721,114	\$ 1,041,869	\$ 20,876,553

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, 2014

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 12,818,749	\$ 1,877,620	\$ 6,029,280	\$ 26,882,162	\$ 2,015,158	\$ 49,622,969
Total operating revenues	12,818,749	1,877,620	6,029,280	26,882,162	2,015,158	49,622,969
Operating expenses:						
Personnel services	2,194,509	748,431	435,240	818	329,339	3,708,337
Contractual services	14,097	10,190	4,473,313	20,000	1,368	4,518,968
Materials and supplies	9,198,305	612,518	146,257	29,497	6,304	9,992,881
Utilities	107,302	21,567	-	-	1,475,149	1,604,018
Repairs and maintenance	8,589	192,821	37,861	-	5,108	244,379
Rental expenses	-	9,935	-	-	-	9,935
Vehicle fleet charges	93,440	10,674	7,839	-	4,002	115,955
Employee benefits	-	-	-	26,092,683	-	26,092,683
Other expenses	1,009,395	43,510	33,256	-	12,295	1,098,456
Depreciation	3,214,404	288,990	25,619	-	22,981	3,551,994
Total operating expenses	15,840,041	1,938,636	5,159,385	26,142,998	1,856,546	50,937,606
Operating income (loss)	(3,021,292)	(61,016)	869,895	739,164	158,612	(1,314,637)
Nonoperating revenues (expenses):						
Interest income	-	-	9,793	40,958	-	50,751
Interest expense	-	(24,528)	-	-	-	(24,528)
Gain (loss) on disposal of capital assets	409,459	(19,777)	5,667	-	-	395,349
Total nonoperating revenues (expenses)	409,459	(44,305)	15,460	40,958	-	421,572
Income (loss) before transfers	(2,611,833)	(105,321)	885,355	780,122	158,612	(893,065)
Transfers out	(409,459)	-	-	-	-	(409,459)
Transfers in	4,724,977	174,628	-	-	400,000	5,299,605
Change in net position	1,703,685	69,307	885,355	780,122	558,612	3,997,081
Total net position - beginning	13,344,161	251,321	1,859,741	940,992	483,257	16,879,472
Total net position - ending	\$ 15,047,846	\$ 320,628	\$ 2,745,096	\$ 1,721,114	\$ 1,041,869	\$ 20,876,553

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2014

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 555,824	\$ -	\$ -	\$ -	\$ 2,549	\$ 558,373
Cash receipts from interfund services provided	12,195,500	1,878,409	5,979,380	26,856,754	2,012,815	48,922,858
Cash payments to suppliers for goods and services	(9,789,864)	(886,120)	(4,547,098)	(22,689,586)	(1,221,123)	(39,133,791)
Cash payments to employees for services	(2,195,132)	(748,041)	(431,308)	-	(327,666)	(3,702,147)
Net cash provided by operating activities	<u>766,328</u>	<u>244,248</u>	<u>1,000,974</u>	<u>4,167,168</u>	<u>466,575</u>	<u>6,645,293</u>
Cash flows from noncapital financing activities:						
Transfers in	4,724,977	174,628	-	-	400,000	5,299,605
Transfers (out)	(409,459)	-	-	-	-	(409,459)
Net cash provided by noncapital financing activities	<u>4,315,518</u>	<u>174,628</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>4,890,146</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(288,190)	-	-	-	(288,190)
Interest paid	-	(24,528)	-	-	-	(24,528)
Proceeds from capital lease	-	1,286,123	-	-	-	1,286,123
Proceeds from sale of capital assets	557,752	-	5,667	-	-	563,419
Acquisition and construction of capital assets (including capitalized interest)	(4,655,756)	(1,312,209)	(114,447)	-	(561,305)	(6,643,717)
Net cash used in capital and related financing activities	<u>(4,098,004)</u>	<u>(338,804)</u>	<u>(108,780)</u>	<u>-</u>	<u>(561,305)</u>	<u>(5,106,893)</u>
Cash flows from investing activities:						
Interest received	-	-	9,793	40,958	-	50,751
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>9,793</u>	<u>40,958</u>	<u>-</u>	<u>50,751</u>
Net increase in cash and cash equivalents	983,842	80,072	901,987	4,208,126	305,270	6,479,297
Cash and cash equivalents at beginning of year	1,621,189	266,732	5,459,387	22,085,005	508,495	29,940,808
Cash and cash equivalents at end of year	<u>\$ 2,605,031</u>	<u>\$ 346,804</u>	<u>\$ 6,361,374</u>	<u>\$ 26,293,131</u>	<u>\$ 813,765</u>	<u>\$ 36,420,105</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 2,605,031	\$ 346,804	\$ 6,236,374	\$ 26,293,131	\$ 813,765	\$ 36,295,105
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 2,605,031</u>	<u>\$ 346,804</u>	<u>\$ 6,361,374</u>	<u>\$ 26,293,131</u>	<u>\$ 813,765</u>	<u>\$ 36,420,105</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, 2014

	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)	\$ (3,021,292)	\$ (61,016)	\$ 869,895	\$ 739,164	\$ 158,612	\$ (1,314,637)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,214,404	288,990	25,619	-	22,981	3,551,994
Changes in assets and liabilities:						
(Increase) decrease in receivables	(67,425)	789	(49,900)	(25,408)	206	(141,738)
(Increase) decrease in inventory	(2,070)	-	-	-	-	(2,070)
Increase (decrease) in accounts payable	643,334	15,095	151,428	3,452,529	283,103	4,545,489
Increase (decrease) in accrued payroll	(623)	390	3,932	883	1,673	6,255
Total adjustments	3,787,620	305,264	131,079	3,428,004	307,963	7,959,930
Net cash provided by operating activities	<u>\$ 766,328</u>	<u>\$ 244,248</u>	<u>\$ 1,000,974</u>	<u>\$ 4,167,168</u>	<u>\$ 466,575</u>	<u>\$ 6,645,293</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - FIDUCIARY FUNDS

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, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>ASSETS</u>				
Non-pooled cash and cash equivalents:				
Held by Revenue Collections Third parties	\$ 231,257	\$ 37,946	\$ 58,829	\$ 210,374
Held by Clerk of Court Third parties	9,176,543	14,087,970	17,657,649	5,606,864
Held by Delinquent Tax Third parties	1,019,421	16,299	387,050	648,670
Held by Family Court Third parties	408,318	31,587,302	31,546,272	449,348
Held by Magistrates Third parties	109,148	99,191	109,148	99,191
Held by Master-In-Equity Third parties	2,680,361	41,519,330	41,101,160	3,098,531
Held by Probate Third parties	5,753	14,864	14,683	5,934
Held by Public Defender Third parties	16,906	129,977	134,971	11,912
Held by Sheriff Third parties	414,274	4,739,994	4,808,846	345,422
Held by Solicitor Third parties	541,448	1,073,848	1,071,774	543,522
Total non-pooled cash and cash equivalents	14,603,429	93,306,721	96,890,382	11,019,768

CONTINUED

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, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>ASSETS</u>				
Pooled investments:				
Held by Treasurer				
C & B Fire Department	\$ -	\$ 9,739	\$ 9,739	\$ -
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	140,733	17,786,985	17,802,894	124,824
Charleston County School District	46,305,341	531,329,083	545,512,737	32,121,687
City of Charleston	361,126	66,646,500	66,643,879	363,747
City of Folly Beach	16,579	1,950,431	1,958,457	8,553
City of Folly Beach/James Island	2	79,510	78,914	598
City of Isle of Palms	21,603	4,290,646	4,298,445	13,804
City of North Charleston	(413,688)	52,449,304	52,965,634	(930,018)
Cooper River PPC	1,723	191,528	191,919	1,332
East Cooper Fire District	68	-	-	68
James Island PSD	80,912	6,423,199	6,298,803	205,308
James Island Fireman's Fund	-	67,358	67,358	-
North Charleston District	10,559	1,047,849	1,050,219	8,189
S. C. Fireman's Association	-	2,268,936	2,268,936	-
St. Andrew's PPPC	19,066	1,529,431	1,518,019	30,478
St. Andrew's Public Service District	137,351	5,430,409	5,363,143	204,617
St. John's Fire District	304,383	11,364,444	11,402,010	266,817
St. John's Fireman's Fund	-	341,617	341,617	-
St. Paul's Fire District	116,061	5,657,701	5,433,978	339,784
St. Paul's Fireman's Fund	-	66,591	66,591	-
State Agencies	234,963	4,212,857	4,191,514	256,306
Third parties	16,443,193	937,031,122	935,342,297	18,132,018
Town of Awendaw Fireman's Assoc	-	48,064	48,064	-
Town of Awendaw	3,741	150,652	152,400	1,993
Town of Lincolnville	(3,881)	115,159	108,676	2,602
Town of McClellanville	2,311	65,203	66,959	555
Town of Mount Pleasant	68,526	28,935,153	28,962,225	41,454
Town of Sullivan's Island	9,370	1,755,139	1,753,440	11,069
Town of Summerville	230,788	322,551	231,914	321,425
Town of James Island Trustee	149,170	-	149,170	-
Ten Mile Whitehall Escrow	336,724	309	310,089	26,944
Total held by Treasurer	64,575,686	1,681,567,470	1,694,590,040	51,553,116
Held by Drug & Vice Seizure Trust				
Third parties	459,623	264,065	270,018	453,670
Total pooled investments	65,035,309	1,681,831,535	1,694,860,058	52,006,786
Total assets	\$ 79,638,738	\$ 1,775,138,256	\$ 1,791,750,440	\$ 63,026,554

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, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ 140,733	\$ 17,786,985	\$ 17,802,894	\$ 124,824
Cooper River PPC	1,723	191,528	191,919	1,332
James Island PSD	80,912	6,423,199	6,298,803	205,308
North Charleston District	10,559	1,047,849	1,050,219	8,189
St. Andrew's PPPC	19,066	1,529,431	1,518,019	30,478
St. John's Fire District	304,383	11,364,444	11,402,010	266,817
St. Paul's Fire District	116,061	5,657,701	5,433,978	339,784
Total due to component units	673,437	44,001,137	43,697,842	976,732
Intergovernmental payable:				
C & B Fire Department	-	9,739	9,739	-
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	46,305,341	531,329,083	545,512,737	32,121,687
City of Charleston	361,126	66,646,500	66,643,879	363,747
City of Folly Beach	16,579	1,950,431	1,958,457	8,553
City of Folly Beach/James Island	2	79,510	78,914	598
City of Isle of Palms	21,603	4,290,646	4,298,445	13,804
City of North Charleston	(413,688)	52,449,304	52,965,634	(930,018)
East Cooper Fire District	68	-	-	68
James Island Fireman's Fund	-	67,358	67,358	-
S. C. Fireman's Association	-	2,268,936	2,268,936	-
St. John's Fireman's Fund	-	341,617	341,617	-
St. Andrew's Public Service District	137,351	5,430,409	5,363,143	204,617
St. Paul's Fireman's Fund	-	66,591	66,591	-
State Agencies	234,963	4,212,857	4,191,514	256,306
Town of Awendaw Fireman's Assoc	-	48,064	48,064	-
Town of Awendaw	3,741	150,652	152,400	1,993
Town of Lincolnville	(3,881)	115,159	108,676	2,602
Town of McClellanville	2,311	65,203	66,959	555
Town of Mount Pleasant	68,526	28,935,153	28,962,225	41,454
Town of Sullivan's Island	9,370	1,755,139	1,753,440	11,069
Town of Summerville	230,788	322,551	231,914	321,425
Ten Mile Whitehall Escrow	336,724	309	310,089	26,944
Total intergovernmental payable	47,309,886	700,535,211	715,400,731	32,444,366
Due to other funds	149,170	-	149,170	-
Due to third parties	31,506,245	1,030,601,908	1,032,502,697	29,605,456
Total liabilities	\$ 79,638,738	\$ 1,775,138,256	\$ 1,791,750,440	\$ 63,026,554

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, 2014

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 2,523,569	\$ 73,379,101	\$ 1,055,674	\$ 33,771,417	\$ -	\$ 4,648,085	\$ 115,377,847
Public safety	6,002,667	155,021,400	1,260,586	41,528,307	-	1,280,294	205,093,253
Judicial	-	60,706,495	264,723	1,192,153	-	-	62,163,371
Public works	188,336	397,168	31,160	1,212,638	46,239,726	-	48,069,028
Health and welfare	177,160	3,282,223	1,043,770	859,697	-	-	5,362,850
Culture and recreation	12,318,972	28,121,507	-	105,000	-	-	40,545,479
Economic Development	-	-	-	79,750	-	-	79,750
Total	\$ 21,210,704	\$ 320,907,894	\$ 3,655,913	\$ 78,748,962	\$ 46,239,726	\$ 5,928,379	\$ 476,691,578

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, 2014

<u>Function</u>	<u>Balance July 1, 2013</u>	<u>Additions *</u>	<u>Deletions *</u>	<u>Balance June 30, 2014</u>
General government	\$ 113,918,106	\$ 6,087,474	\$ (4,627,733)	\$ 115,377,847
Public safety	199,641,715	7,172,558	(1,721,020)	205,093,253
Judicial	61,657,295	506,076	-	62,163,371
Public works	48,237,453	379,067	(547,492)	48,069,028
Health and welfare	5,315,983	46,867	-	5,362,850
Culture and recreation	40,545,479	-	-	40,545,479
Economic Development	79,750	-	-	79,750
Total	\$ 469,395,781	\$ 14,192,042	\$ (6,896,245)	\$ 476,691,578

* 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.

	Page Number
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	178 - 184
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	185 - 189
Debt Capacity 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.	190 - 194
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	195 -196
Operating Information 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.	197 - 204
Financial Assurance Coverage	206

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>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>	<u>2014</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 98,106,506
Restricted	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)	48,382,297
Unrestricted	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)	(241,231,165)
Total Governmental Activities Net Position	<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>	<u>\$ (94,742,362)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 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	\$ 47,560,913
Restricted	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	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	81,762,726
Total Business-type Activities Net Position	<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>	<u>\$ 129,323,639</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 145,667,419
Restricted	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)	48,382,297
Unrestricted	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	(159,468,439)
Total Primary Government Net Position	<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>	<u>\$ 34,581,277</u>

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

UNAUDITED

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 73,881,418
Public Safety	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	98,306,015
Judicial	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	27,772,787
Public Works	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	59,859,073
Health and Welfare	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	6,509,931
Economic Development	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	1,832,505
Culture and Recreation	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	36,353,141
Education	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	17,089,466
Interest and Fiscal Charges	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	24,296,503
Total Governmental Activities Expenses	189,625,877	213,275,582	239,742,540	291,935,239	293,127,407	301,924,230	319,496,257	340,948,578	332,936,424	345,900,839
Business-Type Activities:										
DOADAS	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	7,648,298
E 911 Communications	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	1,894,982
Environmental Management	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	25,029,815
Parking Garages	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	2,056,808
Public Safety Systems	-	-	-	-	-	-	-	-	-	422,102
Radio Communications	-	-	1,800,430	1,973,647	2,153,163	2,226,905	2,226,407	2,469,246	3,058,029	3,292,487
Revenue Collections	-	-	-	1,724,477	1,641,615	1,721,430	1,483,346	1,320,851	1,364,203	1,357,247
Total Business-Type Activities Expenses	40,918,370	43,698,928	43,752,248	55,136,018	59,226,213	49,263,345	34,965,228	36,420,042	40,808,480	41,701,739
Total Primary Government Expenses	\$ 230,544,247	\$ 256,974,510	\$ 283,494,788	\$ 347,071,257	\$ 352,353,620	\$ 351,187,575	\$ 354,461,485	\$ 377,368,620	\$ 373,744,904	\$ 387,602,578
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 14,623,436
Public Safety	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	18,145,233
Judicial	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	8,735,792
Public Works	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	2,598,661
Health and Welfare	788,557	1,150,312	4,930,221	612,029	476,756	412,732	233,266	250,352	309,820	189,629
Culture and Recreation	73,303	201,705	179,007	4,003,383	1,767,195	912,786	882,902	511,170	4,721,867	149,356
Education	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	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	22,230,605
Capital Grants and Contributions	3,131,573	-	-	-	-	-	396,000	2,620,425	-	-
Total Governmental Activities Program Revenues	54,950,540	55,961,927	57,615,875	66,122,524	56,288,471	62,565,357	60,364,264	68,252,493	71,691,075	66,672,712

(CONTINUED)

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

UNAUDITED

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-Type Activities:										
Charges for Services:										
DAODAS	\$ 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	\$ 6,780,014
E 911 Communications	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	1,842,270
Environmental Management	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	29,038,354
Parking Garages	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	3,467,727
Public Safety Systems	-	-	-	-	-	-	-	-	-	150,000
Radio Communications	-	-	107,515	525,126	1,099,255	846,525	1,137,250	1,272,530	1,543,965	1,946,124
Revenue Collections	-	-	-	1,071,795	464,550	528,649	497,742	629,551	490,052	765,637
Operating Grants and Contributions	1,138,657	2,933,166	979,399	3,081,039	2,661,638	284,416	768,317	779,097	765,244	977,744
Capital Grants and Contributions	-	904,389	1,240	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<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>	<u>44,967,870</u>
Total Primary Government Program Revenues	<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>	<u>\$ 111,640,582</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (279,228,127)
Business-type Activities	3,294,941	3,383,868	5,095,111	1,654,307	(7,201,894)	(6,061,466)	4,124,266	6,051,181	2,495,750	3,266,131
Total Primary Government Net (Expense)/Revenue	<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>\$ (245,420,339)</u>	<u>\$ (255,007,727)</u>	<u>\$ (266,644,904)</u>	<u>\$ (258,749,599)</u>	<u>\$ (275,961,996)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 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	\$ 116,097,868
Local Option Sales Tax	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	51,409,611
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	46,683,572
Accommodations Tax	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	13,425,525
Franchise Tax	793,129	774,254	538,048	955,712	793,067	825,465	578,864	754,091	791,536	771,276
Merchants Inventory Tax and Manufacture's Depreciation	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	1,435,762
Motor Carrier Tax	108,871	116,292	129,110	140,426	138,236	120,432	111,247	92,429	105,961	115,352
Homestead Exemption	-	-	-	-	-	-	-	-	-	2,264,775
Unrestricted State Aid to Political Subdivisions	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	12,936,633
Unrestricted Investment Earnings	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	1,293,748
Gain on Sale of Capital Assets	-	514,247	-	-	-	-	-	239,152	-	-
Transfers	(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)	(2,507,996)
Total Governmental Activities	<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>	<u>243,926,126</u>

(CONTINUED)

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

UNAUDITED	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Property Taxes	\$ 64	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic Beverage Tax	542,927	523,037	505,366	542,927	542,927	542,927	537,486	594,682	469,405	532,043
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	832,632	1,782,440	3,368,608	2,446,082	747,835	102,188	85,303	31,880	34,210	22,615
Gain on Sale of Capital Assets	-	3,811	94,940	65,886	45,467	45,525	18,643	189,208	19,902	5,226
Transfers	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	2,507,996
Total Business-type Activities	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	3,078,712
Total Primary Government	<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>	<u>\$ 247,004,838</u>
Special Items	\$ 3,471,464	\$ 1,383,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position:										
Governmental Activities	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)	(35,302,001)
Business-type Activities	7,970,931	9,305,940	14,126,880	8,601,068	(1,517,282)	(866,746)	7,098,633	9,932,069	3,226,428	6,344,843
Total Primary Government	<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>\$ (36,788,629)</u>	<u>\$ (43,694,443)</u>	<u>\$ (46,376,460)</u>	<u>\$ (34,663,414)</u>	<u>\$ (28,957,158)</u>

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

UNAUDITED

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 2,470,102	\$ 5,202,242	\$ 3,367,810	\$ 1,461,994	\$ 2,035,197	\$ 2,727,154	-	-	-	-
Unreserved	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	1,282,008
Assigned	-	-	-	-	-	-	10,093,341	12,579,028	11,469,914	8,438,022
Unassigned	-	-	-	-	-	-	41,175,155	42,944,449	40,799,184	44,085,313
Total General Fund	<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>	<u>\$ 53,805,343</u>
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ 299,021	\$ 11,603	\$ 11,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	5,628,457	13,318,333	9,008,571	11,406,709	48,296,368	60,767,518	-	-	-	-
Debt Service	26,279,539	18,953,106	18,252,403	19,702,506	17,263,879	20,672,652	-	-	-	-
Capital Projects Funds	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	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	19,938,633
Restricted - Transportation Sales Tax	-	-	-	-	-	-	90,159,784	213,333,488	168,524,165	127,241,222
Restricted - Special Revenue Funds	-	-	-	-	-	-	24,096,463	22,863,714	19,671,944	112,166,895
Committed - Capital Project Funds	-	-	-	-	-	-	37,748,923	41,930,934	31,871,717	13,469,956
Total All Other Governmental Funds	<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>	<u>\$ 272,816,706</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>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>	<u>2014</u>
Revenues										
Taxes by Source:										
Property Tax	\$ 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	\$ 116,120,500
Local Option Sales Tax	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	51,409,611
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	46,683,572
Intergovernmental	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	47,309,522
Permits and Licenses	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	4,170,418
Fines and Forfeitures	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	2,699,833
Interest	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	2,351,691
Service Charges	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	38,798,498
Rental and Use of Property	764,147	824,999	749,145	723,986	632,741	663,862	618,864	610,801	587,533	591,338
Other Revenues	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	7,215,910
Total Revenues	214,130,346	251,127,141	258,416,145	274,335,719	264,178,931	274,886,309	276,996,888	292,524,874	295,471,507	317,350,893
Expenditures										
Current:										
General Government	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	68,510,760
Public Safety	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	88,079,029
Judicial	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	26,391,640
Public Works	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	58,883,361
Health and Welfare	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	6,360,512
Economic Development	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	1,866,650
Culture and Recreation	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	38,421,593
Education	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	5,940,318
Capital Outlay	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	22,237,663
Debt Service:										
Principal	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	24,750,150
Interest and Fiscal Charges	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	24,180,295
Bond Issuance Costs	314,963	288,427	-	97,756	102,252	413,848	-	1,474,750	837,882	926,665
Total Expenditures	190,466,168	227,408,085	245,396,584	307,823,558	347,364,348	352,923,610	339,637,647	374,136,290	355,270,590	366,548,636
Excess (Deficiency) of Revenues Over (Under) Expenditures	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)	(49,197,743)

(CONTINUED)

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

UNAUDITED

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Capital Lease Proceeds	\$ 844,468	\$ 841,831	\$ 1,429,804	\$ 100,539	\$ 775,100	\$ 702,710	\$ 632,831	\$ 299,650	\$ 712,056	\$ 794,923
Special source revenue bonds issued	-	-	-	-	-	-	-	-	-	86,405,000
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	-	-	-	-	-	20,775,000	-	32,095,000	129,770,000	29,190,000
Refunding Certificates of Participation Issued	16,139,845	-	-	-	-	-	-	-	-	-
Premium on Bonds Sold	707,763	1,978,623	-	10,789,016	-	6,493,791	-	27,995,947	23,983,718	9,356,441
Payment to Refunded Debt Escrow Agent	(16,749,287)	-	-	-	-	(21,447,212)	-	(36,334,680)	(152,862,692)	(33,404,536)
Transfers In	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	54,072,724
Transfers Out	(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)	(61,470,866)
Proceeds from Sale of Capital Assets	1,572,599	1,390,616	194,554	46,780	220,347	467,250	70,524	247,378	478,115	99,828
Total Other Financing Sources (Uses)	<u>(3,616,750)</u>	<u>62,732,332</u>	<u>(6,268,139)</u>	<u>228,972,407</u>	<u>(4,438,265)</u>	<u>51,233,744</u>	<u>(6,243,608)</u>	<u>211,272,066</u>	<u>(3,133,927)</u>	<u>85,043,514</u>
Special Item	-	1,383,940	-	-	-	-	-	-	-	-
Net Change in Fund Balances	<u>\$ 20,047,428</u>	<u>\$ 87,835,328</u>	<u>\$ 6,751,422</u>	<u>\$ 195,484,568</u>	<u>\$ (87,623,682)</u>	<u>\$ (26,803,557)</u>	<u>\$ (68,884,367)</u>	<u>\$ 129,660,650</u>	<u>\$ (60,782,710)</u>	<u>\$ 35,845,771</u>
Capital Asset Expenditures	<u>\$ 10,692,730</u>	<u>\$ 16,576,342</u>	<u>\$ 15,664,602</u>	<u>\$ 21,139,930</u>	<u>\$ 52,710,904</u>	<u>\$ 42,611,071</u>	<u>\$ 14,204,807</u>	<u>\$ 28,282,000</u>	<u>\$ 17,270,045</u>	<u>\$ 14,192,014</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>10.7%</u>	<u>11.2%</u>	<u>10.0%</u>	<u>11.2%</u>	<u>12.9%</u>	<u>13.2%</u>	<u>12.5%</u>	<u>13.0%</u>	<u>15.7%</u>	<u>14.1%</u>

**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
2005	2,041,172,452	213,698,050	164,182,170	2,419,052,672	191.9	46,536,987,902	5.20%
2006	2,197,536,874	194,576,361	153,380,326	2,545,493,561	161.3	47,282,058,031	5.38%
2007	2,308,701,112	210,195,223	159,335,124	2,678,231,459	160.8	49,446,157,317	5.42%
2008	2,525,310,042	215,663,434	175,326,815	2,916,300,291	168.0	52,960,945,426	5.51%
2009	2,567,170,930	225,355,873	167,364,803	2,959,891,606	177.0	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	181.0	58,181,179,259	5.36%
2012	2,748,065,264	241,398,440	141,452,040	3,130,915,744	179.5	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%
2014	2,817,056,508	227,202,178	190,025,685	3,234,284,371	181.1	60,729,353,205	5.33%

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

	<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>	<u>2014</u>
County Direct Rates:										
Charleston County Government Operating	51.3	40.2	40.2	40.2	40.2	40.2	40.2	39.1	39.9	40.7
Charleston County Government Debt Service	9.9	6.6	6.6	6.6	6.6	6.6	6.6	6.1	6.1	6.1
Park and Recreation Commission Operating	3.5	3.5	3.5	3.5	3.6	3.7	3.7	3.6	4.0	4.1
Park and Recreation Commission Debt Service	3.7	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.4	1.3
Trident Technical College	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.4	1.9	1.9
Trident Technical College Bonds	-	-	-	-	-	-	-	-	0.5	0.5
County School Board Operating	109.0	91.1	92.8	95.4	98.7	98.7	98.7	98.6	100.5	100.5
County School Board Debt Service	12.4	15.8	13.6	18.2	23.9	27.9	27.9	27.9	26.0	26.0
Total Direct Rate	191.9	161.3	160.8	168.0	177.0	181.0	181.0	179.5	180.3	181.1
Fire District Rates:	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	11.2- 55.3
City/Town Rates:	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	10.2-96.3
Public Service District Rates:	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	54.1-102.3

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014**

<u>Name of Jurisdiction</u>	<u>Net Governmental Activities Debt Outstanding</u>	<u>Percentage of Debt Applicable to this Jurisdiction</u>	<u>Jurisdiction's Share of Debt</u>
County of Charleston	<u>\$ 665,147,683</u>	100%	<u>\$ 665,147,683</u>
Overlapping:			
Park & Recreation Commission	36,356,242	100%	36,356,242
Public School Districts	<u>200,510,000</u>	<u>100%</u>	<u>200,510,000</u>
Subtotal	<u>236,866,242</u>	<u>100%</u>	<u>236,866,242</u>
Total	<u>\$ 902,013,925</u>	<u>100%</u>	<u>\$ 902,013,925</u>

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	2014			2005		
		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	\$ 57,316,300	1	1.97%	\$ 36,377,480	1	3.61%
Boeing	Manufacturing	42,825,271	2	1.47%	-	-	-
Kapstone Kraft	Manufacturing/Chemical	14,097,805	3	0.48%	16,995,713	3	1.69%
Kiawah Real Estate Co.	Real Estate	7,876,700	4	0.27%	7,965,460	4	0.79%
Charleston/North Charleston MSA	Retail	5,867,080	5	0.20%	4,929,300	8	-
Northwood Mall CMBS	Retail	5,428,950	6	0.19%	-	-	-
Charleston Place LLC	Hotel	5,008,500	7	0.17%	5,380,080	5	0.53%
Tanger Properties Limited	Retail	4,632,460	8	0.16%	-	-	-
Cummings, Inc.	Manufacturing	4,078,647	9	0.14%	-	-	-
East Cooper Community Hospital	Hospital	5,629,353	10	0.19%	-	-	-
Bell South	Public Utility	-	-	-	17,574,180	2	1.74%
G and I III	Developer/PropertyManager	-	-	-	5,263,640	6	0.52%
Kiawah Resort Associates, LP	Real Estate	-	-	-	5,151,690	7	0.51%
Berkeley Electric Co-Op	Public Utility	-	-	-	4,660,160	9	0.46%
Cellco	Telecommunications	-	-	-	4,416,040	10	0.44%
Totals		<u>\$ 152,761,066</u>		<u>5.24%</u>	<u>\$ 99,637,543</u>		<u>10.30%</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
2005	71,982,912	71,982,912	69,530,828	96.6%	2,364,580	71,895,408	99.9%
2006	75,825,360	75,825,360	73,525,524	97.0%	2,223,803	75,749,327	99.9%
2007	76,026,583	76,026,583	73,199,901	96.3%	2,722,550	75,922,451	99.9%
2008	78,854,461	78,854,461	75,500,629	95.7%	3,221,271	78,721,900	99.8%
2009	82,649,921	82,649,921	77,757,867	94.1%	4,738,783	82,496,650	99.8%
2010	92,300,468	92,300,468	86,401,791	93.6%	5,951,061	92,352,852	100.1%
2011	93,003,512	93,003,512	87,880,320	94.5%	4,615,091	92,495,411	99.5%
2012	92,854,478	92,854,478	86,833,723	93.5%	5,595,764	92,429,487	99.5%
2013	91,424,352	91,424,352	86,267,951	94.4%	4,444,445	90,712,396	99.2%
2014	95,016,978	95,016,978	89,976,201	94.7%	2,055,333	92,031,534	96.9%

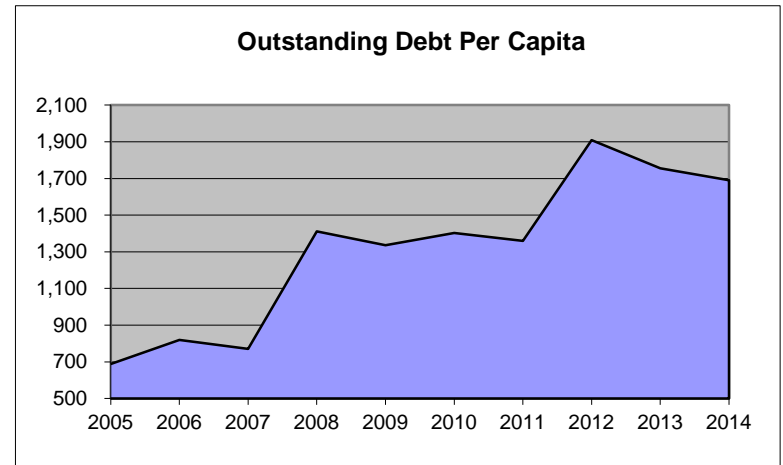
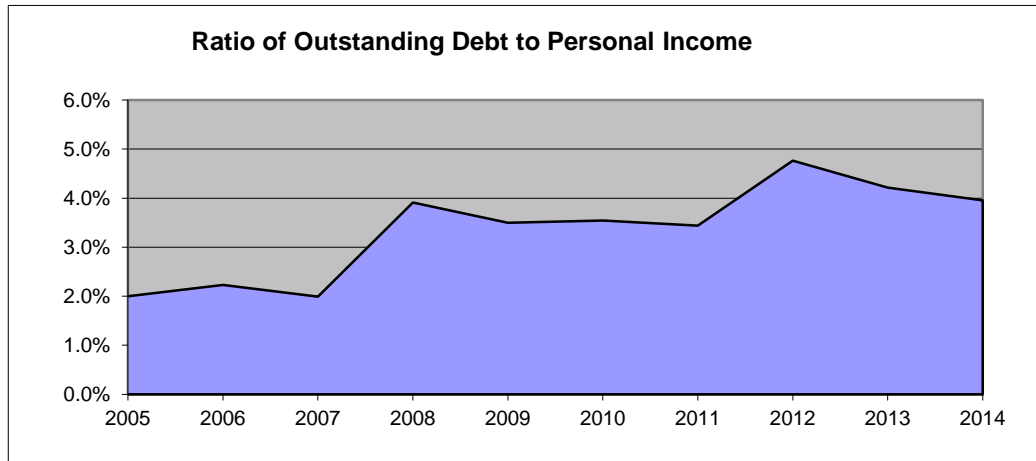
Source: This information was provided by the Charleston County Treasurer's Office.

**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	Intergovernmental Note Payable	Capital Leases	Certificates of Participation	Revenue Bonds			
2005	97,535,000	66,992,312	37,821,280	3,636,998	12,542,688	13,280,000	231,808,278	2.0%	688
2006	153,448,297	62,427,073	36,988,439	3,474,081	11,065,789	11,723,994	279,127,673	2.2%	819
2007	146,394,774	57,631,034	36,107,877	3,873,002	10,231,634	10,491,229	264,729,550	2.0%	771
2008	373,504,430	52,628,009	35,176,858	2,947,139	9,356,755	9,194,837	482,808,028	3.9%	1,411
2009	363,444,567	47,313,497	34,192,492	3,788,455	8,418,114	7,824,327	464,981,452	3.5%	1,336
2010	406,590,609	41,756,721	33,151,722	3,070,072	7,421,883	6,374,140	498,365,147	3.5%	1,403
2011	394,957,209	35,245,570	32,051,316	2,810,433	6,252,256	4,843,673	476,160,457	3.4%	1,360
2012	597,380,150	31,582,499	30,887,856	2,038,252	5,609,545	3,232,288	670,730,590	4.8%	1,909
2013	575,303,035	27,990,569	29,657,730	1,577,179	4,967,151	1,534,306	641,029,970	4.2%	1,755
2014	599,365,712	-	28,357,118	2,480,565	-	-	630,203,395	4.0%	1,690

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**

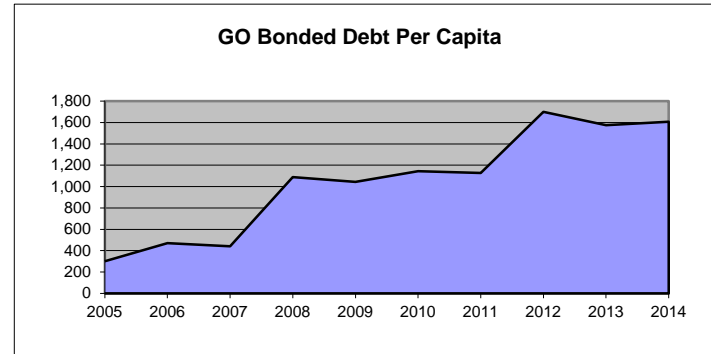
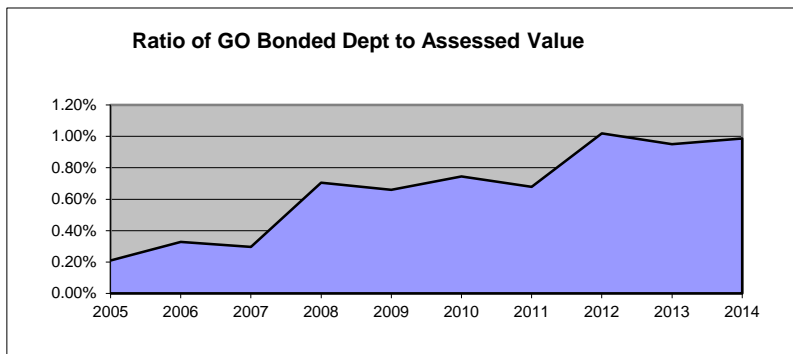
UNAUDITED

<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>
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
2014	372,803	60,729,353,205	599,365,712	0.99%	1,608

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**

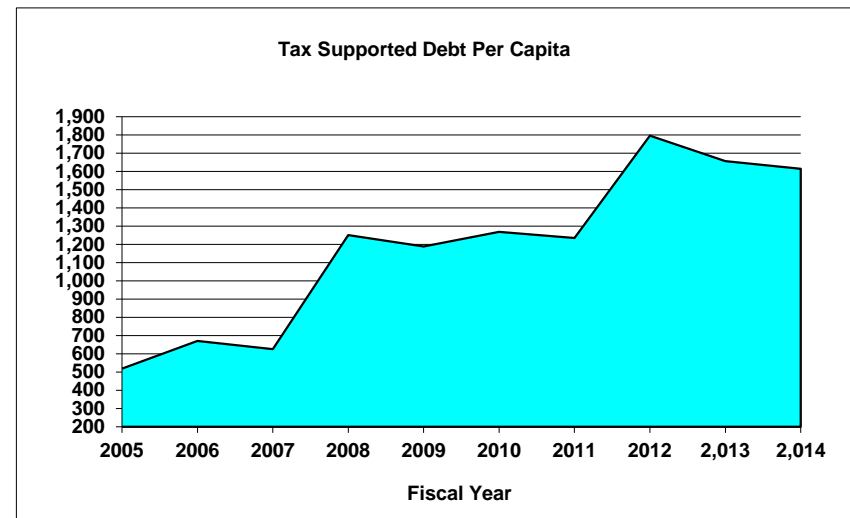
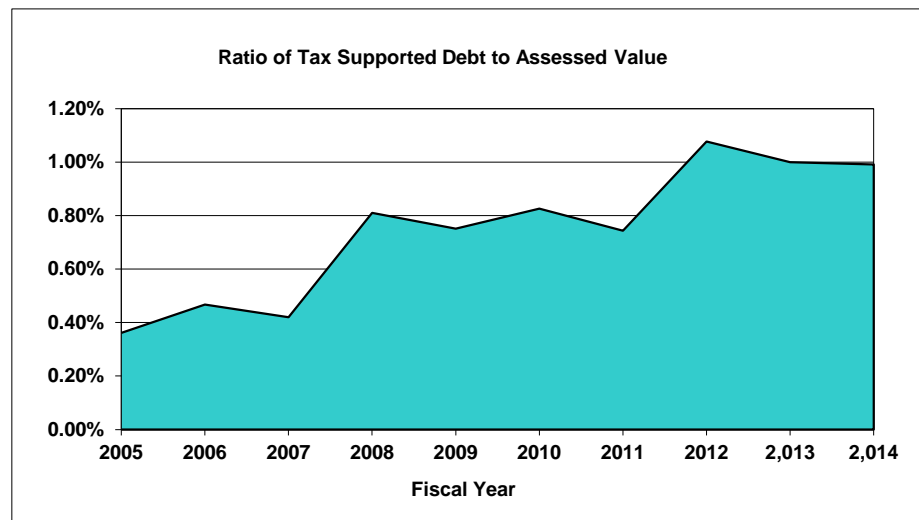
UNAUDITED

Fiscal Year	Estimated Population	Assessed Value	General Obligation Bonds	Certificates of Participation	Capital Leases	Net Tax Supported Debt	Ratio of Tax Supported Debt to Assessed Value	Net Tax Supported Debt Per Capita
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
2014	372,803	60,729,353,205	599,365,712	-	2,480,565	601,846,277	0.99%	1,614

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.

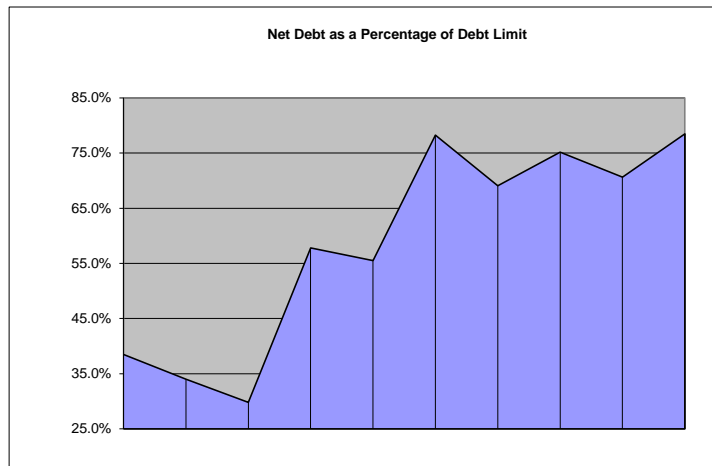
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	<u>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>	<u>2014</u>
Debt Limit	\$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	\$ 267,120,722
Total Net Debt Applicable to Debt Limit	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	209,625,000
Legal Debt Margin	<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>	<u>\$ 57,495,722</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<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>	<u>78.5%</u>



Legal Debt Margin Calculation for Fiscal Year 2014

Total Assessed Value	\$ 3,339,009,014
Debt Limit (8% of Total Assessed Value)	267,120,722
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	547,905,000
Less: Debt Issued Through Referendum	(338,280,000)
Total Amount of Debt Applicable to Debt Limit	<u>209,625,000</u>
Legal Debt Margin	<u>\$ 57,495,722</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

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2014	29,073,341	24,091,361	4,981,980	1,665,000	83,250	1,748,250	2.85

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.

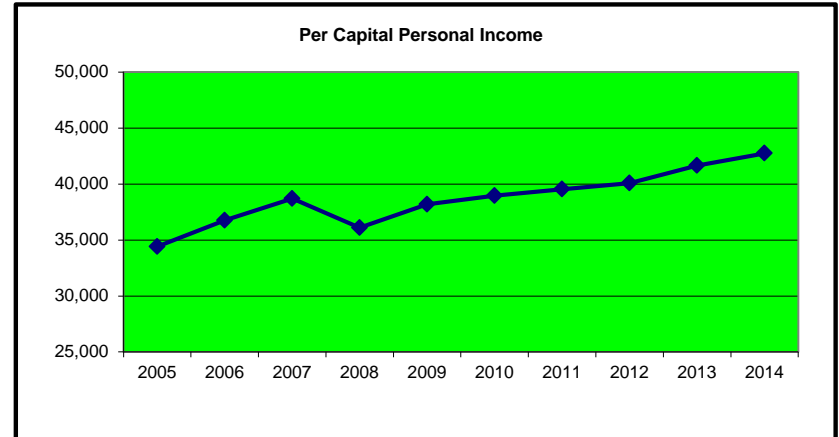
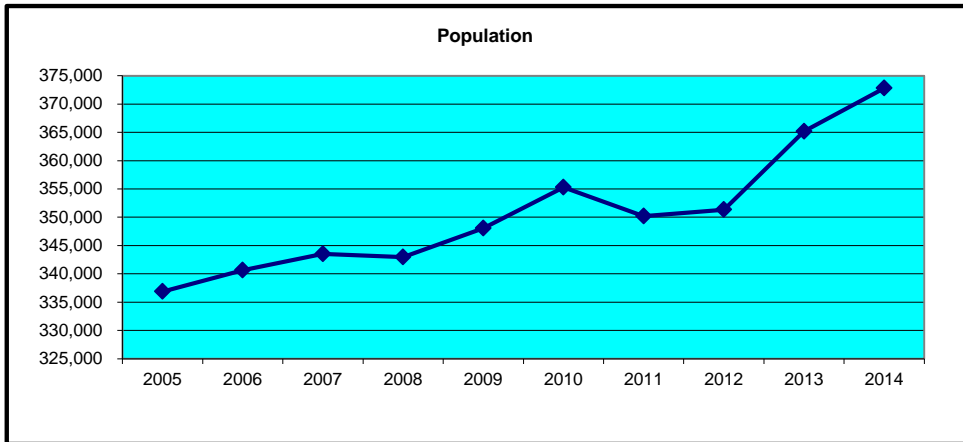
Note: 3 Total operating expenses are exclusive of depreciation and amortization.

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

UNAUDITED

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollment
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
2014	372,803	15,936,532,000	42,748	6.3%	35.7	46,148

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 2014 168,361
County Employment for 2005 157,666

Employer	2014			2005		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Joint Base Charleston	22,000	1	13.07%			
Medical University of South Carolina (MUSC)	13,000	2	7.72%	8,200	2	5.20%
Boeing Charleston	6,500	3	3.86%			
Charleston County School District	5,300	4	3.15%	5,000	4	3.17%
Roper St. Francis Healthcare	5,134	5	3.05%	4,000	5	2.54%
JEM Restaurant Group Inc.	3,000	6	1.78%			
County of Charleston	2,475	7	1.47%	2,243	8	1.42%
Wal-Mart	2,300	8	1.37%			
Trident Medical Center (Trident Health System)	2,000	9	1.19%	1,800	10	1.14%
College of Charleston	2,000	10	1.19%			
Piggly Wiggly Carolina Co. Inc.	1,800		1.07%	2,447	7	1.55%
City of Charleston	1,600		0.95%	1,600	10	
US Navy ¹				12,543	1	
Charleston Air Force Base ¹				5,000	3	
Mead Westvaco				1,755	6	1.11%
Columbia/HCA Carolina's HQ & Med Center				2,062	9	1.31%
Totals	<u>67,109</u>		<u>26.79%</u>	<u>44,588</u>		<u>16.14%</u>

¹ 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administrator	7.00	7.00	7.00	7.00	6.31	5.31	6.80	5.90	5.90	7.80
Assessor	47.00	47.00	47.00	49.00	53.00	51.00	53.00	53.00	53.00	55.00
Auditor	30.00	30.00	29.00	29.00	30.00	29.00	31.00	31.00	31.00	31.00
Budget	6.00	6.00	8.00	8.00	8.00	7.00	8.00	7.00	7.00	8.00
County Council	11.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00	12.00	12.00
Community Services	11.25	11.25	9.75	9.75	8.75	8.15	7.40	6.40	6.40	6.40
Deputy Admin for Finance	5.00	5.00	4.00	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	3.00
Deputy Admin for Human Svcs	-	-	3.00	3.00	3.00	3.00	4.00	3.00	3.00	3.00
Elections/Voter Registration	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	14.00
Facilities Mgmt.	17.00	17.00	16.00	14.00	12.00	11.00	62.00	75.25	75.25	95.00
Finance	14.00	14.00	14.00	14.00	15.00	13.00	13.00	12.00	12.00	11.00
Fleet Management	-	-	-	-	-	-	-	-	-	26.50
Human Resources	14.00	14.00	14.00	14.00	17.00	15.00	16.00	17.00	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	76.60	72.60	68.60	68.60	67.80	61.80	60.00	30.50	30.50	6.50
Legal	5.56	5.56	6.56	6.42	8.42	7.42	6.67	6.41	6.41	7.11
Legislative Delegation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Organization Development	-	-	4.00	4.00	4.35	3.35	-	-	-	-
Procurement Services	15.00	15.00	16.00	16.00	16.00	15.00	14.00	14.00	14.00	15.00
Radio Communications	3.00	3.00	-	-	-	-	-	-	-	-
Register Mesne Conveyance	30.00	30.00	33.00	33.00	32.00	27.00	27.00	27.00	27.00	27.00
Revenue Collections	6.00	6.00	6.00	22.00	22.00	22.00	30.00	25.00	25.00	26.00
Safety & Risk Management	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00
Technology Services	8.00	9.00	17.00	17.00	17.00	16.00	16.00	25.25	25.25	25.00
Treasurer	18.00	18.00	18.00	18.00	18.00	18.00	19.00	20.00	20.00	22.00
Zoning/Planning	25.00	26.00	24.00	24.00	24.00	22.00	21.00	20.60	20.60	21.20
Total General Government	370.41	368.41	376.91	392.77	402.63	375.03	432.87	418.31	418.31	453.51

(CONTINUED)

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

UNAUDITED

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Building Inspections	21.00	22.00	22.00	22.00	24.00	21.00	22.00	21.00	21.00	23.00
Consolidated Dispatch	-	-	-	-	1.00	72.50	100.25	120.00	120.00	160.00
Emergency Management	20.00	25.00	27.00	30.00	30.00	24.50	34.00	33.00	33.00	34.00
Emergency Medical Svcs.	161.00	169.00	174.00	174.00	165.00	139.50	134.00	151.50	151.50	167.50
Planning	1.00	1.00	1.00	2.00	-	-	-	-	-	-
Sheriff	777.31	779.31	780.31	792.31	808.11	834.11	828.74	836.74	836.74	835.74
Technology Services	-	-	-	-	2.00	2.00	-	-	-	1.00
Other (No Longer Used)	-	-	-	-	-	-	-	-	-	-
Total Public Safety	<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>	<u>1,221.24</u>
Judicial										
Clerk of Court	53.00	53.00	54.00	54.00	54.00	55.00	56.00	57.00	57.00	57.00
Coroner	6.00	6.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00	11.00
Magistrates Courts	68.89	70.41	70.41	70.41	69.41	68.39	68.13	68.63	68.63	71.63
Master-In-Equity	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00
Probate Courts	19.30	19.30	19.30	20.30	20.30	19.30	19.30	19.80	19.80	20.80
Public Defender	-	-	-	-	52.00	52.00	52.00	52.00	52.00	54.00
Solicitor	79.00	81.00	88.00	91.00	93.00	96.00	111.00	102.00	102.00	102.00
Total Judicial	<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>	<u>324.43</u>
Public Works										
Environmental Management	126.00	126.00	126.00	128.00	127.00	134.20	132.26	130.40	130.40	123.80
Procurement Svcs.	-	-	-	-	-	-	2.00	3.00	3.00	3.00
Public Works	159.00	161.00	168.00	176.00	164.00	150.00	138.02	136.00	136.00	162.10
Transportation Development	-	-	-	-	-	-	21.63	21.41	21.41	23.11
Total Public Works	<u>285.00</u>	<u>287.00</u>	<u>294.00</u>	<u>304.00</u>	<u>291.00</u>	<u>284.20</u>	<u>293.91</u>	<u>290.81</u>	<u>290.81</u>	<u>312.01</u>

(CONTINUED)

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

UNAUDITED

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Health and Welfare										
Facilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Coppmunity Services	25.75	25.75	26.25	36.25	33.25	33.85	5.60	5.60	5.60	5.60
DAODAS	131.00	131.00	133.00	137.00	129.00	111.00	107.00	102.00	102.00	115.00
Public Works	24.00	24.00	23.00	23.00	24.00	20.00	20.00	20.00	20.00	28.00
Veterans Affairs	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Total Health and Welfare	<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>	<u>154.60</u>
Culture and Recreation										
Assist Admin for Transportation & Emergency Management	-	-	-	-	2.00	1.80	-	-	-	-
Greenbelt							2.00	1.30	1.30	1.30
Planning	-	-	1.00	1.00	-	-	-	-	-	-
Revenue Collections	3.00	3.00	3.00	-	-	-	-	-	-	-
Total Culture and Recreation	<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>	<u>1.30</u>
Economic Development	2.00	2.00	2.00	3.00	3.00	3.00	5.00	5.00	5.00	5.00
Total Economic Development	<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>	<u>5.00</u>
Total	<u>2,055.66</u>	<u>2,075.18</u>	<u>2,109.18</u>	<u>2,173.04</u>	<u>2,224.70</u>	<u>2,234.18</u>	<u>2,312.80</u>	<u>2,325.69</u>	<u>2,325.69</u>	<u>2,472.09</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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Auditor - Tax Notices Processed	545,000	600,000	590,283	521,701	550,000	575,000	585,470	583,240	560,097	651,050
RMC Documents Recorded	143,500	147,569	133,772	116,770	84,711	90,890	87,894	97,137	116,435	106,096
Zoning Applications Processed	3,400	3,741	3,336	3,266	2,846	2,500	1,206	1,327	2,864	² 1,957
Illegal Businesses Located	831	714	278	346	86	117	172	154	165	175
Public Safety										
Building Inspections Performed	22,563	28,191	23,702	22,519	15,472	12,577	17,634	19,400	20,804	19,054
Bad Check Warrants Served	7,107	3,774	6,124	6,194	6,594	9,107	0	0	6,078	6,702
Daily Costs Per Prisoner	40	40	40	55	55	55	55	55	55	55
Judicial										
Marriage Licenses Issued	3,712	3,733	3,877	3,769	3,846	3,764	4,000	4,200	4,500	4,600
Master-in-Equity Cases Disposed of	1,248	718	998	1,390	2,227	3,560	3,459	2,063	1,736	1,481
Health and Welfare										
Veterans Claims Filed	8,505	8,038	9,215	9,215	10,254	10,688	522	2,871	3,388	8,681
Economic Development										
Number of New Companies Relocating to Charleston	4	5	1	4	0	1	3	3	2	4
Number of New Jobs From Relocating Companies	1,767	328	25	390	0	30	120	360	203	348
Number of Expanding Employers in Charleston	1	2	3	1	3	3	4	5	7	3
Number of Jobs Resulting from Expansion	180	300	268	30	320	4,275	323	492	2,226	114
Culture & Recreation										
Library Visits Per Capita	5.60	6.21	6.38	6.66	6.99	7.01	6.05	5.54	5.45	5.24
Library Cards In Use	277,688	350,320	329,189	355,481	310,417	326,600 ²	284,617 ²	269,552	284,328	264,289
Environmental Management										
Total Tons of Incinerated Waste	222,108	227,383	227,514	211,907	188,626	69,215	n/a	n/a	n/a	n/a
Parking Garages										
Average Operating Revenue Per Space	1,384	1,623	1,777	1,913	2,114	2,043	2,287	2,264	2,463	2,732
Average Operating Expenditure Per Space	685	945	1,115	984	1,852	1,179	1,742	1,683	1,585	1,330

Sources: Charleston County Budget Performance Measures

² Library system was purged of old unused accounts in 2012.

³ Beginning in FY 2014, this department no longer processed building permits that do not require a zoning permit. Building Inspections began processing these permits exclusively.

**COUNTY OF CHARLESTON
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Automobiles	77	80	84	91	80	79	92	118	114	110
Buildings	28	28	28	44	97	99	104	102	104	104
Public Safety										
Police Cars	231	290	325	316	332	324	336	333	351	355
Fire Trucks	7	8	11	11	10	10	10	10	11	10
Ambulances	17	23	24	28	22	23	24	25	30	31
Judicial										
Magistrate Courts	14	14	15	15	15	15	15	15	15	15
Public Works										
Paved Streets (in Miles)	186	195	132	129	128	129	129	131	131	131
Ground Equipment	33	43	51	62	60	65	67	69	68	66
Heavy Trucks	21	25	29	35	35	35	35	34	34	37
Environmental Management										
Collection/Refuse Trucks	27	33	37	45	44	48	44	47	59	57
Ground Equipment	13	16	19	24	26	25	26	27	30	30
Culture & Recreation										
Libraries, Main and Branches	16	16	16	16	16	11	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

Fiscal Year Ended June 30	Residential		Non-Residential	
	Single Family Residences (1)	Multi-Family Residences (2)	One-half Cubic Yard or Less Per Week (3)	More Than One-half Cubic Yard Per Week (4)
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
2014	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

Fiscal Year Ended June 30	User Fee Billed	User Fee Revenue	User Fee Applied to Payment of the Disposal Fee	User Fee Applied to Other Purposes	Net Unused User Fee	Year End Working Capital Balance (A)
2014	\$ 26,714,797	\$ 27,256,758	-	\$ 22,443,080	\$ 4,813,678	\$ 50,091,022
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

(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
2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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

(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	\$ 133,911,009	
Total expenditures	\$ 465,218,585	
Requirement is no less than 5 percent		<u>28.78%</u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 52,379,193	
Total expenditures	\$ 465,218,585	
Requirement is no more than 20 percent		<u>11.26%</u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 419,504,267	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 180,386,835

Total estimated closure and post-closure costs for County landfills:

Estimated costs from Note III.G. on landfill closure	\$ 46,223,505	
Less: Expenditures to date	\$ (22,122,505)	
Restricted assets committed to closure	\$ (6,856,000)	
Balance of closure costs being deferred		<u>\$ 17,245,000</u>
Additional permissible deferred cost		<u>\$ 163,141,835</u>

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