

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**



**PREPARED BY:**

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# INTRODUCTORY SECTION





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December 19, 2016

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, 2016.

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, 2016, 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, 2016, 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 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 2,500 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 McClellanville Consolidated Fire Protection 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's 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. 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)
- 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 eight legally separate entities can be found in Note I.B. in the Notes to Financial Statements starting on page 60.

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, operating, 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 42-44 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 149.

## **LOCAL ECONOMIC CONDITIONS AND OUTLOOK**

Charleston County has a robust and thriving economy driven by continued investment and expansion in growth industries and the stability and diverse backbone of mature industries. Growth industries include: Advanced Manufacturing (Aerospace and Automotive); Information Technology (IT) and High Tech; Defense, Intelligence & Cybersecurity; Warehouse, Distribution and Logistics; Corporate Headquarters and Back office, Medical and Life Sciences. These industries have led Charleston County's distinguished Economic Development success in recent years and are forecast to continue positive growth. Mature industries include: the Port of Charleston, Hospitality and Tourism, Military, Higher Education and Manufacturing which provide a solid foundation to the region's economic climate.

### **Economic Conditions and Outlook for Charleston County's Growth Industries:**

**Advanced Manufacturing-** Encompassing the Aerospace and Automotive sectors, advanced manufacturing



continues on a positive growth trajectory with the arrival of top-tier aerospace suppliers investing since Boeing landed. Boeing's success in Charleston has resulted in continued investment toward new capabilities and facilities such as a paint facility, a research and technology campus, a design center, and a propulsion operation. As both Mercedes-Benz Vans and Volvo both build their manufacturing facilities in the Tri-County region, a healthy automotive supplier network will emerge to support these facilities.

**IT & High Tech-** The IT and high tech industry is progressing with the leadership of organizations such as the Charleston Digital Corridor amongst other entrepreneurial endeavors, as the vision of the "Silicon Harbor" is being adapted because of rapid growth in this industry. These technology companies, like BoomTown!, are often considered "homegrown," because talent and capital investment are sourced locally. The popularity of events like DIG South represent obvious expansion in entrepreneurial resources and interest in Charleston County's High Tech sector.

**Defense, Intelligence & Cybersecurity-** Defense industry continues to thrive in Charleston with intelligence and cybersecurity leading the way. Investments from this industry have bolstered the area's intelligence community as organizations such as the Charleston Defense Contractors Association continue to strengthen and add local synergy to the dynamic industry. Space and Naval Warfare Systems Center (SPAWAR) Atlantic alone has a \$3.4 billion statewide economic impact and supports over 27,400 jobs with a payroll of \$1.3 billion.

**Warehouse, Distribution and Logistics-** Firms serving the growing aerospace and automotive clusters continue to locate in Charleston County. Further, approximately 20 million square feet of additional industrial distribution space is slated for construction in the Charleston region during the next few years.

**Medical & Life Sciences Industry** – Managing over \$230 million in annual research funding, the Medical University of South Carolina (MUSC) is a leading research and teaching hospital in the southeast. Technologies founded at MUSC have been the start to almost 40 new businesses in the area, while a Clemson University/MUSC partnership brings Clemson's engineering and MUSC's biomedicine capabilities together to foster a bioengineering knowledgebase in Charleston. Charleston continues to gain international recognition as an emerging biomedical market, and with the leadership of MUSC, Charleston is becoming a globally competitive location for biomedical business and talent.

The region's medical industry accounts for over ten percent of the area's total employment and is anchored by MUSC. The majority of this employment is currently in Charleston's seven area hospitals - five private regional hospitals, MUSC and the Ralph H. Johnson VA Medical Center. Charleston is home to more than 35 medical device and pharmaceutical manufacturers, and more than 50 research laboratories and development companies. Furthermore, the Foundation for Research Development is paving the way for investors, industry, and entrepreneurs to collaborate. MUSC's new \$350 million children's hospital is scheduled to open in 2019 as well.

#### **Economic Conditions and Outlook for Charleston County's Mature Industries:**

**Port of Charleston** – The Port of Charleston is the fourth largest container port along the U.S. East and Gulf Coasts while almost a quarter of the US population resides within 500 miles of Charleston, making the South Carolina Ports Authority (SCPA) a popular destination for outbound and inbound cargo. The SCPA is comprised of seaport facilities in the cities of Charleston, North Charleston and Georgetown. The SCPA owns and operates five facilities located in Charleston harbor and these facilities employ approximately 500 people. With facilities that handle containerized, break-bulk, project cargo and roll-on/roll-off cargoes, the SCPA annually handles system-wide shipments valued at \$63.6 billion and helps facilitate the employment of an estimated 260,800 residents of the State of South Carolina. The Port of Charleston's current \$2 billion capital improvement plan includes the only new container terminal on the East Coast and will expand capacity by 50 percent.

The Port of Charleston had a ten percent increase in cargo container volume in calendar year 2015. With the addition of the Inland Port in Greer, the Port of Charleston's reach is extended 212 miles inland and provides shippers with access to more than 95 million consumers within a one-day drive.

The Port of Charleston harbor deepening project will deepen the harbor to accommodate post-Panamax vessels that will have access to the East Coast once the Panama Canal expansion is completed. The construction phase is expected to begin in 2017, and will deliver a channel depth of 52 feet and entrance channel depth of 54 feet, as well as enlarged turning basins. Funding to deepen the harbor will come from both the Federal and State governments. The SCPA's fiscal year 2016 capital improvement program calls for \$165.6 million in development and enhancements of new and existing facilities, with \$73.3 million slated for the on-going construction of the new container terminal on the

former Navy Base. The new terminal is scheduled to open in 2019. “The harbor deepening project has progressed more quickly than any federal deepening project to date, with tremendous support by elected officials on all levels – local, state and federal – as well as business leaders and the community” (source:scspa.org).

**Hospitality and Tourism Industry** – With continued national recognition, the Charleston region attracted over 2.44 million visitors in 2015, up from 2.43 million visitors in 2014 generating an economic impact of \$3.68 billion. In 2015, hotel occupancy rates were 78.3 percent and the average daily rate for lodging was \$152.99. The average expenditure per visitor per trip was \$869. The hospitality industry directly employs 31,315 people in Charleston County, accounting for 15.9 percent of the workforce.

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.

Charleston offers a vast array of festivals and events that bring tourists to the region. These include cultural events such as the annual Spoleto and Piccolo Spoleto festivals, as well as sports events like the Family Circle Cup (now Volvo Cars Open) tennis tournament, and the annual Cooper River Bridge Run.

In August 2012, the PGA Championship was held at Kiawah Island. Approximately 210,000 spectators visiting the Charleston area generated \$92 million in direct spending, \$26 million in labor income, and \$75 million in media exposure. The event was seen in 100 countries around the world. In 2015, the PGA announced that the 2021 PGA Championship will return to the Ocean Course on Kiawah Island.

Tourists arrive in Charleston from land, sea, and air. The region sees vast numbers of tourists who drive to Charleston for its charm and hospitality. In addition, the centrally located Charleston International Airport brings in tourists from around the world. The airport offers daily non-stop service to 19 cities and 24 airports in the United States and Canada. Carriers include American Eagle, Continental, Delta, JetBlue, United Express, US Airways and Southwest. In addition, Silver Airways started flying out of Charleston on March 19, 2015. Silver Airways is offering daily flights to Ft. Lauderdale, Tampa, and Orlando. New air service was added in November 2015. Alaska Airlines now offers flights between Charleston and Seattle. In addition, JetBlue offers daily nonstop service to Fort-Lauderdale-Hollywood (FLL) International Airport.

The Charleston International Airport saw a record number of arriving and departing passengers in 2015. A \$189 million expansion project added five new gates and an eight-lane consolidated security checkpoint in addition to other improvements to handle additional demand.

The past few years have seen the emergence of a new facet to Charleston's tourism market - the cruise ship industry. Both Carnival Cruise Lines and Celebrity Cruise Lines have chosen to make Charleston a departure and arrival point. In addition, many other cruise lines (Holland America, Oceana, Princess, Costa, P&O, Aida, Regent Seven Seas, and Crystal Cruises) bring their ships to Charleston as a port of call. The cruise business has an estimated \$37 million annual impact on the Charleston market. Carnival Cruise has added five more departures for the Carnival Sunshine. The Sunshine will offer cruises of between two and ten days between Charleston and ports in the Bahamas, St. Thomas, Antigua, Martinique, St. Kitts, and San Juan. In addition, Carnival will add Bermuda as a cruise destination next year.

**Military** - The military and the local military supply chain makes a significant annual economic impact to the region. There are 22,000 active-duty reserve personnel, civilians and civilian contractors employed in the region by the area's defense facilities. In total, the military provides an annual economic impact on the Charleston region estimated at \$6.4 billion.

The Air Force portion of Joint Base Charleston is one of three military transport service aerial ports on the Atlantic seaboard. It provides airlift support for military installations in Europe, Africa, the Middle East, and South America. The base is home to the 437<sup>th</sup> Airlift Wing and its squadron of over 50 C-17 transport planes that are currently serving a vital supply role to military personnel in the Middle East. The Naval Consolidated Brig which houses prisoners from all branches of the armed services is located on the Joint Base Charleston campus. The brig has 479 cells and can house 272 military prisoners.

SPAWAR, the Nuclear Power Training Command, the Nuclear Power Training Unit, and the Army's Combat Equipment Group Afloat and Surface Deployment Distribution Commands remain strong contributors to Charleston's defense industry.

**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 15,043 students; the College of Charleston with 11,531 students; Charleston Southern University with an enrollment of 3,621; The Citadel with 3,506 students; and the Medical University of South Carolina with 2,992 students.

Trident Technical College's Aeronautical Studies division has made outstanding strides in preparing students for the aviation industry. Students choose one of three tracks; aircraft assembly, aircraft maintenance, or avionics. Construction of a 215,000 sq ft, \$79 million aeronautical training facility is scheduled to start in 2016 with completion in 2018. Primary funding for the project comes from the State and Charleston County.

Currently under construction, The Zucker Family Graduate Education Center will serve as the academic anchor of the Clemson University Restoration Institute (CURI). The center will offer graduate-level engineering courses and advanced degrees to engineers interested in new opportunities in the job market. The CURI campus is also home to the newest and most advanced wind-turbine drive train testing facility. The center is capable of full-scale highly accelerated mechanical and electrical testing of advanced drivetrain systems for wind turbines with a 7.5 MW and a 15 MW test bays, positioning Charleston as an energy innovation leader.

Meanwhile, the Lowcountry Graduate Center, a partnership of five universities across the state and located right off I-526 in North Charleston, opened the doors of their new facility to serve working professionals, enabling them “to grow their career right here in the greater Charleston area.” (source:lowcountrygraduatecenter.com)

**Manufacturing** – In July of 2016, Mercedes-Benz Vans broke ground on an expansion project on their Sprinter Van facility at the North Charleston location. This \$500 million project will create 1,200 new manufacturing jobs. The U.S. is the second largest market for the Sprinter van.

## MAJOR COUNTY INITIATIVES



**Charleston County's Criminal Justice Coordinating Council (CJCC)** has joined the White House's Data Driven Justice initiative to implement reforms to safely reduce the jail population and create a more effective local criminal justice system. This national initiative is a bipartisan coalition of 67 communities, the only one in South Carolina, who have committed to using data-driven strategies to provide alternatives to jail for low-level offenders with mental health and substance use disorders and to enhance the pretrial process. The CJCC's initiatives in jail reform were launched earlier when the John D. and Catherine T. MacArthur Foundation awarded the group \$2.25 million to implement reforms. Charleston County is one of 11 jurisdictions in the country that was chosen to receive funding and access to expert technical assistance to implement a plan for reform. The CJCC's goal is to reduce the jail population by 25 percent in the next three years.

With the support of the **Sheriff's Department**, the Turning Leaf Project began as a response to the lack of services for current and former inmates in Charleston, SC. Its intent is to change participant's attitudes, thinking, and behavior – moving them from antisocial to prosocial patterns. Twenty-seven men participated in the Turning Leaf Project this past year in lieu of prison. All 27 male participants were released from jail with employment, which supports them throughout the class time. Turning Leaf has earned public accolades, gained wide acceptance by the criminal justice system and demonstrated an impact on changing criminal patterns of behavior in program graduates.

Highlighting the theme, *Public Works Always There*, sponsored by the American Public Works Association, the **Public Works Department** conducted outreach activities to grow awareness and educate the general public about the value, necessity and careers of public works in our daily lives. Outreach efforts included:

- Book donations of *Chipper's Adventures in Public Works* to the 16 Charleston County Public Libraries.
- Presentations to Charleston County School District students and after-school program participants of Charleston County Libraries about the work Public Works performs including roads, drainage and water quality.

- Representatives sharing a story time reading of *Chippers Adventures in Public Works* with kindergarten and first grade students.
- Interactive activities with Stormwater and Mosquito Control for grades 2 through 5.

The **Zoning and Planning Department** was awarded a federal Historic Preservation grant from the National Park Service (administered by the South Carolina Department of Archives and History) to fund an update to the Charleston County Historical and Architectural Survey. Citizens were invited to a workshop for input to help identify potential properties for inclusion on the Historical and Architectural Survey. Economic development programs rely on survey information to attract investors to communities and to promote heritage tourism. Survey information provides educators, civic organizations, and interested citizens with a basis for learning about the history of their community and making decisions about the care of historic properties.

The **Community Development Department** sought input from citizens to identify community needs that were eligible for funding from the County's Urban Entitlement program through the U.S. Department of Housing and Urban Development (HUD). Data gathered from the survey assists County staff in ranking the needs eligible for funding, which will range from community infrastructure projects and rehabilitation of substandard housing to homeless shelter operations and affordable housing development.

The **Environmental Management Department** was awarded the *Snail Award* for raising awareness about the availability to compost restaurant food scraps. Area farmers purchase compost to apply to their soil and chefs purchase produce from local farmers, which closes the composting loop. Ultimately, organic waste is diverted from disposal in the landfill and is used to make Charleston County compost. The compost facility occupies 28 acres, employs 18 people and processes 100 percent of the yard waste generated and accepted at the landfill. Additionally, the County was the first in the state to initiate food waste composting.

The **Board of Elections and Voter Registration** partnered with the Charleston Charter School of Math and Science as part of a pilot program highlighting the *Vote in Honor of a Veteran* initiative. The 16 week program was embedded into the curriculum and included:



- A visit from a veteran who shared his experiences serving in the military and conveyed the importance of democracy and voting.
- An assignment for students based on that visit.
- A visit by a Board of Elections and Voter Registration representative who taught a lesson on voting procedures and gave students the opportunity to register to vote and sign up to be poll workers.
- A final veteran visit to the classroom along with a mock election for students.

The **Consolidated 9-1-1 Center** was recognized as the Communications Center of the Year for South Carolina by the South Carolina chapters of the National Emergency Number Association (NENA) and the Association of Public Safety Communications Officials (APCO). The annual award is presented to the center that has exemplified outstanding professionalism, leadership and innovation to the community and has contributed to the advances of Public Safety Communications through the use of technology, management and training of staff.

The Charleston County **Greenbelt Program**, funded by the Transportation Sales Tax approved in a county-wide referendum on November 2, 2004, has protected more than 20,000 acres of rural and urban land. Other important facts and figures:

- Total acres protected to date: 20,535 (16,736 in rural areas and 790 in the urban areas)
- Total funds awarded to date: \$94 million (\$67 million for rural projects and \$27 million for urban projects)
- \$76 million (81 percent of funds) was awarded to purchase 5,700 acres of public parks and green spaces.

Charleston County had the rare privilege of being selected as one of 20 communities across the nation to compete for the National Civic League's All-America City Award, and was the only County selected this year. Every year the Civic League selects the best communities across the nation to go to Denver, Colorado and be a part of a competition to select 10 All-America communities.



### **Awards and Acknowledgements:**

Charleston County Government's offices, departments and employees have been honored with numerous awards and recognitions in FY 2016. These awards reflect Charleston County employees' dedication to providing the best services to our citizens.

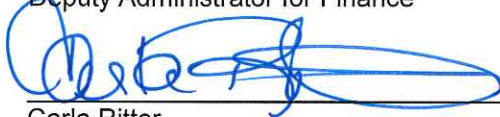
- The **Human Resources Department** developed and implemented a series of Professional Development Programs open to all employees interested in improving their professional effectiveness. Additional events included on-site Lunch and Learns sessions with topics included Financial Wellness, Health, Nutrition, and Stress Reduction.
- The Charleston County Consolidated 9-1-1 Center was named the 2015 Communication Center of the Year for South Carolina by the South Carolina chapters of the National Emergency Number Association (NENA) and the Association of Public-Safety Communications Officials (APCO). The Center also earned reaccreditation by the International Academies of Emergency Dispatch (IAED) for its Emergency Fire Dispatch and Emergency Medical Dispatch.
- The Government Finance Officers Association of the United States and Canada (GFOA) awarded its **Certificate of Achievement for Excellence in Financial Reporting** for the 28<sup>th</sup> consecutive year to Charleston County for its Fiscal Year 2015 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. 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 27<sup>th</sup> consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2016 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 2017 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 Services, 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 Laurie Hagberg, Chrisanne Porter, and Barbara Ford 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.

  
\_\_\_\_\_  
Keith Bustran  
County Administrator

  
\_\_\_\_\_  
Corine Altenhein  
Deputy Administrator for Finance

  
\_\_\_\_\_  
Carla Ritter  
Finance Director



Government Finance Officers Association

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**County of Charleston  
South Carolina**

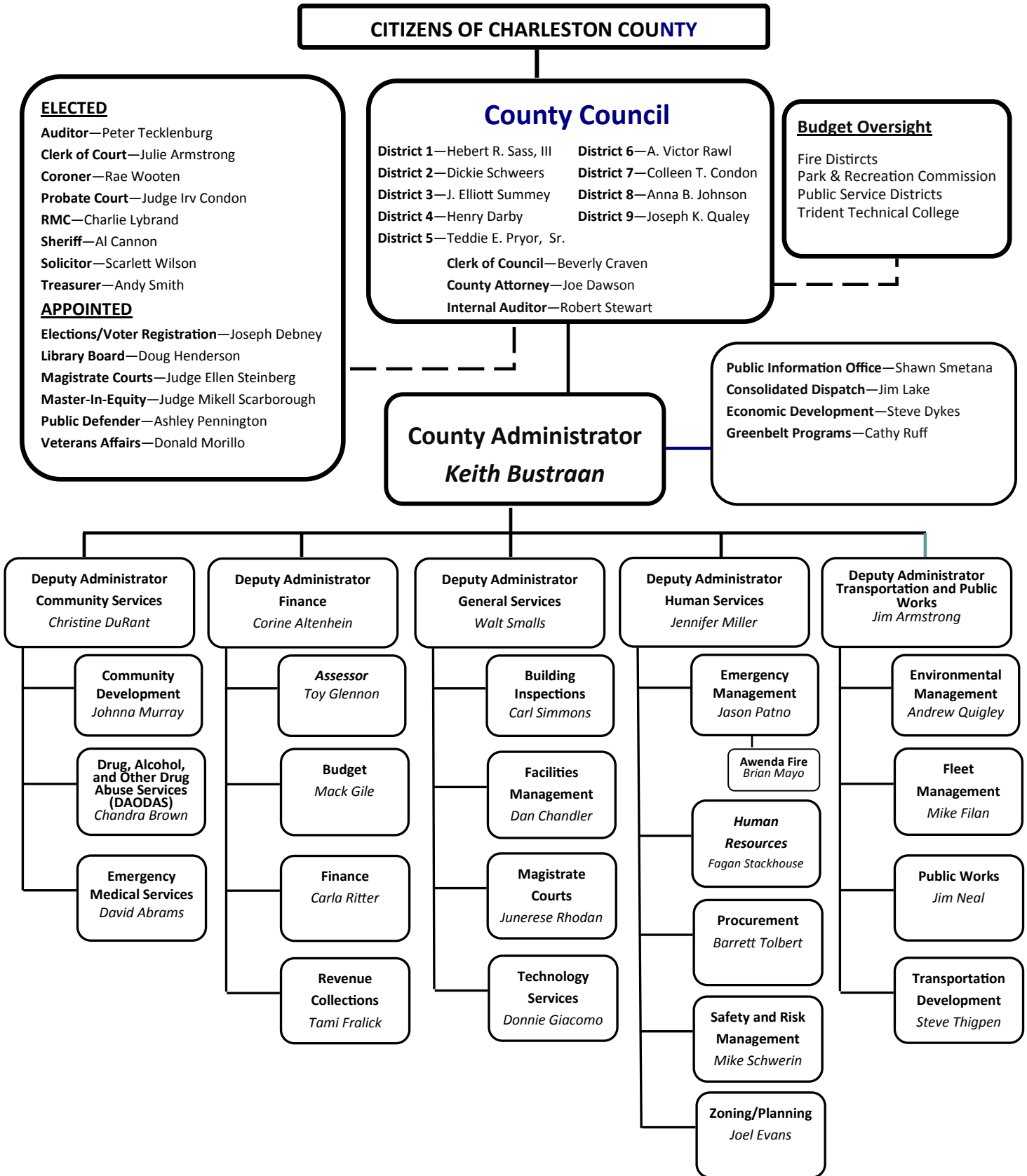
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# Charleston County, South Carolina

## Organizational Chart—County Departments





**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**PRINCIPAL OFFICIALS**  
**For the Year Ended June 30, 2016**  
**MEMBERS OF COUNTY COUNCIL**

	Year's in <u>Office</u>	Term <u>Expiration Date</u>	
J. Elliott Summey	7 <sup>1/2</sup>	12/31/2016	Chairman District 3
A. Victor Rawl	7 <sup>1/2</sup>	12/31/2016	V. Chairman District 6
Herbert R. Sass, III	5	12/31/2018	District 1
Henry D. Schweers	9 <sup>1/2</sup>	12/31/2018	District 2
Henry E. Darby	11 <sup>1/2</sup>	12/31/2016	District 4
Teddie E. Pryor, Sr.	11 <sup>1/2</sup>	12/31/2018	District 5
Colleen T. Condon	11	12/31/2016	District 7
Anna B. Johnson	5 <sup>1/2</sup>	12/31/2018	District 8
Joseph K. Qualey	5 <sup>1/2</sup>	12/31/2018	District 9

**ELECTED OFFICIALS**

Peter Tecklenburg	3	6/30/2017	Auditor
Julie J. Armstrong	24 <sup>1/2</sup>	12/31/2016	Clerk of Court
Rae Wooten	10	12/31/2016	Coroner
Irvin G. Condon	22 <sup>1/2</sup>	12/31/2018	Probate Court
Charlie Lybrand	22 <sup>1/2</sup>	12/31/2018	Register Mesne Conveyance
James A. Cannon, Jr.	28 <sup>1/2</sup>	12/31/2016	Sheriff
Scarlett A. Wilson	9	12/31/2016	Solicitor
Andrew Smith	19	6/30/2017	Treasurer

**OTHER OFFICIALS**

	Years with <u>County</u>	Years in Current <u>Position</u>	
Keith D. Bustraan	<u>29 <sup>1/2</sup></u>	1 yr	County Administrator
Walter L. Smalls	17	10	Deputy Admin Gen Svcs
Jennifer Miller	28	9	Deputy Admin Human Svcs
Jim Armstrong	28	2 yrs	Deputy Administrator Transportation & Public Works
Christine DuRant	26 <sup>1/4</sup>	2 yr	Deputy Administrator Community Services
Corine Altenhein	26	1 yr	Deputy Administrator Finance
Carla Ritter	15	1 yr	Finance Director

# FINANCIAL SECTION



## 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, 2016, 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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedule 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, 2016, 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 on page 160 as well as the schedules of capital assets used in the operation of governmental funds on pages 180 and 181 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the victim notification schedule of fines, assessments, and surcharges collected as well as the schedules of capital assets used in the operation of governmental funds are fairly stated, in all material respects in relation to the financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, 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, 2016

## 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, 2016. 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 10 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

- Liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the County at June 30, 2016 by \$138,654 (net position.) This is comprised of net investment in capital assets of \$157,818, restricted net position of \$122,098 and unrestricted net position of (\$418,570). The unrestricted net position deficit was primarily due to implementing Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* (GASB #68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68* (GASB #71) in the fiscal year ending June 30, 2015.
- Charleston County's total net position increased by \$19,393 during the fiscal year ended June 30, 2016, with an \$18,523 increase resulting from governmental activities and an \$870 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 \$297,109, which is a \$7,279 increase from the prior year. Approximately 17.88 percent or \$53,131 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 \$59,449 or approximately 31 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$53,131, or approximately 28 percent of total general fund disbursements.
- The County implemented GASB #68 and GASB #71 in the fiscal year ended June 30, 2015. These Statements require the County to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for their participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System ("Plans"), cost-sharing multiple-employer defined benefit pension plans, on financial statements prepared on the economic resources measurement focus and actual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. The County's net pension liability at June 30, 2016 was \$211,933.

### 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 34 through 36 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 60 through 62 of this report.

The government-wide financial statements can be found on pages 34 through 36 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 38 through 41, 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 137 through 147 of this report.

**Proprietary Funds.** Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 45 through 50 and pages 163 through 174 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 "Non-major Other Funds" but may be separately reviewed in the combining statements on pages 163 through 168.

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 170 through 174 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 176 through 178 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 58 through 123 of the report.

**Other Information.** Individual statements, which present more detailed views of non-major funds used in governmental and business-type funds, begin on page 137. 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 184. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 160.

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 and the proportionate share of the net pension liability. Required Supplementary Financial Information can be found starting on page 126.

## **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, liabilities and deferred inflows exceeded assets and deferred outflows by \$138,654 at the close of fiscal year 2016. This was an increase of \$19,393 or 12 percent during fiscal year 2016.

A portion of the County's net position, \$157,818, 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, \$122,098, 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.

Unrestricted net position is (\$418,570), 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 assets improved/created do not belong to the County. The recognition of the County's net pension liability as required by GASB #68 and GASB #71 has contributed to this negative unrestricted net position.

At the end of 2016, 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. An additional factor of the negative unrestricted net position was the implementation of GASB #68 and GASB #71 during the fiscal year end June 30, 2015.

Charleston County's Net Position

June 30, 2016

(Recapped from page 34)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015 <sup>(1)</sup>	2016	2015 <sup>(1)</sup>	2016	2015 <sup>(1)</sup>
Current, restricted and other assets	\$ 535,773	\$ 524,453	\$ 80,772	\$ 80,263	\$ 616,545	\$ 604,716
Capital assets	310,873	309,249	54,525	52,721	365,398	361,970
Total Assets	846,646	833,702	135,297	132,984	981,943	966,686
Total deferred outflows of resources	59,034	35,414	-	-	59,034	35,414
Long-term liabilities outstanding	721,968	726,668	6,406	8,096	728,374	734,764
Other liabilities	247,890	227,932	9,187	6,054	257,077	233,986
Total liabilities	969,858	954,600	15,593	14,150	985,451	968,750
Total deferred inflows of resources	194,180	191,397	-	-	194,180	191,397
Net Position:						
Investment in capital assets	103,293	106,150	54,525	52,721	157,818	158,871
Restricted for:						
Capital projects	90,399	7,821	-	-	90,399	7,821
Debt service	18,085	17,017	-	-	18,085	17,017
General government	165	238	-	-	165	238
Law enforcement	6,325	4,000	-	-	6,325	4,000
Judicial	3,107	3,220	-	-	3,107	3,220
Health and welfare assistance	377	385	-	-	377	385
Economic development	2,849	2,777	-	-	2,849	2,777
Tourism related	791	2,073	-	-	791	2,073
Unrestricted	(483,749)	(420,562)	65,179	66,113	(418,570)	(354,449)
<b>Total net position</b>	<b>\$ (258,358)</b>	<b>\$ (276,881)</b>	<b>\$ 119,704</b>	<b>\$ 118,834</b>	<b>\$ (138,654)</b>	<b>\$ (158,047)</b>

<sup>(1)</sup> The County implemented GASB 68 and GASB 71 in FY2015.

The County's net position increased by \$19,393 during fiscal year 2016. The governmental activities had an increase in net position of \$18,523. For the 2016 fiscal year, the County's total millage rate increased by 2.4 percent, an increase of 4.4 mills. The collection rate for real and personal property increased by 3.72 percent.

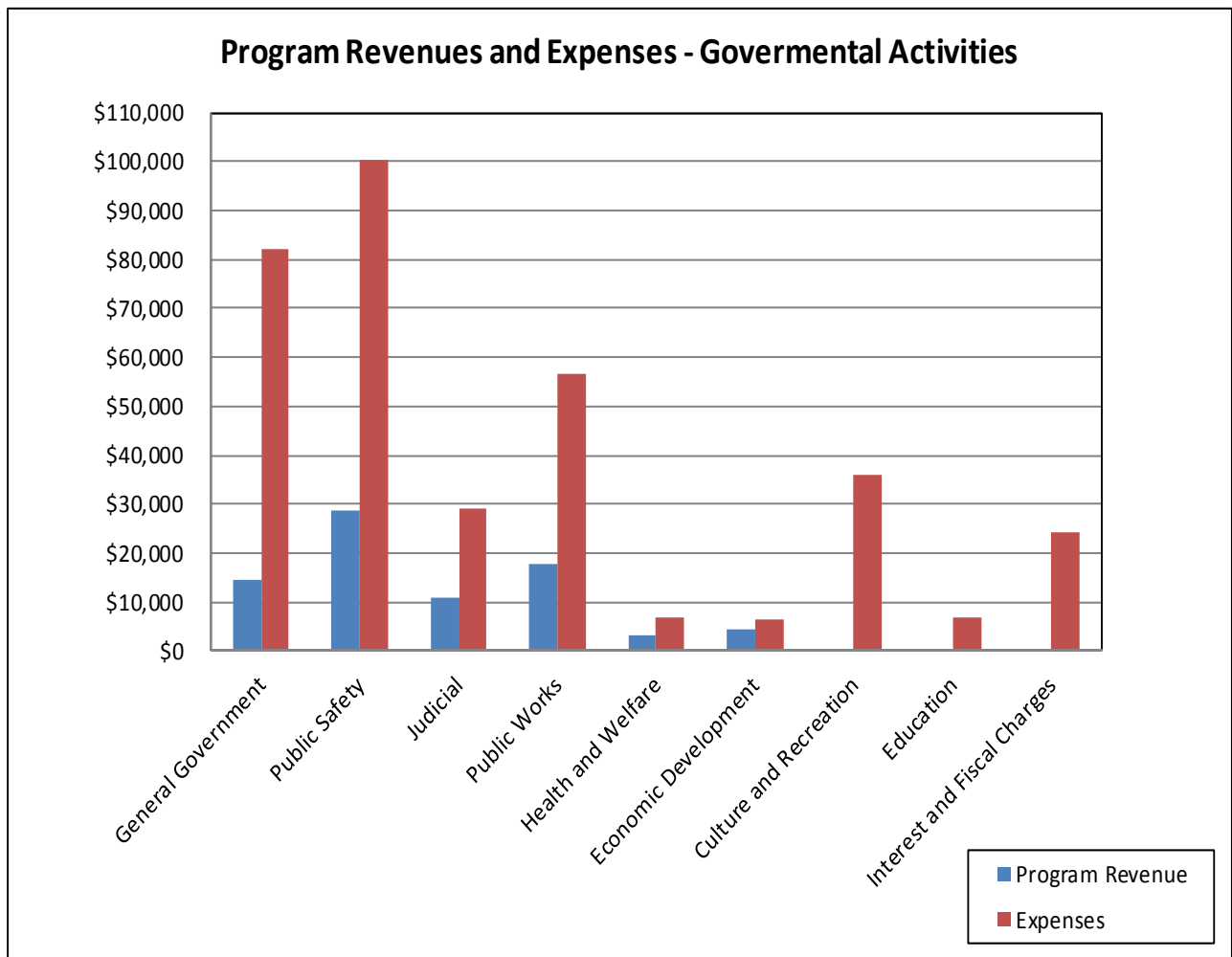
County of Charleston, South Carolina  
Changes in Net Position (Recapped from pages 35 and 36)  
For the Fiscal Year Ended June 30, 2016

	Governmental Activities		Business-Type Activities		Total	
	2016	2015 <sup>(1)</sup>	2016	2015 <sup>(1)</sup>	2016	2015 <sup>(1)</sup>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 47,606	\$ 47,457	\$ 43,987	\$ 45,145	\$ 91,593	\$ 92,602
Operating grants and contributions	32,292	26,992	1,116	1,009	33,408	28,001
Capital grants and contributions	-	-	-	-	-	-
<b>General Revenues:</b>						
Property taxes	142,718	120,790	-	-	142,718	120,790
Other taxes and fees	131,682	123,989	707	549		124,538
State aid to political subdivisions	12,986	13,152	-	-	12,986	13,152
Unrestricted investments earnings	1,180	1,201	301	132	1,481	1,333
Gain on sale of capital assets	313	-	14	85	327	85
<b>Total Revenues</b>	<b>368,777</b>	<b>333,581</b>	<b>46,125</b>	<b>46,920</b>	<b>282,513</b>	<b>380,501</b>
<b>Program Expenses</b>						
<b>Governmental Activities:</b>						
General government	82,067	76,386	-	-	82,067	76,386
Public safety	100,145	101,118	-	-	100,145	101,118
Judicial	28,929	28,308	-	-	28,929	28,308
Public works	56,531	65,384	-	-	56,531	65,384
Health and welfare	6,920	6,436	-	-	6,920	6,436
Economic development	6,497	2,747	-	-	6,497	2,747
Culture and recreation	35,967	35,232	-	-	35,967	35,232
Education	6,666	6,103	-	-	6,666	6,103
Interest and fiscal charges	24,238	26,246	-	-	24,238	26,246
<b>Business-Type Activities:</b>						
DAODAS	-	-	9,388	7,935	9,388	7,935
E-911 communications	-	-	2,715	2,730	2,715	2,730
Environmental management	-	-	27,115	23,053	27,115	23,053
Parking garages	-	-	2,427	2,036	2,427	2,036
Public safety system	-	-	441	380	441	380
Radio communications	-	-	3,680	3,351	3,680	3,351
Revenue collections	-	-	1,783	1,332	1,783	1,332
<b>Total Expenses</b>	<b>347,960</b>	<b>347,960</b>	<b>47,549</b>	<b>40,817</b>	<b>395,509</b>	<b>388,777</b>
Excess (deficiency) of revenues before transfers over (under) expenses	20,817	(14,379)	(1,424)	6,103	19,393	(8,276)
Transfers	(2,294)	(1,437)	2,294	1,437	-	-
<b>Increase (Decrease) in Net Position</b>	<b>18,523</b>	<b>(15,816)</b>	<b>870</b>	<b>7,540</b>	<b>19,393</b>	<b>(8,276)</b>
Net position, beginning <sup>(1)</sup>	(276,881)	(261,065)	118,834	111,294	(158,047)	(149,771)
<b>Net Position, ending</b>	<b>\$ (258,358)</b>	<b>\$ (276,881)</b>	<b>\$ 119,704</b>	<b>\$ 118,834</b>	<b>\$ (138,654)</b>	<b>\$ (158,047)</b>

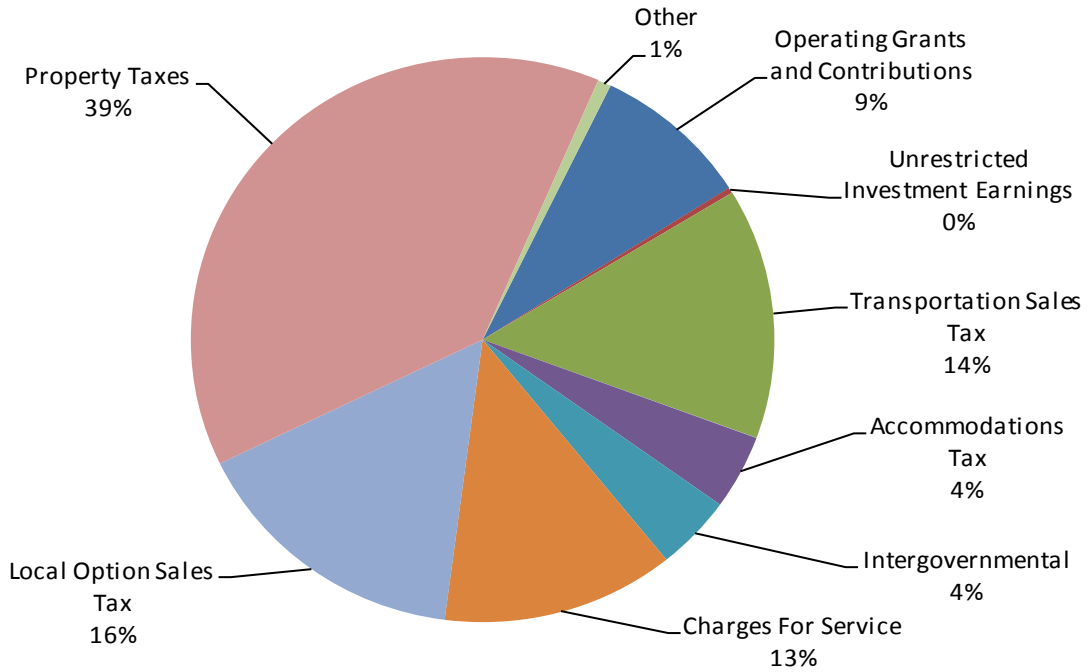
<sup>(1)</sup> The County implemented GASB 68 and GASB 71 in FY2015.

**Governmental Activities.** Governmental activities increased the County's net position by \$18,523. The key elements of the increase are:

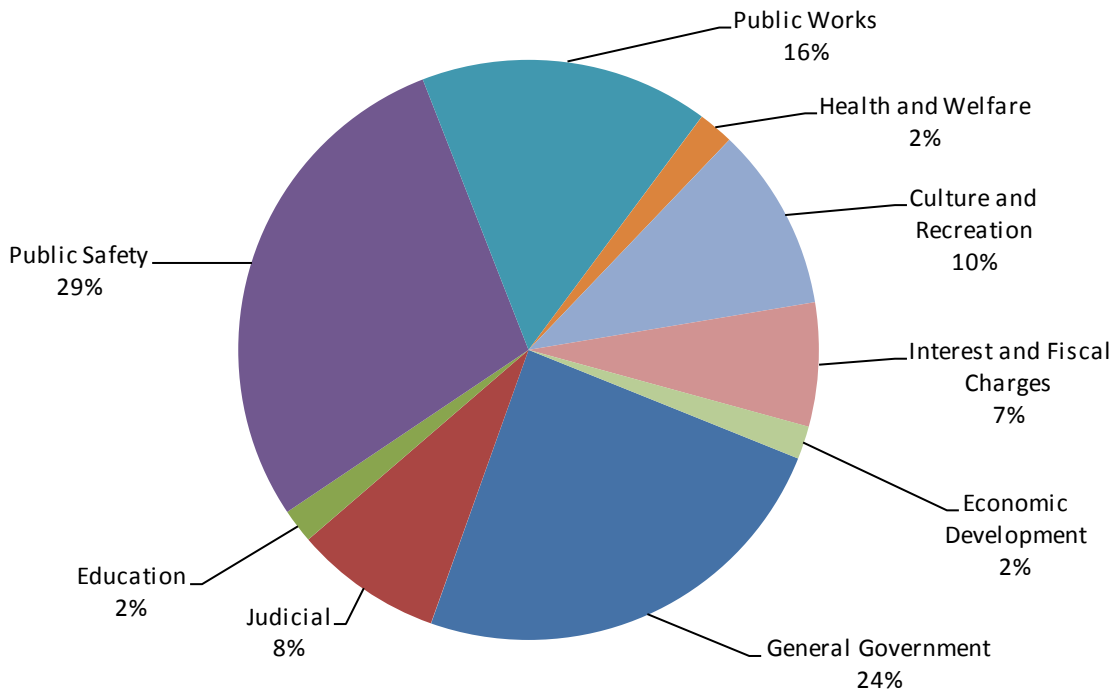
- Property tax revenue increased \$21,928 (18.15 percent) primarily due to an increase in the millage rates and an increase in the County's collection rates.
- Other taxes and fees increased \$7,693 (6.2 percent) due to increased sales in Charleston County. This includes accommodations tax, local option sales tax and transportation sales tax.
- Operating grants and contributions increased \$5,300 (19.6 percent) due to several new grants for public safety and economic development.
- Total governmental activities expenses did not increase.



### Revenues by Source - Governmental Activities

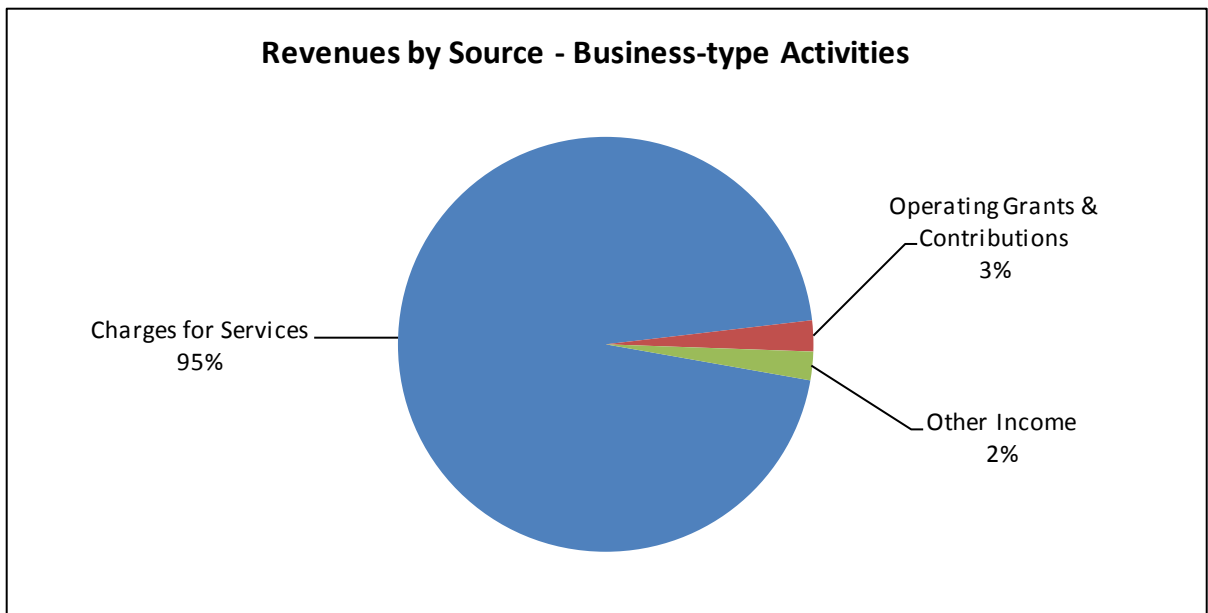


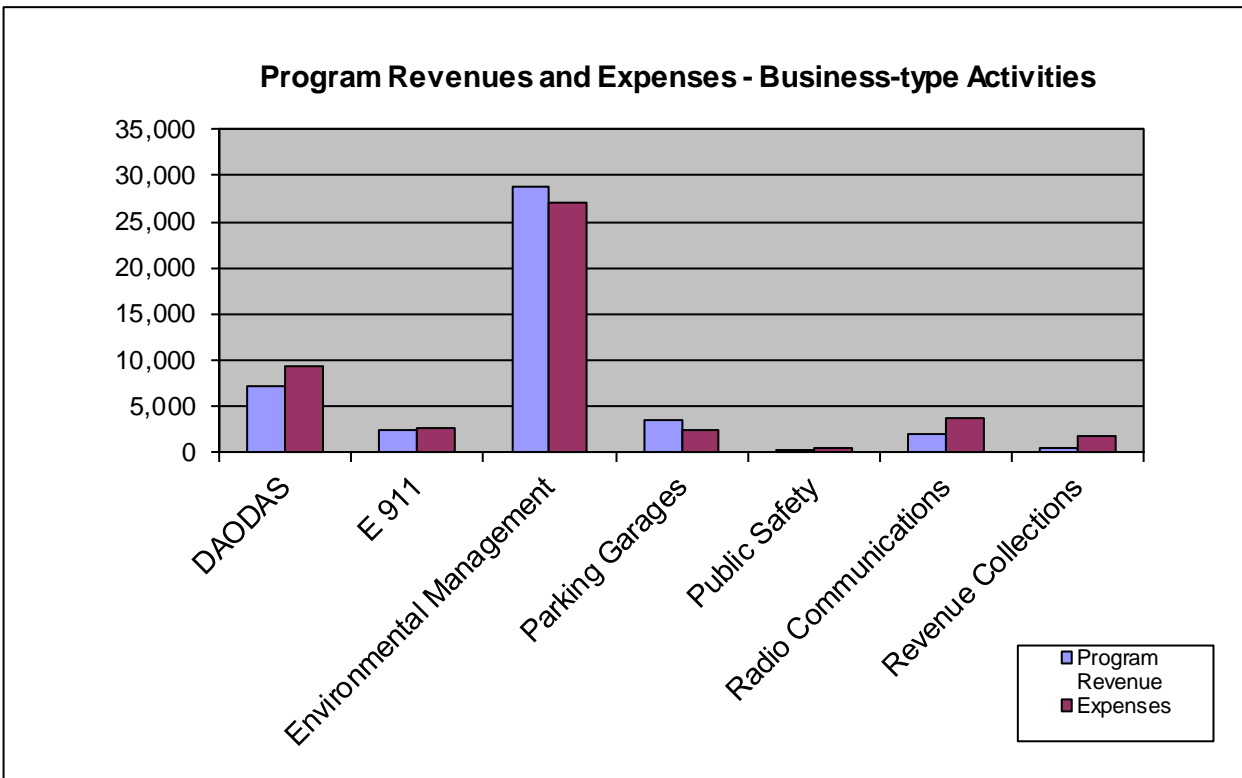
### Expenses by Program - Governmental Activities



**Business-type Activities.** Business-type activities increased the County's net position by \$870. The key element of this increase was:

- The operating transfers in increased by \$857 (59.64 percent) primarily in the Radio Communications fund.
- Unrestricted investment earnings increased by \$169 (128 percent) due to higher interest rates.
- Other fees increased by \$158 (28.77 percent) due to an increase in alcohol beverage tax received from the State.
- Overall, expenses for the business-type activities increased by \$6,732 (16.49 percent). This increase was primarily in the Environmental Management fund. Operating expenses in this fund increased \$5,126 with the largest increases in fleet expenses \$1,739, contracted services \$1,626 and post landfill closure costs \$1,036.





### 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 \$297,109, an increase of \$7,279 in comparison with the prior year. This increase is due to several factors, including an increase in property taxes levied and collected of \$28,306. The general government expenditures increased \$8,232. The largest increase in the general government expenditures were facilities management \$1,398 and transportation sales tax expenditures of \$6,792.

The ending fund balance of \$297,109 for the governmental funds is composed of five components: unassigned fund balance of \$53,131, assigned fund balance of \$6,318, committed fund balance of \$56,298, restricted fund balance of \$180,585 and non-spendable fund balance of \$777.

Unassigned fund balance accounts for approximately 17.88 percent or \$53,131 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 \$6,318 or 2.13 percent of ending fund balance. Assigned fund balance includes \$2,256 which was encumbered at the end of fiscal year 2016. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$56,298 or 18.95 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 \$180,585 or 60.78 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$148,886, 2) debt service of \$18,085, 3) \$6,325 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$3,107 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.

Non-spendable fund balance is \$777. Non-spendable 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 \$53,131 while total fund balance reached \$60,227. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$8,363. 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 28 percent of total general fund disbursements, while total fund balance represents 32 percent of that same amount. This meets the County's financial policy of maintaining an unassigned fund balance of 2 months of expenditures. Excluding the rainy day fund from the calculation, unassigned fund balance is 23.8 percent of disbursements, which also meets the financial policy. There was an increase of \$6,444 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$21,232 or 11.23 percent higher than the previous fiscal year.

- Property taxes collected increased \$22,191 or 14.75 percent.
- Services charges decreased \$3,350 or 13.50 percent.
- Intergovernmental revenues increased \$1,738 or 7.60 percent.
- Other revenues were up \$652.

Expenditures increased by \$6,337 or 3.49 percent.

- Public Safety expenditures were up \$1,147 or 1.33 percent.
- General Government expenditures increased \$3,696 or 7.38 percent.

**Debt Service Fund.** The debt service fund balance is \$18,085 and is \$1,068 or 6.28 percent higher than the prior fiscal year.

**Transportation and Road Sales Tax Special Revenue Fund.** This fund balance was decreased \$25,420 or 25.65 percent from the prior fiscal year. The County has several major road projects that were in the construction process during fiscal year 2016.

**Special Source Revenue Bonds.** These bond 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. The fund balance at fiscal year-end was \$80,043 which is a \$6,170 decrease from the prior fiscal year.

**Other Governmental Funds.** The other governmental funds had an increase in fund balance of \$31,358 or 93 percent from the prior fiscal year.

**Non-major Capital Projects Funds.** The non-major capital projects funds reflect a total fund balance of \$31,849 and are shown on pages 140 through 141 and 147 through 148. The fund balance for the non-major capital projects funds increased \$21,045 in fiscal year 2016. The increase is in the GOB capital projects fund which is due to the issuance of general obligation bonds.



**Non-major Special Revenue Funds.** The non-major special revenue funds have a combined total fund balance of \$34,213, all classified as restricted. Non-major special revenue funds are shown on pages 137 through 140, and 143 through 146. The fund balance for the non-major special revenue funds increased \$10,312 from the prior year. The largest increase in fund balance is \$9,389 in the Construction Public Works fund which accounts for the receipt of State gasoline tax funds earmarked for local road maintenance.

**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, 2016, is \$81,010 (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 \$78,075. The non-major proprietary funds have total net position of \$2,935. These funds include DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 45 through 50 and pages 163 through 168 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 \$81,010 (before internal eliminations), a decrease of \$4,004 or 4.71 percent in comparison with the prior year. Environmental Management had a decrease of \$1,139. This decrease was primarily due to an increase in operating expenses.

### **General Fund Budgetary Highlights**

During fiscal year 2016, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$7,543 over the final budget. The most significant revenue variances are outlined below:

- Service charges were over budget by \$3,147. Emergency Medical Services charges were over budget by \$1,845 due to expanding service demands and improved collections. RMC charges exceeded budget by \$489 due to the increased volume of recorded real estate transactions. Zoning fees and building permits charges were \$622 over budget due to an increase in construction.
- Property and local option sales taxes were over budget by \$3,558 due to very conservative growth projections.

Actual expenditures and transfers out were \$9,623 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology Services was \$1,538 under budget, Facilities was \$2,895 under budget and Public Safety was \$1,983 under budget.

### **Capital Asset and Debt Administration**

**Capital Assets.** Charleston County's net investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounted to \$309,249 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, bridges and drainage easements. The County's net investment in capital assets increased \$3,428 or .95 percent for the current year. The depreciation expense decreased by \$1,588 or 6.18 percent.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and easements	\$ 34,385	\$ 30,378	\$ 6,915	\$ 6,915	\$ 41,300	\$ 37,293
Buildings	229,158	235,654	16,324	16,943	245,482	252,597
Improvements other than buildings	2,222	2,320	16,514	12,223	18,736	14,543
Machinery and equipment	38,625	36,692	13,584	12,816	52,209	49,508
Infrastructure	5,867	4,118	-	-	5,867	4,118
Construction in progress	616	87	1,188	3,824	1,804	3,911
Total	<u>\$ 310,873</u>	<u>\$ 309,249</u>	<u>\$ 54,525</u>	<u>\$ 52,721</u>	<u>\$ 365,398</u>	<u>\$ 361,970</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 79 through 83 of this report.

**Long-Term Debt.** At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$651,462. Of this amount, \$558,782 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$92,680 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, 2016, this obligation is recorded at a net present value of \$25,528 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	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 558,782	\$ 564,130	\$ -	\$ -	\$ 558,782	\$ 564,130
Special source revenue bonds	92,680	93,023	-	-	92,680	93,023
Intergovernmental note payable	25,528	26,982	-	-	25,528	26,982
Total	<u>\$ 676,990</u>	<u>\$ 684,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676,990</u>	<u>\$ 684,135</u>

The County's total bonded debt decreased by \$7,145 (10.44 percent) during the current fiscal year.

The County's 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 \$296,952. The outstanding debt at June 30, 2016 subject to the debt limitation is \$103,382. 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 86 through 98 of this report.

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

The fiscal year 2017 General Fund budget is a balanced budget. Total disbursements are \$216,310, an increase of \$1,562 or 0.7 percent from the prior year. In a departure from past years, the budget does not use fund balance for pay-as-you-go capital projects and other one-time expenditures. The millage is 44.7, which is unchanged from fiscal year 2016. The local option sales tax credit, which is used to offset the amount property owners pay on their tax bill, remains constant.

The General Fund's budgeted revenues for fiscal year 2017 increased by \$9,173 or 4.4 percent from 2016. The major changes are:

- Property tax revenues reflect an increase of \$3,593 or 3.9 percent. Charleston County is anticipating an increase due to new construction and rising values of existing properties.
- The local option sales tax, which is applied as a credit against property taxes, is anticipated to increase \$3,200 or 5.7 percent. This increase reflects continued improvements in the level of consumer spending in the Charleston County area.
- Charges and fees are increased \$1,829 or 10.0 percent in the fiscal year 2017 budget. EMS fees are expected to increase \$1,456 or 35.4 percent based on the region's growing service population; which includes tourists, residents and those working in Charleston County.

The General Fund's budgeted disbursements for fiscal year 2017 are increased \$1,562 or 0.7 percent from fiscal year 2016. The major changes for fiscal year 2017 are:

- The fiscal year 2017 General Fund budget includes an increase of \$3,361 or 24.0 percent in Emergency Medical Services and represents the annualizing personnel and operating costs related to adding five ambulances and eight quick response vehicles in fiscal year 2016.
- The budget for Facilities Management increased \$3,312 or 22.1 percent due to the transfer of annual recurring maintenance related to roofing, heating/cooling, and paving from the Capital Projects Fund to the General Fund.
- The budget for Sheriff: Law Enforcement increased \$1,736 or 2.7 percent and represents annualizing personnel and operating costs for 16 Deputy Sheriffs and eight Law Enforcement Specialists II positions added during fiscal year 2016.
- The budget for Technology Services increased \$1,238 or 11.4 percent for higher costs of maintenance contracts for technology infrastructure and applications.
- These increases are offset by a reduction in transfers of \$10,448 or 42.5 percent from the prior fiscal year primarily due to a decrease in funds being transferred to the Capital Projects Fund for the library expansion approved by voters in the November 2014 referendum. The County will use a pay-as-you-go approach to fund the initial two years of the library expansion capital project, and expects to borrow funds in fiscal year 2017 and fiscal year 2019 for the remainder of the project.

**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.

# BASIC FINANCIAL STATEMENTS



COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Non-pooled cash and cash equivalents	\$ 4,277,626	\$ 409,660	\$ 4,687,286	\$ 25,652,887
Pooled cash and cash equivalents	104,605,774	9,573,211	114,178,985	-
Pooled investments	187,734,049	49,830,107	237,564,156	-
Non-pooled investments	-	-	-	10,844
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	937,332	-	937,332	15,038,664
Restricted investments	2,163,547	-	2,163,547	-
Receivables (net of allowances for uncollectibles)	250,710,767	4,985,515	255,696,282	42,901,134
Due from primary government	-	-	-	234,349
Internal balances - current	(15,880,850)	15,880,850	-	-
Inventories	1,099,964	-	1,099,964	801,580
Prepaid items and deposits	-	92,821	92,821	6,137,351
Other noncurrent assets	-	-	-	40,000
Capital assets:				
Land and other nondepreciable	35,001,055	8,103,005	43,104,060	110,553,197
Capital assets, net of accumulated depreciation	275,872,105	46,422,299	322,294,404	64,481,147
<b>Total assets</b>	<b>846,646,369</b>	<b>135,297,468</b>	<b>981,943,837</b>	<b>265,851,153</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions made subsequent to measurement date	13,359,612	-	13,359,612	3,185,364
Differences between expected and actual experience	22,509,459	-	22,509,459	3,153,715
Deferred loss on refunding	23,164,449	-	23,164,449	-
<b>Total deferred outflows of resources</b>	<b>59,033,520</b>	<b>-</b>	<b>59,033,520</b>	<b>6,339,079</b>
<b>LIABILITIES</b>				
Accounts payable	12,328,853	1,424,916	13,753,769	2,348,866
Accrued payroll and fringe benefits	7,377,077	893,588	8,270,665	1,798,005
Intergovernmental payable	10,984,079	4,061,476	15,045,555	20,063
Interest payable	4,762,857	-	4,762,857	441,167
Net pension liability	211,933,021	-	211,933,021	54,247,919
Unearned revenue	504,607	26,232	530,839	1,650,960
Noncurrent liabilities:				
Due within one year	44,161,329	1,077,824	45,239,153	12,316,903
Due in more than one year	677,806,574	8,109,103	685,915,677	40,499,260
<b>Total liabilities</b>	<b>969,858,397</b>	<b>15,593,139</b>	<b>985,451,536</b>	<b>113,323,143</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Net difference between projected and actual earnings on pension plan investments	13,586,149	-	13,586,149	234,003
Deferred property taxes - current	180,593,607	-	180,593,607	41,134,044
<b>Total deferred inflows of resources</b>	<b>194,179,756</b>	<b>-</b>	<b>194,179,756</b>	<b>41,368,047</b>
<b>NET POSITION</b>				
Net investment in capital assets	103,292,815	54,525,303	157,818,118	128,707,725
Restricted for:				
Capital and infrastructure projects	90,398,577	-	90,398,577	108,017
Debt service	18,084,594	-	18,084,594	12,453,777
General government operations	165,388	-	165,388	-
Law enforcement and safety programs	6,324,625	-	6,324,625	-
Judicial assistance and programs	3,106,999	-	3,106,999	-
Health and welfare assistance	377,673	-	377,673	-
Local economic development	2,849,079	-	2,849,079	-
Tourism related	790,841	-	790,841	-
1% fee	-	-	-	67,494
Unrestricted	(483,748,855)	65,179,026	(418,569,829)	(23,837,971)
<b>Total net position</b>	<b>\$ (258,358,264)</b>	<b>\$ 119,704,329</b>	<b>\$ (138,653,935)</b>	<b>\$ 117,499,042</b>

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental activities:</b>								
General government	\$ 82,067,067	\$ 14,348,875	\$ 370,261	\$ -	\$ (67,347,931)	\$ -	\$ (67,347,931)	\$ -
Public safety	100,145,235	19,613,268	9,152,703	-	(71,379,264)	-	(71,379,264)	-
Judicial	28,929,279	10,614,833	113,019	-	(18,201,427)	-	(18,201,427)	-
Public works	56,530,661	2,412,257	15,227,572	-	(38,890,832)	-	(38,890,832)	-
Health and welfare	6,919,984	351,291	2,882,008	-	(3,686,685)	-	(3,686,685)	-
Economic development	6,497,323	2,970	4,546,611	-	(1,947,742)	-	(1,947,742)	-
Culture and recreation	35,967,005	262,812	-	-	(35,704,193)	-	(35,704,193)	-
Education	6,666,389	-	-	-	(6,666,389)	-	(6,666,389)	-
Interest and fiscal charges	24,237,970	-	-	-	(24,237,970)	-	(24,237,970)	-
<b>Total governmental activities</b>	<b>347,960,913</b>	<b>47,606,306</b>	<b>32,292,174</b>	<b>-</b>	<b>(268,062,433)</b>	<b>-</b>	<b>(268,062,433)</b>	<b>-</b>
<b>Business-type activities:</b>								
DAODAS	9,388,170	6,506,701	662,835	-	-	(2,218,634)	(2,218,634)	-
E-911 Communications	2,715,095	2,382,138	-	-	-	(332,957)	(332,957)	-
Environmental Management	27,114,755	28,437,927	453,304	-	-	1,776,476	1,776,476	-
Parking Garages	2,426,875	3,634,145	-	-	-	1,207,270	1,207,270	-
Public Safety Systems	441,029	375,066	-	-	-	(65,963)	(65,963)	-
Radio Communications	3,680,827	2,064,604	-	-	-	(1,616,223)	(1,616,223)	-
Revenue Collections	1,783,500	586,530	-	-	-	(1,196,970)	(1,196,970)	-
<b>Total business-type activities</b>	<b>47,550,251</b>	<b>43,987,111</b>	<b>1,116,139</b>	<b>-</b>	<b>-</b>	<b>(2,447,001)</b>	<b>(2,447,001)</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 395,511,164</b>	<b>\$ 91,593,417</b>	<b>\$ 33,408,313</b>	<b>\$ -</b>	<b>(268,062,433)</b>	<b>(2,447,001)</b>	<b>(270,509,434)</b>	<b>-</b>
<b>Component Units:</b>								
Charleston County Library	\$ 16,359,060	\$ 479,201	\$ 15,403,716	\$ 558,971				82,828
Charleston County PRC	33,374,516	15,654,211	24,861	2,638,833				(15,056,611)
Cooper River Park & Playground	203,893	-	-	-				(203,893)
North Charleston District	1,142,232	-	-	-				(1,142,232)
St. Andrew's Parish Parks & Playground	4,456,424	2,150,464	-	-				(2,305,960)
St. John's Fire District	13,501,753	-	15,764	-				(13,485,989)
St. Paul's Fire District	6,280,277	-	-	-				(6,280,277)
Charleston County Volunteer Rescue Squad	401,135	-	243,229	150,000				(7,906)
<b>Total component units</b>	<b>\$ 75,719,290</b>	<b>\$ 18,283,876</b>	<b>\$ 15,687,570</b>	<b>\$ 3,347,804</b>				<b>(38,400,040)</b>

<b>General Revenues:</b>				
Property taxes	142,717,885	-	142,717,885	
Charleston County PRC	-	-	-	18,102,142
Cooper River Park & Playground	-	-	-	155,931
North Charleston District	-	-	-	955,358
St. Andrew's Parish Parks & Playground	-	-	-	1,662,363
St. John's Fire District	-	-	-	13,007,031
St. Paul's Fire District	-	-	-	5,921,857
Local option sales tax	57,932,479	-	57,932,479	-
Transportation sales tax	52,922,363	-	52,922,363	-
Accommodations tax	15,699,420	-	15,699,420	-
Franchise tax	876,716	-	876,716	35,642
Alcohol beverage tax	-	697,064	697,064	-
Merchants inventory tax and manufacturer's depreciation	1,512,202	10,832	1,523,034	2,077,642
Motor carrier tax	145,810	-	145,810	-
Homestead exemption	2,593,876	-	2,593,876	-
Unrestricted state aid to political subdivisions	12,985,557	-	12,985,557	-
Grants and contributions not restricted to specific program	-	-	-	24,649
Unrestricted investment earnings	1,180,393	301,223	1,481,616	14,813
Gain on sale of capital assets	313,118	13,658	326,776	23,218
Fundraising and donations	-	-	-	38,800
Miscellaneous	-	-	-	300,789
Transfers	(2,294,434)	2,294,434	-	-
<b>Total general revenues and transfers</b>	<u>286,585,385</u>	<u>3,317,211</u>	<u>289,902,596</u>	<u>42,320,235</u>
Change in position	18,522,952	870,210	19,393,162	3,920,195
Net position - beginning, as restated	(276,881,216)	118,834,119	(158,047,097)	113,578,847
Net position - ending	<u>\$ (258,358,264)</u>	<u>\$ 119,704,329</u>	<u>\$ (138,653,935)</u>	<u>\$ 117,499,042</u>

See notes to financial statements.



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COUNTY OF CHARLESTON, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016

<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	\$ 3,184,299	\$ -	\$ -	\$ -	\$ 1,093,327	\$ 4,277,626
Pooled cash and cash equivalents	-	-	-	-	64,081,792	64,081,792
Pooled investments	43,407,346	17,968,011	44,865,239	78,041,704	-	184,282,300
Restricted cash and cash equivalents	-	-	-	-	937,332	937,332
Restricted investments	-	-	-	2,163,547	-	2,163,547
Receivables (net of allowances for uncollectibles)	173,669,717	20,766,834	32,620,721	-	23,204,233	250,261,505
Due from other funds	735,795	-	-	-	-	735,795
Inventories	777,478	-	-	-	-	777,478
Total assets	<u>\$ 221,774,635</u>	<u>\$ 38,734,845</u>	<u>\$ 77,485,960</u>	<u>\$ 80,205,251</u>	<u>\$ 89,316,684</u>	<u>\$ 507,517,375</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 2,302,022	\$ 16,496	\$ 3,727,501	\$ -	\$ 2,800,834	\$ 8,846,853
Accrued payroll and fringe benefits	6,355,017	-	63,764	-	744,788	7,163,569
Due to other funds	1,225,558	-	-	-	735,795	1,961,353
Intergovernmental payable	1,605,182	-	1,470	162,420	7,144,252	8,913,324
Unearned revenue	-	-	-	-	504,607	504,607
Total liabilities	<u>11,487,779</u>	<u>16,496</u>	<u>3,792,735</u>	<u>162,420</u>	<u>11,930,276</u>	<u>27,389,706</u>
Deferred inflows of resources:						
Unavailable property tax revenues - current	148,206,210	20,286,245	-	-	12,101,152	180,593,607
Unavailable property tax revenues - delinquent	1,853,819	347,510	-	-	223,213	2,424,542
Total deferred inflows of resources	<u>150,060,029</u>	<u>20,633,755</u>	<u>-</u>	<u>-</u>	<u>12,324,365</u>	<u>183,018,149</u>
Fund balances:						
Nonspendable - Inventories	777,478	-	-	-	-	777,478
Restricted - Debt service	-	18,084,594	-	-	-	18,084,594
Restricted - General government operations	-	-	-	-	165,388	165,388
Restricted - Law enforcement and public safety programs	-	-	-	-	6,324,625	6,324,625
Restricted - Judicial assistance and programs	-	-	-	-	3,106,999	3,106,999
Restricted - Health and welfare assistance	-	-	-	-	377,673	377,673
Restricted - Local economic development	-	-	-	-	2,849,079	2,849,079
Restricted - Tourism related	-	-	-	-	790,841	790,841
Restricted - Capital and infrastructure projects	-	-	48,244,414	80,042,831	20,598,702	148,885,947
Committed - Capital and infrastructure projects	-	-	25,448,811	-	30,848,736	56,297,547
Assigned - General government operations	2,001,482	-	-	-	-	2,001,482
Assigned - Capital and infrastructure projects	1,127,320	-	-	-	-	1,127,320
Assigned - Law enforcement	932,762	-	-	-	-	932,762
Assigned - Purchases on order	2,256,234	-	-	-	-	2,256,234
Unassigned	53,131,551	-	-	-	-	53,131,551
Total fund balances	<u>60,226,827</u>	<u>18,084,594</u>	<u>73,693,225</u>	<u>80,042,831</u>	<u>65,062,043</u>	<u>297,109,520</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 221,774,635</u>	<u>\$ 38,734,845</u>	<u>\$ 77,485,960</u>	<u>\$ 80,205,251</u>	<u>\$ 89,316,684</u>	<u>\$ 507,517,375</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, 2016**

<b>Total Governmental Fund Balances</b>		<b>\$ 297,109,520</b>
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
<b>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</b>		<b>293,017,798</b>
<b>Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:</b>		
Deferred loss on refunding	\$ 23,164,449	
Property taxes	<u>2,424,542</u>	<b>25,588,991</b>
<b>Internal service funds are used by management to charge the costs of insurance, employee benefits 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.</b>		<b>(164,638,186)</b>
<b>Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance.</b>		<b>(15,880,850)</b>
<b>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:</b>		
General obligation bonds	\$ (558,781,755)	
Special source revenue bonds	(92,680,258)	
Leases payable	(807,901)	
Compensated absences	(10,994,717)	
Intergovernmental note payable	(25,528,049)	
Accrued interest payable	<u>(4,762,857)</u>	<u><b>(693,555,537)</b></u>
<b>Net position of governmental activities</b>		<b><u><u>\$ (258,358,264)</u></u></b>

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, 2016

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Special Source Revenue Bonds	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property, local option sales and transportation sales tax	\$ 150,459,307	\$ 19,927,139	\$ 52,922,364	\$ 15,441,472	\$ 15,027,617	\$ 253,777,899
Intergovernmental	24,557,843	363,613	8,723,055	-	29,433,499	63,078,010
Permits and licenses	5,221,268	-	-	-	-	5,221,268
Fines and forfeitures	1,578,423	-	-	-	1,033,038	2,611,461
Interest	963,758	104,004	347,614	448,793	195,813	2,059,982
Service charges	21,468,225	-	-	-	18,108,329	39,576,554
Rental and use of property	479,701	-	55,250	-	-	534,951
Other revenues	5,484,592	-	52,335	-	611,964	6,148,891
<b>Total revenues</b>	<b>210,213,117</b>	<b>20,394,756</b>	<b>62,100,618</b>	<b>15,890,265</b>	<b>64,410,260</b>	<b>373,009,016</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	53,832,437	-	14,844,167	10,144,278	145,028	78,965,910
Public safety	87,305,412	-	-	-	5,986,130	93,291,542
Judicial	18,768,118	-	-	-	8,749,687	27,517,805
Public works	9,040,928	-	35,992,390	4,665,406	10,146,528	59,845,252
Health and welfare	4,044,061	-	-	-	2,878,738	6,922,799
Economic development	-	-	6,825	-	6,527,276	6,534,101
Culture and recreation	15,072,774	-	3,613,928	-	17,062,135	35,748,837
Education	-	-	-	-	6,499,594	6,499,594
Capital outlay	-	-	-	-	5,954,718	5,954,718
Debt service	-	27,694,122	28,699,436	4,273,169	175,294	60,842,021
<b>Total expenditures</b>	<b>188,063,730</b>	<b>27,694,122</b>	<b>83,156,746</b>	<b>19,082,853</b>	<b>64,125,128</b>	<b>382,122,579</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>22,149,387</b>	<b>(7,299,366)</b>	<b>(21,056,128)</b>	<b>(3,192,588)</b>	<b>285,132</b>	<b>(9,113,563)</b>
<b>Other financing sources (uses):</b>						
Capital lease proceeds	-	-	-	-	55,928	55,928
General obligation bonds issued	-	-	-	-	20,875,000	20,875,000
Refunding general obligation bonds issued	-	-	46,250,000	-	56,680,000	102,930,000
Bond premium	-	1,316,947	8,184,124	-	11,356,911	20,857,982
Payment to escrow agent for refunding	-	-	(54,093,304)	-	(67,692,911)	(121,786,215)
Transfers in	4,466,840	7,380,765	16,176,664	3,824,376	22,694,514	54,543,159
Transfers out	(20,172,244)	(330,725)	(20,881,424)	(6,802,201)	(13,305,695)	(61,492,289)
Proceeds from sale of capital assets	-	-	-	-	408,784	408,784
<b>Total other financing sources (uses)</b>	<b>(15,705,404)</b>	<b>8,366,987</b>	<b>(4,363,940)</b>	<b>(2,977,825)</b>	<b>31,072,531</b>	<b>16,392,349</b>
<b>Net change in fund balances</b>	<b>6,443,983</b>	<b>1,067,621</b>	<b>(25,420,068)</b>	<b>(6,170,413)</b>	<b>31,357,663</b>	<b>7,278,786</b>
<b>Fund balances at beginning of year</b>	<b>53,782,844</b>	<b>17,016,973</b>	<b>99,113,293</b>	<b>86,213,244</b>	<b>33,704,380</b>	<b>289,830,734</b>
<b>Fund balances at end of year</b>	<b>\$ 60,226,827</b>	<b>\$ 18,084,594</b>	<b>\$ 73,693,225</b>	<b>\$ 80,042,831</b>	<b>\$ 65,062,043</b>	<b>\$ 297,109,520</b>

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, 2016

Net Change in Fund Balances - Total Governmental Funds		\$ 7,278,786
<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 depreciation exceeded capital outlay in the current period:		
Capital asset additions	\$ 14,702,127	
Depreciation expense	<u>(16,580,382)</u>	(1,878,255)
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	1,716,569	
Accumulated depreciation	<u>(1,620,903)</u>	
Net book value	95,666	
Proceeds	<u>(408,784)</u>	
Loss on disposal	(313,118)	
Difference of proceeds and loss on sale		(95,666)
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		(126,513)
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.		
		32,022,678
Other financing source (use) which does not provide current resources or current uses:		
Capital lease proceeds	(55,928)	
General obligation bonds issued	(20,875,000)	
Refunding general obligation bonds issued	(102,930,000)	
Bond premium	(20,857,982)	
Payment to escrow agent for refunding	<u>121,786,215</u>	(22,932,695)
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.		
		706,891
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	(180,498)	
Deferred refunding costs and amortization of bond premiums	<u>4,278,567</u>	4,098,069
To record internal service fund transfers.		
		4,654,696
The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net loss of the internal service funds are reported with governmental activities.		
		164,048
Elimination of indirect income between governmental funds and the enterprise funds.		
		(3,663,024)
The increase of governmental expenditures to avoid the doubling up of increase in net position from the internal service funds.		
		(1,706,063)
Change in net position of governmental activities		<u>\$ 18,522,952</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, 2016

<u>REVENUES</u>	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property and local option sales taxes	\$ 146,901,000	\$ 146,901,000	\$ 150,459,307	\$ 3,558,307
Intergovernmental	19,770,521	24,411,236	24,557,843	146,607
Permits and licenses	4,345,255	4,345,255	5,221,268	876,013
Fines and forfeitures	1,815,548	1,815,548	1,578,423	(237,125)
Interest	1,445,400	1,445,400	963,758	(481,642)
Service charges	23,047,084	18,321,226	21,468,225	3,146,999
Rental and use of property	245,000	245,000	479,701	234,701
Other revenues	4,948,117	5,033,260	5,484,592	451,332
<b>Total revenues</b>	<b>202,517,925</b>	<b>202,517,925</b>	<b>210,213,117</b>	<b>7,695,192</b>
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	4,301,150	4,488,817	4,046,941	441,876
Auditor	2,229,335	2,282,335	2,146,183	136,152
Board of Elections & Voter Registration	1,958,597	1,958,992	2,143,909	(184,917)
Budget	742,329	663,329	663,281	48
Community Services	506,110	506,110	506,019	91
County Administrator	886,904	1,019,141	989,938	29,203
County Council	1,613,801	2,092,780	2,081,591	11,189
Deputy Administrator for Finance	463,041	455,804	429,701	26,103
Deputy Administrator for General Services	399,636	399,636	387,763	11,873
Deputy Administrator for Human Services	413,347	413,747	410,039	3,708
Facilities Management	15,490,738	18,149,081	15,254,070	2,895,011
Finance	1,047,862	956,045	919,864	36,181
Human Resources	1,490,661	1,640,661	1,485,737	154,924
Internal Auditor	228,490	228,490	227,115	1,375
Legal	1,319,220	1,319,220	1,370,914	(51,694)
Legislative Delegation	236,121	236,121	232,344	3,777
Nondepartmental	320,000	333,466	123,536	209,930
Procurement	943,770	943,770	883,007	60,763
Register Mesne Conveyance	1,966,672	1,986,286	1,895,846	90,440
Revenue Collections - Delinquent Tax	1,209,500	1,209,500	1,031,741	177,759
Safety & Risk Management	2,135,276	2,135,276	2,048,356	86,920
Technology Services	11,021,162	12,650,681	11,112,233	1,538,448
Treasurer	1,830,357	1,926,532	1,842,759	83,773
Zoning/Planning	1,733,658	1,739,164	1,599,550	139,614
<b>Total general government</b>	<b>54,487,737</b>	<b>59,734,984</b>	<b>53,832,437</b>	<b>5,902,547</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Public Safety:</b>				
Building Inspections	\$ 1,735,590	\$ 1,740,380	\$ 1,620,032	\$ 120,348
Consolidated Dispatch	6,915,661	7,080,106	6,973,072	107,034
Emergency Management	815,192	815,192	762,045	53,147
Emergency Medical Services	15,663,519	14,529,684	14,742,209	(212,525)
Sheriff	65,167,950	65,123,178	63,208,054	1,915,124
<b>Total public safety</b>	<b>90,297,912</b>	<b>89,288,540</b>	<b>87,305,412</b>	<b>1,983,128</b>
<b>Judicial:</b>				
Clerk of Court	3,681,737	3,717,964	3,613,212	104,752
Coroner	1,547,275	1,532,625	1,615,623	(82,998)
Magistrates Courts	4,872,920	4,852,072	4,749,163	102,909
Master-In-Equity	673,584	673,747	664,471	9,276
Probate Court	2,582,527	2,584,716	2,556,584	28,132
Solicitor	5,756,713	5,757,013	5,569,065	187,948
<b>Total judicial</b>	<b>19,114,756</b>	<b>19,118,137</b>	<b>18,768,118</b>	<b>350,019</b>
<b>Public Works:</b>				
Transportation Development	428,760	428,760	405,441	23,319
Public Works Department	9,051,665	9,071,530	8,635,487	436,043
<b>Total public works</b>	<b>9,480,425</b>	<b>9,500,290</b>	<b>9,040,928</b>	<b>459,362</b>
<b>Health and Welfare:</b>				
Indigent Care	1,378,078	1,378,078	1,378,057	21
Public Works - Mosquito Abatement	2,445,586	2,466,170	2,013,115	453,055
State Agencies	377,106	377,106	305,621	71,485
Veterans Affairs	358,817	358,817	347,268	11,549
<b>Total health and welfare</b>	<b>4,559,587</b>	<b>4,580,171</b>	<b>4,044,061</b>	<b>536,110</b>
<b>Culture and Recreation:</b>				
Charleston County Library	15,162,774	15,072,774	15,072,774	-
<b>Total culture and recreation</b>	<b>15,162,774</b>	<b>15,072,774</b>	<b>15,072,774</b>	<b>-</b>
<b>Total expenditures</b>	<b>193,103,191</b>	<b>197,294,896</b>	<b>188,063,730</b>	<b>9,231,166</b>
<b>Excess of revenues over expenditures</b>	<b>9,414,734</b>	<b>5,223,029</b>	<b>22,149,387</b>	<b>16,926,358</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2016**

	<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	\$ 4,619,004	\$ 4,619,004	\$ 4,466,840	\$ (152,164)
Transfers out	(21,645,399)	(20,564,102)	(20,172,244)	391,858
Total other financing sources and (uses)	<u>(17,026,395)</u>	<u>(15,945,098)</u>	<u>(15,705,404)</u>	<u>239,694</u>
Net change in fund balance	(7,611,661)	(10,722,069)	6,443,983	17,166,052
Fund balance at beginning of year	<u>53,782,844</u>	<u>53,782,844</u>	<u>53,782,844</u>	<u>-</u>
Fund balance at end of year	<u>\$ 46,171,183</u>	<u>\$ 43,060,775</u>	<u>\$ 60,226,827</u>	<u>\$ 17,166,052</u>

See notes to financial statements.



COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2016

ASSETS	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
<b>Current assets:</b>					
Non-pooled cash and cash equivalents	\$ 1,251	\$ 9,500	\$ 398,909	\$ 409,660	\$ -
Pooled cash and cash equivalents	-	-	9,573,211	9,573,211	40,523,982
Cash with fiscal agent	-	-	-	-	125,000
Pooled investments	48,346,402	1,483,705	-	49,830,107	3,451,749
Receivables (net of allowances for uncollectibles)	2,589,612	21,187	2,374,716	4,985,515	449,262
Due from other funds	-	-	-	-	24,038,209
Inventories	-	-	-	-	322,486
Prepaid rent	-	-	92,821	92,821	-
<b>Total current assets</b>	<b>50,937,265</b>	<b>1,514,392</b>	<b>12,439,657</b>	<b>64,891,314</b>	<b>68,910,688</b>
<b>Capital assets:</b>					
Land	4,564,562	2,350,320	-	6,914,882	-
Construction in progress	957,315	230,808	-	1,188,123	-
Buildings	3,836,940	14,515,236	9,702,367	28,054,543	1,695,683
Improvements other than buildings	21,536,002	242,400	270,255	22,048,657	-
Machinery and equipment	24,716,511	1,275,085	4,514,908	30,506,504	39,292,722
Less accumulated depreciation	(20,832,232)	(6,039,017)	(7,316,156)	(34,187,405)	(23,133,043)
<b>Total capital assets (net of     accumulated depreciation)</b>	<b>34,779,098</b>	<b>12,574,832</b>	<b>7,171,374</b>	<b>54,525,304</b>	<b>17,855,362</b>
<b>Total noncurrent assets</b>	<b>34,779,098</b>	<b>12,574,832</b>	<b>7,171,374</b>	<b>54,525,304</b>	<b>17,855,362</b>
<b>Total assets</b>	<b>85,716,363</b>	<b>14,089,224</b>	<b>19,611,031</b>	<b>119,416,618</b>	<b>86,766,050</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension contributions made subsequent to measurement date	-	-	-	-	13,359,612
Difference between expected and actual experience	-	-	-	-	22,509,459
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,869,071</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2016

<u>LIABILITIES</u>	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds		
<b>Current liabilities:</b>					
Accounts payable	\$ 1,084,291	\$ 67,759	\$ 272,866	\$ 1,424,916	\$ 3,482,000
Accrued payroll and fringe benefits	384,124	53,620	455,844	893,588	213,508
Compensated absences - current	12,685	-	29,219	41,904	33,668
Due to other funds	10,009,968	1,476,476	11,326,207	22,812,651	-
Intergovernmental payable	44,301	2,746	4,014,429	4,061,476	2,070,755
Unearned revenue	-	-	26,232	26,232	-
Lease payable - current	-	-	-	-	276,494
Accrual for landfill closure - current	1,035,920	-	-	1,035,920	-
<b>Total current liabilities</b>	<b>12,571,289</b>	<b>1,600,601</b>	<b>16,124,797</b>	<b>30,296,687</b>	<b>6,076,425</b>
<b>Noncurrent liabilities:</b>					
OPEB liability	-	-	-	-	32,221,614
Accrual for landfill closure	6,855,400	-	-	6,855,400	-
Compensated absences	624,959	77,975	550,769	1,253,703	321,056
Lease payable	-	-	-	-	322,391
Net pension liability	-	-	-	-	211,933,021
<b>Total noncurrent liabilities</b>	<b>7,480,359</b>	<b>77,975</b>	<b>550,769</b>	<b>8,109,103</b>	<b>244,798,082</b>
<b>Total liabilities</b>	<b>20,051,648</b>	<b>1,678,576</b>	<b>16,675,566</b>	<b>38,405,790</b>	<b>250,874,507</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	13,586,149
<b>NET POSITION</b>					
Net investment in capital assets	34,779,098	12,574,831	7,171,374	54,525,303	17,256,477
Unrestricted	30,885,617	(164,183)	(4,235,909)	26,485,525	(159,082,012)
<b>Total net position</b>	<b>\$ 65,664,715</b>	<b>\$ 12,410,648</b>	<b>\$ 2,935,465</b>	<b>81,010,828</b>	<b>\$ (141,825,535)</b>
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(4,847,948)	
Adjustment to reflect the elimination of indirect and other costs charged by the governmental funds				43,541,449	
<b>Total net position for business-type activities</b>				<b>\$ 119,704,329</b>	

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds		
<b>Operating revenues:</b>					
Charges for services	\$ 435,772	\$ 3,634,145	\$ 14,704,064	\$ 18,773,981	\$ 61,822,844
User fees	27,914,210	-	-	27,914,210	-
Sale of recyclables	256,594	-	-	256,594	-
Other revenues	11,341	-	11,592	22,933	-
<b>Total operating revenues</b>	<b>28,617,917</b>	<b>3,634,145</b>	<b>14,715,656</b>	<b>46,967,718</b>	<b>61,822,844</b>
<b>Operating expenses:</b>					
Personnel services	7,107,852	950,589	7,910,714	15,969,155	3,670,020
Contractual services	10,379,730	243,443	986,865	11,610,038	3,654,114
Materials and supplies	898,033	146,108	1,078,705	2,122,846	8,537,290
Utilities	130,134	163,289	779,561	1,072,984	1,466,726
Repairs and maintenance	51,347	107,429	2,116,025	2,274,801	442,187
Rental expenses	173,744	-	575,458	749,202	13,174
Vehicle fleet charges	3,406,887	6,596	22,080	3,435,563	126,668
Employee benefits	2,156,549	296,620	2,329,802	4,782,971	39,840,262
Other expenses	1,419,807	229,247	5,012,539	6,661,593	545,279
Depreciation and amortization	3,636,964	438,460	840,928	4,916,352	4,215,827
Landfill closure	1,035,920	-	-	1,035,920	-
<b>Total operating expenses</b>	<b>30,396,967</b>	<b>2,581,781</b>	<b>21,652,677</b>	<b>54,631,425</b>	<b>62,511,547</b>
<b>Operating income (loss)</b>	<b>(1,779,050)</b>	<b>1,052,364</b>	<b>(6,937,021)</b>	<b>(7,663,707)</b>	<b>(688,703)</b>
<b>Nonoperating revenues (expenses):</b>					
Interest income	252,614	12,603	36,006	301,223	215,633
Interest expense	-	-	-	-	(59,642)
Intergovernmental revenues	453,304	-	662,835	1,116,139	5,937
Gain (loss) on disposal of capital assets	(66,110)	373	13,285	(52,452)	196,314
<b>Total nonoperating revenues (expenses)</b>	<b>639,808</b>	<b>12,976</b>	<b>712,126</b>	<b>1,364,910</b>	<b>358,242</b>
<b>Income (loss) before transfers</b>	<b>(1,139,242)</b>	<b>1,065,340</b>	<b>(6,224,895)</b>	<b>(6,298,797)</b>	<b>(330,461)</b>
Transfers in	-	-	3,966,595	3,966,595	5,224,778
Transfers out	-	(1,672,161)	-	(1,672,161)	(570,082)
<b>Change in net position</b>	<b>(1,139,242)</b>	<b>(606,821)</b>	<b>(2,258,300)</b>	<b>(4,004,363)</b>	<b>4,324,235</b>
<b>Total net position- beginning</b>	<b>66,803,957</b>	<b>13,017,469</b>	<b>5,193,765</b>		<b>(146,149,770)</b>
<b>Total net position - ending</b>	<b>\$ 65,664,715</b>	<b>\$ 12,410,648</b>	<b>\$ 2,935,465</b>		<b>\$ (141,825,535)</b>
<b>Adjustment to reflect the elimination of indirect costs charged by governmental funds</b>				<b>6,086,153</b>	
<b>Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds</b>				<b>(1,211,580)</b>	
<b>Change in net position of business-type activities</b>				<b>\$ 870,210</b>	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 29,180,493	\$ 3,721,510	\$ 16,128,386	\$ 49,030,389	\$ 153,705
Cash receipts from interfund services provided	-	-	-	-	56,502,439
Cash payments to suppliers for goods and services	(14,899,095)	(646,217)	(7,398,913)	(22,944,225)	(47,920,505)
Cash payments to employees for services	(9,177,251)	(1,234,222)	(10,133,721)	(20,545,194)	(3,737,006)
<b>Net cash (used in) provided by     operating activities</b>	<b>5,104,147</b>	<b>1,841,071</b>	<b>(1,404,248)</b>	<b>5,540,970</b>	<b>4,998,633</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	-	-	3,966,595	3,966,595	5,224,778
Transfers (out)	-	(1,672,161)	-	(1,672,161)	(570,082)
Intergovernmental receipt	453,304	-	662,835	1,116,139	-
<b>Net cash provided by (used in)     noncapital financing activities</b>	<b>453,304</b>	<b>(1,672,161)</b>	<b>4,629,430</b>	<b>3,410,573</b>	<b>4,654,696</b>
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on long-term debt	-	-	-	-	(268,718)
Interest paid	-	-	-	-	(59,642)
Proceeds from capital lease	-	-	-	-	14,477
Proceeds from sale of capital assets	552,497	1,873	13,285	567,655	373,011
Acquisition and construction of capital assets	(6,529,202)	(492,206)	(447,233)	(7,468,641)	(7,990,848)
<b>Net cash used in capital and     related financing activities</b>	<b>(5,976,705)</b>	<b>(490,333)</b>	<b>(433,948)</b>	<b>(6,900,986)</b>	<b>(7,931,720)</b>
<b>Cash flows from investing activities:</b>					
Interest received	252,614	12,603	36,006	301,223	215,633
<b>Net cash provided by investing activities</b>	<b>252,614</b>	<b>12,603</b>	<b>36,006</b>	<b>301,223</b>	<b>215,633</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(166,640)</b>	<b>(308,820)</b>	<b>2,827,240</b>	<b>2,351,780</b>	<b>1,937,242</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>48,514,293</b>	<b>1,802,025</b>	<b>7,144,880</b>	<b>57,461,198</b>	<b>42,163,489</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 48,347,653</b>	<b>\$ 1,493,205</b>	<b>\$ 9,972,120</b>	<b>\$ 59,812,978</b>	<b>\$ 44,100,731</b>
<b>Reconciliation to balance sheet:</b>					
Non-pooled cash and cash equivalents	\$ 1,251	\$ 9,500	\$ 398,909	\$ 409,660	\$ -
Pooled cash and cash equivalents	-	-	9,573,211	9,573,211	40,523,982
Pooled investments	48,346,402	1,483,705	-	49,830,107	3,451,749
Cash with fiscal agent	-	-	-	-	125,000
<b>Cash and cash equivalents at end of year</b>	<b>\$ 48,347,653</b>	<b>\$ 1,493,205</b>	<b>\$ 9,972,120</b>	<b>\$ 59,812,978</b>	<b>\$ 44,100,731</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,779,050)	\$ 1,052,364	\$ (6,937,021)	\$ (7,663,707)	\$ (688,703)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,636,964	438,460	840,928	4,916,352	4,215,827
Provision for landfill closure	1,035,920	-	-	1,035,920	-
Allowance for uncollectable accounts	128,213	-	19,315	147,528	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
(Increase) decrease in receivables	438,863	87,365	1,388,659	1,914,887	(5,166,700)
(Increase) decrease in inventories	-	-	-	-	5,857
Increase (decrease) in accounts payable	1,560,587	249,895	3,172,320	4,982,802	2,554,173
Increase (decrease) in accrued payroll	87,150	12,987	106,795	206,932	(66,986)
Increase (decrease) in unearned revenue	(4,500)	-	4,756	256	-
Increase (decrease) in net pension liability	-	-	-	-	25,819,555
(Increase) decrease in deferred outflows of resources for pensions	-	-	-	-	(17,751,394)
Increase (decrease) in deferred inflows of resources for pensions	-	-	-	-	(3,922,996)
Total adjustments	6,883,197	788,707	5,532,773	13,204,677	5,687,336
Net cash provided by (used in) operating activities	<u>\$ 5,104,147</u>	<u>\$ 1,841,071</u>	<u>\$ (1,404,248)</u>	<u>\$ 5,540,970</u>	<u>\$ 4,998,633</u>

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
June 30, 2016**

**ASSETS**

Non-pooled cash and cash equivalents	\$ 21,835,147
Non-pooled investments	138,981
Pooled investments	<u>35,938,142</u>
 Total assets	 <u><u>\$ 57,912,270</u></u>

**LIABILITIES**

Due to component units	\$ 232,068
Intergovernmental payable	30,019,928
Due to third parties	<u>27,660,274</u>
 Total liabilities	 <u><u>\$ 57,912,270</u></u>

See notes to financial statements.



COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS  
 June 30, 2016

	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District
<b>ASSETS</b>				
Non-pooled cash and cash equivalents	\$ 2,370,827	\$ 18,205,997	\$ 48,648	\$ 644,192
Investments	-	-	-	-
Receivables (net of allowances for uncollectibles)	103,135	21,345,943	148,261	891,905
Due from primary government	-	(122,928)	4,214	11,862
Inventories	38,409	763,171	-	-
Prepaid items and deposits	452,484	5,162,661	-	-
Other non current asset	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	14,971,170	-	-
Capital assets:				
Nondepreciable assets	11,000	108,444,531	66,161	4,368
Other capital assets, net of accumulated depreciation	3,452,143	38,658,131	3,643	57,692
<b>Total assets</b>	<b>6,427,998</b>	<b>207,428,676</b>	<b>270,927</b>	<b>1,610,019</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions made subsequent to measurement date	796,308	1,135,995	-	-
Differences between expected and actual experience	692,729	985,944	-	-
<b>Total deferred outflows of resources</b>	<b>1,489,037</b>	<b>2,121,939</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	336,311	1,677,155	-	-
Accrued payroll and fringe benefits	451,088	607,127	-	-
Intergovernmental payable	-	-	-	16,157
Interest payable	-	322,206	-	-
Unearned revenue	14,047	1,176,977	-	-
Net pension liability	15,393,713	20,156,134	-	-
Noncurrent liabilities:				
Due within one year	37,096	10,105,908	-	-
Due in more than one year	1,251,278	27,353,812	-	-
<b>Total liabilities</b>	<b>17,483,533</b>	<b>61,399,319</b>	<b>-</b>	<b>16,157</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	-	20,339,011	137,918	845,897
Net differences between projected and actual earnings on pension plan investments	27,529	36,046	-	-
<b>Total deferred inflows of resources</b>	<b>27,529</b>	<b>20,375,057</b>	<b>137,918</b>	<b>845,897</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,328,375	113,531,307	69,804	62,060
Restricted for:				
Debt service	-	12,131,126	-	-
Capital improvement program	108,017	-	-	-
1% fee	-	-	-	-
Donors / Grantors	-	-	-	-
Unrestricted	(13,030,419)	2,113,806	63,205	685,905
<b>Total net position</b>	<b>\$ (9,594,027)</b>	<b>\$ 127,776,239</b>	<b>\$ 133,009</b>	<b>\$ 747,965</b>

See notes to financial statements.

Charleston County Volunteer Rescue Squad Dec. 31, 2015	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Totals
\$ 360,472	\$ 573,836	\$ 3,418,580	\$ 30,335	\$ 25,652,887
-	-	10,844	-	10,844
24,649	1,402,380	13,338,633	5,646,228	42,901,134
-	15,818	267,419	57,964	234,349
-	-	-	-	801,580
23,926	21,665	267,327	209,288	6,137,351
-	40,000	-	-	40,000
-	-	-	67,494	15,038,664
87,679	519,000	619,157	801,301	110,553,197
821,866	2,819,075	11,801,418	6,867,179	64,481,147
<u>1,318,592</u>	<u>5,391,774</u>	<u>29,723,378</u>	<u>13,679,789</u>	<u>265,851,153</u>
-	168,561	921,544	162,956	3,185,364
-	556,686	371,813	546,543	3,153,715
-	725,247	1,293,357	709,499	6,339,079
-	66,859	127,935	140,606	2,348,866
-	184,451	367,527	187,812	1,798,005
-	3,906	-	-	20,063
-	-	81,377	37,584	441,167
57,205	402,731	-	-	1,650,960
-	2,869,098	10,847,433	4,981,541	54,247,919
-	191,228	1,394,843	587,828	12,316,903
-	224,962	7,743,347	3,925,861	40,499,260
<u>57,205</u>	<u>3,943,235</u>	<u>20,562,462</u>	<u>9,861,232</u>	<u>113,323,143</u>
-	1,323,489	13,176,031	5,311,698	41,134,044
-	169,817	-	611	234,003
-	1,493,306	13,176,031	5,312,309	41,368,047
909,545	3,035,719	4,233,258	3,537,657	128,707,725
-	-	232,916	89,735	12,453,777
-	-	-	-	108,017
-	-	-	67,494	67,494
-	-	-	-	-
351,842	(2,355,239)	(7,187,932)	(4,479,139)	(23,837,971)
<u>\$ 1,261,387</u>	<u>\$ 680,480</u>	<u>\$ (2,721,758)</u>	<u>\$ (784,253)</u>	<u>\$ 117,499,042</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS  
 For the Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position									
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District	Chas County Volunteer Rescue Squad Dec. 31, 2015	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Total
<b>Charleston County Library</b>													
Governmental activities:													
Culture and recreation	\$ 16,359,060	\$ 479,201	\$ 15,403,716	\$ 558,971	\$ 82,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,828
<b>Charleston County PRC</b>													
Governmental activities:													
General government	9,774,092	-	24,861	2,638,833	-	(7,110,398)	-	-	-	-	-	-	(7,110,398)
Recreation/Park operations	6,795,943	597,308	-	-	-	(6,198,635)	-	-	-	-	-	-	(6,198,635)
Interest and fiscal charges	884,549	-	-	-	-	(884,549)	-	-	-	-	-	-	(884,549)
Total governmental activities	17,454,584	597,308	24,861	2,638,833	-	(14,193,582)	-	-	-	-	-	-	(14,193,582)
Business-type activities:													
Park operations	15,919,932	15,056,903	-	-	-	(863,029)	-	-	-	-	-	-	(863,029)
Total Charleston County PRC	33,374,516	15,654,211	24,861	2,638,833	-	(15,056,611)	-	-	-	-	-	-	(15,056,611)
<b>Cooper River Park &amp; Playground</b>													
Governmental activities:													
General government	13,385	-	-	-	-	(13,385)	-	-	-	-	-	-	(13,385)
Culture and recreation	190,508	-	-	-	-	(190,508)	-	-	-	-	-	-	(190,508)
Total governmental activities	203,893	-	-	-	-	(203,893)	-	-	-	-	-	-	(203,893)
<b>North Charleston District</b>													
Governmental activities:													
General government	23,255	-	-	-	-	-	(23,255)	-	-	-	-	-	(23,255)
Public safety	832,370	-	-	-	-	-	(832,370)	-	-	-	-	-	(832,370)
Public works	286,607	-	-	-	-	-	(286,607)	-	-	-	-	-	(286,607)
Total governmental activities	1,142,232	-	-	-	-	-	(1,142,232)	-	-	-	-	-	(1,142,232)
<b>Charleston County Volunteer Rescue Squad</b>													
Governmental activities:													
Public Safety	401,135	-	243,229	150,000	-	-	-	(7,906)	-	-	-	-	(7,906)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS  
 For the Year Ended June 30, 2016

	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	North Charleston District	Chas County Volunteer Rescue Squad Dec. 31, 2015	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	
<b>St. Andrew's Parish Parks &amp; Playground Commission</b>													
Governmental activities:													
General government	\$ 1,521,118	\$ 21,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,499,491)	\$ -	\$ -	\$ (1,499,491)
Culture and recreation	670,118	771,076	-	-	-	-	-	-	-	100,958	-	-	100,958
Interest	14,370	-	-	-	-	-	-	-	-	(14,370)	-	-	(14,370)
Total governmental activities	2,205,606	792,703	-	-	-	-	-	-	-	(1,412,903)	-	-	(1,412,903)
Business-type activities:													
Culture and recreation	2,250,818	1,357,761	-	-	-	-	-	-	-	(893,057)	-	-	(893,057)
<b>Total St. Andrew's Parish Parks &amp; Playground Commission</b>	<b>4,456,424</b>	<b>2,150,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,305,960)</b>	<b>-</b>	<b>-</b>	<b>(2,305,960)</b>
<b>St. John's Fire District</b>													
Governmental activities:													
Public safety	13,252,265	-	15,764	-	-	-	-	-	-	-	(13,236,501)	-	(13,236,501)
Interest	249,488	-	-	-	-	-	-	-	-	-	(249,488)	-	(249,488)
Total governmental activities	13,501,753	-	15,764	-	-	-	-	-	-	-	(13,485,989)	-	(13,485,989)
<b>St. Paul's Fire District</b>													
Governmental activities:													
Public safety	6,280,277	-	-	-	-	-	-	-	-	-	-	(6,280,277)	(6,280,277)
<b>Total Component Units</b>	<b>\$ 75,719,290</b>	<b>\$ 18,283,876</b>	<b>\$ 15,687,570</b>	<b>\$ 3,347,804</b>									<b>\$ (38,400,040)</b>
<b>General Revenues:</b>													
Property taxes					-	18,102,142	155,931	955,358	-	1,662,363	13,007,031	5,921,857	39,804,682
Merchants inventory tax and manufacturer's depreciation					-	1,384,776	55,574	211,651	-	390,657	21,244	13,740	2,077,642
Franchise fees					-	-	-	35,642	-	-	-	-	35,642
Grants not restricted to specific program					-	-	-	-	24,649	-	-	-	24,649
Unrestricted investment earnings					-	13,870	-	591	-	205	-	147	14,813
Gains on sale of capital assets					-	14,250	-	-	8,968	-	-	-	23,218
Fundraising and donations					-	-	-	-	38,800	-	-	-	38,800
Miscellaneous					-	145,747	-	-	1,942	-	13,682	139,418	300,789
Total general revenues					-	19,660,785	211,505	1,203,242	74,359	2,053,225	13,041,957	6,075,162	42,320,235
Change in net position					82,828	4,604,174	7,612	61,010	66,453	(252,735)	(444,032)	(205,115)	3,920,195
Net position - beginning, as restated					(9,676,855)	123,172,065	125,397	686,955	1,194,934	933,215	(2,277,726)	(579,138)	113,578,847
Net position - end of year					\$ (9,594,027)	\$ 127,776,239	\$ 133,009	\$ 747,965	\$ 1,261,387	\$ 680,480	\$ (2,721,758)	\$ (784,253)	\$ 117,499,042

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2016

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**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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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, 2016.

**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 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).

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

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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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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 Development Corporation Administrative Office Address: 4045 Bridge View Drive Suite B226 North Charleston, SC 29405 Telephone: (843) 958-4600</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>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>	



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

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

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

**Government-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

**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.

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*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. Landfill to dispose of all county dry goods and construction materials.
2. 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.

*Parking Garages* – This fund is used to account for the operation, financing, and construction of parking facilities. The County currently owns and operates two parking garages in downtown Charleston.

**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.

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*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, as well as providing retirement benefits. 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. To provide retirement benefits to its employees, the County also contracts with the South Carolina Public Employee Benefit Authority (PEBA) which administers the various retirement systems and retirement programs managed by its Retirement Division.

**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.

*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.

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**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 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, 2015, but which were levied to finance fiscal year 2017 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.

The County also defers revenue recognition in connection with resources received prior to meeting eligibility requirements (other than time requirements). As such, certain grants have been received, but not yet earned.

**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.

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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.

**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.

The County implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. The County previously reported its investments at fair value on a recurring basis, so the primary effect of the implementation of this Statement was additional disclosure, which can be found below:

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

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At June 30, 2016, all of the investments are reported using Level 1 fair value hierarchy.

South Carolina State law limits investments to those authorized by South Carolina Code of Laws Section 6-5-10. These state statues 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 from the South Carolina office of the State Treasurer at the Wade Hampton Office Building, 1200 Senate Street, Columbia, SC, 29201.

## **2. Receivables and Payables**

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

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

The County bills and collects property taxes for itself and all other taxing entities within the County. Property taxes are recognized in the period for which they are levied and available for financing current expenditures. Property taxes receivable represents current and delinquent real and personal taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year-end, except those collected within 60 days, are recorded as deferred revenue and thus not recognized as revenue until collected in the governmental funds. Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – 3 percent, February 1 – an additional 7 percent, March 16 – an additional 5 percent. On March 16, the



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

**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, 2016.

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

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

**6. Long-term Obligations**

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

**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.

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

Nonspendable fund balance cannot be spent because of its form.

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

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

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

Unassigned fund balance in the General Fund equals the net resources in excess of what can be properly classified in one of the above four categories. The County targets General Fund unassigned fund balance at a minimum of 1-1/2 to 2 months of the subsequent year's General Fund disbursements.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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When committed, assigned and unassigned resources are available for use for the same purpose, the County depletes committed funds first followed by assigned and unassigned resources last.

When both restricted and unrestricted resources are available for use for the same purpose, the County depletes restricted resources before unrestricted resources are applied.

**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.

**11. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for solid waste disposal, recycling, parking garages, E-911 communication system, radio communication system, revenue collections, 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 employee benefit 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 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.

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

**A. Budgetary Information**

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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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.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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 Laws, 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, 2016, none of the County's bank balance of \$319,693,314 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, 2016, the County had no exposed custodial credit risk on its investments which total \$275,775,515. \$239,698,392 is reported on the Statement of Net Position and \$36,077,123 is reported with Agency Funds. The County does not have a formal investment policy to address custodial credit risk.

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

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

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

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

***Credit Risk***

The County had \$100,826,414 invested in the South Carolina Local Government Investment Pool (SCLGIP). \$1,410,755 has been invested in certificates of deposits and therefore by definition is not subject to credit risk. \$10,000,000 has been invested in debt securities of the Federal Home Loan Mortgage Discount Note and \$38,160,000 has been invested in Federal National Mortgage Assistance Pool. \$10,000,000 has been invested in Federal Farm Credit Bank and \$113,244,111 has been invested in Federal Home Loan Bank and \$2,134,235 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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**Investment Policy**

The County's Investments are carried at fair market value. 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

Long-term investment maturity scheduling is timed according to anticipated needs.

<b>Investments and Maturity:</b>	<u>Maturity Date</u>		
	Less than 1 year	1-5 years	Over 5 years
Certificates of Deposits	\$ -	\$ 1,410,755	\$ -
SCLGIP	100,826,414	-	-
Federal Home Loan Bank	-	-	113,244,111
Treasury Strips	2,134,235	-	-
Federal Farm Credit Bureau	-	10,000,000	-
Federal Home Loan Mortgage Discount Note	-	10,000,000	-
Federal National Mortgage Assistance Pool	-	37,420,000	740,000
	<u>\$ 102,960,649</u>	<u>\$ 58,830,755</u>	<u>\$ 113,984,111</u>

**Concentrations of Credit Risk**

Percentages of the County's investments are listed as follows:

Certificates of Deposits	0.51%
SCLGIP	36.56%
Federal Home Loan Bank	41.06%
Federal Farm Credit Bureau	3.63%
Federal Home Loan Mortgage Discount Note	3.63%
Federal National Mortgage Assistance Pool	13.84%
Treasury Strips	<u>0.77%</u>
	<u>100.00%</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**Component Units**

**Cash Deposits, Cash Equivalents and Investments**

***Interest Rate Risk***

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

***Custodial Credit Risk***

None of the component units' bank balances were exposed to custodial credit risk since the entire amount was either insured by FDIC or fully collateralized with securities held by the pledging financial institution's trust departments or agents in the component units' names.

***Credit Risk***

None of the component units' 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, 2016, St. John's Fire District had \$10,844 and Charleston County Parks and Recreation Commission had \$161,677 invested in the State Treasurer's Local Government Investment Pool.

***Concentration of Risk***

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

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

Cash on hand - primary government	\$	147,175
Cash on hand - component units		3,012
Carrying amount of deposits - primary government		141,520,886
Carrying amount of deposits - component units		40,526,862
Carrying amount of investments - primary government		275,775,515
Carrying amount of investments - component units		172,521
Cash with fiscal agent - primary government		125,000
Total carrying amount of cash and investments	<u>\$</u>	<u>458,270,971</u>
Non-pooled cash and cash equivalents	\$	52,175,320
Pooled cash and cash equivalents		114,178,985
Restricted cash and cash equivalents		16,005,307
Pooled investments		273,502,298
Non-pooled investments		149,825
Restricted investments		2,134,236
Cash with fiscal agent		125,000
Total carrying amount of cash and investments	<u>\$</u>	<u>458,270,971</u>



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**B. Receivables**

Receivables as of June 30, 2016, including the applicable allowances for uncollectible accounts, are as follows:

<u>Governmental Funds</u>					
<b>Primary government:</b>	General	Debt Service	Transportation Special Revenue Fund	Non-major Governmental Funds	
Receivables:					
Current property taxes	\$ 154,736,072	\$ 21,116,109	\$ -	\$ 12,693,097	
Delinquent property taxes	3,900,504	748,954	-	486,150	
Accounts	29,676,145	-	5,700	973,439	
Intergovernmental	20,565,137	39,680	32,615,021	10,534,093	
Gross receivables	<u>208,877,858</u>	<u>21,904,743</u>	<u>32,620,721</u>	<u>24,686,779</u>	
Less allowance for					
Current property taxes	6,529,862	829,863	-	591,946	
Delinquent property taxes	1,643,293	308,046	-	197,866	
Accounts	27,034,986	-	-	692,734	
Gross allowance	<u>35,208,141</u>	<u>1,137,909</u>	<u>-</u>	<u>1,482,546</u>	
Net total receivable	<u>\$ 173,669,717</u>	<u>\$ 20,766,834</u>	<u>\$ 32,620,721</u>	<u>\$ 23,204,233</u>	
<u>Proprietary</u>					<u>Totals</u>
	Governmental Activities-Internal Service Funds	Environmental Management	Parking Garages	Non-major Business-Type Activities	Primary Government
Receivables:					
Current property taxes	\$ -	\$ -	\$ -	\$ -	\$ 188,545,278
Delinquent property taxes	-	-	-	-	5,135,608
Accounts	234,143	5,894,677	-	2,995,902	39,780,006
Intergovernmental	215,119	95,511	21,187	737,533	64,823,281
Gross receivables	<u>449,262</u>	<u>5,990,188</u>	<u>21,187</u>	<u>3,733,435</u>	<u>298,284,173</u>
Less allowance for uncollectable:					
Current property taxes	-	-	-	-	7,951,671
Delinquent property taxes	-	-	-	-	2,149,205
Accounts	-	3,400,576	-	1,358,719	32,487,015
Gross allowance	<u>-</u>	<u>3,400,576</u>	<u>-</u>	<u>1,358,719</u>	<u>42,587,891</u>
Net total receivable	<u>\$ 449,262</u>	<u>\$ 2,589,612</u>	<u>\$ 21,187</u>	<u>\$ 2,374,716</u>	<u>\$ 255,696,282</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**Component Units:**

	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>NCD</u>	<u>CCVRS</u>
Receivables:					
Current property taxes	\$ -	\$ 21,171,033	\$ 145,223	\$ 890,699	\$ -
Delinquent property taxes	-	672,753	12,016	72,952	-
Accounts	60,925	611,758	-	-	-
Intergovernmental	42,210	-	3,492	-	24,649
Gross receivables	<u>103,135</u>	<u>22,455,544</u>	<u>160,731</u>	<u>963,651</u>	<u>24,649</u>
Less allowance for uncollectible:					
Current property taxes	-	832,022	7,305	44,802	-
Delinquent property taxes	-	100,913	5,165	26,944	-
Accounts	-	176,666	-	-	-
Gross allowance	<u>-</u>	<u>1,109,601</u>	<u>12,470</u>	<u>71,746</u>	<u>-</u>
Net total receivable	<u>\$ 103,135</u>	<u>\$ 21,345,943</u>	<u>\$ 148,261</u>	<u>\$ 891,905</u>	<u>\$ 24,649</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,404,530	\$ 13,598,958	\$ 5,744,860	\$ 42,955,303
Delinquent property taxes	70,739	210,099	397,491	1,436,050
Accounts	18,103	9,458	-	700,244
Intergovernmental	11,008	-	30,000	111,359
Gross receivables	<u>1,504,380</u>	<u>13,818,515</u>	<u>6,172,351</u>	<u>45,202,956</u>
Less allowance for uncollectible:				
Current property taxes	81,041	422,927	433,162	1,821,259
Delinquent property taxes	20,959	56,955	92,961	303,897
Accounts	-	-	-	176,666
Gross allowance	<u>102,000</u>	<u>479,882</u>	<u>526,123</u>	<u>2,301,822</u>
Net total receivable	<u>\$ 1,402,380</u>	<u>\$ 13,338,633</u>	<u>\$ 5,646,228</u>	<u>\$ 42,901,134</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**C. Capital Assets**

Primary government capital asset activity for the year ended June 30, 2016, was as follows:

<b>Governmental Activities</b>	<u>Balance July 1, 2015</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 21,383,106	\$ 1,898,765	\$ -	\$ 23,281,871
Construction in progress	87,003	528,745	-	615,748
Infrastructure-easements, land	<u>8,994,877</u>	<u>2,109,354</u>	<u>(795)</u>	<u>11,103,436</u>
Total capital assets not being depreciated	<u>30,464,986</u>	<u>4,536,864</u>	<u>(795)</u>	<u>35,001,055</u>
Capital assets being depreciated:				
Buildings	331,291,508	930,360	-	332,221,868
Improvements other than buildings	3,996,503	61,989	-	4,058,492
Machinery and equipment	115,308,148	14,728,736	(4,180,849)	125,856,035
Infrastructure	<u>38,587,462</u>	<u>2,422,730</u>	<u>-</u>	<u>41,010,192</u>
Total capital assets being depreciated	<u>489,183,621</u>	<u>18,143,815</u>	<u>(4,180,849)</u>	<u>503,146,587</u>
Less accumulated depreciation:				
Buildings	(95,637,727)	(7,426,356)	-	(103,064,083)
Improvements other than buildings	(1,676,186)	(159,692)	-	(1,835,878)
Machinery and equipment	(78,617,100)	(12,535,728)	3,921,576	(87,231,252)
Infrastructure	<u>(34,468,835)</u>	<u>(674,434)</u>	<u>-</u>	<u>(35,143,269)</u>
Total accumulated depreciation	<u>(210,399,848)</u>	<u>(20,796,210)</u>	<u>3,921,576</u>	<u>(227,274,482)</u>
Total capital assets being depreciated, net	<u>278,783,773</u>	<u>(2,652,395)</u>	<u>(259,273)</u>	<u>275,872,105</u>
Governmental activities				
Total capital assets, net	<u>\$ 309,248,759</u>	<u>\$ 1,884,469</u>	<u>\$ (260,068)</u>	<u>\$ 310,873,160</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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	<u>Balance</u> <u>July 1, 2015</u>	<u>Transfer/</u> <u>Additions</u>	<u>Transfers/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 6,914,882	\$ -	\$ -	\$ 6,914,882
Construction in progress	3,823,607	2,348,992	(4,984,476)	1,188,123
Total capital assets not being depreciated	<u>10,738,489</u>	<u>2,348,992</u>	<u>(4,984,476)</u>	<u>8,103,005</u>
Capital assets being depreciated:				
Buildings	28,054,543	-	-	28,054,543
Improvements other than buildings	16,930,496	5,118,161	-	22,048,657
Machinery and equipment	28,965,051	4,857,752	(3,316,299)	30,506,504
Total capital assets being depreciated	<u>73,950,090</u>	<u>9,975,913</u>	<u>(3,316,299)</u>	<u>80,609,704</u>
Less accumulated depreciation:				
Buildings	(11,112,257)	(617,895)	-	(11,730,152)
Improvements other than buildings	(4,707,304)	(827,629)	-	(5,534,933)
Machinery and equipment	(16,147,681)	(3,470,828)	2,696,189	(16,922,320)
Total accumulated depreciated	<u>(31,967,242)</u>	<u>(4,916,352)</u>	<u>2,696,189</u>	<u>(34,187,405)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>41,982,848</u>	<u>5,059,561</u>	<u>(620,110)</u>	<u>46,422,299</u>
Total capital assets, net	<u>\$ 52,721,337</u>	<u>\$ 7,408,553</u>	<u>\$ (5,604,586)</u>	<u>\$ 54,525,304</u>

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

<b>Governmental Activities</b>	
General government	\$ 9,402,024
Public safety	8,306,932
Judicial	1,589,234
Public works	754,049
Health and welfare	172,682
Economic development	16,715
Culture and recreation	554,574
Total	<u>\$ 20,796,210</u>
<b>Business-type Activities</b>	
DAODAS	\$ 299,235
E-911 Communications	431,253
Environmental Management	3,636,964
Parking Garages	438,460
Radio Communications	96,492
Revenue Collections	13,948
Total	<u>\$ 4,916,352</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Component Units**

Capital assets not being depreciated:

	Balance (As Restated) July 1, 2015	Additions	Deletions	Balance June 30, 2016
Land	\$ 104,924,341	\$ 2,738,614	\$ (1,081,720)	\$ 106,581,235
Construction in progress	2,442,416	2,760,644	(1,242,098)	3,960,962
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>107,377,757</u>	<u>5,499,258</u>	<u>(2,323,818)</u>	<u>110,553,197</u>
Capital assets being depreciated:				
Buildings	71,361,313	1,595,031	(1,015,630)	71,940,714
Improvements other than buildings	23,518,381	326,549	(18,420)	23,826,510
Machinery and equipment	28,579,169	2,217,582	(2,330,806)	28,465,945
Infrastructure	5,465,344	224,424	(578,878)	5,110,890
Library materials	19,094,331	1,597,351	(6,331,418)	14,360,264
Total capital assets being depreciated	<u>148,018,538</u>	<u>5,960,937</u>	<u>(10,275,152)</u>	<u>143,704,323</u>
Less accumulated depreciation	<u>(81,146,193)</u>	<u>(7,187,158)</u>	<u>9,110,175</u>	<u>(79,223,176)</u>
Total capital assets being depreciated, net	<u>66,872,345</u>	<u>(1,226,221)</u>	<u>(1,164,977)</u>	<u>64,481,147</u>
Component units				
Total capital assets, net	<u>\$ 174,250,102</u>	<u>\$ 4,273,037</u>	<u>\$ (3,488,795)</u>	<u>\$ 175,034,344</u>

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

General government	\$ 2,695,944
Public safety	1,744,620
Culture and recreation	<u>2,746,594</u>
Total	<u>\$ 7,187,158</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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Construction in progress in the Governmental and Business-type Activities as of June 30, 2016, is composed of the following:

<b>Primary Government</b>	<u>Project</u>	<u>Expended to</u>	<u>Commitments</u>	<u>Required Future</u>
Governmental activities:	<u>Authorization</u>	<u>June 30, 2016</u>	<u>Outstanding</u>	<u>Financing</u>
Software Upgrade	\$ 236,110	\$ 216,223	\$ 19,887	None
Library Projects	<u>18,767,969</u>	<u>399,525</u>	<u>7,458,546</u>	General
Total governmental activities	<u>\$ 19,004,079</u>	<u>\$ 615,748</u>	<u>\$ 7,478,433</u>	Obligation Bonds
Business-type activities:	<u>Project</u>	<u>Expended to</u>	<u>Commitments</u>	<u>Required Future</u>
	<u>Authorization</u>	<u>June 30, 2016</u>	<u>Outstanding</u>	<u>Financing</u>
MRF Access Road	\$ 1,399,855	\$ 957,315	\$ 442,540	None
Parking Garage Improvements	<u>1,347,588</u>	<u>230,808</u>	<u>186,389</u>	None
Total business-type activities	<u>\$ 2,747,443</u>	<u>\$ 1,188,123</u>	<u>\$ 628,929</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2016, the County has assets under capital lease with a total cost of \$3,035,836 and a net book value of \$1,104,446. 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.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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<b>Component Unit</b>	<u>Project Authorization</u>	<u>Expended to June 30, 2016</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
<b>CCPRC</b>				
Old Towne Stabilization	\$ 186,600	\$ 57,415	\$ 53,785	None
West Ashley Phase I	24,000	117,575	24,000	None
Skate Park	3,817,389	3,439,084	1,270,214	None
Laurel Hill Dike Erosion	62,500	9,500	4,300	None
Point of Sale Software	250,000	63,000	63,000	None
Financial System Software	450,000	242,037	133,000	None
Total CCPRC	<u>4,790,489</u>	<u>3,928,611</u>	<u>1,548,299</u>	
SJFD-Financial Software	<u>60,500</u>	<u>32,351</u>	<u>28,141</u>	None
Total SJFD	<u>60,500</u>	<u>32,351</u>	<u>28,141</u>	
Total Component Units	<u>\$ 4,850,989</u>	<u>\$ 3,960,962</u>	<u>\$ 1,576,440</u>	

**D. Interfund Receivables and Payables**

The composition of primary government interfund balances at June 30, 2016, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Major governmental funds: General Fund	\$ 735,795	\$ 1,225,558
Non-major governmental funds	-	735,795
Major enterprise funds: Environmental Management	-	10,009,968
Major enterprise funds: Parking Garages	-	1,476,476
Non-major enterprise funds	-	11,326,207
Internal service funds	24,038,209	-
Total	<u>\$ 24,774,004</u>	<u>\$ 24,774,004</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. The Employee Benefits Internal Service Fund has a deficit net position for the Year Ended June 30, 2016. This is a result of the implementation of GASB 68 which requires the County to report the pension liabilities for the state retirement plan as well as related deferred inflow and deferred outflow accounts. The County has chosen to report this as part of their Employee Benefits fund, and will be funded by the governmental funds in future years. The enterprise funds included as part of the Business - Type activities report their portion of this liability and related deferred accounts in the interfund balances due to the Employee Benefits Fund. This resulted in a deficit net position in the Revenue Collections Fund which also will be funded by governmental funds in future years.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**JUNE 30, 2016**

**E. Interfund Transfers**

A summary of transfers is as follows:

	<u>Transfer In</u>	<u>Transfer out</u>
Major governmental funds:		
General Fund	\$ 4,466,840	\$ (20,172,244)
Debt Service Fund	7,380,765	(330,725)
Transportation and Road Sales Tax	16,176,664	(20,881,424)
Special Source Revenue Bonds	3,824,376	(6,802,201)
Non-major governmental funds	22,694,514	(13,305,695)
Major business-type activities:		
Parking Garage	-	(1,672,161)
Non-major business-type activities	3,966,595	-
Internal Service Funds	5,224,778	(570,082)
Total	<u>\$ 63,734,532</u>	<u>\$ (63,734,532)</u>

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 to a total of forty eight months ending in January 2017, with a new monthly charge of \$6,866 with payments beginning in March 2014. The total minimum commitment over the lease term is \$358,862. 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 \$342,816 over the lease term. In September 2015, the Library entered into an additional lease agreement for computers to be used in the technology labs. The lease agreement is for a forty-eight month period commencing in December 2015 with a minimum monthly charge of \$2,224 for a total commitment of \$106,752 over the lease term. Total rent expense associated with the computer leases for the year ended June 30, 2016, is \$222,155. In addition to these leases, 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 leases for the year ended June 30, 2016, is \$175,860.

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

<u>Year Ending - June 30</u>	<u>CCL</u>
2017	\$ 160,448
2018	98,102
2019	26,686
2020	11,119
	<u>\$ 296,355</u>



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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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>
2017	\$ 8,964
2018	8,964
2019	<u>1,494</u>
	<u>\$ 19,422</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 \$7,891,320 reported as the accrual for landfill closure and post-closure at June 30, 2016, represents the estimated remaining cost reported of \$24,812,620 less \$16,921,300 deferred to date based on the following information:

<u>Landfill Site</u>	Percentage of Capacity Used	<u>Estimated Costs Recognized</u>			Balance To Be Recognized
		Closure	Post-closure	Total	
Romney Street	100%	\$ 5,490,798	\$ 379,190	\$ 5,869,988	\$ -
Bees Ferry					
Ash storage facility	100%	1,117,258	106,130	1,223,388	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	23.2%	4,423,000	650,000	5,073,000	16,793,420
Bees Ferry C&D landfill	94.8%	1,804,100	528,900	2,333,000	127,880
Totals		<u>\$ 28,600,965</u>	<u>\$ 1,664,220</u>	<u>\$ 30,265,185</u>	<u>\$ 16,921,300</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2016. 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 auditor. The computations required under these regulations are included in page 208 in the statistical section of this report.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**H. Short-term Debt**

The County had one short-term borrowing during the fiscal year for Awendaw Fire District's capital additions. 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, 2016. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SJFD	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -

**I. Long-term Debt**

The following is a summary of debt transactions for the County for the year ended June 30, 2016.

	Balance			Balance June 30, 2016	Amounts Due In One Year
	July 1, 2015	Increase	Decrease		
<b>Primary Government:</b>					
<u>Governmental activities</u>					
General obligation bonds	\$ 564,129,572	\$ 144,662,983	\$ (150,010,800)	\$ 558,781,755	\$ 41,028,224
Special source revenue bond	93,023,393	-	(343,135)	92,680,258	357,784
Intergovernmental note payable	26,981,981	-	(1,453,932)	25,528,049	1,537,243
Capital lease payable	2,168,844	70,405	(832,463)	1,406,786	767,097
Compensated absences	11,177,370	643,052	(470,981)	11,349,441	470,981
OPEB	29,186,803	3,034,811	-	32,221,614	-
<b>Total</b>	<b>\$ 726,667,963</b>	<b>\$ 148,411,251</b>	<b>\$ (153,111,311)</b>	<b>\$ 721,967,903</b>	<b>\$ 44,161,329</b>
<u>Business-type activities</u>					
Accrual for landfill closure	\$ 6,855,400	\$ 1,035,920	\$ -	\$ 7,891,320	\$ 1,035,920
Compensated absences	1,240,359	97,152	(41,904)	1,295,607	41,904
<b>Total</b>	<b>\$ 8,095,759</b>	<b>\$ 1,133,072</b>	<b>\$ (41,904)</b>	<b>\$ 9,186,927</b>	<b>\$ 1,077,824</b>

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

Primary government General Obligation Bond's payable at June 30, 2016, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
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 was due in fiscal year 2010.	\$ 75,000,000	\$ 6,020,000
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 was due in fiscal year 2010.	150,000,000	13,170,000
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	8,700,000
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	2,010,000
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	146,670,000
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	23,545,000
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	31,320,000
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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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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	29,150,000
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	10,735,000
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	6,915,000
November 3, 2015	General Obligation Capital Improvement Bonds, Series 2015A, 3.00 percent to 5.00 percent interest, annual principal payments beginning in November 2016, semi-annual interest payments beginning in May 2016, matures in fiscal year 2036.	18,795,000	18,795,000
November 3, 2015	General Obligation Fire Protection Services Bonds, Series 2015B, 2.00 percent to 3.125 percent interest, annual principal payments beginning in November 2016, semi-annual interest payments beginning in May 2016, matures in fiscal year 2034.	2,080,000	2,080,000
November 3, 2015	General Obligation Refunding Bonds Series 2015C, 3.00 percent to 5.00 percent interest, annual principal payments beginning in November 2018, semi-annual interest payments beginning in May 2016, matures in fiscal year 2029.	56,680,000	56,680,000
November 3, 2015	General Obligation Transportation Sales Tax Refunding Bonds, Series 2015D, 3.50 percent to 5.00 percent interest, annual principal payments beginning in November 2018, semi-annual interest payments beginning in May 2016, matures in fiscal year 2027.	46,250,000	46,250,000
Subtotal		<u>\$804,735,000</u>	501,115,000
Add: Premium			<u>57,666,755</u>
General obligation debt per statement of net position			558,781,755
Less current portion, including premium			<u>(41,028,224)</u>
Long-term portion outstanding			<u>\$517,753,531</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2016, 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			6,275,258
Special source revenue debt per statement of net position			92,680,258
Less current portion, including premium			(357,784)
Long-term portion outstanding			<u>\$ 92,322,474</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, 2016, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
2017	\$ 3,000,000	\$ 1,537,243	\$ 1,462,757
2018	3,000,000	1,625,328	1,374,672
2019	3,000,000	1,718,458	1,281,542
2020	3,000,000	1,816,926	1,183,074
2021	3,000,000	1,921,036	1,078,964
2022-2026	15,000,000	11,387,999	3,612,001
2027-2028	6,000,000	5,521,059	478,941
Total	<u>\$ 36,000,000</u>	<u>\$ 25,528,049</u>	<u>\$ 10,471,951</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Capital Lease Obligations** - Several component units have utilized capital leases to finance the acquisition of various types of equipment. The details of each entity's capital leasing activities are summarized later in this note. The County uses capital lease funding to finance the purchase of various equipment. Capital leases outstanding at June 30, 2016, include the following:

<u>Governmental Activities</u>	<u>Original</u>	<u>Outstanding</u>
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	\$ 304,971
Leases dated March 2015 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal semi-annual installments of \$66,985 through December 2018, includes principal and interest at 5.285 percent to 5.680 percent per annum.	483,458	308,913
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 and \$4,649 through April 2017, includes principal and interest at 6.572 to 7.181 percent per annum.	299,650	59,715
Leases dated January 2013, payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$94,841 through December 2016 includes principal and interest at 5.49 to 5.52 percent per annum.	712,055	92,302
Leases dated July 2015, payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$7,761 through January 2019, includes principal and interest at 6.060 percent per annum.	55,928	42,000
<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 at 7.085 percent per annum.	1,286,123	539,655
Leases dated October to November 2014 payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments ranging from \$12,889 to \$24,471 through July 2018 includes principal and interest at 4.378 to 7.836 percent per annum.	82,432	49,520
Lease dated July 2015, payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in three annual installments of \$5,057 to \$5,516 through August 2017, and includes principal and interest at 9.466 percent per annum.	14,477	9,710
	<u>\$ 3,729,046</u>	<u>1,406,786</u>
Less current portion		<u>(767,097)</u>
Long-term portion outstanding		<u>\$ 639,689</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 767,097	\$ 79,148	\$ 846,245
2018	548,561	34,652	583,213
2019	91,128	2,961	94,089
Total	<u>\$ 1,406,786</u>	<u>\$ 116,761</u>	<u>\$ 1,523,547</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Amortization of Long-term Debt.** Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2016.

Year Ending <u>June 30</u>	General <u>Obligation Bonds</u>		Special Source <u>Revenue Bonds</u>		Totals
	Principal	Interest	Principal	Interest	
2017	\$ 33,270,000	\$ 20,736,672	\$ -	\$ 4,269,369	\$ 58,276,041
2018	35,735,000	19,659,379	-	4,269,369	59,663,748
2019	35,135,000	18,248,722	3,380,000	4,184,869	60,948,591
2020	36,875,000	16,835,793	3,570,000	4,011,119	61,291,912
2021	32,630,000	15,427,014	3,330,000	3,838,619	55,225,633
2022	33,920,000	13,852,787	3,080,000	3,678,368	54,531,155
2023	35,265,000	12,170,636	2,930,000	3,528,118	53,893,754
2024	38,340,000	10,441,021	3,030,000	3,379,118	55,190,139
2025	41,485,000	8,529,856	3,155,000	3,224,494	56,394,350
2026	44,550,000	6,474,343	3,315,000	3,062,744	57,402,087
2027	48,155,000	4,329,287	3,480,000	2,892,869	58,857,156
2028	33,770,000	2,597,271	3,655,000	2,714,494	42,736,765
2029	22,950,000	1,509,368	3,835,000	2,527,244	30,821,612
2030	17,665,000	734,781	4,030,000	2,350,769	24,780,550
2031	3,115,000	330,681	4,190,000	2,186,368	9,822,049
2032	3,225,000	215,731	4,355,000	2,012,747	9,808,478
2033	1,240,000	138,631	4,535,000	1,809,550	7,723,181
2034	1,280,000	100,031	4,765,000	1,577,050	7,722,081
2035	1,235,000	60,734	5,000,000	1,326,675	7,622,409
2036	1,275,000	20,718	5,265,000	1,057,219	7,617,937
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	501,115,000	152,413,456	86,405,000	59,310,928	799,244,384
Add Premium	57,666,755	-	6,275,258	-	63,942,013
Total debt- governmental activity	\$ 558,781,755	\$ 152,413,456	\$ 92,680,258	\$ 59,310,928	\$ 863,186,397



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**Advance Refunding** – The County issued \$46,250,000 General Obligation Transportation Sales Tax Refunding Bonds in November 2015 to provide resources to purchase U.S. Government Treasury Notes that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$50,260,000 of Series 2007 General Obligation Transportation Sales Tax Bonds. As a result, the refunded general obligation bonds are considered defeased and the liability has been removed from the Statement of Net Position – Governmental Activities. This refunding was undertaken to substantially reduce interest cost to the County and to level future debt service requirements to minimize the impact on property tax millage. The revised debt service was decreased by \$5,618,430 over the next ten years and resulted in an economic gain of \$4,911,720. At June 30, 2016, \$50,260,000 of the 2007 bonds are considered defeased.

The County also issued \$56,680,000 General Obligation Refunding Bonds in November 2015 to provide resources to purchase U.S. Government Treasury Notes that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$25,930,000 of Series 2007 General Obligation Bonds and \$34,330,000 of Series 2009A General Obligation Bonds. As a result, the refunded general obligation bonds are considered defeased and the liability has been removed from the Statement of Net Position – Governmental Activities. This refunding was undertaken to substantially reduce interest cost to the County and to level future debt service requirements to minimize the impact on property tax millage. The revised debt service was decreased by \$7,149,038 over the next thirteen years and resulted in an economic gain of \$6,217,397. At June 30, 2016, \$60,260,000 of the bonds are considered defeased.

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, 2016.

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2016:

<b>Component Units</b>	Balance			Balance	Amount Due
	July 1, 2015	Increases	Decreases	June 30, 2016	in One Year
Accrued compensated absences	\$ 3,857,212	\$ 2,357,455	\$ (2,176,803)	\$ 4,037,864	\$ 1,088,866
Net other post-employment benefits	51,474	188,028	(9,843)	229,659	7,936
General obligation bonds	42,317,165	8,835,000	(6,849,676)	44,302,489	9,933,426
Capital lease obligations	4,093,296	793,042	(982,543)	3,903,795	1,169,281
Revenue bonds	374,639	-	(112,075)	262,564	84,005
Notes payable	62,682	40,000	(22,890)	79,792	33,389
<b>Total</b>	<b>\$ 50,756,468</b>	<b>\$ 12,213,525</b>	<b>\$ (10,153,830)</b>	<b>\$ 52,816,163</b>	<b>\$ 12,316,903</b>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016
<b>Accrued compensated absences:</b>						
CCL			\$ 1,143,010	\$ 680,987	\$ (670,391)	\$ 1,153,606
CCPRC			1,389,121	598,150	(552,674)	1,434,597
SAPPPC			57,011	16,823	-	73,834
SJFD			915,249	847,799	(730,798)	1,032,250
SPFD			352,821	213,696	(222,940)	343,577
Total accrued compensated absences			3,857,212	2,357,455	(2,176,803)	4,037,864
<b>Net other post-employment benefits:</b>						
CCPRC			2,342	188,028	-	190,370
SPFD			49,132	-	(9,843)	39,289
Total net other post-employment benefits			51,474	188,028	(9,843)	229,659
<b>General obligation bonds:</b>						
CCPRC	2016 - 2028	0.65% - 4.00%	32,344,490	8,835,000	(5,986,632)	35,192,858
SPFD	2016 - 2027	2.315% - 3.45%	3,671,219	-	(333,438)	3,337,781
SJFD	2016 - 2024	2.00% - 2.125%	6,301,456	-	(529,606)	5,771,850
Total general obligation bonds			42,317,165	8,835,000	(6,849,676)	44,302,489
<b>Capital lease obligations:</b>						
CCL	2016 - 2020		166,783	-	(32,015)	134,768
CCPRC	2016 - 2018	1.16%	1,000,000	-	(358,105)	641,895
SPFD	2016 - 2021	2.57%	-	793,042	-	793,042
SJFD	2016 - 2021	3.076% - 5.593%	2,926,513	-	(592,423)	2,334,090
Total capital lease obligations			4,093,296	793,042	(982,543)	3,903,795
<b>Revenue Bonds:</b>						
SAPPPC	2016 - 2020	1.77% - 2.58%	374,639	-	(112,075)	262,564
<b>Notes payable:</b>						
SAPPPC	2016 - 2019	1.46% - 3.89%	62,682	40,000	(22,890)	79,792
Total component units long-term obligations			\$ 50,756,468	\$ 12,213,525	\$ (10,153,830)	\$ 52,816,163

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

**General Obligation Bonds**

<u>Year Ending June 30</u>	Total Component			
	SJFD	SPFD	CCPRC	Units
2017	\$ 537,212	\$ 442,811	\$ 9,940,638	\$ 10,920,661
2018	703,813	442,941	3,924,700	5,071,454
2019	701,912	443,001	3,924,250	5,069,163
2020	469,813	442,991	3,929,000	4,841,804
2021	822,112	442,913	3,989,188	5,254,213
2022 - 2026	3,111,494	1,553,213	9,740,000	14,404,707
2027 - 2028	-	86,968	3,337,250	3,424,218
Total	6,346,356	3,854,838	38,785,026	48,986,220
Less interest and plus amortized premium included above	(574,506)	(517,057)	(3,592,168)	(4,683,731)
Debt per statement of net position	<u>\$ 5,771,850</u>	<u>\$ 3,337,781</u>	<u>\$ 35,192,858</u>	<u>\$ 44,302,489</u>

**Future minimum capital lease payments**

<u>Year Ending June 30</u>	Total Component				
	CCL	CCPRC	SJFD	SJFD	Units
2017	\$ 38,443	\$ 371,064	\$ 734,198	\$ 171,191	\$ 1,314,896
2018	38,443	278,298	565,938	171,191	1,053,870
2019	38,443	-	565,938	171,191	775,572
2020	28,835	-	565,938	171,191	765,964
2021	-	-	214,401	171,193	385,594
Future minimum capital lease payments	144,164	649,362	2,646,413	855,957	4,295,896
Less amount representing interest	(9,396)	(7,467)	(312,323)	(62,915)	(392,101)
Debt per statement of net position	<u>\$ 134,768</u>	<u>\$ 641,895</u>	<u>\$ 2,334,090</u>	<u>\$ 793,042</u>	<u>\$ 3,903,795</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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**Revenue Bonds**

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2017	\$ 88,770
2018	88,772
2019	73,147
2020	<u>20,803</u>
Total	271,492
Less interest included above	<u>(8,928)</u>
Debt per statement of net position	<u><u>\$ 262,564</u></u>

**Notes Payable**

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2017	\$ 34,831
2018	33,620
2019	<u>13,638</u>
Total	82,089
Less interest included above	<u>(2,297)</u>
Debt per statement of net position	<u><u>\$ 79,792</u></u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
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**Prior Year Defeasance of Debt** - In prior years, the primary government defeased various outstanding debt issues by placing proceeds of new debt or other funds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust accounts and the defeased debt are not included in these financial statements. At June 30, 2016, the following debt issues outstanding are considered defeased:

	Governmental Activities
Primary Government:	
General Obligation Bonds:	
Series 2006 - CIP	\$ 30,265,000
Series 2007 - TST	60,635,000
Series 2007 and 2009 CIP	60,260,000
Series 2007 - TST	50,260,000
Total General Obligation Bonds	201,420,000
 Total Primary Government	 \$ 201,420,000



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

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

Assessed value of real and personal property		\$ 3,684,953,216
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u>\$ 3,711,896,813</u>
Debt limitation-8 percent of total assessed value		\$ 296,951,745
Total bonded debt:		
General Obligation Bonds	\$ 501,115,000	
Less:		
Series 2007 G.O. Bond Transportation Sales Tax	\$ (13,170,000)	
Series 2011 G.O. Bond Transportation Sales Tax	(146,670,000)	
Series 2012 G.O. Bond Transportation Sales Tax	(31,320,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(70,135,000)	
Series 2015D G.O. Bond Transportation Sales Tax	(46,250,000)	(307,545,000)
Total debt subject to debt limit		<u>193,570,000</u>
Legal debt margin		<u>\$ 103,381,745</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**J. Fund Equity**

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

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

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

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

**I.V. OTHER INFORMATION**

**A. Risk Management**

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

The County and its component units are also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all of its employees in the State's health insurance plans administered by the South Carolina Public Employee Benefit Authority (PEBA). 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 \$3,540,000 reported in the Fund at June 30, 2016, 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.

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Changes in the Fund's estimated claims liability amount in fiscal year 2015 and 2016 were:

Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2015	\$ 3,540,000	\$ 4,070,475	\$ (4,190,475)	\$ 3,420,000
2016	\$ 3,420,000	\$ 3,137,663	\$ (3,597,663)	\$ 2,960,000

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



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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**B. Subsequent Events**

On November 8, 2016, the voters of Charleston County voted to approve an additional one-half (1/2) of one percent special sales and use tax for not more than twenty-five years, or until a total of \$2,100,000,000 in resulting revenue has been collected, whichever occurs first. The sales tax proceeds will be used to fund the following projects:

1. For financing the costs of highways, roads, streets, bridges, and other transportation-related projects facilities, and drainage facilities.
2. For financing the costs of mass transit systems.
3. For financing the costs of greenbelts.

On September 6, 2016, County Council voted to accept a \$5 million SCANA Economic Development Grant for use in the Airport Area Infrastructure Improvements Program with the understanding that this grant will be managed by the Charleston County Economic Development Department.

On September 20, 2016, County Council voted to authorize award of bid for the Highway 61 – Highway 7 Intersection Improvement Project to Blythe Development Company in the amount of \$7,578,396.

During the year ending June 30, 2016 Charleston County Council approved the future issuance of a tax anticipation note (TAN) in the amount of \$2,500,000. Subsequent to June 30, 2016, the St. John's Fire District has borrowed \$2,000,000 from this TAN as of the audit report date. As a result, \$500,000 of the \$2,500,000 TAN is still 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 2017.

In April 2016, the St. John's Fire District Commissioners approved issuing general obligation bonds not to exceed \$11.4 million to defray the costs of (i) acquiring and equipping fire apparatus, including, without limitation, a ladder truck, two engines and a tender, (ii) designing, constructing, renovating, equipping and decommissioning certain maintenance and fire station facilities, (iii) purchasing or rehabilitating capital assets used or useful in furtherance of the operation of the District, and the costs of issuance thereof. The District will issue the bonds in two phases, with the first phase of \$5.43 million issued in July 2016, and the second phase anticipated to be issued in mid-2017.

In April 2016, the North Charleston District Commissioners voted to transfer two of its fire stations, including the land, buildings and contents to the City of North Charleston as part of the fiscal year 2017 fire services contract with the City. As of the audit report date, the legal documents related to these transfers are still in progress. The June 30, 2016 book value of the assets to be transferred totals approximately \$62,060.

On December 14, 2016, a Federal grand jury returned indictments against two employees of the St. Paul's Fire District. The Chief and Assistant Chief are accused of fraud and the effect on the St. Paul's financial statements is not known at this time.

**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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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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.

**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 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 \$725 million. On December 15, 2015, the South Carolina Transportation Infrastructure Bank Board has passed a resolution which requires Charleston County to:

1. Develop a solid plan to cover the project's \$305 million to \$353 million funding shortfall and adopt a binding resolution to fund or secure funding for it by March 30, 2016.
2. Complete a new three-party contract, known as an Intergovernmental Agreement, with the bank and the DOT by April 30, 2016.
3. Adopt and implement a legally enforceable ordinance putting the plan in place and making funds available on a schedule acceptable to the bank by December 16, 2016.

The first two deadlines were not met by Charleston County. Negotiations with the SCTIB and the South Carolina Department of Transportation are continuing.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
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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.

This agreement is funded from a specific source of funds, the Accommodations Fee. The agreement also contains 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 party that issued the debt (the City of North Charleston) does not make their pro-rata debt service. Therefore, the determination has been made that this commitment does not represent debt to the County and is not reflected in the entity-wide financial statements.

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 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.

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 was 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 County paid the Charleston Animal Society \$1,271,264 for the fiscal year ended June 30, 2016. This amount will be increased by six percent to \$1,350,000 for the fiscal year ended June 30, 2017.

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The Charleston County Parks 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. Capital Projects fund balance of \$161,677 has been committed for beach re-nourishment as of June 30, 2016. The annual contribution for the year ended June 30, 2016 was made directly to the City of Folly Beach.

As of June 30, 1997, the Charleston County Parks 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 Parks 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 Parks 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 Parks 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.

On August 22, 2005, the Charleston County Parks 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 \$667,014 at June 30, 2016, and is included in the governmental activities capital assets. Rent started at \$7,400 per month and increases each November based on the current CPI. The new rental per month based on the CPI increased to \$9,043 per month on November 1, 2015. 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. This lease was extended for one additional year at the November 17, 2014 Commissioners meeting.

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On August 15, 2016, the Charleston County Parks and Recreation Commission approved entering into a lease with 1 Center Street LLC DBA the Tides Hotel for the Folly Beach Edwin S. Taylor Fishing Pier Restaurant for the base five-year period with one five-year optional renewal.

The following is a schedule by year of the minimum future rentals on the non-cancelable operating lease as of June 30, 2016:

<u>Year Ending June 30</u>	<u>Total</u>
2017	\$ <u>36,172</u>
Total minimum future rentals	\$ <u>36,172</u>

Total rental income of \$133,319 was recorded during the current year.

During October 2010, the Charleston County Parks 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, 2016, the unamortized prepaid rent was \$5,120,500.

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 Parks 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 Charleston County Parks and Recreation Commission is in the process of upgrading its point of sale and financial software. The contract for the point of sale software included \$126,000 in implementation fees as well as annual fees of \$90,000 for years 2 through 5, approximately \$93,000 for year 6 and approximately \$95,000 for year 7. The contract contains an additional 3 year option with annual fees of approximately \$98,000, \$101,000 and \$104,000 in years 8 through 10. The Commission has paid approximately \$63,000 in implementation fees as of June 30, 2016 leaving approximately \$63,000 in remaining implementation fees. The contract for the financial software includes one-time implementation fees of approximately \$333,000 with recurring fees of approximately \$7,000. As of June 30, 2016, the Commission has paid approximately \$200,000 in implementation fees leaving remaining commitments of approximately \$133,000 in contract commitments. In addition, the Commission entered into a contract with an implementation consultant for \$90,000 and has paid approximately \$25,000 as of June 30, 2016 leaving remaining commitments of approximately \$65,000.

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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 unassigned fund balance carried forward from June 30, 2009. The City also assumed control and possession (but not legal title) of fixed property and equipment. Due to the declining tax base and the fractured property lines of the Commission, it would be difficult or impractical to provide services to its citizens without this contract with the City. On June 23, 2016, the Commission entered another one year contract with the City covering the period from July 1, 2016 to June 30, 2017, 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, 2016, the leased assets have a book value of \$69,804.

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, 2016, the District owes the City \$15,641. This contract was extended for one year until June 30, 2017. 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 total annexation by the City in the foreseeable future.

In anticipation of the general obligation bond proceeds received in July 2016, to be used in part to replace one of its fire stations, the St. John's Fire District entered into several contracts for design, architecture, and related construction management during the year ended June 30, 2016. Contracts totaling \$386,517 had been signed by June 30, 2016 related to this construction project, which will be built mostly in the next fiscal year. Of this amount, approximately \$143,800 was spent during the 2015-16 year, which is reflected as prepaid expenses as of June 30, 2016.

**E. Deferred Compensation Plan**

The County and its component units offer their employees several deferred compensation plans under programs administered by PEBA. 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.

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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 \$2,354,899 for the fiscal year ending June 30, 2016.

Total contributions made by the Charleston County Library's plan members were \$160,030 for the fiscal year ending June 30, 2016.

**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. Prior to 2008, 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.

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 Parks and Recreation Commission provide retiree benefits.

The Commission changed the eligibility criteria during the year ended June 30, 2016. The eligibility criteria as of June 30, 2016 are as follows.

Employees who retire from the Commission prior to July 1, 2016:

- 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.

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- 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.

Employees who retire from the Commission between July 1, 2016 and July 1, 2030:

- 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% of the retiree cost and 50% of the dependent cost for health and dental coverage.
- B) Any covered employee who retires with 25 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% of the retiree cost and 65% of the dependent cost for health and dental coverage.
- C) The health and dental insurance premiums 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% or 65%) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.
- D) Retirees and their dependents may remain on retiree coverage until the retiree reaches Medicare eligible age. Upon reaching Medicare eligibility, retirees and/or their dependents will be required to enroll in Medicare Part A and B and will be eligible for a reimbursement of premium costs of a Medicare Supplemental Plan. Retirees with 25 or more years of Commission service credit under the South Carolina Retirement Systems will be eligible to receive up to \$250 per month and up to \$162.50 for a spouse. Retirees with at least 20 Commission full time years, but less than 25 full time years of Commission service will be eligible to receive up to \$125 per month and up to \$125 for a spouse. The reimbursement amount will be reviewed annually during the budget process. The Executive Director or designee will develop reimbursement procedures. Retirees will be notified of reimbursement procedures in the *Retiree Medicare Supplemental Plan Premium Reimbursement Agreement*, which each retiree will be required to accept before reimbursements will be issued.
- E) If the retiree reaches Medicare eligibility prior to their covered spouse, the covered spouses may remain on the Commission's group coverage until they reach Medicare eligible age and the Commission will continue to contribute toward their premium at the same percentage to which they are eligible based on the retiree's years of service with the Commission.
- F) Retirees and their dependents may remain on the Agency's dental and vision plans. The Commission will continue dental and vision premium contributions for both the retiree and their dependents based on the retiree's years of service.

Employees who retire from the Commission after July 1, 2030:

- A) Any covered employee who meets the following requirements: is at least 55 years old, who is not currently eligible for Medicare coverage, who retires with at least 20 Commission full time years, but less than 25 full time years of Commission service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of



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retirement, and provided he/she is eligible for retirement at the time he/she leaves active Commission service and retires at the time of separation with the Commission. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50% of the retiree cost only. Retiree's dependents may remain on the insurance plan but retirees will be responsible for the full cost of the dependent's premiums.

- B) Any covered employee who meets the following requirements: is at least 55 years old, who is not currently eligible for Medicare coverage, who retires with at least 25 or more years of Commission service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, and provided he/she is eligible for retirement at the time he/she leaves active Commission service and retires at the time of separation with the Commission. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 75% of the retiree cost only. Retiree's dependents may remain on the insurance plan but retirees will be responsible for the full cost of the dependent's premiums.

For employees that are hired by the Commission after July 1, 2016:

The Commission will not provide group health, vision and dental insurance for retirees who have retired on service, age or an approved disability retirement through the South Carolina Retirement Systems if the employees full-time start date with the Commission is on or after July 1, 2016.

No coverage is available to an employee not eligible for employer paid coverage.

Covered participants are required to apply for Medicare when eligible, and retiree coverage will be secondary to Medicare or any other group coverage that employees or their dependents have.

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.

Membership of the plan is as follows:

Retirees, survivors and beneficiaries receiving benefits	11
Active Employees	175
Total	186

***Funding Policy***

As of year-end, there were 438 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, 2016, the County recognized expenses of \$2,032,941 for retiree healthcare, which were net of retiree contributions of \$2,021,032. The St. Paul's Fire District had 3 employees who had retired and receiving benefits under their plan. The District recognized expenses of \$9,843 for health care premiums for the current year. The Charleston County Parks and Recreation Commission had 11 employees who are retired and receiving benefits.

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.

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For the year ended June 30, 2016, the County's annual OPEB cost was \$5,429,683 for the post-employment healthcare plan. The County's annual OPEB cost for the current year is as follows:

Annual required Contribution	\$ 5,333,134
Interest on OPEB obligation	1,313,406
Adjustment of ARC	<u>(1,216,857)</u>
Annual OPEB cost (expense) end of year	5,429,683
Net estimated employer contributions	<u>(2,394,872)</u>
Increase in net OPEB obligation	\$ 3,034,811
Net OPEB obligation/ (asset) beginning of year	<u>29,186,803</u>
Net OPEB obligation/ (asset) end of year	<u><u>\$ 32,221,614</u></u>

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:

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	Initial rate of 6.00% declining to an ultimate rate of 4.50% after 9 years

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.

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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, 2016, 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, 2014	\$5,901,850	\$2,478,226	42.0%	\$25,203,859
June 30, 2015	\$6,088,069	\$2,105,125	34.6%	\$29,186,803
June 30, 2016	\$5,429,683	\$2,394,872	44.1%	\$32,221,614

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%
7/1/2010	\$ -	\$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%
7/1/2013	\$ -	\$63,154,853	\$63,154,853	0%	\$105,200,000	60.04%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$110,888,000	52.82%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$113,716,000	51.51%

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

As of June 30, 2016, the Coastal Community Foundation held \$464,827 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, \$8,179 is available for grants to the Library.

As of June 30, 2016, the Coastal Community Foundation was holding \$96,235 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, \$3,635 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.

**H. Employee Retirement Systems and Plans**

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

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain

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PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with Generally Accepted Accounting Principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

**Plan Descriptions**

- The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.
- The South Carolina Police Officers Retirement System (“PORS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

*Membership*

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

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

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*Benefits*

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

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

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

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

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

*Contributions*

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

As noted above, both employees and the County are required to contribute to the plans at rates established and as amended by the PEBA. The County's contributions are actuarially determined, but are communicated to and paid by the County as a percentage of the employees' annual eligible compensation as follows for the past three years:

	SCRS Rates			PORS Rates		
	2014	2015	2016	2014	2015	2016
Employer Rate:						
Retirement	10.45%	10.75%	10.91%	12.44%	13.01%	13.34%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>10.60%</u>	<u>10.90%</u>	<u>11.06%</u>	<u>12.84%</u>	<u>13.41%</u>	<u>13.74%</u>
Employee Rate	<u>7.50%</u>	<u>8.00%</u>	<u>8.16%</u>	<u>7.84%</u>	<u>8.41%</u>	<u>8.74%</u>

The required contributions and percentages of amounts contributed by the County to the plans for the past three years were as follows:

Year Ended June 30	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2016	\$ 8,557,082	100%	\$ 4,823,080	100%
2015	8,122,490	100%	4,656,574	100%
2014	7,450,960	100%	4,263,734	100%

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**Actuarial Assumptions and Methods**

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The June 30, 2015, total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	<b>SCRS</b>	<b>PORS</b>
Actuarial cost method	Entry age Normal	Entry age Normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) <sup>1</sup>	4.0% to 10.0% (varies by service) <sup>1</sup>
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

<sup>1</sup> Includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuations for SCRS and PORS are as follows:

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**Net Pension Liability**

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. The County and component units' proportional share of the NPL amounts for SCRS and PORS are presented below:

	<u>System</u>	<u>Measurement Period Ended June 30</u>	<u>Fiscal Year Ended June 30</u>	<u>Proportional Share of Net Pension Liability</u>
Primary Government	SCRS	2015	2016	\$ 150,764,583
	PORS	2015	2016	\$ 61,168,438
Component Units				
	CCL SCRS	2015	2016	\$ 15,393,713
	CCPRC SCRS	2015	2016	\$ 20,156,134
	SAPPPC SCRS	2015	2016	\$ 2,869,098
	SJFD SCRS	2015	2016	\$ 840,929
	PORS	2015	2016	\$ 10,006,504
	SPFD SCRS	2015	2016	\$ 341,566
	PORS	2015	2016	\$ 4,639,975

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

The County's proportionate share of the net pension liability for both SCRS and PORS is as follows for the years ended June 30, 2016 and 2015:

	<u>System</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>
Primary Government	SCRS	0.794942%	0.772846%	0.022096%
	PORS	2.806540%	2.771330%	0.035210%
Component Units				
	CCL SCRS	0.081167%	0.078876%	0.002910%
	CCPRC SCRS	0.106280%	0.102710%	0.003570%
	SAPPPC SCRS	0.015128%	0.012798%	0.002482%
	SJFD SCRS	0.004434%	0.004910%	(0.000476%)
	PORS	0.495912%	0.452350%	0.043562%
	SPFD SCRS	0.001801%	0.001163%	0.000638%
	PORS	0.212890%	0.208860%	0.004030%



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

The County's change in proportionate share of the net pension liability and related deferred inflows and outflows of resources will be amortized into pension expense over the respective average remaining service lives of each system.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014, actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant, Aon Hewitt. The long-term expected rates of returns represent assumptions using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for the fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
<b>Short Term</b>	<b>5.0%</b>		
Cash	2.0%	1.9%	0.04%
Short Duration	3.0%	2.0%	0.06%
<b>Domestic Fixed Income</b>	<b>13.0%</b>		
Core Fixed Income	7.0%	2.7%	0.19%
Mixed Credit	6.0%	3.8%	0.23%
<b>Global Fixed Income</b>	<b>9.0%</b>		
Global Fixed Income	3.0%	2.8%	0.08%
Emerging Markets Debt	6.0%	5.1%	0.31%
<b>Global Public Equity</b>	<b>31.0%</b>	<b>7.1%</b>	<b>2.20%</b>
<b>Global Tactical Asset Allocation</b>	<b>10.0%</b>	<b>4.9%</b>	<b>0.49%</b>
<b>Alternatives</b>	<b>32.0%</b>		
Hedge Funds (Low Beta)	8.0%	4.3%	0.34%
Private Debt	7.0%	9.9%	0.69%
Private Equity	9.0%	9.9%	0.89%
Real Estate (Broad Market)	5.0%	6.0%	0.30%
Commodities	3.0%	5.9%	0.18%
Total Expected Real Return	<u>100.0%</u>		<u>6.00%</u>
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u>8.75%</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

*Sensitivity Analysis*

The following table presents the County and its component units proportional share of net pension liability of the participating employers calculated using the discount rate of 7.50 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

**Primary Government**

**Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate**

<b>System</b>	<b>1.00% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
SCRS	\$ 190,071,059	\$ 150,764,583	\$ 117,820,759
PORS	\$ 83,325,779	\$ 61,168,438	\$ 41,361,095

**Component Units**

**Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate**

	<b>System</b>	<b>1.00% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
CCL	SCRS	\$ 19,407,073	\$ 15,393,713	\$ 11,591,705
CCPRC	SCRS	\$ 25,411,127	\$ 20,156,135	\$ 15,751,784
SAPPPC	SCRS	\$ 3,617,113	\$ 2,869,098	\$ 2,242,167
SJFD	SCRS	\$ 1,060,172	\$ 840,929	\$ 657,177
	PORS	\$ 13,631,105	\$ 10,006,504	\$ 6,766,182
SPFD	SCRS	\$ 430,620	\$ 341,566	\$ 266,932
	PORS	\$ 6,320,668	\$ 4,639,975	\$ 3,137,441

**Additional Financial and Actuarial Information**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2015 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2015.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**Deferred Outflows (Inflows) of Resources**

For the year ended June 30, 2016, the County recognized pension expense of \$12,742,355. At June 30, 2016, the County reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 13,359,612	\$ -
Difference in actual and proportionate share of employer contribution	-	12,706
Differences in actual and expected experience	3,890,938	269,615
Net differences between projected and actual earnings on plan investments	14,994,961	13,303,828
Change in proportionate share of net pension liability	3,623,560	-
	<u>\$ 35,869,071</u>	<u>\$ 13,586,149</u>

The County reported \$13,359,612 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the County and its component units' proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2016. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2016 was 4.164 years for SCRS and 4.796 years for PORS.

**Primary Government**

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2015	2016	\$ (963,827)	\$ (151,215)
2016	2017	(963,827)	(151,215)
2017	2018	(963,827)	(151,215)
2018	2019	(158,068)	(120,367)
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ (3,049,549)</u>	<u>\$ (574,012)</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

The following schedule reflects the amortization of the County's component units' proportionate share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2016:

**Component Units**

	Measurement Period	Fiscal Year Ending		
	Ending June 30, 2015	June 30, 2015	SCRS	PORS
CCL	2015	2016	\$ 165,840	N/A
	2016	2017	165,840	N/A
	2017	2018	71,899	N/A
	2018	2019	261,621	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 665,200</u>	
CCPRC	2015	2016	\$ 242,084	N/A
	2016	2017	242,084	N/A
	2017	2018	119,080	N/A
	2018	2019	346,651	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 949,899</u>	
SAPPPC	2015	2016	\$ 113,996	N/A
	2016	2017	113,996	N/A
	2017	2018	96,487	N/A
	2018	2019	62,388	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 386,867</u>	
SJFD	2015	2016	\$ (17,186)	\$ 60,221
	2016	2017	(17,186)	60,221
	2017	2018	(22,318)	51,461
	2018	2019	9,987	246,613
Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (46,703)</u>	<u>\$ 418,516</u>
SPFD	2015	2016	\$ (2,465)	\$ (87,993)
	2016	2017	(2,465)	(87,993)
	2017	2018	(2,465)	(87,993)
	2018	2019	(3,810)	(91,979)
Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (11,205)</u>	<u>\$ (355,958)</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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)	\$ 15,091,224
Reimbursement for flood damage	35,406
	\$ 15,126,630

Amounts paid to the County by CCL:	
Janitorial services	\$ 106,141
Carpet cleaning	26,832
Workers' compensation	325,437
OPEB compensation	315,101
Insurance coverage-building & contents, liability, fidelity bond, theft	98,208
Motor vehicle repairs	20,432
Motor vehicle fuel charges	12,453
Other general services	156,127
Solid Waste User Fee	12,814
Health, life and dental insurance (library employees covered through County plan)	951,077
Other minor charges	1,037
	\$ 2,025,659

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. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68 and Amendments to Certain Provision of GASB Statement 67 and 68.* The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. The County will implement the new guidance with the 2017 financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about post-employment benefits other than pensions (other post-employment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The County will implement the new guidance with the 2017 financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements, and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The County will implement the new guidance with the 2017 financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016 and should be applied retroactively. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*, requires the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and the ratios that use that measure. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The County will implement the new guidance with the 2017 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, 2016**

**K. Restatements**

During the year, the management of the Charleston County Library determined that the values of library materials had been understated by the omission of processing fees incurred as a part of the cost of readying the library materials for inclusion in the collection available for circulation, and restated beginning net position as follows:

Net Position, as previously reported at June 30, 2015	\$ (10,230,864)
Increase in the Cost of library materials	1,353,804
Related accumulated depreciation	<u>(799,795)</u>
Net Position, as restated at July 1, 2015	<u>\$ (9,676,855)</u>

Beginning Net Position for St. Paul's Fire District was adjusted in the amount of \$47,551 to reflect a prior period retirement payable not accrued.

Net Position, as previously reported at June 30, 2015	\$ (531,587)
Prior period adjustment related to retirement payable	<u>(47,551)</u>
Net Position, as restated at July 1, 2015	<u>\$ (579,138)</u>

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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, 2016 (UNAUDITED)**

**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
<b>Primary Government</b>						
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$93,550,000	56.62%
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$97,800,000	54.16%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$96,600,000	49.04%
7/1/2010	\$ -	\$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%
7/1/2013	\$ -	\$63,154,853	\$63,154,853	0%	\$105,200,000	60.04%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$110,888,000	52.82%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$113,716,000	51.51%
<b>Component Units</b>						
<u>7/1/2007</u>						
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>						
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>						
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>						
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>						
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>						
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>						
CCPRC	\$ -	\$4,137,514	\$4,137,514	0%	\$8,282,581	49.95%
SPFD	\$ -	\$65,082	\$65,082	0%	\$0	0%
<u>7/1/2014</u>						
CCPRC	\$ 2,625,705	\$2,597,755	(\$27,950)	101%	\$9,314,460	-0.30%
SPFD	\$ -	\$49,132	\$49,132	0%	\$0	0%
<u>7/1/2015</u>						
CCPRC	\$ 2,625,705	\$2,597,755	(\$27,950)	101%	\$9,314,460	-0.30%
SPFD	\$ -	\$39,289	\$39,289	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, 2016 (UNAUDITED)**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percent of ARC Contributed</u>
Primary Government		
2008	\$5,874,245	28.30%
2009	\$5,947,354	31.49%
2010	\$4,402,193	39.74%
2011	\$4,534,259	36.96%
2012	\$5,906,635	33.60%
2013	\$6,083,834	35.56%
2014	\$5,829,801	42.51%
2015	\$6,004,695	35.06%
2016	\$5,333,134	44.91%
Component Units		
<u>2008</u>		
CCPRC	\$378,935	0%
SPFD	\$367,100	0%
<u>2009</u>		
CCPRC	\$378,935	0%
SPFD	\$242,038	0%
<u>2010</u>		
CCPRC	\$378,935	0%
SPFD	\$0	0%
<u>2011</u>		
CCPRC	\$363,911	0%
SPFD	\$0	0%
<u>2012</u>		
CCPRC	\$497,510	0%
SPFD	\$0	0%
<u>2013</u>		
CCPRC	\$493,875	0%
SPFD	\$0	0%
<u>2014</u>		
CCPRC	\$493,875	0%
SPFD	\$0	0%
<u>2015</u>		
CCPRC	\$64,602	101.81%
SPFD	\$0	0%
<u>2016</u>		
CCPRC	\$259,738	25.73%
SPFD	\$0	0%

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS (UNAUDITED)**

<b>SCRS</b>						
	Year Ended June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered Employee Payroll	Proportionate share of the net pension liability as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Primary Government	2016	0.794942%	\$ 150,764,583	\$ 74,518,254	202%	56.99%
	2015	0.772846%	\$ 133,058,460	\$ 70,292,078	189%	59.92%
	2014	0.772846%	\$ 138,621,003	\$ 66,980,874	207%	56.39%
Component Units						
	CCL					
	2016	0.0812%	\$ 15,393,713	\$ 7,199,888	214%	57.00%
	2015	0.0789%	\$ 13,579,832	\$ 7,600,121	179%	59.92%
	2014	0.0789%	\$ 1,417,541	\$ 7,161,389	198%	56.39%
	CCPRC					
	2016	0.10628%	\$ 20,156,135	\$ 9,910,088	203.39%	56.99%
	2015	0.10271%	\$ 17,682,740	\$ 9,324,443	189.64%	59.92%
	2014	0.10271%	\$ 18,421,972	\$ 8,915,053	206.64%	56.39%
	SAPPPC					
	2016	0.015128%	\$ 2,869,068	\$ 1,524,061	188.25%	57.00%
	2015	0.012798%	\$ 2,203,391	\$ 1,414,338	155.79%	59.91%
	2014	NA	NA	NA	NA	NA
	SJFD					
	2016	0.00443%	\$ 840,929	\$ 421,951	199.30%	56.99%
	2015	0.00491%	\$ 845,339	\$ 445,755	189.64%	59.92%
	2014	NA	NA	NA	NA	NA
	SPFD					
	2016	0.001801%	\$ 341,566	\$ 193,528	176.49%	57.00%
	2015	0.001163%	\$ 200,230	\$ 168,894	118.55%	59.90%
	2014	NA	NA	NA	NA	NA
<b>PORS</b>						
Primary Government	2016	2.80654%	\$ 61,168,438	\$ 34,724,641	176%	64.57%
	2015	2.77133%	\$ 53,055,006	\$ 33,206,658	160%	67.55%
	2014	2.77133%	\$ 57,448,805	\$ 33,291,297	173%	62.97%
Component Units						
	SJFD					
	2016	0.45912%	\$ 10,006,504	\$ 6,367,986	157.14%	64.57%
	2015	0.45235%	\$ 8,659,951	\$ 5,440,646	159.17%	67.55%
	2014	NA	NA	NA	NA	NA
	SPFD					
	2016	0.21289%	\$ 4,639,975	\$ 2,769,404	167.54%	64.60%
	2015	0.20886%	\$ 3,998,531	\$ 2,640,155	151.45%	67.50%
	2014	NA	NA	NA	NA	NA

**Note: The amounts presented for each fiscal year were determined as of June 30th of the preceeding year. Only three years of information are presented as only three years of data were available.**

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**FISCAL YEAR ENDED JUNE 30, 2016 (UNAUDITED)**

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
<b>Primary Government</b>					
2016	\$ 8,557,082	\$ 8,557,082	\$ -	\$ 77,369,638	11.06%
2015	\$ 8,122,490	\$ 8,122,490	\$ -	\$ 74,518,254	10.90%
2014	\$ 7,450,960	\$ 7,450,960	\$ -	\$ 70,292,078	10.60%
2013	\$ 7,099,973	\$ 7,099,973	\$ -	\$ 66,980,874	10.60%
2012	\$ 6,215,075	\$ 6,215,075	\$ -	\$ 65,215,897	9.53%
2011	\$ 6,025,136	\$ 6,025,136	\$ -	\$ 64,159,794	9.39%
2010	\$ 6,038,511	\$ 6,038,511	\$ -	\$ 64,307,891	9.39%
2009	\$ 6,157,100	\$ 6,157,100	\$ -	\$ 65,570,820	9.39%
2008	\$ 5,721,280	\$ 5,721,280	\$ -	\$ 62,120,304	9.21%
2007	\$ 4,764,224	\$ 4,764,224	\$ -	\$ 58,100,293	8.20%
<b>Component Units</b>					
<u>2016</u>					
CCL	\$ 796,308	\$ 796,308	\$ -	\$ 7,199,888	11.06%
CCPRC	\$ 1,135,995	\$ 1,135,995	\$ -	\$ 10,271,200	11.06%
SAPPPC	\$ 166,275	\$ 166,275	\$ -	\$ 1,524,061	10.91%
SJFD	\$ 46,583	\$ 46,583	\$ -	\$ 421,182	11.06%
SPFD	\$ 21,114	\$ 21,114	\$ -	\$ 193,528	10.91%
<u>2015</u>					
CCL	\$ 828,413	\$ 828,413	\$ -	\$ 7,600,121	10.90%
CCPRC	\$ 1,080,200	\$ 1,080,200	\$ -	\$ 9,910,088	10.90%
SAPPPC	\$ 152,364	\$ 152,364	\$ -	\$ 1,414,338	10.77%
SJFD	\$ 45,321	\$ 45,321	\$ -	\$ 415,787	10.90%
SPFD	\$ 18,409	\$ 18,409	\$ -	\$ 168,894	10.90%
<u>2014</u>					
CCL	\$ 759,107	\$ 759,107	\$ -	\$ 7,161,389	10.60%
CCPRC	\$ 988,391	\$ 988,391	\$ -	\$ 9,324,443	10.60%
SAPPPC	\$ 123,077	\$ 123,077	\$ -	\$ 1,161,104	10.60%
SJFD	\$ 47,250	\$ 47,250	\$ -	\$ 445,755	10.60%
SPFD	\$ 11,195	\$ 11,195	\$ -	\$ 105,613	10.60%
<u>2013</u>					
CCL	\$ 729,721	\$ 729,721	\$ -	\$ 6,884,164	10.60%
CCPRC	\$ 944,996	\$ 944,996	\$ -	\$ 8,915,057	10.60%
SAPPPC	\$ 106,091	\$ 106,091	\$ -	\$ 1,000,858	10.60%
SJFD	\$ 42,139	\$ 42,139	\$ -	\$ 397,535	10.60%
SPFD	\$ 11,905	\$ 11,905	\$ -	\$ 112,311	10.60%
<u>2012</u>					
CCL	\$ 679,873	\$ 679,873	\$ -	\$ 7,130,293	9.53%
CCPRC	\$ 820,708	\$ 820,708	\$ -	\$ 8,611,836	9.53%
SAPPPC	\$ 108,404	\$ 108,404	\$ -	\$ 1,137,503	9.53%
SJFD	\$ 36,652	\$ 36,652	\$ -	\$ 384,596	9.53%
SPFD	\$ 9,968	\$ 9,968	\$ -	\$ 104,596	9.53%
<u>2011</u>					
CCL	\$ 653,680	\$ 653,680	\$ -	\$ 6,961,443	9.39%
CCPRC	\$ 810,537	\$ 810,537	\$ -	\$ 8,631,914	9.39%
SAPPPC	\$ 106,196	\$ 106,196	\$ -	\$ 1,130,948	9.39%
SJFD	\$ 36,538	\$ 36,538	\$ -	\$ 389,116	9.39%
SPFD	\$ 9,464	\$ 9,464	\$ -	\$ 100,841	9.39%
<u>2010</u>					
CCL	\$ 652,306	\$ 652,306	\$ -	\$ 6,946,820	9.39%
CCPRC	\$ 750,734	\$ 750,734	\$ -	\$ 7,995,037	9.39%
SAPPPC	\$ 109,493	\$ 109,493	\$ -	\$ 1,166,060	9.39%
SJFD	\$ 47,767	\$ 47,767	\$ -	\$ 508,701	9.39%
SPFD	\$ 9,998	\$ 9,998	\$ -	\$ 106,475	9.39%
<u>2009</u>					
CCL	\$ 681,277	\$ 681,277	\$ -	\$ 7,255,348	9.39%
CCPRC	\$ 691,007	\$ 691,007	\$ -	\$ 7,358,967	9.39%
SAPPPC	\$ 109,493	\$ 109,493	\$ -	\$ 1,166,060	9.39%
SJFD	\$ 44,726	\$ 44,726	\$ -	\$ 476,315	9.39%
SPFD	\$ 7,633	\$ 7,633	\$ -	\$ 81,289	9.39%
<u>2008</u>					
CCL	\$ 696,167	\$ 696,167	\$ -	\$ 7,588,819	9.17%
CCPRC	\$ 605,375	\$ 605,375	\$ -	\$ 6,573,018	9.21%
SAPPPC	\$ 110,901	\$ 110,901	\$ -	\$ 1,204,137	9.21%
SJFD	\$ 42,971	\$ 42,971	\$ -	\$ 466,569	9.21%
SPFD	\$ 5,261	\$ 5,261	\$ -	\$ 57,123	9.21%
<u>2007</u>					
CCL	\$ 552,420	\$ 552,420	\$ -	\$ 6,736,825	8.20%
CCPRC	\$ 497,760	\$ 497,760	\$ -	\$ 6,070,244	8.20%
SAPPPC	\$ 90,314	\$ 90,314	\$ -	\$ 1,101,390	8.20%
SJFD	\$ 33,575	\$ 33,575	\$ -	\$ 409,451	8.20%
SPFD	\$ 4,405	\$ 4,405	\$ -	\$ 53,720	8.20%

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS**  
**SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM**  
**FISCAL YEAR ENDED JUNE 30, 2016 (UNAUDITED)**

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
<b>Primary Government</b>					
2016	\$ 4,823,080	\$4,823,080	\$ -	\$ 35,102,474	13.74%
2015	\$ 4,656,574	\$4,656,574	\$ -	\$ 34,724,641	13.41%
2014	\$ 4,263,735	\$4,263,735	\$ -	\$ 33,206,658	12.84%
2013	\$ 4,094,829	\$4,094,829	\$ -	\$ 33,291,297	12.30%
2012	\$ 3,798,218	\$3,798,218	\$ -	\$ 32,289,538	11.76%
2011	\$ 3,759,700	\$3,759,700	\$ -	\$ 32,607,975	11.53%
2010	\$ 3,303,451	\$3,303,451	\$ -	\$ 29,895,484	11.05%
2009	\$ 3,290,463	\$3,290,463	\$ -	\$ 29,777,946	11.05%
2008	\$ 3,157,167	\$3,157,167	\$ -	\$ 29,506,221	10.70%
2007	\$ 2,831,604	\$2,831,604	\$ -	\$ 26,463,589	10.70%
<b>Component Units</b>					
<u>2016</u>					
SJFD	\$ 874,961	\$874,961	\$ -	\$ 6,367,986	13.74%
SPFD	\$ 369,438	\$369,438	\$ -	\$ 2,769,404	13.34%
<u>2015</u>					
SJFD	\$ 762,965	\$762,965	\$ -	\$ 5,689,526	13.41%
SPFD	\$ 354,044	\$354,044	\$ -	\$ 2,640,155	13.41%
<u>2014</u>					
SJFD	\$ 698,579	\$698,579	\$ -	\$ 5,440,646	12.84%
SPFD	\$ 322,448	\$322,448	\$ -	\$ 2,511,277	12.84%
<u>2013</u>					
SJFD	\$ 619,842	\$619,842	\$ -	\$ 5,039,365	12.30%
SPFD	\$ 307,664	\$307,664	\$ -	\$ 2,501,333	12.30%
<u>2012</u>					
SJFD	\$ 559,355	\$559,355	\$ -	\$ 4,755,207	11.76%
SPFD	\$ 281,982	\$281,982	\$ -	\$ 2,397,195	11.76%
<u>2011</u>					
SJFD	\$ 525,406	\$525,406	\$ -	\$ 4,556,860	11.53%
SPFD	\$ 258,948	\$258,948	\$ -	\$ 2,245,863	11.53%
<u>2010</u>					
SJFD	\$ 492,090	\$492,090	\$ -	\$ 4,453,303	11.05%
SPFD	\$ 267,074	\$267,074	\$ -	\$ 2,416,959	11.05%
<u>2009</u>					
SJFD	\$ 479,814	\$479,814	\$ -	\$ 4,342,208	11.05%
SPFD	\$ 236,949	\$236,949	\$ -	\$ 2,144,335	11.05%
<u>2008</u>					
SJFD	\$ 407,113	\$407,113	\$ -	\$ 3,804,794	10.70%
SPFD	\$ 175,945	\$175,945	\$ -	\$ 1,644,346	10.70%
<u>2007</u>					
SJFD	\$ 385,573	\$385,573	\$ -	\$ 3,603,486	10.70%
SPFD	\$ 173,041	\$173,041	\$ -	\$ 1,617,206	10.70%

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



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





# CHARLESTON COUNTY COMBINING SCHEDULES - NONMAJOR GOVERNMENTAL FUNDS

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## Nonmajor Special Revenue Funds

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

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

**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.

**Disaster Fund** – This fund is used to account for the costs and reimbursements from FEMA associated with the October 2015 flood.

**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.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2016

<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	3,094,932	-	188,080
Restricted cash and cash equivalents	937,332	-	-
Receivables (net of allowances for uncollectibles)	3,468,863	148,320	454,842
<b>Total assets</b>	<b>\$ 7,501,127</b>	<b>\$ 148,320</b>	<b>\$ 642,922</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 664,990	\$ 42,647	\$ 233,817
Accrued payroll and fringe benefits	-	28,030	14,813
Due to other funds	-	75,950	-
Intergovernmental payable	6,045,296	271	13,533
Unearned revenue	-	-	3,086
<b>Total liabilities</b>	<b>6,710,286</b>	<b>146,898</b>	<b>265,249</b>
 <b>Deferred inflows of resources:</b>			
Unavailable property tax revenues-current	-	-	-
Unavailable property tax revenues-delinquent	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b>Fund balances:</b>			
Restricted	790,841	1,422	377,673
Committed	-	-	-
<b>Total fund balances</b>	<b>790,841</b>	<b>1,422</b>	<b>377,673</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 7,501,127</b>	 <b>\$ 148,320</b>	 <b>\$ 642,922</b>

See notes to financial statements.

**Special Revenue Funds**

<u>Construction Public Works</u>	<u>Disaster Fund</u>	<u>Economic Development</u>	<u>Education</u>	<u>Emergency Medical Services</u>	<u>Fire Districts</u>	<u>Hazardous Materials Enforcement</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,884,276	-	1,222,274	460,033	51,719	2,693,170	126,959
-	-	-	-	-	-	-
1,859,106	757,385	2,555,706	9,891,935	44	2,660,177	-
<u>\$ 19,743,382</u>	<u>\$ 757,385</u>	<u>\$ 3,777,980</u>	<u>\$ 10,351,968</u>	<u>\$ 51,763</u>	<u>\$ 5,353,347</u>	<u>\$ 126,959</u>
\$ 1,278,670	\$ 97,540	\$ 39,728	\$ -	\$ 23,045	\$ 19,356	\$ 950
-	-	39,055	37,626	-	84,573	11,316
-	659,845	-	-	-	-	-
-	-	632,835	317,106	3,714	21,111	-
-	-	217,283	-	23,629	-	-
<u>1,278,670</u>	<u>757,385</u>	<u>928,901</u>	<u>354,732</u>	<u>50,388</u>	<u>125,040</u>	<u>12,266</u>
-	-	-	9,679,456	-	2,421,696	-
-	-	-	152,392	-	70,821	-
-	-	-	9,831,848	-	2,492,517	-
18,464,712	-	2,849,079	165,388	1,375	2,735,790	114,693
-	-	-	-	-	-	-
<u>18,464,712</u>	<u>-</u>	<u>2,849,079</u>	<u>165,388</u>	<u>1,375</u>	<u>2,735,790</u>	<u>114,693</u>
<u>\$ 19,743,382</u>	<u>\$ 757,385</u>	<u>\$ 3,777,980</u>	<u>\$ 10,351,968</u>	<u>\$ 51,763</u>	<u>\$ 5,353,347</u>	<u>\$ 126,959</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2016

<u>ASSETS</u>	<u>Special Revenue Funds</u>		
	Public Defender	Safety Enforcement	Sheriff
Non-pooled cash and cash equivalents	\$ -	\$ 14,331	\$ 108,987
Pooled cash and cash equivalents	1,286,989	248,171	2,900,292
Restricted cash and cash equivalents	-	-	-
Receivables (net of allowances for uncollectibles)	137,254	626,895	32,100
Total assets	\$ 1,424,243	\$ 889,397	\$ 3,041,379
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 58,957	\$ 96,721	\$ 23,879
Accrued payroll and fringe benefits	256,047	56,782	18,508
Due to other funds	-	-	-
Intergovernmental payable	285	1,510	-
Unearned revenue	-	260,609	-
Total liabilities	315,289	415,622	42,387
Deferred inflows of resources:			
Unavailable property tax revenues-current	-	-	-
Unavailable property tax revenues-delinquent	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Restricted	1,108,954	473,775	2,998,992
Committed	-	-	-
Total fund balances	1,108,954	473,775	2,998,992
Total liabilities, deferred inflows of resources and fund balances	\$ 1,424,243	\$ 889,397	\$ 3,041,379

See notes to financial statements.

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2016**

<u>Special Revenue Funds</u>				<u>Capital Projects Fund</u>	
<u>Solicitor</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>
\$ 950,127	\$ -	\$ 19,882	\$ -	\$ -	\$ -
608,915	1,993,062	275,824	-	10,666,077	18,329,443
-	-	-	-	-	-
<u>389,927</u>	<u>199,169</u>	<u>106</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,948,969</u>	<u>\$ 2,192,231</u>	<u>\$ 295,812</u>	<u>\$ -</u>	<u>\$ 10,666,077</u>	<u>\$ 18,329,443</u>
\$ 5,147	\$ 5,970	\$ -	\$ -	\$ 71,493	\$ 32,695
113,487	52,229	24,540	-	7,782	-
-	-	-	-	-	-
89,089	42	15,895	-	-	1,505
-	-	-	-	-	-
<u>207,723</u>	<u>58,241</u>	<u>40,435</u>	<u>-</u>	<u>79,275</u>	<u>34,200</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,741,246</u>	<u>2,133,990</u>	<u>255,377</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	10,586,802	18,295,243
<u>1,741,246</u>	<u>2,133,990</u>	<u>255,377</u>	<u>-</u>	<u>10,586,802</u>	<u>18,295,243</u>
<u>\$ 1,948,969</u>	<u>\$ 2,192,231</u>	<u>\$ 295,812</u>	<u>\$ -</u>	<u>\$ 10,666,077</u>	<u>\$ 18,329,443</u>



**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2016**

<u>ASSETS</u>	<u>Capital Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Equipment Replacement Fund</u>	<u>ITS / MIS</u>	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 1,093,327
Pooled cash and cash equivalents	660,937	1,390,639	64,081,792
Restricted cash and cash equivalents	-	-	937,332
Receivables (net of allowances for uncollectibles)	8,022	14,382	23,204,233
<b>Total assets</b>	<b>\$ 668,959</b>	<b>\$ 1,405,021</b>	<b>\$ 89,316,684</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,909	\$ 102,320	\$ 2,800,834
Accrued payroll and fringe benefits	-	-	744,788
Due to other funds	-	-	735,795
Intergovernmental payable	2,060	-	7,144,252
Unearned revenue	-	-	504,607
<b>Total liabilities</b>	<b>4,969</b>	<b>102,320</b>	<b>11,930,276</b>
<b>Deferred inflows of resources:</b>			
Unavailable property tax revenues-current	-	-	12,101,152
Unavailable property tax revenues-delinquent	-	-	223,213
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>12,324,365</b>
<b>Fund balances:</b>			
Restricted	-	-	34,213,307
Committed	663,990	1,302,701	30,848,736
<b>Total fund balances</b>	<b>663,990</b>	<b>1,302,701</b>	<b>65,062,043</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 668,959</b>	<b>\$ 1,405,021</b>	<b>\$ 89,316,684</b>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2016

	Special Revenue Funds			
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works
<b>Revenues:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	48,866	959,186	2,870,983	14,233,445
Fines and forfeitures	-	-	-	-
Service charges	15,699,420	-	-	-
Interest	12,822	-	-	69,486
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>15,761,108</b>	<b>959,186</b>	<b>2,870,983</b>	<b>14,302,931</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	87,004	-	-
Judicial	-	671,379	-	-
Public works	-	-	-	5,227,288
Health and welfare	-	-	2,875,703	-
Economic development	-	-	-	-
Culture and recreation	17,016,880	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<b>Total expenditures</b>	<b>17,016,880</b>	<b>758,383</b>	<b>2,875,703</b>	<b>5,227,288</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,255,772)</b>	<b>200,803</b>	<b>(4,720)</b>	<b>9,075,643</b>
<b>Other financing sources (uses):</b>				
Capital lease proceeds	-	-	-	-
General obligation bonds issued	-	-	-	-
Refunding general obligation bonds issued	-	-	-	-
Bond premium	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Transfers in	-	23,397	33,487	4,455,500
Transfers out	(26,254)	(222,778)	-	(4,455,500)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(26,254)</b>	<b>(199,381)</b>	<b>33,487</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(1,282,026)</b>	<b>1,422</b>	<b>28,767</b>	<b>9,075,643</b>
<b>Fund balances at beginning of year</b>	<b>2,072,867</b>	<b>-</b>	<b>348,906</b>	<b>9,389,069</b>
<b>Fund balances at end of year</b>	<b>\$ 790,841</b>	<b>\$ 1,422</b>	<b>\$ 377,673</b>	<b>\$ 18,464,712</b>

See notes to financial statements.

**Special Revenue Funds**

<b>Disaster Fund</b>	<b>Economic Development</b>	<b>Education</b>	<b>Emergency Medical Services</b>	<b>Fire Districts</b>	<b>Hazardous Materials Enforcement</b>
\$ -	\$ 2,713,303	\$ 9,507,728	\$ -	\$ 2,806,586	\$ -
994,127	4,546,611	214,086	796	147,464	-
-	-	-	-	-	214,749
-	-	-	-	-	-
-	2,970	-	-	1,937	-
<b>994,127</b>	<b>7,262,884</b>	<b>9,721,814</b>	<b>796</b>	<b>2,955,987</b>	<b>214,749</b>
-	-	123,336	-	-	-
-	-	-	25,800	3,155,645	225,043
-	-	-	-	-	-
3,362,780	-	-	-	-	-
-	6,527,276	-	-	-	-
-	-	-	-	-	-
-	-	6,499,594	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>3,362,780</b>	<b>6,527,276</b>	<b>6,622,930</b>	<b>25,800</b>	<b>3,155,645</b>	<b>225,043</b>
<b>(2,368,653)</b>	<b>735,608</b>	<b>3,098,884</b>	<b>(25,004)</b>	<b>(199,658)</b>	<b>(10,294)</b>
-	-	-	-	-	-
-	-	-	-	2,080,000	-
-	-	-	-	-	-
-	-	-	-	42,870	-
-	-	-	-	-	-
2,368,653	-	330,837	1,375	2,523,486	-
-	(663,893)	(3,502,708)	-	(2,523,486)	-
-	-	-	-	385,500	-
<b>2,368,653</b>	<b>(663,893)</b>	<b>(3,171,871)</b>	<b>1,375</b>	<b>2,508,370</b>	<b>-</b>
-	71,715	(72,987)	(23,629)	2,308,712	(10,294)
-	2,777,364	238,375	25,004	427,078	124,987
<b>\$ -</b>	<b>\$ 2,849,079</b>	<b>\$ 165,388</b>	<b>\$ 1,375</b>	<b>\$ 2,735,790</b>	<b>\$ 114,693</b>

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2016

	Special Revenue Funds			
	Public Defender	Safety Enforcement	Sheriff	Solicitor
<b>Revenues:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,809,145	1,572,420	103,500	1,325,753
Fines and forfeitures	-	39,811	375,615	31,255
Service charges	368,156	-	33,100	679,736
Interest	6,687	287	7,350	-
Other revenues	-	68,961	522,436	15,125
<b>Total revenues</b>	<b>2,183,988</b>	<b>1,681,479</b>	<b>1,042,001</b>	<b>2,051,869</b>
<b>Expenditures:</b>				
Current:				
General government	-	21,692	-	-
Public safety	-	1,319,619	971,415	-
Judicial	5,305,609	415,632	18,512	2,083,397
Public works	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	45,255	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<b>Total expenditures</b>	<b>5,305,609</b>	<b>1,802,198</b>	<b>989,927</b>	<b>2,083,397</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,121,621)</b>	<b>(120,719)</b>	<b>52,074</b>	<b>(31,528)</b>
<b>Other financing sources (uses):</b>				
Capital lease proceeds	-	-	-	-
General obligation bonds issued	-	-	-	-
Refunding general obligation bonds issued	-	-	-	-
Bond premium	-	-	-	-
Payment to escrow agent for refunding	-	-	-	-
Transfers in	3,097,292	185,940	75,849	216,790
Transfers out	-	(34,509)	(109,582)	(247,748)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,097,292</b>	<b>151,431</b>	<b>(33,733)</b>	<b>(30,958)</b>
<b>Net change in fund balance</b>	<b>(24,329)</b>	<b>30,712</b>	<b>18,341</b>	<b>(62,486)</b>
<b>Fund balances at beginning of year</b>	<b>1,133,283</b>	<b>443,063</b>	<b>2,980,651</b>	<b>1,803,732</b>
<b>Fund balances at end of year</b>	<b>\$ 1,108,954</b>	<b>\$ 473,775</b>	<b>\$ 2,998,992</b>	<b>\$ 1,741,246</b>

See notes to financial statements.

Special Revenue Funds			Capital Projects Funds		
Storm Water Drainage	Victim Notification	Charleston Development Corp	Construction	G.O.B. Capital Projects	Equipment Replacement Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
535,098	57,637	-	-	-	-
-	371,608	-	-	-	-
1,327,776	141	-	-	-	-
9,754	-	-	11,799	57,449	4,988
-	-	535	-	-	-
<u>1,872,628</u>	<u>429,386</u>	<u>535</u>	<u>11,799</u>	<u>57,449</u>	<u>4,988</u>
-	-	-	-	-	-
-	201,604	-	-	-	-
-	255,158	-	-	-	-
1,556,460	-	-	-	-	-
-	-	3,035	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,903,453	2,567,843	-
-	-	-	-	175,294	-
<u>1,556,460</u>	<u>456,762</u>	<u>3,035</u>	<u>1,903,453</u>	<u>2,743,137</u>	<u>-</u>
-	-	-	-	-	-
316,168	(27,376)	(2,500)	(1,891,654)	(2,685,688)	4,988
-	-	-	-	-	-
-	-	-	-	18,795,000	-
-	-	-	-	56,680,000	-
-	-	-	-	11,314,041	-
-	-	-	-	(67,692,911)	-
-	-	-	8,754,311	-	627,597
-	-	(33,487)	-	(502)	(474,000)
-	-	-	-	-	23,284
-	-	(33,487)	8,754,311	19,095,628	176,881
316,168	(27,376)	(35,987)	6,862,657	16,409,940	181,869
1,817,822	282,753	35,987	3,724,145	1,885,303	482,121
<u>\$ 2,133,990</u>	<u>\$ 255,377</u>	<u>\$ -</u>	<u>\$ 10,586,802</u>	<u>\$ 18,295,243</u>	<u>\$ 663,990</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, 2016

	Capital Projects Funds		Total Nonmajor Governmental Funds
	ITS / MIS		
<b>Revenues:</b>			
Property taxes	\$ -	\$	15,027,617
Intergovernmental	14,382		29,433,499
Fines and forfeitures	-		1,033,038
Service charges	-		18,108,329
Interest	15,191		195,813
Other revenues	-		611,964
	29,573		64,410,260
<b>Expenditures:</b>			
<b>Current:</b>			
General government	-		145,028
Public safety	-		5,986,130
Judicial	-		8,749,687
Public works	-		10,146,528
Health and welfare	-		2,878,738
Economic development	-		6,527,276
Culture and recreation	-		17,062,135
Education	-		6,499,594
Capital outlay	1,483,422		5,954,718
Debt service	-		175,294
	1,483,422		64,125,128
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,453,849)</b>		<b>285,132</b>
<b>Other financing sources (uses):</b>			
Capital lease proceeds	55,928		55,928
General obligation bonds issued	-		20,875,000
Refunding general obligation bonds issued	-		56,680,000
Bond premium	-		11,356,911
Payment to escrow agent for refunding	-		(67,692,911)
Transfers in	-		22,694,514
Transfers out	(1,011,248)		(13,305,695)
Proceeds from sale of capital assets	-		408,784
	(955,320)		31,072,531
<b>Net change in fund balance</b>	<b>(2,409,169)</b>		<b>31,357,663</b>
<b>Fund balances at beginning of year</b>	<b>3,711,870</b>		<b>33,704,380</b>
<b>Fund balances at end of year</b>	<b>\$ 1,302,701</b>	\$	<b>65,062,043</b>

See notes to financial statements.

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





**COUNTY OF CHARLESTON, SOUTH CAROLINA  
 ACCOMMODATIONS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2016**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 62,000	\$ 62,000	\$ 48,866	\$ (13,134)
Service charges	16,230,000	16,257,177	15,699,420	(557,757)
Interest	5,000	5,000	12,822	7,822
<b>Total revenues</b>	<u>16,297,000</u>	<u>16,324,177</u>	<u>15,761,108</u>	<u>(563,069)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Culture and recreation	17,274,604	17,345,781	17,016,880	328,901
<b>Total expenditures</b>	<u>17,274,604</u>	<u>17,345,781</u>	<u>17,016,880</u>	<u>328,901</u>
<b>Deficiency of revenues under expenditures</b>	<u>(977,604)</u>	<u>(1,021,604)</u>	<u>(1,255,772)</u>	<u>(234,168)</u>
<b>Other financing uses:</b>				
Transfers out	(26,850)	(26,850)	(26,254)	596
<b>Net change in fund balance</b>	(1,004,454)	(1,048,454)	(1,282,026)	(233,572)
<b>Fund balance at beginning of year</b>	<u>2,072,867</u>	<u>2,072,867</u>	<u>2,072,867</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,068,413</u>	<u>\$ 1,024,413</u>	<u>\$ 790,841</u>	<u>\$ (233,572)</u>

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, 2016**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 1,102,000	\$ 1,102,000	\$ 959,186	\$ (142,814)
<b>Total revenues</b>	<u>1,102,000</u>	<u>1,102,000</u>	<u>959,186</u>	<u>(142,814)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	85,726	85,726	87,004	(1,278)
Judicial	722,361	722,361	671,379	50,982
<b>Total expenditures</b>	<u>808,087</u>	<u>808,087</u>	<u>758,383</u>	<u>49,704</u>
<b>Excess of revenues over expenditures</b>	<u>293,913</u>	<u>293,913</u>	<u>200,803</u>	<u>(93,110)</u>
<b>Other financing sources (uses):</b>				
Transfers in	18,726	18,726	23,397	4,671
Transfers out	(312,639)	(312,639)	(222,778)	89,861
<b>Total other financing sources (uses)</b>	<u>(293,913)</u>	<u>(293,913)</u>	<u>(199,381)</u>	<u>94,532</u>
<b>Net change in fund balance</b>	-	-	1,422	1,422
<b>Fund balance at beginning of year</b>	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,422</u>	<u>\$ 1,422</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, 2016**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Property taxes	\$ 2,723,326	\$ 2,723,326	\$ 2,713,303	\$ (10,023)
Intergovernmental	45,000	4,781,893	4,546,611	(235,282)
Other revenues	-	2,970	2,970	-
<b>Total revenues</b>	<u>2,768,326</u>	<u>7,508,189</u>	<u>7,262,884</u>	<u>(245,305)</u>
<b>Expenditures:</b>				
Current:				
Economic development	3,208,040	7,567,286	6,527,276	1,040,010
<b>Total expenditures</b>	<u>3,208,040</u>	<u>7,567,286</u>	<u>6,527,276</u>	<u>1,040,010</u>
<b>Excess (deficiency) of revenues over (under) over expenditures</b>	<u>(439,714)</u>	<u>(59,097)</u>	<u>735,608</u>	<u>794,705</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	(663,893)	(663,893)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(663,893)</u>	<u>(663,893)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(439,714)</u>	<u>(722,990)</u>	<u>71,715</u>	<u>794,705</u>
<b>Fund balance at beginning of year</b>	<u>2,777,364</u>	<u>2,777,364</u>	<u>2,777,364</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 2,337,650</u>	<u>\$ 2,054,374</u>	<u>\$ 2,849,079</u>	<u>\$ 794,705</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, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
<b>Revenues:</b>				
Property taxes	\$ 9,265,000	\$ 9,674,685	\$ 9,507,728	\$ (166,957)
Intergovernmental	60,000	60,000	214,086	154,086
<b>Total revenues</b>	<u>9,325,000</u>	<u>9,734,685</u>	<u>9,721,814</u>	<u>(12,871)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	100,000	288,724	123,336	165,388
Education	6,179,000	6,504,000	6,499,594	4,406
<b>Total expenditures</b>	<u>6,279,000</u>	<u>6,792,724</u>	<u>6,622,930</u>	<u>169,794</u>
<b>Excess of revenues over expenditures</b>	<u>3,046,000</u>	<u>2,941,961</u>	<u>3,098,884</u>	<u>156,923</u>
<b>Other financing sources (uses):</b>				
Transfers in	152,000	322,374	330,837	8,463
Transfers out	(3,248,000)	(3,502,708)	(3,502,708)	-
<b>Total other financing sources (uses)</b>	<u>(3,096,000)</u>	<u>(3,180,334)</u>	<u>(3,171,871)</u>	<u>8,463</u>
<b>Net change in fund balance</b>	<u>(50,000)</u>	<u>(238,373)</u>	<u>(72,987)</u>	<u>165,386</u>
<b>Fund balance at beginning of year</b>	<u>238,375</u>	<u>238,375</u>	<u>238,375</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 188,375</u>	<u>\$ 2</u>	<u>\$ 165,388</u>	<u>\$ 165,386</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, 2016**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Property taxes	\$ 2,629,050	\$ 2,644,150	\$ 2,806,586	\$ 162,436
Intergovernmental	109,692	109,692	147,464	37,772
Other revenues	-	-	1,937	1,937
<b>Total revenues</b>	<u>2,738,742</u>	<u>2,753,842</u>	<u>2,955,987</u>	<u>202,145</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	2,924,217	4,874,320	3,155,645	1,718,675
<b>Total expenditures</b>	<u>2,924,217</u>	<u>4,874,320</u>	<u>3,155,645</u>	<u>1,718,675</u>
<b>Deficiency of revenues   under expenditures</b>	<u>(185,475)</u>	<u>(2,120,478)</u>	<u>(199,658)</u>	<u>1,920,820</u>
<b>Other financing sources (uses):</b>				
General obligation bonds issued	-	2,080,000	2,080,000	-
Bond premium	-	42,870	42,870	-
Transfers in	-	2,523,486	2,523,486	-
Transfers out	-	(2,523,486)	(2,523,486)	-
Proceeds from the sale of capital assets	-	-	385,500	385,500
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>2,122,870</u>	<u>2,508,370</u>	<u>385,500</u>
<b>Net change in fund balance</b>	(185,475)	2,392	2,308,712	2,306,320
<b>Fund balance at beginning of year</b>	427,078	427,078	427,078	-
<b>Fund balance at end of year</b>	<u>\$ 241,603</u>	<u>\$ 429,470</u>	<u>\$ 2,735,790</u>	<u>\$ 2,306,320</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, 2016**

	<u>BUDGETED AMOUNTS</u>		VARIANCE WITH FINAL BUDGET POSITIVE	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>Revenues:</b>				
<b>Fines and forfeitures</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>\$ 214,749</b>	<b>\$ (5,251)</b>
<b>Total revenues</b>	<b>220,000</b>	<b>220,000</b>	<b>214,749</b>	<b>(5,251)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public safety</b>	<b>228,239</b>	<b>229,767</b>	<b>225,043</b>	<b>4,724</b>
<b>Total expenditures</b>	<b>228,239</b>	<b>229,767</b>	<b>225,043</b>	<b>4,724</b>
<b>Deficiency of revenues under expenditures</b>	<b>(8,239)</b>	<b>(9,767)</b>	<b>(10,294)</b>	<b>(527)</b>
<b>Net change in fund balance</b>	<b>(8,239)</b>	<b>(9,767)</b>	<b>(10,294)</b>	<b>(527)</b>
<b>Fund balance at beginning of year</b>	<b>124,987</b>	<b>124,987</b>	<b>124,987</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 116,748</b>	<b>\$ 115,220</b>	<b>\$ 114,693</b>	<b>\$ (527)</b>

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, 2016**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 1,838,374	\$ 1,858,239	\$ 1,809,145	\$ (49,094)
Service charges	285,000	410,000	368,156	(41,844)
Interest	2,250	2,250	6,687	4,437
<b>Total revenues</b>	<u>2,125,624</u>	<u>2,270,489</u>	<u>2,183,988</u>	<u>(86,501)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Judicial	5,229,018	5,389,193	5,305,609	83,584
<b>Total expenditures</b>	<u>5,229,018</u>	<u>5,389,193</u>	<u>5,305,609</u>	<u>83,584</u>
<b>Deficiency of revenues under expenditures</b>	<u>(3,103,394)</u>	<u>(3,118,704)</u>	<u>(3,121,621)</u>	<u>(2,917)</u>
<b>Other financing sources:</b>				
Transfers in	3,097,292	3,097,292	3,097,292	-
<b>Net change in fund balance</b>	(6,102)	(21,412)	(24,329)	(2,917)
<b>Fund balance at beginning of year</b>	<u>1,133,283</u>	<u>1,133,283</u>	<u>1,133,283</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,127,181</u>	<u>\$ 1,111,871</u>	<u>\$ 1,108,954</u>	<u>\$ (2,917)</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, 2016**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 103,500	\$ -
Fines and forfeitures	168,152	168,152	375,615	207,463
Interest	-	-	7,350	7,350
Service charges	38,200	38,200	33,100	(5,100)
Other revenues	364,542	364,542	522,436	157,894
<b>Total revenues</b>	<u>674,394</u>	<u>674,394</u>	<u>1,042,001</u>	<u>367,607</u>
<b>Expenditures:</b>				
Current:				
Public safety	1,138,485	1,376,997	971,415	405,582
Judicial	18,512	18,512	18,512	-
<b>Total expenditures</b>	<u>1,156,997</u>	<u>1,395,509</u>	<u>989,927</u>	<u>405,582</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(482,603)</u>	<u>(721,115)</u>	<u>52,074</u>	<u>773,189</u>
<b>Other financing sources (uses):</b>				
Transfers in	79,745	79,745	75,849	(3,896)
Transfers out	-	(109,582)	(109,582)	-
<b>Total other financing sources (uses)</b>	<u>79,745</u>	<u>(29,837)</u>	<u>(33,733)</u>	<u>(3,896)</u>
<b>Net change in fund balance</b>	<u>(402,858)</u>	<u>(750,952)</u>	<u>18,341</u>	<u>769,293</u>
<b>Fund balance at beginning of year</b>	<u>2,980,651</u>	<u>2,980,651</u>	<u>2,980,651</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 2,577,793</u>	<u>\$ 2,229,699</u>	<u>\$ 2,998,992</u>	<u>\$ 769,293</u>

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, 2016**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET POSITIVE (NEGATIVE)
<b>Revenues:</b>				
Intergovernmental	\$ 1,343,317	\$ 1,363,091	\$ 1,325,753	\$ (37,338)
Fines and forfeitures	15,000	15,000	31,255	16,255
Service charges	672,000	672,000	679,736	7,736
Other revenues	500	500	15,125	14,625
<b>Total revenues</b>	<b>2,030,817</b>	<b>2,050,591</b>	<b>2,051,869</b>	<b>1,278</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Judicial	2,265,622	2,257,920	2,083,397	174,523
<b>Total expenditures</b>	<b>2,265,622</b>	<b>2,257,920</b>	<b>2,083,397</b>	<b>174,523</b>
<b>Deficiency of revenues under expenditures</b>	<b>(234,805)</b>	<b>(207,329)</b>	<b>(31,528)</b>	<b>175,801</b>
<b>Other financing sources (uses):</b>				
Transfers in	227,031	227,154	216,790	(10,364)
Transfers out	(219,438)	(248,099)	(247,748)	351
<b>Total other financing sources</b>	<b>7,593</b>	<b>(20,945)</b>	<b>(30,958)</b>	<b>(10,013)</b>
<b>Net change in fund balance</b>	<b>(227,212)</b>	<b>(228,274)</b>	<b>(62,486)</b>	<b>165,788</b>
<b>Fund balance at beginning of year</b>	<b>1,803,732</b>	<b>1,803,732</b>	<b>1,803,732</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 1,576,520</b>	<b>\$ 1,575,458</b>	<b>\$ 1,741,246</b>	<b>\$ 165,788</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**STORMWATER DRAINAGE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2016**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 639,500	\$ 529,500	\$ 535,098	\$ 5,598
Service charges	1,125,000	1,235,000	1,327,776	92,776
Interest	-	-	9,754	9,754
<b>Total revenues</b>	<u>1,764,500</u>	<u>1,764,500</u>	<u>1,872,628</u>	<u>108,128</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public works	<u>2,821,937</u>	<u>3,342,741</u>	<u>1,556,460</u>	<u>1,786,281</u>
<b>Total expenditures</b>	<u>2,821,937</u>	<u>3,342,741</u>	<u>1,556,460</u>	<u>1,786,281</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,057,437)</u>	<u>(1,578,241)</u>	<u>316,168</u>	<u>1,894,409</u>
<b>Net change in fund balance</b>	(1,057,437)	(1,578,241)	316,168	1,894,409
<b>Fund balance at beginning of year</b>	<u>1,817,822</u>	<u>\$ 1,817,822</u>	<u>\$ 1,817,822</u>	<u>\$ -</u>
<b>Fund balance at end of year</b>	<u>\$ 760,385</u>	<u>\$ 239,581</u>	<u>\$ 2,133,990</u>	<u>\$ 1,894,409</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, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
<b>Revenues:</b>				
Intergovernmental	\$ 58,000	\$ 58,000	\$ 57,637	\$ (363)
Fines and forfeitures	360,000	360,000	371,608	11,608
Service charges	-	-	141	141
<b>Total revenues</b>	<b>418,000</b>	<b>418,000</b>	<b>429,386</b>	<b>11,386</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	203,239	203,239	201,604	1,635
Judicial	262,088	262,088	255,158	6,930
<b>Total expenditures</b>	<b>465,327</b>	<b>465,327</b>	<b>456,762</b>	<b>8,565</b>
<b>Deficiency of revenues under expenditures</b>	<b>(47,327)</b>	<b>(47,327)</b>	<b>(27,376)</b>	<b>19,951</b>
<b>Net change in fund balance</b>	<b>(47,327)</b>	<b>(47,327)</b>	<b>(27,376)</b>	<b>19,951</b>
<b>Fund balance at beginning of year</b>	<b>282,753</b>	<b>282,753</b>	<b>282,753</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 235,426</b>	<b>\$ 235,426</b>	<b>\$ 255,377</b>	<b>\$ 19,951</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 VICTIM NOTIFICATION SPECIAL REVENUE FUND  
 SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED  
 June 30, 2016

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
<b>Magistrates:</b>						
<b>Fines:</b>						
Traffic/criminal	\$ 1,895,260	\$ -	\$ 1,895,260	\$ 1,895,260	\$ -	\$ 1,895,260
DUI/DUS/BUI	52,835	52,835	-	-	-	-
Assessments	1,296,930	1,182,234	114,696	-	114,696	114,696
Surcharges	522,676	473,671	49,005	-	49,005	49,005
	<u>3,767,701</u>	<u>1,708,740</u>	<u>2,058,961</u>	<u>1,895,260</u>	<u>163,701</u>	<u>2,058,961</u>
<b>Clerk of Court:</b>						
<b>Fines:</b>						
Fines and Fees	1,140,520	782,490	358,030	358,030	-	358,030
Family court	2,039,776	1,070,353	969,423	969,423	-	969,423
DUI/DUS/BUI	13,018	13,018	-	-	-	-
Assessments	157,394	100,560	56,834	-	56,834	56,834
Surcharges	260,311	109,239	151,072	-	151,072	151,072
	<u>3,611,019</u>	<u>2,075,660</u>	<u>1,535,360</u>	<u>1,327,454</u>	<u>207,906</u>	<u>1,535,360</u>
	<u>\$ 7,378,720</u>	<u>\$ 3,784,399</u>	<u>\$ 3,594,321</u>	<u>\$ 3,222,714</u>	<u>\$ 371,607</u>	<u>\$ 3,594,321</u>

See notes to financial statements.

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## CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

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

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

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

**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, 2016

<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>
<b>Current assets:</b>						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 398,209	\$ 398,909
Pooled cash and cash equivalents	1,561,798	3,113,536	256,930	437,528	4,203,419	9,573,211
Receivables (net of allowances for uncollectibles)	1,914,467	286,894	12,490	113,430	47,435	2,374,716
Prepaid rent	92,821	-	-	-	-	92,821
<b>Total current assets</b>	<b>3,569,786</b>	<b>3,400,430</b>	<b>269,420</b>	<b>550,958</b>	<b>4,649,063</b>	<b>12,439,657</b>
<b>Capital assets:</b>						
Buildings	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	270,255	-	-	-	-	270,255
Machinery and equipment	642,519	3,102,328	-	671,624	98,437	4,514,908
Less accumulated depreciation	(4,359,308)	(2,537,100)	-	(385,705)	(34,043)	(7,316,156)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>6,255,833</b>	<b>565,228</b>	<b>-</b>	<b>285,919</b>	<b>64,394</b>	<b>7,171,374</b>
<b>Total noncurrent assets</b>	<b>6,255,833</b>	<b>565,228</b>	<b>-</b>	<b>285,919</b>	<b>64,394</b>	<b>7,171,374</b>
<b>Total assets</b>	<b>9,825,619</b>	<b>3,965,658</b>	<b>269,420</b>	<b>836,877</b>	<b>4,713,457</b>	<b>19,611,031</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 June 30, 2016

<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>
<b>Current liabilities:</b>						
Accounts payable	\$ 174,581	\$ 46,772	\$ 1,099	\$ 38,485	\$ 11,929	\$ 272,866
Accrued payroll and fringe benefits	335,180	34,602	-	11,089	74,973	455,844
Compensated absences-current	25,578	-	-	-	3,641	29,219
Due to other funds	8,571,236	550,224	90,632	299,974	1,814,141	11,326,207
Intergovernmental payable	2,541	1,166	-	3,145	4,007,577	4,014,429
Unearned revenue	26,232	-	-	-	-	26,232
<b>Total current liabilities</b>	<b>9,135,348</b>	<b>632,764</b>	<b>91,731</b>	<b>352,693</b>	<b>5,912,261</b>	<b>16,124,797</b>
<b>Noncurrent liabilities:</b>						
Compensated absences	364,063	36,679	1,275	4,741	144,011	550,769
<b>Total noncurrent liabilities</b>	<b>364,063</b>	<b>36,679</b>	<b>1,275</b>	<b>4,741</b>	<b>144,011</b>	<b>550,769</b>
<b>Total liabilities</b>	<b>9,499,411</b>	<b>669,443</b>	<b>93,006</b>	<b>357,434</b>	<b>6,056,272</b>	<b>16,675,566</b>
<b><u>NET POSITION</u></b>						
Net investment in capital assets	6,255,833	565,228	-	285,919	64,394	7,171,374
Unrestricted	(5,929,625)	2,730,987	176,414	193,524	(1,407,209)	(4,235,909)
<b>Total net position</b>	<b>\$ 326,208</b>	<b>\$ 3,296,215</b>	<b>\$ 176,414</b>	<b>\$ 479,443</b>	<b>\$ (1,342,815)</b>	<b>\$ 2,935,465</b>

See notes to financial statements.



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COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2016

	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 7,205,280	\$ 2,382,138	\$ 375,066	\$ 2,729,076	\$ 2,012,504	\$ 14,704,064
Other revenues	9,317	-	-	-	2,275	11,592
<b>Total operating revenues</b>	<b>7,214,597</b>	<b>2,382,138</b>	<b>375,066</b>	<b>2,729,076</b>	<b>2,014,779</b>	<b>14,715,656</b>
<b>Operating expenses:</b>						
Personnel services	5,499,528	863,172	24,560	190,447	1,333,007	7,910,714
Contractual services	584,103	555,687	349,271	273,791	28,056	1,790,908
Materials and supplies	476,695	38,800	-	550,472	12,738	1,078,705
Utilities	287,663	386,478	-	105,420	-	779,561
Repairs and maintenance	175,112	72,309	-	1,868,604	-	2,116,025
Rental expenses	126,019	-	-	449,439	-	575,458
Vehicle fleet charges	12,483	1,077	-	3,401	5,119	22,080
Employee benefits	1,768,626	126,213	16,891	60,316	357,756	2,329,802
Other expenses	2,031,549	371,555	59,792	1,217,930	527,670	4,208,496
Depreciation and amortization	299,235	431,253	-	96,492	13,948	840,928
<b>Total operating expenses</b>	<b>11,261,013</b>	<b>2,846,544</b>	<b>450,514</b>	<b>4,816,312</b>	<b>2,278,294</b>	<b>21,652,677</b>
<b>Operating income (loss)</b>	<b>(4,046,416)</b>	<b>(464,406)</b>	<b>(75,448)</b>	<b>(2,087,236)</b>	<b>(263,515)</b>	<b>(6,937,021)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	2,778	12,965	217	-	20,046	36,006
Intergovernmental revenues	662,835	-	-	-	-	662,835
Gain (loss) on disposal of capital assets	13,285	-	-	-	-	13,285
<b>Total nonoperating revenues (expenses)</b>	<b>678,898</b>	<b>12,965</b>	<b>217</b>	<b>-</b>	<b>20,046</b>	<b>712,126</b>
<b>Income (loss) before transfers</b>	<b>(3,367,518)</b>	<b>(451,441)</b>	<b>(75,231)</b>	<b>(2,087,236)</b>	<b>(243,469)</b>	<b>(6,224,895)</b>
Transfers in	1,438,587	-	292,485	2,235,523	-	3,966,595
Transfers out	-	-	-	-	-	-
<b>Change in net position</b>	<b>(1,928,931)</b>	<b>(451,441)</b>	<b>217,254</b>	<b>148,287</b>	<b>(243,469)</b>	<b>(2,258,300)</b>
<b>Total net position - beginning, as restated</b>	<b>2,255,139</b>	<b>3,747,656</b>	<b>(40,840)</b>	<b>331,156</b>	<b>(1,099,346)</b>	<b>5,193,765</b>
<b>Total net position - ending</b>	<b>\$ 326,208</b>	<b>\$ 3,296,215</b>	<b>\$ 176,414</b>	<b>\$ 479,443</b>	<b>\$ (1,342,815)</b>	<b>\$ 2,935,465</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2016

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 7,123,991	\$ 3,884,741	\$ 352,681	\$ 2,692,254	\$ 2,074,719	\$ 16,128,386
Cash payments to suppliers for goods and services	(2,166,478)	(1,299,483)	(392,600)	(4,466,806)	926,454	(7,398,913)
Cash payments to employees for services	(7,217,020)	(960,949)	(43,626)	(250,785)	(1,661,341)	(10,133,721)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,259,507)</b>	<b>1,624,309</b>	<b>(83,545)</b>	<b>(2,025,337)</b>	<b>1,339,832</b>	<b>(1,404,248)</b>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	1,438,587	-	292,485	2,235,523	-	3,966,595
Transfers (out)	-	-	-	-	-	-
Intergovernmental receipt	662,835	-	-	-	-	662,835
<b>Net cash provided by noncapital financing activities</b>	<b>2,101,422</b>	<b>-</b>	<b>292,485</b>	<b>2,235,523</b>	<b>-</b>	<b>4,629,430</b>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	13,285	-	-	-	-	13,285
Acquisition and construction of capital assets	(92,938)	(140,455)	-	(213,840)	-	(447,233)
<b>Net cash used in capital and related financing activities</b>	<b>(79,653)</b>	<b>(140,455)</b>	<b>-</b>	<b>(213,840)</b>	<b>-</b>	<b>(433,948)</b>
<b>Cash flows from investing activities:</b>						
Interest received	2,778	12,965	217	-	20,046	36,006
<b>Net cash provided by investing activities</b>	<b>2,778</b>	<b>12,965</b>	<b>217</b>	<b>-</b>	<b>20,046</b>	<b>36,006</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(234,960)</b>	<b>1,496,819</b>	<b>209,157</b>	<b>(3,654)</b>	<b>1,359,878</b>	<b>2,827,240</b>
Cash and cash equivalents at beginning of year	1,797,458	1,616,717	47,773	441,182	3,241,750	7,144,880
Cash and cash equivalents at end of year	<u>\$ 1,562,498</u>	<u>\$ 3,113,536</u>	<u>\$ 256,930</u>	<u>\$ 437,528</u>	<u>\$ 4,601,628</u>	<u>\$ 9,972,120</u>
<b>Reconciliation to balance sheet:</b>						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 398,209	\$ 398,909
Pooled cash and cash equivalents	1,561,798	3,113,536	256,930	437,528	4,203,419	9,573,211
Cash and cash equivalents at end of year	<u>\$ 1,562,498</u>	<u>\$ 3,113,536</u>	<u>\$ 256,930</u>	<u>\$ 437,528</u>	<u>\$ 4,601,628</u>	<u>\$ 9,972,120</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2016

	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)	\$ (4,046,416)	\$ (464,406)	\$ (75,448)	\$ (2,087,236)	\$ (263,515)	\$ (6,937,021)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	299,235	431,253	-	96,492	13,948	840,928
Allowance for doubtful account	19,315	-	-	-	-	19,315
Changes in assets and liabilities:						
(Increase) decrease in receivables	(126,776)	1,502,603	(10,286)	(36,822)	59,940	1,388,659
Increase in accounts payable	1,527,146	126,423	16,463	2,251	1,500,037	3,172,320
Increase (decrease) in accrued payroll	51,134	28,436	(2,175)	(22)	29,422	106,795
Increase (decrease) in unearned revenue	16,855	-	(12,099)	-	-	4,756
Total adjustments	1,786,909	2,088,715	(8,097)	61,899	1,603,347	5,532,773
Net cash provided by (used in) operating activities	<u>\$ (2,259,507)</u>	<u>\$ 1,624,309</u>	<u>\$ (83,545)</u>	<u>\$ (2,025,337)</u>	<u>\$ 1,339,832</u>	<u>\$ (1,404,248)</u>

See notes to financial statements.

## CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

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

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

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

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

**Employee Benefits** - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees, as well as providing retirement benefits. 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. To provide retirement benefits to its employees, the County contracts with the South Carolina Public Employee Benefits Authority (PEBA) which administers the various retirement systems and retirement programs managed by its retirement division.

**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, 2016

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>ASSETS</b>						
<b>Current assets:</b>						
Pooled cash and cash equivalents	\$ 1,724,360	\$ 293,219	\$ 5,795,913	\$ 32,234,563	\$ 475,927	\$ 40,523,982
Cash with fiscal agent	-	-	125,000	-	-	125,000
Pooled investments	-	-	-	3,451,749	-	3,451,749
Receivables (net of allowances for uncollectibles)	221,968	-	-	227,294	-	449,262
Due from other funds	-	-	141,837	23,896,372	-	24,038,209
Inventories	322,486	-	-	-	-	322,486
<b>Total current assets</b>	<b>2,268,814</b>	<b>293,219</b>	<b>6,062,750</b>	<b>59,809,978</b>	<b>475,927</b>	<b>68,910,688</b>
<b>Capital assets:</b>						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	35,802,667	1,975,373	398,493	-	1,116,189	39,292,722
Less accumulated depreciation	(21,051,351)	(1,363,284)	(284,048)	-	(434,360)	(23,133,043)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>16,301,819</b>	<b>757,269</b>	<b>114,445</b>	<b>-</b>	<b>681,829</b>	<b>17,855,362</b>
<b>Total assets</b>	<b>18,570,633</b>	<b>1,050,488</b>	<b>6,177,195</b>	<b>59,809,978</b>	<b>1,157,756</b>	<b>86,766,050</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension contributions made subsequent to measurement date	-	-	-	13,359,612	-	13,359,612
Difference between expected and actual experience	-	-	-	22,509,459	-	22,509,459
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,869,071</b>	<b>-</b>	<b>35,869,071</b>
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	304,675	64,428	2,965,205	32,774	114,918	3,482,000
Accrued payroll and fringe benefits	129,705	35,946	23,868	5,642	18,347	213,508
Compensated absences-current	27,988	5,458	-	-	222	33,668
Intergovernmental payable	3,404	-	236,781	1,830,534	36	2,070,755
Lease payable - current	-	276,494	-	-	-	276,494
<b>Total current liabilities</b>	<b>465,772</b>	<b>382,326</b>	<b>3,225,854</b>	<b>1,868,950</b>	<b>133,523</b>	<b>6,076,425</b>
<b>Noncurrent liabilities:</b>						
OPEB liability	-	-	-	32,221,614	-	32,221,614
Compensated absences	193,082	50,463	51,200	5,551	20,760	321,056
Lease payable	-	322,391	-	-	-	322,391
Net pension liability	-	-	-	211,933,021	-	211,933,021
<b>Total noncurrent liabilities</b>	<b>193,082</b>	<b>372,854</b>	<b>51,200</b>	<b>244,160,186</b>	<b>20,760</b>	<b>244,798,082</b>
<b>Total liabilities</b>	<b>658,854</b>	<b>755,180</b>	<b>3,277,054</b>	<b>246,029,136</b>	<b>154,283</b>	<b>250,874,507</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Net difference between projected and actual earnings on pension plan investments	-	-	-	13,586,149	-	13,586,149
<b>NET POSITION</b>						
Net investment in capital assets	16,301,819	158,384	114,445	-	681,829	17,256,477
Unrestricted	1,609,960	136,924	2,785,696	(163,936,236)	321,644	(159,082,012)
<b>Total net position</b>	<b>\$ 17,911,779</b>	<b>\$ 295,308</b>	<b>\$ 2,900,141</b>	<b>\$ (163,936,236)</b>	<b>\$ 1,003,473</b>	<b>\$ (141,825,535)</b>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 For the Year Ended June 30, 2016

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 12,075,807	\$ 2,026,782	\$ 4,353,489	\$ 41,396,425	\$ 1,970,341	\$ 61,822,844
<b>Total operating revenues</b>	<b>12,075,807</b>	<b>2,026,782</b>	<b>4,353,489</b>	<b>41,396,425</b>	<b>1,970,341</b>	<b>61,822,844</b>
<b>Operating expenses:</b>						
Personnel services	2,180,472	663,251	411,539	100,187	314,571	3,670,020
Contractual services	5,545	16,244	3,630,957	-	1,368	3,654,114
Materials and supplies	7,711,025	654,797	139,857	24,409	7,202	8,537,290
Utilities	94,961	19,629	-	-	1,352,136	1,466,726
Repairs and maintenance	42,681	248,296	34,425	-	116,785	442,187
Rental expenses	-	13,174	-	-	-	13,174
Vehicle fleet charges	103,417	8,881	10,543	-	3,827	126,668
Employee benefits	-	-	-	39,840,262	-	39,840,262
Other expenses	426,098	63,067	36,788	2,226	17,100	545,279
Depreciation	3,721,450	317,643	72,568	-	104,166	4,215,827
<b>Total operating expenses</b>	<b>14,285,649</b>	<b>2,004,982</b>	<b>4,336,677</b>	<b>39,967,084</b>	<b>1,917,155</b>	<b>62,511,547</b>
<b>Operating income (loss)</b>	<b>(2,209,842)</b>	<b>21,800</b>	<b>16,812</b>	<b>1,429,341</b>	<b>53,186</b>	<b>(688,703)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	12,296	894	30,822	170,577	1,044	215,633
Intergovernmental revenues	-	5,937	-	-	-	5,937
Interest expense	-	(59,642)	-	-	-	(59,642)
Gain (loss) on disposal of capital assets	194,244	-	-	-	2,070	196,314
<b>Total nonoperating revenues (expenses)</b>	<b>206,540</b>	<b>(52,811)</b>	<b>30,822</b>	<b>170,577</b>	<b>3,114</b>	<b>358,242</b>
<b>Income (loss) before transfers</b>	<b>(2,003,302)</b>	<b>(31,011)</b>	<b>47,634</b>	<b>1,599,918</b>	<b>56,300</b>	<b>(330,461)</b>
Transfers in	5,174,778	50,000	-	-	-	5,224,778
Transfers out	(501,082)	-	-	-	(69,000)	(570,082)
<b>Change in net position</b>	<b>2,670,394</b>	<b>18,989</b>	<b>47,634</b>	<b>1,599,918</b>	<b>(12,700)</b>	<b>4,324,235</b>
<b>Total net position - beginning</b>	<b>15,241,385</b>	<b>276,319</b>	<b>2,852,507</b>	<b>(165,536,154)</b>	<b>1,016,173</b>	<b>(146,149,770)</b>
<b>Total net position - ending</b>	<b>\$ 17,911,779</b>	<b>\$ 295,308</b>	<b>\$ 2,900,141</b>	<b>\$ (163,936,236)</b>	<b>\$ 1,003,473</b>	<b>\$ (141,825,535)</b>

See notes to financial statements.



COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2016

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 151,163	\$ -	\$ -	\$ -	\$ 2,542	\$ 153,705
Cash receipts from interfund services provided	11,800,121	2,032,971	4,491,758	36,209,557	1,968,032	56,502,439
Cash payments to suppliers for goods and services	(8,456,291)	(1,075,128)	(4,221,866)	(32,681,521)	(1,485,699)	(47,920,505)
Cash payments to employees for services	(2,184,958)	(664,325)	(404,880)	(184,729)	(298,114)	(3,737,006)
Net cash provided by operating activities	<u>1,310,035</u>	<u>293,518</u>	<u>(134,988)</u>	<u>3,343,307</u>	<u>186,761</u>	<u>4,998,633</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	5,174,778	50,000	-	-	-	5,224,778
Transfers (out)	(501,082)	-	-	-	(69,000)	(570,082)
Net cash provided by noncapital financing activities	<u>4,673,696</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(69,000)</u>	<u>4,654,696</u>
<b>Cash flows from capital and related financing activities:</b>						
Principal paid on long-term debt	-	(268,718)	-	-	-	(268,718)
Interest paid	-	(59,642)	-	-	-	(59,642)
Proceeds from capital lease	-	14,477	-	-	-	14,477
Proceeds from sale of capital assets	368,941	-	-	-	4,070	373,011
Acquisition and construction of capital assets (including capitalized interest)	(7,845,415)	(64,772)	(46,915)	-	(33,746)	(7,990,848)
Net cash used in capital and related financing activities	<u>(7,476,474)</u>	<u>(378,655)</u>	<u>(46,915)</u>	<u>-</u>	<u>(29,676)</u>	<u>(7,931,720)</u>
<b>Cash flows from investing activities:</b>						
Interest received	12,296	894	30,822	170,577	1,044	215,633
Net cash provided by investing activities	<u>12,296</u>	<u>894</u>	<u>30,822</u>	<u>170,577</u>	<u>1,044</u>	<u>215,633</u>
Net increase in cash and cash equivalents	(1,480,447)	(34,243)	(151,081)	3,513,884	89,129	1,937,242
Cash and cash equivalents at beginning of year	3,204,807	327,462	6,071,994	32,172,428	386,798	42,163,489
Cash and cash equivalents at end of year	<u>\$ 1,724,360</u>	<u>\$ 293,219</u>	<u>\$ 5,920,913</u>	<u>\$ 35,686,312</u>	<u>\$ 475,927</u>	<u>\$ 44,100,731</u>
<b>Reconciliation to balance sheet:</b>						
Pooled cash and cash equivalents	\$ 1,724,360	\$ 293,219	\$ 5,795,913	\$ 32,234,563	\$ 475,927	\$ 40,523,982
Pooled investments	-	-	-	3,451,749	-	3,451,749
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 1,724,360</u>	<u>\$ 293,219</u>	<u>\$ 5,920,913</u>	<u>\$ 35,686,312</u>	<u>\$ 475,927</u>	<u>\$ 44,100,731</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, 2016

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (2,209,842)	\$ 21,800	\$ 16,812	\$ 1,429,341	\$ 53,186	\$ (688,703)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,721,450	317,643	72,568	-	104,166	4,215,827
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	(124,523)	6,189	138,269	(5,186,868)	233	(5,166,700)
Decrease in inventory	5,857	-	-	-	-	5,857
Increase (decrease) in accounts payable	(78,421)	(51,040)	(369,296)	3,040,211	12,719	2,554,173
Increase (decrease) in accrued payroll	(4,486)	(1,074)	6,659	(84,542)	16,457	(66,986)
Increase in net pension liability	-	-	-	25,819,555	-	25,819,555
(Increase) in deferred outflows of resources for pensions	-	-	-	(17,751,394)	-	(17,751,394)
(Decrease) in deferred inflows of resources for pensions	-	-	-	(3,922,996)	-	(3,922,996)
Total adjustments	3,519,877	271,718	(151,800)	1,913,966	133,575	5,687,336
Net cash provided by operating activities	\$ 1,310,035	\$ 293,518	\$ (134,988)	\$ 3,343,307	\$ 186,761	\$ 4,998,633

See notes to financial statements.

## CHARLESTON COUNTY COMBINING STATEMENTS - FIDUCIARY FUNDS

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b><u>ASSETS</u></b>				
<b>Non-pooled cash and cash equivalents:</b>				
Held by Revenue Collections				
Third parties	\$ 240,529	\$ 25,781	\$ 56,651	\$ 209,659
Held by Clerk of Court				
Third parties	10,432,793	28,174,227	22,362,921	16,244,099
Held by Delinquent Tax				
Third parties	450,203	11,009	349,775	111,437
Held by Family Court				
Third parties	532,695	31,823,919	31,911,426	445,188
Held by Magistrates				
Third parties	74,084	60,068	74,084	60,068
Held by Master-In-Equity				
Third parties	3,488,511	33,482,046	32,860,182	4,110,375
Held by Probate				
Third parties	3,410	10,920	7,330	7,000
Held by Public Defender				
Third parties	8,383	101,449	100,853	8,979
Held by Sheriff				
Third parties	263,359	3,767,053	3,811,180	219,232
Held by Solicitor				
Third parties	469,121	770,529	820,540	419,110
Total non-pooled cash and cash equivalents	15,963,088	98,227,001	92,354,942	21,835,147
<b>Non-pooled investments:</b>				
Held by Clerk of Court				
Third parties	123,000	60,981	45,000	138,981

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, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b>ASSETS</b>				
Pooled investments:				
Held by Treasurer				
C & B Fire Department	\$ -	\$ 10,846	\$ 10,846	\$ -
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	(439,922)	32,198,138	31,881,144	(122,928)
Charleston County School District	36,050,247	567,219,818	574,626,949	28,643,116
City of Charleston	363,335	78,977,145	79,260,469	80,011
City of Folly Beach	13,109	2,181,275	2,183,206	11,178
City of Folly Beach/James Island	769	105,333	105,585	517
City of Isle of Palms	24,757	4,228,180	4,229,955	22,982
City of North Charleston	324,996	54,294,678	54,198,516	421,158
Cooper River PPC	1,299	216,618	215,983	1,934
East Cooper Fire District	68	-	68	-
James Island PSD	459,470	6,351,642	6,411,635	399,477
James Island Fireman's Fund	-	74,532	74,532	-
North Charleston District	7,985	1,198,942	1,195,065	11,862
S. C. Fireman's Association	-	2,593,614	2,593,614	-
St. Andrew's PPPC	30,365	1,700,841	1,715,388	15,818
St. Andrew's Public Service District	228,452	6,150,700	6,298,561	80,591
St. John's Fire District	251,238	13,122,991	13,106,810	267,419
St. John's Fireman's Fund	-	393,151	393,151	-
St. Paul's Fire District	132,599	5,974,320	6,048,956	57,963
St. Paul's Fireman's Fund	-	73,634	73,634	-
State Agencies	233,133	775,953,989	775,913,269	273,853
Third parties	16,065,413	219,832,424	230,700,356	5,197,481
Town of Awendaw Fireman's Assoc	-	51,207	51,207	-
Town of Awendaw	2,406	134,425	134,941	1,890
Town of Lincolnville	3,647	107,505	108,678	2,474
Town of McClellanville	251	40,115	39,928	438
Town of Mount Pleasant	44,931	37,440,116	37,423,125	61,922
Town of Sullivan's Island	12,193	2,579,426	2,581,358	10,261
Town of Summerville	3,880	456,079	455,223	4,736
EMS Employee Fund	450	-	50	400
Ten Mile Whitehall Escrow	16,025	57	10,120	5,962
<b>Total held by Treasurer</b>	<b>53,830,058</b>	<b>1,813,661,741</b>	<b>1,832,042,322</b>	<b>35,449,477</b>
Held by Drug & Vice Seizure Trust				
Third parties	499,544	453,689	464,568	488,665
<b>Total pooled investments</b>	<b>54,329,602</b>	<b>1,814,115,430</b>	<b>1,832,506,890</b>	<b>35,938,142</b>
<b>Total assets</b>	<b>\$ 70,415,690</b>	<b>\$ 1,912,403,412</b>	<b>\$ 1,924,906,832</b>	<b>\$ 57,912,270</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b><u>LIABILITIES</u></b>				
Due to component units:				
Charleston County PRC	\$ (439,922)	\$ 32,198,138	\$ 31,881,144	\$ (122,928)
Cooper River PPC	1,299	216,618	215,983	1,934
North Charleston District	7,985	1,198,942	1,195,065	11,862
St. Andrew's PPPC	30,365	1,700,841	1,715,388	15,818
St. John's Fire District	251,238	13,122,991	13,106,810	267,419
St. Paul's Fire District	132,599	5,974,320	6,048,956	57,963
<b>Total due to component units</b>	<b>(16,436)</b>	<b>54,411,850</b>	<b>54,163,346</b>	<b>232,068</b>
Intergovernmental payable:				
C & B Fire Department	-	10,846	10,846	-
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	36,050,247	567,219,818	574,626,949	28,643,116
City of Charleston	363,335	78,977,145	79,260,469	80,011
City of Folly Beach	13,109	2,181,275	2,183,206	11,178
City of Folly Beach/James Island	769	105,333	105,585	517
City of Isle of Palms	24,757	4,228,180	4,229,955	22,982
City of North Charleston	324,996	54,294,678	54,198,516	421,158
East Cooper Fire District	68	-	68	-
James Island Fireman's Fund	-	74,532	74,532	-
S. C. Fireman's Association	-	2,593,614	2,593,614	-
St. John's Fireman's Fund	-	393,151	393,151	-
St. Andrew's Public Service District	228,452	6,150,700	6,298,561	80,591
St. Paul's Fireman's Fund	-	73,634	73,634	-
State Agencies	233,133	775,953,989	775,913,269	273,853
Town of Awendaw Fireman's Assoc	-	51,207	51,207	-
Town of Awendaw	2,406	134,425	134,941	1,890
Town of Lincolnville	3,647	107,505	108,678	2,474
Town of McClellanville	251	40,115	39,928	438
Town of Mount Pleasant	44,931	37,440,116	37,423,125	61,922
Town of Sullivan's Island	12,193	2,579,426	2,581,358	10,261
Town of Summerville	3,880	456,079	455,223	4,736
James Island PSD	459,470	6,351,642	6,411,635	399,477
EMS Employee Fund	450	-	50	400
Ten Mile Whitehall Escrow	16,025	57	10,120	5,962
<b>Total intergovernmental payable</b>	<b>37,781,081</b>	<b>1,539,417,467</b>	<b>1,547,178,620</b>	<b>30,019,928</b>
Due to third parties	32,651,045	318,574,095	323,564,866	27,660,274
<b>Total liabilities</b>	<b>\$ 70,415,690</b>	<b>\$ 1,912,403,412</b>	<b>\$ 1,924,906,832</b>	<b>\$ 57,912,270</b>

See notes to financial statements.

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



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function**  
**June 30, 2016**

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 4,594,736	\$ 73,628,448	\$ 1,284,163	\$ 41,956,128	\$ -	\$ 216,223	\$ 121,679,698
Public safety	6,002,667	164,216,750	1,322,576	40,541,960	-	-	212,083,953
Judicial	-	60,706,495	376,824	1,541,500	-	-	62,624,819
Public works	188,336	570,761	31,160	1,265,713	52,113,628	-	54,169,598
Health and welfare	177,160	3,282,223	1,043,770	1,073,261	-	-	5,576,414
Culture and recreation	12,318,972	28,121,507	-	105,000	-	399,525	40,945,004
Economic Development	-	-	-	79,750	-	-	79,750
<b>Total</b>	<b>\$ 23,281,871</b>	<b>\$ 330,526,184</b>	<b>\$ 4,058,493</b>	<b>\$ 86,563,312</b>	<b>\$ 52,113,628</b>	<b>\$ 615,748</b>	<b>\$ 497,159,236</b>

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



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function**  
**For the Year Ended June 30, 2016**

<u>Function</u>	<u>Balance July 1, 2015</u>	<u>Additions *</u>	<u>Deletions *</u>	<u>Balance June 30, 2016</u>
General government	\$ 118,023,616	\$ 3,707,956	\$ (51,874)	\$ 121,679,698
Public safety	208,064,807	5,603,906	(1,584,760)	212,083,953
Judicial	62,385,245	239,574	-	62,624,819
Public works	49,702,977	4,546,556	(79,935)	54,169,598
Health and welfare	5,371,803	204,611	-	5,576,414
Culture and recreation	40,545,479	399,525	-	40,945,004
Economic Development	79,750	-	-	79,750
<b>Total</b>	<b><u>\$ 484,173,677</u></b>	<b><u>\$ 14,702,128</u></b>	<b><u>\$ (1,716,569)</u></b>	<b><u>\$ 497,159,236</u></b>

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

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

**STATISTICAL TABLES  
(UNAUDITED)**



# STATISTICAL TABLES

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

	<b>Page Number</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	184 - 190
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	191 - 195
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	196 - 200
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	201 -202
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	203 - 207
<b>Financial Assurance Coverage</b>	208

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

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

**UNAUDITED**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 89,153,294	\$ 102,685,537	\$ 99,409,429	\$ 98,333,460	\$ 109,879,879	\$ 113,295,767	\$ 93,885,285	\$ 98,106,506	\$ 106,149,896	\$ 103,292,815
Restricted	69,829,579	120,020,898	26,497,016	31,716,002	133,951,227	297,250,879	(138,560,395)	48,382,297	37,531,648	122,097,776
Unrestricted	26,178,518	(61,981,588)	(1,257,571)	(41,322,471)	(205,897,191)	(428,921,260)	(11,589,346)	(241,231,165)	(420,562,760)	(483,748,855)
Total Governmental Activities Net Position	<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>	<u>\$ (276,881,216)</u>	<u>\$ (258,358,264)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 24,637,561	\$ 26,839,792	\$ 27,790,358	\$ 30,486,244	\$ 32,625,114	\$ 38,035,202	\$ 41,685,714	\$ 47,560,913	\$ 52,721,337	\$ 54,525,303
Restricted	34,873,968	38,021,909	39,974,530	41,832,681	48,107,916	54,181,917	57,336,068	-	-	-
Unrestricted	36,781,998	40,032,892	35,882,091	30,461,308	29,145,836	27,593,816	24,015,581	81,762,726	66,112,782	65,179,026
Total Business-type Activities Net Position	<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>	<u>\$ 118,834,119</u>	<u>\$ 119,704,329</u>
Primary Government										
Net Investment in Capital Assets	\$ 113,790,855	\$ 129,525,329	\$ 127,199,787	\$ 128,819,704	\$ 142,504,993	\$ 151,330,969	\$ 135,570,999	\$ 145,667,419	\$ 158,871,233	\$ 157,818,118
Restricted	104,703,547	158,042,807	66,471,546	73,548,683	182,059,143	351,432,796	(81,224,327)	48,382,297	37,531,648	122,097,776
Unrestricted	62,960,516	(21,948,696)	34,624,520	(10,861,163)	(176,751,355)	(401,327,444)	12,426,235	(159,468,439)	(354,449,978)	(418,569,829)
Total Primary Government Net Position	<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>	<u>\$ (158,047,097)</u>	<u>\$ (138,653,935)</u>

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

UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 65,198,099	\$ 65,852,893	\$ 57,001,166	\$ 51,006,419	\$ 55,667,451	\$ 60,157,225	\$ 62,312,191	\$ 73,881,418	\$ 76,385,859	\$ 82,067,067
Public Safety	65,619,715	79,153,052	79,004,932	77,890,858	82,516,821	86,501,938	96,642,229	98,306,015	101,117,724	100,145,235
Judicial	20,545,790	22,201,442	28,605,375	25,578,697	26,116,113	26,577,935	26,996,074	27,772,787	28,308,049	28,929,279
Public Works	40,185,783	31,011,124	39,605,730	56,597,207	80,325,185	92,740,984	75,871,851	59,859,073	65,384,300	56,530,661
Health and Welfare	11,112,177	12,879,164	13,211,079	16,552,891	7,903,090	7,173,509	7,455,826	6,509,931	6,436,270	6,919,984
Economic Development	1,324,790	3,228,377	858,483	6,078,107	1,457,107	4,314,493	1,699,728	1,832,505	2,746,640	6,497,323
Culture and Recreation	21,307,239	53,822,207	48,254,152	41,390,976	38,886,387	30,820,517	26,936,941	36,353,141	35,231,789	35,967,005
Education	5,137,843	5,325,300	5,651,921	5,719,553	5,884,830	6,642,621	10,033,030	17,089,466	6,103,436	6,666,389
Interest and Fiscal Charges	9,311,104	18,461,680	20,934,569	21,109,522	20,739,273	26,019,356	24,988,554	24,296,503	26,245,946	24,237,970
Total Governmental Activities Expenses	239,742,540	291,935,239	293,127,407	301,924,230	319,496,257	340,948,578	332,936,424	345,900,839	347,960,013	347,960,913
Business-Type Activities:										
DOADAS	8,984,048	9,348,853	8,976,846	8,407,723	7,802,742	7,760,727	7,691,351	7,648,298	7,934,733	9,388,170
E 911 Communications	984,112	1,015,968	1,096,409	1,199,876	1,564,753	1,616,207	2,083,438	1,894,982	2,729,556	2,715,095
Environmental Management	30,229,939	39,064,678	43,209,125	33,738,089	19,920,437	21,278,034	24,543,597	25,029,815	23,053,431	27,114,755
Parking Garages	1,753,719	2,008,395	2,149,055	1,969,322	1,967,543	1,974,977	2,067,862	2,056,808	2,036,470	2,426,875
Public Safety Systems	-	-	-	-	-	-	-	422,102	379,728	441,029
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	3,351,391	3,680,827
Revenue Collections	-	1,724,477	1,641,615	1,721,430	1,483,346	1,320,851	1,364,203	1,357,247	1,331,530	1,783,500
Total Business-Type Activities Expenses	43,752,248	55,136,018	59,226,213	49,263,345	34,965,228	36,420,042	40,808,480	41,701,739	40,816,839	47,550,251
Total Primary Government Expenses	\$ 283,494,788	\$ 347,071,257	\$ 352,353,620	\$ 351,187,575	\$ 354,461,485	\$ 377,368,620	\$ 373,744,904	\$ 387,602,578	\$ 388,776,852	\$ 395,511,164
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 18,098,660	\$ 16,034,883	\$ 10,852,721	\$ 9,697,135	\$ 13,632,343	\$ 9,999,742	\$ 16,937,093	\$ 14,623,436	\$ 12,978,933	\$ 14,348,875
Public Safety	6,622,976	11,396,678	11,079,419	11,478,288	19,420,040	12,539,246	16,546,185	18,145,233	18,289,146	19,613,268
Judicial	7,641,424	8,319,231	9,285,809	8,892,660	8,379,703	7,738,371	8,442,110	8,735,792	11,445,329	10,614,833
Public Works	1,927,468	4,941,336	4,123,329	1,939,108	1,780,797	8,821,907	1,767,564	2,598,661	3,314,996	2,412,257
Health and Welfare	4,930,221	612,029	476,756	412,732	233,266	250,352	309,820	189,629	148,364	351,291
Economic Development	-	-	-	-	-	-	-	-	-	2,970
Culture and Recreation	179,007	4,003,383	1,767,195	912,786	882,902	511,170	4,721,867	149,356	1,280,708	262,812
Operating Grants and Contributions	18,216,119	20,814,984	18,703,242	29,232,648	15,639,213	25,771,280	22,966,436	22,230,605	26,992,255	32,292,174
Capital Grants and Contributions	-	-	-	-	396,000	2,620,425	-	-	-	-
Total Governmental Activities Program Revenues	57,615,875	66,122,524	56,288,471	62,565,357	60,364,264	68,252,493	71,691,075	66,672,712	74,449,731	79,898,480

(CONTINUED)

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

<b>UNAUDITED</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
DAODAS	\$ 6,361,075	\$ 4,475,009	\$ 4,700,331	\$ 6,124,605	\$ 5,095,135	\$ 5,916,198	\$ 6,230,481	\$ 6,780,014	\$ 6,717,861	\$ 6,506,701
E 911 Communications	1,379,569	1,365,183	1,429,854	2,070,562	1,690,605	1,747,860	2,244,167	1,842,270	1,695,333	2,382,138
Environmental Management	37,594,483	43,770,682	38,969,998	30,790,268	27,092,882	29,223,218	28,784,638	29,038,354	28,753,577	28,437,927
Parking Garages	2,424,078	2,501,491	2,698,693	2,556,854	2,807,563	2,902,769	3,245,683	3,467,727	3,630,944	3,634,145
Public Safety Systems	-	-	-	-	-	-	-	150,000	324,550	375,066
Radio Communications	107,515	525,126	1,099,255	846,525	1,137,250	1,272,530	1,543,965	1,946,124	2,034,708	2,064,604
Revenue Collections	-	1,071,795	464,550	528,649	497,742	629,551	490,052	765,637	467,233	586,530
Operating Grants and Contributions	979,399	3,081,039	2,661,638	284,416	768,317	779,097	765,244	977,744	2,529,972	1,116,139
Capital Grants and Contributions	1,240	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<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>	<u>46,153,978</u>	<u>45,103,250</u>
Total Primary Government Program Revenues	<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>	<u>\$ 120,603,709</u>	<u>\$ 125,001,730</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (182,126,665)	\$ (225,812,715)	\$ (236,838,936)	\$ (239,358,873)	\$ (259,131,993)	\$ (272,696,085)	\$ (261,245,349)	\$ (279,228,127)	\$ (273,510,282)	\$ (268,062,433)
Business-type Activities	5,095,111	1,654,307	(7,201,894)	(6,061,466)	4,124,266	6,051,181	2,495,750	3,266,131	5,337,139	(2,447,001)
Total Primary Government Net (Expense)/Revenue	<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>	<u>\$ (268,173,143)</u>	<u>\$ (270,509,434)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 82,289,668	\$ 86,507,891	\$ 96,621,772	\$ 104,955,894	\$ 106,384,010	\$ 107,176,522	\$ 105,803,544	\$ 116,097,868	\$ 120,789,785	\$ 142,717,885
Local Option Sales Tax	44,024,396	44,458,297	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580	51,409,611	54,628,245	57,932,479
Transportation Sales Tax	39,521,307	40,097,074	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427	46,683,572	49,707,277	52,922,363
Accommodations Tax	9,176,823	9,872,302	8,864,365	8,851,895	9,927,318	11,010,862	11,987,748	13,425,525	14,750,760	15,699,420
Franchise Tax	538,048	955,712	793,067	825,465	578,864	754,091	791,536	771,276	826,616	876,716
Alcohol Beverage Tax	-	-	-	-	-	-	-	-	84,900	-
Merchants Inventory Tax and Manufacture's Depreciation	1,632,214	1,611,561	1,607,308	1,385,891	1,440,092	1,395,507	1,402,584	1,435,762	1,471,286	1,512,202
Motor Carrier Tax	129,110	140,426	138,236	120,432	111,247	92,429	105,961	115,352	145,831	145,810
Homestead Exemption	-	-	-	-	-	-	-	2,264,775	2,374,258	2,593,876
Unrestricted State Aid to Political Subdivisions	16,098,226	17,864,865	17,036,681	14,223,422	12,111,216	10,779,692	12,882,676	12,936,633	13,151,306	12,985,557
Unrestricted Investment Earnings	5,421,959	3,749,245	1,173,784	1,318,508	837,142	1,276,697	769,780	1,293,748	1,200,970	1,180,393
Gain on Sale of Capital Assets	-	-	-	-	-	239,152	-	-	-	313,118
Transfers	(5,052,023)	(3,881,034)	(4,337,551)	(4,493,248)	(2,322,103)	(3,054,286)	(196,329)	(2,507,996)	(1,436,924)	(2,294,434)
Total Governmental Activities	<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>	<u>257,694,310</u>	<u>286,585,385</u>

(CONTINUED)

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

UNAUDITED	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-type activities:</b>										
Alcoholic Beverage Tax	\$ 505,366	\$ 542,927	\$ 542,927	\$ 542,927	\$ 537,486	\$ 594,682	\$ 469,405	\$ 532,043	\$ 537,916	\$ 697,064
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	3,368,608	2,446,082	747,835	102,188	85,303	31,880	34,210	22,615	132,021	301,223
Gain on Sale of Capital Assets	94,940	65,886	45,467	45,525	18,643	189,208	19,902	5,226	85,328	13,658
Transfers	5,052,023	3,881,034	4,337,551	4,493,248	2,322,103	3,054,286	196,329	2,507,996	1,436,924	2,294,434
Total Business-type Activities	9,031,769	6,946,761	5,684,612	5,194,720	2,974,367	3,880,888	730,678	3,078,712	2,203,021	3,317,211
Total Primary Government	<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>	<u>\$ 259,897,331</u>	<u>\$ 289,902,596</u>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 11,653,063	\$ (24,436,376)	\$ (36,385,893)	\$ (35,921,883)	\$ (50,793,076)	\$ (56,308,529)	\$ (37,889,842)	\$ (35,302,001)	\$ (15,815,972)	\$ 18,522,952
Business-type Activities	14,126,880	8,601,068	(1,517,282)	(866,746)	7,098,633	9,932,069	3,226,428	6,344,843	7,540,160	870,210
Total Primary Government	<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>	<u>\$ (8,275,812)</u>	<u>\$ 19,393,162</u>

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

(Modified Accrual Basis of Accounting)

UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 3,367,810	\$ 1,461,994	\$ 2,035,197	\$ 2,727,154	-	-	-	-	-	-
Unreserved	46,333,758	43,266,383	43,676,650	49,868,870	-	-	-	-	-	-
Nonspendable - inventory	-	-	-	-	1,080,137	935,078	923,453	1,282,008	1,161,306	777,478
Assigned	-	-	-	-	10,093,341	12,579,028	11,469,914	8,438,022	10,722,069	6,317,798
Unassigned	-	-	-	-	41,175,155	42,944,449	40,799,184	44,085,313	41,899,468	53,131,551
Total General Fund	<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>	<u>\$ 53,782,843</u>	<u>\$ 60,226,827</u>
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ 11,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	9,008,571	11,406,709	48,296,368	60,767,518	-	-	-	-	-	-
Debt Service	18,252,403	19,702,506	17,263,879	20,672,652	-	-	-	-	-	-
Capital Projects Funds	22,441,838	82,345,276	27,529,136	39,387,522	-	-	-	-	-	-
Transportation and Road Sales Tax	96,021,511	230,106,543	171,548,405	109,412,393	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	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	17,016,973	18,084,594
Restricted - Transportation Sales Tax	-	-	-	-	90,159,784	213,333,488	168,524,165	127,241,222	73,549,795	48,244,414
Restricted - Special Source Revenue Bonds	-	-	-	-	-	-	-	-	86,213,244	80,042,831
Restricted - Special Revenue Funds	-	-	-	-	24,096,463	22,863,714	19,671,944	112,166,895	23,900,941	34,213,307
Committed - Transportation Sales Tax	-	-	-	-	-	-	-	-	25,563,498	25,448,811
Committed - Capital Project Funds	-	-	-	-	37,748,923	41,930,934	31,871,717	13,469,956	9,803,439	30,848,736
Total All Other Governmental Funds	<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>	<u>\$ 236,047,890</u>	<u>\$ 236,882,693</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>										
Taxes by Source:										
Property Tax	\$ 82,296,820	\$ 84,190,895	\$ 94,147,427	\$ 102,001,515	\$ 104,625,890	\$ 106,334,895	\$ 105,984,756	\$ 116,120,500	\$ 121,136,118	\$ 142,923,057
Local Option Sales Tax	44,024,396	44,458,297	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580	51,409,611	54,628,245	57,932,479
Transportation Sales Tax	39,521,307	40,097,074	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427	46,683,572	49,707,277	52,922,363
Intergovernmental	36,427,704	44,083,506	43,140,957	49,794,898	42,499,737	51,449,921	49,978,461	47,309,522	53,189,293	63,078,010
Permits and Licenses	5,290,740	5,700,779	4,439,742	3,985,696	3,883,031	4,215,705	4,363,426	4,170,418	4,520,556	5,221,268
Fines and Forfeitures	3,171,436	3,183,551	2,826,897	3,148,433	2,546,099	2,744,848	2,834,281	2,699,833	2,985,117	2,611,461
Interest	12,701,241	13,619,319	6,408,940	2,781,824	1,691,902	2,072,291	1,415,303	2,351,691	2,279,747	2,059,982
Service Charges	31,321,258	32,921,990	28,331,156	29,905,313	32,021,795	33,092,628	35,361,690	38,798,498	41,840,652	39,576,554
Rental and Use of Property	749,145	723,986	632,741	663,862	618,864	610,801	587,533	591,338	644,959	534,951
Other Revenues	2,912,098	5,356,322	5,695,690	6,356,037	9,838,439	5,286,895	5,138,050	7,215,910	7,667,130	6,148,891
<b>Total Revenues</b>	<b>258,416,145</b>	<b>274,335,719</b>	<b>264,178,931</b>	<b>274,886,309</b>	<b>276,996,888</b>	<b>292,524,874</b>	<b>295,471,507</b>	<b>317,350,893</b>	<b>338,599,094</b>	<b>373,009,016</b>
<b>Expenditures</b>										
Current:										
General Government	49,539,889	54,474,427	51,243,769	48,173,320	50,423,995	55,735,812	54,046,865	68,510,760	70,733,438	78,965,910
Public Safety	67,808,448	73,042,772	75,028,138	71,750,504	77,281,411	82,715,371	86,776,620	88,079,029	91,204,265	93,291,542
Judicial	19,349,156	20,946,565	23,390,831	23,894,465	23,801,633	24,845,144	25,740,844	26,391,640	26,914,469	27,517,805
Public Works	30,892,171	28,562,619	36,624,088	55,001,817	79,237,736	90,687,146	74,671,729	58,883,361	65,428,577	59,845,252
Health and Welfare	10,984,189	12,728,543	12,876,658	16,366,568	7,858,271	7,118,808	7,221,233	6,360,512	6,208,256	6,922,799
Economic Development	1,327,411	3,230,479	858,031	6,121,263	1,473,821	4,297,764	1,689,704	1,866,650	2,778,596	6,534,101
Culture and Recreation	20,501,703	53,428,524	47,899,154	42,786,960	40,394,034	33,975,501	28,348,070	38,421,593	34,799,856	35,748,837
Education	5,137,843	5,325,300	5,651,921	5,719,553	5,833,110	6,642,621	10,033,030	5,940,318	6,103,436	6,499,594
Capital Outlay	16,785,576	23,940,281	55,775,140	42,040,219	12,706,413	23,016,677	13,791,125	22,237,663	5,906,547	5,954,718
Debt Service:										
Principal	14,163,474	16,569,890	16,503,464	19,671,318	18,910,800	18,302,723	25,231,675	24,750,150	32,070,851	32,022,678
Interest and Fiscal Charges	8,906,724	15,476,402	21,410,902	20,983,775	21,716,423	25,323,973	26,881,813	24,180,295	29,635,174	28,122,893
Bond Issuance Costs	-	97,756	102,252	413,848	-	1,474,750	837,882	926,665	-	696,450
<b>Total Expenditures</b>	<b>245,396,584</b>	<b>307,823,558</b>	<b>347,364,348</b>	<b>352,923,610</b>	<b>339,637,647</b>	<b>374,136,290</b>	<b>355,270,590</b>	<b>366,548,636</b>	<b>371,783,465</b>	<b>382,122,579</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,019,561	(33,487,839)	(83,185,417)	(78,037,301)	(62,640,759)	(81,611,416)	(57,648,783)	(49,197,743)	(33,184,371)	(9,113,563)

(CONTINUED)

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

UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other Financing Sources (Uses)</b>										
Capital Lease Proceeds	\$ 1,429,804	\$ 100,539	\$ 775,100	\$ 702,710	\$ 632,831	\$ 299,650	\$ 712,056	\$ 794,923	\$ 483,458	\$ 55,928
Special source revenue bonds issued	-	-	-	-	-	-	-	86,405,000	-	-
Sale of GO Transportation Sales Tax Bonds	-	150,000,000	-	-	-	167,000,000	-	-	-	-
Sale of General Obligation Bonds	-	75,000,000	-	50,000,000	-	27,100,000	-	-	-	20,875,000
Refunding General Obligation Bonds Issued	-	-	-	20,775,000	-	32,095,000	129,770,000	29,190,000	-	102,930,000
Premium on Bonds Sold	-	10,789,016	-	6,493,791	-	27,995,947	23,983,718	9,356,441	-	20,857,982
Payment to Refunded Debt Escrow Agent	-	-	-	(21,447,212)	-	(36,334,680)	(152,862,692)	(33,404,536)	-	(121,786,215)
Transfers In	20,464,780	30,244,272	30,727,314	29,771,504	69,527,149	33,566,665	44,932,048	54,072,724	48,959,689	54,543,159
Transfers Out	(28,357,277)	(37,208,200)	(36,161,026)	(35,529,299)	(76,474,112)	(40,697,894)	(50,147,172)	(61,470,866)	(53,082,776)	(61,492,289)
Proceeds from Sale of Capital Assets	194,554	46,780	220,347	467,250	70,524	247,378	478,115	99,828	32,684	408,784
Total Other Financing Sources (Uses)	<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>	<u>(3,606,945)</u>	<u>16,392,349</u>
Net Change in Fund Balances	<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>	<u>\$ (36,791,316)</u>	<u>\$ 7,278,786</u>
Capital Asset Expenditures	<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>\$ 14,192,041</u>	<u>\$ 17,388,612</u>	<u>\$ 14,702,127</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>10.0%</u>	<u>11.2%</u>	<u>12.9%</u>	<u>13.1%</u>	<u>12.5%</u>	<u>12.6%</u>	<u>15.4%</u>	<u>13.9%</u>	<u>17.4%</u>	<u>16.4%</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**

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Vehicles</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Estimated Actual Tax Value</b>
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%
2015	3,008,285,095	270,073,540	199,568,161	3,477,926,796	181.6	65,179,532,446	5.34%
2016	3,104,605,470	286,745,278	223,296,129	3,614,646,877	186.0	67,532,114,630	5.35%

Source: Charleston County Auditor

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

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

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

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

**UNAUDITED**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>County Direct Rates:</b>										
Charleston County Government Operating	40.2	40.2	40.2	40.2	40.2	39.1	39.9	40.7	40.7	44.7
Charleston County Government Debt Service	6.6	6.6	6.6	6.6	6.6	6.1	6.1	6.1	6.1	6.1
Park and Recreation Commission Operating	3.5	3.5	3.6	3.7	3.7	3.6	4.0	4.1	4.1	4.3
Park and Recreation Commission Debt Service	2.1	2.1	2.0	1.9	1.9	1.8	1.4	1.3	1.3	1.3
Trident Technical College	2.0	2.0	2.0	2.0	2.0	2.4	1.9	1.9	1.9	1.9
Trident Technical College Bonds	-	-	-	-	-	-	0.5	0.5	1.0	1.0
County School Board Operating	92.8	95.4	98.7	98.7	98.7	98.6	100.5	100.5	100.5	100.7
County School Board Debt Service	13.6	18.2	23.9	27.9	27.9	27.9	26.0	26.0	26.0	26.0
<b>Total Direct Rate</b>	<b>160.8</b>	<b>168.0</b>	<b>177.0</b>	<b>181.0</b>	<b>181.0</b>	<b>179.5</b>	<b>180.3</b>	<b>181.1</b>	<b>181.6</b>	<b>186.0</b>
<b>Fire District Rates:</b>	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	11.2 - 57.1	12-61.6
<b>City/Town Rates:</b>	18.5 - 92.8	22.4 - 92.8	22.2 - 92.8	22.2 - 92.8	22.2 - 92.8	22.9 - 93.6	22.9 - 94.0	10.2 - 96.3	10.2 - 96.3	24.7-96.3
<b>Public Service District Rates:</b>	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	54.9 - 102.3	54.9 - 102.3	56.9-107

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2016**

<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>\$ 678,396,848</u>	100%	<u>\$ 678,396,848</u>
Overlapping:			
Park & Recreation Commission	35,192,858	100%	35,192,858
Public School Districts	800,888,744	100%	800,888,744
Subtotal	<u>836,081,602</u>	<u>100%</u>	<u>836,081,602</u>
Total	<u>\$ 1,514,478,450</u>	<u>100%</u>	<u>\$1,514,478,450</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	2016			2007		
		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	\$ 65,515,570	1	1.85%	\$ 36,136,700	1	1.42%
Boeing	Manufacturing	59,171,387	2	1.67%	-		-
Kapstone Kraft	Manufacturing/Chemical	14,164,140	3	0.40%	18,157,805	3	0.71%
Kiawah Real Estate Co.	Real Estate	9,058,050	5	0.26%	7,581,340	4	0.30%
Bell South	Public Utility	8,062,100	4	0.23%	18,727,070	2	0.74%
Charleston/North Charleston MSA	Retail	6,494,410	6	0.18%	-		-
Northwood Mall CMBS	Retail	5,915,360	7	0.17%	4,897,680	8	0.19%
Tanger Properties	Retail	5,525,820	8	0.16%	-		-
Charleston Place LLC	Hotel	5,759,770	9	0.16%	5,380,080	6	0.21%
Berkeley Electric Co-Op	Public Utility	5,899,960	10	0.17%	5,203,040	7	0.20%
IMI Mt. Pleasant (Town Center)	Retail	-		-	3,953,040	9	0.16%
Celco	Telecommunications	-		-	5,416,820	5	0.21%
Citadel Mall CMBS LLC	Retail	-		-	3,717,860	10	0.15%
<b>Totals</b>		<u>\$ 185,566,567</u>		<u>5.23%</u>	<u>\$ 100,036,755</u>		<u>4.29%</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
2007	76,026,583	76,026,583	73,199,901	96.3%	2,724,070	75,923,971	99.9%
2008	78,854,461	78,854,461	75,500,629	95.7%	3,225,954	78,726,583	99.8%
2009	82,649,921	82,649,921	77,757,867	94.1%	4,749,224	82,507,091	99.8%
2010	92,300,468	92,300,468	86,401,791	93.6%	5,991,968	92,393,759	100.1%
2011	93,003,512	93,003,513	87,880,320	94.5%	4,678,681	92,559,001	99.5%
2012	92,854,478	92,854,478	86,833,723	93.5%	5,638,409	92,472,132	99.6%
2013	91,424,352	91,424,352	86,267,951	94.4%	4,455,923	90,723,874	99.2%
2014	95,016,978	95,016,978	89,976,201	94.7%	3,429,876	93,406,077	98.3%
2015	97,657,553	97,657,553	93,450,651	95.7%	1,756,054	95,206,705	97.5%
2016	119,272,881	119,272,881	114,645,679	96.1%	2,056,824	116,702,503	97.8%

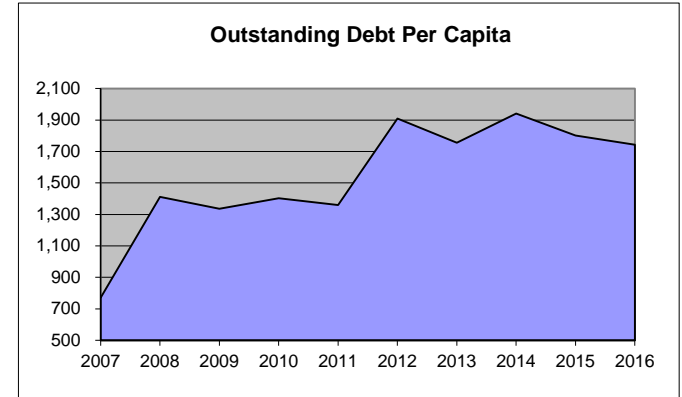
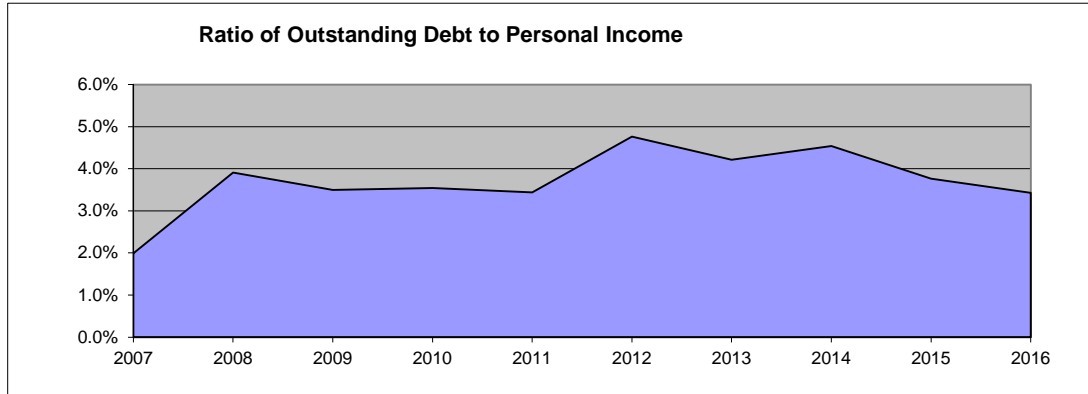
Source: This information was provided by the Charleston County Treasurer's Office.

**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	Special Source Revenue Bonds	Intergovernmental Note Payable	Capital Leases	Certificates of Participation	Revenue Bonds			
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	-	93,352,479	28,357,118	2,480,565	-	-	723,555,874	4.5%	1,941
2015	564,129,572	-	93,023,393	26,981,981	2,168,844	-	-	686,303,790	3.8%	1,801
2016	558,781,755	-	92,680,258	25,528,049	1,406,786	-	-	678,396,847	3.4%	1,743

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**

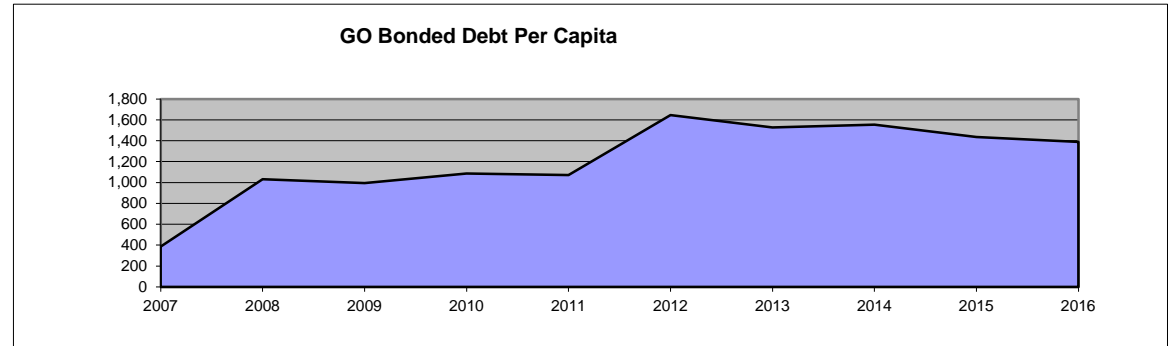
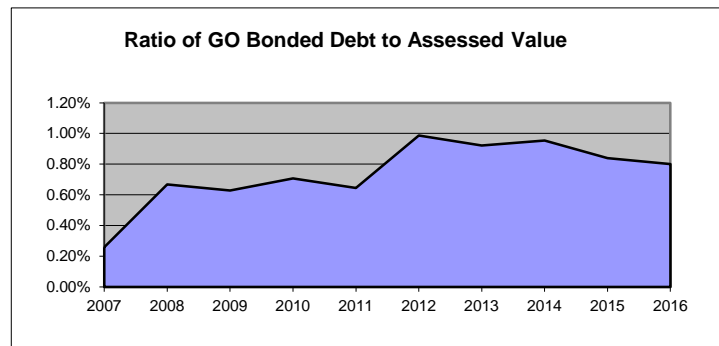
**UNAUDITED**

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>G.O. Bonded Debt</u>	<u>Amounts Restricted to Repaying Principle</u>	<u>Net Bonded Debt</u>	<u>Ratio of G.O. Bonded Debt to Assessed Value</u>	<u>G.O. Bonded Debt Per Capita</u>
2007	331,917	49,446,157,317	146,394,774	18,252,403	128,142,371	0.26%	386
2008	342,973	52,960,945,426	373,504,430	19,702,506	353,801,924	0.67%	1,032
2009	348,046	55,081,538,273	363,444,567	17,263,879	346,180,688	0.63%	995
2010	355,276	54,571,987,194	406,590,609	20,672,652	385,917,957	0.71%	1,086
2011	350,209	58,181,179,259	394,957,209	19,694,980	375,262,229	0.64%	1,072
2012	351,336	58,596,835,791	597,380,150	19,122,743	578,257,407	0.99%	1,646
2013	365,162	60,515,482,331	575,303,035	17,516,049	557,786,986	0.92%	1,528
2014	372,803	60,729,353,205	599,365,712	19,938,633	579,427,079	0.95%	1,554
2015	381,015	65,179,532,466	564,129,572	17,016,973	547,112,599	0.84%	1,436
2016	389,262	67,532,114,630	558,781,755	18,084,594	540,697,161	0.80%	1,389

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

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

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



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

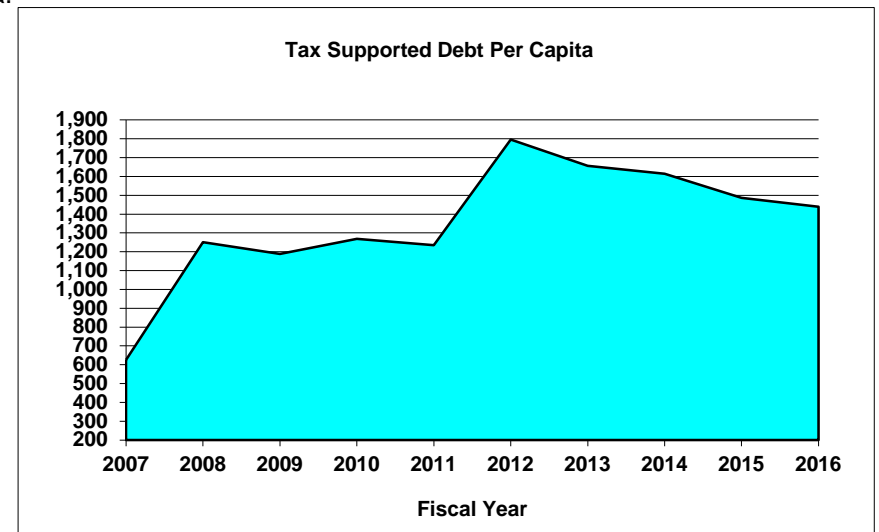
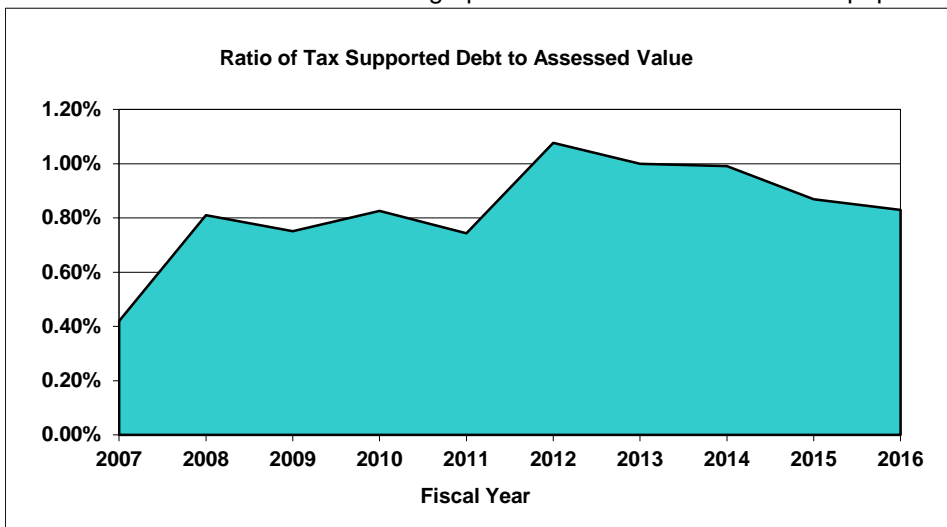
**UNAUDITED**

<b>Fiscal Year</b>	<b>Estimated Population</b>	<b>Assessed Value</b>	<b>General Obligation Bonds</b>	<b>Certificates of Participation</b>	<b>Capital Leases</b>	<b>Net Tax Supported Debt</b>	<b>Ratio of Tax Supported Debt to Assessed Value</b>	<b>Net Tax Supported Debt Per Capita</b>
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
2015	381,015	65,179,532,446	564,129,572	-	2,168,844	566,298,416	0.87%	1,486
2016	389,262	67,532,114,630	558,781,755	-	1,406,786	560,188,541	0.83%	1,439

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.

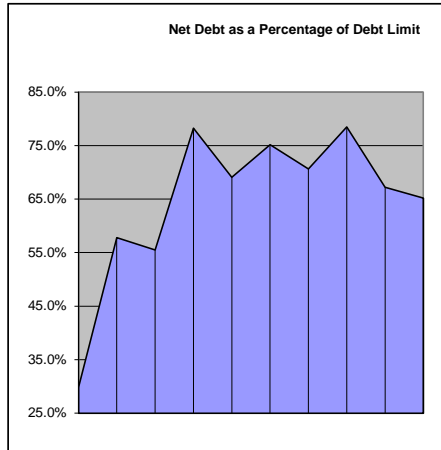
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

**UNAUDITED**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 216,723,669	\$ 235,740,344	\$ 239,227,649	\$ 235,980,407	\$ 251,666,874	\$ 257,590,000	\$ 265,880,783	\$ 267,120,722	\$ 286,233,641	\$ 296,951,745
Total Net Debt Applicable to Debt Limit	64,575,697	136,260,341	132,862,801	184,650,000	173,825,000	193,600,000	187,795,000	209,625,000	192,370,000	193,570,000
Legal Debt Margin	<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>	<u>\$ 93,863,641</u>	<u>\$ 103,381,745</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<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>	<u>67.2%</u>	<u>65.2%</u>



**Legal Debt Margin Calculation for Fiscal Year 2016**

Total Assessed Value	\$ 3,711,896,813
Debt Limit (8% of Total Assessed Value)	296,951,745
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	501,115,000
Less: Debt Issued Through Referendum	(307,545,000)
Total Amount of Debt Applicable to Debt Limit	<u>193,570,000</u>
Legal Debt Margin	<u>\$ 103,381,745</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**  
**Collected Pledged FILOT Revenues**

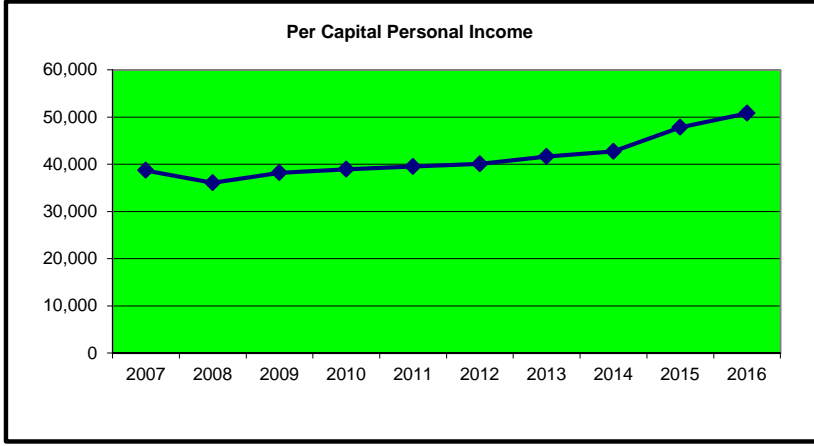
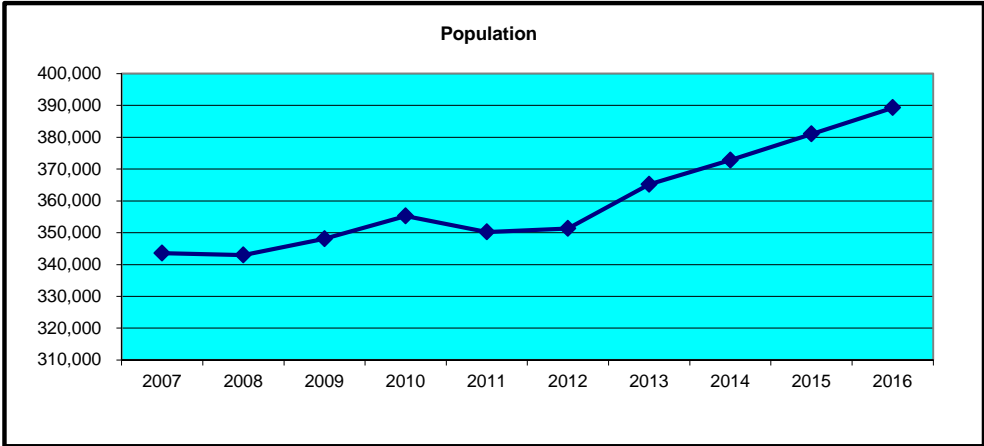
<b>Fiscal Year Ended June 30</b>	<b>Derived from Fee Agreements (1)</b>
2008	\$ 6,668,553
2009	7,978,100
2010	7,358,041
2011	10,389,121
2012	11,423,756
2013	12,178,308
2014	12,316,021
2015	14,899,943
2016	15,441,472

(1) In addition to the Fee Agreements between the County and certain industries as described at "Pledged Revenues" herein, other industries are deemed located in the Multi-County Park for the purpose of receiving State Jobs Tax Credits and State Job Development Credits. Such properties are included in the Multi-County Park for substantially shorter periods of time and may be removed therefrom under certain circumstances at the option of the industry. FILOT Revenues from such industries, and which constitute Pledged FILOT Revenues, are not derived from Fee Agreements and therefore are not reflected in the above table.

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

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Median Age</b>	<b>School Enrollment</b>
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
2015	381,015	18,228,802,000	47,843	5.1%	35.8	44,995
2016	389,262	19,789,441,000	50,838	4.8%	35.8	46,258



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 2016 **187,379**  
County Employment for 2007 **159,669**

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Joint Base Charleston	22,000	1	11.74%			
Medical University of South Carolina (MUSC)	13,000	2	6.94%	7,550	1	4.73%
Boeing Charleston	8,200	3	4.38%			
Charleston County School District	6,500	4	3.47%	5,400	3	3.38%
Roper St. Francis Healthcare	5,500	5	2.94%	3,400	4	2.13%
County of Charleston	2,400	6	1.28%	2,100	6	1.32%
Wal-Mart	2,300	7	1.23%			
College of Charleston	2,200	8	1.17%	1,200	10	0.75%
City of Charleston	1,700	9	0.91%	1,700	7	1.06%
Kiawah Island Golf Resort/The Sanctuary	1,500	10	0.80%			
Piggly Wiggly Carolina Co. Inc.				2,500	5	1.57%
Mead Westvaco				1,600	8	1.00%
US Navy <sup>1</sup>						
Charleston Air Force Base <sup>1</sup>				6,150	2	3.85%
Bi-Lo Stores				1,350	9	0.85%
<b>Totals</b>	<b>65,300</b>		<b>23.11%</b>	<b>31,600</b>		<b>19.79%</b>

<sup>1</sup> In 2010 all military installations were combined to form Joint Base Charleston

Source: Charleston Metro Chamber of Commerce, Center for Business Research.

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

**UNAUDITED**

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Government										
Administrator	7.00	7.00	6.31	5.31	6.80	5.90	5.90	7.80	7.80	8.80
Assessor	47.00	49.00	53.00	51.00	53.00	53.00	53.00	55.00	58.00	60.00
Auditor	29.00	29.00	30.00	29.00	31.00	31.00	31.00	31.00	31.00	31.00
Budget	8.00	8.00	8.00	7.00	8.00	7.00	7.00	8.00	8.00	8.00
County Council	11.00	11.00	11.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00
Community Development	9.75	9.75	8.75	8.15	7.40	6.40	6.40	6.40	4.40	4.50
Deputy Admin for Finance	4.00	4.00	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	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	3.00	3.00
Elections/Voter Registration	10.00	10.00	10.00	10.00	10.00	10.00	10.00	14.00	14.00	14.00
Facilities Management	16.00	14.00	12.00	11.00	62.00	75.25	75.25	95.00	104.00	106.00
Finance	14.00	14.00	15.00	13.00	13.00	12.00	12.00	11.00	12.00	12.00
Fleet Management	-	-	-	-	-	-	-	26.50	27.00	29.00
Human Resources	14.00	14.00	17.00	15.00	16.00	17.00	17.00	17.00	17.00	18.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	68.60	68.60	67.80	61.80	60.00	30.50	30.50	6.50	-	-
Legal	6.56	6.42	8.42	7.42	6.67	6.41	6.41	7.11	7.41	7.11
Legislative Delegation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Minority Business Development	-	-	-	-	-	-	-	-	3.00	-
Nondepartmental	-	-	-	-	-	-	-	-	-	1.00
Organization Development	4.00	4.00	4.35	3.35	-	-	-	-	-	-
Procurement Services	16.00	16.00	16.00	15.00	14.00	14.00	14.00	15.00	15.00	19.00
Radio Communications	-	-	-	-	-	-	-	-	-	-
Register Mesne Conveyance	33.00	33.00	32.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Revenue Collections	6.00	22.00	22.00	22.00	30.00	25.00	25.00	26.00	26.00	26.00
Safety & Risk Management	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Technology Services	17.00	17.00	17.00	16.00	16.00	25.25	25.25	25.00	25.00	28.00
Treasurer	18.00	18.00	18.00	18.00	19.00	20.00	20.00	22.00	23.00	23.00
Zoning/Planning	24.00	24.00	24.00	22.00	21.00	20.60	20.60	21.20	22.20	24.20
<b>Total General Government</b>	<b>376.91</b>	<b>392.77</b>	<b>402.63</b>	<b>375.03</b>	<b>432.87</b>	<b>418.31</b>	<b>418.31</b>	<b>453.51</b>	<b>463.81</b>	<b>478.61</b>

(CONTINUED)

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

**UNAUDITED**

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Building Inspections	22.00	22.00	24.00	21.00	22.00	21.00	21.00	23.00	23.00	25.00
Consolidated Dispatch	-	-	1.00	72.50	100.25	120.00	120.00	160.00	160.00	164.00
Emergency Management	27.00	30.00	30.00	24.50	34.00	33.00	33.00	34.00	34.00	35.01
Emergency Medical Svcs.	174.00	174.00	165.00	139.50	134.00	151.50	151.50	167.50	218.50	218.50
Planning	1.00	2.00	-	-	-	-	-	-	-	-
Sheriff	780.31	792.31	808.11	834.11	828.74	836.74	836.74	835.74	860.74	862.74
Technology Services	-	-	2.00	2.00	-	-	-	1.00	-	-
Total Public Safety	<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>	<u>1,296.24</u>	<u>1,305.25</u>
Judicial										
Clerk of Court	54.00	54.00	54.00	55.00	56.00	57.00	57.00	57.00	57.00	57.00
Coroner	6.00	7.00	8.00	8.00	8.00	9.00	9.00	11.00	12.00	12.00
Magistrates Courts	70.41	70.41	69.41	68.39	68.13	68.63	68.63	71.63	70.70	71.01
Master-In-Equity	6.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00
Probate Courts	19.30	20.30	20.30	19.30	19.30	19.80	19.80	20.80	21.80	21.80
Public Defender	-	-	52.00	52.00	52.00	52.00	52.00	54.00	54.00	55.00
Solicitor	88.00	91.00	93.00	96.00	111.00	102.00	102.00	102.00	101.70	107.00
Total Judicial	<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>	<u>325.20</u>	<u>331.81</u>
Public Works										
Environmental Management	126.00	128.00	127.00	134.20	132.26	130.40	130.40	123.80	114.80	113.80
Procurement Services	-	-	-	-	2.00	3.00	3.00	3.00	3.00	-
Public Works	168.00	176.00	164.00	150.00	138.02	136.00	136.00	162.10	162.10	175.10
Transportation Development	-	-	-	-	21.63	21.41	21.41	23.11	23.21	25.21
Total Public Works	<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>	<u>303.11</u>	<u>314.11</u>



(CONTINUED)

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

**UNAUDITED**

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Health and Welfare										
Facilities	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Copmmunity Development	26.25	36.25	33.25	33.85	5.60	5.60	5.60	5.60	5.60	5.50
DAODAS	133.00	137.00	129.00	111.00	107.00	102.00	102.00	115.00	115.00	115.00
Public Works	23.00	23.00	24.00	20.00	20.00	20.00	20.00	28.00	28.00	28.00
Veterans Affairs	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Total Health and Welfare	<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>	<u>154.60</u>	<u>154.50</u>
Culture and Recreation										
Assist Admin for Transportation & Emergency Management	-	-	2.00	1.80	-	-	-	-	-	-
Greenbelt	-	-	-	-	2.00	1.30	1.30	1.30	1.20	1.20
Planning	1.00	1.00	-	-	-	-	-	-	-	-
Revenue Collections	3.00	-	-	-	-	-	-	-	-	-
Total Culture and Recreation	<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>	<u>1.20</u>	<u>1.20</u>
Economic Development	2.00	3.00	3.00	3.00	5.00	5.00	5.00	5.00	10.00	10.00
Total Economic Development	<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>	<u>10.00</u>	<u>10.00</u>
Total	<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>	<u>2,554.16</u>	<u>2,595.48</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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government</b>										
Auditor - Tax Notices Processed	590,283	521,701	550,000	575,000	585,470	583,240	560,097	651,050	586,801	622,507
RMC Documents Recorded	133,772	116,770	84,711	90,890	87,894	97,137	116,435	106,096	109,245	99,681
Zoning Applications Processed	3,336	3,266	2,846	2,500	1,206	1,327	2,864	<sup>3</sup> 1,957	1,610	1,714
Illegal Businesses Located	278	346	86	117	172	154	165	175	50	50
<b>Public Safety</b>										
Building Inspections Performed	23,702	22,519	15,472	12,577	17,634	19,400	20,804	19,054	21,410	22,927
Bad Check Warrants Served	6,124	6,194	6,594	9,107	<sup>1</sup> 0	<sup>1</sup> 0	6,078	6,702	1,792	8
Daily Costs Per Prisoner	40	55	55	55	55	55	55	55	55	55
<b>Judicial</b>										
Marriage Licenses Issued	3,877	3,769	3,846	3,764	4,000	4,200	4,500	4,600	5,026	5,273
Master-in-Equity Cases Disposed of	998	1,390	2,227	3,560	3,459	2,063	1,736	1,481	1,675	1,047
<b>Health and Welfare</b>										
Veterans Claims Filed	9,215	9,215	10,254	10,688	522	2,871	3,388	8,681	8,238	867
<b>Economic Development</b>										
Number of New Companies Relocating to Charleston	1	4	0	1	3	3	2	4	4	3
Number of New Jobs From Relocating Companies	25	390	0	30	120	360	203	348	188	782
Number of Expanding Employers in Charleston	3	1	3	3	4	5	7	3	5	2
Number of Jobs Resulting from Expansion	268	30	320	4,275	323	492	2,226	114	1,627	350
<b>Culture &amp; Recreation</b>										
Library Visits Per Capita	6.38	6.66	6.99	7.01	6.05	5.54	5.45	5.24	5.01	4.89
Library Cards In Use	329,189	355,481	310,417	326,600	<sup>2</sup> 284,617	<sup>2</sup> 269,552	284,328	264,289	264,113	262,034
<b>Environmental Management</b>										
Total Tons of Incinerated Waste	227,514	211,907	188,626	69,215	n/a	n/a	n/a	n/a	n/a	n/a
<b>Parking Garages</b>										
Average Operating Revenue Per Space	1,777	1,913	2,114	2,043	2,287	2,264	2,463	2,732	3,039	2,973
Average Operating Expenditure Per Space	1,115	984	1,852	1,179	1,742	1,683	1,585	1,330	1,441	1,311

Sources: Charleston County Budget Performance Measures

<sup>1</sup> The Sheriff's Office did not perform this function in 2011 and 2012. No indicators available.

<sup>2</sup> Library system was purged of old unused accounts in 2012.

<sup>3</sup> 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**

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Government										
Automobiles	84	91	80	79	92	118	114	110	102	129
Buildings	28	44	97	99	104	102	104	104	111	112
Public Safety										
Police Cars	325	316	332	324	336	333	351	355	360	374
Fire Trucks	11	11	10	10	10	10	11	10	13	13
Ambulances	24	28	22	23	24	25	30	31	24	40
Judicial										
Magistrate Courts	15	15	15	15	15	15	15	15	13	13
Public Works										
Paved Streets (in Miles)	132	129	128	129	129	131	131	131	132	133
Ground Equipment	51	62	60	65	67	69	68	66	66	65
Heavy Trucks	29	35	35	35	35	34	34	37	37	39
Environmental Management										
Collection/Refuse Trucks	37	45	44	48	44	47	59	57	59	58
Ground Equipment	19	24	26	25	26	27	30	30	27	30
Culture & Recreation										
Libraries, Main and Branches	16	16	16	11	11	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  
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 Rating Service	AAA
Fitch Ratings	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	\$ 119,803,603	
Total expenditures	<u>\$ 499,325,193</u>	
Requirement is no less than 5 percent		<u><u>23.99%</u></u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 61,170,381	
Total expenditures	<u>\$ 499,325,193</u>	
Requirement is no more than 20 percent		<u><u>12.25%</u></u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 483,991,156	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 208,116,197

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

Estimated costs from Note III.G. on landfill closure	\$ 47,186,485	
Less: Expenditures to date	\$ (22,373,865)	
Restricted assets committed to closure	<u>\$ (7,891,320)</u>	
Balance of closure costs being deferred		<u>\$ 16,921,300</u>
Additional permissible deferred cost		<u><u>\$ 191,194,897</u></u>

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