

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**WITH**  
**INDEPENDENT AUDITOR'S REPORT**



**PREPARED BY:**

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**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION</b>	<b><u>Page(s)</u></b>
<b>Letter of Transmittal</b> .....	2-11
<b>GFOA Certificate of Achievement for Excellence in Financial Reporting</b> .....	13
<b>Organizational Chart</b> .....	14
<b>Principal Officials</b> .....	15
 <b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b> .....	17-19
<b>Management's Discussion and Analysis</b> .....	20-34
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements	
Statement of Net Position .....	36
Statement of Activities .....	37-38
Fund Financial Statements	
Balance Sheet-Governmental Funds.....	40
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	41
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	43
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund .....	44-46
Statement of Net Position – Proprietary Funds .....	47-48
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	50
Statement of Cash Flows – Proprietary Funds .....	51-52
Statement of Fiduciary Net Position – Agency Funds .....	54
Combining Statement of Net Position – Discretely Presented Component Units .....	55-56
Combining Statement of Activities – Discretely Presented Component Units.....	57-58
Notes to Financial Statements .....	60-126
<b>Required Supplementary Financial Information:</b>	
Schedule of the Proportionate Share of the Net Pension Liability.....	128-130
Schedule of the Required Contributions – Past Ten Years .....	131-134
Schedule of Changes in the County's Total OPEB And Related Ratios.....	135
Schedule of Charleston County OPEB Contributions.....	136
Schedule of Proportionate Share OPEB Liability .....	137
<b>Supplementary Financial Information:</b>	
<b>Combining Financial Statements and Schedules</b>	
Combining Balance Sheet – Non-major Governmental Funds .....	143-146
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds .....	147-150
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Debt Service Fund .....	152
Accommodations Special Revenue Fund .....	153
Child Support Enforcement Special Revenue Fund .....	154

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2018**

Economic Development Special Revenue Fund .....	155
Education Special Revenue Fund.....	156
Fire Districts Special Revenue Fund.....	157
Hazardous Materials Enforcement Special Revenue Fund.....	158
Public Defender Special Revenue Fund .....	159
Sheriff Special Revenue Fund .....	160
Solicitor Special Revenue Fund.....	161
Stormwater Drainage Special Revenue Fund .....	162
Victim Notification Special Revenue Fund.....	163
<b>Victim Notification Special Revenue Fund:</b>	
Schedule of Fines, Assessments, and Surcharges Collected .....	164
<b>Combining Statements of Nonmajor Enterprise Funds:</b>	
Combining Statement of Net Position – Non-major Enterprise Funds .....	167-168
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Non-major Enterprise Fund.....	170
Combining Statement of Cash Flows – Non-major Enterprise Funds.....	171-172
<b>Combining Statements of Internal Service Funds:</b>	
Combining Statement of Net Position – Internal Service Funds .....	174
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds .....	176
Combining Statement Cash Flows – Internal Service Funds .....	177-178
<b>Combining Statement of Changes in Assets and Liabilities – Agency Funds .....</b>	<b>180-182</b>
<b>Capital Assets Used in the Operation of Governmental Funds:</b>	
Schedule by Function .....	184
Schedule of Changes by Function.....	185

**STATISTICAL TABLES-UNAUDITED**

**TABLE**

Net Position by Component.....	189
Changes in Net Position .....	190-192
Fund Balances of Governmental Funds .....	193
Changes in Fund Balances of Governmental Funds.....	194-196
Assessed Value and Estimated Actual Value of Taxable Property .....	197
Property Tax Rates – Direct and Overlapping Governments .....	198
Computation of Direct and Overlapping Governmental Activities Debt.....	199
Principal Property Taxpayers .....	200
Property Tax Levies and Collections .....	201
Ratio of Outstanding Debt by Type .....	202
Ratio of General Obligation Bonded Debt to Assessed Value and General Obligation Bonded Debt Per Capita .....	203
Ratio of Total Tax Supported Debt to Assessed Value and Total Supported Debt Per Capita.....	204
Legal Debt Margin Information .....	205
Collected Pledged FILOT Revenues .....	206
Demographic and Economic Statistics .....	207
Principal Employers .....	208
Full-Time Equivalent County Government Employees by Function .....	209-211
Operating Indicators by Function/Program.....	212
Capital Asset Statistics by Function .....	213
Financial Assurance Coverage – Municipal Solid Waste Landfill Facilities .....	214

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## INTRODUCTORY SECTION



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December 17, 2018

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, 2018.

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, 2018, 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, 2018, 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 2,600 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

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 62.

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 four 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 44-46 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 152.

## **SIGNIFICANT FINANCIAL POLICIES**

The County's mission is to promote and protect the quality of life in Charleston County by delivering services of value to the community. As part of accomplishing this mission, the County strives to make informed choices about service provisions, while safeguarding the County's resources. The County addresses its responsibility to its citizens through the wise management of finances, which includes adequately funding County services and maintaining public facilities. The County also desires to maintain its strong financial position, while protecting the County's credit rating and preventing default on any debts. In order to do all this, the following policies had a significant impact on our current financial statements:

- A five-year forecast will be prepared for at least the County's major funds that include estimated operating revenues and costs.
- At the end of each fiscal year, the County will strive to maintain a minimum unrestricted fund balance in the General Fund of two months of the subsequent year's General Fund operating expenditures.



- The County will maintain a Rainy Day fund to provide emergency funds for use in the event of a major calamity. The County will strive to maintain this fund at no less than four percent of General Fund disbursements.
- A five-year Capital Improvement Plan shall be developed and updated annually. This plan shall contain all capital improvements from all funds and agencies of County government.
- The County shall only use long-term debt for capital projects or equipment if the following criteria are met:
  - When current revenues or one-time funds are not sufficient to use pay-as-you-go funding.
  - When the useful life of the project or equipment equals or exceeds the term of the financing.
- A five-year Debt Management Plan shall be developed annually. This plan shall contain all outstanding debt from all funds, provide for the issuance of new debt at reasonable intervals, and show the impact on the ad valorem tax rate.
- Bonds issued by the County shall not exceed a repayment period of 25 years, and the terms must be in compliance with applicable tax law requirements governing tax exempt financing.
- The County may undertake refinancing of outstanding debt:
  - When such refinancing allows the County to realize significant debt service savings (net present value savings equal to at least 2.5 percent of the refunded par amount) without lengthening the term of refinanced debt and without increasing debt service in any subsequent year.
  - When the public policy benefits outweigh the costs associated with the issuance of new debt and any increase in annual debt service.
  - When a restrictive covenant is removed to the benefit of the County.

## **LONG-TERM FINANCIAL PLANNING**

The Budget Department prepares long-term financial plans for the General Fund, Debt Management, Transportation Sales Tax, and Environmental Management that contain five years of data. Per the County's Financial Policies, the General Fund and Debt Management Plans are required to be updated annually. The County ordinance that established the Transportation Sales Taxes requires that plan to also be updated annually. Though it is not required, the Environmental Management Plan is updated annually due to its significance as a major Enterprise Fund. In addition to the plans for operating, the Budget Department, in conjunction with the Facilities Management Department, prepares a five-year Capital Improvement Plan and incorporates any operating impact into the operating funds. Together these plans capture approximately 70 percent of the County's operating funds. Some of the challenges the County faces as it prepares these forecasts are increased operating costs, population growth which will require funding to maintain or improve the quality of services, filling vacant positions with qualified employees, the undertaking of new or unplanned projects, and maintaining the desired amount of fund balance.

## **ECONOMIC CONDITIONS AND OUTLOOK FOR CHARLESTON COUNTY'S GROWTH INDUSTRIES:**

**Advanced Manufacturing** – The aerospace and automotive sectors serve as the foundation for the region's advanced manufacturing industry. All told, The Boeing Company and Mercedes-Benz Vans employ more than 7,000 people in the region. Local operation for the two OEMs (original equipment manufacturers) has spurred the relocation and expansion of multiple tier one and tier two aerospace and automotive suppliers.

Between the years 2011 and 2018, jobs in the aerospace project and parts manufacturing industry grew nearly 90 percent compared to the national growth rate of one half percent. The story behind this growth is the prosperity of The Boeing Company's South Carolina division. Since its landing in 2011, The Boeing Company has opened six facilities and business units in Charleston County. The company currently employs more than 6,700 people in the region. A relatively new development for the OEM, is its decision to completely manufacture its newest and longest 787 Dreamliner, the "Dash 10" (787-10) at the North Charleston facility.

The automotive sector is at the beginning of a potential high growth phase ignited by the completion of the Mercedes-Benz Vans' 1.1 million square foot Sprinter Van manufacturing facility in Palmetto Commerce Park. Mercedes Benz Vans recently celebrated the grand opening of the facility, rolling out the first of its Next Generation Sprinter Vans. More than 900 people have been hired to run the expanded facility. This headcount is expected to grow to 1,300 people.

**IT & High Tech** – Solid growth in the IT and high tech industry has helped the Charleston region maintain its standing as the nation's "Silicon Harbor." The region ranked third for high-tech GDP growth (2015-16) in Milken's *2017 Best-Performing Large Cities* report. Continued leadership of organizations such as the Charleston Digital Corridor, Harbor

Entrepreneur Center, and other entrepreneurial endeavors has helped create an economic ecosystem suitable for the birth and growth of tech startups. Technology companies, like BoomTown, PhishLabs, and Snag, are often considered “homegrown” because talent and capital investment are sourced locally. Many Charleston area tech companies have earned a place on the *Inc. 5000* list of “America’s Fastest-Growing Private Companies.” The popularity of annual events like DIG South, which draws the brightest tech minds from all over the country to the area for a time of idea generation and collaboration, represent undeniable expansion in entrepreneurial resources and interest in Charleston County’s high tech sector.

**Defense, Intelligence & Cybersecurity** – The Charleston region contains the largest military presence in South Carolina (Von Nessen, 2017), when considering military-related activity. A 2017 statewide study of the economic impact of the military, revealed that \$10.8 billion is generated on an annual basis by military activity in the Charleston region. The defense, intelligence, and cybersecurity industries represent a major part of this story. Investments from these industries have bolstered the area’s intelligence community as organizations such as the Charleston Defense Contractors Association continue to operate and add local synergy to the dynamic industry. Finally, Space and Naval Warfare Systems Center (SPAWAR) Atlantic contributes to the \$4.5 billion in direct economic output generated by Joint Base Charleston. SPAWAR directly supports 127 military staff, 3,600 federal civilian contractors and 80+ local defense companies with an additional workforce of 8,000 people.

**Warehouse, Distribution and Logistics** – Firms serving the growing aerospace and automotive clusters continue to locate in Charleston County. According to commercial real estate market analytics provided by CoStar, approximately 1.7 million square feet of additional industrial distribution space is under construction in the county. Over the last 12 months, more than 1 million square feet has been added to the industrial market.

**Medical & Life Sciences Industry** – Managing over \$259 million in annual research funding (\$109 million from federal sources through the National Institute of Health), the Medical University of South Carolina (MUSC) is a leading research and teaching hospital in the southeast. MUSC has reported that research funding has supported over 800 inventors and produced 1,500 invention disclosures. Technologies founded at MUSC have been the start to almost 40 new businesses in the area. In addition, the Clemson University/MUSC partnership brings Clemson’s engineering and MUSC’s biomedicine capabilities together to foster a bioengineering knowledge base 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 health care and social assistance industries account for more than nine percent of the area’s total employment and is anchored by MUSC which asserts itself as the largest nongovernmental employer in the region. The majority of health care employment is currently in Charleston’s seven area hospitals - five private regional hospitals, MUSC and the Ralph H. Johnson VA Medical Center. The Charleston region is home to more than 75 medical device and pharmaceutical manufacturers, research laboratories, and development companies. Furthermore, the Foundation for Research Development is paving the way for investors, industry, and entrepreneurs to collaborate. The latest addition to this industry will include MUSC’s new \$385 million children’s hospital scheduled to open in 2019.

## **ECONOMIC CONDITIONS AND OUTLOOK FOR CHARLESTON COUNTY’S MATURE INDUSTRIES:**

**Port of Charleston** – The Port of Charleston is the fifth largest container port along the U.S. East and Gulf Coasts. Located within 500 miles of 25 percent of the US population, the South Carolina Ports Authority (SCPA) is a popular destination for outbound and inbound cargo. The SCPA is comprised of seaport facilities in the cities of Charleston, North Charleston and Mount Pleasant. The SCPA owns and operates five facilities located in Charleston harbor and these facilities employ approximately 500 people. A sixth facility, the Hugh K. Leatherman, Sr. Terminal is currently being constructed to accommodate anticipated volume growth. The new container terminal is part of a \$2 billion capital improvement plan which will expand capacity by 50 percent. With facilities that handle containerized, break-bulk, project cargo and roll-on/roll-off cargoes, the SCPA annually handles system-wide shipments valued at roughly \$70 billion and helps facilitate the employment of an estimated 187,200 residents of the State of South Carolina.

The Port of Charleston had a three percent increase in cargo container volume in fiscal year 2018. The Port handled a record 2.2 million twenty-foot equivalent units (TEUs). 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 is currently underway. When complete in 2020, the harbor will suitably accommodate post-Panamax vessels that now have access to the East Coast since the completion of the Panama Canal. The plans include deepening the channel to a depth of 52 feet and the entrance channel depth to 54 feet. The turning basin is also slated to be enlarged. Federal and State funding to deepen the harbor has been approved. The SCPA's fiscal year 2019 capital improvement program calls for \$277.6 million in development and enhancements of new and existing facilities, the largest in SCPA's history. The investment will be distributed as follows; \$117.1 million for the on-going construction of the new container terminal on the former Navy Base; \$79.5 million is slated for upgrades to the Wando Welch Terminal, including the completion of the modernization project; \$18.9 million for the updates at the North Charleston Terminal; and \$19 million for the construction of the new SCPA corporate headquarters.

**Hospitality and Tourism Industry** – Charleston was named the “No. 1 City in the U.S. and Canada” by Travel + Leisure World's Best Awards for six consecutive years' straight (2013 through 2018). Charleston has received a similar designation of “No. 1 Top U.S. City” from Condé Nast Traveler Reader's Choice Awards six years straight (2011 through 2016). Travel + Leisure magazine readers also designated Charleston as the No. 10 City in the world. The region's visitor industry has expanded rapidly over the past few years, experiencing 6.9 million visitors in 2017. The tourism industry contributes more than \$7.4 billion annually to the area's economy.

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 Volvo Cars Open tennis tournament, and the annual Cooper River Bridge Run.

In April 2015, PGA officials announced that they have awarded the 2021 PGA Championship to the Ocean Course at Kiawah Island, SC. The Championship was previously held at the Kiawah Island Golf Resort in 2012 with great success; bringing with it a \$23.6 million economic impact felt throughout the Charleston region. In December of 2015, the USGA announced that the 2019 U.S. Women's Open would be held at the Country Club of Charleston. Charleston kicked-off the one-year run up to the championship, happening at the end of May of 2019, by receiving the U.S. Women's Open golf championship trophy.

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 (CHS) brings in tourists from around the world. The airport offers daily non-stop service to 25 cities and 30 airports in the United States and Canada. Carriers include Alaska, Allegiant, American, Delta, Frontier, JetBlue, Southwest and United Airlines. Alaska Airlines now offers flights between Charleston and Seattle. Frontier Airlines has launched new service to destinations including Denver and Philadelphia.

The Charleston International Airport saw a record number of arriving and departing passengers in 2017, with nearly 4 million passengers flying in and out of the CHS. 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. Carnival Cruise Lines has chosen to make Charleston a departure and arrival point. In addition, other cruise lines (Royal Caribbean, TUI 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 ships, the Sunshine and Ecstasy offers cruises between four and 11 days between Charleston and ports in the Bahamas and multiple Caribbean islands.

**Military** – The military has continued to be a significant presence in the area even after the 1995 closure of much of the Charleston Naval Complex. A 2017 statewide study conducted by the University of South Carolina and the South Carolina Military Base Task Force estimated the annual economic impact to be nearly \$11 billion with more than 68,000 jobs supported. Joint Base Charleston remains the single largest employer in the region, employing over 22,000 uniformed, civilian, and reservist personnel located within the Naval Weapons Station, the Navy Nuclear Power Training School, the Space and Air Warfare Systems Center (SPAWAR), and the Naval Hospital. Joint Base Charleston is home to the 437th Airlift Wing and its squadrons of C-17 transport planes as well as the 315th Airlift

Wing and 628th Air Base Wing. These planes play a vital role of carrying supplies to active duty troops stationed all over the world. The U.S. Coast Guard operates a station in Charleston.

**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 13,271 students; the College of Charleston with 10,863 students; The Citadel with 3,717 students; Charleston Southern University with an enrollment of 3,492; and the Medical University of South Carolina with 2,985 students. The region has many other educational institutions that supports a thriving research ecosystem and a trained workforce:

- 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. In 2017, construction of a 224,000 sq. ft., \$79 million aeronautical training facility began, and will be completed in 2019. Primary funding for the project comes from the State and Charleston County.
- The Zucker Family Graduate Education Center, opened in late 2016. The center serves as the academic anchor of the Clemson University Restoration Institute (CURI). Program offerings include 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.
- 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.”

**Manufacturing** – In September 2018, Mercedes-Benz Vans hosted the grand opening of its expanded Sprinter Van facility at the North Charleston location. The new facility provides an additional 1.1 million square feet necessary for full-scale production of the OEM's next generation of Sprinter vans. The \$500 million project is expected to create 1,300 new manufacturing jobs. More than 900 people have been hired thus far. The U.S. is the second largest market for the Sprinter van. Mercedes-Benz Vans expanded presence, coupled with the new Volvo facility in Berkeley County has sparked more interest from automotive suppliers and logistics companies in locating in Charleston. Over the past 18-months, companies including Isri (Isringhausen GmbH), Diehl Aerosystems, Innovative Vehicle Solutions, Knapheide, BLG Logistics and Kuehne + Nagel, Inc. have opened or expanded operations in the area to support existing OEMs.

## **MAJOR COUNTY INITIATIVES**

**Charleston County Greenbelt Program:** The Charleston County Greenbelt program is the most successful local government sponsored land conservation program in the United States. Having protected an additional 38,000 acres of land in the past 10 years means that approximately one-third of the County's land and water is protected in perpetuity. This is a credit to the leadership of the Charleston County Council, the Greenbelt Advisory Board, the citizens of Charleston County, local land conservation organizations, landowners, and municipalities. During FY18 five urban Greenbelt projects were approved totaling \$1.4 million. These projects will protect an additional 48 acres; provide two municipal parks, and a public boat landing.

**Charleston County Consolidated 9-1-1:** The Charleston County Consolidated 9-1-1 Center went live with 911HelpMe.com, a dedicated website for citizens to report an emergency. Citizens should use 911HelpMe.com only when they are unable to contact 9-1-1 by a voice call or text to 9-1-1. Incoming emergency messages arrive at designated call taker stations. Telecommunicators will manually enter the information into our Computer Aided Dispatch (CAD) system, which will generate a dispatch to the first responders. Recently, staff at the 9-1-1 Center have observed an increase in the reporting of emergencies over several different communication platforms across the United States.

**Charleston County STEM Fair:** Charleston County Economic Development signed on as title sponsor of the third annual High School STEM Career Fair at the North Charleston Convention Center. Students from schools across

Berkeley, Charleston, and Dorchester counties connected with local companies showcasing science, technology, engineering, and math (STEM) career opportunities available after graduation. More than 2,000 students and 50 companies participated in the event.

**Charleston County Public Libraries:** During the November 2014 election, County citizens voted to approve a \$108.5 million plan to expand the current library system. The County continues to implement the plan to construct the facilities and phase in the additional operating costs through FY 2020. The Library plan includes building five new libraries (three serving as replacements for existing facilities), renovating 13 existing branches, moving the library's support staff out of the Main Library to make more space available for public use, and upgrading the technology in all buildings.

**Construction Management:** The County anticipates funding infrastructure from bond issues, Enterprise Funds, and Special Revenue Funds in the future. The major challenges in construction involve the following projects:

- Currently, staff is working on design and construction of a building for a social services hub and a major redesign and reconfiguration of the Public Works complex. The County intends to fund both of these projects by issuing debt.
- The County is also planning to construct the next lined landfill cell and a recycling center that is cost efficient and meets the needs of the growing population. In addition to setting aside funds for the construction, the County prudently strives to maintain an appropriate level in the Environmental Management Enterprise Fund fund balance.
- Finally, the citizens of Charleston County passed, by referendum, an additional one-half of one percent sales and use tax that took effect May 1, 2017 and will continue for 25 years or until \$2.1 billion is collected. According to the referendum, the sales tax revenues provide funds for transportation-related projects, mass transit, and greenbelts. The County strives to prudently manage projects and spending for the Second Transportation Sales Tax. Staff is currently reviewing plans to fund designing large road projects, designing a bus rapid transit system, and prioritizing greenbelt projects.

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

Charleston County Government's offices, departments and employees have been honored with numerous awards and recognitions in FY 2018. These awards reflect Charleston County employees' dedication to providing the best services to our citizens.

- **9-1-1 Reaccreditation:** The Charleston County Consolidated 9-1-1 Center was recognized for its Public Safety Communications Reaccreditation from the Commission on Accreditation for Law Enforcement Agencies (CALEA). Verification by the CALEA team means that the agency meets the Commission's state-of-the-art standards – a highly prized recognition amongst Public Safety agencies and professionals alike.
- **County Wins J. Mitchell Graham Award at South Carolina Association of Counties:** The Charleston County Zoning and Planning Department received the J. Mitchell Graham award for their work on the Dupont Wappoo or DuWap Community Plan. The award recognizes innovative projects completed by South Carolina's Counties during the past fiscal year. According to the South Carolina Association of Counties, winners represent the best qualities of local governance—attention to details, service to citizens, efficient use of tax dollars, and improvement to quality of life.
- **Charleston County EMS:** Charleston County EMS has received the American Heart Association's Mission: Lifeline® EMS Gold Plus Award for implementing quality improvement measures for the treatment of patients who experience severe heart attacks. The Mission: Lifeline initiative provides tools, training and other resources to support heart attack care following protocols from the most recent evidence-based treatment guidelines. Mission: Lifeline's EMS recognition program recognizes emergency medical services for their efforts in improving systems of care to rapidly identify suspected heart attack patients, promptly notify the medical center and trigger an early response from the awaiting hospital personnel.

- **Matthew Bishop Wins National Backhoe Rodeo Competition:** Charleston County Backhoe Operator Matthew Bishop took first place in the first ever American Public Works Association National Equipment Rodeo.
- **Charleston County Welcomes New Director of Veterans Affairs:** David J. LeBlanc, Sr. is the new Director of Veterans Affairs for Charleston County. He was appointed to this position by the Charleston County Legislative Delegation and began his new role on September 1, 2017. LeBlanc served our country for 29 years, retiring as a Navy Captain having served in a variety of both active and reserve leadership, operational and staff positions.
- **Clerk of Council Retires:** Beverly Craven, longtime Charleston County Clerk of Council retired in August 2017. The clerk of council provides administrative support and maintains official records of Charleston County Council meetings and activities. During her nearly 30-year tenure, Craven has worked for more than 42 different members of Charleston County Council. In 2010, County Council dedicated Council Chambers to the longtime clerk by naming its official meeting place the Beverly T. Craven Council Chambers. Most recently, in June, Craven was given the Lawrimore Craven award by the Charleston Convention and Visitors Bureau for her dedication to quality and growth in the hospitality industry.
- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to Charleston County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the 30<sup>th</sup> consecutive year that the government has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting given to governments that demonstrate a constructive "spirit of full disclosure" to communicate clearly the County's financial story. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that Charleston County's current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.
- Charleston County also received its 29<sup>th</sup> consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2018 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 2019 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 for the 14<sup>th</sup> year in a row.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Charleston County 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, Catherine Ksenzak, and Gail Marion from the Budget Office; Mary Tinkler 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.

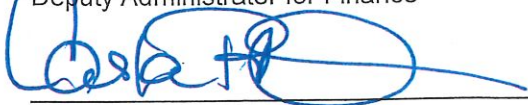
In addition, Charleston County staff would like to acknowledge the leadership and support of Charleston County Council in making this report possible.



Jennifer J. Miller  
County Administrator



Corine Altenhein  
Deputy Administrator for Finance



Carla Ritter  
Finance Director

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Government Finance Officers Association

**Certificate of  
Achievement  
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Presented to

**County of Charleston  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

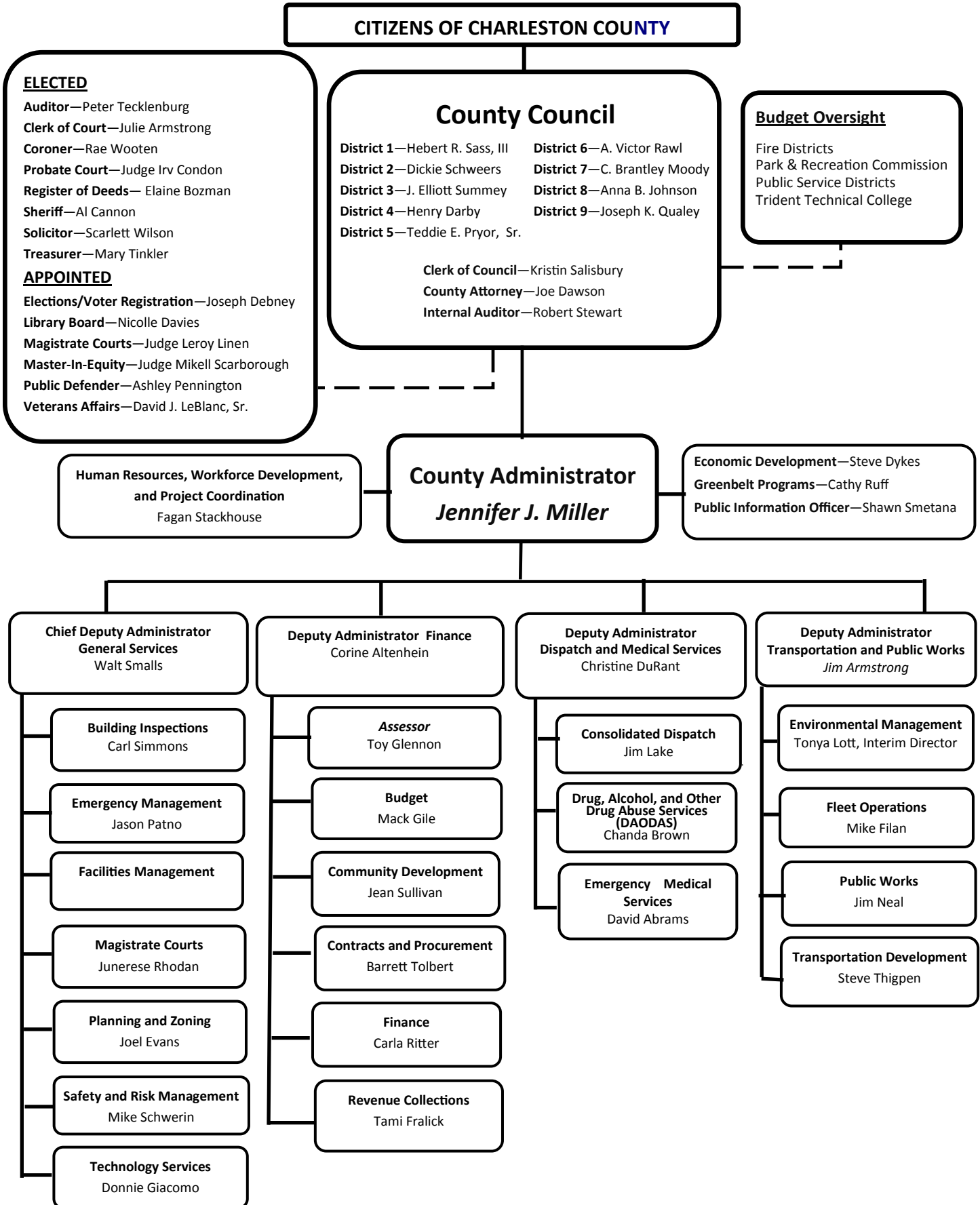
**June 30, 2017**

*Christopher P. Morrell*

Executive Director/CEO

# Charleston County, South Carolina

## Organizational Chart—County Departments



**COUNTY OF CHARLESTON, SOUTH CAROLINA**

**PRINCIPAL OFFICIALS**

**For the Year Ended June 30, 2018**

**MEMBERS OF COUNTY COUNCIL**

	<u>Year's in Office</u>	<u>Term Expiration Date</u>	
A. Victor Rawl	9 <sup>1/2</sup>	12/31/2020	Chairman District 6
Herbert R. Sass, III	7	12/31/2018	V. Chairman District 1
J. Elliott Summey	9 <sup>1/2</sup>	12/31/2020	District 3
Henry D. Schweers	11 <sup>1/2</sup>	12/31/2018	District 2
Henry E. Darby	13 <sup>1/2</sup>	12/31/2020	District 4
Teddie E. Pryor, Sr.	13 <sup>1/2</sup>	12/31/2018	District 5
C. Brantley Moody	1 <sup>1/2</sup>	12/31/2020	District 7
Anna B. Johnson	7 <sup>1/2</sup>	12/31/2018	District 8
Joseph K. Qualey	7 <sup>1/2</sup>	12/31/2018	District 9

**ELECTED OFFICIALS**

Peter Tecklenburg	5	6/30/2021	Auditor
Julie J. Armstrong	26 <sup>1/2</sup>	12/31/2020	Clerk of Court
Rae Wooten	12	12/31/2020	Coroner
Irvin G. Condon	24 <sup>1/2</sup>	12/31/2018	Probate Court
Elaine Bozman	8 months	12/31/2018	Register of Deeds *
James A. Cannon, Jr.	30 <sup>1/2</sup>	12/31/2020	Sheriff
Scarlett A. Wilson	11	12/31/2020	Solicitor
Mary Tinkler	1 yr	6/30/2021	Treasurer

**OTHER OFFICIALS**

	<u>Years with County</u>	<u>Years in Current Position</u>	
Jennifer Miller	30	1yr	County Administrator **
Walter L. Smalls	19	12 yrs	Chief Deputy Administrator General Services
Jim Armstrong	30	4 yrs	Deputy Administrator Transportation & Public Works
Christine DuRant	28 <sup>1/2</sup>	4 yrs	Deputy Administrator Community Services
Corine Altenhein	28	3 yrs	Deputy Administrator Finance
Carla Ritter	17	3 yrs	Finance Director

\* In October 2017, Elaine Bozman was appointed to serve out the unexpired term of Charlie Lybrand

\*\* Jennifer Miller became the County Administrator on June 23, 2017

## 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, 2018, 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, 2018, 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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison schedules for the special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Change in Accounting Principle*

As discussed in note L to the financial statements, the County adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

### *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 164 as well as the schedules of capital assets used in the operation of governmental funds on pages 184 and 185 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 17, 2018, 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 17, 2018

## 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, 2018. 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 11 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, 2018 by \$128,220 (net position.) This is comprised of net investment in capital assets of \$90,649, restricted net position of \$166,587 and unrestricted net position of \$(385,456). 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, as well as GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* during fiscal year 2018.
- Charleston County's total net position increased by \$12,565 during the fiscal year ended June 30, 2018, with a \$11,047 increase resulting from governmental activities and a \$1,518 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 \$429,363, which is a \$126,751 increase from the prior year. Approximately 10.94 percent or \$46,990 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 \$82,411 or approximately 37.12 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$63,576, or approximately 29 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 accrual 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, 2018 is \$266,188.
- The County implemented GASB No. 75 in the current fiscal year. This Statement requires the County to recognize the total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e. the Statement of Net Position) and present more extensive note disclosures. The County's OPEB liability at June 30, 2018 is \$71,338.



## 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 36 through 38 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 62 through 63 of this report.

The government-wide financial statements for component units can be found on pages 55 through 58 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 40 through 42, 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 five major funds: the General Fund, the Debt Service Fund, the Transportation and Road Sales Tax Special Revenue Fund, the G.O.B. Capital Projects 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 143 through 150 of this report.

**Proprietary Funds.** Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 47 through 52 and pages 165 through 176 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 167 through 172.

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 174 through 178 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 180 through 182 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 60 through 126 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 143. 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 189. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 164.

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 128.

## **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 \$128,220 at the close of fiscal year 2018. This was an increase of \$12,565 or 8.92 percent during fiscal year 2018.

A portion of the County's net position, \$90,649, 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, \$166,587, 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 (\$385,456), 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 2018, 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 ended June 30, 2015, and GASB No. 75 during the fiscal year ended June 30, 2018.

Charleston County's Net Position

June 30, 2018

(Recapped from page 36)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current, restricted and other assets	\$ 703,591	\$ 554,350	\$ 77,963	\$ 80,387	\$ 781,554	\$ 634,737
Capital assets	314,519	304,052	61,332	54,871	375,851	358,923
Total Assets	1,018,110	858,402	139,295	135,258	1,157,405	993,660
Total deferred outflows of resources	73,360	65,288	-	-	73,360	65,288
Long-term liabilities outstanding	1,094,396	958,028	10,810	9,944	1,105,206	967,972
Other liabilities	44,471	37,247	8,167	6,514	52,638	43,761
Total liabilities	1,138,867	995,275	18,977	16,458	1,157,844	1,011,733
Total deferred inflows of resources	201,141	188,000	-	-	201,141	188,000
Net Position:						
Investment in capital assets	29,317	116,089	61,332	54,871	90,649	170,960
Restricted for:						
Capital projects	123,770	96,486	-	-	123,770	96,486
Debt service	27,179	18,435	-	-	27,179	18,435
General government	398	147	-	-	398	147
Law enforcement	6,196	6,716	-	-	6,196	6,716
Judicial	3,649	3,557	-	-	3,649	3,557
Health and welfare assistance	381	386	-	-	381	386
Economic development	4,209	3,322	-	-	4,209	3,322
Tourism related	805	188	-	-	805	188
Unrestricted	(444,442)	(504,911)	58,986	63,929	(385,456)	(440,982)
<b>Total net position</b>	<b>\$ (248,538) *</b>	<b>\$ (259,585)</b>	<b>\$ 120,318 *</b>	<b>\$ 118,800</b>	<b>\$ (128,220)</b>	<b>\$ (140,785)</b>

The County's net position increased by \$12,565 during fiscal year 2018. The governmental activities had an increase in net position of \$11,047. Overall revenues for the Governmental Activities increased 22.65 percent.

\* As restated for GASB No. 75

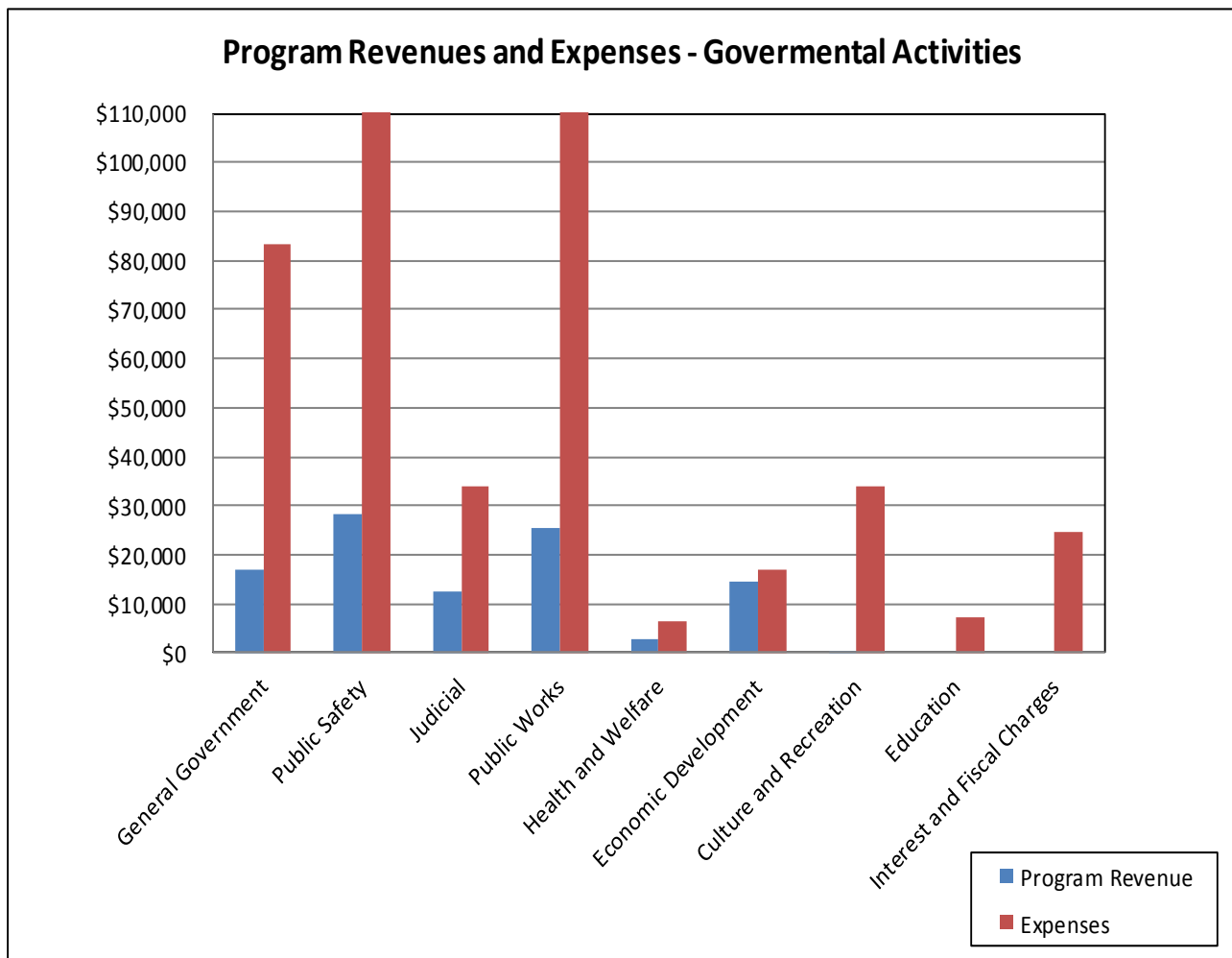
County of Charleston, South Carolina  
Changes in Net Position (Recapped from pages 37 and 38)  
For the Fiscal Year Ended June 30, 2018

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 52,967	\$ 53,420	\$ 48,386	\$ 45,795	\$ 101,353	\$ 99,215
Operating grants and contributions	47,866	24,996	1,232	1,077	49,098	26,073
<b>General Revenues:</b>						
Property taxes	159,894	148,891	-	-	159,894	148,891
Other taxes and fees	201,395	147,395	749	689	202,144	148,084
State aid to political subdivisions	13,352	13,586	-	-	13,352	13,586
Unrestricted investments earnings	1,878	893	831	532	2,709	1,425
Gain on sale of capital assets	-	-	214	274	214	274
<b>Total Revenues</b>	<b>477,352</b>	<b>389,181</b>	<b>51,412</b>	<b>48,367</b>	<b>528,764</b>	<b>437,548</b>
<b>Program Expenses</b>						
<b>Governmental Activities:</b>						
General government	83,327	112,526	-	-	83,327	112,526
Public safety	118,398	107,538	-	-	118,398	107,538
Judicial	34,034	31,543	-	-	34,034	31,543
Public works	110,663	61,613	-	-	110,663	61,613
Health and welfare	6,475	6,736	-	-	6,475	6,736
Economic development	16,950	5,098	-	-	16,950	5,098
Culture and recreation	33,990	33,765	-	-	33,990	33,765
Education	7,140	6,750	-	-	7,140	6,750
Interest and fiscal charges	24,792	22,085	-	-	24,792	22,085
<b>Business-Type Activities:</b>						
DAODAS	-	-	10,151	10,466	10,151	10,466
E-911 communications	-	-	2,704	2,640	2,704	2,640
Environmental management	-	-	30,737	29,899	30,737	29,899
Parking garages	-	-	2,633	2,511	2,633	2,511
Public safety system	-	-	568	673	568	673
Radio communications	-	-	3,559	3,718	3,559	3,718
Revenue collections	-	-	2,078	2,118	2,078	2,118
<b>Total Expenses</b>	<b>435,769</b>	<b>387,654</b>	<b>52,430</b>	<b>52,025</b>	<b>488,199</b>	<b>439,679</b>
Excess (deficiency) of revenues before transfers over (under) expenses	41,583	1,527	(1,018)	(3,658)	40,565	(2,131)
Transfers	(2,536)	(2,754)	2,536	2,754	-	-
<b>Increase (Decrease) in Net Position</b>	<b>39,047</b>	<b>(1,227)</b>	<b>1,518</b>	<b>(904)</b>	<b>40,565</b>	<b>(2,131)</b>
Special Items	(28,000)	-	-	-	(28,000)	-
Net position, beginning (As restated)	(259,585)	(258,358)	118,800	119,704	(140,785)	(138,654)
<b>Net Position, ending</b>	<b>\$ (248,538) *</b>	<b>\$ (259,585)</b>	<b>\$ 120,318</b>	<b>\$ 118,800 *</b>	<b>\$ (128,220)</b>	<b>\$ (140,785)</b>

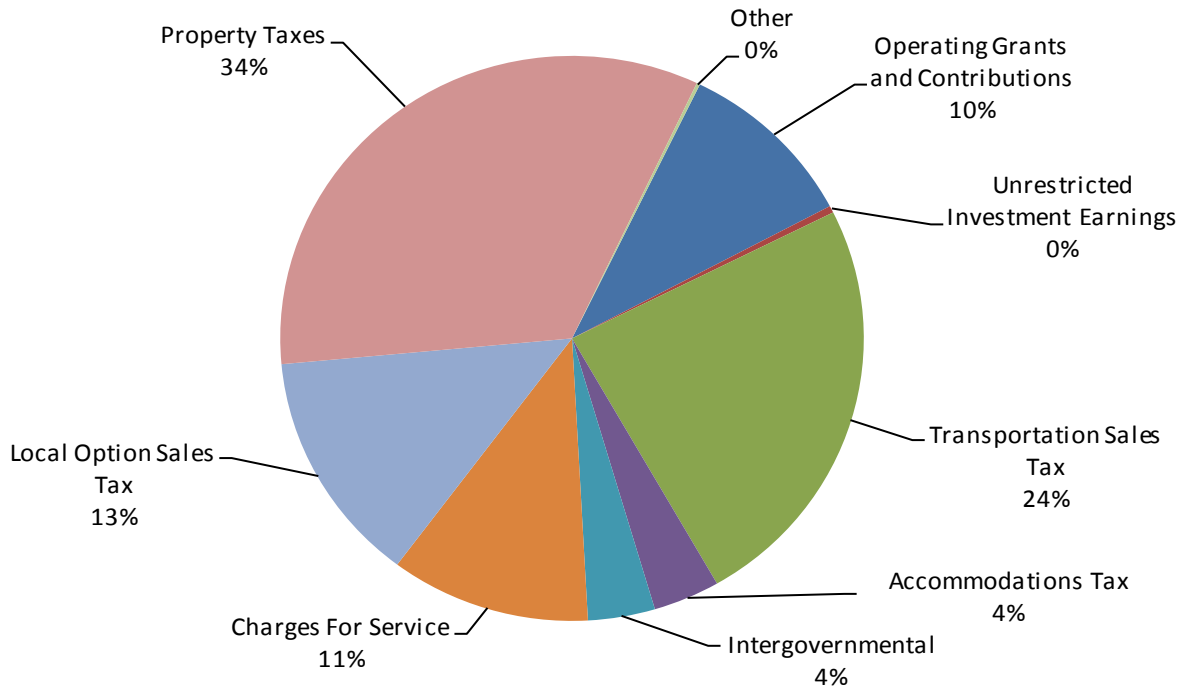
\* As restated for GASB No. 75

**Governmental Activities.** Governmental activities increased the County's net position by \$11,047. The key elements of the increase are:

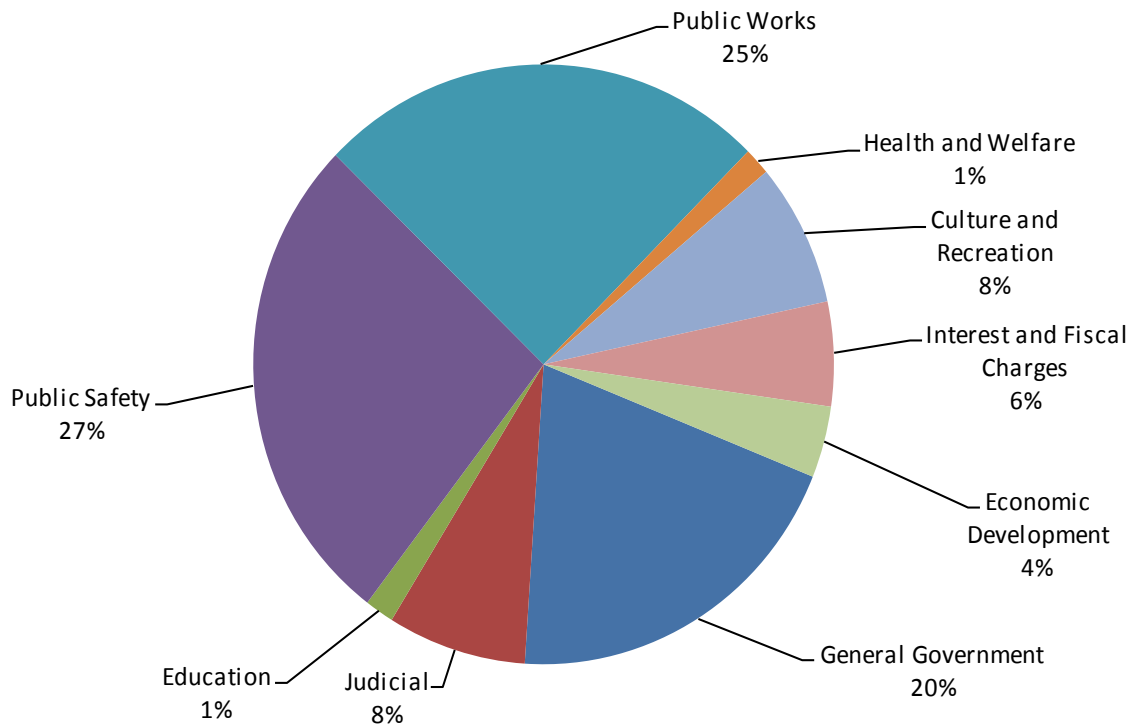
- Property tax revenue increased \$11,003 (7.4 percent) primarily due to an increase in the County's total taxable assessed value for real and personal property and vehicles.
- Other taxes and fees increased \$54,000 (36.6 percent) due to increased consumer spending in Charleston County. This includes accommodations tax, local option sales tax and transportation sales tax, also, the 2<sup>nd</sup> Transportation one half cent sales tax which was effective May 1, 2017.
- Operating grants and contributions increased \$22,870 (91.5 percent) due to several new grants for economic development.
- Total governmental activities expenses increased \$48,115 (12.4 percent) due to increased FTE's for Facilities and other general government functions.
- The Public Works expenses increased \$49,050 (80 percent) due to repairs needed from hurricane and flooding damage.
- The economic development expenses increased \$11,852 (232 percent) due to several new grants, including a \$14 million state grant.
- The County recognized two special items for a loss of \$28,000.



### Revenues by Source - Governmental Activities

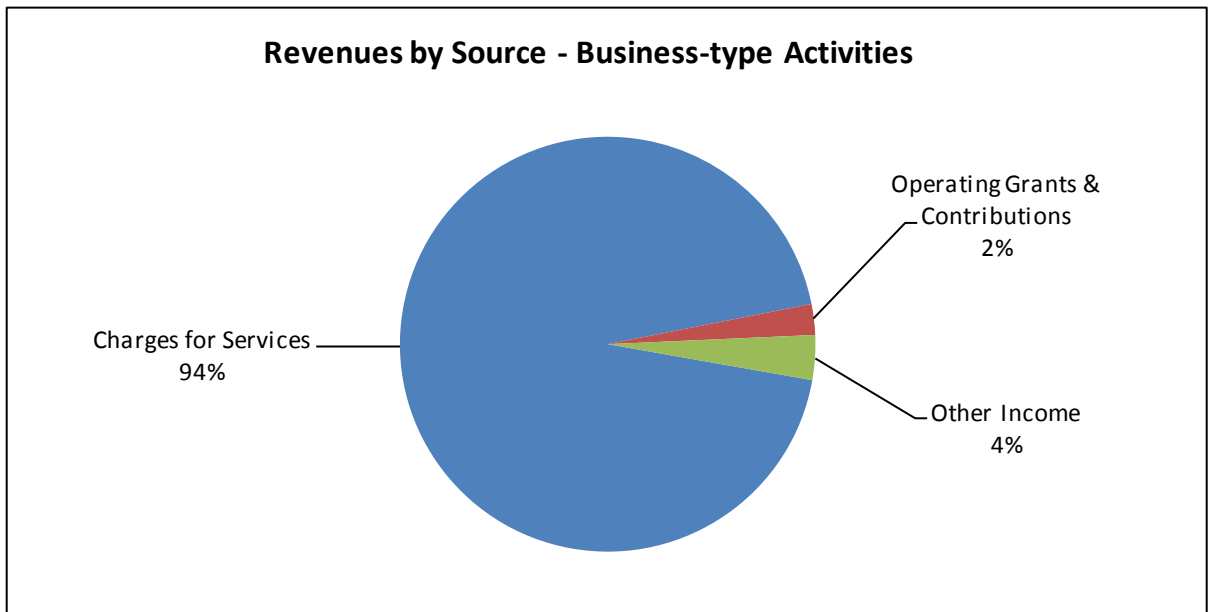


### Expenses by Program - Governmental Activities

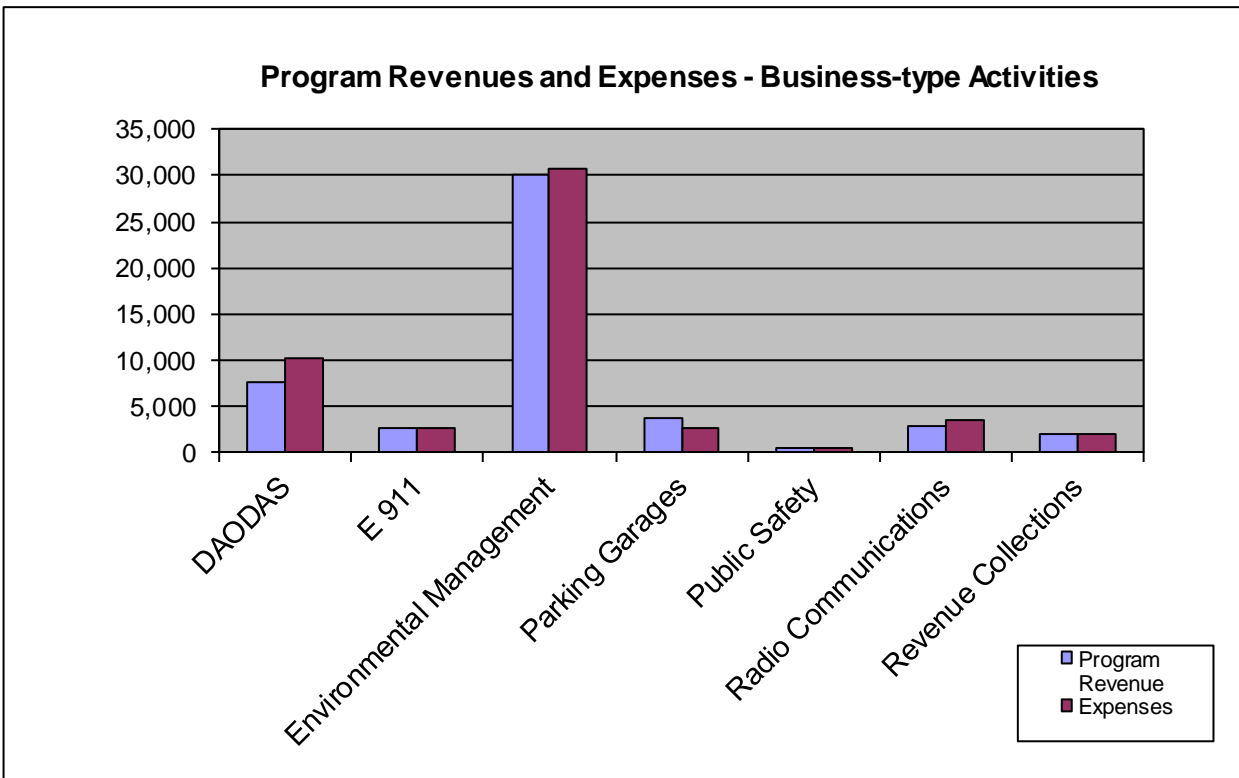


**Business-type Activities.** Business-type activities increased the County's net position by \$1,518. The key elements of this increase were:

- Unrestricted investment earnings increased by \$298 (56 percent) due to higher interest rates.
- Charges for services increased by \$2,591 (5.6 percent) largely due to an increase in collections by the Revenue Collections Fund.
- Overall, expenses for the business-type activities increased by \$3,746 (7.7 percent). This increase was primarily in the Environmental Management Fund. Operating expenses in this fund increased \$2,327 with the largest increases in depreciation expense \$294, pension expense \$272, OPEB expense \$218, and contracted services \$321.







### 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 \$429,363, an increase of \$126,751 in comparison with the prior year. This increase is due to several factors, including an increase in property taxes levied and collected of \$10,785 and an increase in Transportation Sales Taxes collected of \$49,567. The 2<sup>nd</sup> half cent sales tax began on May 1, 2017. Total expenditures for the governmental funds increased \$103,007. The capital outlay function accounted for \$34,036 of the increase. Other factors in this increase include Public Safety \$7,371 increase in expenditures from prior year, due to salary increases and several new grants. The Public Works expenditures increased by \$42,440. The majority of this increase is due to storm repairs from the last two hurricanes and flooding.

Other financing sources (uses) increased \$136,505 due to bond issuances and refundings.

The ending fund balance of \$429,363 for the governmental funds is composed of five components: unassigned fund balance of \$46,990, assigned fund balance of \$18,836, committed fund balance of \$90,511, restricted fund balance of \$272,318 and non-spendable fund balance of \$708.

Unassigned fund balance accounts for approximately 10.94 percent or \$46,990 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 \$18,836 or 4.4 percent of ending fund balance. Assigned fund balance includes \$8,909 which was encumbered at the end of fiscal year 2018. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$90,511 or 21.08 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 \$272,318 or 63.42 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$224,881, 2) debt service of \$31,799, 3) \$6,196 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$3,649 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 \$708. 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 \$63,576 while total fund balance reached \$83,119. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$9,925. 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 28.6 percent of total general fund disbursements, while total fund balance represents 37.4 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 28.6 percent of disbursements, which also meets the financial policy. There was an increase of \$9,655 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$8,321 or 3.8 percent higher than the previous fiscal year.

- Property taxes and local option sales taxes collected increased \$8,746 or 5.62 percent.
- Services charges increased \$644 or 2.9 percent.
- Intergovernmental revenues decreased \$1,014 or 3.83 percent.
- Interest income was up \$675.

Expenditures increased by \$15,566 or 8.03 percent.

- Public Safety expenditures were up \$5,734 or 6.29 percent.
- General Government expenditures increased \$9,029 or 16.35 percent.

**Debt Service Fund.** The debt service fund balance is \$31,799 and is \$13,731 or 76 percent higher than the prior fiscal year. This increase is due to bond premiums of \$14,474 to be used for future debt service payments but recorded as an other financing source this fiscal year.

**Transportation and Road Sales Tax Special Revenue Fund.** This fund balance increased \$44,048 or 54.21 percent from the prior fiscal year. The new 2<sup>nd</sup> half cent Transportation Sales Tax was effective May 1, 2017. This increase is due to sales tax collected, \$49,567 or 75.8 percent increase over prior year.

**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, 2017, and pay the costs of issuance of the Bonds. The fund balance at fiscal year-end was \$83,118 which is a \$3,889 increase from the prior fiscal year. The increase is due to the issuance of additional Special Source Revenue Bonds in the amount of \$35,815. The new bonds were issued to reimburse Mercedes-Benz Van, LLC for infrastructure improvements.

**G.O.B. Capital Projects.** This fund balance increased \$73,276 or 480% from prior fiscal year due to the issuance of bonds.

**Other Governmental Funds.** The other governmental funds had a decrease in fund balance of \$17,849 or 50 percent from the prior fiscal year. The Construction Fund had a decrease in fund balance of \$24,673. This will be reimbursed by the future sale of capital assets.

**Non-major Capital Projects Funds.** The non-major capital projects funds reflect a total fund balance of \$(10,697) and are shown on pages 146 and 150. The fund balance for the non-major capital projects funds decreased \$26,412 in fiscal year 2018.

**Non-major Special Revenue Funds.** The non-major special revenue funds have a combined total fund balance of \$28,189, all classified as restricted. Non-major special revenue funds are shown on pages 143 through 145, and 147 through 149. The fund balance for the non-major special revenue funds increased \$8,564 from the prior year.

**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, 2018, is \$74,456 (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 \$76,161. The non-major proprietary funds have total net position of \$(1,705). These funds include DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 47 through 52 and pages 167 through 172 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 \$74,456 (before internal eliminations), a decrease of \$2,981 or 3.8 percent in comparison with the prior year. The proprietary funds implemented GASB No. 75 during fiscal year 2018. This resulted in a prior period adjustment to net position of \$35,611 (including internal service funds). Two of the non-major enterprise funds have negative net position. These negative net positions are due primarily because of the OPEB and retirement expenses.

### **General Fund Budgetary Highlights**

During fiscal year 2018, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$1,019 over the final budget. The most significant revenue variances are outlined below:

- Service charges were over budget by \$1,318. Register of Deeds charges exceeded budget by \$372 due to the increased volume of recorded real estate transactions. Mosquito control operations collected \$83 over budgeted revenue. The majority of this revenue comes from state and federal entities and can be dependent on their available budgets. The delinquent tax office collected \$137 in additional delinquent levy costs. Probate court fees were \$182 over budget revenue in fiscal year 2018.
- Permits and licenses were over budget by \$229. County Business License revenue was \$30 over budget due to business growth. The Coroner was \$19 over budget for cremation permits.
- Property and local option sales taxes were over budget by \$651.

Actual expenditures and transfers out were \$21,194 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology Services was \$2,860 under budget, Facilities was \$11,360 under budget and Public Safety was \$2,093 under budget. The County has quite a few vacancies of personnel in Public Safety. Facilities had projects they were unable to complete in 2018 and Council designated budgeted items of \$5,253 to carry over into FY 2019.

## 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, 2018, amounted to \$375,851 (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 \$16,928 or 4.72 percent for the current year. The depreciation expense decreased by 346 or 1.33 percent.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and easements	\$ 44,123	\$ 35,567	\$ 6,915	\$ 6,915	\$ 51,038	\$ 42,482
Buildings	214,103	221,524	15,090	15,707	229,193	237,231
Improvements other than buildings	3,007	2,473	18,145	18,203	21,152	20,676
Machinery and equipment	37,718	35,825	13,395	12,973	51,113	48,798
Infrastructure	2,938	5,994	-	-	2,938	5,994
Construction in progress	12,630	2,669	7,787	1,073	20,417	3,742
Total	<u>\$ 314,519</u>	<u>\$ 304,052</u>	<u>\$ 61,332</u>	<u>\$ 54,871</u>	<u>\$ 375,851</u>	<u>\$ 358,923</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 82 through 85 of this report.

**Long-Term Debt.** At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$720,157. Of this amount, \$592,392 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$127,765 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, 2018, this obligation is recorded at a net present value of \$22,365 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 592,392	\$ 517,751	\$ -	\$ -	\$ 592,392	\$ 517,751
Special source revenue bonds	127,765	92,322	-	-	127,765	92,322
Intergovernmental note payable	22,365	23,991	-	-	22,365	23,991
Total	<u>\$ 742,522</u>	<u>\$ 634,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742,522</u>	<u>\$ 634,064</u>

The County's total bonded debt increased by \$110,084 (18 percent) during the current fiscal year. The County issued \$35,815 of new Special Source Revenue Bonds, \$117,679 in General Obligation Bonds (including premiums) and \$131,206 (including premiums) Refunding General Obligation Bonds.

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 \$320,804. The outstanding debt at June 30, 2018 subject to the debt limitation is \$187,215. 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 89 through 99 of this report.

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

The fiscal year 2019 General Fund budget is a balanced budget. Total disbursements are \$240,684 an increase of \$5,054 or 2.1 percent from the prior year. The millage is 44.7, which is unchanged from fiscal year 2018. The increase in the Local Option Sales Tax, which is used to offset the amount property owners pay on their tax bill, resulted in a higher credit of \$1,740 or 2.7 percent to taxpayers.

The General Fund's budgeted revenues for fiscal year 2019 increased by \$5,772 or 2.5 percent from 2018. The major changes are:

- Property tax revenues reflect an increase of \$6,485 or 4.0 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 \$1,750 or 2.7 percent. This increase reflects continued improvements in the level of consumer spending in the Charleston County area.
- Detention Center: Federal Prisoners is anticipated to increase \$1,080 or 43.2 percent due to the federal government's renewed interest in detaining inmates as part of the Immigration and Customs Enforcement. The County receives per diem reimbursement from the federal government for detaining federal prisoners.

- Interfund Transfers In increased \$1,627 million or 43.4 percent from the FY 2018 budget. The most significant change represents an increase in the discretionary transfer of unspent revenue from the Clerk of Court: IV-D Child Support Enforcement Fund.

The General Fund's budgeted disbursements for fiscal year 2019 are increased \$5,054 or 2.1 percent from fiscal year 2018. The major changes for fiscal year 2019 are:

- Sheriff: Law Enforcement reflects the largest budget increase in fiscal year 2019 of \$3,233 or 9.8 percent. The increase represents funding for ten new School Resource Officers to address public safety in the schools.
- Sheriff: Detention Center increased \$2,415 million or 6.5 percent due to full-year funding for the increase in the FY 2018 contracted food service for inmates.
- The Library increase of \$1,623 or 10.3 percent is due to the library expansion approved by voters in 2014.
- Interfund Transfers Out decreased \$2,129 million or 19.9 percent from the prior fiscal year primarily due to a revision in the calculation of the County administrative costs. This revision resulted in lower support of the Radio Communications and DAODAS Enterprise Funds.

### **Requests for Information**

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

## BASIC FINANCIAL STATEMENTS



COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
June 30, 2018

	Primary Government			Component
	Governmental	Business-type	Total	Units
ASSETS	Activities	Activities		
Non-pooled cash and cash equivalents	\$ 4,252,507	\$ 490,161	\$ 4,742,668	\$ 35,434,957
Pooled cash and cash equivalents	327,911,689	57,982,131	385,893,820	-
Pooled investments	79,034,085	-	79,034,085	-
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	2,680,496	-	2,680,496	36,765,227
Receivables (net of allowances for uncollectibles)	302,011,714	7,200,248	309,211,962	45,991,328
Due from primary government	(1,210,243)	-	(1,210,243)	1,210,243
Internal balances - current	(12,290,733)	12,290,733	-	-
Inventories	1,076,348	-	1,076,348	751,297
Prepaid items and deposits	-	-	-	5,035,504
Other noncurrent assets	-	-	-	40,000
Capital assets:				
Land and other nondepreciable	56,753,353	14,701,896	71,455,249	116,220,303
Capital assets, net of accumulated depreciation	257,766,183	46,629,788	304,395,971	60,499,431
<b>Total assets</b>	<b>1,018,110,399</b>	<b>139,294,957</b>	<b>1,157,405,356</b>	<b>301,948,290</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension charges	54,787,488	-	54,787,488	13,422,305
Deferred other post employment benefit (OPEB) charges	2,643,696	-	2,643,696	611,998
Deferred loss on refunding	15,928,327	-	15,928,327	-
<b>Total deferred outflows of resources</b>	<b>73,359,511</b>	<b>-</b>	<b>73,359,511</b>	<b>14,034,303</b>
<b>LIABILITIES</b>				
Accounts payable	18,551,025	4,501,415	23,052,440	3,727,293
Accrued payroll and fringe benefits	6,821,751	397,117	7,218,868	2,387,260
Intergovernmental payable	6,974,007	3,267,786	10,241,793	-
Interest payable	5,042,384	-	5,042,384	644,798
Unearned revenue	7,082,095	-	7,082,095	2,150,907
Noncurrent liabilities:				
Due within one year	56,224,311	886,931	57,111,242	7,526,000
Due in more than one year	700,646,354	9,922,969	710,569,323	60,933,701
OPEB liability	71,337,631	-	71,337,631	12,278,204
Net pension liability	266,187,886	-	266,187,886	64,113,833
<b>Total liabilities</b>	<b>1,138,867,444</b>	<b>18,976,218</b>	<b>1,157,843,662</b>	<b>153,761,996</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension credits	749,172	-	749,172	2,618,994
Deferred OPEB credits	5,195,264	-	5,195,264	462,481
Deferred property taxes - current	195,196,697	-	195,196,697	43,942,172
<b>Total deferred inflows of resources</b>	<b>201,141,133</b>	<b>-</b>	<b>201,141,133</b>	<b>47,023,647</b>
<b>NET POSITION</b>				
Net investment in capital assets	29,316,935	61,331,686	90,648,621	137,451,086
Restricted for:				
Capital and infrastructure projects	123,769,962	-	123,769,962	250,191
Debt service	27,178,627	-	27,178,627	11,035,024
General government operations	397,320	-	397,320	-
Law enforcement and safety programs	6,196,223	-	6,196,223	-
Judicial assistance and programs	3,649,342	-	3,649,342	-
Health and welfare assistance	381,659	-	381,659	-
Local economic development	4,209,033	-	4,209,033	-
Tourism related	805,048	-	805,048	-
1% fee	-	-	-	22,687
Special programs	-	-	-	163,146
Unrestricted	(444,442,816)	58,987,053	(385,455,763)	(33,725,184)
<b>Total net position</b>	<b>\$ (248,538,667)</b>	<b>\$ 120,318,739</b>	<b>\$ (128,219,928)</b>	<b>\$ 115,196,950</b>

See notes to the financial statements.



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 83,326,907	\$ 16,759,851	\$ 198,874	\$ -	\$ (66,368,182)	\$ -	\$ (66,368,182)	\$ -
Public safety	118,398,204	17,861,015	10,299,186	-	(90,238,003)	-	(90,238,003)	-
Judicial	34,033,931	12,560,970	13,019	-	(21,459,942)	-	(21,459,942)	-
Public works	110,663,429	5,157,358	20,474,225	-	(85,031,846)	-	(85,031,846)	-
Health and welfare	6,474,754	233,216	2,487,743	-	(3,753,795)	-	(3,753,795)	-
Economic development	16,950,255	11,500	14,393,000	-	(2,545,755)	-	(2,545,755)	-
Culture and recreation	33,990,166	383,196	-	-	(33,606,970)	-	(33,606,970)	-
Education	7,139,713	-	-	-	(7,139,713)	-	(7,139,713)	-
Interest and fiscal charges	24,791,553	-	-	-	(24,791,553)	-	(24,791,553)	-
Total governmental activities	<u>435,768,912</u>	<u>52,967,106</u>	<u>47,866,047</u>	<u>-</u>	<u>(334,935,759)</u>	<u>-</u>	<u>(334,935,759)</u>	<u>-</u>
Business-type activities:								
DAODAS	10,150,839	6,818,108	832,119	-	-	(2,500,612)	(2,500,612)	-
E-911 Communications	2,704,095	2,598,915	-	-	-	(105,180)	(105,180)	-
Environmental Management	30,736,995	29,599,814	400,069	-	-	(737,112)	(737,112)	-
Parking Garages	2,632,576	3,802,046	-	-	-	1,169,470	1,169,470	-
Public Safety Systems	568,449	594,558	-	-	-	26,109	26,109	-
Radio Communications	3,558,873	2,842,065	-	-	-	(716,808)	(716,808)	-
Revenue Collections	2,077,613	2,130,627	-	-	-	53,014	53,014	-
Total business-type activities	<u>52,429,440</u>	<u>48,386,133</u>	<u>1,232,188</u>	<u>-</u>	<u>-</u>	<u>(2,811,119)</u>	<u>(2,811,119)</u>	<u>-</u>
<b>Total primary government</b>	<u><u>\$ 488,198,352</u></u>	<u><u>\$ 101,353,239</u></u>	<u><u>\$ 49,098,235</u></u>	<u><u>\$ -</u></u>	<u><u>(334,935,759)</u></u>	<u><u>(2,811,119)</u></u>	<u><u>(337,746,878)</u></u>	<u><u>-</u></u>
<b>Component Units:</b>								
Charleston County Library	\$ 17,768,448	\$ 349,029	\$ 16,115,701	\$ 612,866				(690,852)
Charleston County PRC	40,363,945	17,230,300	57,151	1,298,854				(21,777,640)
Cooper River Park & Playground	264,724	-	-	-				(264,724)
North Charleston District	1,344,061	-	-	-				(1,344,061)
St. Andrew's Parish Parks & Playground	5,295,199	2,482,229	-	-				(2,812,970)
St. John's Fire District	13,903,341	-	5,683	-				(13,897,658)
St. Paul's Fire District	5,418,877	-	-	-				(5,418,877)
Charleston County Volunteer Rescue Squad	409,193	-	335,600	-				(73,593)
<b>Total component units</b>	<u><u>\$ 84,767,788</u></u>	<u><u>\$ 20,061,558</u></u>	<u><u>\$ 16,514,135</u></u>	<u><u>\$ 1,911,720</u></u>				<u><u>(46,280,375)</u></u>

<b>General Revenues:</b>				
Property taxes	159,894,050	-	159,894,050	-
Charleston County PRC	-	-	-	22,624,423
Cooper River Park & Playground	-	-	-	163,227
North Charleston District	-	-	-	995,514
St. Andrew's Parish Parks & Playground	-	-	-	1,816,783
St. John's Fire District	-	-	-	14,279,185
St. Paul's Fire District	-	-	-	6,858,306
Local option sales tax	63,570,674	-	63,570,674	-
Transportation sales tax	114,929,407	-	114,929,407	-
Accommodations tax	17,628,572	-	17,628,572	-
Franchise tax	873,401	-	873,401	36,598
Alcohol beverage tax	-	737,748	737,748	-
Merchants inventory tax and manufacturer's depreciation	1,566,668	10,832	1,577,500	758,994
Motor carrier tax	186,590	-	186,590	-
Homestead exemption	2,639,157	-	2,639,157	-
Unrestricted state aid to political subdivisions	13,352,291	-	13,352,291	-
Unrestricted investment earnings	1,878,509	830,282	2,708,791	24,707
Gain on sale of capital assets	-	214,335	214,335	19,550
Fundraising and donations	-	-	-	57,768
Miscellaneous	-	-	-	852,991
Transfers	(2,536,460)	2,536,460	-	-
<b>Total general revenues and transfers</b>	<b>373,982,859</b>	<b>4,329,657</b>	<b>378,312,516</b>	<b>48,488,046</b>
<b>Special Items:</b>				
Loss on Settlement of Lawsuit	(16,100,000)	-	(16,100,000)	-
Capital Asset Impairment	(11,900,000)	-	(11,900,000)	-
Change in position	11,047,100	1,518,538	12,565,638	2,207,671
Net position - beginning, as restated	(259,585,767)	118,800,201	(140,785,566)	112,989,279
Net position - ending	<u><u>\$ (248,538,667)</u></u>	<u><u>\$ 120,318,739</u></u>	<u><u>\$ (128,219,928)</u></u>	<u><u>\$ 115,196,950</u></u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018

<u>ASSETS</u>	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Special Source Revenue Bonds	G.O.B Capital Projects	Other Governmental Funds	Total Governmental Funds
Non-pooled cash and cash equivalents	\$ 3,287,655	\$ -	\$ -	\$ -	\$ -	\$ 964,852	\$ 4,252,507
Pooled cash and cash equivalents	38,360,522	31,746,726	73,688,659	2,725,770	91,733,764	36,347,142	274,602,583
Pooled investments	-	-	-	79,034,085	-	-	79,034,085
Restricted cash and cash equivalents	-	-	-	1,668,976	-	1,011,520	2,680,496
Receivables (net of allowances for uncollectibles)	188,065,811	22,443,003	53,730,419	-	-	37,293,723	301,532,956
Due from other funds	29,832,649	-	-	-	-	-	29,832,649
Inventories	707,665	-	-	-	-	-	707,665
<b>Total assets</b>	<b>\$ 260,254,302</b>	<b>\$ 54,189,729</b>	<b>\$ 127,419,078</b>	<b>\$ 83,428,831</b>	<b>\$ 91,733,764</b>	<b>\$ 75,617,237</b>	<b>\$ 692,642,941</b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable	\$ 5,761,276	\$ -	\$ 1,588,765	\$ 311,086	\$ 3,177,976	\$ 2,967,674	\$ 13,806,777
Accrued payroll and fringe benefits	6,319,573	-	24,537	-	-	382,327	6,726,437
Due to other funds	587,885	-	-	-	-	29,832,649	30,420,534
Intergovernmental payable	1,756,931	-	501,754	-	25,521	5,893,373	8,177,579
Unearned revenue	-	-	-	-	-	5,934,060	5,934,060
<b>Total liabilities</b>	<b>14,425,665</b>	<b>-</b>	<b>2,115,056</b>	<b>311,086</b>	<b>3,203,497</b>	<b>45,010,083</b>	<b>65,065,387</b>
Deferred inflows of resources:							
Unavailable property tax revenues - current	160,380,509	21,968,718	-	-	-	12,847,470	195,196,697
Unavailable property tax revenues - delinquent	2,328,982	422,054	-	-	-	267,092	3,018,128
<b>Total deferred inflows of resources</b>	<b>162,709,491</b>	<b>22,390,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,114,562</b>	<b>198,214,825</b>
Fund balances:							
Nonspendable - Inventories	707,665	-	-	-	-	-	707,665
Restricted - Debt service	-	31,798,957	-	-	-	-	31,798,957
Restricted - General government operations	-	-	-	-	-	397,320	397,320
Restricted - Law enforcement and public safety programs	-	-	-	-	-	6,196,223	6,196,223
Restricted - Judicial assistance and programs	-	-	-	-	-	3,649,342	3,649,342
Restricted - Health and welfare assistance	-	-	-	-	-	381,659	381,659
Restricted - Local economic development	-	-	-	-	-	4,209,033	4,209,033
Restricted - Tourism related	-	-	-	-	-	805,048	805,048
Restricted - Capital and infrastructure projects	-	-	125,304,022	83,117,745	-	16,458,889	224,880,656
Committed - Capital and infrastructure projects	-	-	-	-	88,530,267	1,980,523	90,510,790
Assigned - General government operations	5,253,286	-	-	-	-	-	5,253,286
Assigned - Public works	391,640	-	-	-	-	-	391,640
Assigned - Purchases on order	8,908,707	-	-	-	-	-	8,908,707
Assigned for subsequent years' appropriations of fund balance	4,282,000	-	-	-	-	-	4,282,000
Unassigned	63,575,848	-	-	-	-	(16,585,445)	46,990,403
<b>Total fund balances</b>	<b>83,119,146</b>	<b>31,798,957</b>	<b>125,304,022</b>	<b>83,117,745</b>	<b>88,530,267</b>	<b>17,492,592</b>	<b>429,362,729</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 260,254,302</b>	<b>\$ 54,189,729</b>	<b>\$ 127,419,078</b>	<b>\$ 83,428,831</b>	<b>\$ 91,733,764</b>	<b>\$ 75,617,237</b>	<b>\$ 692,642,941</b>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
June 30, 2018**

Total Governmental Fund Balances	\$ 429,362,729
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*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	300,367,033
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Deferred loss on refunding	\$ 15,928,327	
Property taxes	<u>3,018,128</u>	18,946,455

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.	(223,387,489)
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Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance.	(12,290,733)
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Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

General obligation bonds	\$ (592,392,438)	
Special source revenue bonds	(127,764,416)	
Leases payable	(1,764,232)	
Compensated absences	(12,207,713)	
Intergovernmental note payable	(22,365,479)	
Accrued interest payable	<u>(5,042,384)</u>	<u>(761,536,662)</u>

Net position of governmental activities	<u><u>\$ (248,538,667)</u></u>
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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, 2018

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Special Source Revenue Bonds	G.O.B Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Property, local option sales, transportation sales, and other taxes	\$ 164,406,804	\$ 22,007,960	\$ 114,929,407	\$ 20,059,181	\$ -	\$ 34,265,608	\$ 355,668,960
Intergovernmental	25,485,813	376,552	4,612,793	-	-	47,023,718	77,498,876
Permits and licenses	5,885,441	-	-	-	-	-	5,885,441
Fines and forfeitures	1,390,875	-	-	-	-	871,282	2,262,157
Interest	1,162,236	323,502	1,198,999	1,043,865	777,039	311,139	4,816,780
Service charges	22,979,906	-	-	-	-	4,089,640	27,069,546
Rental and use of property	328,145	-	7,529	-	-	-	335,674
Other revenues	6,030,633	-	-	-	-	1,851,532	7,882,165
<b>Total revenues</b>	<b>227,669,853</b>	<b>22,708,014</b>	<b>120,748,728</b>	<b>21,103,046</b>	<b>777,039</b>	<b>88,412,919</b>	<b>481,419,599</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	64,253,759	-	12,088,000	-	-	111,228	76,452,987
Public safety	96,936,227	-	-	-	-	7,239,779	104,176,006
Judicial	20,190,058	-	-	-	-	10,467,033	30,657,091
Public works	8,487,865	-	33,313,740	45,000,125	-	18,050,695	104,852,425
Health and welfare	3,827,880	-	-	-	-	2,488,259	6,316,139
Economic development	-	-	-	-	-	16,867,813	16,867,813
Culture and recreation	15,726,146	-	636,298	-	-	17,111,449	33,473,893
Education	-	-	-	-	-	7,139,713	7,139,713
Capital outlay	-	-	-	-	30,242,778	10,013,359	40,256,137
Debt service	-	31,341,467	29,445,875	5,139,576	491,479	208,650	66,627,047
<b>Total expenditures</b>	<b>209,421,935</b>	<b>31,341,467</b>	<b>75,483,913</b>	<b>50,139,701</b>	<b>30,734,257</b>	<b>89,697,978</b>	<b>486,819,251</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>18,247,918</b>	<b>(8,633,453)</b>	<b>45,264,815</b>	<b>(29,036,655)</b>	<b>(29,957,218)</b>	<b>(1,285,059)</b>	<b>(5,399,652)</b>
<b>Other financing sources (uses):</b>							
Capital lease issuance	-	-	-	-	-	1,319,191	1,319,191
General obligation bonds issued	-	-	-	-	103,205,000	-	103,205,000
General obligation refunding bonds issued	-	-	-	-	16,440,000	-	16,440,000
Transportation sales tax refunding bonds issued	-	-	97,600,000	-	-	-	97,600,000
Special source revenue bonds issued	-	-	-	35,815,000	-	-	35,815,000
Bond premium	-	14,474,159	15,120,520	-	2,045,324	-	31,640,003
Payment to escrow agent for refunding	-	-	(112,288,194)	-	(18,448,866)	-	(130,737,060)
Settlement loss on lawsuit	-	-	-	-	-	(16,100,000)	(16,100,000)
Transfers in	3,977,761	10,061,907	36,193,636	6,477,916	250,019	11,410,928	68,372,167
Transfers out	(12,569,759)	(2,171,641)	(37,843,058)	(9,367,413)	(257,717)	(13,213,538)	(75,423,126)
Proceeds from sale of capital assets	-	-	-	-	-	19,481	19,481
<b>Total other financing sources (uses)</b>	<b>(8,591,998)</b>	<b>22,364,425</b>	<b>(1,217,096)</b>	<b>32,925,503</b>	<b>103,233,760</b>	<b>(16,563,938)</b>	<b>132,150,656</b>
<b>Net change in fund balances</b>	<b>9,655,920</b>	<b>13,730,972</b>	<b>44,047,719</b>	<b>3,888,848</b>	<b>73,276,542</b>	<b>(17,848,997)</b>	<b>126,751,004</b>
<b>Fund balances at beginning of year</b>	<b>73,463,226</b>	<b>18,067,985</b>	<b>81,256,303</b>	<b>79,228,897</b>	<b>15,253,725</b>	<b>35,341,589</b>	<b>302,611,725</b>
<b>Fund balances at end of year</b>	<b>\$ 83,119,146</b>	<b>\$ 31,798,957</b>	<b>\$ 125,304,022</b>	<b>\$ 83,117,745</b>	<b>\$ 88,530,267</b>	<b>\$ 17,492,592</b>	<b>\$ 429,362,729</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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 126,751,004  
*Amounts reported for governmental activities in the statement of activities are different because:*

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

Capital asset additions	\$ 42,741,171	
Depreciation expense	<u>(15,260,682)</u>	27,480,489

Capital asset impairment (11,900,000)

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	12,579,281	
Accumulated depreciation	<u>(8,690,294)</u>	
Net book value	3,888,987	
Proceeds	<u>(19,481)</u>	
Loss on disposal	3,869,506	(3,888,987)
Difference of proceeds and loss on sale		

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	412,889
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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.

38,018,365

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

Capital lease issuances	(1,319,191)	
General obligation bonds issued	(103,205,000)	
General obligation refunding bonds issued	(16,440,000)	
Transportation sales tax refunding bonds issued	(97,600,000)	
Special source revenue bonds issued	(35,815,000)	
Bond premiums	(31,640,003)	
Payment to escrow agent for refunding	<u>130,737,060</u>	(155,282,134)

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

(549,195)

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	\$ (364,648)	
Deferred refunding costs and amortization of bond premiums	<u>4,387,126</u>	4,022,478

To record internal service fund transfers. 4,514,499

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.

701,872

Elimination of indirect income between governmental funds and the enterprise funds.

(5,099,343)

The increase of governmental expenditures to avoid the doubling up of increase in net position from the internal service funds.

(14,134,837)

Change in net position of governmental activities

\$ 11,047,100

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, 2018

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property and local option sales taxes	\$ 163,756,000	\$ 163,756,000	\$ 164,406,804	\$ 650,804
Intergovernmental	26,566,365	26,566,365	25,485,813	(1,080,552)
Permits and licenses	5,655,800	5,655,800	5,885,441	229,641
Fines and forfeitures	1,420,200	1,420,200	1,390,875	(29,325)
Interest	2,164,500	2,164,500	1,162,236	(1,002,264)
Service charges	21,660,150	21,660,150	22,979,906	1,319,756
Rental and use of property	101,000	101,000	328,145	227,145
Other revenues	5,555,314	5,555,314	6,030,633	475,319
<b>Total revenues</b>	<b>226,879,329</b>	<b>226,879,329</b>	<b>227,669,853</b>	<b>790,524</b>
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	4,455,323	4,421,040	4,294,255	126,785
Auditor	2,341,004	2,362,452	2,338,636	23,816
Board of Elections & Voter Registration	1,912,170	1,924,178	1,696,552	227,626
Budget	751,225	791,614	791,410	204
Community Services	548,026	233,771	225,017	8,754
County Administrator	971,492	1,123,822	1,123,655	167
County Council	1,682,257	1,680,257	1,599,325	80,932
Chief Deputy Administrator for General Services	409,565	422,565	422,379	186
Deputy Administrator for Dispatch and Medical Services	-	379,727	372,151	7,576
Deputy Administrator for Finance	483,577	486,577	485,776	801
Deputy Administrator for Human Services	449,360	-	-	-
Deputy Administrator for Transportation Development and Public Works	-	468,691	462,472	6,219
Facilities Management	28,166,881	33,555,964	22,195,902	11,360,062
Finance	1,018,525	1,018,525	1,011,540	6,985
Human Resources	1,886,090	2,144,678	1,841,526	303,152
Internal Auditor	236,013	238,499	239,508	(1,009)
Legal	1,476,866	1,516,143	1,372,063	144,080
Legislative Delegation	251,820	277,504	274,694	2,810
Nondepartmental	5,177,893	1,002,872	111,752	891,120
Procurement	1,429,279	1,432,323	1,420,283	12,040
Register of Deeds	2,025,714	2,037,577	1,822,870	214,707
Revenue Collections - Delinquent Tax	1,144,000	1,145,675	970,146	175,529
Safety & Risk Management	2,299,495	2,299,495	2,097,855	201,640
Technology Services	13,981,719	15,992,099	13,131,556	2,860,543
Treasurer	1,994,840	2,021,846	1,924,374	97,472
Zoning/Planning	2,005,601	2,045,805	2,028,062	17,743
<b>Total general government</b>	<b>77,098,735</b>	<b>81,023,699</b>	<b>64,253,759</b>	<b>16,769,940</b>

See notes to financial statements.

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**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, 2018**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Public Safety:</b>				
Building Inspections	\$ 2,013,099	\$ 2,040,499	\$ 2,033,586	\$ 6,913
Consolidated Dispatch	7,944,167	7,751,341	7,059,205	692,136
Emergency Management	855,176	858,964	819,851	39,113
Emergency Medical Services	17,031,423	16,834,622	16,564,804	269,818
Sheriff	68,565,062	71,543,934	70,458,781	1,085,153
<b>Total public safety</b>	<b>96,408,927</b>	<b>99,029,360</b>	<b>96,936,227</b>	<b>2,093,133</b>
<b>Judicial:</b>				
Clerk of Court	4,093,777	4,166,500	3,942,795	223,705
Coroner	1,910,948	1,889,858	1,905,121	(15,263)
Magistrates Courts	5,222,832	5,225,691	4,995,941	229,750
Master-In-Equity	693,892	694,198	661,825	32,373
Probate Court	2,674,015	2,699,637	2,799,166	(99,529)
Solicitor	6,113,246	6,138,246	5,885,210	253,036
<b>Total judicial</b>	<b>20,708,710</b>	<b>20,814,130</b>	<b>20,190,058</b>	<b>624,072</b>
<b>Public Works:</b>				
Transportation Development	551,960	351,870	347,911	3,959
Public Works Department	10,139,430	8,574,118	8,139,954	434,164
<b>Total public works</b>	<b>10,691,390</b>	<b>8,925,988</b>	<b>8,487,865</b>	<b>438,123</b>
<b>Health and Welfare:</b>				
Indigent Care	1,468,244	1,468,244	1,469,546	(1,302)
Public Works - Mosquito Abatement	2,488,861	2,206,670	1,709,223	497,447
State Agencies	329,859	329,859	284,473	45,386
Veterans Affairs	370,501	372,829	364,638	8,191
<b>Total health and welfare</b>	<b>4,657,465</b>	<b>4,377,602</b>	<b>3,827,880</b>	<b>549,722</b>
<b>Culture and Recreation:</b>				
Charleston County Library	15,726,146	15,778,742	15,726,146	52,596
<b>Total culture and recreation</b>	<b>15,726,146</b>	<b>15,778,742</b>	<b>15,726,146</b>	<b>52,596</b>
<b>Total expenditures</b>	<b>225,291,373</b>	<b>229,949,521</b>	<b>209,421,935</b>	<b>20,527,586</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,587,956</b>	<b>(3,070,192)</b>	<b>18,247,918</b>	<b>21,318,110</b>

See notes to financial statements.

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**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, 2018**

	<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	\$ 3,749,988	\$ 3,749,988	\$ 3,977,761	\$ 227,773
Transfers out	<u>(10,337,944)</u>	<u>(13,236,688)</u>	<u>(12,569,759)</u>	<u>666,929</u>
Total other financing sources and (uses)	<u>(6,587,956)</u>	<u>(9,486,700)</u>	<u>(8,591,998)</u>	<u>894,702</u>
Net change in fund balance	(5,000,000)	(12,556,892)	9,655,920	22,212,812
Fund balance at beginning of year	<u>73,463,226</u>	<u>73,463,226</u>	<u>73,463,226</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 68,463,226</u></u>	<u><u>\$ 60,906,334</u></u>	<u><u>\$ 83,119,146</u></u>	<u><u>\$ 22,212,812</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2018

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	\$ 1,451	\$ 9,500	\$ 479,210	\$ 490,161	\$ -
Pooled cash and cash equivalents	46,469,912	2,088,150	9,424,069	57,982,131	53,309,106
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	2,480,844	106,497	4,612,907	7,200,248	478,758
Due from other funds	-	-	-	-	34,159,818
Inventories	-	-	-	-	368,683
<b>Total current assets</b>	<b>48,952,207</b>	<b>2,204,147</b>	<b>14,516,186</b>	<b>65,672,540</b>	<b>88,441,365</b>
<b>Capital assets:</b>					
Land	4,564,562	2,350,320	-	6,914,882	-
Construction in progress	7,787,014	-	-	7,787,014	65,353
Buildings	3,836,940	14,515,236	9,702,367	28,054,543	1,695,683
Improvements other than buildings	24,738,430	889,020	270,255	25,897,705	-
Machinery and equipment	27,482,848	1,665,299	5,006,846	34,154,993	40,182,233
Less accumulated depreciation	(25,830,632)	(6,978,771)	(8,668,050)	(41,477,453)	(27,790,766)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>42,579,162</b>	<b>12,441,104</b>	<b>6,311,418</b>	<b>61,331,684</b>	<b>14,152,503</b>
<b>Total noncurrent assets</b>	<b>42,579,162</b>	<b>12,441,104</b>	<b>6,311,418</b>	<b>61,331,684</b>	<b>14,152,503</b>
<b>Total assets</b>	<b>91,531,369</b>	<b>14,645,251</b>	<b>20,827,604</b>	<b>127,004,224</b>	<b>102,593,868</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension charges	-	-	-	-	54,787,488
Deferred OPEB charges	-	-	-	-	2,643,696
<b>Total deferred outflows of resouces</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,431,184</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2018

<u>LIABILITIES</u>	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Environmental Management</u>	<u>Parking Garages</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>	
<b>Current liabilities:</b>					
Accounts payable	\$ 2,577,224	\$ 72,506	\$ 1,851,685	\$ 4,501,415	\$ 4,744,248
Accrued payroll and fringe benefits	180,702	29,092	187,323	397,117	95,314
Unearned revenue	-	-	-	-	1,148,035
Compensated absences - current	28,011	-	13,138	41,149	19,284
Due to other funds	14,810,958	2,136,413	16,624,562	33,571,933	-
Intergovernmental payable	15,782	2,170	3,249,834	3,267,786	6,671
Lease payable - current	-	-	-	-	7,920
Accrual for landfill closure - current	845,782	-	-	845,782	-
<b>Total current liabilities</b>	<b>18,458,459</b>	<b>2,240,181</b>	<b>21,926,542</b>	<b>42,625,182</b>	<b>6,021,472</b>
<b>Noncurrent liabilities:</b>					
Net OPEB liability	-	-	-	-	71,337,631
Accrual for landfill closure	8,604,024	-	-	8,604,024	-
Compensated absences	632,806	80,363	605,776	1,318,945	349,183
Net pension liability	-	-	-	-	266,187,886
<b>Total noncurrent liabilities</b>	<b>9,236,830</b>	<b>80,363</b>	<b>605,776</b>	<b>9,922,969</b>	<b>337,874,700</b>
<b>Total liabilities</b>	<b>27,695,289</b>	<b>2,320,544</b>	<b>22,532,318</b>	<b>52,548,151</b>	<b>343,896,172</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Deferred pension credits	-	-	-	-	749,172
Deferred OPEB credits	-	-	-	-	5,195,264
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,944,436</b>
<b><u>NET POSITION</u></b>					
Net investment in capital assets	42,579,162	12,441,104	6,311,420	61,331,686	14,144,583
Unrestricted	21,256,918	(116,397)	(8,016,134)	13,124,387	(203,960,139)
<b>Total net position</b>	<b>\$ 63,836,080</b>	<b>\$ 12,324,707</b>	<b>\$ (1,704,714)</b>	<b>74,456,073</b>	<b>\$ (189,815,556)</b>
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(6,465,694)	
Adjustment to reflect the elimination of indirect and other costs charged by the governmental funds				52,328,360	
<b>Total net position for business-type activities</b>				<b>\$ 120,318,739</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, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 582,947	\$ 3,760,820	\$ 15,730,855	\$ 20,074,622	\$ 66,647,776
User fees	28,705,895	-	-	28,705,895	-
Sale of recyclables	302,410	-	-	302,410	-
Other revenues	8,562	41,226	1,998	51,786	-
<b>Total operating revenues</b>	<b>29,599,814</b>	<b>3,802,046</b>	<b>15,732,853</b>	<b>49,134,713</b>	<b>66,647,776</b>
Operating expenses:					
Personnel services	7,102,306	1,026,771	8,275,572	16,404,649	4,179,810
Contractual services	11,500,442	246,319	2,022,968	13,769,729	5,023,385
Materials and supplies	750,562	183,238	967,218	1,901,018	9,029,223
Utilities	184,245	133,597	690,875	1,008,717	1,524,668
Repairs and maintenance	63,817	109,502	2,222,516	2,395,835	426,888
Rental expenses	144,259	-	696,013	840,272	21,780
Vehicle fleet charges	3,547,029	3,712	25,323	3,576,064	125,363
Employee benefits	1,900,604	258,532	2,079,094	4,238,230	54,752,240
Other expenses	1,494,041	271,158	4,661,562	6,426,761	1,537,880
Depreciation and amortization	4,345,846	495,443	680,203	5,521,492	4,914,820
Landfill closure	845,782	-	-	845,782	-
<b>Total operating expenses</b>	<b>31,878,933</b>	<b>2,728,272</b>	<b>22,321,344</b>	<b>56,928,549</b>	<b>81,536,057</b>
<b>Operating income (loss)</b>	<b>(2,279,119)</b>	<b>1,073,774</b>	<b>(6,588,491)</b>	<b>(7,793,836)</b>	<b>(14,888,281)</b>
Nonoperating revenues (expenses):					
Interest income	684,904	24,084	121,294	830,282	715,609
Interest expense	-	-	-	-	(20,802)
Intergovernmental revenues	400,069	-	832,119	1,232,188	4,318
Gain (loss) on disposal of capital assets	214,335	-	-	214,335	155,954
<b>Total nonoperating revenues (expenses)</b>	<b>1,299,308</b>	<b>24,084</b>	<b>953,413</b>	<b>2,276,805</b>	<b>855,079</b>
<b>Income (loss) before transfers</b>	<b>(979,811)</b>	<b>1,097,858</b>	<b>(5,635,078)</b>	<b>(5,517,031)</b>	<b>(14,033,202)</b>
Transfers in	305,000	-	3,521,070	3,826,070	4,968,750
Transfers out	(270,211)	(979,209)	(40,190)	(1,289,610)	(454,251)
<b>Change in net position</b>	<b>(945,022)</b>	<b>118,649</b>	<b>(2,154,198)</b>	<b>(2,980,571)</b>	<b>(9,518,703)</b>
<b>Total net position- beginning (as restated)</b>	<b>64,781,102</b>	<b>12,206,058</b>	<b>449,484</b>		<b>(180,296,853)</b>
<b>Total net position - ending</b>	<b>\$ 63,836,080</b>	<b>\$ 12,324,707</b>	<b>\$ (1,704,714)</b>		<b>\$ (189,815,556)</b>
Adjustment to reflect the elimination of indirect costs charged by governmental funds				(600,237)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				5,099,346	
<b>Change in net position of business-type activities</b>				<b>\$ 1,518,538</b>	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2018

	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	\$ 29,709,482	\$ 3,831,580	\$ 15,624,587	\$ 49,165,649	\$ 125,590
Cash receipts from interfund services provided	-	-	-	-	63,373,123
Cash payments to suppliers for goods and services	(14,173,830)	(683,636)	(9,128,824)	(23,986,290)	(55,390,252)
Cash payments to employees for services	(8,985,443)	(1,287,167)	(10,298,883)	(20,571,493)	(4,175,512)
<b>Net cash (used in) provided by operating activities</b>	<b>6,550,209</b>	<b>1,860,777</b>	<b>(3,803,120)</b>	<b>4,607,866</b>	<b>3,932,949</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	305,000	-	3,521,070	3,826,070	4,968,750
Transfers (out)	(270,211)	(979,209)	(40,190)	(1,289,610)	(454,251)
Intergovernmental receipt	400,069	-	832,119	1,232,188	4,318
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>434,858</b>	<b>(979,209)</b>	<b>4,312,999</b>	<b>3,768,648</b>	<b>4,518,817</b>
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on long-term debt	-	-	-	-	(320,670)
Interest paid	-	-	-	-	(20,802)
Proceeds from sale of capital assets	214,335	-	-	214,335	218,317
Acquisition and construction of capital assets	(10,973,539)	(605,572)	(437,849)	(12,016,960)	(3,753,243)
<b>Net cash used in capital and related financing activities</b>	<b>(10,759,204)</b>	<b>(605,572)</b>	<b>(437,849)</b>	<b>(11,802,625)</b>	<b>(3,876,398)</b>
<b>Cash flows from investing activities:</b>					
Interest received	684,904	24,084	121,294	830,282	715,609
<b>Net cash provided by investing activities</b>	<b>684,904</b>	<b>24,084</b>	<b>121,294</b>	<b>830,282</b>	<b>715,609</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(3,089,233)</b>	<b>300,080</b>	<b>193,324</b>	<b>(2,595,829)</b>	<b>5,290,977</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>49,560,596</b>	<b>1,797,570</b>	<b>9,709,955</b>	<b>61,068,121</b>	<b>48,143,129</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 46,471,363</b>	<b>\$ 2,097,650</b>	<b>\$ 9,903,279</b>	<b>\$ 58,472,292</b>	<b>\$ 53,434,106</b>
<b>Reconciliation to balance sheet:</b>					
Non-pooled cash and cash equivalents	\$ 1,451	\$ 9,500	\$ 479,210	\$ 490,161	\$ 53,309,106
Pooled cash and cash equivalents	46,469,912	2,088,150	9,424,069	57,982,131	-
Cash with fiscal agent	-	-	-	-	125,000
<b>Cash and cash equivalents at end of year</b>	<b>\$ 46,471,363</b>	<b>\$ 2,097,650</b>	<b>\$ 9,903,279</b>	<b>\$ 58,472,292</b>	<b>\$ 53,434,106</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (2,279,119)	\$ 1,073,774	\$ (6,588,491)	\$ (7,793,836)	\$ (14,888,281)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	4,345,846	495,443	680,203	5,521,492	4,914,820
Provision for landfill closure	845,782	-	-	845,782	-
Allowance for uncollectable accounts	178,121	-	(70,086)	108,035	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
(Increase) decrease in receivables	(68,453)	29,534	(38,179)	(77,098)	(4,297,098)
(Increase) in inventories	-	-	-	-	(56,033)
Increase in net pension liability	3,510,565	263,890	2,157,650	5,932,105	420,917
Increase (decrease) in accrued payroll	17,467	(1,864)	55,783	71,386	4,298
Increase in unearned revenue	-	-	-	-	1,148,035
Increase in net pension liability	-	-	-	-	25,726,088
(Decrease) in OPEB liability	-	-	-	-	(2,082,511)
(Increase) in deferred outflows of resources for pensions	-	-	-	-	(11,483,320)
(Decrease) in deferred inflows of resources for pensions	-	-	-	-	(324,260)
(Increase) in deferred outflows of resources for OPEB	-	-	-	-	(344,970)
Increase in deferred inflows of resources for OPEB	-	-	-	-	5,195,264
Total adjustments	8,829,328	787,003	2,785,371	12,401,702	18,821,230
Net cash provided by (used in) operating activities	\$ 6,550,209	\$ 1,860,777	\$ (3,803,120)	\$ 4,607,866	\$ 3,932,949

See notes to financial statements.



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**COUNTY OF CHARLESTON, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
June 30, 2018**

**ASSETS**

Non-pooled cash and cash equivalents	\$ 13,670,537
Non-pooled investments	128,981
Pooled investments	<u>39,950,026</u>
 Total assets	 <u><u>\$ 53,749,544</u></u>

**LIABILITIES**

Due to component units	\$ 1,203,601
Intergovernmental payable	32,949,318
Due to third parties	<u>19,596,625</u>
 Total liabilities	 <u><u>\$ 53,749,544</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS  
June 30, 2018

	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District
<b>ASSETS</b>				
Non-pooled cash and cash equivalents	\$ 2,766,737	\$ 24,275,784	\$ 61,996	\$ 722,002
Receivables (net of allowances for uncollectibles)	61,796	23,277,183	147,861	913,432
Due from primary government	-	174,658	9,827	17,935
Inventories	35,907	715,390	-	-
Prepaid items and deposits	261,631	4,611,381	-	-
Other non current asset	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	33,387,917	-	-
Capital assets:				
Nondepreciable assets	11,000	111,531,172	2	-
Other capital assets, net of accumulated depreciation	3,838,736	34,906,564	1,951	6,253
<b>Total assets</b>	<b>6,975,807</b>	<b>232,880,049</b>	<b>221,637</b>	<b>1,659,622</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred other postemployment benefit charges (OPEB)	586,366	25,632	-	-
Deferred pension charges	2,624,428	3,727,380	-	-
<b>Total deferred outflows of resources</b>	<b>3,210,794</b>	<b>3,753,012</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	306,256	2,355,957	3,348	79,703
Accrued payroll and fringe benefits	446,496	1,305,895	-	-
Interest payable	-	527,612	-	-
Unearned revenue	-	1,764,475	-	35,671
Noncurrent liabilities:				
Due within one year	149,377	4,542,546	-	-
Due in more than one year	1,554,476	44,662,489	-	-
OPEB liability	5,358,392	6,919,812	-	-
Net pension liability	16,567,418	23,120,547	-	-
<b>Total liabilities</b>	<b>24,382,415</b>	<b>85,199,333</b>	<b>3,348</b>	<b>115,374</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to OPEB credits	390,232	72,249	-	-
Deferred revenue - property taxes	-	22,018,444	138,676	850,543
Deferred pension credits	780,536	517,887	-	-
<b>Total deferred inflows of resources</b>	<b>1,170,768</b>	<b>22,608,580</b>	<b>138,676</b>	<b>850,543</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,342,643	121,145,873	1,953	6,253
Restricted for:				
Debt service	-	10,576,571	-	-
1% fee	-	-	-	-
Special programs	158,146	-	-	-
Capital projects	-	250,191	-	-
Unrestricted	(18,867,371)	(3,147,487)	77,660	687,452
<b>Total net position</b>	<b>\$ (15,366,582)</b>	<b>\$ 128,825,148</b>	<b>\$ 79,613</b>	<b>\$ 693,705</b>

See notes to financial statements.

Charleston County Volunteer Rescue Squad Dec. 31, 2017	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Totals
\$ 232,588	\$ 453,321	\$ 4,651,576	\$ 2,270,953	\$ 35,434,957
-	1,430,975	14,003,298	6,156,783	45,991,328
-	16,456	438,271	553,096	1,210,243
-	-	-	-	751,297
2,475	21,665	62,348	76,004	5,035,504
-	40,000	-	-	40,000
-	-	3,354,623	22,687	36,765,227
87,679	519,000	3,301,847	769,603	116,220,303
908,602	2,451,293	12,470,320	5,915,712	60,499,431
1,231,344	4,932,710	38,282,283	15,764,838	301,948,290
-	-	-	-	611,998
-	2,275,269	3,580,196	1,215,032	13,422,305
-	2,275,269	3,580,196	1,215,032	14,034,303
2,014	71,053	634,496	274,466	3,727,293
-	266,699	292,166	76,004	2,387,260
-	-	89,533	27,653	644,798
42,166	308,595	-	-	2,150,907
-	169,004	2,068,336	596,737	7,526,000
-	85,479	11,805,626	2,825,631	60,933,701
-	-	-	-	12,278,204
-	4,875,339	14,187,230	5,363,299	64,113,833
44,180	5,776,169	29,077,387	9,163,790	153,761,996
-	-	-	-	462,481
-	1,357,811	13,806,199	5,770,499	43,942,172
-	330,406	334,183	655,982	2,618,994
-	1,688,217	14,140,382	6,426,481	47,023,647
996,281	2,803,284	5,617,413	3,537,386	137,451,086
-	-	311,497	146,956	11,035,024
-	-	-	22,687	22,687
5,000	-	-	-	163,146
-	-	-	-	250,191
185,883	(3,059,691)	(7,284,200)	(2,317,430)	(33,725,184)
<u>\$ 1,187,164</u>	<u>\$ (256,407)</u>	<u>\$ (1,355,290)</u>	<u>\$ 1,389,599</u>	<u>\$ 115,196,950</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS  
For the Year Ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position								
		Charges for	Operating	Capital	Charleston	Charleston	Cooper River	North	Chas County	St. Andrew's	St. John's	St. Paul's	
	Expenses	Services	Grants and	Grants and	County	County	Park &	Charleston	Volunteer	Parish	Fire	Fire	Total
			Contributions	Contributions	Library	PRC	Playground	District	Rescue Squad	Parks &	District	District	
									Dec. 31, 2017	Playground			
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 17,768,448	\$ 349,029	\$ 16,115,701	\$ 612,866	\$ (690,852)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (690,852)
Charleston County PRC													
Governmental activities:													
General government	12,080,091	-	57,151	-	-	(12,022,940)	-	-	-	-	-	-	(12,022,940)
Recreation/Park operations	25,166,185	15,288,197	-	1,298,854	-	(8,579,134)	-	-	-	-	-	-	(8,579,134)
Interest and fiscal charges	1,175,566	-	-	-	-	(1,175,566)	-	-	-	-	-	-	(1,175,566)
Total governmental activities	38,421,842	15,288,197	57,151	1,298,854	-	(21,777,640)	-	-	-	-	-	-	(21,777,640)
Cooper River Park & Playground													
Governmental activities:													
General government	9,830	-	-	-	-	-	(9,830)	-	-	-	-	-	(9,830)
Culture and recreation	254,894	-	-	-	-	-	(254,894)	-	-	-	-	-	(254,894)
Total governmental activities	264,724	-	-	-	-	-	(264,724)	-	-	-	-	-	(264,724)
North Charleston District													
Governmental activities:													
General government	23,491	-	-	-	-	-	-	(23,491)	-	-	-	-	(23,491)
Public safety	996,792	-	-	-	-	-	-	(996,792)	-	-	-	-	(996,792)
Public works	323,778	-	-	-	-	-	-	(323,778)	-	-	-	-	(323,778)
Total governmental activities	1,344,061	-	-	-	-	-	-	(1,344,061)	-	-	-	-	(1,344,061)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public Safety	409,193	-	335,600	-	-	-	-	-	(73,593)	-	-	-	(73,593)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS  
For the Year Ended June 30, 2018

	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, 2017	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	
St. Andrew's Parish Parks & Playground Commission													
Governmental activities:													
General government	\$ 2,177,496	\$ 37,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,139,653)	\$ -	\$ -	\$ (2,139,653)
Culture and recreation	786,279	956,473	-	-	-	-	-	-	-	170,194	-	-	170,194
Interest	5,692	-	-	-	-	-	-	-	-	(5,692)	-	-	(5,692)
Total governmental activities	2,969,467	994,316	-	-	-	-	-	-	-	(1,975,151)	-	-	(1,975,151)
Business-type activities:													
Culture and recreation	2,325,732	1,487,913	-	-	-	-	-	-	-	(837,819)	-	-	(837,819)
Total St. Andrew's Parish Parks & Playground Commission	5,295,199	2,482,229	-	-	-	-	-	-	-	(2,812,970)	-	-	(2,812,970)
St. John's Fire District													
Governmental activities:													
Public safety	13,499,661	-	5,683	-	-	-	-	-	-	-	(13,493,978)	-	(13,493,978)
Interest	403,680	-	-	-	-	-	-	-	-	-	(403,680)	-	(403,680)
Total governmental activities	13,903,341	-	5,683	-	-	-	-	-	-	-	(13,897,658)	-	(13,897,658)
St. Paul's Fire District													
Governmental activities:													
Public safety	5,418,877	-	-	-	-	-	-	-	-	-	-	(5,418,877)	(5,418,877)
Total Component Units	<u>\$ 82,825,685</u>	<u>\$ 18,119,455</u>	<u>\$ 16,514,135</u>	<u>\$ 1,911,720</u>									<u>\$ (46,280,375)</u>
General Revenues:													
Property taxes					-	22,624,423	163,227	995,514	-	1,816,783	14,279,185	6,858,306	46,737,438
Merchants inventory tax and manufacturer's depreciation					-	418,379	55,574	216,779	-	54,520	-	13,742	758,994
Franchise fees					-	-	-	36,598	-	-	-	-	36,598
Unrestricted investment earnings					-	14,030	-	9,218	814	231	-	414	24,707
Gains on sale of capital assets					-	-	-	-	19,550	-	-	-	19,550
Fundraising and donations					-	-	-	-	57,768	-	-	-	57,768
Miscellaneous					-	229,249	-	-	-	-	240,069	383,673	852,991
Total general revenues					-	23,286,081	218,801	1,258,109	78,132	1,871,534	14,519,254	7,256,135	48,488,046
Change in net position					(690,852)	1,508,441	(45,923)	(85,952)	4,539	(941,436)	621,596	1,837,258	2,207,671
Net position - beginning, as restated					(14,675,730)	127,316,707	125,536	779,657	1,182,625	685,029	(1,976,886)	(447,659)	112,989,279
Net position - end of year					<u>\$ (15,366,582)</u>	<u>\$ 128,825,148</u>	<u>\$ 79,613</u>	<u>\$ 693,705</u>	<u>\$ 1,187,164</u>	<u>\$ (256,407)</u>	<u>\$ (1,355,290)</u>	<u>\$ 1,389,599</u>	<u>\$ 115,196,950</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

**INDEX**

	<u>Page(s)</u>
<b>Summary of Significant Accounting Policies</b>	
<b>Introduction</b> .....	60
<b>Financial Reporting Entity</b> .....	60-63
<b>Basis of Presentation</b> .....	64-66
<b>Measurement Focus</b> .....	66
<b>Basis of Accounting</b> .....	67-68
<b>Assets, Liabilities and Equity</b>	
Cash and Investments.....	68-70
Receivables and Payables .....	70-71
Inventories and Prepaid Items.....	71
Restricted Assets .....	71
Capital Assets .....	71-72
Long-term Obligations .....	72
Compensated Absences .....	72
Fund Equity .....	73-74
Accounting Estimates.....	74
Net Position .....	74
Operating Revenues and Expenses .....	74
Interfund Activity .....	74
Pensions .....	74
Deferred Outflows/Inflows of Resources .....	75
Pensions and Other Postemployment Benefits.....	75-76
<b>Stewardship, Compliance and Accountability</b>	
Budgetary Information.....	76
<b>Detailed Notes On All Funds</b>	
Cash Deposits, Cash Equivalents and Investments .....	76-79
Receivables .....	80-81
Capital Assets .....	82-86
Interfund Receivables and Payables .....	86
Interfund Transfers.....	87
Leases .....	87-88
Landfill Closure and Post-Closure Cost.....	88-89
Short-term Debt .....	89
Long-term Debt .....	89-99
Fund Equity.....	100
<b>Other Information</b>	
Risk Management .....	100-101
Subsequent Events.....	101
Contingent Liabilities.....	101-102
Commitments.....	102-106
Deferred Compensation Plan .....	106
Other Post-Employment Benefits .....	106-113
Funds Held by Coastal Community Foundation .....	113
Employee Retirement Systems and Plans .....	114-123
Related Party.....	124
Pending Implementation of GASB Statements.....	124-125
Tax Abatement.....	125-126
Change in Accounting Principle.....	126

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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, 2018.

**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 financial burdens on, the



**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

primary government, the primary government is financially accountable for those organizations. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists:

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



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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>
<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>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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. Interfund services provided and used are not eliminated in the process of consolidation. 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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

*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.

*G.O.B. Capital Projects* – This fund accounts for financial resources to be used to complete construction projects funded by bond issues. These projects include renovation and construction of libraries, security updates for the detention center, new Awendaw fire station and major software upgrades.

**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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

*Employee Benefits* – This fund is used to account for costs of providing health and life insurance to the County's employees and retirees, 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, Register of Deeds, 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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, 2017, but which were levied to finance fiscal year 2019 operations have been recorded as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met are recorded as deferred inflows of resources.

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

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 and have been reported as unearned revenue.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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 an acquisition 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, Deferred Outflows/Inflows of Resources, 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 allows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*.

The County measures and records its investments using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County can access at the measurement date.
- Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:
  - Quoted prices for similar assets and liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted market prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

- Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:
- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The County believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

At June 30, 2018, 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 statutes authorize investments in the following:

1. Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement of gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
3. (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
4. Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
5. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest: provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
6. Repurchase agreements when collateralized by securities as set forth in the section.
7. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit,

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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 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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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 acquisition 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, 2018.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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. The employee may receive the balance of their accumulated vacation pay upon separation from the County. The County records a liability for this balance. 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.

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The entire compensated absence liability and expense are reported in the government-wide financial statements. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year-end that are expected to be paid within a short time subsequent to year end, if they are material.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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*. 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.

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; unless there are legal documents, contracts, or agreements that prohibit doing such.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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 represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or 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.

**13.     *Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS), and additions to/deductions from the SCRS's fiduciary net position have been determined on the same basis as they are reported by SCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**14. Deferred Outflows/Inflows of Resources**

*Deferred Outflows 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 (expense/expenditure) until then. The County may have five items that qualify for reporting in this category as follows:

1. Pension and OPEB contributions made subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The net difference between the projected and actual earnings on pension plan and OPEB investments which is deferred and amortized over a closed five-year period.
3. The differences between expected and actual experience which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
4. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.
5. Changes in actuarial assumptions, which will be deferred and amortized over the remaining service lives of all plan participants.

*Deferred Inflows of Resources*

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County may have the following items that qualify for reporting in this category:

1. The differences between expected and actual experience which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
2. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.
3. Changes in actuarial assumptions, which will be deferred and amortized over the remaining service lives of all plan participants.

**15. Pensions and Other Postemployment Benefits**

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The County recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the County's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

County's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings as qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

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

### **A. Budgetary Information**

Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Debt Service 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. Certain reclasses have been made to the general fund presentation of the budget.

All agencies of the County and its component units must submit requests for appropriations to the County Administrator by April 15 along with revenue estimates so that a budget may be prepared. During May, 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 ordinances.

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, unless otherwise authorized in the budget ordinance.

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, except for Council designations and outstanding encumbrances.

## **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



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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, 2018, \$567,282 of the County's bank balance of \$124,233,726 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, 2018, the County had no exposed custodial credit risk on its investments which total \$410,203,503. \$79,163,066 is reported on the Statement of Net Position and \$40,079,007 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 \$291,090,416 invested in the South Carolina Local Government Investment Pool (SCLGIP). This is shown as pooled cash equivalents on the face of the financials. \$128,981 has been invested in certificates of deposits and therefore by definition is not subject to credit risk. \$118,984,111 has been invested in Federal Home Loan Bank. They are rated AAA and Aaa for long-term unsecured debt by Standards & Poor's and Moodys, respectively. The County has no formal policy relating to the credit risk of investments.

***Investment Policy***

The County's Investments are carried at fair 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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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.

	<u>Maturity Date</u>		
<b>Investments and Maturity:</b>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Certificates of Deposits	\$ -	\$ 128,981	\$ -
SCLGIP	291,090,416	-	-
Federal Home Loan Bank	-	118,984,111	-
	<u>\$ 291,090,416</u>	<u>\$ 119,113,092</u>	<u>\$ -</u>

***Concentrations of Credit Risk***

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

Certificates of Deposits	0.03%
SCLGIP	70.96%
Federal Home Loan Bank	29.01%
	<u>100.00%</u>

**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, 2018, St. John's Fire District had \$11,108 invested in the State Treasurer's Local Government Investment Pool.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

***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	\$ 112,329
Cash on hand - component units	2,645
Carrying amount of deposits - primary government	115,784,776
Carrying amount of deposits - component units	72,186,431
Carrying amount of investments - primary government	410,203,508
Carrying amount of investments - component units	11,108
Cash with fiscal agent - primary government	125,000
Total carrying amount of cash and investments	<u>\$ 598,425,797</u>
Non-pooled cash and cash equivalents	\$ 53,848,162
Pooled cash and cash equivalents	385,893,820
Restricted cash and cash equivalents	39,445,723
Pooled investments	118,984,111
Non-pooled investments	128,981
Cash with fiscal agent	125,000
Total carrying amount of cash and investments	<u>\$ 598,425,797</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**B. Receivables**

Receivables as of June 30, 2018, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			
Primary government:				
	General	Debt Service	Transportation Special Revenue Fund	Non-major Governmental Funds
Receivables:				
Current property taxes	\$ 167,604,252	\$ 22,872,169	\$ -	\$ 13,504,448
Delinquent property taxes	4,912,618	904,291	-	595,811
Accounts	37,505,838	-	14	1,158,299
Intergovernmental	22,463,134	918	53,730,405	23,688,586
Gross receivables	232,485,842	23,777,378	53,730,419	38,947,144
Uncollectable:				
Current property taxes	7,223,743	903,451	-	656,978
Delinquent property taxes	2,377,933	430,924	-	272,703
Accounts	34,818,355	-	-	723,740
Gross allowance	44,420,031	1,334,375	-	1,653,421
Net total receivable	\$ 188,065,811	\$ 22,443,003	\$ 53,730,419	\$ 37,293,723

	Proprietary				Totals
	Governmental Activities-Internal Service Funds	Environmental Management	Parking Garages	Non-major Business-Type Activities	Primary Government
Receivables:					
Current property taxes	\$ -	\$ -	\$ -	\$ -	\$ 203,980,869
Delinquent property taxes	-	-	-	-	6,412,720
Accounts	412,848	6,262,911	45,012	5,361,701	50,746,623
Intergovernmental	65,910	144,346	61,485	637,484	100,792,268
Gross receivables	478,758	6,407,257	106,497	5,999,185	361,932,480
Less allowance for uncollectable:					
Current property taxes	-	-	-	-	8,784,172
Delinquent property taxes	-	-	-	-	3,081,560
Accounts	-	3,926,413	-	1,386,278	40,854,786
Gross allowance	-	3,926,413	-	1,386,278	52,720,518
Net total receivable	\$ 478,758	\$ 2,480,844	\$ 106,497	\$ 4,612,907	\$ 309,211,962

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Component Units:**

	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>NCD</u>
Receivables:				
Current property taxes	\$ -	\$ 22,923,939	\$ 151,724	\$ 930,572
Delinquent property taxes	-	867,305	16,188	98,442
Accounts	2,543	420,504	-	-
Intergovernmental	59,253	101,026	-	-
Gross receivables	<u>61,796</u>	<u>24,312,774</u>	<u>167,912</u>	<u>1,029,014</u>
Less allowance for uncollectible:				
Current property taxes	-	905,495	13,048	80,029
Delinquent property taxes	-	130,096	7,003	35,553
Accounts	-	-	-	-
Gross allowance	<u>-</u>	<u>1,035,591</u>	<u>20,051</u>	<u>115,582</u>
Net total receivable	<u>\$ 61,796</u>	<u>\$ 23,277,183</u>	<u>\$ 147,861</u>	<u>\$ 913,432</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,431,081	\$ 14,281,782	\$ 6,220,220	\$ 45,939,318
Delinquent property taxes	86,378	258,202	413,176	1,739,691
Accounts	14,516	17,881	-	455,444
Intergovernmental	-	-	-	160,279
Gross receivables	<u>1,531,975</u>	<u>14,557,865</u>	<u>6,633,396</u>	<u>48,294,732</u>
Less allowance for uncollectible:				
Current property taxes	73,271	475,583	449,721	1,997,147
Delinquent property taxes	27,729	78,984	26,892	306,257
Accounts	-	-	-	-
Gross allowance	<u>101,000</u>	<u>554,567</u>	<u>476,613</u>	<u>2,303,404</u>
Net total receivable	<u>\$ 1,430,975</u>	<u>\$ 14,003,298</u>	<u>\$ 6,156,783</u>	<u>\$ 45,991,328</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**C. Capital Assets**

Primary government capital asset activity for the year ended June 30, 2018, was as follows:

<b>Governmental Activities</b>	<b>Balance July 1, 2017</b>	<b>Transfers/ Additions</b>	<b>Transfers/ Deletions</b>	<b>Balance June 30, 2018</b>
Capital assets not being depreciated:				
Land	\$ 23,281,871	\$ 9,515,680	\$ -	\$ 32,797,551
Construction in progress	2,669,415	10,203,812	(243,042)	12,630,185
Infrastructure-easements, land	12,284,802	270,744	(1,229,929)	11,325,617
Total capital assets not being depreciated	38,236,088	19,990,236	(1,472,971)	56,753,353
Capital assets being depreciated:				
Buildings	332,221,868	-	-	332,221,868
Improvements other than buildings	4,395,542	731,603	-	5,127,145
Machinery and equipment	128,248,867	14,013,129	(3,158,565)	139,103,431
Infrastructure	41,182,286	102,489	(9,770,783)	31,513,992
Total capital assets being depreciated	506,048,563	14,847,221	(12,929,348)	507,966,436
Less accumulated depreciation:				
Buildings	(110,698,168)	(7,420,600)	-	(118,118,768)
Improvements other than buildings	(1,922,250)	(197,886)	-	(2,120,136)
Machinery and equipment	(92,424,068)	(11,841,901)	2,879,841	(101,386,128)
Infrastructure	(35,188,193)	(715,115)	7,328,087	(28,575,221)
Total accumulated depreciation	(240,232,679)	(20,175,502)	10,207,928	(250,200,253)
Total capital assets being depreciated, net	265,815,884	(5,328,281)	(2,721,420)	257,766,183
Governmental activities				
Total capital assets, net	\$ 304,051,972	\$ 14,661,955	\$ (4,194,391)	\$ 314,519,536

**Asset impairment and Loss on Settlement of Lawsuit**

In November 2017 the County reached a settlement in a lawsuit with Chicora Life Center, LC. The County took ownership of 3600 Rivers Avenue at a cost to the County of \$33,000,000. The settlement price exceeded the appraised value by \$16,100,000. The County recognized the latter amount as a loss on settlement of lawsuit in both the fund financial statements and the governmental statement of activities. In August 2018, County Council authorized staff to coordinate with consultants on options concerning 3600 Rivers Avenue including demolition of the current building and construction of a new building on that property. At that time, the hospital building at 3600 Rivers Avenue was determined to be too expensive to renovate; therefore, the County has recorded a capital asset impairment of \$11,900,000 leaving only the land on the County's Capital asset schedule with an estimated value of \$5,000,000. Both the capital asset impairment and loss on settlement of lawsuit are shown as special items on the governmental statement of activities.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

	Balance July 1, 2017	Transfer/ Additions	Transfers/ Deletions	Balance June 30, 2018
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 6,914,882	\$ -	\$ -	\$ 6,914,882
Construction in progress	1,073,374	7,014,893	(301,253)	7,787,014
Total capital assets not being depreciated	<u>7,988,256</u>	<u>7,014,893</u>	<u>(301,253)</u>	<u>14,701,896</u>
Capital assets being depreciated:				
Buildings	28,054,543	-	-	28,054,543
Improvements other than buildings	24,813,365	1,084,340	-	25,897,705
Machinery and equipment	31,376,123	4,218,978	(1,440,108)	34,154,993
Total capital assets being depreciated	<u>84,244,031</u>	<u>5,303,318</u>	<u>(1,440,108)</u>	<u>88,107,241</u>
Less accumulated depreciation:				
Buildings	(12,347,101)	(616,948)	-	(12,964,049)
Improvements other than buildings	(6,611,246)	(1,141,228)	-	(7,752,474)
Machinery and equipment	(18,403,298)	(3,763,316)	1,405,684	(20,760,930)
Total accumulated depreciated	<u>(37,361,645)</u>	<u>(5,521,492)</u>	<u>1,405,684</u>	<u>(41,477,453)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>46,882,386</u>	<u>(218,174)</u>	<u>(34,424)</u>	<u>46,629,788</u>
Total capital assets, net	<u><u>\$ 54,870,642</u></u>	<u><u>\$ 6,796,719</u></u>	<u><u>\$ (335,677)</u></u>	<u><u>\$ 61,331,684</u></u>

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

**Governmental Activities**

General government	\$ 9,402,729
Public safety	7,044,971
Judicial	1,673,705
Public works	1,352,977
Health and welfare	131,150
Economic development	15,396
Culture and recreation	554,574
Total	<u><u>\$ 20,175,502</u></u>

**Business-type Activities**

DAODAS	\$ 309,438
E-911 Communications	212,946
Environmental Management	4,345,846
Parking Garages	495,443
Radio Communications	141,611
Revenue Collections	16,208
Total	<u><u>\$ 5,521,492</u></u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Component Units**

Capital assets not being depreciated:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Land	\$ 109,988,593	\$ 304,195	\$ (64,948)	\$ 110,227,840
Construction in progress	1,081,910	5,399,698	(500,145)	5,981,463
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>111,081,503</u>	<u>5,703,893</u>	<u>(565,093)</u>	<u>116,220,303</u>
Capital assets being depreciated:				
Buildings	73,848,682	1,075,659	(3,925,380)	70,998,961
Improvements other than buildings	24,120,476	-	(2,238,705)	21,881,771
Machinery and equipment	29,520,086	2,700,316	(3,268,610)	28,951,792
Infrastructure	5,602,500	-	(381,536)	5,220,964
Library materials	13,577,527	1,547,895	(1,722,825)	13,402,597
Total capital assets being depreciated	<u>146,669,271</u>	<u>5,323,870</u>	<u>(11,537,056)</u>	<u>140,456,085</u>
Less accumulated depreciation	<u>(81,853,799)</u>	<u>(6,760,571)</u>	<u>8,657,716</u>	<u>(79,956,654)</u>
Total capital assets being depreciated, net	<u>64,815,472</u>	<u>(1,436,701)</u>	<u>(2,879,340)</u>	<u>60,499,431</u>
Component units				
Total capital assets, net	<u><u>\$ 175,896,975</u></u>	<u><u>\$ 4,267,192</u></u>	<u><u>\$ (3,444,433)</u></u>	<u><u>\$ 176,719,734</u></u>

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

General government	\$ 2,828,800
Public safety	1,659,580
Culture and recreation	<u>2,272,191</u>
Total	<u><u>\$ 6,760,571</u></u>



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Construction in progress in the Governmental and Business-type Activities as of June 30, 2018, is composed of the following:

**Primary Government**

Governmental activities:	Project Authorization	Expended to June 30, 2018	Commitments Outstanding	Required Future Financing
Awendaw Fire Station	\$ 1,407,091	\$ 69,363	\$ 137,745	General Obligation Bonds
Library Projects	108,500,000	11,392,040	50,465,858	General Obligation Bonds
Detention Center Air Handlers	211,576	211,947	1,716	None
Azalea Compound	9,500,000	87,359	191,868	General Obligation Bonds
Sheriff Radio Speed Enforcement	24,433	21,189	714	None
Technology Projects	597,200	118,794	128,007	None
Detention Center Exterior Recoat	750,000	39,554	708,200	None
Record Center Renovation	225,000	146,083	18,650	None
Fallen Officer Memorial	363,200	31,555	342,914	None
Detention Center Boiler	247,309	211,253	511	None
Other Small Projects	128,678	78,913	-	None
PSB Fire Suppressions	200,000	156,782	8,035	None
<b>Internal Service Fund:</b>				
Telecommunications	69,618	65,353	3,531	None
<b>Total Governmental Activities</b>	<b>\$ 122,224,105</b>	<b>\$ 12,630,185</b>	<b>\$ 52,007,749</b>	

Business-type activities:	Project Authorization	Expended to June 30, 2018	Commitments Outstanding	Required Future Financing
Materials Recovery Facility Relocation	\$ 24,860,805	\$ 7,787,014	\$ 16,569,217	None
<b>Total business-type activities</b>	<b>\$ 24,860,805</b>	<b>\$ 7,787,014</b>	<b>\$ 16,569,217</b>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2018, the County has assets under capital lease with a total cost of \$4,209,335 and a net book value of \$2,130,451. 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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

<b>Component Unit</b>	<b>Project Authorization</b>	<b>Expended to June 30, 2018</b>	<b>Commitments Outstanding</b>	<b>Required Future Financing</b>
<b>CCPRC</b>				
Rural Rec Pool	\$ 2,000,000	\$ 208,549	\$ 2,705,114	General Obligation Bonds
Beachwalker Park Facility Renovation	250,000	7,540	29,610	None
James Island Park	375,000	3,400	23,600	General Obligation Bonds
Laurel Hill Dike Project	53,000	9,750	-	General Obligation Bonds
Whirlin Waters Attraction	3,497,820	1,015,084	1,907,329	General Obligation Bonds
Splash Zone Attraction	557,954	1,592,515	484,663	General Obligation Bonds
Stono River Project	212,791	131,216	81,575	None
WCP Dog Park	2,025,183	161,466	81,203	General Obligation Bonds
Folly Beach Infrastructure	579,500	136,902	66,945	General Obligation Bonds
<b>Total CCPRC</b>	<b>\$ 9,551,248</b>	<b>\$ 3,266,422</b>	<b>\$ 5,380,039</b>	
 SJFD-Fire Station	 \$ 5,362,900	 \$ 2,715,041	 \$ 2,647,859	 General Obligation Bonds
<b>Total SJFD</b>	<b>5,362,900</b>	<b>2,715,041</b>	<b>2,647,859</b>	
 <b>Total Component Units</b>	 <b>\$ 14,914,148</b>	 <b>\$ 5,981,463</b>	 <b>\$ 8,027,898</b>	

**C. Interfund Receivables and Payables**

The composition of primary government interfund balances at June 30, 2018, is as follows:

	<b>Receivable Fund</b>	<b>Payable Fund</b>
Major governmental funds: General Fund	\$ 29,832,649	\$ 587,885
Non-major governmental funds	-	29,832,649
Major enterprise funds: Environmental Management	-	14,810,958
Major enterprise funds: Parking Garages	-	2,136,413
Non-major enterprise funds	-	16,624,562
Internal service funds	34,159,818	-
<b>Total</b>	<b>\$ 63,992,467</b>	<b>\$ 63,992,467</b>

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 of \$210,882,261 for the Year Ended June 30, 2018. This is a result of the provisions of GASB 68 which requires the County to report the pension liabilities for the state retirement plan and GASB 75 for other Post employment Benefits, as well as related deferred inflows and deferred outflows of resources 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 of \$2,435,647 in the Revenue Collections Fund and \$4,153,183 in DAODAS which also will be funded by governmental funds in future years. The Disaster Fund deficit of \$3,908,241 will be funded by FEMA reimbursements, the General Fund and Transportation Sales Tax as authorized by Council. The Construction Fund also has a deficit of \$12,677,204 which will be funded by the future sale of capital assets.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**D. Interfund Transfers**

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	\$ 3,977,761	\$ (12,569,759)
Debt Service Fund	10,061,907	(2,171,641)
Transportation and Road Sales Tax	36,193,636	(37,843,058)
Special Source Revenue Bonds	6,477,916	(9,367,413)
G.O.B. Capital Projects	250,019	(257,717)
Non-major governmental funds	11,410,928	(13,213,538)
Major business-type activities:		
Environmental Management	305,000	(270,211)
Parking Garage	-	(979,209)
Non-major business-type activities	3,521,070	(40,190)
Internal Service Funds	4,968,750	(454,251)
Total	<u>\$ 77,166,987</u>	<u>\$ (77,166,987)</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 April 2014, The Charleston County Library entered into a lease agreement for public use computers. The lease agreement is for a 48-month period commencing in May 2014, ending April 2018, 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 a lease agreement for computers to be used in the technology labs. The lease agreement is for a 48-month period commencing in December 2015, ending August 2019, with a minimum monthly charge of \$2,224 for a total minimum commitment of \$106,752 over the lease term.

In January 2017, the Library entered into an additional lease agreement for computers to be used by staff members. The lease agreement is for a 48-month period commencing in February 2017, ending January 2021, with a minimum monthly charge of \$6,960 for a total minimum commitment of \$334,080 over the lease term.

In January 2018, the Library entered into a lease agreement for public use computers. The lease agreement is for a 48-month period commencing May 2018, ending April 2022, with a minimum monthly charge of \$8,611 for a total commitment of \$413,328 over the lease term.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Total rent expense associates with the computer leases for the year ended June 30, 2018, is \$198,840. The future minimum lease payments for the leases are as follows:

<u>Year Ending - June 30</u>	<u>Amount</u>
2019	\$ 213,540
2020	202,423
2021	152,052
2022	86,110
	<u>\$ 654,125</u>

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; one such lease is for copiers and related services. Minimum monthly rental expense for the copier rental and related service agreements is \$10,348. Total rental expense associated with the copier leases for the year ended June 30, 2018, is \$167,110.

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>
2019	\$ 1,494
	<u>\$ 1,494</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 \$9,449,806 reported as the accrual for landfill closure and post-closure at June 30, 2018, represents the estimated remaining cost reported of \$25,415,974 less \$15,966,168 deferred to date based on the following information:

<u>Landfill Site</u>	<u>Percentage of Capacity Used</u>	<u>Estimated Costs Recognized</u>			<u>Balance To Be Recognized</u>
		<u>Closure</u>	<u>Post-closure</u>	<u>Total</u>	
Romney Street	100%	\$ 5,490,798	\$ 311,011	\$ 5,801,809	\$ -
Bees Ferry					
Ash storage facility	100%	1,117,258	87,796	1,205,054	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	29.6%	5,802,000	870,000	6,672,000	15,868,503
Bees Ferry C&D landfill	93.8%	2,352,000	27,000	2,379,000	97,665
Totals		<u>\$ 30,527,865</u>	<u>\$ 1,295,807</u>	<u>\$ 31,823,672</u>	<u>\$ 15,966,168</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2018. 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, user fees, 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 214 in the statistical section of this report.

**H. Short-term Debt**

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, 2018. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SPFD	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
SJFD	-	1,500,000	1,500,000	-
	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

**I. Long-term Debt**

The following is a summary of debt transactions for the County for the year ended June 30, 2018.

<b>Primary Government:</b>	Balance July 1, 2017	Increase	Decrease	Balance June 30, 2018	Amounts Due In One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 517,750,531	\$ 248,885,003	\$ 174,243,096	\$ 592,392,438	\$ 49,641,601
Special source revenue bond	92,322,474	35,815,000	373,058	127,764,416	3,753,649
Intergovernmental note payable	23,990,806	-	1,625,327	22,365,479	1,718,458
Capital lease payable	1,431,669	1,319,191	978,708	1,772,152	623,235
Compensated absences	12,209,492	854,056	487,368	12,576,180	487,368
Total	<u>\$ 647,704,972</u>	<u>\$ 286,873,250</u>	<u>\$ 177,707,557</u>	<u>\$ 756,870,665</u>	<u>\$ 56,224,311</u>
<u>Business-type activities</u>					
Accrual for landfill closure	\$ 8,604,024	\$ 845,782	\$ -	\$ 9,449,806	\$ 845,782
Compensated absences	1,339,741	61,502	41,149	1,360,094	41,149
Total	<u>\$ 9,943,765</u>	<u>\$ 907,284</u>	<u>\$ 41,149</u>	<u>\$ 10,809,900</u>	<u>\$ 886,931</u>

Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences, net pension obligations and net other post-employment benefit obligations are generally liquidated from the applicable governmental fund's budgeted operations monies, of which the general fund is the most significant.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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, 2018, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
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. Partially refunded in fiscal year 2016, matures in fiscal year 2020.	\$50,000,000	\$4,750,000
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	\$1,240,000
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. Partially refunded in fiscal year 2018, matures in fiscal year 2022.	167,000,000	32,310,000
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. Partially refunded in fiscal year 2018, matures in fiscal year 2022.	27,100,000	4,735,000
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	25,260,000
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	70,130,000
May 21, 2013	General Obligation Refunding Bond Series A of 2013, 3.00 percent to 5.00 percent semi-annual interest payments beginning in November 2013, first annual principal payment due in fiscal year 2020, matures in fiscal year 2025.	28,940,000	28,940,000
May 21, 2013	General Obligation Refunding Bond Taxable Series B of 2013, 2.00 percent to 2.50 percent semi-annual interest payments beginning in November 2013, first annual principal payment due in fiscal year 2014, matures in fiscal year 2022.	30,695,000	16,520,000

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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 2021.	14,955,000	6,025,000
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	1,315,000
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	17,500,000
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	1,755,000
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
November 30, 2017	General Obligation Capital Improvement Bonds, Series 2017A, 4.00 percent to 5.00 percent interest, annual principal payments beginning in November 2018, semi-annual interest payments beginning in May 2018, matures in fiscal year 2038.	103,205,000	103,205,000
November 30, 2017	General Obligation Refunding Bonds, Series 2017B, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual interest payments beginning in May 2018, matures in fiscal year 2032.	16,440,000	16,440,000
November 30, 2017	General Obligation Transportation Sales Tax Refunding Bonds, Series 2017C, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual interest payments beginning in May 2018, matures in fiscal year 2030.	97,600,000	97,600,000
Subtotal		<u>\$796,980,000</u>	530,655,000
Add: Premium			<u>61,737,438</u>
General obligation debt per statement of net position			592,392,438
Less current portion, including premium			<u>(49,641,601)</u>
Long-term portion outstanding			<u>\$542,750,837</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Special Source Revenue Bonds.** The County issued \$86,405,000 Special Source Revenue Bonds on December 11, 2013 and \$35,815,000 in November 2017. The proceeds of these issues 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 and to reimburse Mercedes-Benz Van, LLC for infrastructure improvements. These bonds are expected to be repaid from a portion of the FILOT (Fee in Lieu of Taxes) payments.

Primary government Special Source Revenue Bonds payable at June 30, 2018, 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
November 29, 2017	Charleston County Taxable Special Source Revenue Bonds, Series 2017, 2.098 percent to 3.587 percent semi-annual interest payments beginning in June 2018, first annual principal payment due in fiscal year 2021, matures in fiscal year 2039.	35,815,000	35,815,000
Subtotal		<u>\$122,220,000</u>	122,220,000
Add: Premium			5,544,416
Special source revenue debt per statement of net position			127,764,416
Less current portion, including premium			<u>(3,753,649)</u>
Long-term portion outstanding			<u>\$124,010,767</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, 2018, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	2,031,111	968,889
2023	3,000,000	2,147,493	852,507
2024-2028	15,000,000	12,730,455	2,269,545
Total	<u>\$ 30,000,000</u>	<u>\$ 22,365,479</u>	<u>\$ 7,634,521</u>



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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, 2018, include the following:

**Governmental Activities**

	<u>Original</u>	<u>Outstanding</u>
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	\$ 65,188
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	7,533
Leases dated December 2016, payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$21,743 to \$42,405 through December 2020, includes principal and interest at 4.9 percent per annum.	895,185	579,966
Leases dated November 2017 to March 2018 to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal semi-annual installments of \$164,375 through March 2022, includes principal and interest of 3.974 percent to 5.720 percent per annum.	1,204,301	1,036,062
Lease dated July 2017 with Presidio Technology Capital, LLC for the purchase of new EMS computer equipment. Payable in three annual installments of \$41,010 through September 2019, includes principal and interest at 5.72 percent per annum.	114,890	75,483

**Internal Service Fund**

Leases dated July to October 2016, payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable three annual installments of \$4,283 to \$237 through October 2018, and includes principal and interest at (5.841%) to (6.688%) per annum.	27,802	7,920
	<u>\$ 2,781,564</u>	<u>1,772,152</u>
Less current portion		<u>(623,235)</u>
Long-term portion outstanding		<u>\$ 1,148,917</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	\$ 623,235	\$ 79,209	\$ 702,444
2020	569,634	49,743	619,377
2021	432,204	21,353	453,557
2022	<u>147,079</u>	<u>3,573</u>	<u>150,652</u>
Total	<u>\$ 1,772,152</u>	<u>\$ 153,878</u>	<u>\$ 1,926,030</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Amortization of Long-term Debt.** Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2018.

Year Ending <u>June 30</u>	<u>General Obligation Bonds</u>		<u>Special Source Revenue Bonds</u>		
	Principal	Interest	Principal	Interest	Totals
2019	\$41,055,000	\$ 21,732,960	\$ 3,380,000	\$ 5,274,274	\$ 71,442,234
2020	39,010,000	20,118,656	3,570,000	5,100,524	67,799,180
2021	35,000,000	18,597,252	5,830,000	4,901,799	64,329,051
2022	36,545,000	16,898,150	5,580,000	4,687,361	63,710,511
2023	38,095,000	15,239,674	5,430,000	4,478,686	63,243,360
2024	41,115,000	13,667,759	5,655,000	4,264,889	64,702,648
2025	44,350,000	11,835,269	5,435,000	4,044,396	65,664,665
2026	47,680,000	9,651,781	5,445,000	3,819,856	66,596,637
2027	51,595,000	7,342,475	5,255,000	3,592,232	67,784,707
2028	37,615,000	5,356,931	5,070,000	3,365,892	51,407,823
2029	27,225,000	3,980,481	5,220,000	3,134,767	39,560,248
2030	22,255,000	3,045,606	5,455,000	2,912,128	33,667,734
2031	8,770,000	2,498,556	5,665,000	2,699,002	19,632,558
2032	9,250,000	2,169,131	5,880,000	2,474,223	19,773,354
2033	7,760,000	1,850,831	6,110,000	2,216,996	17,937,827
2034	8,235,000	1,542,731	6,400,000	1,927,743	18,105,474
2035	8,645,000	1,216,134	6,690,000	1,618,566	18,169,700
2036	9,160,000	870,218	7,015,000	1,288,273	18,333,491
2037	8,385,000	524,100	7,350,000	941,683	17,200,783
2038	8,910,000	178,200	7,705,000	578,051	17,371,251
2039	-	-	8,080,000	195,927	8,275,927
Totals	530,655,000	158,316,895	122,220,000	63,517,268	874,709,163
Add Premium	61,737,438	-	5,544,416	-	67,281,854
Total debt- governmental activities	<u>\$ 592,392,438</u>	<u>\$ 158,316,895</u>	<u>\$127,764,416</u>	<u>\$63,517,268</u>	<u>\$ 941,991,017</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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, 2018.

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2018:

<b>Component Units</b>	<b>Balance July 1, 2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2018</b>	<b>Amount Due in One Year</b>
Accrued compensated absences	\$ 3,609,915	\$ 1,993,760	\$ (1,715,011)	\$ 3,888,664	\$ 1,199,355
General obligation bonds	39,005,582	28,010,377	(4,901,825)	62,114,134	5,414,107
Capital lease obligations	2,670,174	292,561	(712,841)	2,249,894	791,008
Revenue bonds	178,640	-	(85,795)	92,845	72,061
Notes payable	44,307	120,000	(50,143)	114,164	49,469
<b>Total</b>	<b>\$ 45,508,618</b>	<b>\$30,416,698</b>	<b>\$ (7,465,615)</b>	<b>\$ 68,459,701</b>	<b>\$ 7,526,000</b>

	<b>Range of Maturity Dates</b>	<b>Range of Interest Rates</b>	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2018</b>
<b>Accrued compensated absences:</b>						
CCL			\$ 1,149,225	\$ 713,283	\$ (665,748)	\$ 1,196,760
CCPRC			1,448,483	616,829	(444,701)	1,620,611
SAPPPC			59,357	-	(11,883)	47,474
SJFD			793,050	549,009	(592,679)	749,380
SPFD			159,800	114,639	-	274,439
Total accrued compensated absences			3,609,915	1,993,760	(1,715,011)	3,888,664
<b>General obligation bonds:</b>						
CCPRC	2019 - 2033	1.25% - 4.00%	25,911,226	25,010,377	(3,337,179)	47,584,424
SPFD	2019 - 2027	2.315% - 3.45%	2,994,356	-	(353,646)	2,640,710
SJFD	2019 - 2032	1.015% - 2.125%	10,100,000	3,000,000	(1,211,000)	11,889,000
Total general obligation bonds			39,005,582	28,010,377	(4,901,825)	62,114,134
<b>Capital lease obligations:</b>						
CCL	2019 - 2024		288,503	292,561	(73,971)	507,093
SPFD	2019 - 2022	2.57% - 6.37%	666,888	-	(159,669)	507,219
SJFD	2019 - 2021	4.36% - 5.593%	1,714,783	-	(479,201)	1,235,582
Total capital lease obligations			2,670,174	292,561	(712,841)	2,249,894
<b>Revenue Bonds:</b>						
SAPPPC	2019 - 2020	1.77% - 2.58%	178,640	-	(85,795)	92,845
<b>Notes payable:</b>						
SAPPPC	2019 - 2021	1.46% - 3.89%	44,307	120,000	(50,143)	114,164
Total component units long-term obligations			\$ 45,508,618	\$ 30,416,698	\$ (7,465,615)	\$ 68,459,701

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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>	<u>SJFD</u>	<u>SPFD</u>	<u>CCPRC</u>	Total Component Units
2019	\$ 1,258,712	\$ 443,001	\$ 5,326,850	\$ 7,028,563
2020	1,058,402	442,991	5,450,000	6,951,393
2021	1,493,093	442,913	5,443,513	7,379,519
2022	1,630,628	442,764	3,933,500	6,006,892
2023	1,646,164	341,310	4,332,800	6,320,274
2024 - 2028	4,213,213	856,108	19,996,125	25,065,446
2029 - 2032	2,274,086	-	10,568,575	12,842,661
Total	13,574,298	2,969,087	55,051,363	71,594,748
Less interest and plus amortized premium included above	(1,685,298)	(328,377)	(7,466,939)	(9,480,614)
Debt per statement of net position	<u>\$ 11,889,000</u>	<u>\$ 2,640,710</u>	<u>\$ 47,584,424</u>	<u>\$ 62,114,134</u>

**Future minimum capital lease payments**

<u>Year Ending June 30</u>	<u>CCL</u>	<u>SJFD</u>	<u>SPFD</u>	Total Component Units
2019	\$ 148,031	\$ 565,938	\$ 177,791	\$ 891,760
2020	144,181	565,938	177,791	887,910
2021	115,349	214,400	177,791	507,540
2022	92,233	-	1,621	93,854
2023	69,120	-	-	69,120
2024	5,578	-	-	5,578
Future minimum capital lease payments	574,492	1,346,276	534,994	2,455,762
Less amount representing interest	(67,399)	(110,694)	(27,775)	(205,868)
Debt per statement of net position	<u>\$ 507,093</u>	<u>\$ 1,235,582</u>	<u>\$ 507,219</u>	<u>2,249,894</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Revenue Bonds**

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2019	\$ 73,156
2020	20,926
Total	94,082
Less interest included above	(1,237)
Debt per statement of net position	<u>\$ 92,845</u>

**Notes Payable**

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2019	\$ 52,481
2020	42,018
2021	24,601
Total	119,100
Less interest included above	(4,936)
Debt per statement of net position	<u>\$ 114,164</u>

**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, 2018, the following debt issues outstanding are considered defeased:

	<u>Governmental Activities</u>
Primary Government:	
General Obligation Bonds:	
Series 2007 and 2009 CIP	\$ 34,330,000
Series 2011 - CIP	16,775,000
Series 2011 - TST	101,925,000
Total General Obligation Bonds	<u>153,030,000</u>
Total Primary Government	<u>\$ 153,030,000</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Advance Refunding – The County issued \$97,600,000 General Obligation Transportation Sales Tax Refunding Bonds Series C in November 2017 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 \$101,925,000 of Series 2011 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 Assets – Governmental Activities. This refunding was undertaken to substantially reduce interest cost to the County and to level future debt service requirements. The revised debt service was decreased by \$10,380,045 over the next twelve years and resulted in an economic gain of \$8,807,135. At June 30, 2018, \$101,925,000 of the bonds are considered defeased.

The County also issued \$16,440,000 General Obligation Refunding Bonds Series B in November 2017 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 \$16,775,000 of Series 2011 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 Assets – 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 \$1,728,150 over the next fourteen years and resulted in an economic gain of \$1,442,620. At June 30, 2018, \$16,440,000 of the bonds are considered defeased.

**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 eight 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	\$ 3,983,102,459
Value of merchants inventory and manufacturers depreciation	26,943,597
Total assessed value	<u>\$ 4,010,046,056</u>
Debt limitation-8 percent of total assessed value	\$ 320,803,684
Total bonded debt:	
General Obligation Bonds	\$ 530,655,000
Less:	
Series 2011 G.O. Bond Transportation Sales Tax	\$ (32,310,000)
Series 2012 G.O. Bond Transportation Sales Tax	(25,260,000)
Series 2013 G.O. Bond Transportation Sales Tax	(70,130,000)
Series 2015D G.O. Bond Transportation Sales Tax	(46,250,000)
Series 2017C G.O. Bond Transportation Sales Tax	(97,600,000)
Series 2015B G.O. Bond Awendaw Fire	(1,755,000)
Series 2017A G.O. Bond Library Referendum	(70,135,000) (343,440,000)
Total debt subject to debt limit	<u>187,215,000</u>
Legal debt margin	<u><u>\$ 133,588,684</u></u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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 \$3,520,000 reported in the Fund at June 30, 2018, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County purchases insurance contracts from commercial insurers to satisfy certain liabilities under workers' compensation claims; accordingly, no liability is reported for those claims. The liability is included in the County's accounts payable as reported in the fund statement and statement of net position.



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Changes in the Fund's estimated claims liability amount in fiscal year 2017 and 2018 were:

Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2017	\$ 2,960,000	\$ 4,669,957	\$ (4,569,957)	\$ 3,060,000
2018	\$ 3,060,000	\$ 5,385,443	\$ (4,925,443)	\$ 3,520,000

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.

**B. Subsequent Events**

In August 2018, County Council passed a motion to authorize staff to coordinate with consultants on options including demolition of the current building at 3600 Rivers Avenue and new construction at that location.

On June 26, 2018, the South Carolina Transportation Infrastructure Bank (SCTIB) voted to terminate its funding agreement with the County for the 526 Mark Clark extension. Subsequent to that action terminating its participation in the project, the SCTIB rescinded its previous vote and authorized its Chairman and staff to negotiate amendments to the Intergovernmental Agreement with the County.

In October 2018, County Council voted to authorize the Chairman, the County attorney and other Council members to communicate to Governor McMaster its willingness to engage in mediation with the SCTIB to resolve the contractual dispute regarding the Mark Clark Project. The new legally binding agreement concerning revival of the 526 extension project was to be completed within 45 days, November 16, 2018. This deadline has been extended until January 10, 2019.

In July 2018, the St. John's Fire District issued \$8,200,000 in General Obligation Bonds. These bond proceeds will be used to fund capital projects of the District.

In August 2018, the St. John's Fire District adopted a new fund balance policy requiring that the District maintain an unrestricted fund balance in the general fund of at least two months of the subsequent year's general fund operating expenditures.

In August 2018, the Charleston County Park and Recreation Commission approved a contract agreement in the amount of \$3,345,156 for the construction of the new Whirlin' Water Waterpark attraction.

**C. Contingent Liabilities**

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

**Litigation** - The County and its component units are party to various lawsuits that are normal in the operations of a county government. These lawsuits involve disputes arising from various matters, including the termination of employment, wrongful death and survival, personal injury and other tort actions, delinquent tax sales,

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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.

These deadlines were not met by Charleston County. Negotiations with the SCTIB and the South Carolina Department of Transportation are continuing, and a new deadline of January 10, 2019 has been set.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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. This agreement was extended until September 2038. The new terms begin September 1, 2019 with the monthly amount increasing to \$119,580. The amendment is to defray a portion of financing costs of the construction of parking facilities at the North Charleston Performing Arts Center and Coliseum.

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 the Society a full audit of the accounting services and duties performed by the accountant and the 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 \$1,500,000 for the fiscal year ended June 30, 2018. This amount will be increased by 20.64% to \$1,809,557 for the fiscal year ended June 30, 2019.

On August 4, 1997, the City of Charleston and Charleston County Park and Recreation Commission entered into an agreement that terminated the Master Lease of the Charleston Maritime Center dated August 1, 1995, between the two parties. This agreement grants the Commission the right of first refusal for the purchase of the Maritime Center for a period of 50 years from the date of execution of the agreement. In the event that the

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Commission does elect to purchase the Maritime Center, then the City of Charleston will credit \$1,500,000 toward the purchase price. If the Commission elects not to purchase the Maritime Center, then the City of Charleston will pay the Commission \$1,500,000 from the proceeds of the sale.

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

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

During 1988, the Charleston County Park and Recreation Commission was advised by the South Carolina Highway Department that the proposed Mark Clark Expressway will go through the northern portion of James Island County Park. The Commission is awaiting determination from the South Carolina Department of Transportation and Charleston County on the future location of the Mark Clark corridor. There has been no formal agreement and the full effects of the project have not yet been determined.

On August 15, 2016, the Charleston County Park and Recreation Commission entered into a lease agreement with 1 Center Street LLC DBA the Tides Hotel for the Folly Beach Edwin S. Taylor Fishing Pier Restaurant.

The terms of the agreement were for a period of five years, beginning November 1, 2016, with the option of extending the lease for an additional five years, with the option terminating on October 1, 2021. Base rent is due in equal monthly installments of \$13,000 and increases 2% each year. In addition to base rent, the lessee shall pay 8% of the gross annual receipts over \$1,200,000.

The following is a schedule by year of the minimum future rentals on the non-cancelable operating lease as of June 30, 2018:

<u>Year Ending June 30</u>	<u>Total</u>
2019	161,280
2020	164,520
2021	167,808
2022	<u>56,304</u>
<b>Total minimum future rentals</b>	<b><u>\$ 549,912</u></b>

Total rental income of \$249,224 was recorded during the current year.

During October 2010, the Charleston County Park and Recreation Commission entered into a lease for an area commonly known as Laurel Hill Plantation for an initial period of 25 years with a provision that the lease will be automatically extended for three separate successive terms of 25 years each provided that the Commission is not in default. The Commission is required to pay base rental fees, operating expenses and additional rental fees. The base rental fee was \$1,330,000 for the first five years of the rental term for a total of \$6,650,000 with no further base rent being required for the remainder of the lease, including extension periods. Additional rental fees are defined as other items for which the Commission may become liable during the lease, including, but not limited to, premiums for insurance. Operating expenses are defined as nominal costs including, but not limited to, ad valorem taxes and premiums for insurance. The lease also contains an option to purchase

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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, 2018, the unamortized prepaid rent was \$4,588,500.

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

In May 2017, the Charleston County Park and Recreation Commission entered into an agreement with the Town of Hollywood (the "Town") for the planning, construction, and management of a recreational facility that will include a swimming pool. In accordance with the agreement, the Town will obtain and retain ownership of property for the intended use of the recreational facility. The Commission will be responsible for costs related to the initial planning and design as well as construction of the pool and related infrastructure, and the Town will be responsible for the costs of constructing other park features. The Commission will also be responsible for the management, staffing, and maintenance of the pool complex, and the Town will be responsible for the management, staffing, and maintenance of all other proposed recreational amenities upon construction. The project is expected to cost the Commission approximately \$2,900,000 and will be funded through General Obligation Bond proceeds. Total costs incurred at June 30, 2018 were \$208,549.

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 April 26, 2018, the Commission entered another one year contract with the City covering the period from July 1, 2018 to June 30, 2019, with essentially identical terms as previous contracts.

As part of the Contract with the City, the Cooper River Park and Playground Commission transferred some of its capital assets, including land, buildings, and related improvements, to the City during the year ended June 30, 2018. The book value of the Capital assets transferred totaled \$49,668.

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, 2018, the leased assets have a book value of \$1,953.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

To fulfill the contract terms for the year ended June 30, 2018, the Commission reflects a net amount due from the City of North Charleston totaling \$3,348.

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, 2018, the District owes the City \$78,939. This contract was extended for one year until June 30, 2019. 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.

The North Charleston District has franchised the right to provide electricity to the District's members to South Carolina Electric & Gas Company (SCE&G). As part of the agreement, the District has agreed to purchase its electricity from SCE&G. On or about July 1 of each year, the District receives a franchise fee payment in advance for the next calendar year from SCE&G, which is computed as a percentage of SCE&G's gross sales in the District for the previous calendar year.

As of June 30, 2018, St. John's Fire District had remaining contractual commitments of \$2,647,859 related to ongoing construction projects.

The St. Andrew's Parish Parks and Playground Commission and the City of Charleston have entered into an agreement that compensates the Commission for a predetermined number of years after annexation of property into the City for lost property tax revenue. The Commission was informed by Charleston County that an overpayment of tax revenue had occurred. The amount and resolution of the overpayment has not yet been determined; therefore, no liability has been recorded to reflect the contingent liability.

**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.

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 \$2,716,139 for the fiscal year ending June 30, 2018.

Total contributions made by the Charleston County Library's plan members were \$169,242 for the fiscal year ending June 30, 2018.

**F. Other Post-Employment Benefits**

***Plan Description and Benefits***

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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.

Effective July 1, 2016, the County modified its post-employment benefits policy to discontinue the subsidy for retiree health insurance for new hires.

At fiscal year-end there were 515 employees who had retired from the County (includes Library retirees) and are receiving health insurance premium coverage benefits.

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

The Charleston County Park and Recreation Commission provides health and dental benefits to eligible employees and their beneficiaries through the Charleston County Park and Recreation Commission Retiree Health Care Plan, a single-employer defined benefit other postemployment benefit plan ("OPEB Plan") administered by the Commission's Human Resources Division. The Commission has the authority to establish and amend the benefit terms. The OPEB Plan does not issue a stand-alone financial report.

The OPEB Plan provides group health, vision, and dental insurance for retirees who were hired prior to July 1, 2016 and meet the following eligibility criteria. The Plan is closed to new members.

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 or more years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 100 percent of the retiree cost and 65 percent of the dependent cost for health and dental coverage.
- C) The health and dental insurance premium for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50 percent or 65 percent)

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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 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



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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. Participation in the OPEB Plan is not required.

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	15
Active Employees	<u>168</u>
Total	<u><u>183</u></u>

### **Plan Contributions**

In 2008, the County began funding the OPEB plan obligation in the Employee Benefits Internal Service Fund. Funding was based on a calculated rate applied to covered payroll. The calculated rate was 3.8% for the year ended June 30, 2018 and 4.25% for the year ended June 30, 2017. Employees are not required to contribute to the plan. For the year ended June 30, 2018, the County made net contributions of \$2,087,240 for retiree healthcare.

The Commission made contributions of \$122,234 through the payment of retiree premiums. No contributions were made to the irrevocable trust during the current year. Employees are not required to contribute to the OPEB Plan.

### **Actuarial methods and assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Projections of benefits for financial reporting purposes are based on the substantive plans as understood by the County and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and the plan members 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:

Valuation Date: June 30, 2016

**Methods and Assumptions:**

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.5% as of June 30, 2017
Inflation	2.25%
Salary Increases	3.50% to 9.50% PORS 3.00% to 7.00% SRCS Including inflation

**Demographic Assumptions:**

Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2015

**Mortality:**

For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type as follows:

100% for male SCRS members  
111% for female SCRS members  
125% for male PORS members  
111% for female PORS members

**Participation Rates:**

Premium Paid by County	Pre-65 Election Rate	Post-65 Continuation Rate
50%	70%	75%
25%	50%	50%
0%	20%	0%

**Health Care Trend Rate:**

Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 15 years

**Notes:**

There were no benefit changes during the year; the discount rate changed from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017

**Total OPEB Liability**

In previous years, the County reported a net OPEB obligation (liability) consisting of the difference between the annual required contribution into the plan and the actual contributions made by the County. New reporting standards (GASB Statement No. 75) require employers to determine the total OPEB liability using the entry age normal actuarial funding method and to report a net OPEB liability consisting of the difference between the total OPEB liability and the plan's fiduciary net position.

The total OPEB liability is based upon an actuarial valuation performed as of the valuation date, June 30, 2016. An expected total OPEB liability is determined as of June 30, 2017, the measurement date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability, as of the valuation date,

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

June 30, 2016, adds the annual normal cost (also called the service cost), and subtracts expected benefit payments with interest at the discount rate for the year.

**Discount Rate**

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.56% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 2.92% as of the prior measurement date.

**Plan Assets**

There are no plan assets accumulated in a trust by the County that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Summary of Membership Information**

The following table provides a summary of the number of the County's participants in the plan as of June 30, 2016:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	473
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>2,437</u>
Total Plan Members	2,910

Note: Membership information should be disclosed as of the measurement date (June 30, 2017). Because valuations are performed biennially, Gabriel, Roeder, Smith and Company (GRS) does not have the membership counts as of the measurement date. It is the responsibility of the plan sponsor to disclose the membership counts as of June 30, 2017.

**Sensitivity of Total OPEB Liability to the Discount Rate Assumption**

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.56%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 2.56%	Current Discount Rate Assumption 3.56%	1% Increase 4.56%
Primary Government	\$ 80,743,028	\$ 71,337,631	\$ 63,336,319
CCL	\$ 6,064,861	\$ 5,358,392	\$ 4,757,389
CCPRC	\$ 8,186,649	\$ 6,919,812	\$ 5,823,046

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption**

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Costs Trend Rate Assumption	1% Increase
Primary Government	\$ 59,959,255	\$ 71,337,631	\$ 85,960,696
CCL	\$ 4,503,727	\$ 5,358,392	\$ 3,990,328
CCPRC	\$ 5,716,138	\$ 6,919,812	\$ 8,372,612

**OPEB Liabilities, OPEB Expense & Deferred Outflows/Inflows of Resources Related to OPEB**

The County's total OPEB liability measured as of June 30, 2017 and rolled forward to June 30, 2018, is as follows:

<b>Total OPEB liability</b>	
Service cost	\$ 3,850,065
Interest on the total OPEB liability	2,166,518
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	84,162
Changes of assumptions	(5,884,529)
Benefit payments	(2,298,726)
<b>Net change in total OPEB liability</b>	(2,082,510)
<b>Total OPEB liability - beginning</b>	73,420,141
<b>Total OPEB liability - ending</b>	<u>71,337,631</u>
<b>Covered payroll</b>	\$ 113,995,618
<b>Total OPEB liability as a percentage of covered payroll</b>	62.58%

Changes of assumptions reflect a change in the discount rate from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

The table above contains information for the RSI section of the financials.

The benefit payments during the measurement period were determined as follows:

a. Explicit benefit payments	\$ 1,867,365	
b. Implicit benefit payments	<u>\$ 431,361</u>	(Explicit Benefit Payments *0.231)
c. Total benefit payments	\$ 2,298,726	

The 0.231 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

For the year ended June 30, 2018, the County recognized OPEB expense of \$5,337,176 under GASB Statement No. 75:

Service Cost	\$ 3,850,065
Interest on the Total OPEB Liability	2,166,518
Recognition of Current Year Outflow(Inflow)	
Due To liabilities	<u>(679,407)</u>
	<u>\$ 5,337,176</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 24.844 years. Additionally, the total plan membership (active employees and inactive employees) was 2,910. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.5374 years.

	Primary Government		CCL		CCPRC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 74,304	\$ -	\$ 5,581	\$ -	\$ -	\$ 7,900
Net difference between Projected/Actual earnings	-	-	-	-	25,632	-
Change in assumptions	-	5,195,264	-	390,232	-	64,349
Change in proportionate share of Liability	-	-	387,790	-	-	-
Contributions Subsequent to measurement date	2,569,392	-	192,995	-	-	-
	<u>\$ 2,643,696</u>	<u>\$ 5,195,264</u>	<u>\$ 586,366</u>	<u>\$ 390,232</u>	<u>\$ 25,632</u>	<u>\$ 72,249</u>

The following schedule reflects the amortization of the County's net balance of remaining deferred outflows (inflows) at June 30, 2018:

**Primary Government:**

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	
2018	2019	\$ (679,407)
2019	2020	(679,407)
2020	2021	(679,407)
2021	2022	(679,407)
2022	2023	(679,407)
Thereafter	Thereafter	(1,723,925)
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (5,120,960)</u>

**Component Units:**

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	CCL	CCPRC
2018	2019	\$ 417	\$ (964)
2019	2020	417	(964)
2020	2021	417	(964)
2021	2022	417	(964)
2022	2023	417	(7,372)
Thereafter	Thereafter	1,054	(35,389)
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 3,139</u>	<u>\$ (46,617)</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

As of June 30, 2018, the Coastal Community Foundation held \$521,427 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. During the year, \$18,900 was awarded as grants to the Library and recorded as restricted donations. At year-end, there were \$47 of funds available for grants to the Library.

As of June 30, 2018, the Coastal Community Foundation was holding \$115,973 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, \$3,845 is available for grants to the Library. During the year, no amounts were awarded as 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.

**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 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. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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, 202 Arbor Lake Dr., Columbia, SC 29223. 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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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.

*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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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 SFAA 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.

The Retirement System Funding and Administration Act of 2017 increased employer contribution rates to 13.56 percent for the SCRS and 16.24 percent for the PORS, effective July 1, 2017. It also removed the 2.9 percent and 5 percent differential and increased and established a ceiling on employee contribution rates at 9 percent and 9.75 percent for the SCRS and the PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for the SCRS and 21.24 percent for the PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.

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		
	2016	2017	2018	2016	2017	2018
Employer Rate:						
Retirement	10.91%	11.41%	13.41%	13.34%	13.84%	15.84%
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>11.06%</u>	<u>11.56%</u>	<u>13.56%</u>	<u>13.74%</u>	<u>14.24%</u>	<u>16.24%</u>
Employee Rate	<u>8.16%</u>	<u>8.66%</u>	<u>9.00%</u>	<u>8.74%</u>	<u>9.24%</u>	<u>9.75%</u>



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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
2018	\$ 11,691,075	100%	\$ 6,357,327	100%
2017	9,790,076	100%	5,403,995	100%
2016	8,557,082	100%	4,823,080	100%

**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 July 1, 2015 study.

The June 30, 2017, 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, 2016, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017 and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017. 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, 2016, 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	7.25%	7.25%
Projected salary increases *	3.0% to 12.5% (varies by service)	3.5% to 9.0% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

\* Includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality rate (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

published Scale AA projected from the year 2016. Assumptions used in the July 1, 2016, valuations for SCRS and PORS are as follows:

Former Job Class	Males	Females
Educators and Judges	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety, Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

**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. NPL totals, as of June 30, 2017 for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,244,437,494	25,732,829,268	\$ 22,511,608,226	53.3%
PORS	7,013,684,001	4,274,123,178	2,739,560,823	60.9%

The County's and component units' proportional share of the NPL amounts for SCRS and PORS are presented below:

	System	Measurement Period Ended June 30	Fiscal Year Ended June 30	Proportional Share of Net Pension Liability
Primary Government	SCRS	2017	2018	\$ 188,722,420
	PORS	2017	2018	\$ 77,465,466
Component Units				
	CCL SCRS	2017	2018	\$ 16,567,418
	CCPRC SCRS	2017	2018	\$ 23,120,547
	SAPPPC SCRS	2017	2018	\$ 4,875,339
	SJFD	SCRS	2017	\$ 936,933
		PORS	2017	\$ 13,250,297
	SPFD	SCRS	2017	\$ 340,150
		PORS	2017	\$ 5,023,149

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

The County's and component units' proportionate share of the net pension liability for both SCRS and PORS is as follows for the years ended June 30, 2018 and 2017:

	<u>System</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Primary Government	SCRS	0.838334%	0.798659%	0.039675%
	PORS	2.827660%	2.754590%	0.073070%
Component Units				
CCL	SCRS	0.073595%	0.074536%	-0.000941%
CCPRC	SCRS	0.102710%	0.105890%	-0.003180%
SAPPPC	SCRS	0.021657%	0.011690%	0.009967%
SJFD	SCRS	0.004160%	0.004350%	-0.000190%
	PORS	0.483670%	0.499000%	-0.015330%
SPFD	SCRS	0.001511%	0.001999%	-0.000488%
	PORS	0.183360%	0.217210%	-0.033850%

The County's and component units' 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 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made on the actuarially determined rates based on provisions in the South Carolina Code of Laws. 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 is based upon the 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted the beginning of the 2017 fiscal year. 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 and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>45.00%</b>		
Global Public Equity	31.00%	6.72%	2.07%
Private Equity	9.00%	9.60%	0.86%
Equity Option Strategies	5.00%	5.91%	0.30%
<b>Real Assets</b>	<b>8.00%</b>		
Real Estate (Private)	5.00%	4.32%	0.22%
Real Estate (REITs)	2.00%	6.35%	0.13%
Commodities	1.00%	6.26%	0.06%
<b>Opportunistic</b>	<b>17.00%</b>		
GTAA/Risk Parity	10.00%	4.16%	0.42%
Hedge Funds (Non-PA)	4.00%	3.82%	0.15%
Other Opportunistic Strategies	3.00%	4.16%	0.12%
<b>Diversified Credit</b>	<b>18.00%</b>		
Mixed Credit	6.00%	3.92%	0.24%
Emerging Markets Debt	5.00%	5.01%	0.25%
Private Debt	7.00%	4.37%	0.31%
<b>Conservative Fixed Income</b>	<b>12.00%</b>		
Core Fixed Income	10.00%	1.60%	0.16%
Cash and Short Duration (net)	2.00%	0.92%	0.02%
Total Expected Real Return	100.00%		5.31%
inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

*Sensitivity Analysis*

The following table presents the County and its component units proportional share of net pension liability of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 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 (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

**Primary Government**

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

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 243,237,337	\$ 188,722,420	\$ 155,644,747
PORS	\$ 104,593,108	\$ 77,465,466	\$ 56,097,381

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Component Units**

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

	<b>System</b>	<b>1.00% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.00% Increase (8.25%)</b>
CCL	SCRS	\$ 21,353,126	\$ 16,567,418	\$ 13,663,618
CCPRC	SCRS	\$ 29,799,209	\$ 23,120,547	\$ 19,068,169
SAPPPC	SCRS	\$ 6,283,642	\$ 4,875,339	\$ 4,020,830
SJFD	SCRS	\$ 1,207,578	\$ 936,933	\$ 772,715
	PORS	\$ 17,890,421	\$ 13,250,297	\$ 9,595,333
SPFD	SCRS	\$ 438,407	\$ 340,150	\$ 280,532
	PORS	\$ 6,782,355	\$ 5,023,149	\$ 3,637,642

**Additional Financial and Actuarial Information**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS.

**Deferred Outflows (Inflows) of Resources**

For the year ended June 30, 2018, the County recognized pension expense of \$31,966,909. At June 30, 2018, the County reported deferred outflows (inflows) of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>		<b>Deferred Inflow of Resources</b>	
	<b>SCRS</b>	<b>PORS</b>	<b>SCRS</b>	<b>PORS</b>
Pension contributions subsequent to measurement date	\$ 11,691,075	\$ 6,357,326	\$ -	\$ -
Difference in actual and proportionate share of employer contribution	-	-	19,205	6,741
Differences in actual and expected experience	854,026	690,771	-	104,601
Net differences between projected and actual earnings on plan investments	5,268,244	2,760,415	-	-
Change in assumptions	11,047,672	7,352,187	-	-
Change in proportionate share of net pension liability	7,252,998	1,512,774	-	618,625
	<u>\$ 36,114,015</u>	<u>\$ 18,673,473</u>	<u>\$ 19,205</u>	<u>\$ 729,967</u>

The County reported \$18,048,401 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, 2019. 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, 2018.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2018 was 4.116 years for SCRS and 4.665 years for PORS.

**Primary Government**

<b>Measurement Period Ending June 30,</b>	<b>Fiscal Year Ending June 30,</b>	<b>SCRS</b>	<b>PORS</b>
2018	2019	\$ 8,170,111	\$ 3,434,275
2019	2020	10,186,818	4,640,508
2020	2021	7,269,236	3,201,261
2021	2022	(1,222,430)	310,136
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ 24,403,735</u>	<u>\$ 11,586,180</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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, 2018:

**Component Units**

	Measurement Period	Fiscal Year Ending		
	Ending June 30	June 30	SCRS	PORS
CCL	2018	2019	\$ 208,840	N/A
	2019	2020	373,069	N/A
	2020	2021	391,176	N/A
	2021	2022	(131,108)	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 841,977</u>	
CCPRC	2018	2019	\$ 618,115	N/A
	2019	2020	833,657	N/A
	2020	2021	503,356	N/A
	2021	2022	(189,726)	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 1,765,402</u>	
SAPPPC	2018	2019	\$ 553,906	N/A
	2019	2020	541,787	N/A
	2020	2021	594,405	N/A
	2021	2022	(3,083)	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 1,687,015</u>	
SJFD	2018	2019	\$ (7,923)	\$ 677,115
	2019	2020	23,466	882,779
	2020	2021	17,281	559,213
	2021	2022	(7,889)	(5,853)
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 24,935</u>	<u>\$ 2,113,254</u>
SPFD	2018	2019	\$ (9,463)	\$ (205,611)
	2019	2020	(14,415)	(285,830)
	2020	2021	(9,672)	(195,156)
	2021	2022	2,626	(13,944)
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (30,924)</u>	<u>\$ (700,541)</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**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)	\$ 15,742,037
Reimbursement of Costs for Capital Projects Manager	93,918
	<u>\$ 15,835,955</u>
Amounts paid to the County by CCL:	
Workers' Compensation	\$ 325,122
OPEB compensation	304,158
Wellness expenditures	12,006
Insurance coverage-building & contents, liability, fidelity bond, theft	91,480
Motor vehicle repairs	36,159
Motor vehicle fuel charges	14,858
Other general services	1,569
Health, life and dental insurance (library employees covered through County plan)	1,039,269
Other minor charges	1,087
	<u>\$ 1,825,708</u>

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. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The County will implement the new guidance with the 2019 financial statements.

GASB Statement No. 84, *Fiduciary Activities*, addresses the criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The County will implement the new guidance with the 2020 financial statements.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to



**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County will implement the new guidance with the 2021 financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include when disclosing information related to debt, defining debt as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The statement requires that additional essential information related to the debt be disclosed, including unused lines of credit, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The County will implement the new guidance with the 2019 financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County will implement the new guidance with the 2020 financial statements.

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

**K. Tax Abatement**

Pursuant to Governmental Accounting Standard's Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, the County is required to disclose certain information about tax abatements as defined in the Statement. For purposes of GASB Statement No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual entity in which (a) one or more governments promise to forgo tax revenues to which that are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. A description of the County's abatement program where the County has promised to forgo taxes is as follows:

**Fee in Lieu of Tax Program – Multi County Park Program**

The Fee in Lieu of Tax Program is a tax abatement tool designed to encourage economic development in the state and is administrated by Charleston County's Economic Development Department. The Fee in Lieu of Tax Program retains, expands and attracts commercial and industrial businesses, and the related economic benefits and job creation and retention associated with them. These minimum investment requirements generally require \$2.5 million of investment within a five-year period. The Fee in Lieu of Tax Program is identified under state statute and is authorized under the SC Code Title 12 – Chapter 44, Title 4 – Chapter 29, or Title 4 – Chapter 12 as well as SC Code Section 4-29-68, Section 4-1-170 and Section 12-44-70 for any eligible special source revenue credits. Special source revenue credits offset funding of cost in design, acquisition, constructing, improving or expanding real estate and personal property used in the operations of manufacturing or commercial enterprise, and the infrastructure serving the project. The entity must file annual state property tax forms to the state to receive the tax reduction and the entity must certify to the County eligibility requirements have been met to receive special source revenue credits, if applicable. If the terms of the agreement are not met, the County can terminate the agreement and state law allows repayment of tax savings to the County, or the opportunity to renegotiate the agreement as well as recapture provisions for special source revenue credits, if applicable.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

The State of South Carolina provides, under state law SC Code subsection 12-37-220 (A) (7) as well as State Constitution, article 10 subsection 3, all business entities have a five-year county property tax exemption for all companies that have at least a \$50,000 investment in any one of the following: in manufacturing facilities, an investment in research and development facilities, an investment (and 75 new jobs) in corporate headquarters or distribution facilities. Entities that enter into the Fee in Lieu of Tax Program are no longer eligible for this exemption and must pay in accordance with their agreements with the County. As a result of this State law for the year ended June 30, 2018, the County collected an additional \$3,264,381 in taxes under the Fee in Lieu of Tax Program, but it is not considered a tax abatement under GASB 77.

The following is a summary of the taxes forgone on the County's abatement program for the year ended June 30, 2018:

Program	Tax Abated	Source	Amount
Fee in Lieu of Tax	Property Tax	Economic Development Department	\$ 3,061,712

**L. Change in Accounting Principle**

During the year ended June 30, 2018, the County and it's component units' implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* as described in note I.V.F. The implementation of this new accounting policy was retroactive.

The effect of the restatement on the Statement of net position is as follows:

	Government-wide Statements		
	Primary Government	CCL	CCPRC
Net position as originally presented June 30, 2017	\$ (227,317,191)	\$ (9,772,818)	\$ 120,283,832
Adoption of GASB 75	(32,268,576)	(4,902,912)	(17,433,581)
Net position as restated June 30, 2017	<u>\$ (259,585,767)</u>	<u>\$ (14,675,730)</u>	<u>\$ 102,850,251</u>

	Proprietary Funds			
	Environmental Management	Parking Garages	Non-major Other Funds	Internal Service Funds Employee Benefits Fund
Net position as originally presented June 30, 2017	\$ 66,270,453	\$ 12,405,821	\$ 2,102,578	\$ (168,518,357)
Adoption of GASB 75	(1,489,351)	(199,763)	(1,653,094)	(32,268,576)
Net position as restated June 30, 2017	<u>\$ 64,781,102</u>	<u>\$ 12,206,058</u>	<u>\$ 449,484</u>	<u>\$ (200,786,933)</u>

These restatements for the Primary Government resulted in negative positions in some of the Proprietary funds. The negative net position in the employee benefits fund will be reduced by contributions from other County funds.

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



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

		Year Ended June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered Payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Primary Government							
		2018	0.838334%	\$ 188,722,420	\$ 84,689,239	223%	53.30%
		2017	0.798659%	\$ 170,592,384	\$ 77,369,638	220%	52.91%
		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	2018	0.0736%	\$ 16,567,418	\$ 7,423,257	223.18%	53.30%
		2017	0.0745%	\$ 15,920,780	\$ 7,199,888	221.13%	52.90%
		2016	0.0812%	\$ 15,393,713	\$ 7,600,121	202.55%	57.00%
		2015	0.0789%	\$ 13,579,832	\$ 7,161,389	189.63%	59.92%
		2014	0.0789%	\$ 14,147,541	\$ 6,884,164	205.51%	56.39%
	CCPRC	2018	0.10270%	\$ 23,120,547	\$ 10,362,054	223.13%	53.33%
		2017	0.10589%	\$ 22,617,734	\$ 10,271,200	220.21%	52.91%
		2016	0.10628%	\$ 20,156,134	\$ 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	2018	0.021657%	\$ 4,875,339	\$ 1,901,537	256.39%	53.30%
		2017	0.011690%	\$ 2,496,967	\$ 1,809,753	137.97%	52.90%
		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	2018	0.00416%	\$ 936,933	\$ 419,974	223.09%	53.30%
		2017	0.00435%	\$ 928,940	\$ 421,182	220.56%	52.91%
		2016	0.00443%	\$ 840,929	\$ 415,787	202.25%	56.99%
		2015	0.00491%	\$ 845,339	\$ 445,755	189.64%	59.92%
		2014	0.00491%	\$ 880,679	\$ 397,531	221.54%	56.39%
	SPFD	2018	0.001511%	\$ 340,150	\$ 152,405	223.19%	53.30%
		2017	0.001999%	\$ 426,982	\$ 193,528	220.63%	52.90%
		2016	0.001801%	\$ 341,566	\$ 168,894	202.24%	57.00%
		2015	0.001163%	\$ 200,230	\$ 105,622	189.57%	59.90%
		2014	NA	NA	NA	NA	NA

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

		Year Ended June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered Payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Primary Government		2018	2.82766%	\$ 77,465,466	\$ 37,949,403	204%	60.90%
		2017	2.75459%	\$ 69,869,479	\$ 35,102,474	199%	60.44%
		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	2018	0.48400%	\$ 13,250,297	\$ 6,504,309	203.72%	60.94%
		2017	0.49900%	\$ 12,669,387	\$ 6,367,986	198.95%	60.45%
		2016	0.45912%	\$ 10,006,504	\$ 5,689,526	175.88%	64.57%
		2015	0.45235%	\$ 8,659,951	\$ 5,440,646	159.17%	67.55%
		2014	0.45235%	\$ 9,377,133	\$ 5,039,361	186.08%	62.98%
	SPFD	2018	0.18336%	\$ 5,023,149	\$ 2,469,209	203.43%	60.90%
		2017	0.21721%	\$ 5,509,401	\$ 2,769,404	198.94%	60.40%
		2016	0.21289%	\$ 4,639,975	\$ 2,640,155	175.75%	64.60%
		2015	0.20886%	\$ 3,998,531	\$ 2,511,268	159.22%	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 five years of information are presented as only five years of data were available. The County will add an additional year of data until a total of ten years is presented. The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.**

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**FISCAL YEAR ENDED JUNE 30, 2018 (UNAUDITED)**

<b>Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions Relative to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Primary Government</b>					
2018	\$ 11,691,075	\$ 11,691,075	\$ -	\$ 86,217,166	13.56%
2017	\$ 9,790,076	\$ 9,790,076	\$ -	\$ 84,689,239	11.56%
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%
<b>Component Units</b>					
<b><u>2018</u></b>					
CCL	\$ 1,102,834	\$ 1,102,834	\$ -	\$ 8,132,990	13.56%
CCPRC	\$ 1,444,091	\$ 1,444,091	\$ -	\$ 10,649,637	13.56%
SAPPPC	\$ 257,848	\$ 257,848	\$ -	\$ 1,901,537	13.56%
SJFD	\$ 56,539	\$ 56,539	\$ -	\$ 416,953	13.56%
SPFD	\$ 10,785	\$ 10,785	\$ -	\$ 79,536	13.56%
<b><u>2017</u></b>					
CCL	\$ 858,128	\$ 858,128	\$ -	\$ 7,423,257	11.56%
CCPRC	\$ 1,197,853	\$ 1,197,853	\$ -	\$ 10,362,054	11.56%
SAPPPC	\$ 206,493	\$ 206,493	\$ -	\$ 1,809,753	11.41%
SJFD	\$ 48,549	\$ 48,549	\$ -	\$ 419,974	11.56%
SPFD	\$ 17,618	\$ 17,618	\$ -	\$ 152,405	11.56%
<b><u>2016</u></b>					
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%
<b><u>2015</u></b>					
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%

**CONTINUED**

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**FISCAL YEAR ENDED JUNE 30, 2018 (UNAUDITED)**

<b>Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions Relative to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b><u>2014</u></b>					
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%
<b><u>2013</u></b>					
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%
<b><u>2012</u></b>					
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%
<b><u>2011</u></b>					
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%
<b><u>2010</u></b>					
CCL	\$ 652,306	\$ 652,306	\$ -	\$ 6,946,820	9.39%
CCPRD	\$ 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%
<b><u>2009</u></b>					
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%
<b><u>2008</u></b>					
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%



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**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, 2018 (UNAUDITED)**

<b>Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions Relative to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Primary Government</b>					
2018	\$ 6,357,327	\$6,357,327	\$ -	\$ 39,146,100	16.24%
2017	\$ 5,403,995	\$5,403,995	\$ -	\$ 37,949,403	14.24%
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%
<b>Component Units</b>					
<b><u>2018</u></b>					
SJFD	\$ 1,051,285	\$1,051,285	\$ -	\$ 6,473,433	16.24%
SPFD	\$ 346,983	\$346,983	\$ -	\$ 2,136,595	16.24%
<b><u>2017</u></b>					
SJFD	\$ 926,214	\$926,214	\$ -	\$ 6,504,309	14.24%
SPFD	\$ 351,615	\$351,615	\$ -	\$ 2,469,209	14.24%
<b><u>2016</u></b>					
SJFD	\$ 874,961	\$874,961	\$ -	\$ 6,367,986	13.74%
SPFD	\$ 369,438	\$369,438	\$ -	\$ 2,769,404	13.34%
<b><u>2015</u></b>					
SJFD	\$ 762,965	\$762,965	\$ -	\$ 5,689,526	13.41%
SPFD	\$ 354,044	\$354,044	\$ -	\$ 2,640,155	13.41%
<b><u>2014</u></b>					
SJFD	\$ 698,579	\$698,579	\$ -	\$ 5,440,646	12.84%
SPFD	\$ 322,448	\$322,448	\$ -	\$ 2,511,277	12.84%
<b><u>2013</u></b>					
SJFD	\$ 619,842	\$619,842	\$ -	\$ 5,039,365	12.30%
SPFD	\$ 307,664	\$307,664	\$ -	\$ 2,501,333	12.30%
<b><u>2012</u></b>					
SJFD	\$ 559,355	\$559,355	\$ -	\$ 4,755,207	11.76%
SPFD	\$ 281,982	\$281,982	\$ -	\$ 2,397,195	11.76%
<b><u>2011</u></b>					
SJFD	\$ 525,406	\$525,406	\$ -	\$ 4,556,860	11.53%
SPFD	\$ 258,948	\$258,948	\$ -	\$ 2,245,863	11.53%
<b><u>2010</u></b>					
SJFD	\$ 492,090	\$492,090	\$ -	\$ 4,453,303	11.05%
SPFD	\$ 267,074	\$267,074	\$ -	\$ 2,416,959	11.05%
<b><u>2009</u></b>					
SJFD	\$ 479,814	\$479,814	\$ -	\$ 4,342,208	11.05%
SPFD	\$ 236,949	\$236,949	\$ -	\$ 2,144,335	11.05%
<b><u>2008</u></b>					
SJFD	\$ 407,113	\$407,113	\$ -	\$ 3,804,794	10.70%
SPFD	\$ 175,945	\$175,945	\$ -	\$ 1,644,346	10.70%

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2018**

<u><b>Total OPEB Liability</b></u>	<u><b>2018</b></u>
Service cost	\$ 3,850,065
Interest on the total OPEB liability	2,166,518
Changes of benefit term	-
Difference between expected and actual experience of the total OPEB liability	84,162
Changes of assumptions	(5,884,529)
Benefit payments	<u>(2,298,726)</u>
<b>Net change in total OPEB liability</b>	<b>(2,082,510)</b>
<b>Total OPEB liability - beginning</b>	<b><u>73,420,141</u></b>
<b>Total OPEB liability - ending</b>	<b><u><u>71,337,631</u></u></b>
 <b>Covered payroll</b>	 \$ 113,995,618
 <b>Total OPEB liability as a percentage of covered payroll</b>	  62.58%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

\* The information provided above are as of the valuation date.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF CHARLESTON COUNTY OPEB CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2018**

**CURRENT FISCAL YEAR**

	<b>Year Ended June 30, 2018</b>
Actuarially Determined Contribution	\$ 2,087,240
Contributions in Relation to the Actuarially Determined Contribution	<u>2,087,240</u>
Contribution Deficiency (Excess)	-
Covered Payroll	115,990,430
Contributions as a Percentage of Covered Payroll	1.80%

Note: The County implemented GASB #75 during the year ended June 30, 2018. Information is not available for prior years.

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB LIABILITY**  
**LAST TWO YEARS (UNAUDITED)**

	<u>Measurment Date</u>	<u>Year Ended June 30</u>	<u>Proportion of OPEB liability</u>	<u>Proportionate share of OPEB liability</u>	<u>Covered Payroll</u>	<u>Share of net OPEB liability as a percentage of its covered payroll</u>
<b>Primary Government</b>						
	2016	2017	100.00%	\$73,420,141	\$115,990,430	63.30%
	2017	2018	100.00%	\$71,337,631	\$113,995,618	62.58%
<b>Component Units</b>						
<b>CCL</b>	2016	2017	6.8937% *	\$5,061,380	\$7,079,628	71.49%
	2017	2018	7.5113%	\$5,358,392	\$7,167,565	74.76%
<b>CCPRC</b>	2016	2017	100.00%	\$6,517,177	\$10,362,054	62.89%
	2017	2018	100.00%	\$6,919,812	\$9,854,530	70.22%

\* The Library's employees were included in the actuary study for the County and report their required portion of the OPEB liability.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**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 and the October 2016 hurricane.

**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.

### **Nonmajor Capital Projects Funds**

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

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

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2018

<u>ASSETS</u>	<u>Special Revenue Funds</u>				
	<u>Accommo- dations</u>	<u>Child Support Enforcement</u>	<u>Community Development</u>	<u>Construction Public Works</u>	<u>Disaster Fund</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	386,144	-	239,354	10,377,218	-
Restricted cash and cash equivalents	1,011,520	-	-	-	-
Receivables (net of allowances for uncollectibles)	4,212,005	458,377	399,029	3,373,740	14,305,824
<b>Total assets</b>	<b>\$ 5,609,669</b>	<b>\$ 458,377</b>	<b>\$ 638,383</b>	<b>\$ 13,750,958</b>	<b>\$ 14,305,824</b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 94,139	\$ 44,028	\$ 179,587	\$ 1,184,750	\$ 310,370
Accrued payroll and fringe benefits	-	12,122	6,999	-	-
Due to other funds	-	201,955	-	-	17,793,023
Intergovernmental payable	4,710,482	272	70,138	-	-
Unearned revenue	-	-	-	-	110,672
<b>Total liabilities</b>	<b>4,804,621</b>	<b>258,377</b>	<b>256,724</b>	<b>1,184,750</b>	<b>18,214,065</b>
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Restricted	805,048	200,000	381,659	12,566,208	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(3,908,241)
<b>Total fund balances</b>	<b>805,048</b>	<b>200,000</b>	<b>381,659</b>	<b>12,566,208</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,609,669</b>	<b>\$ 458,377</b>	<b>\$ 638,383</b>	<b>\$ 13,750,958</b>	<b>\$ 18,214,065</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2018

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,240,415	173,913	305	2,980,076	171,332	1,625,525
-	-	-	-	-	-
1,211	10,695,681	-	2,609,161	-	172,110
<u>\$ 10,241,626</u>	<u>\$ 10,869,594</u>	<u>\$ 305</u>	<u>\$ 5,589,237</u>	<u>\$ 171,332</u>	<u>\$ 1,797,635</u>
\$ 8,532	\$ 66	\$ -	\$ 38,805	\$ -	\$ 111,108
25,661	6,482	-	38,815	3,380	129,640
-	-	-	-	-	-
781,118	55,441	305	68,933	-	35
5,217,282	-	-	-	-	-
6,032,593	61,989	305	146,553	3,380	240,783
-	10,477,933	-	2,369,537	-	-
-	191,353	-	75,739	-	-
-	10,669,286	-	2,445,276	-	-
4,209,033	138,319	-	2,997,408	167,952	1,556,852
-	-	-	-	-	-
-	-	-	-	-	-
4,209,033	138,319	-	2,997,408	167,952	1,556,852
<u>\$ 10,241,626</u>	<u>\$ 10,869,594</u>	<u>\$ 305</u>	<u>\$ 5,589,237</u>	<u>\$ 171,332</u>	<u>\$ 1,797,635</u>

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2018

<u>ASSETS</u>	<u>Special Revenue Funds</u>				
	<u>Safety Enforcement</u>	<u>Sheriff</u>	<u>Solicitor</u>	<u>Storm Water Drainage</u>	<u>Victim Notification</u>
Non-pooled cash and cash equivalents	\$ 29,494	\$ 77,604	\$ 832,541	\$ -	\$ 25,213
Pooled cash and cash equivalents	632,179	2,867,021	910,872	3,630,932	96,921
Restricted cash and cash equivalents	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	440,930	11,191	210,398	396,504	7,562
<b>Total assets</b>	<b>\$ 1,102,603</b>	<b>\$ 2,955,816</b>	<b>\$ 1,953,811</b>	<b>\$ 4,027,436</b>	<b>\$ 129,696</b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 28,548	\$ 25,814	\$ 7,481	96,909	-
Accrued payroll and fringe benefits	45,846	7,486	49,274	37,756	11,481
Due to other funds	-	-	-	-	-
Intergovernmental payable	24,180	1,081	152,275	90	-
Unearned revenue	606,106	-	-	-	-
<b>Total liabilities</b>	<b>704,680</b>	<b>34,381</b>	<b>209,030</b>	<b>134,755</b>	<b>11,481</b>
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Restricted	397,923	2,921,435	1,744,781	3,892,681	118,215
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>397,923</b>	<b>2,921,435</b>	<b>1,744,781</b>	<b>3,892,681</b>	<b>118,215</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,102,603</b>	<b>\$ 2,955,816</b>	<b>\$ 1,953,811</b>	<b>\$ 4,027,436</b>	<b>\$ 129,696</b>

See notes to financial statements.

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2018**

<u>ASSETS</u>	<u>Capitol Projects Fund</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Construction</u>	<u>Equipment Replacement Fund</u>	<u>ITS / MIS</u>	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 964,852
Pooled cash and cash equivalents	-	703,110	1,311,825	36,347,142
Restricted cash and cash equivalents	-	-	-	1,011,520
Receivables (net of allowances for uncollectibles)	-	-	-	37,293,723
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 703,110</b>	<b>\$ 1,311,825</b>	<b>\$ 75,617,237</b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 804,769	\$ 4,526	\$ 28,242	\$ 2,967,674
Accrued payroll and fringe benefits	7,385	-	-	382,327
Due to other funds	11,837,671	-	-	29,832,649
Intergovernmental payable	27,379	1,644	-	5,893,373
Unearned revenue	-	-	-	5,934,060
<b>Total liabilities</b>	<b>12,677,204</b>	<b>6,170</b>	<b>28,242</b>	<b>45,010,083</b>
Deferred inflows of resources:				
Unavailable property tax revenues-current	-	-	-	12,847,470
Unavailable property tax revenues-delinquent	-	-	-	267,092
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,114,562</b>
Fund balances:				
Restricted	-	-	-	32,097,514
Committed	-	696,940	1,283,583	1,980,523
Unassigned	(12,677,204)	-	-	(16,585,445)
<b>Total fund balances</b>	<b>-</b>	<b>696,940</b>	<b>1,283,583</b>	<b>17,492,592</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,677,204</b>	<b>\$ 703,110</b>	<b>\$ 1,311,825</b>	<b>\$ 75,617,237</b>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2018

	Special Revenue Funds				
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works	Disaster Fund
<b>Revenues:</b>					
Property taxes and other taxes	\$ 17,628,572	\$ -	\$ -	\$ -	\$ -
Intergovernmental	119,307	1,541,509	2,476,254	6,134,050	14,340,175
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	-
Interest	10,199	-	-	171,524	-
Other revenues	-	-	106	-	-
<b>Total revenues</b>	<b>17,758,078</b>	<b>1,541,509</b>	<b>2,476,360</b>	<b>6,305,574</b>	<b>14,340,175</b>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	85,737	-	-	-
Judicial	-	682,190	-	-	-
Public works	-	-	-	8,862,480	6,111,363
Health and welfare	-	-	2,480,372	-	-
Economic development	-	-	-	-	-
Culture and recreation	17,111,449	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>17,111,449</b>	<b>767,927</b>	<b>2,480,372</b>	<b>8,862,480</b>	<b>6,111,363</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>646,629</b>	<b>773,582</b>	<b>(4,012)</b>	<b>(2,556,906)</b>	<b>8,228,812</b>
<b>Other financing sources (uses):</b>					
Capital lease issuance	-	-	-	-	-
Settlement loss on lawsuit	-	-	-	-	-
Transfers in	-	42,028	-	6,353,217	743,440
Transfers out	(29,715)	(615,610)	-	(6,353,217)	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(29,715)</b>	<b>(573,582)</b>	<b>-</b>	<b>-</b>	<b>743,440</b>
<b>Net change in fund balance</b>	<b>616,914</b>	<b>200,000</b>	<b>(4,012)</b>	<b>(2,556,906)</b>	<b>8,972,252</b>
<b>Fund balances at beginning of year</b>	<b>188,134</b>	<b>-</b>	<b>385,671</b>	<b>15,123,114</b>	<b>(12,880,493)</b>
<b>Fund balances at end of year</b>	<b>\$ 805,048</b>	<b>\$ 200,000</b>	<b>\$ 381,659</b>	<b>\$ 12,566,208</b>	<b>\$ (3,908,241)</b>

See notes to financial statements.

Special Revenue Funds					
Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ 3,348,858	\$ 10,480,178	\$ -	\$ 2,808,000	\$ -	\$ -
14,393,000	222,205	27,931	147,031	-	2,735,507
-	-	-	-	220,812	-
-	-	-	-	-	495,217
-	-	-	-	-	22,673
11,500	-	-	932	-	2,888
17,753,358	10,702,383	27,931	2,955,963	220,812	3,256,285
-	93,313	-	-	-	-
-	-	29,435	3,001,838	173,556	-
-	-	-	-	-	6,363,226
-	-	-	-	-	-
16,867,813	-	-	-	-	-
-	-	-	-	-	-
-	7,139,713	-	-	-	-
-	-	-	-	-	-
-	-	-	208,650	-	-
16,867,813	7,233,026	29,435	3,210,488	173,556	6,363,226
885,545	3,469,357	(1,504)	(254,525)	47,256	(3,106,941)
-	-	-	-	-	-
-	-	-	-	-	-
2,000	218,798	1,504	-	-	3,220,466
-	(3,696,468)	-	-	-	-
-	-	-	-	-	-
2,000	(3,477,670)	1,504	-	-	3,220,466
887,545	(8,313)	-	(254,525)	47,256	113,525
3,321,488	146,632	-	3,251,933	120,696	1,443,327
\$ 4,209,033	\$ 138,319	\$ -	\$ 2,997,408	\$ 167,952	\$ 1,556,852

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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, 2018

	Special Revenue Funds				
	Safety Enforcement	Sheriff	Solicitor	Storm Water Drainage	Victim Notification
<b>Revenues:</b>					
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,823,377	71,070	2,060,059	882,700	20,779
Fines and forfeitures	-	281,594	40,191	-	328,685
Service charges	50,236	31,000	538,608	2,974,309	270
Interest	609	16,384	-	44,364	-
Other revenues	1,250,206	582,047	3,853	-	-
<b>Total revenues</b>	<b>3,124,428</b>	<b>982,095</b>	<b>2,642,711</b>	<b>3,901,373</b>	<b>349,734</b>
<b>Expenditures:</b>					
Current:					
General government	17,915	-	-	-	-
Public safety	2,648,668	1,063,043	-	-	237,502
Judicial	481,598	-	2,681,005	-	259,014
Public works	-	-	-	3,076,852	-
Health and welfare	7,887	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<b>Total expenditures</b>	<b>3,156,068</b>	<b>1,063,043</b>	<b>2,681,005</b>	<b>3,076,852</b>	<b>496,516</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(31,640)</b>	<b>(80,948)</b>	<b>(38,294)</b>	<b>824,521</b>	<b>(146,782)</b>
<b>Other financing sources (uses):</b>					
Capital lease issuance	-	-	-	-	-
Settlement loss on lawsuit	-	-	-	-	-
Transfers in	65,469	68,271	107,994	-	119,865
Transfers out	-	(45,449)	(293,411)	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>65,469</b>	<b>22,822</b>	<b>(185,417)</b>	<b>-</b>	<b>119,865</b>
<b>Net change in fund balance</b>	<b>33,829</b>	<b>(58,126)</b>	<b>(223,711)</b>	<b>824,521</b>	<b>(26,917)</b>
<b>Fund balances at beginning of year</b>	<b>364,094</b>	<b>2,979,561</b>	<b>1,968,492</b>	<b>3,068,160</b>	<b>145,132</b>
<b>Fund balances at end of year</b>	<b>\$ 397,923</b>	<b>\$ 2,921,435</b>	<b>\$ 1,744,781</b>	<b>\$ 3,892,681</b>	<b>\$ 118,215</b>

See notes to financial statements.

	Capital Projects Funds			
	Construction	Equipment Replacement Fund	ITS / MIS	Total Nonmajor Governmental Funds
Revenues:				
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ 34,265,608
Intergovernmental	-	-	28,764	47,023,718
Fines and forfeitures	-	-	-	871,282
Service charges	-	-	-	4,089,640
Interest	4,208	21,533	19,645	311,139
Other revenues	-	-	-	1,851,532
Total revenues	4,208	21,533	48,409	88,412,919
Expenditures:				
Current:				
General government	-	-	-	111,228
Public safety	-	-	-	7,239,779
Judicial	-	-	-	10,467,033
Public works	-	-	-	18,050,695
Health and welfare	-	-	-	2,488,259
Economic development	-	-	-	16,867,813
Culture and recreation	-	-	-	17,111,449
Education	-	-	-	7,139,713
Capital outlay	8,659,188	25,000	1,329,171	10,013,359
Debt service	-	-	-	208,650
Total expenditures	8,659,188	25,000	1,329,171	89,697,978
Excess (deficiency) of revenues over (under) expenditures	(8,654,980)	(3,467)	(1,280,762)	(1,285,059)
Other financing sources (uses):				
Capital lease issuance	-	-	1,319,191	1,319,191
Settlement loss on lawsuit	(16,100,000)	-	-	(16,100,000)
Transfers in	197,100	270,776	-	11,410,928
Transfers out	(115,538)	(1,834,562)	(229,568)	(13,213,538)
Proceeds from sale of capital assets	-	19,481	-	19,481
Total other financing sources (uses)	(16,018,438)	(1,544,305)	1,089,623	(16,563,938)
Net change in fund balance	(24,673,418)	(1,547,772)	(191,139)	(17,848,997)
Fund balances at beginning of year	11,996,214	2,244,712	1,474,722	35,341,589
Fund balances at end of year	\$ (12,677,204)	\$ 696,940	\$ 1,283,583	\$ 17,492,592

**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  
DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive Negative
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property and local option sales taxes	\$ 22,361,000	22,361,000	22,007,960	\$ (353,040)
Intergovernmental	254,405	254,405	376,552	122,147
Interest	175,000	175,000	323,502	148,502
Total revenues	22,790,405	22,790,405	22,708,014	(82,391)
<u>EXPENDITURES</u>				
Debt service	32,488,831	44,853,104	31,341,467	13,511,637
Total expenditures	32,488,831	44,853,104	31,341,467	13,511,637
Excess of expenditures over revenues	(9,698,426)	(22,062,699)	(8,633,453)	13,429,246
Other financing sources (uses):				
Bond premium	\$ 8,845,188	14,474,159	14,474,159	\$ -
Transfers in	8,124,800	8,124,800	10,061,907	1,937,107
Transfers out	-	(2,109,889)	(2,171,641)	(61,752)
Total other financing sources and (uses)	16,969,988	20,489,070	22,364,425	1,875,355
Net change in fund balance	7,271,562	(1,573,629)	13,730,972	15,304,601
Fund balance at beginning of year	18,067,985	18,067,985	18,067,985	-
Fund balance at end of year	\$ 25,339,547	\$ 16,494,356	\$ 31,798,957	\$ 15,304,601

See notes to financial statements.

**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, 2018**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 119,307	\$ 94,307
Accommodations taxes	17,700,000	17,700,000	17,628,572	(71,428)
Interest	5,000	5,000	10,199	5,199
	<u>17,730,000</u>	<u>17,730,000</u>	<u>17,758,078</u>	<u>28,078</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Current:				
Culture and recreation	17,636,748	17,636,748	17,111,449	525,299
	<u>17,636,748</u>	<u>17,636,748</u>	<u>17,111,449</u>	<u>525,299</u>
<b>Total expenditures</b>				
<b>Excess of revenues over expenditures</b>	<u>93,252</u>	<u>93,252</u>	<u>646,629</u>	<u>553,377</u>
<b>Other financing uses:</b>				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(29,715)</u>	<u>(4,715)</u>
<b>Net change in fund balance</b>	68,252	68,252	616,914	548,662
<b>Fund balance at beginning of year</b>	<u>188,134</u>	<u>188,134</u>	<u>188,134</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 256,386</u>	<u>\$ 256,386</u>	<u>\$ 805,048</u>	<u>\$ 548,662</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, 2018**

	<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	\$ 739,862	\$ 739,862	\$ 1,541,509	\$ 801,647
<b>Total revenues</b>	<b>739,862</b>	<b>739,862</b>	<b>1,541,509</b>	<b>801,647</b>
<b>Expenditures:</b>				
Current:				
Public safety	89,164	89,164	85,737	3,427
Judicial	690,825	696,804	682,190	14,614
<b>Total expenditures</b>	<b>779,989</b>	<b>785,968</b>	<b>767,927</b>	<b>18,041</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(40,127)</b>	<b>(46,106)</b>	<b>773,582</b>	<b>819,688</b>
<b>Other financing sources (uses):</b>				
Transfers in	40,127	46,106	42,028	(4,078)
Transfers out	-	-	(615,610)	(615,610)
<b>Total other financing sources (uses)</b>	<b>40,127</b>	<b>46,106</b>	<b>(573,582)</b>	<b>(619,688)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>

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, 2018**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 2,940,864	\$ 2,940,864	\$ 3,348,858	\$ 407,994
Intergovernmental	-	22,130,283	14,393,000	(7,737,283)
Other revenues	8,400	14,400	11,500	(2,900)
Total revenues	<u>2,949,264</u>	<u>25,085,547</u>	<u>17,753,358</u>	<u>(7,332,189)</u>
Expenditures:				
Current:				
Economic development	<u>3,832,492</u>	<u>25,970,775</u>	<u>16,867,813</u>	<u>9,102,962</u>
Total expenditures	<u>3,832,492</u>	<u>25,970,775</u>	<u>16,867,813</u>	<u>9,102,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(883,228)</u>	<u>(885,228)</u>	<u>885,545</u>	<u>1,770,773</u>
Other financing uses:				
Transfer in	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance	<u>(883,228)</u>	<u>(883,228)</u>	<u>887,545</u>	<u>1,770,773</u>
Fund balance at beginning of year	<u>3,321,488</u>	<u>3,321,488</u>	<u>3,321,488</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,438,260</u>	<u>\$ 2,438,260</u>	<u>\$ 4,209,033</u>	<u>\$ 1,770,773</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, 2018**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Property taxes	\$ 10,639,300	\$ 10,639,300	\$ 10,480,178	\$ (159,122)
Intergovernmental	77,500	77,500	222,205	144,705
Total revenues	<u>10,716,800</u>	<u>10,716,800</u>	<u>10,702,383</u>	<u>(14,417)</u>
<b>Expenditures:</b>				
Current:				
General Government	125,000	271,632	93,313	178,319
Education	<u>7,144,000</u>	<u>7,144,000</u>	<u>7,139,713</u>	<u>4,287</u>
Total expenditures	<u>7,269,000</u>	<u>7,415,632</u>	<u>7,233,026</u>	<u>182,606</u>
<b>Excess of revenues over expenditures</b>	<u>3,447,800</u>	<u>3,301,168</u>	<u>3,469,357</u>	<u>168,189</u>
<b>Other financing sources (uses):</b>				
Transfers in	187,000	195,269	218,798	23,529
Transfers out	<u>(3,674,800)</u>	<u>(3,683,069)</u>	<u>(3,696,468)</u>	<u>(13,399)</u>
<b>Total other financing sources (uses)</b>	<u>(3,487,800)</u>	<u>(3,487,800)</u>	<u>(3,477,670)</u>	<u>10,130</u>
<b>Net change in fund balance</b>	<u>(40,000)</u>	<u>(186,632)</u>	<u>(8,313)</u>	<u>178,319</u>
<b>Fund balance at beginning of year</b>	<u>146,632</u>	<u>146,632</u>	<u>146,632</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 106,632</u>	<u>\$ (40,000)</u>	<u>\$ 138,319</u>	<u>\$ 178,319</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, 2018**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Property taxes	\$ 2,786,600	\$ 2,793,294	\$ 2,808,000	\$ 14,706
Intergovernmental	110,102	110,112	147,031	36,919
Other revenues	-	-	932	932
	<u>2,896,702</u>	<u>2,903,406</u>	<u>2,955,963</u>	<u>52,557</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Current:				
Public safety	2,946,604	5,010,070	3,001,838	2,008,232
Debt service	208,650	208,650	208,650	-
	<u>3,155,254</u>	<u>5,218,720</u>	<u>3,210,488</u>	<u>2,008,232</u>
<b>Total expenditures</b>				
<b>Deficiency of revenues under expenditures</b>	<u>(258,552)</u>	<u>(2,315,314)</u>	<u>(254,525)</u>	<u>2,060,789</u>
<b>Net change in fund balance</b>	<u>(258,552)</u>	<u>(2,315,314)</u>	<u>(254,525)</u>	<u>2,060,789</u>
<b>Fund balance at beginning of year</b>	<u>3,251,933</u>	<u>3,251,933</u>	<u>3,251,933</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 2,993,381</u>	<u>\$ 936,619</u>	<u>\$ 2,997,408</u>	<u>\$ 2,060,789</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, 2018**

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u></u>
<b>Revenues:</b>				
Fines and forfeitures	<u>\$ 230,000</u>	<u>\$ 230,000</u>	<u>\$ 220,812</u>	<u>\$ (9,188)</u>
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>220,812</u>	<u>(9,188)</u>
<b>Expenditures:</b>				
Current:				
Public safety	<u>228,424</u>	<u>228,424</u>	<u>173,556</u>	<u>54,868</u>
Total expenditures	<u>228,424</u>	<u>228,424</u>	<u>173,556</u>	<u>54,868</u>
Excess of revenues over expenditures	<u>1,576</u>	<u>1,576</u>	<u>47,256</u>	<u>45,680</u>
Net change in fund balance	<u>1,576</u>	<u>1,576</u>	<u>47,256</u>	<u>45,680</u>
Fund balance at beginning of year	<u>120,696</u>	<u>120,696</u>	<u>120,696</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 122,272</u></u>	<u><u>\$ 122,272</u></u>	<u><u>\$ 167,952</u></u>	<u><u>\$ 45,680</u></u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
PUBLIC DEFENDER SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018**

	<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	\$ 2,599,699	\$ 2,587,067	\$ 2,735,507	\$ 148,440
Service charges	350,000	502,000	495,217	(6,783)
Interest	7,500	7,500	22,673	15,173
Other revenues	-	-	2,888	2,888
<b>Total revenues</b>	<u>2,957,199</u>	<u>3,096,567</u>	<u>3,256,285</u>	<u>159,718</u>
<b>Expenditures:</b>				
Current:				
Judicial	<u>6,216,990</u>	<u>6,466,896</u>	<u>6,363,226</u>	<u>103,670</u>
<b>Total expenditures</b>	<u>6,216,990</u>	<u>6,466,896</u>	<u>6,363,226</u>	<u>103,670</u>
<b>Deficiency of revenues under expenditures</b>	<u>(3,259,791)</u>	<u>(3,370,329)</u>	<u>(3,106,941)</u>	<u>263,388</u>
<b>Other financing sources:</b>				
Transfers in	<u>3,130,000</u>	<u>3,220,466</u>	<u>3,220,466</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(129,791)</u>	<u>(149,863)</u>	<u>113,525</u>	<u>263,388</u>
<b>Fund balance at beginning of year</b>	<u>1,443,327</u>	<u>1,443,327</u>	<u>1,443,327</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 1,313,536</u>	<u>\$ 1,293,464</u>	<u>\$ 1,556,852</u>	<u>\$ 263,388</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, 2018**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 69,000	\$ 69,000	\$ 71,070	\$ 2,070
Fines and forfeitures	46,428	53,331	281,594	228,263
Interest	-	-	16,384	16,384
Service charges	38,700	38,700	31,000	(7,700)
Other revenues	455,700	455,700	582,047	126,347
	<u>609,828</u>	<u>616,731</u>	<u>982,095</u>	<u>365,364</u>
<b>Expenditures:</b>				
Current:				
Public safety	1,113,223	1,686,123	1,063,043	623,080
	<u>1,113,223</u>	<u>1,686,123</u>	<u>1,063,043</u>	<u>623,080</u>
<b>Deficiency of revenues under expenditures</b>	<u>(503,395)</u>	<u>(1,069,392)</u>	<u>(80,948)</u>	<u>988,444</u>
<b>Other financing sources (uses):</b>				
Transfers in	46,502	46,502	68,271	21,769
Transfers out	-	(52,187)	(45,449)	(6,738)
	<u>46,502</u>	<u>(5,685)</u>	<u>22,822</u>	<u>15,031</u>
<b>Net change in fund balance</b>	<u>(456,893)</u>	<u>(1,075,077)</u>	<u>(58,126)</u>	<u>1,016,951</u>
<b>Fund balance at beginning of year</b>	<u>2,979,561</u>	<u>2,979,561</u>	<u>2,979,561</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 2,522,668</u></u>	<u><u>\$ 1,904,484</u></u>	<u><u>\$ 2,921,435</u></u>	<u><u>\$ 1,016,951</u></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, 2018

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 2,014,034	\$ 2,014,034	\$ 2,060,059	\$ 46,025
Fines and forfeitures	15,000	15,000	40,191	25,191
Service charges	666,000	666,000	538,608	(127,392)
Other revenues	500	500	3,853	3,353
Total revenues	2,695,534	2,695,534	2,642,711	(52,823)
Expenditures:				
Current:				
Judicial	2,540,623	2,614,533	2,681,005	(66,472)
Total expenditures	2,540,623	2,614,533	2,681,005	(66,472)
Excess (deficiency) of revenues over (under) expenditures	154,911	81,001	(38,294)	(119,295)
Other financing sources (uses):				
Transfers in	93,449	93,449	107,994	14,545
Transfers out	(321,102)	(281,102)	(293,411)	(12,309)
Total other financing sources	(227,653)	(187,653)	(185,417)	2,236
Net change in fund balance	(72,742)	(106,652)	(223,711)	(117,059)
Fund balance at beginning of year	1,968,492	1,968,492	1,968,492	-
Fund balance at end of year	<u>\$ 1,895,750</u>	<u>\$ 1,861,840</u>	<u>\$ 1,744,781</u>	<u>\$ (117,059)</u>

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, 2018**

	<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	\$ 883,000	\$ 883,000	\$ 882,700	\$ (300)
Service charges	3,035,000	3,035,000	2,974,309	(60,691)
Interest	-	-	44,364	44,364
<b>Total revenues</b>	<u>3,918,000</u>	<u>3,918,000</u>	<u>3,901,373</u>	<u>(16,627)</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>6,129,942</u>	<u>5,175,634</u>	<u>3,076,852</u>	<u>2,098,782</u>
<b>Total expenditures</b>	<u>6,129,942</u>	<u>5,175,634</u>	<u>3,076,852</u>	<u>2,098,782</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,211,942)</u>	<u>(1,257,634)</u>	<u>824,521</u>	<u>2,082,155</u>
<b>Net change in fund balance</b>	<u>(2,211,942)</u>	<u>(1,257,634)</u>	<u>824,521</u>	<u>2,082,155</u>
<b>Fund balance at beginning of year</b>	<u>3,068,160</u>	<u>3,068,160</u>	<u>3,068,160</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 856,218</u>	<u>\$ 1,810,526</u>	<u>\$ 3,892,681</u>	<u>\$ 2,082,155</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, 2018**

	<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	\$ 7,000	\$ 7,000	\$ 20,779	\$ 13,779
Fines and forfeitures	325,000	325,000	328,685	3,685
Service charges	-	-	270	270
<b>Total revenues</b>	<u>332,000</u>	<u>332,000</u>	<u>349,734</u>	<u>17,734</u>
<b>Expenditures:</b>				
Current:				
Public safety	212,089	212,089	237,502	(25,413)
Judicial	273,446	273,446	259,014	14,432
<b>Total expenditures</b>	<u>485,535</u>	<u>485,535</u>	<u>496,516</u>	<u>(10,981)</u>
<b>Deficiency of revenues under expenditures</b>	<u>(153,535)</u>	<u>(153,535)</u>	<u>(146,782)</u>	<u>6,753</u>
<b>Other financing sources:</b>				
Transfers in	153,535	153,535	119,865	(33,670)
<b>Net change in fund balance</b>	-	-	(26,917)	(26,917)
<b>Fund balance at beginning of year</b>	<u>145,132</u>	<u>145,132</u>	<u>145,132</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 145,132</u>	<u>\$ 145,132</u>	<u>\$ 118,215</u>	<u>\$ (26,917)</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
VICTIM NOTIFICATION SPECIAL REVENUE FUND  
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED  
June 30, 2018

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
<b>Magistrates:</b>						
<b>Fines:</b>						
Traffic/criminal	\$ 1,694,574	\$ -	\$ 1,694,574	\$ 1,694,574	\$ -	\$ 1,694,574
Wildlife/littering	-	-	-	-	-	-
DUI/DUS/BUI	52,072	52,072	-	-	-	-
Assessments	1,119,451	1,024,871	94,580	-	94,580	94,580
Surcharges	386,496	351,274	35,221	-	35,221	35,221
	<u>3,252,593</u>	<u>1,428,217</u>	<u>1,824,375</u>	<u>1,694,574</u>	<u>129,801</u>	<u>1,824,375</u>
<b>Clerk of Court:</b>						
<b>Fines:</b>						
Fines and Fees	1,209,672	838,107	371,564	371,564	-	371,564
Family court	1,965,148	1,029,953	935,195	935,195	-	935,195
DUI/DUS/BUI	11,140	11,140	-	-	-	-
Assessments	158,695	101,999	56,696	-	56,696	56,696
Surcharges	236,222	94,033	142,189	-	142,189	142,189
	<u>3,580,877</u>	<u>2,075,232</u>	<u>1,505,644</u>	<u>1,306,759</u>	<u>198,885</u>	<u>1,505,644</u>
	<u>\$ 6,833,470</u>	<u>\$ 3,503,449</u>	<u>\$ 3,330,019</u>	<u>\$ 3,001,333</u>	<u>\$ 328,686</u>	<u>\$ 3,330,019</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, 2018

<u>ASSETS</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Public Safety Systems</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current assets:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 478,510	\$ 479,210
Pooled cash and cash equivalents	769,397	3,398,263	313,586	1,806,707	3,136,116	9,424,069
Receivables (net of allowances for uncollectibles)	2,501,310	384,362	17,195	110,580	1,599,460	4,612,907
Total current assets	3,271,407	3,782,625	330,781	1,917,287	5,214,086	14,516,186
Capital assets:						
Buildings	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	270,255	-	-	-	-	270,255
Machinery and equipment	608,377	3,317,871	-	963,682	116,916	5,006,846
Less accumulated depreciation	(4,944,043)	(2,993,654)	-	(664,082)	(66,271)	(8,668,050)
Total capital assets (net of accumulated depreciation)	5,636,956	324,217	-	299,600	50,645	6,311,418
Total noncurrent assets	5,636,956	324,217	-	299,600	50,645	6,311,418
Total assets	8,908,363	4,106,842	330,781	2,216,887	5,264,731	20,827,604

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 June 30, 2018

<u>LIABILITIES AND EQUITY</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Public Safety Systems</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current liabilities:						
Accounts payable	\$ 186,165	\$ 69,377	\$ 2,394	\$ 80,749	\$ 1,513,000	\$ 1,851,685
Accrued payroll and fringe benefits	132,995	14,195	1,930	4,703	33,500	187,323
Compensated absences-current	13,138	-	-	-	-	13,138
Due to other funds	12,353,967	986,185	109,873	438,246	2,736,291	16,624,562
Intergovernmental payable	2,023	2,253	-	231	3,245,327	3,249,834
Total current liabilities	<u>12,688,288</u>	<u>1,072,010</u>	<u>114,197</u>	<u>523,929</u>	<u>7,528,118</u>	<u>21,926,542</u>
Noncurrent liabilities:						
Compensated absences	<u>373,258</u>	<u>43,148</u>	<u>9,392</u>	<u>7,718</u>	<u>172,260</u>	<u>605,776</u>
Total noncurrent liabilities	<u>373,258</u>	<u>43,148</u>	<u>9,392</u>	<u>7,718</u>	<u>172,260</u>	<u>605,776</u>
Total liabilities	<u>13,061,546</u>	<u>1,115,158</u>	<u>123,589</u>	<u>531,647</u>	<u>7,700,378</u>	<u>22,532,318</u>
<u>NET POSITION</u>						
Net investment in capital assets	5,636,957	324,217	-	299,600	50,646	6,311,420
Unrestricted	<u>(9,790,140)</u>	<u>2,667,467</u>	<u>207,192</u>	<u>1,385,640</u>	<u>(2,486,293)</u>	<u>(8,016,134)</u>
Total net position	<u>\$ (4,153,183)</u>	<u>\$ 2,991,684</u>	<u>\$ 207,192</u>	<u>\$ 1,685,240</u>	<u>\$ (2,435,647)</u>	<u>\$ (1,704,714)</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended June 30, 2018

	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
Operating revenues:						
Charges for services	\$ 7,566,411	\$ 2,598,915	\$ 594,558	\$ 2,842,065	\$ 2,128,906	\$ 15,730,855
Other revenues	277	-	-	-	1,721	1,998
Total operating revenues	7,566,688	2,598,915	594,558	2,842,065	2,130,627	15,732,853
Operating expenses:						
Personnel services	5,652,697	830,144	92,016	200,925	1,499,790	8,275,572
Contractual services	673,009	652,524	402,155	263,312	31,968	2,022,968
Materials and supplies	710,243	54,960	-	192,050	9,965	967,218
Utilities	218,018	367,992	-	104,865	-	690,875
Repairs and maintenance	328,366	-	-	1,892,460	1,690	2,222,516
Rental expenses	221,301	-	-	474,712	-	696,013
Vehicle fleet charges	10,298	2,441	-	3,241	9,343	25,323
Employee benefits	1,462,026	173,612	10,984	54,666	377,806	2,079,094
Other expenses	2,232,730	512,025	69,539	1,274,904	572,364	4,661,562
Depreciation and amortization	309,438	212,946	-	141,611	16,208	680,203
Total operating expenses	11,818,126	2,806,644	574,694	4,602,746	2,519,134	22,321,344
Operating income (loss)	(4,251,438)	(207,729)	19,864	(1,760,681)	(388,507)	(6,588,491)
Nonoperating revenues (expenses):						
Interest income	12,328	48,175	4,135	21,974	34,682	121,294
Intergovernmental revenues	832,119	-	-	-	-	832,119
Total nonoperating revenues (expenses)	844,447	48,175	4,135	21,974	34,682	953,413
Income (loss) before transfers	(3,406,991)	(159,554)	23,999	(1,738,707)	(353,825)	(5,635,078)
Transfers in	1,576,317	-	-	1,944,753	-	3,521,070
Transfers out	-	-	-	-	(40,190)	(40,190)
Change in net position	(1,830,674)	(159,554)	23,999	206,046	(394,015)	(2,154,198)
Total net position - beginning (as restated)	(2,322,509)	3,151,238	183,193	1,479,194	(2,041,632)	449,484
Total net position - ending	\$ (4,153,183)	\$ 2,991,684	\$ 207,192	\$ 1,685,240	\$ (2,435,647)	\$ (1,704,714)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 For the Year Ended June 30, 2018

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 7,336,598	\$ 2,563,356	\$ 609,960	\$ 3,128,763	\$ 1,985,910	\$ 15,624,587
Cash payments to suppliers for goods and services	(2,857,099)	(1,441,164)	(477,529)	(4,139,093)	(213,939)	(9,128,824)
Cash payments to employees for services	(7,087,187)	(1,002,826)	(98,247)	(252,872)	(1,857,751)	(10,298,883)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,607,688)</b>	<b>119,366</b>	<b>34,184</b>	<b>(1,263,202)</b>	<b>(85,780)</b>	<b>(3,803,120)</b>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	1,576,317	-	-	1,944,753	-	3,521,070
Transfers (out)	-	-	-	-	(40,190)	(40,190)
Intergovernmental receipt	832,119	-	-	-	-	832,119
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>2,408,436</b>	<b>-</b>	<b>-</b>	<b>1,944,753</b>	<b>(40,190)</b>	<b>4,312,999</b>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition and construction of capital assets	-	(204,007)	-	(233,842)	-	(437,849)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>(204,007)</b>	<b>-</b>	<b>(233,842)</b>	<b>-</b>	<b>(437,849)</b>
<b>Cash flows from investing activities:</b>						
Interest received	12,328	48,175	4,135	21,974	34,682	121,294
<b>Net cash provided by investing activities</b>	<b>12,328</b>	<b>48,175</b>	<b>4,135</b>	<b>21,974</b>	<b>34,682</b>	<b>121,294</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(186,924)</b>	<b>(36,466)</b>	<b>38,319</b>	<b>469,683</b>	<b>(91,288)</b>	<b>193,324</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>957,021</b>	<b>3,434,729</b>	<b>275,267</b>	<b>1,337,024</b>	<b>3,705,914</b>	<b>9,709,955</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 770,097</b>	<b>\$ 3,398,263</b>	<b>\$ 313,586</b>	<b>\$ 1,806,707</b>	<b>\$ 3,614,626</b>	<b>\$ 9,903,279</b>
<b>Reconciliation to balance sheet:</b>						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 478,510	\$ 479,210
Pooled cash and cash equivalents	769,397	3,398,263	313,586	1,806,707	3,136,116	9,424,069
<b>Cash and cash equivalents at end of year</b>	<b>\$ 770,097</b>	<b>\$ 3,398,263</b>	<b>\$ 313,586</b>	<b>\$ 1,806,707</b>	<b>\$ 3,614,626</b>	<b>\$ 9,903,279</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, 2018

	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)	\$ (4,251,438)	\$ (207,729)	\$ 19,864	\$ (1,760,681)	\$ (388,507)	\$ (6,588,491)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	309,438	212,946	-	141,611	16,208	680,203
Allowance for doubtful account	(70,086)	-	-	-	-	(70,086)
Changes in assets and liabilities:						
(Increase) decrease in receivables	(160,004)	(35,559)	15,402	286,698	(144,716)	(38,179)
Increase (decrease) in accounts payable	1,536,866	148,778	(5,835)	66,451	411,390	2,157,650
Increase (decrease) in accrued payroll	27,536	930	4,753	2,719	19,845	55,783
Total adjustments	1,643,750	327,095	14,320	497,479	302,727	2,785,371
Net cash provided by (used in) operating activities	\$ (2,607,688)	\$ 119,366	\$ 34,184	\$ (1,263,202)	\$ (85,780)	\$ (3,803,120)

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, 2018

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>ASSETS</b>						
Current assets:						
Pooled cash and cash equivalents	\$ 5,027,517	\$ 295,695	\$ 5,567,891	\$ 42,036,157	\$ 381,846	\$ 53,309,106
Cash with fiscal agent	-	-	125,000	-	-	125,000
Pooled investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	161,825	187	-	316,746	-	478,758
Due from other funds	-	-	110,207	34,049,611	-	34,159,818
Inventories	368,683	-	-	-	-	368,683
Total current assets	5,558,025	295,882	5,803,098	76,402,514	381,846	88,441,365
Capital assets:						
Construction in process	-	-	-	-	65,353	65,353
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	36,771,248	1,997,009	520,053	-	893,923	40,182,233
Less accumulated depreciation	(25,135,494)	(1,889,781)	(403,106)	-	(362,385)	(27,790,766)
Total capital assets (net of accumulated depreciation)	13,186,257	252,408	116,947	-	596,891	14,152,503
Total assets	18,744,282	548,290	5,920,045	76,402,514	978,737	102,593,868
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pension charges	-	-	-	54,787,488	-	54,787,488
Deferred OPEB charges	-	-	-	2,643,696	-	2,643,696
Total deferred outflows of resources	-	-	-	57,431,184	-	57,431,184
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	637,775	77,979	3,770,369	88,224	169,901	4,744,248
Accrued payroll and fringe benefits	55,163	17,017	10,236	3,357	9,541	95,314
Unearned revenue	-	1,682	-	1,146,353	-	1,148,035
Compensated absences-current	9,277	-	-	-	10,007	19,284
Intergovernmental payable	4,221	73	817	970	590	6,671
Lease payable - current	-	7,920	-	-	-	7,920
Total current liabilities	706,436	104,671	3,781,422	1,238,904	190,039	6,021,472
Noncurrent liabilities:						
Net OPEB liability	-	-	-	71,337,631	-	71,337,631
Compensated absences	237,792	53,979	49,426	7,102	884	349,183
Net pension liability	-	-	-	266,187,886	-	266,187,886
Total noncurrent liabilities	237,792	53,979	49,426	337,532,619	884	337,874,700
Total liabilities	944,228	158,650	3,830,848	338,771,523	190,923	343,896,172
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred pension credits	-	-	-	749,172	-	749,172
Deferred OPEB credits	-	-	-	5,195,264	-	5,195,264
Total deferred inflows of resources	-	-	-	5,944,436	-	5,944,436
<b>NET POSITION</b>						
Net investment in capital assets	13,186,257	244,488	116,947	-	596,891	14,144,583
Unrestricted	4,613,797	145,152	1,972,250	(210,882,261)	190,923	(203,960,139)
Total net position	\$ 17,800,054	\$ 389,640	\$ 2,089,197	\$ (210,882,261)	\$ 787,814	\$ (189,815,556)

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, 2018

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
<b>Operating revenues:</b>						
Charges for services	\$ 13,287,183	\$ 1,939,854	\$ 5,121,179	\$ 44,222,963	\$ 2,076,597	\$ 66,647,776
<b>Total operating revenues</b>	<b>13,287,183</b>	<b>1,939,854</b>	<b>5,121,179</b>	<b>44,222,963</b>	<b>2,076,597</b>	<b>66,647,776</b>
<b>Operating expenses:</b>						
Personnel services	2,500,611	743,236	441,797	106,218	387,948	4,179,810
Contractual services	8,706	40,500	4,960,265	12,090	1,824	5,023,385
Materials and supplies	8,251,575	600,134	158,075	17,373	2,066	9,029,223
Utilities	105,949	18,507	-	-	1,400,212	1,524,668
Repairs and maintenance	55,175	233,852	40,607	-	97,254	426,888
Rental expenses	-	21,780	-	-	-	21,780
Vehicle fleet charges	101,688	9,876	11,354	-	2,445	125,363
Employee benefits	-	-	-	54,752,240	-	54,752,240
Other expenses	1,437,882	43,485	38,554	11	17,948	1,537,880
Depreciation	4,426,209	327,507	75,185	-	85,919	4,914,820
<b>Total operating expenses</b>	<b>16,887,795</b>	<b>2,038,877</b>	<b>5,725,837</b>	<b>54,887,932</b>	<b>1,995,616</b>	<b>81,536,057</b>
<b>Operating income (loss)</b>	<b>(3,600,612)</b>	<b>(99,023)</b>	<b>(604,658)</b>	<b>(10,664,969)</b>	<b>80,981</b>	<b>(14,888,281)</b>
<b>Nonoperating revenues (expenses):</b>						
Interest income	56,929	3,522	78,640	569,641	6,877	715,609
Interest expense	-	(20,802)	-	-	-	(20,802)
Intergovernmental revenues	-	4,318	-	-	-	4,318
Gain (loss) on disposal of capital assets	148,960	-	6,994	-	-	155,954
<b>Total nonoperating revenues (expenses)</b>	<b>205,889</b>	<b>(12,962)</b>	<b>85,634</b>	<b>569,641</b>	<b>6,877</b>	<b>855,079</b>
<b>Income (loss) before transfers</b>	<b>(3,394,723)</b>	<b>(111,985)</b>	<b>(519,024)</b>	<b>(10,095,328)</b>	<b>87,858</b>	<b>(14,033,202)</b>
Transfers in	4,783,750	185,000	-	-	-	4,968,750
Transfers out	(269,251)	-	-	-	(185,000)	(454,251)
<b>Change in net position</b>	<b>1,119,776</b>	<b>73,015</b>	<b>(519,024)</b>	<b>(10,095,328)</b>	<b>(97,142)</b>	<b>(9,518,703)</b>
<b>Total net position - beginning (as restated)</b>	<b>16,680,278</b>	<b>316,625</b>	<b>2,608,221</b>	<b>(200,786,933)</b>	<b>884,956</b>	<b>(180,296,853)</b>
<b>Total net position - ending</b>	<b>\$ 17,800,054</b>	<b>\$ 389,640</b>	<b>\$ 2,089,197</b>	<b>\$ (210,882,261)</b>	<b>\$ 787,814</b>	<b>\$ (189,815,556)</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, 2018

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 123,952	\$ -	\$ -	\$ -	\$ 1,638	\$ 125,590
Cash receipts from interfund services provided	13,323,191	1,941,498	5,116,838	40,916,637	2,074,959	63,373,123
Cash payments to suppliers for goods and services	(10,092,804)	(997,350)	(4,700,720)	(38,110,968)	(1,488,410)	(55,390,252)
Cash payments to employees for services	(2,494,130)	(736,203)	(443,399)	(103,776)	(398,004)	(4,175,512)
Net cash provided by (used in) operating activities	860,209	207,945	(27,281)	2,701,893	190,183	3,932,949
Cash flows from noncapital financing activities:						
Transfers in	4,783,750	185,000	-	-	-	4,968,750
Transfers (out)	(269,251)	-	-	-	(185,000)	(454,251)
Intergovernmental receipt	-	4,318	-	-	-	4,318
Net cash provided by (used in) noncapital financing activities	4,514,499	189,318	-	-	(185,000)	4,518,817
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(320,670)	-	-	-	(320,670)
Interest paid	-	(20,802)	-	-	-	(20,802)
Proceeds from sale of capital assets	211,323	-	6,994	-	-	218,317
Acquisition and construction of capital assets (including capitalized interest)	(3,482,684)	(74,030)	(84,921)	-	(111,608)	(3,753,243)
Net cash used in capital and related financing activities	(3,271,361)	(415,502)	(77,927)	-	(111,608)	(3,876,398)
Cash flows from investing activities:						
Interest received	56,929	3,522	78,640	569,641	6,877	715,609
Net cash provided by investing activities	56,929	3,522	78,640	569,641	6,877	715,609
Net increase (decrease) in cash and cash equivalents	2,160,276	(14,717)	(26,568)	3,271,534	(99,548)	5,290,977
Cash and cash equivalents at beginning of year	2,867,241	310,412	5,719,459	38,764,623	481,394	48,143,129
Cash and cash equivalents at end of year	<u>\$ 5,027,517</u>	<u>\$ 295,695</u>	<u>\$ 5,692,891</u>	<u>\$ 42,036,157</u>	<u>\$ 381,846</u>	<u>\$ 53,434,106</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 5,027,517	\$ 295,695	\$ 5,567,891	\$ 42,036,157	\$ 381,846	\$ 53,309,106
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 5,027,517</u>	<u>\$ 295,695</u>	<u>\$ 5,692,891</u>	<u>\$ 42,036,157</u>	<u>\$ 381,846</u>	<u>\$ 53,434,106</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, 2018

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (3,600,612)	(99,023)	(604,658)	(10,664,969)	80,981	\$ (14,888,281)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,426,209	327,507	75,185	-	85,919	4,914,820
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	159,960	(38)	(4,341)	(4,452,679)	-	(4,297,098)
(Increase) decrease in inventory	(56,033)	-	-	-	-	(56,033)
Increase (decrease) in accounts payable	(75,796)	(29,216)	508,135	(15,545)	33,339	420,917
Increase (decrease) in accrued payroll	6,481	7,033	(1,602)	2,442	(10,056)	4,298
Increase (decrease) in unearned revenue	-	1,682	-	1,146,353	-	1,148,035
Increase in net pension liability	-	-	-	25,726,088	-	25,726,088
Increase in net OPEB liability	-	-	-	(2,082,511)	-	(2,082,511)
(Increase) in deferred outflows of resources for pensions	-	-	-	(11,483,320)	-	(11,483,320)
(Decrease) in deferred inflows of resources for pensions	-	-	-	(324,260)	-	(324,260)
(Increase) in deferred outflows of resources for OPEB	-	-	-	(344,970)	-	(344,970)
Increase in deferred inflows of resources for OPEB	-	-	-	5,195,264	-	5,195,264
Total adjustments	4,460,821	306,968	577,377	13,366,862	109,202	18,821,230
Net cash provided by (used in) operating activities	\$ 860,209	\$ 207,945	\$ (27,281)	\$ 2,701,893	\$ 190,183	\$ 3,932,949

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, Register of Deeds, Sheriff, and Solicitor.

COUNTY OF CHARLESTON, SOUTH CAROLINA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>ASSETS</b>				
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 209,539	\$ 20,133	\$ 30,623	\$ 199,049
Held by Clerk of Court				
Third parties	15,033,741	20,740,719	26,725,747	9,048,713
Held by Delinquent Tax				
Third parties	110,026	10,147	10,827	109,346
Held by Family Court				
Third parties	347,680	30,949,261	30,891,545	405,396
Held by Magistrates				
Third parties	76,805	66,287	76,805	66,287
Held by Master-In-Equity				
Third parties	4,288,995	25,978,346	27,126,784	3,140,557
Held by Probate				
Third parties	16,985	28,909	30,280	15,614
Held by Public Defender				
Third parties	13,758	85,428	90,328	8,858
Held by Register of Deeds				
Third parties	962,912	95,047	1,057,959	-
Held by Sheriff				
Third parties	205,782	3,718,345	3,573,001	351,126
Held by Solicitor				
Third parties	435,151	467,635	577,195	325,591
Total non-pooled cash and cash equivalents	21,701,374	82,160,257	90,191,094	13,670,537
Non-pooled investments:				
Held by Clerk of Court				
Third parties	128,981	-	-	128,981

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>ASSETS</u></b>				
<b>Pooled investments:</b>				
Held by Treasurer				
Charleston County Airport	\$ (1,038)	\$ -	\$ -	\$ (1,038)
Charleston County PRC	120,803	48,792,787	48,738,932	174,658
Charleston County School District	18,267,299	601,711,619	588,908,595	31,070,323
City of Charleston	331,810	86,713,238	86,783,517	261,531
City of Folly Beach	7,839	2,159,583	2,159,792	7,630
City of Folly Beach/James Island	2,564	110,877	111,743	1,698
City of Isle of Palms	17,590	4,320,296	4,312,591	25,295
City of North Charleston	530,802	51,780,834	51,913,442	398,194
Cooper River PPC	2,166	217,459	216,701	2,924
James Island PSD	100,432	6,246,245	6,249,608	97,069
North Charleston District	13,287	1,203,741	1,199,094	17,934
S. C. Fireman's Association	-	2,683,392	2,683,392	-
St. Andrew's PPPC	32,504	1,844,854	1,860,642	16,716
St. Andrew's Public Service District	161,964	6,729,695	6,760,854	130,805
St. John's Fire District	327,563	17,254,653	17,143,945	438,271
St. Paul's Fire District	179,881	10,082,868	9,709,651	553,098
State Agencies	294,295	5,459,502	5,377,627	376,170
Third parties	6,094,650	875,143,765	875,916,221	5,322,194
Town of Awendaw	814	134,912	133,929	1,797
Town of Lincolnville	4,642	138,993	138,026	5,609
Town of McClellanville	252	36,127	36,064	315
Town of James Island	40,591	48,597	679	88,509
Town of Mount Pleasant	109,612	28,421,979	28,309,434	222,157
Town of Sullivan's Island	12,774	2,779,111	2,783,942	7,943
Town of Summerville	6,703	551,039	552,431	5,311
EMS Employee Fund	400	-	400	-
St. Paul's - Mead Westvaco	-	250,000	-	250,000
Total held by Treasurer	26,660,199	1,754,816,166	1,742,001,252	39,475,113
Held by Drug & Vice Seizure Trust				
Third parties	453,097	438,288	416,472	474,913
Total pooled investments	27,113,296	1,755,254,454	1,742,417,724	39,950,026
Total assets	\$ 48,943,651	\$ 1,837,414,711	\$ 1,832,608,818	\$ 53,749,544

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>LIABILITIES</u></b>				
Due to component units:				
Charleston County PRC	\$ 120,803	\$ 48,792,787	\$ 48,738,932	\$ 174,658
Cooper River PPC	2,166	217,459	216,701	2,924
North Charleston District	13,287	1,203,741	1,199,094	17,934
St. Andrew's PPPC	32,504	1,844,854	1,860,642	16,716
St. John's Fire District	327,563	17,254,653	17,143,945	438,271
St. Paul's Fire District	179,881	10,082,868	9,709,651	553,098
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Total due to component units	676,204	79,396,362	78,868,965	1,203,601
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Intergovernmental payable:				
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	18,267,299	601,711,619	588,908,595	31,070,323
City of Charleston	331,810	86,713,238	86,783,517	261,531
City of Folly Beach	7,839	2,159,583	2,159,792	7,630
City of Folly Beach/James Island	2,564	110,877	111,743	1,698
City of Isle of Palms	17,590	4,320,296	4,312,591	25,295
City of North Charleston	530,802	51,780,834	51,913,442	398,194
S. C. Fireman's Association	-	2,683,392	2,683,392	-
St. Andrew's Public Service District	161,964	6,729,695	6,760,854	130,805
State Agencies	294,295	5,459,502	5,377,627	376,170
Town of Awendaw	814	134,912	133,929	1,797
Town of Lincolnville	4,642	138,993	138,026	5,609
Town of James Island	40,591	48,597	679	88,509
Town of McClellanville	252	36,127	36,064	315
Town of Mount Pleasant	109,612	28,421,979	28,309,434	222,157
Town of Sullivan's Island	12,774	2,779,111	2,783,942	7,943
Town of Summerville	6,703	551,039	552,431	5,311
James Island PSD	100,432	6,246,245	6,249,608	97,069
EMS Employee Fund	400	-	400	-
St. Paul's - Mead Westvaco	-	250,000	-	250,000
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Total intergovernmental payable	19,889,345	800,276,039	787,216,066	32,949,318
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Due to third parties	28,378,102	957,742,310	966,523,787	19,596,625
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Total liabilities	\$ 48,943,651	\$ 1,837,414,711	\$ 1,832,608,818	\$ 53,749,544
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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, 2018**

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 14,110,416	\$ 73,628,448	\$ 1,361,517	\$ 42,476,357	\$ -	\$ 587,931	\$ 132,164,669
Public safety	6,002,667	164,216,750	1,539,252	47,121,894	-	584,861	219,465,424
Judicial	-	60,706,495	1,151,447	1,518,824	-	-	63,376,766
Public works	188,336	570,761	31,160	6,555,048	42,839,609	-	50,184,914
Health and welfare	177,160	3,282,223	1,043,770	1,064,325	-	-	5,567,478
Culture and recreation	12,318,972	28,121,507	-	105,000	-	11,392,040	51,937,519
Economic Development	-	-	-	79,750	-	-	79,750
<b>Total</b>	<b>\$ 32,797,551</b>	<b>\$ 330,526,184</b>	<b>\$ 5,127,146</b>	<b>\$ 98,921,198</b>	<b>\$ 42,839,609</b>	<b>\$ 12,564,832</b>	<b>\$ 522,776,520</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.

See Accompanying Independent Auditor's Report

**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, 2018**

<b>Function</b>	<b>Balance July 1, 2017</b>	<b>Additions *</b>	<b>Deletions *</b>	<b>Balance June 30, 2018</b>
General government	120,617,101	12,596,208	(1,048,640)	132,164,669
Public safety	213,460,286	6,514,629	(509,491)	219,465,424
Judicial	62,852,469	524,297	-	63,376,766
Public works	59,136,785	2,069,279	(11,021,150)	50,184,914
Health and welfare	5,567,478	-	-	5,567,478
Culture and recreation	42,800,761	9,136,758	-	51,937,519
Economic Development	79,750	-	-	79,750
<b>Total</b>	<b>\$ 504,514,630</b>	<b>\$ 30,841,171</b>	<b>\$ (12,579,281)</b>	<b>\$ 522,776,520</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.

See Accompanying Independent Auditor's Report

## STATISTICAL TABLES (UNAUDITED)



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# 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.	189 - 196
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	197 - 201
<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.	202 - 206
<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.	207 -208
<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.	209 - 213
<b>Financial Assurance Coverage</b>	214

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**

	<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>2017</b>	<b>2018</b>
Governmental Activities										
Net Investment in Capital Assets	\$ 99,409,429	\$ 98,333,460	\$ 109,879,879	\$ 113,295,767	\$ 93,885,285	\$ 98,106,506	\$ 106,149,896	\$ 103,292,815	\$ 116,089,425	\$ 29,316,935
Restricted	26,497,016	31,716,002	133,951,227	297,250,879	(138,560,395)	48,382,297	37,531,648	122,097,776	129,237,418	166,587,214
Unrestricted	(1,257,571)	(41,322,471)	(205,897,191)	(428,921,260)	(11,589,346)	(241,231,165)	(420,562,760)	(483,748,855)	(472,644,034)	(444,442,816)
Total Governmental Activities Net Position	<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>	<u>\$ (227,317,191)</u>	<u>\$ (248,538,667)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 27,790,358	\$ 30,486,244	\$ 32,625,114	\$ 38,035,202	\$ 41,685,714	\$ 47,560,913	\$ 52,721,337	\$ 54,525,303	\$ 54,870,641	\$ 61,331,686
Restricted	39,974,530	41,832,681	48,107,916	54,181,917	57,336,068	-	-	-	-	-
Unrestricted	35,882,091	30,461,308	29,145,836	27,593,816	24,015,581	81,762,726	66,112,782	65,179,026	67,271,768	58,987,053
Total Business-type Activities Net Position	<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>	<u>\$ 122,142,409</u>	<u>\$ 120,318,739</u>
Primary Government										
Net Investment in Capital Assets	\$ 127,199,787	\$ 128,819,704	\$ 142,504,993	\$ 151,330,969	\$ 135,570,999	\$ 145,667,419	\$ 158,871,233	\$ 157,818,118	\$ 170,960,066	\$ 90,648,621
Restricted	66,471,546	73,548,683	182,059,143	351,432,796	(81,224,327)	48,382,297	37,531,648	122,097,776	129,237,418	166,587,214
Unrestricted	34,624,520	(10,861,163)	(176,751,355)	(401,327,444)	12,426,235	(159,468,439)	(354,449,978)	(418,569,829)	(405,372,266)	(385,455,763)
Total Primary Government Net Position	<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>	<u>\$ (105,174,782)</u>	<u>\$ (128,219,928)</u>

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

**UNAUDITED**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 57,001,166	\$ 51,006,419	\$ 55,667,451	\$ 60,157,225	\$ 62,312,191	\$ 73,881,418	\$ 76,385,859	\$ 82,067,067	\$ 80,258,042	\$ 83,326,907
Public Safety	79,004,932	77,890,858	82,516,821	86,501,938	96,642,229	98,306,015	101,117,724	100,145,235	107,538,600	118,398,204
Judicial	28,605,375	25,578,697	26,116,113	26,577,935	26,996,074	27,772,787	28,308,049	28,929,279	31,543,203	34,033,931
Public Works	39,605,730	56,597,207	80,325,185	92,740,984	75,871,851	59,859,073	65,384,300	56,530,661	61,613,536	110,663,429
Health and Welfare	13,211,079	16,552,891	7,903,090	7,173,509	7,455,826	6,509,931	6,436,270	6,919,984	6,736,079	6,474,754
Economic Development	858,483	6,078,107	1,457,107	4,314,493	1,699,728	1,832,505	2,746,640	6,497,323	5,097,622	16,950,255
Culture and Recreation	48,254,152	41,390,976	38,886,387	30,820,517	26,936,941	36,353,141	35,231,789	35,967,005	33,764,727	33,990,166
Education	5,651,921	5,719,553	5,884,830	6,642,621	10,033,030	17,089,466	6,103,436	6,666,389	6,749,657	7,139,713
Interest and Fiscal Charges	20,934,569	21,109,522	20,739,273	26,019,356	24,988,554	24,296,503	26,245,946	24,237,970	22,085,004	24,791,553
Total Governmental Activities Expenses	293,127,407	301,924,230	319,496,257	340,948,578	332,936,424	345,900,839	347,960,013	347,960,913	355,386,470	435,768,912
<b>Business-Type Activities:</b>										
DOADAS	8,976,846	8,407,723	7,802,742	7,760,727	7,691,351	7,648,298	7,934,733	9,388,170	9,273,672	10,150,839
E 911 Communications	1,096,409	1,199,876	1,564,753	1,616,207	2,083,438	1,894,982	2,729,556	2,715,095	2,504,959	2,704,095
Environmental Management	43,209,125	33,738,089	19,920,437	21,278,034	24,543,597	25,029,815	23,053,431	27,114,755	28,410,142	30,736,995
Parking Garages	2,149,055	1,969,322	1,967,543	1,974,977	2,067,862	2,056,808	2,036,470	2,426,875	2,310,745	2,632,576
Public Safety Systems	-	-	-	-	-	422,102	379,728	441,029	668,590	568,449
Radio Communications	2,153,163	2,226,905	2,226,407	2,469,246	3,058,029	3,292,487	3,351,391	3,680,827	3,675,299	3,558,873
Revenue Collections	1,641,615	1,721,430	1,483,346	1,320,851	1,364,203	1,357,247	1,331,530	1,783,500	1,839,515	2,077,613
Total Business-Type Activities Expenses	59,226,213	49,263,345	34,965,228	36,420,042	40,808,480	41,701,739	40,816,839	47,550,251	48,682,922	52,429,440
Total Primary Government Expenses	\$ 352,353,620	\$ 351,187,575	\$ 354,461,485	\$ 377,368,620	\$ 373,744,904	\$ 387,602,578	\$ 388,776,852	\$ 395,511,164	\$ 404,069,392	\$ 488,198,352
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$ 10,852,721	\$ 9,697,135	\$ 13,632,343	\$ 9,999,742	\$ 16,937,093	\$ 14,623,436	\$ 12,978,933	\$ 14,348,875	\$ 16,188,980	\$ 16,759,851
Public Safety	11,079,419	11,478,288	19,420,040	12,539,246	16,546,185	18,145,233	18,289,146	19,613,268	19,184,109	17,861,015
Judicial	9,285,809	8,892,660	8,379,703	7,738,371	8,442,110	8,735,792	11,445,329	10,614,833	12,238,966	12,560,970
Public Works	4,123,329	1,939,108	1,780,797	8,821,907	1,767,564	2,598,661	3,314,996	2,412,257	4,748,230	5,157,358
Health and Welfare	476,756	412,732	233,266	250,352	309,820	189,629	148,364	351,291	241,946	233,216
Economic Development	-	-	-	-	-	-	-	2,970	8,400	11,500
Culture and Recreation	1,767,195	912,786	882,902	511,170	4,721,867	149,356	1,280,708	262,812	809,262	383,196
Operating Grants and Contributions	18,703,242	29,232,648	15,639,213	25,771,280	22,966,436	22,230,605	26,992,255	32,292,174	24,996,289	47,866,047
Capital Grants and Contributions	-	-	396,000	2,620,425	-	-	-	-	-	-
Total Governmental Activities Program Revenues	56,288,471	62,565,357	60,364,264	68,252,493	71,691,075	66,672,712	74,449,731	79,898,480	78,416,182	100,833,153

CONTINUED

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

**UNAUDITED**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-Type Activities:</b>										
Charges for Services:										
DAODAS	\$ 4,700,331	\$ 6,124,605	\$ 5,095,135	\$ 5,916,198	\$ 6,230,481	\$ 6,780,014	\$ 6,717,861	\$ 6,506,701	\$ 6,521,335	\$ 6,818,108
E 911 Communications	1,429,854	2,070,562	1,690,605	1,747,860	2,244,167	1,842,270	1,695,333	2,382,138	2,573,567	2,598,915
Environmental Management	38,969,998	30,790,268	27,092,882	29,223,218	28,784,638	29,038,354	28,753,577	28,437,927	29,650,362	29,599,814
Parking Garages	2,698,693	2,556,854	2,807,563	2,902,769	3,245,683	3,467,727	3,630,944	3,634,145	3,773,530	3,802,046
Public Safety Systems	-	-	-	-	-	150,000	324,550	375,066	495,198	594,558
Radio Communications	1,099,255	846,525	1,137,250	1,272,530	1,543,965	1,946,124	2,034,708	2,064,604	2,045,922	2,842,065
Revenue Collections	464,550	528,649	497,742	629,551	490,052	765,637	467,233	586,530	735,095	2,130,627
Operating Grants and Contributions	2,661,638	284,416	768,317	779,097	765,244	977,744	2,529,772	1,116,139	1,076,613	1,232,188
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	52,024,319	43,201,879	39,089,494	42,471,223	43,304,230	44,967,870	46,153,978	45,103,250	46,871,622	49,618,321
Total Primary Government Program Revenues	\$ 108,312,790	\$ 105,767,236	\$ 99,453,758	\$ 110,723,716	\$ 114,995,305	\$ 111,640,582	\$ 120,603,709	\$ 125,001,730	\$ 125,287,804	\$ 150,451,474
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (236,838,936)	\$ (239,358,873)	\$ (259,131,993)	\$ (272,696,085)	\$ (261,245,349)	\$ (279,228,127)	\$ (273,510,282)	\$ (268,062,433)	\$ (276,970,288)	\$ (334,935,759)
Business-type Activities	(7,201,894)	(6,061,466)	4,124,266	6,051,181	2,495,750	3,266,131	5,337,139	(2,447,001)	(1,811,300)	(2,811,119)
Total Primary Government Net (Expense)/Revenue	\$ (244,040,830)	\$ (245,420,339)	\$ (255,007,727)	\$ (266,644,904)	\$ (258,749,599)	\$ (275,961,996)	\$ (268,173,143)	\$ (270,509,434)	\$ (278,781,588)	\$ (337,746,878)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 96,621,772	\$ 104,955,894	\$ 106,384,010	\$ 107,176,522	\$ 105,803,544	\$ 116,097,868	\$ 120,789,785	\$ 142,717,885	\$ 148,891,299	\$ 159,894,050
Local Option Sales Tax	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580	51,409,611	54,628,245	57,932,479	60,509,009	63,570,674
Transportation Sales Tax	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427	46,683,572	49,707,277	52,922,363	65,362,302	114,929,407
Accommodations Tax	8,864,365	8,851,895	9,927,318	11,010,862	11,987,748	13,425,525	14,750,760	15,699,420	16,382,897	17,628,572
Franchise Tax	793,067	825,465	578,864	754,091	791,536	771,276	826,616	876,716	893,135	873,401
Alcohol Beverage Tax	-	-	-	-	-	-	84,900	-	-	-
Merchants Inventory Tax and Manufacture's Depre	1,607,308	1,385,891	1,440,092	1,395,507	1,402,584	1,435,762	1,471,286	1,512,202	1,466,788	1,566,668
Motor Carrier Tax	138,236	120,432	111,247	92,429	105,961	115,352	145,831	145,810	173,315	186,590
Homestead Exemption	-	-	-	-	-	2,264,775	2,374,258	2,593,876	2,607,999	2,639,157
Unrestricted State Aid to Political Subdivisions	17,036,681	14,223,422	12,111,216	10,779,692	12,882,676	12,936,633	13,151,306	12,985,557	13,586,104	13,352,291
Unrestricted Investment Earnings	1,173,784	1,318,508	837,142	1,276,697	769,780	1,293,748	1,200,970	1,180,393	892,626	1,878,509
Gain on Sale of Capital Assets	-	-	-	239,152	-	-	-	313,118	(2,754,113)	-
Transfers	(4,337,551)	(4,493,248)	(2,322,103)	(3,054,286)	(196,329)	(2,507,996)	(1,436,924)	(2,294,434)	-	(2,536,460)
Special Items:										
Loss on Settlement of Lawsuit	-	-	-	-	-	-	-	-	-	(16,100,000)
Capital Asset Impairment	-	-	-	-	-	-	-	-	-	(11,900,000)
Total Governmental Activities	200,453,043	203,436,990	208,338,917	216,387,556	223,355,507	243,926,126	257,694,310	286,585,385	308,011,361	345,982,859

CONTINUED

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

**UNAUDITED**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Alcoholic Beverage Tax	\$ 542,927	\$ 542,927	\$ 537,486	\$ 594,682	\$ 469,405	\$ 532,043	\$ 537,916	\$ 697,064	\$ 678,629	\$ 737,748
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	747,835	102,188	85,303	31,880	34,210	22,615	132,021	301,223	531,993	830,282
Gain on Sale of Capital Assets	45,467	45,525	18,643	189,208	19,902	5,226	85,328	13,658	273,813	214,335
Transfers	4,337,551	4,493,248	2,322,103	3,054,286	196,329	2,507,996	1,436,924	2,294,434	2,754,113	2,536,460
Total Business-type Activities	5,684,612	5,194,720	2,974,367	3,880,888	730,678	3,078,712	2,203,021	3,317,211	4,249,380	4,329,657
Total Primary Government	<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>	<u>\$ 312,260,741</u>	<u>\$ 350,312,516</u>
Change in Net Position:										
Governmental Activities	\$ (36,385,893)	\$ (35,921,883)	\$ (50,793,076)	\$ (56,308,529)	\$ (37,889,842)	\$ (35,302,001)	\$ (15,815,972)	\$ 18,522,952	\$ 31,041,073	\$ 11,047,100
Business-type Activities	(1,517,282)	(866,746)	7,098,633	9,932,069	3,226,428	6,344,843	7,540,160	870,210	2,438,080	1,518,538
Total Primary Government	<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>	<u>\$ 33,479,153</u>	<u>\$ 12,565,638</u>

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

**UNAUDITED**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,035,197	\$ 2,727,154	-	-	-	-	-	-	-	-
Unreserved	43,676,650	49,868,870	-	-	-	-	-	-	-	-
Nonspendable - inventory	-	-	1,080,137	935,078	923,453	1,282,008	1,161,306	777,478	627,879	707,665
Assigned	-	-	10,093,341	12,579,028	11,469,914	8,438,022	10,722,069	6,317,798	7,556,893	18,835,633
Unassigned	-	-	41,175,155	42,944,449	40,799,184	44,085,313	41,899,468	53,131,551	65,278,454	63,575,848
Total General Fund	<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>	<u>\$ 73,463,226</u>	<u>\$ 83,119,146</u>
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	48,296,368	60,767,518	-	-	-	-	-	-	-	-
Debt Service	17,263,879	20,672,652	-	-	-	-	-	-	-	-
Capital Projects Funds	27,529,136	39,387,522	-	-	-	-	-	-	-	-
Transportation and Road Sales Tax	171,548,405	109,412,393	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	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	18,067,985	31,798,957
Restricted - Transportation Sales Tax	-	-	90,159,784	213,333,488	168,524,165	127,241,222	73,549,795	48,244,414	54,951,351	125,304,022
Restricted - Special Source Revenue Bonds	-	-	-	-	-	-	86,213,244	80,042,831	79,228,897	83,117,745
Restricted - Special Revenue Funds	-	-	24,096,463	22,863,714	19,671,944	112,166,895	23,900,941	34,213,307	19,625,941	32,097,514
Committed - Transportation Sales Tax	-	-	-	-	-	-	25,563,498	25,448,811	26,304,952	-
Committed - Capital Project Funds	-	-	37,748,923	41,930,934	31,871,717	13,469,956	9,803,439	30,848,736	30,969,373	90,510,790
Unassigned - Other Governmental Funds	-	-	-	-	-	-	-	-	-	(16,585,445)
Total All Other Governmental Funds	<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>	<u>\$ 229,148,499</u>	<u>\$ 346,243,583</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)**

**UDITED**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes by Source:										
Property Tax	\$ 94,147,427	\$ 102,001,515	\$ 104,625,890	\$ 106,334,895	\$ 105,984,756	\$ 116,120,500	\$ 121,136,118	\$ 142,923,057	\$ 158,858,076	\$ 170,248,144
Local Option Sales Tax	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580	51,409,611	54,628,245	57,932,479	50,361,535	52,862,837
Transportation Sales Tax	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427	46,683,572	49,707,277	52,922,363	65,362,302	114,929,407
Accommodations Tax	8,864,365	8,851,895	9,927,318	11,010,862	11,987,748	13,425,525	14,750,760	15,699,420	16,382,897	17,628,572
Intergovernmental	43,140,957	49,794,898	42,499,737	51,449,921	49,978,461	47,309,522	53,189,293	63,078,010	55,687,885	77,498,876
Permits and Licenses	4,439,742	3,985,696	3,883,031	4,215,705	4,363,426	4,170,418	4,520,556	5,221,268	6,555,526	5,885,441
Fines and Forfeitures	2,826,897	3,148,433	2,546,099	2,744,848	2,834,281	2,699,833	2,985,117	2,611,461	2,358,356	2,262,157
Interest	6,408,940	2,781,824	1,691,902	2,072,291	1,415,303	2,351,691	2,279,747	2,059,982	2,195,081	4,816,780
Service Charges	19,466,791	21,053,418	22,094,477	22,081,766	23,373,942	25,372,973	27,089,892	23,877,134	26,375,745	27,069,546
Rental and Use of Property	632,741	663,862	618,864	610,801	587,533	591,338	644,959	534,951	127,187	335,674
Other Revenues	5,695,690	6,356,037	9,838,439	5,286,895	5,138,050	7,215,910	7,667,130	6,148,891	9,403,697	7,882,165
Total Revenues	264,178,931	274,886,309	276,996,888	292,524,874	295,471,507	317,350,893	338,599,094	373,009,016	393,668,287	481,419,599
<b>Expenditures</b>										
Current:										
General Government	51,243,769	48,173,320	50,423,995	55,735,812	54,046,865	68,510,760	70,733,438	78,965,910	75,164,060	76,452,987
Public Safety	75,028,138	71,750,504	77,281,411	82,715,371	86,776,620	88,079,029	91,204,265	93,291,542	96,804,991	104,176,006
Judicial	23,390,831	23,894,465	23,801,633	24,845,144	25,740,844	26,391,640	26,914,469	27,517,805	29,278,508	30,657,091
Public Works	36,624,088	55,001,817	79,237,736	90,687,146	74,671,729	58,883,361	65,428,577	59,845,252	62,412,126	104,852,425
Health and Welfare	12,876,658	16,366,568	7,858,271	7,118,808	7,221,233	6,360,512	6,208,256	6,922,799	6,691,044	6,316,139
Economic Development	858,031	6,121,263	1,473,821	4,297,764	1,689,704	1,866,650	2,778,596	6,534,101	5,139,488	16,867,813
Culture and Recreation	47,899,154	42,786,960	40,394,034	33,975,501	28,348,070	38,421,593	34,799,856	35,748,837	32,991,367	33,473,893
Education	5,651,921	5,719,553	5,833,110	6,642,621	10,033,030	5,940,318	6,103,436	6,499,594	6,749,657	7,139,713
Capital Outlay	55,775,140	42,040,219	12,706,413	23,016,677	13,791,125	22,237,663	5,906,547	5,954,718	6,220,036	40,256,137
Debt Service:										
Principal	16,503,464	19,671,318	18,910,800	18,302,723	25,231,675	24,750,150	32,070,851	32,022,678	35,407,250	38,018,365
Interest and Fiscal Charges	21,410,902	20,983,775	21,716,423	25,323,973	26,881,813	24,180,295	29,635,174	28,122,893	26,953,153	27,101,591
Bond Issuance Costs	102,252	413,848	-	1,474,750	837,882	926,665	-	696,450	-	1,507,091
Total Expenditures	347,364,348	352,923,610	339,637,647	374,136,290	355,270,590	366,548,636	371,783,465	382,122,579	383,811,680	486,819,251
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,185,417)	(78,037,301)	(62,640,759)	(81,611,416)	(59,799,083)	(49,197,743)	(33,184,371)	(9,113,563)	9,856,607	(5,399,652)

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

**UNAUDITED**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other Financing Sources (Uses)</b>										
Capital Lease Issuance	\$ 775,100	\$ 702,710	\$ 632,831	\$ 299,650	\$ 712,056	\$ 794,923	\$ 483,458	\$ 55,928	\$ 895,185	\$ 1,319,191
Special Source Revenue Bonds Issued	-	-	-	-	-	86,405,000	-	-	-	35,815,000
Transportation Sales Tax Refunding Bonds Issued	-	-	-	167,000,000	-	-	-	-	-	97,600,000
General Obligation Bonds Issued	-	50,000,000	-	27,100,000	-	-	-	20,875,000	-	103,205,000
General Obligation Refunding Bonds Issued	-	20,775,000	-	32,095,000	129,770,000	29,190,000	-	102,930,000	-	16,440,000
Premium On Bonds Sold	-	6,493,791	-	27,995,947	23,983,718	9,356,441	-	20,857,982	-	31,640,003
Payment To Refunded Debt Escrow Agent	-	(21,447,212)	-	(36,334,680)	(152,862,692)	(33,404,536)	-	(121,786,215)	-	(130,737,060)
Settlement Loss On Lawsuit	-	-	-	-	-	-	-	-	-	(16,100,000)
Transfers In	30,727,314	29,771,504	69,527,149	33,566,665	44,932,048	54,072,724	48,959,689	54,543,159	71,107,338	68,372,167
Transfers Out	(36,161,026)	(35,529,299)	(76,474,112)	(40,697,894)	(50,147,172)	(61,470,866)	(53,082,776)	(61,492,289)	(76,373,895)	(75,423,126)
Proceeds From Sale of Capital Assets	220,347	467,250	70,524	247,378	478,115	99,828	32,684	408,784	16,970	19,481
Total Other Financing Sources (Uses)	<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>	<u>(4,354,402)</u>	<u>132,150,656</u>
 Net Change in Fund Balances	 <u>\$ (87,623,682)</u>	 <u>\$ (26,803,557)</u>	 <u>\$ (68,884,367)</u>	 <u>\$ 129,660,650</u>	 <u>\$ (62,933,010)</u>	 <u>\$ 35,845,771</u>	 <u>\$ (36,791,316)</u>	 <u>\$ 7,278,786</u>	 <u>\$ 5,502,205</u>	 <u>\$ 126,751,004</u>
 Capital Asset Expenditures	 <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>	 <u>\$ 11,762,284</u>	 <u>\$ 42,741,171</u>
Debt Service As A Percentage of Noncapital Expenditures	<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>	<u>16.8%</u>	<u>14.7%</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>
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%
2017	3,244,302,523	294,144,850	248,416,228	3,786,863,601	196.1	70,941,248,807	5.34%
2018	3,395,023,184	306,157,418	233,566,623	3,934,747,225	205.0	73,948,565,572	5.32%

Source: Charleston County Auditor

Note: 1 Property in the county was last reassessed for fiscal year 2015. 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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>County Direct Rates:</b>										
Charleston County Government Operating	40.2	40.2	40.2	39.1	39.9	40.7	40.7	44.7	44.7	44.7
Charleston County Government Debt Service	6.6	6.6	6.6	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Park and Recreation Commission Operating	3.6	3.7	3.7	3.6	4.0	4.1	4.1	4.3	4.3	4.3
Park and Recreation Commission Debt Service	2.0	1.9	1.9	1.8	1.4	1.3	1.3	1.3	1.8	1.8
Trident Technical College	2.0	2.0	2.0	2.4	1.9	1.9	1.9	1.9	1.9	1.9
Trident Technical College Bonds	-	-	-	-	0.5	0.5	1.0	1.0	1.0	1.0
County School Board Operating	98.7	98.7	98.7	98.6	100.5	100.5	100.5	100.7	116.3	119.2
County School Board Debt Service	23.9	27.9	27.9	27.9	26.0	26.0	26.0	26.0	20.0	26.0
<b>Total Direct Rate</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>196.1</b>	<b>205.0</b>
<b>Fire District Rates:</b>	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	12-63.1	12-67.1
<b>City/Town Rates:</b>	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	22.5-102.1	24.7-107.4
<b>Public Service District Rates:</b>	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	56.9-107	76.9-107

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2018**

<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>\$ 744,294,485</u>	100%	<u>\$ 744,294,485</u>
Overlapping:			
Park & Recreation Commission	47,574,493	100%	47,574,493
Public School Districts	<u>699,928,534</u>	<u>100%</u>	<u>699,928,534</u>
Subtotal	<u>747,503,027</u>	<u>100%</u>	<u>747,503,027</u>
Total	<u><u>\$ 1,491,797,512</u></u>	<u><u>100%</u></u>	<u><u>\$ 1,491,797,512</u></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	2018			2009		
		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	\$ 77,537,160	1	2.02%	\$ 37,950,400	1	1.30%
Boeing	Manufacturing	70,741,530	2	1.84%	-		-
Kapstone Kraft	Manufacturing/Chemical	19,051,304	3	0.50%	15,246,957	3	0.52%
Kiawah Real Estate Co.	Real Estate	9,058,050	4	0.24%	7,581,360	4	0.26%
Bell South	Public Utility	8,590,980	5	0.22%	19,096,780	2	0.65%
Charleston/North Charleston MSA	Retail	8,049,120	6	0.21%	4,897,680	8	0.17%
Mid-America Apartments LP	Apartment	7,962,930	7	0.21%	-		-
Ingevity Corp	Chemical Production	6,747,538	8	0.18%	-		-
Berkeley Electric Co-Op	Public Utility	6,414,330	9	0.17%	5,490,940	6	0.19%
Northwood Mall CMBS	Retail	5,915,360	10	0.15%	-		-
Charleston Place LLC	Hotel	-		-	5,380,080	5	0.18%
IMI Mt. Pleasant (Town Center)	Retail	-		-	4,048,260	10	0.14%
Cellco	Telecommunications	-		-	5,343,430	7	0.18%
Cummins Engine	Engine Fabrication	-		-	4,554,020	9	0.16%
<b>Totals</b>		<u>\$ 220,068,302</u>		<u>5.74%</u>	<u>\$ 109,589,907</u>		<u>3.76%</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
2009	82,649,921	82,649,921	77,757,867	94.1%	4,761,422	82,519,289	99.8%
2010	92,300,468	92,300,468	86,401,791	93.6%	6,031,105	92,432,896	100.1%
2011	93,003,512	93,003,512	87,880,320	94.5%	4,759,516	92,639,836	99.6%
2012	92,854,478	92,854,478	86,833,723	93.5%	5,769,965	92,603,688	99.7%
2013	91,424,352	91,424,352	86,267,951	94.4%	4,681,695	90,949,646	99.5%
2014	95,016,978	95,016,978	89,976,201	94.7%	3,619,061	93,595,262	98.5%
2015	97,657,553	97,657,553	93,450,651	95.7%	2,898,631	96,349,282	98.7%
2016	119,272,881	119,272,881	114,645,679	96.1%	2,945,233	117,590,912	98.6%
2017	123,685,619	123,685,619	118,881,801	96.1%	1,986,206	120,868,007	97.7%
2018	126,556,746	126,556,746	121,593,745	96.1%	2,162,158	123,755,903	97.8%

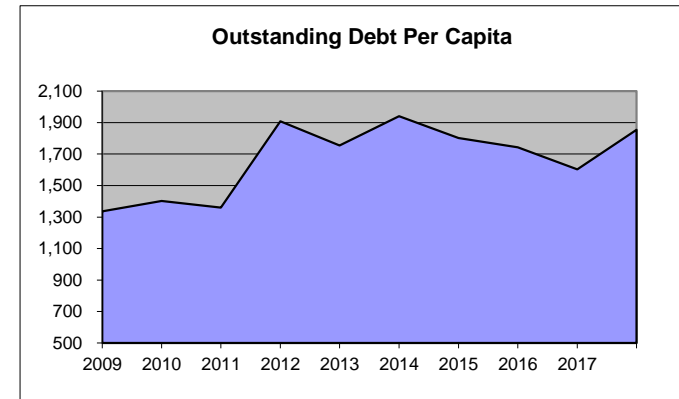
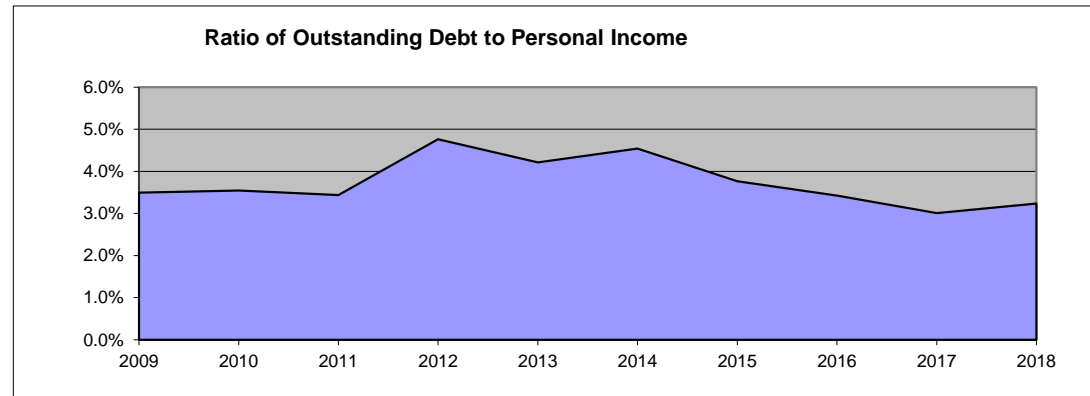
Source: This information was provided by the Charleston County Treasurer's Office.

**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			
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	-	-	678,396,848	3.4%	1,743
2017	517,750,531	-	92,322,474	23,990,806	1,431,669	-	-	635,495,480	3.0%	1,603
2018	592,392,438	-	127,764,416	22,365,479	1,772,152	-	-	744,294,485	3.2%	1,854

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**

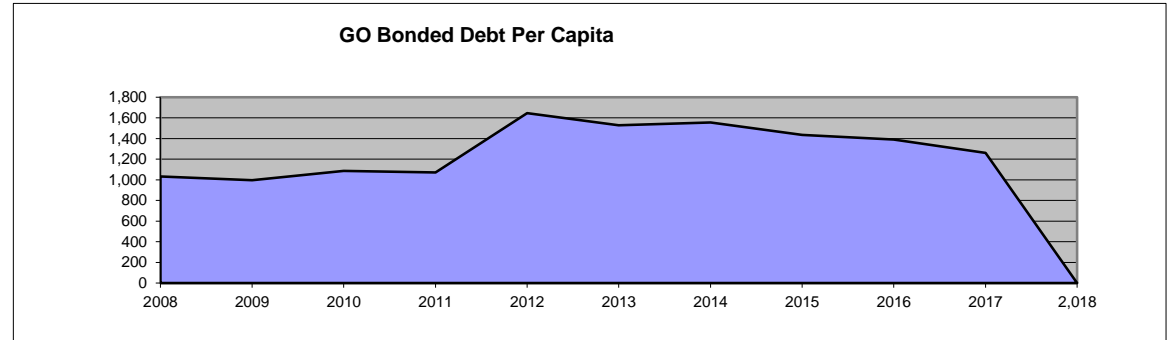
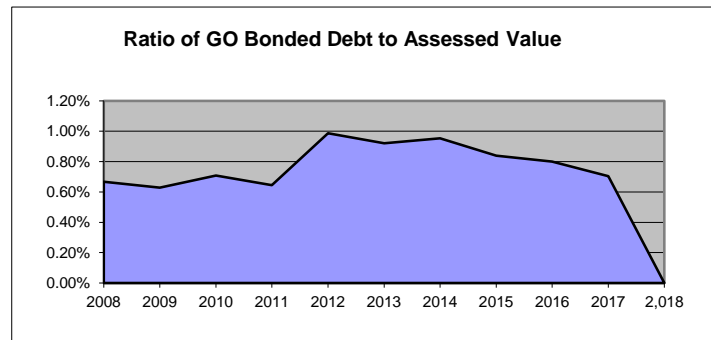
**UNAUDITED**

Fiscal Year	Estimated Population	Assessed Value	G.O. Bonded Debt	Amounts Restricted to Repaying Principle	Net Bonded Debt	Ratio of G.O. Bonded Debt to Assessed Value	G.O. Bonded Debt Per Capita
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
2017	396,484	70,941,248,807	517,750,531	18,067,985	499,682,546	0.70%	1,260
2018	401,438	73,948,565,572	592,392,438	31,798,957	560,593,481	0.76%	1,396

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**

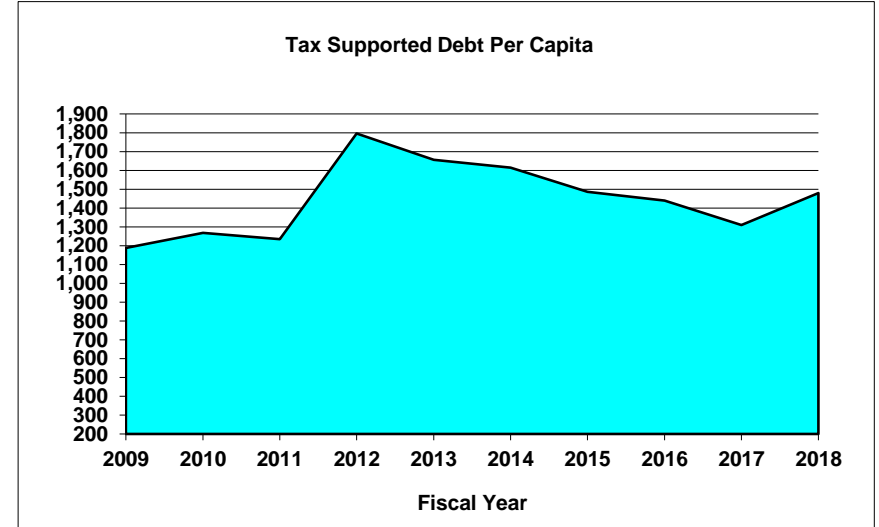
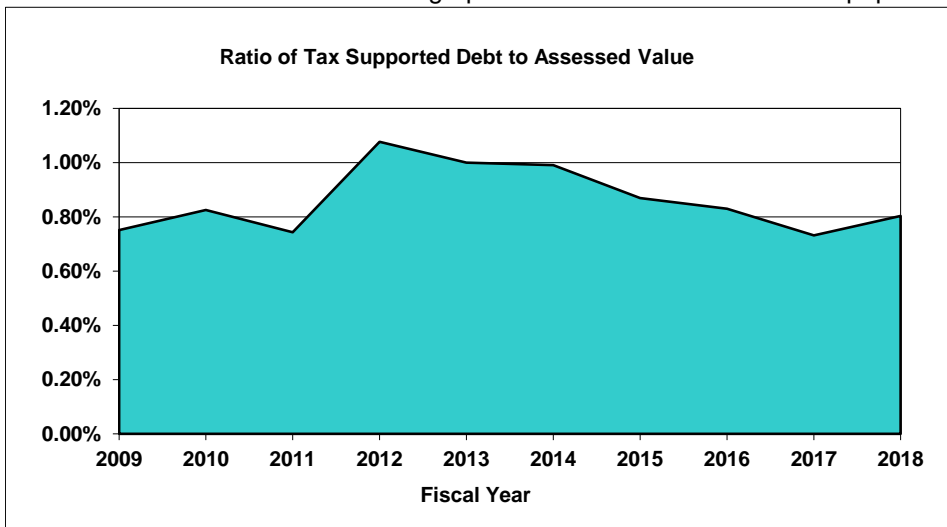
**UNAUDITED**

<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>
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
2017	396,484	70,941,248,807	517,750,531	-	1,431,669	519,182,200	0.73%	1,309
2018	401,438	73,948,565,572	592,392,438	-	1,772,152	594,164,590	0.80%	1,480

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.

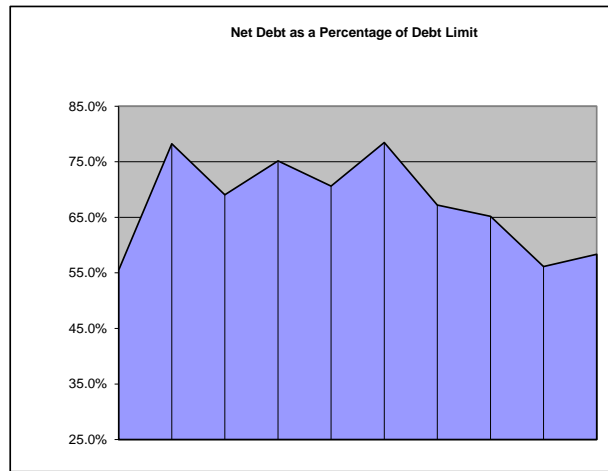




**COUNTY OF CHARLESTON, SOUTH CAROLINA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 239,227,649	\$ 235,980,407	\$ 251,666,874	\$ 257,590,000	\$ 265,880,783	\$ 267,120,722	\$ 286,233,641	\$ 296,951,745	\$ 308,990,820	\$ 320,803,684
Total Net Debt Applicable to Debt Limit	132,862,801	184,650,000	173,825,000	193,600,000	187,795,000	209,625,000	192,370,000	193,570,000	173,495,000	187,215,000
Legal Debt Margin	<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>	<u>\$ 135,495,820</u>	<u>\$ 133,588,684</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<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>	<u>56.1%</u>	<u>58.4%</u>



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

Total Assessed Value	\$ 4,010,046,056
Debt Limit (8% of Total Assessed Value)	320,803,684
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	530,655,000
Less: Debt Issued Through Referendum	(343,440,000)
Total Amount of Debt Applicable to Debt Limit	<u>187,215,000</u>
Legal Debt Margin	<u>\$ 133,588,684</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

**COUNTY OF CHARLESTON, SOUTH CAROLINA**  
**Collected Pledged FILOT Revenues**

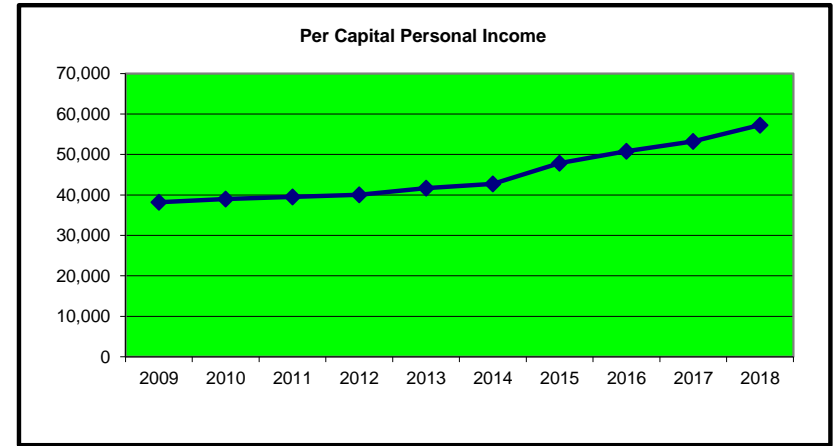
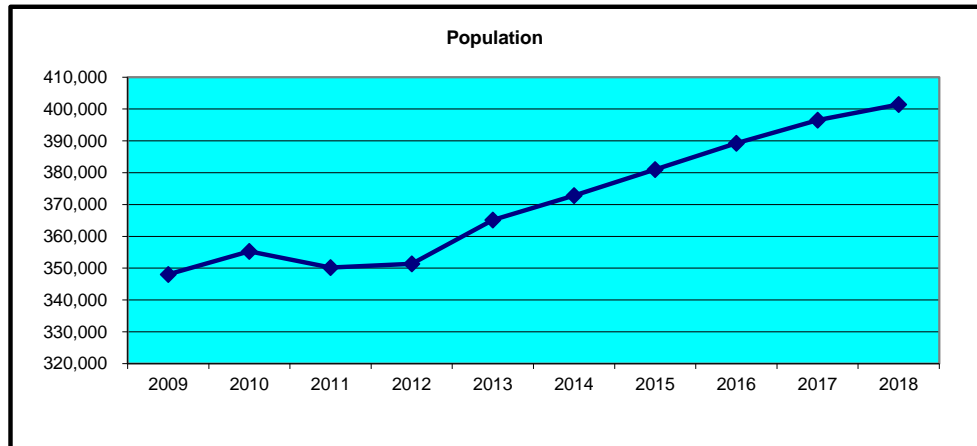
<b>Fiscal Year Ended June 30</b>	<b>Derived from Fee Agreements (1)</b>
2009	\$ 7,978,100
2010	7,358,041
2011	10,389,121
2012	11,423,756
2013	12,178,308
2014	12,316,021
2015	14,899,943
2016	15,441,472
2017	17,216,233
2018	20,059,181

(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>
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
2017	396,484	21,121,645,000	53,272	3.9%	36.0	45,549
2018	401,438	22,994,624,000	57,281	3.0%	37.1	46,538



The following Data Sources were used to develop this information:  
 Bureau of Economic Analysis  
 Charleston Regional Development Alliance  
 Charleston County School District - 45 Day Enrollment  
 Bureau of Labor Statistics, SC Dept of Employment & Workforce

**COUNTY OF CHARLESTON, SOUTH CAROLINA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**UNAUDITED**

**County Employment for 2018**                      **201,822**  
**County Employment for 2009**                      **161,263**

Employer	2018			2009		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Joint Base Charleston	20,000	1	9.91%			
Medical University of South Carolina (MUSC)	13,000	2	6.44%	7,528	1	4.67%
Boeing Charleston	7,000	3	3.47%			
Charleston County School District	6,500	4	3.22%	5,132	3	3.18%
Roper St. Francis Healthcare	5,500	5	2.73%	3,800	4	2.36%
County of Charleston	2,600	6	1.29%	2,150	6	1.33%
Walmart, Inc.	2,300	7	1.14%			
College of Charleston	2,000	8	0.99%			
City of Charleston	1,700	9	0.84%	1,700	10	1.05%
Kiawah Island Golf Resort/The Sanctuary	1,500	10	0.74%			
Piggly Wiggly Carolina Co. Inc.				1,891	8	1.17%
Charleston Air Force Base <sup>1</sup>				6,971	2	4.32%
Force Protection				1,800	9	1.12%
JEM Restaurant Group				3,000	5	1.86%
Trident Health Systems				2,000	7	1.24%
Totals	<u>62,100</u>		<u>30.77%</u>	<u>35,972</u>		<u>22.31%</u>

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

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

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

**UNAUDITED**

<b>Function</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>2017</b>	<b>2018</b>
General Government										
Administrator	6.31	5.31	6.80	5.90	5.90	7.80	7.80	8.80	7.60	8.80
Assessor	53.00	51.00	53.00	53.00	53.00	55.00	58.00	60.00	62.00	62.00
Auditor	30.00	29.00	31.00	31.00	31.00	31.00	31.00	31.00	32.00	32.00
Budget	8.00	7.00	8.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
County Council	11.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Community Development	8.75	8.15	7.40	6.40	6.40	6.40	4.40	4.50	4.40	1.90
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	3.00	3.00
Deputy Admin for Disp & Med	3.00	3.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Deputy Admin Transp & PW	-	-	-	-	-	-	-	-	-	4.00
Elections/Voter Registration	10.00	10.00	10.00	10.00	10.00	14.00	14.00	14.00	14.00	14.00
Facilities Management	12.00	11.00	62.00	75.25	75.25	95.00	104.00	106.00	112.00	124.75
Finance	15.00	13.00	13.00	12.00	12.00	11.00	12.00	12.00	12.00	12.00
Fleet Management	-	-	-	-	-	26.50	27.00	29.00	29.00	29.25
Human Resources	17.00	15.00	16.00	17.00	17.00	17.00	17.00	18.00	20.00	21.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	67.80	61.80	60.00	30.50	30.50	6.50	-	-	-	-
Legal	8.42	7.42	6.67	6.41	6.41	7.11	7.41	7.11	7.11	8.42
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	-	2.00
Organization Development	4.35	3.35	-	-	-	-	-	-	-	-
Procurement Services	16.00	15.00	14.00	14.00	14.00	15.00	15.00	19.00	20.00	20.00
Register of Deeds	32.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Revenue Collections	22.00	22.00	30.00	25.00	25.00	26.00	26.00	26.00	26.00	26.00
Safety & Risk Management	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Technology Services	17.00	16.00	16.00	25.25	25.25	25.00	25.00	28.00	28.00	30.00
Treasurer	18.00	18.00	19.00	20.00	20.00	22.00	23.00	23.00	24.00	24.00
Zoning/Planning	24.00	22.00	21.00	20.60	20.60	21.20	22.20	24.20	24.20	24.40
Total General Government	402.63	375.03	432.87	418.31	418.31	453.51	463.81	478.61	489.31	512.52

**CONTINUED**

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

**UNAUDITED**

<b>Function</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>2017</b>	<b>2018</b>
Public Safety										
Building Inspections	24.00	21.00	22.00	21.00	21.00	23.00	23.00	25.00	27.00	29.00
Consolidated Dispatch	1.00	72.50	100.25	120.00	120.00	160.00	160.00	164.00	179.00	172.00
Emergency Management	30.00	24.50	34.00	33.00	33.00	34.00	34.00	35.01	36.00	36.00
Emergency Medical Svcs.	165.00	139.50	134.00	151.50	151.50	167.50	218.50	218.50	216.00	216.00
Sheriff	808.11	834.11	828.74	836.74	836.74	835.74	860.74	862.74	873.74	869.25
Technology Services	2.00	2.00	-	-	-	1.00	-	-	-	-
Total Public Safety	<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>	<u>1,331.74</u>	<u>1,322.25</u>
Judicial										
Clerk of Court	54.00	55.00	56.00	57.00	57.00	57.00	57.00	57.00	61.00	61.00
Coroner	8.00	8.00	8.00	9.00	9.00	11.00	12.00	12.00	15.00	15.00
Magistrates Courts	69.41	68.39	68.13	68.63	68.63	71.63	70.70	71.01	72.51	72.51
Master-In-Equity	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
Probate Courts	20.30	19.30	19.30	19.80	19.80	20.80	21.80	21.80	21.80	22.20
Public Defender	52.00	52.00	52.00	52.00	52.00	54.00	54.00	55.00	64.00	64.00
Solicitor	93.00	96.00	111.00	102.00	102.00	102.00	101.70	107.00	111.00	112.00
Total Judicial	<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>	<u>353.31</u>	<u>354.71</u>
Public Works										
Environmental Management	127.00	134.20	132.26	130.40	130.40	123.80	114.80	113.80	108.80	113.60
Procurement Services	-	-	2.00	3.00	3.00	3.00	3.00	-	-	-
Public Works	164.00	150.00	138.02	136.00	136.00	162.10	162.10	175.10	183.85	185.75
Transportation Development	-	-	21.63	21.41	21.41	23.11	23.21	25.21	30.21	27.00
Total Public Works	<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>	<u>322.86</u>	<u>326.35</u>

**CONTINUED**

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

**UNAUDITED**

<b>Function</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>2017</b>	<b>2018</b>
Health and Welfare										
Facilities	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Copmmunity Development	33.25	33.85	5.60	5.60	5.60	5.60	5.60	5.50	5.60	5.10
DAODAS	129.00	111.00	107.00	102.00	102.00	115.00	115.00	115.00	113.00	118.00
Public Works	24.00	20.00	20.00	20.00	20.00	28.00	28.00	28.00	25.25	25.25
Veterans Affairs	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Total Health and Welfare	<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>	<u>149.85</u>	<u>155.35</u>
Culture and Recreation										
Assist Admin for Transportation & Emergency Management Greenbelt	2.00	1.80	-	-	-	-	-	-	-	-
	-	-	2.00	1.30	1.30	1.30	1.20	1.20	1.40	2.20
Total Culture and Recreation	<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>	<u>1.40</u>	<u>2.20</u>
Economic Development	<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>	<u>10.00</u>	<u>10.00</u>
Total Economic Development	<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>	<u>10.00</u>	<u>10.00</u>
 Total	 <u><u>2,224.70</u></u>	 <u><u>2,234.18</u></u>	 <u><u>2,312.80</u></u>	 <u><u>2,325.69</u></u>	 <u><u>2,325.69</u></u>	 <u><u>2,472.09</u></u>	 <u><u>2,554.16</u></u>	 <u><u>2,595.48</u></u>	 <u><u>2,658.47</u></u>	 <u><u>2,683.38</u></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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Auditor - Tax Notices Processed	550,000	575,000	585,470	583,240	560,097	651,050	586,801	622,507	659,238	680,000
RMC Documents Recorded	84,711	90,890	87,894	97,137	116,435	106,096	109,245	99,681	107,380	107,380
Zoning Applications Processed	2,846	2,500	1,206	1,327	2,864	<sup>3</sup> 1,957	1,610	1,714	1,638	1,700
Illegal Businesses Located	86	117	172	154	165	175	50	50	61	200
<b>Public Safety</b>										
Building Inspections Performed	15,472	12,577	17,634	19,400	20,804	19,054	21,410	22,927	30,544	30,000
Bad Check Warrants Served	6,594	9,107	<sup>1</sup> 0	<sup>1</sup> 0	6,078	6,702	1,792	8	162	160
Daily Costs Per Prisoner	55	55	55	55	55	55	55	55	55	55
<b>Judicial</b>										
Marriage Licenses Issued	3,846	3,764	4,000	4,200	4,500	4,600	5,026	5,273	4,597	4,800
Master-in-Equity Cases Disposed of	2,227	3,560	3,459	2,063	1,736	1,481	1,675	1,047	841	900
<b>Health and Welfare</b>										
Veterans Claims Filed	10,254	10,688	522	2,871	3,388	8,681	8,238	867	1,939	2,062
<b>Economic Development</b>										
Number of New Companies Relocating to Charleston	0	1	3	3	2	4	4	3	5	4
Number of New Jobs From Relocating Companies	0	30	120	360	203	348	188	782	103	192
Number of Expanding Employers in Charleston	3	3	4	5	7	3	5	2	12	14
Number of Jobs Resulting from Expansion	320	4,275	323	492	2,226	114	1,627	350	974	493
<b>Culture &amp; Recreation</b>										
Library Visits Per Capita	6.99	7.01	6.05	5.54	5.45	5.24	5.01	4.89	4.77	4.82
Library Cards In Use	310,417	326,600	<sup>2</sup> 284,617	<sup>2</sup> 269,552	284,328	264,289	264,113	262,034	264,271	266,914
<b>Environmental Management</b>										
Total Tons of Incinerated Waste	188,626	69,215	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Parking Garages</b>										
Average Operating Revenue Per Space	2,114	2,043	2,287	2,264	2,463	2,732	3,039	2,973	3,024	3,116
Average Operating Expenditure Per Space	1,852	1,179	1,742	1,683	1,585	1,330	1,441	1,311	1,425	1,645

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>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Government										
Automobiles	80	79	92	118	114	110	102	129	133	140
Buildings	97	99	104	102	104	104	111	112	111	114
Public Safety										
Police Cars	332	324	336	333	351	355	360	374	370	386
Fire Trucks	10	10	10	10	11	10	13	13	13	14
Ambulances	22	23	24	25	30	31	24	40	35	39
Judicial										
Magistrate Courts	15	15	15	15	15	15	13	13	9	9
Public Works										
Paved Streets (in Miles)	128	129	129	131	131	131	132	133	133	97.65
Ground Equipment	60	65	67	69	68	66	66	65	72	69
Heavy Trucks	35	35	35	34	34	37	37	39	43	39
Environmental Management										
Collection/Refuse Trucks	44	48	44	47	59	57	59	58	60	61
Ground Equipment	26	25	26	27	30	30	27	30	27	31
Culture & Recreation										
Libraries, Main and Branches	16	11	11	11	11	11	11	11	13	13

Source: Charleston County Facilities inventory and Finance capital asset records.

Note 1. Charleston County owns 13 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	\$ 393,316,984	
Total expenditures	\$ 625,304,659	
Requirement is no less than 5 percent		<u>62.90%</u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 66,968,519	
Total expenditures	\$ 625,304,659	
Requirement is no more than 20 percent		<u>10.71%</u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 600,456,940	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 258,196,484

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

Estimated costs from Note III.G. on landfill closure	\$ 47,789,840	
Less: Expenditures to date	\$ (22,373,866)	
Restricted assets committed to closure	<u>\$ (9,449,806)</u>	
Balance of closure costs being deferred		<u>\$ 15,966,168</u>
Additional permissible deferred cost		<u>\$ 242,230,316</u>

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