

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH

INDEPENDENT AUDITOR'S REPORT



PREPARED BY:

FINANCE DEPARTMENT

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 For the Year Ended June 30, 2019**

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INTRODUCTORY SECTION





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December 12, 2019

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, 2019.

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, 2019, 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, 2019, 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 64.

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

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level, and major category (personnel, 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 46-48 as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the nonmajor governmental fund subsection of this report, which begins on page 154.

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. The Boeing Company and Mercedes-Benz Vans employ nearly 8,400 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 2019, jobs in the aerospace project and parts manufacturing industry grew nearly 60 percent. The nation experienced a decline of 2.4 percent for the same period. The ongoing 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 Boeing South Carolina site builds all three versions of the 787. The company currently employs more than 7,300 people in the region.

The automotive sector is at the beginning of a 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 celebrated the grand opening of the facility in September 2018, rolling out the first of its Next Generation Sprinter Vans. More than 1,100 people have been hired to run the expanded facility. This facility is expected to grow to 1,300 workers.

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 fifth for high-tech GDP growth (2016-17) in Milken's *2018 Best-Performing Large Cities* report, released in January 2019. 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. 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. The Naval Information Warfare Center (NIWC) Atlantic’s (formerly called Space and Naval Warfare Systems Center or SPAWAR) Charleston operations have a total economic impact of \$2.6 billion on the state of South Carolina. NIWC directly supports 18 military staff, 3,030 federal civilian contractors and supports an estimated 100 local defense contractors.

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 million square feet of additional industrial distribution space is under construction in the county. Over the last 12 months, more than 900,000 square feet has been added to the industrial market.

Medical & Life Sciences Industry – The region’s health care and social services industry accounts for nine percent of the area’s total employment. The health care industry is anchored by the state’s teaching hospital, the Medical University of South Carolina (MUSC). MUSC attracted more than \$76 million in research funding in fiscal year 2018. The majority of the medical industry employment currently exists in Charleston’s seven area hospitals - five private regional hospitals, MUSC and the Ralph H. Johnson VA Medical Center.

Charleston is garnering international recognition as an emerging biomedical market, and the Medical University of South Carolina’s world-class research is key to this region becoming a globally competitive location for biomedical business and talent. Charleston is home to more than 75 medical device and pharmaceutical manufacturers, research laboratories, and service companies. Furthermore, the Foundation for Research Development is paving the way for investors, industry, and entrepreneurs to collaborate. The new \$400 million MUSC Shawn Jenkins Children’s Hospital is scheduled to open in 2019.

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

The economic environment in Charleston County, South Carolina continues to show signs of vitality as evidenced by the labor market and population growth. During the period of July 1, 2018 to June 30, 2019, Charleston County added more than 5,200 jobs (a 2.6 percent increase). As of June 2019, the unemployment rate for the county is 2.9 percent compared to 3.5 percent for the state of South Carolina and 3.7 percent for the nation. (State and national data are seasonally adjusted). As of January 2019, per capita income stands at \$57,281 compared to \$41,633 for the State of South Carolina. The region’s population growth also remains vibrant. As of July 1, 2018, there are now 405,905 residents living in Charleston County, a 15.9 percent increase from 2010. This compares to a 6 percent increase experienced in the United States.

Port of Charleston – The Port of Charleston is the fourth largest container port along the U.S. East Coast (based on container volume). 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 multiple cities within Charleston County including 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 \$2.6 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 saw a nearly nine percent increase in cargo container volume in fiscal year 2019. The Port handled a record 2.4 million twenty-foot equivalent units (TEUs). With the addition of the Inland Port in Greer and the inland Port in Dillon, the Port of Charleston's reach is extended 212 miles inland to the northwest and 150 miles inland to the north. The inland port additions provide shippers with access to more than 95 million consumers within a one-day drive. SCPA reports that the Inland Port Greer witnessed its busiest fiscal year since its opening six years ago.

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. In March of 2019, the President of the United States' budget allocated \$138 million for the project. In addition to the harbor deepening, the SCPA's continues to execute other parts of its capital improvement program that includes both increasing capacity and efficient operations, as well as modernizing terminals.

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 seven consecutive years’ (2013 through 2019). Charleston has received a similar designation of “No. 1 Top U.S. City” from Condé Nast Traveler Reader’s Choice Awards eight years straight (2011 through 2018). 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 7.3 million visitors in 2017. The tourism industry contributes more than \$8 billion annually to the area’s economy.



The Charleston restaurant scene garners nationwide attention with coverage by magazines including Food & Wine, Fortune, and Southern Living. In addition, Charleston restaurants and chefs are recognized annually by the prestigious James Beard Foundation for their contribution to the America’s food culture.

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 Car Open tennis tournament, and the annual Cooper River Bridge Run. These events generate national spotlight for the region and spur millions of dollars in economic activity.



The USGA 2019 U.S. Women’s Open was hosted at the Country Club of Charleston, S.C. The USGA estimates that the event drew 100,000 spectators and direct economic impact of \$25 million in the Charleston region. The region is looking forward to hosting another prestigious golf event in 2021. In April 2015, PGA officials announced that the 2021 PGA Championship will be hosted at the Ocean Course at Kiawah Island, SC. The Championship was previously held there in 2012 with great success; bringing with it a \$23.6 million economic impact felt throughout the Charleston region.

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 27 cities and 31 airports in the United States and United Kingdom. The new nonstop transatlantic flight to London, Heathrow airport via British Airways launched in April 2019. The new service coupled with a projection for more than 5 million passengers this year has prompted multiple improvement projects. Major construction projects include the addition of a new parking structure for more than 3,000 vehicles and the potential addition for a terminal.

The last decade has seen the emergence of a new facet to Charleston’s tourism market - the cruise ship industry. In 2010, Carnival Cruise Lines chose to make Charleston a departure and arrival point. In addition, other cruise lines (i.e. Royal Caribbean, Azamara, Aida, TUI and Princess) bring their ships to Charleston as a port of call. The cruise business has an estimated \$131 million annual impact on the Charleston market according to a 2016 report by the Cruise Lines International Association. The number of passengers on Charleston cruise ships grew 18.5% between 2015 and 2017 to 224,105. Carnival Cruise offers cruises between Charleston and ports in the Bahamas, Bermuda and the Caribbean ranging from two to ten days in duration.

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, and the Naval Information Warfare Center (NIWC). Joint Base Charleston is home to the 437th Airlift Wing and its squadrons of C-17 transport planes, the 628th Air Base Wing and the 315th Airlift Wing (the reserve unit). 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, as well.

Higher Education – Nearly 50,000 students pursued higher education degrees in various Charleston regional colleges, universities and technical schools. The five largest institutions include; Trident Technical College, with 12,148 students; the College of Charleston with 10,783 students; The Citadel with 3,763 students; Charleston Southern University with an enrollment of 3,414; and the Medical University of South Carolina with 2,944 students. The region has many other educational institutions that supports a thriving research ecosystem and a trained workforce:

- Trident Technical College's has constructed multiple facilities to meet the needs of a trained workforce both in the areas of nursing, science and advanced manufacturing. In 2014, the college opened a \$30 million, 90,000-square-foot Nursing and Science Building featuring nursing simulation labs. In 2019, the college opened a \$79.3 million, 218,105-square-foot S.C. Aeronautical Training Center featuring two hanger bays, and 31 specialty-labs.
- 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 7.5 MW and 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 1,000 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. and MAHLE Behr have opened or expanded operations in the area to support existing OEMs.



The manufacturing sector in Charleston County includes multiple growing industries. The beverage manufacturing industry, which includes breweries and distilleries, has experienced significant growth with the expansion of multiple existing companies. Recent expansion announcements in this area include Charleston Distilling and High Wire Distilling Co. Other specialty manufacturing companies are experiencing growth as well. Specialty chemical manufacturer, Ingevity Corporation, announced the establishment of new headquarters.

MAJOR COUNTY INITIATIVES

Comprehensive Greenbelt Plan Updated – Eight Projects Approved: During FY19 County Council approved nine Greenbelt projects totaling \$10.2 million to purchase 1,855 acres. These projects provide the following:

- 1500 acres for public parks and greenspaces:
 - Additional lands for the Francis Marion National Park.
 - Two urban parks on James Island with access to water.
 - Protection of cultural land in the Phillips Community of Mount Pleasant.
 - Preservation of historic land on Edisto Island.
 - An additional public path to the beach on Sullivan’s Island.

- Leverage of nearly \$3 million toward the purchase of these properties and park improvements.

Charleston County Public Libraries: Charleston County Library staff along with elected officials and Charleston County citizens cut the ribbon on the new Wando Mt. Pleasant Library branch. The 40,000 square foot building was designed to include digital creative spaces including a teen lounge and gaming room, a digital recording studio, and two editing labs. This is the first of the five new libraries to open from the \$108.5 million referendum voters approved in 2014.

Translation Tool now Available on County’s Website: Translating Charleston County’s website into over 100 languages is now just a click away, thanks to Google Translate. Google Translate is a free translation service that Charleston County is now using to make our web content accessible to staff and citizens with English as their second language or limited English proficiency. The goal of this language service is to expand Charleston County’s efforts to promote a diverse and inclusive environment, by making the website more accessible.

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 community services hub and a major redesign and reconfiguration of the Public Works complex. The County issued debt in October 2019 to fund both of these projects.

- The County is also working to construct the next lined landfill cell and a recycling center that is cost efficient and meets the needs of the growing population. The County issued debt in October 2019 to fund construction costs for the recycling center.

Other projects on the horizon for the County are:

- Corrections campus for juvenile offenders.

- County office building renovations at the downtown Charleston location.

- Sheriff shooting range.

- Radio replacement program including towers.

Awards and Acknowledgements:

Charleston County Government’s offices, departments and employees have been honored with numerous awards and recognitions in FY 2019. These awards reflect Charleston County employees’ dedication to providing the best services to our citizens.

- **County Wins J. Mitchell Graham Award at South Carolina Association of Counties** for its EMS Mobile Crisis Telehealth Project, which responds to the increasing number of psychiatric and mental health patients encountered by EMS staff. The County’s EMS Mobile crisis Telehealth Project allows mental health patients to get the appropriate level of care and avoid lengthy housing in emergency rooms or detention facilities. So far, the project has resulted in an average of 60 diversions from unnecessary emergency room transports per month and has saved patients thousands of dollars in fees for ambulance transports and emergency room visits.

- **Charleston County Consolidated 9-1-1:** Charleston County Consolidated 9-1-1 employee, Joselyn May was awarded the Palmetto Award at the South Carolina annual Association of Public Safety-Communications Officials (APCO)/National Emergency Number Association (NENA) conference. The award is given to someone who exemplifies exceptional professionalism, and whose daily performance is an inspiration and an example to others in emergency telecommunications.
- **Emergency Management Earns Accreditation:** Charleston County Emergency Management department earned accreditation by the Emergency Management Accreditation Program (EMAP). Charleston County is the first county in South Carolina to achieve EMAP Accreditation. To achieve accreditation, applicants must:
 - Demonstrate through self-assessment, documentation, and peer assessment verification that its program meets the Emergency Management Standard.
 - Use the accreditation to prove the capabilities of their disaster preparedness and response systems.
 - Maintain compliance with the Emergency Management Standard and is reassessed to maintain accredited status.



Accreditation is valid for five years.

- **Charleston County EMS receives Lifeline EMS Gold Plus Recognition Award:** 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. 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.
- **Public Works Manager Receives American Public Works Association Leadership Award:** The American Public Works Association recently honored Charleston County Inspection Services Manager Ryan Peterson with the Myron Calkins Young Leader Award. This award recognizes young APWA members who demonstrate commitment to the public works profession and show potential for future growth in the association.
- 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, 2018. This was the 31st 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 30th consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2019 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 20 budget was submitted to the GFOA and we believe it will receive the award also.
- Charleston County maintained its AAA bond rating with Standard & Poor's Ratings Services, Moody's Investors Service, and Fitch Ratings for the 14th 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 from the Treasurer's Office; Lisa Murray from the Department of Alcohol and Other Drug Abuse Services; Jean Sullivan from Grants Administration; Jackie Proveaux and Michelle Sueck 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

County of Charleston
South Carolina

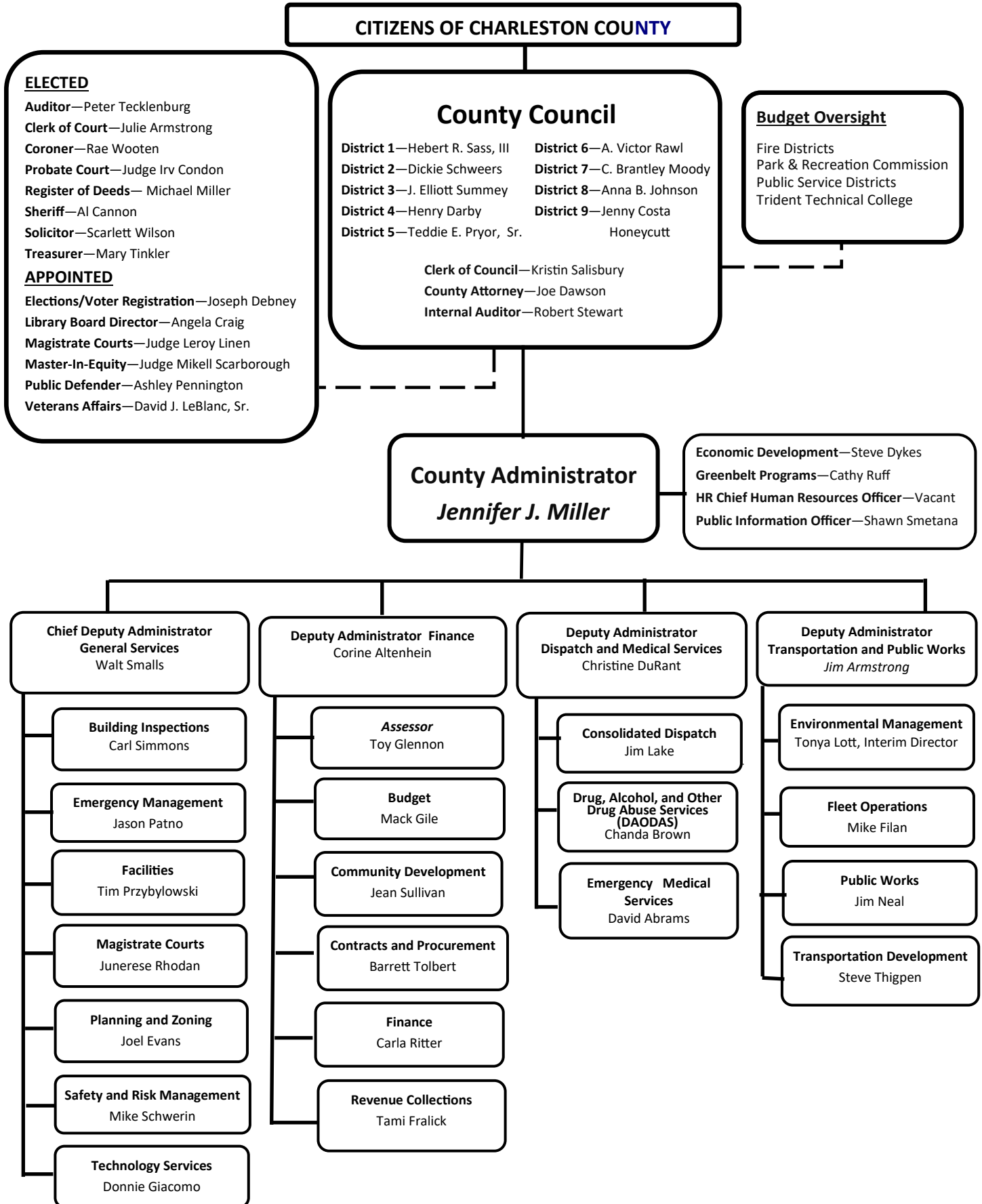
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Charleston County, South Carolina Organizational Chart—County Departments



**COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2019**

MEMBERS OF COUNTY COUNCIL

	<u>Year's in Office</u>	<u>Term Expiration Date</u>	
J. Elliott Summey	10 ^{1/2}	12/31/2020	Chairman, District 3
Herbert R. Sass, III	8	12/31/2022	V. Chairman, District 1
Henry D. Schweers	12 ^{1/2}	12/31/2022	District 2
Henry E. Darby	14 ^{1/2}	12/31/2020	District 4
Teddie E. Pryor, Sr.	14 ^{1/2}	12/31/2022	District 5
A. Victor Rawl	10 ^{1/2}	12/31/2020	District 6
C. Brantley Moody	2 ^{1/2}	12/31/2020	District 7
Anna B. Johnson	8 ^{1/2}	12/31/2022	District 8
Jenny Costa Honeycutt	6 months	12/31/2022	District 9

ELECTED OFFICIALS

Peter Tecklenburg	6	6/30/2021	Auditor
Julie J. Armstrong	27 ^{1/2}	12/31/2020	Clerk of Court
Rae Wooten	13	12/31/2020	Coroner
Irvin G. Condon	25 ^{1/2}	12/31/2022	Probate Court
Michael Miller	6 months	12/31/2022	Register of Deeds
James A. Cannon, Jr.	31 ^{1/2}	12/31/2020	Sheriff
Scarlett A. Wilson	12	12/31/2020	Solicitor
Mary Tinkler	2	6/30/2021	Treasurer

OTHER OFFICIALS

	<u>Years with County</u>	<u>Years in Current Position</u>	
Jennifer Miller	31	2 yrs	County Administrator
Walter L. Smalls	20	13 yrs	Chief Deputy Administrator General Services
Jim Armstrong	31	5 yrs	Deputy Administrator Transportation & Public Works
Christine DuRant	29 ^{1/2}	5 yrs	Deputy Administrator Community Services
Corine Altenhein	29	4 yrs	Deputy Administrator Finance
Carla Ritter	18	4 yrs	Finance Director

FINANCIAL SECTION



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Independent Auditor's Report

To the Charleston County Council
County of Charleston, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, other than the financial statements of the aggregate discretely presented component units, and the budgetary comparison schedule of the general fund of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2019, 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, 2019, 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, 2019, 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, 2019, 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.

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 166 as well as the schedules of capital assets used in the operation of governmental funds on pages 186 and 187 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 12, 2019, 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 12, 2019

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, 2019. 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, 2019 by \$40,179 (net position.) This is comprised of net investment in capital assets of \$144,368, restricted net position of \$217,686 and unrestricted net position of \$(402,233). 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 \$88,041 during the fiscal year ended June 30, 2019, with a \$87,576 increase resulting from governmental activities and a \$465 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 \$448,852, which is a \$19,489 increase from the prior year. Approximately 13.06 percent or \$58,610 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 \$95,506 or approximately 41.89 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$74,895, or approximately 32.85 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, 2019 is \$266,532.
- 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, 2019 is \$67,210.

Overview of the Financial Statements

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

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

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

Government-wide Financial Statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Charleston County and are similar to private sector financial statements. They include a Statement of Net Position and a Statement of Activities. These statements appear on pages 38 through 40 of this report.

The Statement of Net Position presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

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

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

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

Charleston County's government-wide financial statements include component units of the County. Component units can be blended or discretely presented. Component units are legally separate organizations for which the primary government is financially accountable and are presented as a separate column in the government-wide statements and as combining statements of net position and of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. For those readers interested in more information on the component units, contact information is provided in Note I. B. on pages 64 through 65 of this report.

The government-wide financial statements for component units can be found on pages 57 through 60 of this report.

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

Governmental Funds. Governmental funds, presented on pages 42 through 44, 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 145 through 152 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 49 through 54 and pages 169 through 180 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 169 through 174.

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 176 through 180 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 182 through 184 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 61 through 128 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 145. 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 191. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 166.

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 130.

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 \$40,179 at the close of fiscal year 2019. This was an increase of \$88,041 or 68.67 percent during fiscal year 2019.

A portion of the County's net position, \$144,368, 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, \$217,686, 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.

At the end of 2019, the County had positive balances in two of the three categories of net position for the primary government. Unrestricted net position is (\$402,233), 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, as well as the implementation of GASB #75 relating to post employment benefits. The unrestricted net position is negative as the County has issued GO bonds for roads and greenbelt projects in the transportation sales tax fund. The roads are not County roads and the greenbelt funds are used by other local governments, therefore those assets are not shown on the County's statements.

Charleston County's Net Position

June 30, 2019

(Recapped from page 38)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
	Current, restricted and other assets	\$ 740,426	\$ 703,591	\$ 81,388	\$ 77,963	\$ 821,814
Capital assets	341,278	314,519	62,903	61,332	404,181	375,851
Total Assets	1,081,704	1,018,110	144,291	139,295	1,225,995	1,157,405
Total deferred outflows of resources	61,259	73,360	-	-	61,259	73,360
Long-term liabilities outstanding	1,037,110	1,094,396	11,701	10,810	1,048,811	1,105,206
Other liabilities	46,770	44,471	11,806	8,167	58,576	52,638
Total liabilities	1,083,880	1,138,867	23,507	18,977	1,107,387	1,157,844
Total deferred inflows of resources	220,046	201,141	-	-	220,046	201,141
Net Position:						
Investment in capital assets	81,465	29,317	62,903	61,332	144,368	90,649
Restricted for:						
Capital projects	179,588	123,770	-	-	179,588	123,770
Debt service	22,120	27,179	-	-	22,120	27,179
General government	806	398	-	-	806	398
Law enforcement	6,121	6,196	-	-	6,121	6,196
Judicial	3,149	3,649	-	-	3,149	3,649
Health and welfare assistance	395	381	-	-	395	381
Economic development	3,444	4,209	-	-	3,444	4,209
Tourism related	2,063	805	-	-	2,063	805
Unrestricted	(460,114)	(444,442)	57,881	58,986	(402,233)	(385,456)
Total net position	\$ (160,963)	\$ (248,538)	\$ 120,784	\$ 120,318	\$ (40,179)	\$ (128,220)

The County's net position increased by \$88,041 during fiscal year 2019. The governmental activities had an increase in net position of \$87,576. Overall expenses for the Governmental Activities decreased 9.5 percent.

County of Charleston, South Carolina
Changes in Net Position (Recapped from pages 39 and 40)
For the Fiscal Year Ended June 30, 2019

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for services	\$ 63,469	\$ 52,967	\$ 49,770	\$ 48,386	\$ 113,239	\$ 101,353
Operating grants and contributions	21,084	47,866	1,204	1,232	22,288	49,098
General Revenues:						
Property taxes	167,544	159,894	-	-	167,544	159,894
Other taxes and fees	212,277	201,395	811	749	213,088	202,144
State aid to political subdivisions	13,482	13,352	-	-	13,482	13,352
Unrestricted investments earnings	3,701	1,878	1,374	831	5,075	2,709
Gain on sale of capital assets	46	-	148	214	194	214
Total Revenues	481,603	477,352	53,307	51,412	534,910	528,764
Program Expenses						
Governmental Activities:						
General government	85,877	83,327	-	-	85,877	83,327
Public safety	120,711	118,398	-	-	120,711	118,398
Judicial	35,615	34,034	-	-	35,615	34,034
Public works	52,658	110,663	-	-	52,658	110,663
Health and welfare	9,914	6,475	-	-	9,914	6,475
Economic development	6,115	16,950	-	-	6,115	16,950
Culture and recreation	41,058	33,990	-	-	41,058	33,990
Education	20,500	7,140	-	-	20,500	7,140
Interest and fiscal charges	21,799	24,792	-	-	21,799	24,792
Business-Type Activities:						
DAODAS	-	-	9,702	10,151	9,702	10,151
E-911 communications	-	-	2,392	2,704	2,392	2,704
Environmental management	-	-	31,478	30,737	31,478	30,737
Parking garages	-	-	2,551	2,633	2,551	2,633
Public safety system	-	-	866	568	866	568
Radio communications	-	-	3,754	3,559	3,754	3,559
Revenue collections	-	-	1,879	2,078	1,879	2,078
Total Expenses	394,247	435,769	52,622	52,430	446,869	488,199
Excess (deficiency) of revenues before transfers over (under) expenses	87,356	41,583	685	(1,018)	88,041	40,565
Transfers	220	(2,536)	(220)	2,536	-	-
Increase in Net Position	87,576	39,047	465	1,518	88,041	40,565
Special Items	-	(28,000)	-	-	-	(28,000)
Net position, beginning	(248,539)	(259,586)	120,319	118,801	(128,220)	(140,785)
Net Position, ending	\$ (160,963)	\$ (248,539)	\$ 120,784	\$ 120,319	\$ (40,179)	\$ (128,220)

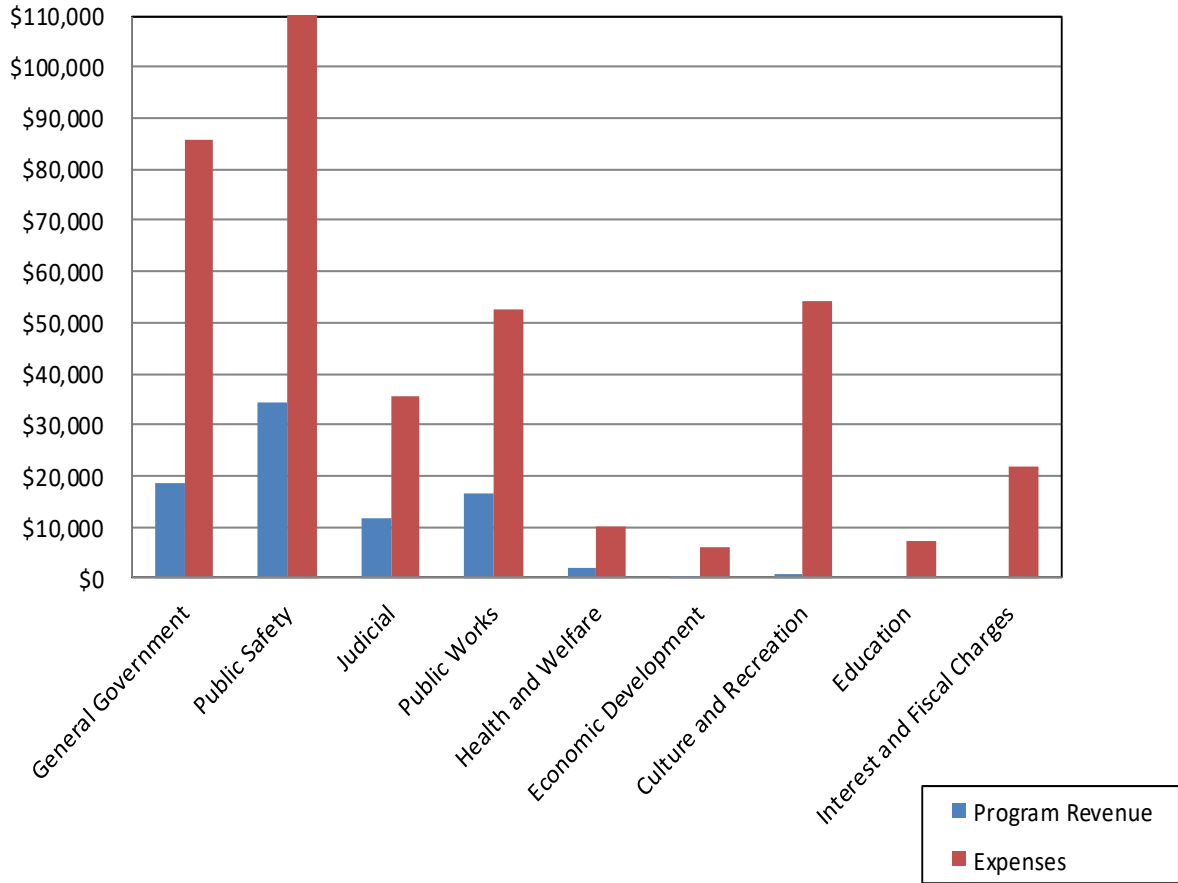
Governmental Activities. Governmental activities increased the County's net position by \$87,576. The key elements of the increase are:

- Property tax revenue increased \$7,650 (4.8 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 \$10,882 (5.4 percent) due to increased consumer spending in Charleston County. This includes accommodations tax, local option sales tax and transportation sales tax, also, the 2nd Transportation one half cent sales tax which was effective May 1, 2017.
- Charges for services increased \$10,502 (19.8 percent) primarily in the public safety function. The public safety charges for services increased \$8,054 (45%) due to:
 - Prisoner's Per Diem \$1,492
 - Alien Assistance Program \$ 161The detention center is accepting more illegal aliens than in past years.

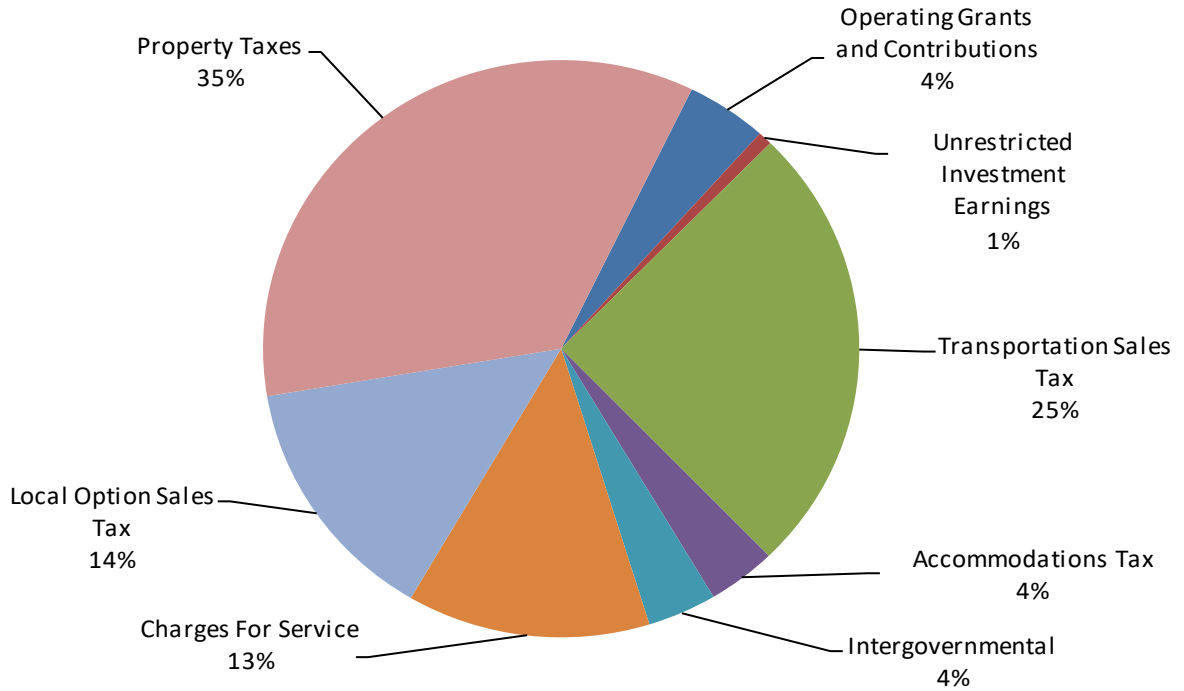
Other significant increases in service charges were as follows:

- Restricted interest income \$3,571 (97.7 percent)
 - EMS collections \$4,733 (43.8 percent)
- Due to increased collections and increase in the number of calls due to the increasing population of the County. At the beginning of FY19 EMS changed to a new company for third party billing/collections.
- Operating grants and contributions decreased \$26,782 (56 percent) due to several grants for economic development and public works ending last fiscal year.
 - Total governmental activities expenses decreased \$41,522 (9.5 percent) due to a decrease in grant reimbursed costs in economic development, and decreased interest cost of the County's debt.
 - The Public Works expenses decreased \$58,005 (52 percent) due to loss on disposal of infrastructure in FY18. These disposals in FY19 were much smaller.
 - The Culture and Recreation expenses increased \$7,068 (21 percent) due to the increased appropriation to the Charleston County Library and items not capitalized by the County but paid for on behalf of the Library.
 - The Education expenses increased \$13,360 (187 percent) due to the County's funding of the Trident Technical College's Aeronautics Training Center.

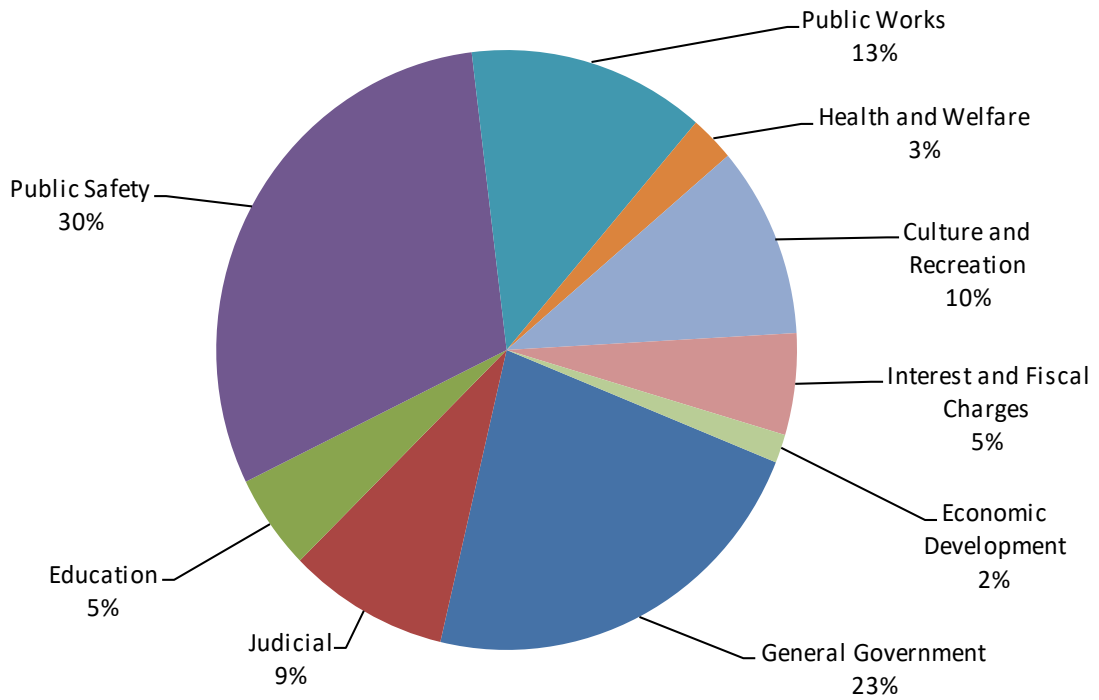
Program Revenues and Expenses - Governmental Activities



Revenues by Source - Governmental Activities

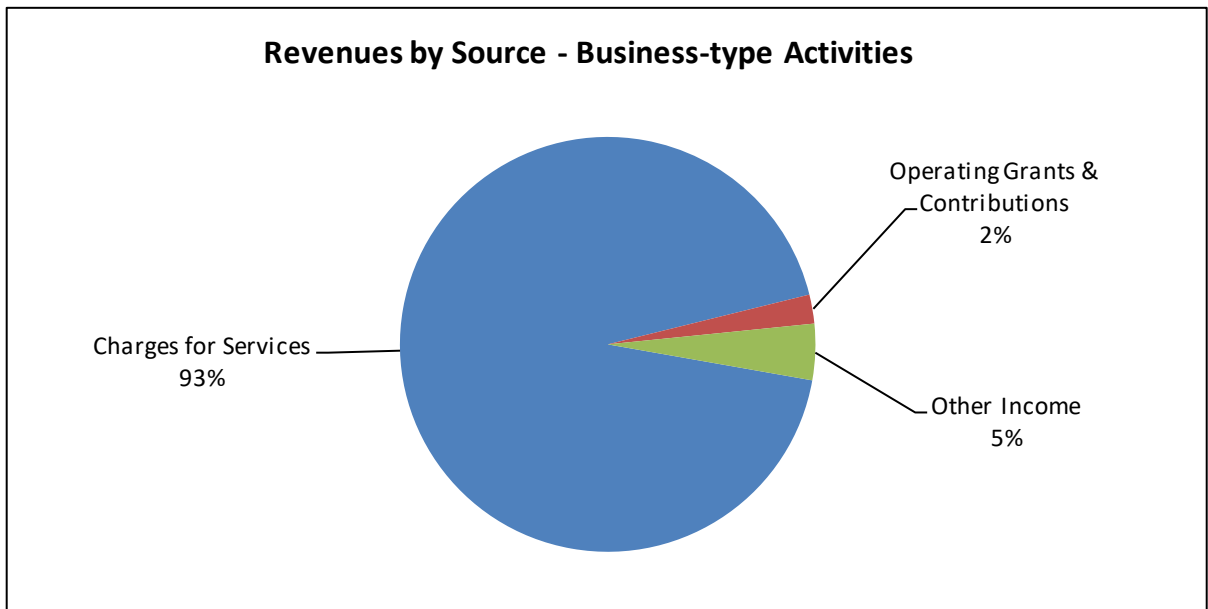


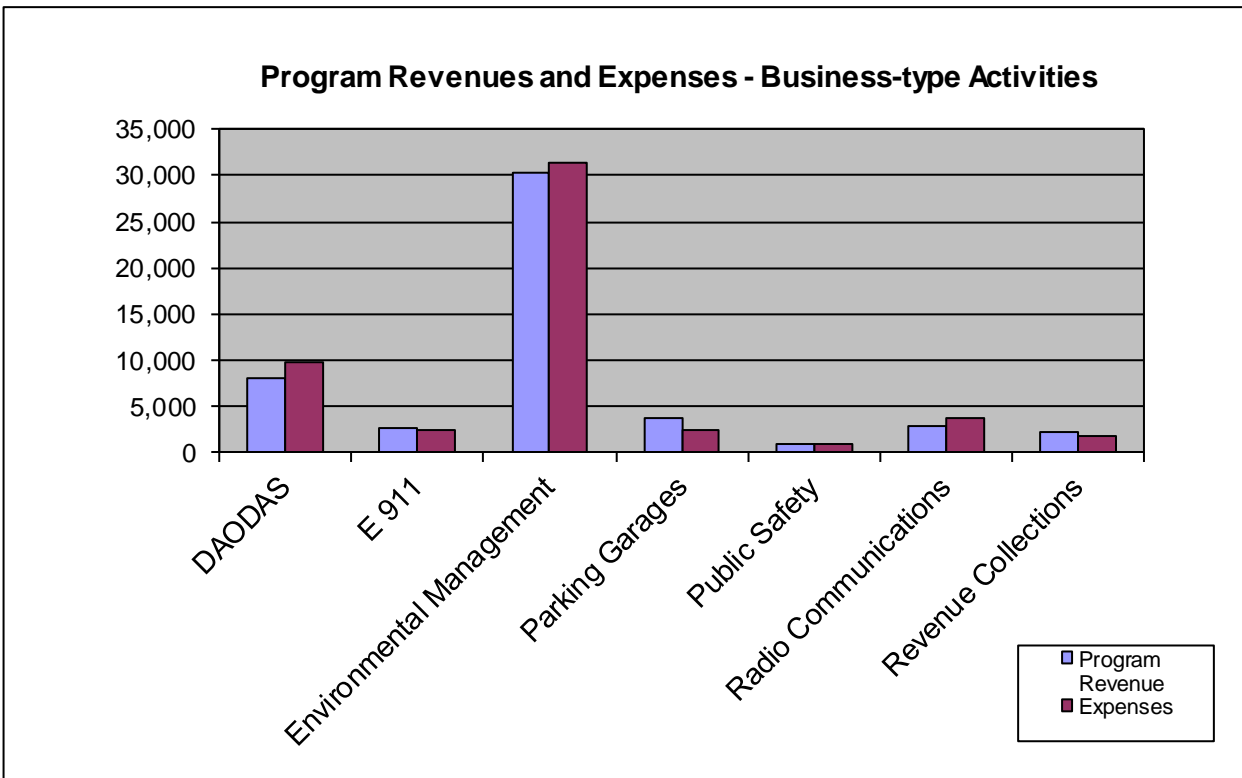
Expenses by Program - Governmental Activities



Business-type Activities. Business-type activities increased the County's net position by \$465. The key elements of this increase were:

- Unrestricted investment earnings increased by \$544 (66 percent) due to higher interest rates.
- Charges for services increased by \$373 (1.3 percent) due to a small increase in collections by the Revenue Collections Fund of user fees.
- Overall, expenses for the business-type activities increased by \$192 (0.37 percent). This increase was primarily in the Environmental Management Fund. Operating expenses in this fund increased \$741 with the largest increases in fleet expense \$225, and other expenses \$784.





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 \$448,852, an increase of \$19,489 in comparison with the prior year. This increase is due to several factors, including an increase in property taxes levied and collected of \$12,085 and an increase in Transportation Sales Taxes collected of \$6,981. The 2nd half cent sales tax began on May 1, 2017. Total expenditures for the governmental funds decreased \$24,323. The Public Works expenditures decreased by \$53,183. The majority of this decrease is due to prior year storm repairs from the past hurricanes and flooding.

The ending fund balance of \$448,852 for the governmental funds is composed of five components: unassigned fund balance of \$58,610, assigned fund balance of \$20,611, committed fund balance of \$42,979, restricted fund balance of \$325,738 and non-spendable fund balance of \$914.

Unassigned fund balance accounts for approximately 13.06 percent or \$58,610 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 \$20,611 or 4.6 percent of ending fund balance. Assigned fund balance includes \$6,549 which was encumbered at the end of fiscal year 2019. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$42,979 or 9.6 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 \$325,738 or 72.6 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$283,564, 2) debt service of \$26,197, 3) \$6,121 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$3,149 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 \$914. 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 \$74,895 while total fund balance reached \$96,420. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$10,425. 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 32 percent of total general fund disbursements, while total fund balance represents 41.3 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 27.6 percent of disbursements, which also meets the financial policy. There was an increase of \$13,300 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$13,633 or 6 percent higher than the previous fiscal year.

- Property taxes and local option sales taxes collected increased \$8,026 or 4.88 percent.
- Services charges increased \$3,221 or 14 percent.
- Intergovernmental revenues increased \$3,219 or 12.63 percent.
- Interest income was up \$1,277.

Expenditures increased by \$13,093 or 6.25 percent.

- Public Safety expenditures were up \$6,274 or 6.47 percent.
- Public Works expenditures increased \$2,777 or 32.72 percent.
- Culture and Recreation expenditures increased \$1,711 or 11 percent.

Debt Service Fund. The debt service fund balance is \$26,197 and is \$5,602 or 17.6 percent less than the prior fiscal year. This decrease is due to debt service expenditures increase of \$6,640 or 21 percent.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance increased \$58,603 or 46.78 percent from the prior fiscal year. The new 2nd half cent Transportation Sales Tax was effective May 1, 2017. This increase is due to sales tax collected, \$6,980 or 6 percent increase over prior year. The expenditures in this fund decreased \$10,303 or 13.65 percent from the prior fiscal 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 \$81,849 which is a \$1,269 decrease from the prior fiscal year.

G.O.B. Capital Projects. This fund balance decreased \$47,896 or 54.1% from prior fiscal year due to the increase in construction projects.

Other Governmental Funds. The other governmental funds had a increase in fund balance of \$2,352 or 13.4 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 \$(11,573) and are shown on pages 148 and 152. The fund balance for the non-major capital projects funds decreased \$876 in fiscal year 2019.

Non-major Special Revenue Funds. The non-major special revenue funds have a combined total fund balance of \$31,417, all classified as restricted. Non-major special revenue funds are shown on pages 145 through 147, and 149 through 151. The fund balance for the non-major special revenue funds increased \$3,228 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, 2019, is \$73,491 (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 \$75,623. The non-major proprietary funds have total net position of \$(2,132). These funds include DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 49 through 54 and pages 169 through 174 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 \$73,491 (before internal eliminations), a decrease of \$965 or 1.3 percent in comparison with the prior year. The proprietary funds implemented GASB No. 75 during fiscal year 2018. 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 2019, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$10,300 over the final budget. The most significant revenue variances are outlined below:

- Service charges were over budget by \$4,019. Mosquito control operations collected \$88 over budgeted revenue. The majority of this revenue comes from state and federal entities and can be dependent on their available budgets. The Detention Center collected \$1,736 in additional prisoner's per diem due to housing an increase in illegal aliens. EMS revenues were \$4,117 over budget due to increased collections. At the beginning of FY19, EMS changed to a new third party billing/collection company.
- Permits and licenses were over budget by \$6,812. County Business License revenue was \$562 over budget due to business growth. The Coroner was \$16 over budget for cremation permits. Building Permits were \$249 overbudget due to an increase in residential building.
- Property and local option sales taxes were over budget by \$2,687.

Actual expenditures and transfers out were \$21,836 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology Services was \$2,685 under budget, Facilities was \$13,129 under budget and Public Safety was \$1,703 under budget. The County has quite a few vacancies of personnel in Public Safety. Facilities and Technology had projects they were unable to complete in 2019 and Council designated budgeted items of \$9,000 to carry over into FY 2020.

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, 2019, amounted to \$404,181 (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 \$28,330 or 7.5 percent for the current year. The depreciation expense increased by \$1,149 or 4.47 percent.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and easements	\$ 46,031	\$ 44,123	\$ 6,915	\$ 6,915	\$ 52,946	\$ 51,038
Buildings	227,474	214,103	14,474	15,090	241,948	229,193
Improvements other than buildings	3,544	3,007	16,896	18,145	20,440	21,152
Machinery and equipment	37,786	37,718	13,830	13,395	51,616	51,113
Infrastructure	3,443	2,938	-	-	3,443	2,938
Construction in progress	23,000	12,630	10,788	7,787	33,788	20,417
Total	<u>\$ 341,278</u>	<u>\$ 314,519</u>	<u>\$ 62,903</u>	<u>\$ 61,332</u>	<u>\$ 404,181</u>	<u>\$ 375,851</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 84 through 88 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$666,762. Of this amount, \$542,751 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$124,011 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 Arthur Ravenel, Jr. Bridge over the Cooper River. As of June 30, 2019, this obligation is recorded at a net present value of \$20,647 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	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 542,751	\$ 592,392	\$ -	\$ -	\$ 542,751	\$ 592,392
Special source revenue bonds	124,011	127,765	-	-	124,011	127,765
Intergovernmental note payable	20,647	22,365	-	-	20,647	22,365
Total	<u>\$ 687,409</u>	<u>\$ 742,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 687,409</u>	<u>\$ 742,522</u>

The County's total bonded debt decreased by \$53,395 (7.4 percent) during the current fiscal year.

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

South Carolina statutes limit the amount of general obligation (G.O.) debt a governmental entity may issue (without referendum) to 8 percent of its total assessed value. The current available G.O. debt limit for Charleston County is \$339,416. The outstanding debt at June 30, 2019 subject to the debt limitation is \$164,875. This would indicate that the County has not exceeded its limit.

Additional information on the County's long-term debt can be found in Note III. I. on pages 91 through 102 of this report.

Economic Factors and Next Year's Budget Rates

The fiscal year 2020 General Fund budget is a balanced budget. Total disbursements and funds available total \$251,201, an increase of \$10,517 or 4.4 percent from the prior year. The millage is 44.7, which is unchanged from fiscal year 2019.

The General Fund's budgeted revenues for fiscal year 2020 increased by \$11,208 or 5.0 percent from 2019. The major changes are:

- The Property Tax and the Local Option Sales Tax, the County's largest revenue sources, reflect a net increase of \$7,184 or 4.3 percent. The net increase is due to an increased projection of property value from new construction and an improvement in the local economy resulting in increased sales tax projections. The increase in the revenue from 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 \$3,320 or 5.1 percent to taxpayers.
- The State: Aid to Sub-Local Government represents an increase of \$717 or 5.4 percent based on a change to the State's allocation formula.
- EMS: Insurance Billings reflects an increase of \$710 or 14.2 percent based on the usage of service due to the growing population and tourism in Charleston County.
- The Sheriff: Local Government Contribution increased \$677 or 185 percent due to the projected reimbursements from the Town of Kiawah Island for four Deputy Sheriff Positions.

- The Register of Deeds: Documentary Stamps represents an increased \$600 or 8.1 percent in fee collections based on a higher volume of recorded real estate transactions.

The General Fund's budgeted expenditures for fiscal year 2020 are increased \$11,419 or 4.9 percent from fiscal year 2019. The major changes for fiscal year 2020 are:

- The Library increase of \$6,857 or 39.4 percent is due to the library expansion approved by voters in 2016. The increase also includes the re-establishment of reimbursements for facilities maintenance costs and insurance costs.
- Sheriff: Law Enforcement reflects the largest budget increase in fiscal year 2020 of \$1,872 or 5.2 percent. The increase represents funding for four new Deputy Sheriff Positions for the Town of Kiawah and increased funding for the Charleston Animal Society.
- Technology Services reflected an increase of \$1,678 or 13.1 percent due to the anticipation of additional costs for the new technology service contract.
- The County Council increase of \$1,617 or 92.8 percent represents the allocation of \$1,042 for contingency, \$150 for Community Investment and \$600 to the City of Charleston to provide School Resource Officers for the schools within the city limits.
- Facilities Management represents a \$6,997 or 25.2 percent decrease due to lower maintenance and project funding for County buildings due to budgetary constraints and the re-establishment of a reimbursement from the Library.

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



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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Non-pooled cash and cash equivalents	\$ 4,587,410	\$ 586,266	\$ 5,173,676	\$ 40,280,816
Pooled cash and cash equivalents	354,756,502	60,447,656	415,204,158	-
Pooled investments	77,987,712	-	77,987,712	-
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	3,083,875	-	3,083,875	32,774,667
Receivables (net of allowances for uncollectibles)	310,281,415	8,755,601	319,037,016	50,237,631
Due from primary government	-	-	-	1,577,461
Internal balances - current	(11,598,735)	11,598,735	-	-
Inventories	1,202,959	-	1,202,959	652,684
Prepaid items and deposits	-	-	-	4,925,010
Other noncurrent assets	-	-	-	40,000
Capital assets:				
Land and other nondepreciable	69,031,231	17,703,173	86,734,404	118,922,851
Capital assets, net of accumulated depreciation	272,246,860	45,199,616	317,446,476	69,068,124
Total assets	1,081,704,229	144,291,047	1,225,995,276	318,479,244
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension charges	45,347,784	-	45,347,784	11,937,633
Deferred other post employment benefit (OPEB) charges	2,757,163	-	2,757,163	2,136,337
Deferred loss on refunding	13,153,617	-	13,153,617	-
Total deferred outflows of resources	61,258,564	-	61,258,564	14,073,970
LIABILITIES				
Accounts payable	20,449,962	5,671,514	26,121,476	4,642,619
Accrued payroll and fringe benefits	5,999,796	395,594	6,395,390	2,478,629
Intergovernmental payable	6,391,662	5,738,616	12,130,278	-
Due to component units	1,577,461	-	1,577,461	-
Due to third parties	937,018	-	937,018	-
Interest payable	4,525,641	-	4,525,641	654,993
Claims and judgements payable	-	-	-	1,159,442
Unearned revenue	6,887,915	-	6,887,915	2,744,647
Noncurrent liabilities:				
Due within one year	54,442,138	1,029,797	55,471,935	7,882,420
Due in more than one year	648,925,498	10,671,405	659,596,903	61,711,555
OPEB liability	67,210,560	-	67,210,560	13,992,855
Net pension liability	266,532,104	-	266,532,104	63,466,273
Total liabilities	1,083,879,755	23,506,926	1,107,386,681	158,733,433
DEFERRED INFLOWS OF RESOURCES				
Deferred pension credits	2,500,089	-	2,500,089	3,499,794
Deferred OPEB credits	10,887,610	-	10,887,610	920,382
Deferred property taxes - current	206,658,224	-	206,658,224	47,550,628
Total deferred inflows of resources	220,045,923	-	220,045,923	51,970,804
NET POSITION				
Net investment in capital assets	81,464,869	62,902,789	144,367,658	142,021,880
Restricted for:				
Capital and infrastructure projects	179,588,585	-	179,588,585	12,763,932
Debt service	22,120,562	-	22,120,562	13,105,579
General government operations	805,764	-	805,764	-
Law enforcement and public safety programs	6,121,098	-	6,121,098	-
Judicial assistance and programs	3,148,602	-	3,148,602	-
Health and welfare assistance	394,732	-	394,732	-
Local economic development	3,443,709	-	3,443,709	-
Tourism related	2,063,101	-	2,063,101	-
1% fee	-	-	-	14,876
Special programs	-	-	-	96,960
Unrestricted	(460,113,907)	57,881,332	(402,232,575)	(46,154,250)
Total net position	\$ (160,962,885)	\$ 120,784,121	\$ (40,178,764)	\$ 121,848,977

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 85,877,389	\$ 18,479,340	\$ 120,628	\$ -	\$ (67,277,421)	\$ -	\$ (67,277,421)	\$ -
Public safety	120,711,290	25,915,127	8,471,438	-	(86,324,725)	-	(86,324,725)	-
Judicial	35,614,908	11,861,349	13,016	-	(23,740,543)	-	(23,740,543)	-
Public works	52,657,945	6,191,232	10,346,091	-	(36,120,622)	-	(36,120,622)	-
Health and welfare	9,914,084	12,307	2,108,125	-	(7,793,652)	-	(7,793,652)	-
Economic development	6,115,530	52,499	25,000	-	(6,038,031)	-	(6,038,031)	-
Culture and recreation	41,057,699	957,476	-	-	(40,100,223)	-	(40,100,223)	-
Education	20,499,567	-	-	-	(20,499,567)	-	(20,499,567)	-
Interest and fiscal charges	21,799,514	-	-	-	(21,799,514)	-	(21,799,514)	-
Total governmental activities	394,247,926	63,469,330	21,084,298	-	(309,694,298)	-	(309,694,298)	-
Business-type activities:								
DAODAS	9,702,421	7,194,885	938,989	-	-	(1,568,547)	(1,568,547)	-
E-911 Communications	2,391,948	2,617,514	-	-	-	225,566	225,566	-
Environmental Management	31,477,849	30,057,328	265,237	-	-	(1,155,284)	(1,155,284)	-
Parking Garages	2,550,908	3,763,833	-	-	-	1,212,925	1,212,925	-
Public Safety Systems	865,670	854,331	-	-	-	(11,339)	(11,339)	-
Radio Communications	3,753,723	2,996,839	-	-	-	(756,884)	(756,884)	-
Revenue Collections	1,878,874	2,285,301	-	-	-	406,427	406,427	-
Total business-type activities	52,621,393	49,770,031	1,204,226	-	-	(1,647,136)	(1,647,136)	-
Total primary government	\$ 446,869,319	\$ 113,239,361	\$ 22,288,524	\$ -	(309,694,298)	(1,647,136)	(311,341,434)	-
Component Units:								
Charleston County Library	\$ 18,686,915	\$ 251,696	\$ 17,773,620	\$ 2,452,559				1,790,960
Charleston County PRC	38,418,990	16,118,982	61,936	-				(22,238,072)
Cooper River Park & Playground	208,185	-	-	-				(208,185)
North Charleston District	1,306,875	-	-	-				(1,306,875)
St. Andrew's Parish Parks & Playground	4,817,618	2,234,901	-	-				(2,582,717)
St. John's Fire District	13,168,934	-	227,700	-				(12,941,234)
St. Paul's Fire District	5,930,197	-	-	-				(5,930,197)
Charleston County Volunteer Rescue Squad	406,278	-	416,348	-				10,070
Total component units	\$ 82,943,992	\$ 18,605,579	\$ 18,479,604	\$ 2,452,559				(43,406,250)

General Revenues:				
Property taxes	167,544,389	-	167,544,389	-
Charleston County PRC	-	-	-	23,751,885
Cooper River Park & Playground	-	-	-	164,072
North Charleston District	-	-	-	1,012,032
St. Andrew's Parish Parks & Playground	-	-	-	1,801,602
St. John's Fire District	-	-	-	14,674,724
St. Paul's Fire District	-	-	-	6,844,887
Local option sales tax	67,064,286	-	67,064,286	-
Transportation sales tax	121,908,968	-	121,908,968	-
Accommodations tax	17,898,770	-	17,898,770	-
Franchise tax	842,899	-	842,899	35,671
Alcohol beverage tax	-	799,443	799,443	-
Merchants inventory tax and manufacturer's depreciation	1,643,495	11,082	1,654,577	318,014
Motor carrier tax	213,121	-	213,121	-
Homestead exemption	2,705,025	-	2,705,025	-
Unrestricted state aid to political subdivisions	13,482,048	-	13,482,048	-
Unrestricted investment earnings	3,701,010	1,374,511	5,075,521	68,982
Gain on sale of capital assets	45,728	147,823	193,551	590,841
Fundraising and donations	-	-	-	43,920
Miscellaneous	-	-	-	751,647
Transfers	220,341	(220,341)	-	-
Total general revenues and transfers	397,270,080	2,112,518	399,382,598	50,058,277
Change in position	87,575,782	465,382	88,041,164	6,652,027
Net position - beginning	(248,538,667)	120,318,739	(128,219,928)	115,196,950
Net position - ending	<u>\$ (160,962,885)</u>	<u>\$ 120,784,121</u>	<u>\$ (40,178,764)</u>	<u>\$ 121,848,977</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

<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	\$ 3,544,375	\$ -	\$ -	\$ -	\$ -	\$ 1,043,035	\$ 4,587,410
Pooled cash and cash equivalents	56,211,162	26,114,297	51,938,461	81,477,332	47,061,524	36,662,083	299,464,859
Pooled investments	-	-	77,987,712	-	-	-	77,987,712
Restricted cash and cash equivalents	-	-	-	608,259	-	2,475,616	3,083,875
Receivables (net of allowances for uncollectibles)	201,287,531	23,795,765	57,637,120	-	-	27,252,913	309,973,329
Due from other funds	19,315,357	-	-	-	-	-	19,315,357
Inventories	913,883	-	-	-	-	-	913,883
Total assets	\$ 281,272,308	\$ 49,910,062	\$ 187,563,293	\$ 82,085,591	\$ 47,061,524	\$ 67,433,647	\$ 715,326,425
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable	\$ 3,415,038	\$ -	\$ 3,404,096	\$ 236,314	\$ 6,427,619	\$ 3,028,973	\$ 16,512,040
Accrued payroll and fringe benefits	5,510,490	-	10,471	-	-	382,769	5,903,730
Due to other funds	546,565	-	-	-	-	19,315,357	19,861,922
Intergovernmental payable	2,145,388	-	241,559	-	-	5,269,538	7,656,485
Due to third parties	937,018	-	-	-	-	-	937,018
Unearned revenue	-	-	-	-	-	5,737,966	5,737,966
Total liabilities	12,554,499	-	3,656,126	236,314	6,427,619	33,734,603	56,609,161
Deferred inflows of resources:							
Unavailable property tax revenues - current	169,799,013	23,263,859	-	-	-	13,595,352	206,658,224
Unavailable property tax revenues - delinquent	2,499,092	449,384	-	-	-	258,758	3,207,234
Total deferred inflows of resources	172,298,105	23,713,243	-	-	-	13,854,110	209,865,458
Fund balances:							
Nonspendable - Inventories	913,883	-	-	-	-	-	913,883
Restricted - Debt service	-	26,196,819	-	-	-	-	26,196,819
Restricted - General government operations	-	-	-	-	-	805,764	805,764
Restricted - Law enforcement and public safety programs	-	-	-	-	-	6,121,098	6,121,098
Restricted - Judicial assistance and programs	-	-	-	-	-	3,148,602	3,148,602
Restricted - Health and welfare assistance	-	-	-	-	-	394,732	394,732
Restricted - Local economic development	-	-	-	-	-	3,443,709	3,443,709
Restricted - Tourism related	-	-	-	-	-	2,063,101	2,063,101
Restricted - Capital and infrastructure projects	-	-	183,907,167	81,849,277	-	17,807,912	283,564,356
Committed - Capital and infrastructure projects	-	-	-	-	40,633,905	2,345,621	42,979,526
Assigned - Technology projects	1,500,000	-	-	-	-	-	1,500,000
Assigned - Facilities projects	7,500,000	-	-	-	-	-	7,500,000
Assigned - Public works	561,640	-	-	-	-	-	561,640
Assigned - Purchases on order	6,548,785	-	-	-	-	-	6,548,785
Assigned for subsequent years' appropriations of fund balance	4,500,000	-	-	-	-	-	4,500,000
Unassigned	74,895,396	-	-	-	-	(16,285,605)	58,609,791
Total fund balances	96,419,704	26,196,819	183,907,167	81,849,277	40,633,905	19,844,934	448,851,806
Total liabilities, deferred inflows of resources and fund balances	\$ 281,272,308	\$ 49,910,062	\$ 187,563,293	\$ 82,085,591	\$ 47,061,524	\$ 67,433,647	\$ 715,326,425

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2019**

Total Governmental Fund Balances		\$ 448,851,806
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		326,409,961
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Deferred loss on refunding	\$ 13,153,617	
Property taxes	<u>3,207,234</u>	16,360,851
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.		(234,775,021)
Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance.		(11,598,735)
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	\$ (542,750,837)	
Special source revenue bonds	(124,010,767)	
Leases payable	(1,710,639)	
Compensated absences	(12,566,842)	
Intergovernmental note payable	(20,647,021)	
Accrued interest payable	<u>(4,525,641)</u>	<u>(706,211,747)</u>
Net position of governmental activities		<u>\$ (160,962,885)</u>

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, 2019

	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
Revenues:							
Property, local option sales, transportation sales, and other taxes	\$ 172,433,048	\$ 22,914,893	\$ 121,908,968	\$ 22,389,132	\$ -	\$ 35,357,958	\$ 375,003,999
Intergovernmental	28,704,640	389,352	1,750,390	-	-	21,990,008	52,834,390
Permits and licenses	6,812,455	-	-	-	-	-	6,812,455
Fines and forfeitures	1,223,728	-	-	-	-	1,083,097	2,306,825
Interest	2,438,794	455,692	2,924,466	1,681,694	1,609,581	554,042	9,664,269
Service charges	26,201,258	-	-	-	-	3,972,710	30,173,968
Rental and use of property	478,586	-	5,490	-	-	-	484,076
Other revenues	3,009,862	171,428	194,566	-	-	1,810,562	5,186,418
Total revenues	<u>241,302,371</u>	<u>23,931,365</u>	<u>126,783,880</u>	<u>24,070,826</u>	<u>1,609,581</u>	<u>64,768,377</u>	<u>482,466,400</u>
Expenditures:							
Current:							
General government	65,909,327	-	18,944,214	-	-	50,991	84,904,532
Public safety	103,210,262	-	-	-	-	6,625,616	109,835,878
Judicial	21,079,214	-	-	-	-	10,730,360	31,809,574
Public works	11,264,809	-	16,362,678	13,401,151	-	10,685,294	51,713,932
Health and welfare	3,614,108	-	-	-	-	2,083,669	5,697,777
Economic development	-	-	-	-	-	6,197,411	6,197,411
Culture and recreation	17,437,126	-	1,373,299	-	-	16,876,199	35,686,624
Education	-	-	-	-	-	7,451,651	7,451,651
Capital outlay	-	-	-	-	50,800,453	3,051,425	53,851,878
Debt service	-	37,980,989	28,500,544	8,661,574	-	204,350	75,347,457
Total expenditures	<u>222,514,846</u>	<u>37,980,989</u>	<u>65,180,735</u>	<u>22,062,725</u>	<u>50,800,453</u>	<u>63,956,966</u>	<u>462,496,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,787,525</u>	<u>(14,049,624)</u>	<u>61,603,145</u>	<u>2,008,101</u>	<u>(49,190,872)</u>	<u>811,411</u>	<u>19,969,686</u>
Other financing sources (uses):							
Capital lease issuance	-	-	-	-	-	655,118	655,118
Transfers in	5,399,379	18,800,836	50,505,840	7,568,669	1,542,895	14,701,977	98,519,596
Transfers out	(10,886,346)	(10,353,350)	(53,505,840)	(10,845,238)	(248,385)	(13,867,967)	(99,707,126)
Proceeds from sale of capital assets	-	-	-	-	-	51,801	51,801
Total other financing sources (uses)	<u>(5,486,967)</u>	<u>8,447,486</u>	<u>(3,000,000)</u>	<u>(3,276,569)</u>	<u>1,294,510</u>	<u>1,540,929</u>	<u>(480,611)</u>
Net change in fund balances	13,300,558	(5,602,138)	58,603,145	(1,268,468)	(47,896,362)	2,352,340	19,489,075
Fund balances at beginning of year	83,119,146	31,798,957	125,304,022	83,117,745	88,530,267	17,492,594	429,362,731
Fund balances at end of year	<u>\$ 96,419,704</u>	<u>\$ 26,196,819</u>	<u>\$ 183,907,167</u>	<u>\$ 81,849,277</u>	<u>\$ 40,633,905</u>	<u>\$ 19,844,934</u>	<u>\$ 448,851,806</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 19,489,075
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	\$ 42,288,779	
Depreciation expense	<u>(16,257,778)</u>	26,031,001

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

Cost of capital assets	1,836,561	
Accumulated depreciation	<u>(1,830,488)</u>	
Net book value	6,073	
Proceeds	<u>(51,801)</u>	
Loss on disposal	(45,728)	(6,073)
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		189,106
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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.

46,862,168

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

Capital lease issuances		(655,118)
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In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, interest is expensed when due.

516,743

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	\$ (359,129)	
Deferred refunding costs and amortization of bond premiums	<u>6,185,544</u>	5,826,415

To record internal service fund transfers.

1,407,871

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.

1,276,447

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

(2,932,603)

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

(10,429,250)

Change in net position of governmental activities

\$ 87,575,782

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, 2019

<u>REVENUES</u>	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Property and local option sales taxes	\$ 169,746,000	\$ 169,746,000	\$ 172,433,048	\$ 2,687,048
Intergovernmental	26,374,861	26,374,861	28,704,640	2,329,779
Permits and licenses	5,953,650	5,953,650	6,812,455	858,805
Fines and forfeitures	1,370,500	1,370,500	1,223,728	(146,772)
Interest	1,406,500	1,406,500	2,438,794	1,032,294
Service charges	22,181,650	22,181,650	26,201,258	4,019,608
Rental and use of property	394,000	394,000	478,586	84,586
Other revenues	3,597,194	3,597,194	3,009,862	(587,332)
Total revenues	231,024,355	231,024,355	241,302,371	10,278,016
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	4,689,729	4,619,729	4,392,655	227,074
Auditor	2,441,990	2,442,207	2,392,232	49,975
Board of Elections & Voter Registration	1,938,981	1,913,981	1,765,107	148,874
Budget	775,496	775,496	744,259	31,237
Community Services	239,562	239,562	230,949	8,613
County Administrator	1,136,131	1,089,259	1,040,597	48,662
County Council	1,762,480	1,813,970	1,768,052	45,918
Chief Deputy Administrator for General Services	436,551	436,551	436,755	(204)
Deputy Administrator for Dispatch and Medical Services	402,457	402,457	399,710	2,747
Deputy Administrator for Finance	501,301	573,601	570,988	2,613
Deputy Administrator for Transportation Development and Public Works	503,289	581,345	566,737	14,608
Facilities Management	27,856,606	36,241,473	23,112,587	13,128,886
Finance	1,047,426	1,045,126	975,012	70,114
Human Resources	2,068,642	2,100,600	2,045,438	55,162
Internal Auditor	250,043	250,043	250,770	(727)
Legal	1,600,570	1,601,070	1,537,622	63,448
Legislative Delegation	302,209	302,209	296,100	6,109
Nondepartmental	285,257	156,116	128,157	27,959
Procurement	1,531,478	1,544,081	1,415,074	129,007
Register of Deeds	2,090,646	2,090,646	1,858,195	232,451
Revenue Collections - Delinquent Tax	1,136,500	1,136,500	921,973	214,527
Safety & Risk Management	2,449,413	2,449,413	2,416,441	32,972
Technology Services	13,067,137	15,354,748	12,669,911	2,684,837
Treasurer	2,129,868	2,129,868	1,986,222	143,646
Zoning/Planning	2,130,304	2,099,374	1,987,784	111,590
Total general government	72,774,066	83,389,425	65,909,327	17,480,098

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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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety:				
Building Inspections	\$ 2,305,863	\$ 2,284,913	\$ 1,975,519	\$ 309,394
Consolidated Dispatch	7,731,238	7,938,088	7,652,202	285,886
Emergency Management	975,515	927,613	854,526	73,087
Emergency Medical Services	17,255,537	17,262,270	17,085,029	177,241
Sheriff	76,261,415	76,500,528	75,642,986	857,542
Total public safety	104,529,568	104,913,412	103,210,262	1,703,150
Judicial:				
Clerk of Court	4,533,292	4,533,292	4,105,314	427,978
Coroner	2,074,655	2,074,655	2,123,413	(48,758)
Magistrates Courts	5,265,578	5,255,578	5,065,178	190,400
Master-In-Equity	700,002	700,002	669,609	30,393
Probate Court	2,896,161	2,949,311	2,969,871	(20,560)
Solicitor	6,330,497	6,300,847	6,145,829	155,018
Total judicial	21,800,185	21,813,685	21,079,214	734,471
Public Works:				
Transportation Development	524,090	1,024,113	971,115	52,998
Public Works Department	10,602,478	11,159,526	10,293,694	865,832
Total public works	11,126,568	12,183,639	11,264,809	918,830
Health and Welfare:				
Indigent Care	1,406,082	1,406,082	1,409,997	(3,915)
Public Works - Mosquito Abatement	2,345,196	1,858,392	1,484,279	374,113
State Agencies	329,859	329,859	311,376	18,483
Veterans Affairs	399,468	399,468	408,456	(8,988)
Total health and welfare	4,480,605	3,993,801	3,614,108	379,693
Culture and Recreation:				
Charleston County Library	17,401,586	17,409,086	17,409,086	-
Greenbelts Program	-	29,501	28,040	1,461
Total culture and recreation	17,401,586	17,438,587	17,437,126	1,461
Total expenditures	232,112,578	243,732,549	222,514,846	21,217,703
Excess (deficiency) of revenues over (under) expenditures	(1,088,223)	(12,708,194)	18,787,525	31,495,719

**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, 2019**

	<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	\$ 5,377,203	\$ 5,377,203	\$ 5,399,379	\$ 22,176
Transfers out	(8,570,980)	(11,504,642)	(10,886,346)	618,296
Total other financing sources and (uses)	<u>(3,193,777)</u>	<u>(6,127,439)</u>	<u>(5,486,967)</u>	<u>640,472</u>
Net change in fund balance	(4,282,000)	(18,835,633)	13,300,558	32,136,191
Fund balance at beginning of year	<u>83,119,146</u>	<u>83,119,146</u>	<u>83,119,146</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 78,837,146</u></u>	<u><u>\$ 64,283,513</u></u>	<u><u>\$ 96,419,704</u></u>	<u><u>\$ 32,136,191</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

<u>ASSETS</u>	Business-type Activities - Enterprise Funds			Total	Governmental
	Environmental Management	Parking Garages	Nonmajor Other Funds		Internal Service Funds
Current assets:					
Non-pooled cash and cash equivalents	\$ 1,451	\$ 9,500	\$ 575,315	\$ 586,266	\$ -
Pooled cash and cash equivalents	47,230,822	2,414,353	10,802,481	60,447,656	55,291,643
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	2,758,042	105,993	5,891,566	8,755,601	308,086
Due from other funds	-	-	-	-	36,240,989
Inventories	-	-	-	-	289,076
Total current assets	49,990,315	2,529,846	17,269,362	69,789,523	92,254,794
Capital assets:					
Land	4,564,562	2,350,320	-	6,914,882	-
Construction in progress	10,776,443	11,848	-	10,788,291	-
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	29,450,206	1,643,929	5,775,499	36,869,634	42,502,913
Less accumulated depreciation	(28,843,360)	(7,484,329)	(9,294,577)	(45,622,266)	(29,330,466)
Total capital assets (net of accumulated depreciation)	44,523,221	11,926,024	6,453,544	62,902,789	14,868,130
Total noncurrent assets	44,523,221	11,926,024	6,453,544	62,902,789	14,868,130
Total assets	94,513,536	14,455,870	23,722,906	132,692,312	107,122,924
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred pension charges	-	-	-	-	45,347,784
Deferred OPEB charges	-	-	-	-	2,757,163
Total deferred outflows of resources	-	-	-	-	48,104,947

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

<u>LIABILITIES</u>	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds		
Current liabilities:					
Accounts payable	\$ 3,938,530	\$ 73,482	\$ 1,659,502	\$ 5,671,514	\$ 3,937,922
Accrued payroll and fringe benefits	167,670	26,719	201,205	395,594	96,066
Unearned revenue	-	-	-	-	1,149,949
Compensated absences - current	67,147	6,357	42,676	116,180	2,970
Due to other funds	15,744,661	2,271,174	17,678,589	35,694,424	-
Intergovernmental payable	30,588	1,530	5,706,498	5,738,616	312,638
Lease payable - current	-	-	-	-	267,906
Accrual for landfill closure - current	913,617	-	-	913,617	-
Total current liabilities	20,862,213	2,379,262	25,288,470	48,529,945	5,767,451
Noncurrent liabilities:					
Net OPEB liability	-	-	-	-	67,210,560
Accrual for landfill closure	9,449,806	-	-	9,449,806	-
Compensated absences	580,676	74,372	566,551	1,221,599	405,215
Lease payable	-	-	-	-	1,005,439
Net pension liability	-	-	-	-	266,532,104
Total noncurrent liabilities	10,030,482	74,372	566,551	10,671,405	335,153,318
Total liabilities	30,892,695	2,453,634	25,855,021	59,201,350	340,920,769
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred pension credits	-	-	-	-	2,500,089
Deferred OPEB credits	-	-	-	-	10,887,610
Total deferred inflows of resources	-	-	-	-	13,387,699
<u>NET POSITION</u>					
Net investment in capital assets	44,523,221	11,926,024	6,453,544	62,902,789	13,594,785
Unrestricted	19,097,620	76,212	(8,585,659)	10,588,173	(212,675,382)
Total net position	\$ 63,620,841	\$ 12,002,236	\$ (2,132,115)	73,490,962	\$ (199,080,597)
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(7,967,804)	
Adjustment to reflect the elimination of indirect and other costs charged by the governmental funds				55,260,963	
Total net position for business-type activities				\$ 120,784,121	

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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 658,626	\$ 3,751,656	\$ 16,542,391	\$ 20,952,673	\$ 71,738,468
User fees	29,079,398	-	-	29,079,398	-
Sale of recyclables	304,585	-	-	304,585	-
Other revenues	14,719	12,177	205,922	232,818	-
Total operating revenues	30,057,328	3,763,833	16,748,313	50,569,474	71,738,468
Operating expenses:					
Personnel services	7,572,416	1,075,089	8,804,639	17,452,144	4,319,249
Contractual services	10,641,680	287,550	2,235,119	13,164,349	5,822,695
Materials and supplies	970,362	109,929	1,070,342	2,150,633	9,128,940
Utilities	142,018	76,760	675,539	894,317	136,797
Repairs and maintenance	88,441	101,287	2,384,204	2,573,932	2,211,805
Rental expenses	52,951	-	636,702	689,653	7,019
Vehicle fleet charges	3,772,200	4,414	33,147	3,809,761	136,770
Employee benefits	933,703	134,761	1,054,027	2,122,491	56,610,808
Other expenses	2,277,939	329,968	2,027,267	4,635,174	366,958
Depreciation and amortization	4,398,530	600,392	646,893	5,645,815	4,942,455
Landfill closure	913,617	-	-	913,617	-
Total operating expenses	31,763,857	2,720,150	19,567,879	54,051,886	83,683,496
Operating income (loss)	(1,706,529)	1,043,683	(2,819,566)	(3,482,412)	(11,945,028)
Nonoperating revenues (expenses):					
Interest income	1,095,590	50,994	227,927	1,374,511	1,261,635
Interest expense	-	-	-	-	(16,512)
Intergovernmental revenues	265,237	-	950,071	1,215,308	1,682
Gain (loss) on disposal of capital assets	147,823	-	-	147,823	25,311
Total nonoperating revenues (expenses)	1,508,650	50,994	1,177,998	2,737,642	1,272,116
Income (loss) before transfers	(197,879)	1,094,677	(1,641,568)	(744,770)	(10,672,912)
Transfers in	10,855,308	-	1,550,544	12,405,852	3,494,156
Transfers out	(10,872,668)	(1,417,148)	(336,377)	(12,626,193)	(2,086,285)
Change in net position	(215,239)	(322,471)	(427,401)	(965,111)	(9,265,041)
Total net position- beginning	63,836,080	12,324,707	(1,704,714)		(189,815,556)
Total net position - ending	\$ 63,620,841	\$ 12,002,236	\$ (2,132,115)		\$ (199,080,597)
Adjustment to reflect the elimination of indirect costs charged by governmental funds				2,932,603	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(1,502,110)	
Change in net position of business-type activities				\$ 465,382	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 29,889,873	\$ 3,764,337	\$ 15,469,654	\$ 49,123,864	\$ 106,215
Cash receipts from interfund services provided	-	-	-	-	69,723,668
Cash payments to suppliers for goods and services	(15,635,776)	(774,811)	(5,743,811)	(22,154,398)	(61,855,898)
Cash payments to employees for services	(8,532,145)	(1,211,857)	(9,854,471)	(19,598,473)	(4,278,779)
Net cash (used in) provided by operating activities	5,721,952	1,777,669	(128,628)	7,370,993	3,695,206
Cash flows from noncapital financing activities:					
Transfers in	10,855,308	-	1,550,544	12,405,852	3,494,156
Transfers (out)	(10,872,668)	(1,417,148)	(336,377)	(12,626,193)	(2,086,285)
Intergovernmental receipt	265,237	-	950,071	1,215,308	1,682
Net cash provided by (used in) noncapital financing activities	247,877	(1,417,148)	2,164,238	994,967	1,409,553
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	-	-	-	-	(399,387)
Interest paid	-	-	-	-	(16,512)
Proceeds from sale of capital assets	147,823	-	-	147,823	243,394
Acquisition and construction of capital assets	(6,452,332)	(85,312)	(789,020)	(7,326,664)	(4,211,352)
Net cash used in capital and related financing activities	(6,304,509)	(85,312)	(789,020)	(7,178,841)	(4,383,857)
Cash flows from investing activities:					
Interest received	1,095,590	50,994	227,927	1,374,511	1,261,635
Net cash provided by investing activities	1,095,590	50,994	227,927	1,374,511	1,261,635
Net (decrease) increase in cash and cash equivalents	760,910	326,203	1,474,517	2,561,630	1,982,537
Cash and cash equivalents at beginning of year	46,471,363	2,097,650	9,903,279	58,472,292	53,434,106
Cash and cash equivalents at end of year	\$ 47,232,273	\$ 2,423,853	\$ 11,377,796	\$ 61,033,922	\$ 55,416,643
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 1,451	\$ 9,500	\$ 575,315	\$ 586,266	\$ -
Pooled cash and cash equivalents	47,230,822	2,414,353	10,802,481	60,447,656	55,291,643
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 47,232,273	\$ 2,423,853	\$ 11,377,796	\$ 61,033,922	\$ 55,416,643

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,706,529)	\$ 1,043,683	\$ (2,819,566)	\$ (3,482,412)	\$ (11,945,028)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	4,398,530	600,392	646,893	5,645,815	4,942,455
Provision for landfill closure	913,617	-	-	913,617	-
Allowance for uncollectable accounts	249,563	-	(227,431)	22,132	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
(Increase) decrease in receivables	(417,018)	504	(1,051,228)	(1,467,742)	(1,910,499)
Decrease in inventories	-	-	-	-	79,607
Increase (decrease) in accounts payable	2,309,815	135,097	3,318,509	5,763,421	(500,360)
Increase (decrease) in accrued payroll	(26,026)	(2,007)	4,195	(23,838)	40,470
Increase in unearned revenue	-	-	-	-	1,914
Increase in net pension liability	-	-	-	-	344,218
Increase (decrease) in OPEB liability	-	-	-	-	(4,127,071)
(Increase) in deferred outflows of resources for pensions	-	-	-	-	9,439,704
(Decrease) in deferred inflows of resources for pensions	-	-	-	-	1,750,917
(Increase) in deferred outflows of resources for OPEB	-	-	-	-	(113,467)
Increase in deferred inflows of resources for OPEB	-	-	-	-	5,692,346
Total adjustments	7,428,481	733,986	2,690,938	10,853,405	15,640,234
Net cash provided by (used in) operating activities	<u>\$ 5,721,952</u>	<u>\$ 1,777,669</u>	<u>\$ (128,628)</u>	<u>\$ 7,370,993</u>	<u>\$ 3,695,206</u>

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2019**

ASSETS

Non-pooled cash and cash equivalents	\$ 22,133,664
Non-pooled investments	128,981
Pooled investments	<u>40,996,399</u>
Total assets	<u><u>\$ 63,259,044</u></u>

LIABILITIES

Due to component units	\$ 1,577,139
Intergovernmental payable	35,089,300
Due to third parties	<u>26,592,605</u>
Total liabilities	<u><u>\$ 63,259,044</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS
 June 30, 2019

<u>ASSETS</u>	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District
Non-pooled cash and cash equivalents	\$ 3,575,476	\$ 27,590,265	\$ 73,163	\$ 556,940
Receivables (net of allowances for uncollectibles)	29,318	25,150,598	145,828	893,519
Due from primary government	-	460,864	6,394	39,218
Inventories	33,751	618,933	-	-
Prepaid items and deposits	373,499	4,391,052	-	-
Other non current asset	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	23,669,006	-	-
Capital assets:				
Nondepreciable assets	96,214	111,621,215	2	-
Other capital assets, net of accumulated depreciation	5,133,407	42,352,708	1,171	4,644
Total assets	9,241,665	235,854,641	226,558	1,494,321
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred other postemployment benefit charges (OPEB)	786,558	1,349,779	-	-
Deferred pension charges	3,055,214	3,078,197	-	-
Total deferred outflows of resources	3,841,772	4,427,976	-	-
 <u>LIABILITIES</u>				
Accounts payable	299,254	3,648,442	-	10,828
Accrued payroll and fringe benefits	475,740	1,421,926	-	-
Interest payable	-	487,749	-	-
Unearned revenue	-	1,987,507	-	-
Claims and judgements payable	-	1,159,442	-	-
Noncurrent liabilities:				
Due within one year	149,812	4,814,744	-	-
Due in more than one year	1,435,299	40,221,157	-	-
OPEB liability	5,279,746	8,713,109	-	-
Net pension liability	17,632,684	23,023,723	-	-
Total liabilities	25,272,535	85,477,799	-	10,828
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to OPEB credits	855,505	64,877	-	-
Deferred revenue - property taxes	-	23,320,147	134,202	823,107
Deferred pension credits	531,019	470,615	-	-
Total deferred inflows of resources	1,386,524	23,855,639	134,202	823,107
 <u>NET POSITION</u>				
Net investment in capital assets	4,813,669	121,695,371	1,173	4,644
Restricted for:				
Debt service	-	12,579,985	-	-
1% fee	-	-	-	-
Special programs	96,960	-	-	-
Capital projects	-	12,763,932	-	-
Unrestricted	(18,486,251)	(16,090,109)	91,183	655,742
Total net position	\$ (13,575,622)	\$ 130,949,179	\$ 92,356	\$ 660,386

Charleston County Volunteer Rescue Squad Dec. 31, 2018	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Totals
\$ 264,186	\$ 84,586	\$ 5,028,696	\$ 3,107,504	\$ 40,280,816
-	1,577,837	16,117,622	6,322,909	50,237,631
-	76,875	547,370	446,740	1,577,461
-	-	-	-	652,684
19,628	29,000	78,031	33,800	4,925,010
-	40,000	-	-	40,000
-	-	8,840,737	264,924	32,774,667
87,679	519,000	5,937,338	661,403	118,922,851
978,853	2,686,323	11,972,191	5,938,827	69,068,124
<u>1,350,346</u>	<u>5,013,621</u>	<u>48,521,985</u>	<u>16,776,107</u>	<u>318,479,244</u>
-	-	-	-	2,136,337
-	1,651,583	3,130,487	1,022,152	11,937,633
-	1,651,583	3,130,487	1,022,152	14,073,970
6,810	33,960	379,955	263,370	4,642,619
-	113,983	292,547	174,433	2,478,629
-	-	144,846	22,398	654,993
45,833	461,307	-	250,000	2,744,647
-	-	-	-	1,159,442
-	157,344	2,142,667	617,853	7,882,420
-	46,993	17,708,002	2,300,104	61,711,555
-	-	-	-	13,992,855
-	4,111,162	14,160,424	4,538,280	63,466,273
<u>52,643</u>	<u>4,924,749</u>	<u>34,828,441</u>	<u>8,166,438</u>	<u>158,733,433</u>
-	-	-	-	920,382
-	1,515,653	15,839,407	5,918,112	47,550,628
-	846,866	535,911	1,115,383	3,499,794
-	2,362,519	16,375,318	7,033,495	51,970,804
1,066,532	3,124,063	7,335,999	3,980,429	142,021,880
-	-	322,515	203,079	13,105,579
-	-	-	14,876	14,876
-	-	-	-	96,960
-	-	-	-	12,763,932
<u>231,171</u>	<u>(3,746,127)</u>	<u>(7,209,801)</u>	<u>(1,600,058)</u>	<u>(46,154,250)</u>
<u>\$ 1,297,703</u>	<u>\$ (622,064)</u>	<u>\$ 448,713</u>	<u>\$ 2,598,326</u>	<u>\$ 121,848,977</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position								Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District	Chas County Volunteer Rescue Squad Dec. 31, 2018	St. Andrew's Parish Parks & Playground	St. John's Fire District		St. Paul's Fire District
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 18,686,915	\$ 251,696	\$ 17,773,620	\$ 2,452,559	\$ 1,790,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,790,960
Charleston County PRC													
Governmental activities:													
General government	8,238,769	-	-	-	-	(8,238,769)	-	-	-	-	-	-	(8,238,769)
Recreation/Park operations	29,232,388	16,118,982	61,936	-	-	(13,051,470)	-	-	-	-	-	-	(13,051,470)
Interest and fiscal charges	947,833	-	-	-	-	(947,833)	-	-	-	-	-	-	(947,833)
Total governmental activities	38,418,990	16,118,982	61,936	-	-	(22,238,072)	-	-	-	-	-	-	(22,238,072)
Cooper River Park & Playground													
Governmental activities:													
General government	10,312	-	-	-	-	-	(10,312)	-	-	-	-	-	(10,312)
Culture and recreation	197,873	-	-	-	-	-	(197,873)	-	-	-	-	-	(197,873)
Total governmental activities	208,185	-	-	-	-	-	(208,185)	-	-	-	-	-	(208,185)
North Charleston District													
Governmental activities:													
General government	23,132	-	-	-	-	-	(23,132)	-	-	-	-	-	(23,132)
Public safety	969,854	-	-	-	-	-	(969,854)	-	-	-	-	-	(969,854)
Public works	313,889	-	-	-	-	-	(313,889)	-	-	-	-	-	(313,889)
Total governmental activities	1,306,875	-	-	-	-	-	(1,306,875)	-	-	-	-	-	(1,306,875)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public Safety	406,278	-	416,348	-	-	-	-	-	10,070	-	-	-	10,070

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2019

	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, 2018	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	\$ 2,082,641	\$ 24,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,058,340)	\$ -	\$ -	\$ (2,058,340)
Culture and recreation	793,827	968,330	-	-	-	-	-	-	-	174,503	-	-	174,503
Interest	6,200	-	-	-	-	-	-	-	-	(6,200)	-	-	(6,200)
Total governmental activities	2,882,668	992,631	-	-	-	-	-	-	-	(1,890,037)	-	-	(1,890,037)
Business-type activities:													
Culture and recreation	1,934,950	1,242,270	-	-	-	-	-	-	-	(692,680)	-	-	(692,680)
Total St. Andrew's Parish Parks & Playground Commission	4,817,618	2,234,901	-	-	-	-	-	-	-	(2,582,717)	-	-	(2,582,717)
St. John's Fire District													
Governmental activities:													
Public safety	13,043,648	-	227,700	-	-	-	-	-	-	-	(12,815,948)	-	(12,815,948)
Interest	125,286	-	-	-	-	-	-	-	-	-	(125,286)	-	(125,286)
Total governmental activities	13,168,934	-	227,700	-	-	-	-	-	-	-	(12,941,234)	-	(12,941,234)
St. Paul's Fire District													
Governmental activities:													
Public safety	5,930,197	-	-	-	-	-	-	-	-	-	-	(5,930,197)	(5,930,197)
Total Component Units	\$ 82,943,992	\$ 18,605,579	\$ 18,479,604	\$ 2,452,559									(43,406,250)
			General Revenues:										
			Property taxes		-	23,751,885	164,072	1,012,032	-	1,801,602	14,674,724	6,844,887	48,249,202
			Merchants inventory tax and manufacturer's depreciation		-	4,091	56,856	212,647	-	30,361	-	14,059	318,014
			Franchise fees		-	-	-	35,671	-	-	-	-	35,671
			Unrestricted investment earnings		-	12,307	-	13,206	-	165	-	43,304	68,982
			Gains on sale of capital assets		-	-	-	-	55,883	384,932	-	150,026	590,841
			Fundraising and donations		-	-	-	-	43,920	-	-	-	43,920
			Miscellaneous		-	593,820	-	-	666	-	70,513	86,648	751,647
			Total general revenues		-	24,362,103	220,928	1,273,556	100,469	2,217,060	14,745,237	7,138,924	50,058,277
			Change in net position		1,790,960	2,124,031	12,743	(33,319)	110,539	(365,657)	1,804,003	1,208,727	6,652,027
			Net position - beginning		(15,366,582)	128,825,148	79,613	693,705	1,187,164	(256,407)	(1,355,290)	1,389,599	115,196,950
			Net position - end of year		\$ (13,575,622)	\$ 130,949,179	\$ 92,356	\$ 660,386	\$ 1,297,703	\$ (622,064)	\$ 448,713	\$ 2,598,326	\$ 121,848,977

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019.

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

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

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



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Based on the 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 & Playground Commission (CRPPC) Administrative Office Address: PO Box 71846 N. Charleston, SC 29415 Telephone: (843) 764-3072</p>	<p>The Commission was created on April 27, 1942, under Act 640 of the South Carolina Legislature to provide parks and recreation facilities for use by citizens residing within the geographic boundaries of the Commission. The Commission is governed by a six member Board of Trustees appointed by the North Charleston District and the Cooper River School District. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the Commission.</p>
<p>North Charleston District (NCD) Administrative Office Address: P.O. Box 63009 Charleston, SC 29419 Telephone: (843) 764-3072</p>	<p>The District was created as a public service district in 1972 by Act 1768 of the South Carolina Legislature. The District provides fire, sanitation, street lighting, and cleaning services to the residents within its geographic boundaries. The District is governed by a nine member Commission appointed by the Governor through recommendations of the City of North Charleston and the Legislative Delegation. County Council approves the operating budget, levies taxes, and authorizes the issuance of all general obligation debt for the District.</p>

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Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
<p>St. Andrew's Parish Parks & 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.

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C. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. 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.

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

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

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.

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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.

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E. Basis of Accounting

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

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2018, 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 Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an

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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.

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- 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, 2019, 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.

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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, 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

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recycling). Tipping fees charged to certain commercial and governmental entities are also included. Annual charges to real property owners are billed in the fall for the subsequent calendar year, but are recognized in full in the year of billing. An allowance for uncollectible accounts is established based upon an historical estimate of the collections within each customer category: residential, commercial, governmental or housing agencies.

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

3. *Inventories and Prepaid Items*

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

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

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

4. *Restricted Assets*

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

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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, 2019.

All reported capital assets except land and certain infrastructure assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation

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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.

8. Fund Equity

Government-Wide Statements

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

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

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

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, such as inventory or prepaid items. These amounts do not represent available spendable resources even though they are components of net current assets.

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.

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.

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

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.

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

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

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

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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.

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 the Police Officer's Retirement Systems (PORS), and additions to/deductions from the SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employee

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contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the Statement of Net 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

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County's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the 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

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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, 2019, none of the County's bank balance of \$70,227,841 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, 2019, the County had no exposed custodial credit risk on its investments which total \$494,519,456. \$77,987,712 is reported on the Statement of Net Position and \$41,125,380 is reported with Agency Funds. The remaining \$375,406,364 is invested in the South Carolina Local Government Investment Pool and reported as a pooled cash equivalent. 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 \$375,406,364 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

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are scheduled to coincide with projected cash flow needs, taking in to account large routine expenditures as well as considering sizeable blocks of anticipated revenue. Maturities in this category are timed to comply with the following guidelines:

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

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

Investments and Maturity:	<u>Maturity Date</u>		
	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Certificates of Deposits	\$ -	\$ 128,981	\$ -
SCLGIP	375,406,364	-	-
Federal Home Loan Bank	10,740,000	108,244,111	-
	<u>\$ 386,146,364</u>	<u>\$ 108,373,092</u>	<u>\$ -</u>

Concentrations of Credit Risk

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

Certificates of Deposits	0.03%
SCLGIP	75.91%
Federal Home Loan Bank	24.06%
	<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

One of the component units' bank balances were exposed to custodial credit risk since the entire amount was not insured by FDIC or fully collateralized with securities held by the pledging financial institution's trust departments or agents in the component units' names. The Charleston County Volunteer Rescue Squad's bank balance at December 31, 2018, exceeded FDIC limits by \$14,784.

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.

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Custodial Credit Risk-Investments

None of the component units have a formal investment policy for managing custodial credit risk. As of June 30, 2019, St. John's Fire District had \$11,383 invested in the State Treasurer's Local Government Investment Pool.

St. Paul's Fire District has \$2,443,121 invested in the State Treasurer's Local Government Investment Pool.

Concentration of Risk

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

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

Cash on hand - primary government	\$	86,505
Cash on hand - component units		2,875
Carrying amount of deposits - primary government		70,102,504
Carrying amount of deposits - component units		70,598,104
Carrying amount of investments - primary government		494,519,456
Carrying amount of investments - component units		2,454,504
Cash with fiscal agent - primary government		125,000
Total carrying amount of cash and investments	\$	637,888,948
Non-pooled cash and cash equivalents	\$	67,588,156
Pooled cash and cash equivalents		415,204,158
Restricted cash and cash equivalents		35,858,542
Pooled investments		118,984,111
Non-pooled investments		128,981
Cash with fiscal agent		125,000
Total carrying amount of cash and investments	\$	637,888,948



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COUNTY OF CHARLESTON, SOUTH CAROLINA
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B. Receivables

Receivables as of June 30, 2019, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				
	General	Debt Service	Transportation Special Revenue Fund	Non-major Governmental Funds	
Primary government:					
Receivables:					
Current property taxes	\$ 177,762,786	\$ 24,258,456	\$ -	\$ 14,289,248	
Delinquent property taxes	5,752,557	1,049,729	-	634,695	
Accounts	42,631,655	-	-	1,189,748	
Intergovernmental	23,152,934	667	57,637,120	12,861,965	
Gross receivables	<u>249,299,932</u>	<u>25,308,852</u>	<u>57,637,120</u>	<u>28,975,656</u>	
Less allowance for					
Current property taxes	7,963,773	994,597	-	693,896	
Delinquent property taxes	2,883,402	518,490	-	298,547	
Accounts	37,165,226	-	-	730,300	
Gross allowance	<u>48,012,401</u>	<u>1,513,087</u>	<u>-</u>	<u>1,722,743</u>	
Net total receivable	<u>\$ 201,287,531</u>	<u>\$ 23,795,765</u>	<u>\$ 57,637,120</u>	<u>\$ 27,252,913</u>	
	Proprietary				Totals
	Governmental Activities-Internal Service Funds	Environmental Management	Parking Garages	Non-major Business-Type Activities	Primary Government
Receivables:					
Current property taxes	\$ -	\$ -	\$ -	\$ -	\$ 216,310,490
Delinquent property taxes	-	-	-	-	7,436,981
Accounts	285,188	6,893,186	30	6,082,931	57,082,738
Intergovernmental	22,898	40,833	105,963	1,422,346	95,244,726
Gross receivables	<u>308,086</u>	<u>6,934,019</u>	<u>105,993</u>	<u>7,505,277</u>	<u>376,074,935</u>
Less allowance for uncollectable:					
Current property taxes	-	-	-	-	9,652,266
Delinquent property taxes	-	-	-	-	3,700,439
Accounts	-	4,175,977	-	1,613,711	43,685,214
Gross allowance	<u>-</u>	<u>4,175,977</u>	<u>-</u>	<u>1,613,711</u>	<u>57,037,919</u>
Net total receivable	<u>\$ 308,086</u>	<u>\$ 2,758,042</u>	<u>\$ 105,993</u>	<u>\$ 5,891,566</u>	<u>\$ 319,037,016</u>

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Component Units:

	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>NCD</u>
Receivables:				
Current property taxes	\$ -	\$24,317,151	\$ 142,571	\$ 874,436
Delinquent property taxes	-	1,016,200	18,416	112,100
Accounts	26,552	966,681	-	380
Intergovernmental	2,766	-	1,704	-
Gross receivables	<u>29,318</u>	<u>26,300,032</u>	<u>162,691</u>	<u>986,916</u>
Less allowance for uncollectible:				
Current property taxes	-	997,004	8,369	51,329
Delinquent property taxes	-	152,430	8,494	42,068
Accounts	-	-	-	-
Gross allowance	<u>-</u>	<u>1,149,434</u>	<u>16,863</u>	<u>93,397</u>
Net total receivable	<u>\$ 29,318</u>	<u>\$25,150,598</u>	<u>\$ 145,828</u>	<u>\$ 893,519</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$1,604,112	\$16,400,297	\$6,436,229	\$49,774,796
Delinquent property taxes	91,972	350,339	433,731	2,022,758
Accounts	-	11,941	-	1,005,554
Intergovernmental	-	-	-	4,470
Gross receivables	<u>1,696,084</u>	<u>16,762,577</u>	<u>6,869,960</u>	<u>52,807,578</u>
Less allowance for uncollectible:				
Current property taxes	86,462	560,890	518,117	2,222,171
Delinquent property taxes	31,785	84,065	28,934	347,776
Accounts	-	-	-	-
Gross allowance	<u>118,247</u>	<u>644,955</u>	<u>547,051</u>	<u>2,569,947</u>
Net total receivable	<u>\$1,577,837</u>	<u>\$16,117,622</u>	<u>\$6,322,909</u>	<u>\$50,237,631</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2019, was as follows:

Governmental Activities	Balance July 1, 2018	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 32,797,551	\$ 1,667,422	\$ -	\$ 34,464,973
Construction in progress	12,630,185	29,747,056	(19,376,903)	23,000,338
Infrastructure-easements, land	11,325,617	266,368	(26,065)	11,565,920
Total capital assets not being depreciated	<u>56,753,353</u>	<u>31,680,846</u>	<u>(19,402,968)</u>	<u>69,031,231</u>
Capital assets being depreciated:				
Buildings	332,221,868	20,870,434	(14,383)	353,077,919
Improvements other than buildings	5,127,145	809,896	-	5,937,041
Machinery and equipment	139,103,431	12,518,791	(5,450,939)	146,171,283
Infrastructure	31,513,992	1,862,172	(366,036)	33,010,128
Total capital assets being depreciated	<u>507,966,436</u>	<u>36,061,293</u>	<u>(5,831,358)</u>	<u>538,196,371</u>
Less accumulated depreciation:				
Buildings	(118,118,768)	(7,499,508)	14,383	(125,603,893)
Improvements other than buildings	(2,120,136)	(273,205)	-	(2,393,341)
Machinery and equipment	(101,386,128)	(12,211,477)	5,212,107	(108,385,498)
Infrastructure	(28,575,221)	(1,216,043)	224,485	(29,566,779)
Total accumulated depreciation	<u>(250,200,253)</u>	<u>(21,200,233)</u>	<u>5,450,975</u>	<u>(265,949,511)</u>
Total capital assets being depreciated, net	<u>257,766,183</u>	<u>14,861,060</u>	<u>(380,383)</u>	<u>272,246,860</u>
Governmental activities				
Total capital assets, net	<u>\$ 314,519,536</u>	<u>\$ 46,541,906</u>	<u>\$ (19,783,351)</u>	<u>\$ 341,278,091</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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	<u>Balance</u> <u>July 1, 2018</u>	<u>Transfer/</u> <u>Additions</u>	<u>Transfers/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 6,914,882	\$ -	\$ -	\$ 6,914,882
Construction in progress	<u>7,787,014</u>	<u>3,001,277</u>	<u>-</u>	<u>10,788,291</u>
Total capital assets not being depreciated	<u>14,701,896</u>	<u>3,001,277</u>	<u>-</u>	<u>17,703,173</u>
Capital assets being depreciated:				
Buildings	28,054,543	-	-	28,054,543
Improvements other than buildings	25,897,705	-	-	25,897,705
Machinery and equipment	<u>34,154,993</u>	<u>4,325,388</u>	<u>(1,610,747)</u>	<u>36,869,634</u>
Total capital assets being depreciated	<u>88,107,241</u>	<u>4,325,388</u>	<u>(1,610,747)</u>	<u>90,821,882</u>
Less accumulated depreciation:				
Buildings	(12,964,049)	(616,949)	-	(13,580,998)
Improvements other than buildings	(7,752,474)	(1,249,662)	-	(9,002,136)
Machinery and equipment	<u>(20,760,930)</u>	<u>(3,779,204)</u>	<u>1,501,002</u>	<u>(23,039,132)</u>
Total accumulated depreciated	<u>(41,477,453)</u>	<u>(5,645,815)</u>	<u>1,501,002</u>	<u>(45,622,266)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>46,629,788</u>	<u>(1,320,427)</u>	<u>(109,745)</u>	<u>45,199,616</u>
Total capital assets, net	<u>\$ 61,331,684</u>	<u>\$ 1,680,850</u>	<u>\$ (109,745)</u>	<u>\$ 62,902,789</u>

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

Governmental Activities	
General government	\$ 9,803,565
Public safety	6,955,816
Judicial	1,744,786
Public works	2,016,846
Health and welfare	114,029
Economic development	10,617
Culture and recreation	554,574
Total	<u>\$ 21,200,233</u>
Business-type Activities	
DAODAS	\$ 309,438
E-911 Communications	226,495
Environmental Management	4,398,530
Parking Garages	600,392
Public Safety Systems	3,633
Radio Communications	90,262
Revenue Collections	17,065
Total	<u>\$ 5,645,815</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Component Units

Capital assets not being depreciated:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Land	\$ 110,227,840	\$ -	\$ (108,200)	\$ 110,119,640
Construction in progress	5,981,463	5,644,186	(2,833,438)	8,792,211
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>116,220,303</u>	<u>5,644,186</u>	<u>(2,941,638)</u>	<u>118,922,851</u>
Capital assets being depreciated:				
Buildings	70,998,961	10,489,008	(506,968)	80,981,001
Improvements other than buildings	21,881,771	213,760	(100,000)	21,995,531
Machinery and equipment	28,951,792	2,286,078	(526,716)	30,711,154
Infrastructure	5,220,964	108,822	-	5,329,786
Library materials	13,402,597	2,584,044	(1,634,346)	14,352,295
Total capital assets being depreciated	<u>140,456,085</u>	<u>15,681,712</u>	<u>(2,768,030)</u>	<u>153,369,767</u>
Less accumulated depreciation	<u>(79,956,654)</u>	<u>(6,984,501)</u>	<u>2,639,512</u>	<u>(84,301,643)</u>
Total capital assets being depreciated, net	<u>60,499,431</u>	<u>8,697,211</u>	<u>(128,518)</u>	<u>69,068,124</u>
Component units				
Total capital assets, net	<u>\$ 176,719,734</u>	<u>\$ 14,341,397</u>	<u>\$ (3,070,156)</u>	<u>\$ 187,990,975</u>

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

General government	\$ 374,074
Public safety	1,615,140
Culture and recreation	<u>4,995,287</u>
Total	<u>\$ 6,984,501</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Construction in progress in the Governmental and Business-type Activities as of June 30, 2019, is composed of the following:

Primary Government

Governmental activities:	Project Authorization	Expended to June 30, 2019	Commitments Outstanding	Required Future Financing
Awendaw Fire Station	\$ 3,400,000	\$ 193,077	\$ 2,414,809	General Obligation Bonds
Library Projects	108,500,000	19,939,817	40,639,255	General Obligation Bonds
Azalea Compound Detention Center	57,948,000	191,359	379,968	General Obligation Bonds
Exterior	1,698,215	58,300	1,364,453	None General Obligation
Sheriff's Ranges Public Safety	2,085,000	106,372	100,628	Bonds
Court Hearing System	32,005	14,901	17,104	None
Senior Citizens Building	383,640	285,750	64,346	None
Remount Road Shopping Center Renovations	120,210	95,460	24,744	None
Master Plan Community Services Hub	1,442,895	274,800	343,574	General Obligation Bonds
County Office Building Renovations	1,801,000	79,330	320,685	General Obligation Bonds
Juvenile Detention	16,061,000	342,456	-	General Obligation Bonds
Detention Center HVAC	1,002,375	159,648	16,021	None
Technology Projects	2,876,070	1,259,068	683,947	None
Total Governmental Activities	\$ 197,350,410	\$ 23,000,338	\$ 46,369,534	
Business-type activities:	Project Authorization	Expended to June 30, 2019	Commitments Outstanding	Required Future Financing
Parking Garages Renovations	\$ 1,283,052	\$ 11,848	\$ 1,247,358	None
Lined Landfill	6,000,000	2,533,878	3,240,523	None
Materials Recovery Facility Relocation	25,143,265	8,232,565	16,910,700	General Obligation Bonds
Total business-type activities	\$ 32,426,317	\$ 10,778,291	\$ 21,398,581	

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2019, the County has assets under capital lease with a total cost of \$5,126,352 and a net book value of \$3,324,046. 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.

Component Unit	Project Authorization	Expended to June 30, 2019	Commitments Outstanding	Required Future Financing
CCPRC				
Stono River Park	\$ 2,638,813	\$ 723,233	\$ 1,915,580	General Obligation Bonds
James Island Park Wall Project	615,840	283,221	332,619	None
James Island Fish Dock	450,000	40,953	21,425	None
Folly Beach Pier	1,110,000	279,075	624,315	General Obligation Bonds
SOL Legare	300,000	10,113	55,726	None
Master Plan OTCCP	2,210,000	242,320	462,381	General Obligation Bonds
WCP Dog Park	2,282,812	556,021	1,726,791	General Obligation Bonds
Folly Beach Infrastructure	3,983,232	1,221,529	2,761,703	General Obligation Bonds
Total CCPRC	\$ 13,590,697	\$ 3,356,465	\$ 7,900,540	
CCL Parking Control System	\$ 200,000	\$ 85,214	\$ 115,000	None
SJFD-Fire Station	\$ 6,142,575	\$ 5,350,532	\$ 792,043	General Obligation Bonds
Total Component Units	\$ 19,933,272	\$ 8,792,211	\$ 8,807,583	

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2019, is as follows:

	Receivable Fund	Payable Fund
Major governmental funds: General Fund	\$ 19,315,357	\$ 546,565
Non-major governmental funds	-	19,315,357
Major enterprise funds: Environmental Management	-	15,744,661
Major enterprise funds: Parking Garages	-	2,271,174
Non-major enterprise funds	-	17,678,589
Internal service funds	36,240,989	-
Total	\$ 55,556,346	\$ 55,556,346

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	\$ 5,399,379	\$ (10,886,346)
Debt Service Fund	18,800,836	(10,353,350)
Transportation and Road Sales Tax	50,505,840	(53,505,840)
Special Source Revenue Bonds	7,568,669	(10,845,238)
G.O.B. Capital Projects	1,542,895	(248,385)
Non-major governmental funds	14,701,977	(13,867,967)
Major business-type activities:		
Environmental Management	10,855,308	(10,872,668)
Parking Garage	-	(1,417,148)
Non-major business-type activities	1,550,544	(336,377)
Internal Service Funds	3,494,156	(2,086,285)
Total	\$ 114,419,604	\$ (114,419,604)

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 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.

In March 2019, the Library entered into a lease agreement for public use computers. The lease agreement is for a 48-month period commencing April 2019, ending March 2023, with a minimum monthly charge of \$2,322 for a total commitment of \$111,456 over the lease term.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Total rent expense associated with the computer leases for the year ended June 30, 2019, is \$220,504. The future minimum lease payments for the leases are as follows:

<u>Year Ending - June 30</u>	<u>Amount</u>
2020	\$ 204,937
2021	159,020
2022	93,080
2023	<u>5,224</u>
	<u>\$ 462,261</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 \$10,363,423 reported as the accrual for landfill closure and post-closure at June 30, 2019, represents the estimated remaining cost reported of \$26,035,100 less \$15,671,677 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	\$ 277,572	\$ 5,768,370	\$ -
Bees Ferry					
Ash storage facility	100%	1,117,258	78,851	1,196,109	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	32.8%	6,672,000	899,000	7,571,000	15,510,475
Bees Ferry C&D landfill	93.8%	2,379,000	57,000	2,436,000	161,202
Totals		<u>\$31,424,865</u>	<u>\$ 1,312,423</u>	<u>\$ 32,737,288</u>	<u>\$ 15,671,677</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2019. 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 will issue 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019. The activity in short-term debt for the fiscal year is as follows:

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

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2019.

Primary Government:	Balance			Balance	Amounts Due
	July 1, 2018	Increase	Decrease	June 30, 2019	In One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 592,392,438	\$ -	\$ 49,641,601	\$ 542,750,837	\$ 46,847,148
Special source revenue bond	127,764,416	-	3,753,649	124,010,767	3,932,252
Intergovernmental note payable	22,365,479	-	1,718,458	20,647,021	1,816,926
Capital lease payable	1,772,152	2,327,850	1,116,018	2,983,984	990,606
Compensated absences	12,576,180	1,254,053	855,206	12,975,027	855,206
Total	<u>\$ 756,870,665</u>	<u>\$ 3,581,903</u>	<u>\$ 57,084,932</u>	<u>\$ 703,367,636</u>	<u>\$ 54,442,138</u>
<u>Business-type activities</u>					
Accrual for landfill closure	\$ 9,449,806	\$ 913,617	\$ -	10,363,423	\$ 913,617
Compensated absences	1,360,094	93,865	116,180	1,337,779	116,180
Total	<u>\$ 10,809,900</u>	<u>\$ 1,007,482</u>	<u>\$ 116,180</u>	<u>\$ 11,701,202</u>	<u>\$ 1,029,797</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.

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Primary government General Obligation Bond's payable at June 30, 2019, 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	\$2,480,000
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	840,000
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	25,225,000
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	3,640,000
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	22,080,000
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	70,125,000
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	9,905,000
May 15, 2014	General Obligation Refunding Bonds Series A of 2014, 2.00 percent to 5.00 percent semi-annual interest payments beginning in December 2014, first annual principal payment due in fiscal year 2015, matures in fiscal year 2021.	14,955,000	3,480,000

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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	16,825,000
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	1,590,000
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	53,830,000
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	39,315,000
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	97,285,000
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>\$782,745,000</u>	489,600,000
Add: Premium			<u>53,150,837</u>
General obligation debt per statement of net position			542,750,837
Less current portion, including premium			<u>(46,847,148)</u>
Long-term portion outstanding			<u>\$495,903,689</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019, 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	\$ 83,025,000
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>	118,840,000
Add: Premium			5,170,767
Special source revenue debt per statement of net position			124,010,767
Less current portion, including premium			<u>(3,932,252)</u>
Long-term portion outstanding			<u>\$120,078,515</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 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, 2019, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	2,270,545	729,455
2025-2028	12,000,000	10,459,910	1,540,090
Total	<u>\$ 27,000,000</u>	<u>\$ 20,647,021</u>	<u>\$ 6,352,979</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019, include the following:

<u>Governmental Activities</u>	<u>Original</u>	<u>Outstanding</u>
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	\$ 356,508
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	753,616
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	38,791
Leases dated December 2018 to April 2019 to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal semi-annual installments of \$79,843 through December 2022, includes principal and interest of 5.053 percent to 5.782 percent per annum.	655,118	505,503
Lease dated December 2018 with Presidio Technology Capital, LLC for the purchase of new computer equipment for the Sheriff's office. Payable in four annual installments of \$20,948 through April 2022, includes principal and interest at 5.782 percent per annum.	75,812	56,221
 <u>Internal Service Fund</u>		
Lease dated July 2018, payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments of \$415,900 through August 2023, and includes principal and interest at 11.622 percent per annum.	1,672,733	1,273,345
	<u>\$ 4,618,039</u>	<u>2,983,984</u>
Less current portion		<u>(990,606)</u>
Long-term portion outstanding		<u>\$ 1,993,378</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 990,606	\$ 225,303	\$ 1,215,909
2021	892,400	157,691	1,050,091
2022	650,544	96,640	747,184
2023	450,434	45,309	495,743
Total	<u>\$ 2,983,984</u>	<u>\$ 524,943</u>	<u>\$ 3,508,927</u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2019.

Year Ending June 30	General Obligation Bonds		Special Source Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	
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	489,600,000	136,583,935	118,840,000	58,242,994	803,266,929
Add Premium	53,150,837	-	5,170,767	-	58,321,604
Total debt- governmental activities	<u>\$ 542,750,837</u>	<u>\$ 136,583,935</u>	<u>\$124,010,767</u>	<u>\$ 58,242,994</u>	<u>\$ 861,588,533</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2019**

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, 2019.

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2019:

Component Units	Balance			Balance June 30, 2019	Amount Due in One Year
	July 1, 2018	Increases	Decreases		
Accrued compensated absences	\$ 3,888,664	\$ 1,906,828	\$ (1,760,090)	\$ 4,035,402	\$ 1,305,438
General obligation bonds	54,945,134	8,220,000	(5,988,262)	57,176,872	5,244,817
General obligation bonds - Direct Placement	7,169,000	-	(400,000)	6,769,000	430,000
Capital lease obligations	2,249,894	32,554	(791,007)	1,491,441	827,898
Revenue bonds	92,845	-	(72,035)	20,810	20,810
Notes payable	114,164	40,000	(53,714)	100,450	53,457
Total	\$ 68,459,701	\$ 10,199,382	\$ (9,065,108)	\$ 69,593,975	\$ 7,882,420



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COUNTY OF CHARLESTON, SOUTH CAROLINA
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	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Accrued compensated absences:						
CCL			\$ 1,196,760	\$ 651,028	\$ (678,629)	\$ 1,169,159
CCPRC			1,620,611	626,558	(456,538)	1,790,631
SAPPPC			47,474	35,603	-	83,077
SJFD			749,380	569,922	(624,923)	694,379
SPFD			274,439	23,717	-	298,156
Total accrued compensated absences			<u>3,888,664</u>	<u>1,906,828</u>	<u>(1,760,090)</u>	<u>4,035,402</u>
General obligation bonds:						
CCPRC	2020 - 2033	1.25% - 4.00%	47,584,424	-	(4,339,154)	43,245,270
SPFD	2020 - 2027	2.315% - 3.45%	2,640,710	-	(364,108)	2,276,602
SJFD	2020 - 2032	1.015% - 2.125%	4,720,000	8,220,000	(1,285,000)	11,655,000
Total general obligation bonds			<u>54,945,134</u>	<u>8,220,000</u>	<u>(5,988,262)</u>	<u>57,176,872</u>
General obligation bonds: Direct Placement:						
SJFD	2020-2032	1.015%-2.009%	7,169,000	-	(400,000)	6,769,000
Capital lease obligations:						
CCL	2020 - 2024		507,093	32,554	(123,695)	415,952
SPFD	2020 - 2022	2.57% - 6.37%	507,219	-	(164,020)	343,199
SJFD	2020 - 2021	4.36% - 5.593%	1,235,582	-	(503,292)	732,290
Total capital lease obligations			<u>2,249,894</u>	<u>32,554</u>	<u>(791,007)</u>	<u>1,491,441</u>
Revenue Bonds:						
SAPPPC	2020 - 2020	1.77% - 2.58%	92,845	-	(72,035)	20,810
Notes payable:						
SAPPPC	2020 - 2021	1.46% - 3.89%	114,164	40,000	(53,714)	100,450
Total component units long-term obligations			<u>\$68,459,701</u>	<u>\$10,199,382</u>	<u>\$ (9,065,108)</u>	<u>\$ 69,593,975</u>

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

General Obligation Bonds

<u>Year Ending June 30</u>	SJFD	SPFD	CCPRC	Total Component Units
2020	\$ 991,938	\$ 442,991	\$ 5,450,000	\$ 6,884,929
2021	1,290,638	442,913	5,443,513	7,177,064
2022	1,623,938	442,764	3,933,500	6,000,202
2023	1,652,838	341,310	4,332,800	6,326,948
2024	1,678,694	340,528	4,326,450	6,345,672
2025 - 2029	4,135,625	515,579	17,952,750	22,603,954
2030 - 2033	3,263,339	-	8,285,500	11,548,839
Total	14,637,010	2,526,085	49,724,513	66,887,608
Less interest and plus amortized premium included above	<u>(2,982,010)</u>	<u>(249,483)</u>	<u>(6,479,243)</u>	<u>(9,710,736)</u>
Debt per statement of net position	<u>\$ 11,655,000</u>	<u>\$ 2,276,602</u>	<u>\$ 43,245,270</u>	<u>\$ 57,176,872</u>

General Obligation Bonds - Direct Placement

<u>Year Ending June 30</u>	SJFD
2020	\$ 578,280
2021	654,052
2022	558,770
2023	553,571
2024	549,304
2025 - 2029	3,329,738
2030 - 2033	1,624,691
Total	7,848,406
Less interest and plus amortized premium included above	<u>(1,079,406)</u>
Debt per statement of net position	<u>\$ 6,769,000</u>

Future minimum capital lease payments

<u>Year Ending June 30</u>	CCL	SJFD	SPFD	Total Component Units
2020	\$ 152,662	\$ 565,937	\$ 177,791	\$ 896,390
2021	123,178	214,402	177,791	515,371
2022	100,064	-	1,621	101,685
2023	76,949	-	-	76,949
2024	12,754	-	-	12,754
Future minimum capital lease payments	465,607	780,339	357,203	1,603,149
Less amount representing interest	<u>(49,655)</u>	<u>(48,049)</u>	<u>(14,004)</u>	<u>(111,708)</u>
Debt per statement of net position	<u>\$ 415,952</u>	<u>\$ 732,290</u>	<u>\$ 343,199</u>	<u>\$ 1,491,441</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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Revenue Bonds

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2020	\$ 20,963
Total	20,963
Less interest included above	<u>(153)</u>
Debt per statement of net position	<u><u>\$ 20,810</u></u>

Notes Payable

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2020	\$ 55,913
2021	38,649
2022	<u>9,360</u>
Total	103,922
Less interest included above	<u>(3,472)</u>
Debt per statement of net position	<u><u>\$ 100,450</u></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, 2019, 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	<u>101,925,000</u>
Total General Obligation Bonds	<u>153,030,000</u>
 Total Primary Government	 <u><u>\$ 153,030,000</u></u>

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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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		\$4,215,757,665
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u>\$4,242,701,262</u>
Debt limitation-8 percent of total assessed value		\$ 339,416,101
Total bonded debt:		
General Obligation Bonds	\$489,600,000	
Less:		
Series 2011 G.O. Bond Transportation Sales Tax	\$ (25,225,000)	
Series 2012 G.O. Bond Transportation Sales Tax	(22,080,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(70,125,000)	
Series 2015D G.O. Bond Transportation Sales Tax	(39,315,000)	
Series 2017C G.O. Bond Transportation Sales Tax	(97,600,000)	
Series 2015B G.O. Bond Awendaw Fire	(1,590,000)	
Series 2017A G.O. Bond Library Referendum	(68,790,000)	(324,725,000)
Total debt subject to debt limit		<u>164,875,000</u>
Legal debt margin		<u>\$ 174,541,101</u>

J. Deficit Net Position / Fund Balance

The Employee Benefits Internal Service Fund has a deficit net position of \$218,451,495 for the Year Ended June 30, 2019. 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 \$2,441,298 in the Revenue Collections Fund and \$4,952,140 in DAODAS which also will be funded by governmental funds in future years. The Disaster Fund deficit of \$2,367,388 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 \$13,918,217 which will be funded by the future sale of capital assets.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 \$3,260,000 reported in the Fund at June 30, 2019, 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.

Changes in the Fund's estimated claims liability amount in fiscal year 2018 and 2019 were:

Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018	\$ 3,060,000	\$ 5,385,443	\$ (4,925,443)	\$ 3,520,000
2019	\$ 3,520,000	\$ 4,016,184	\$ (4,276,184)	\$ 3,260,000

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

At the July 30, 2019 meeting, County Council voted to approve funding for the Material Recovery Facility (MRF) on Palmetto Commerce Parkway in the amount of \$11,000,000 to complete construction for the MRF and other facilities at this site, and to upgrade the single stream processing to meet industry standards. Council also voted to include \$20,000,000 for the MRF construction in the October general obligation bond borrowing.

In August 2019, Council voted to approve funding of \$5,183,000 for the Greenbelt Program for a conservation easement at Boone Hall Plantation.

In October 2019, the County entered into a lease with the option to purchase the former incinerator site property with Carver Realty SC, LLC. The term of the lease is two years. Base rent shall be paid to the County on a triple net basis at the rate of \$240,000 per annum, payable in monthly installments of \$20,000.

In October 2019, the SC Department of Transportation paid the County \$1,300,000 for 5.191 acres of land at 1801 Shipyard Creek Road in North Charleston (the former incinerator site). This payment was for condemnation of the land by the State.

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The S.C. Coordinating Council for Economic Development approved a \$15 million Governor's Closing Fund grant for Charleston County designed to be passed through and utilized by Palmetto Railways to assist with improvements to the Palmetto Railways Navy Base Intermodal Facility.

In October 2019, the County closed on general obligation bonds with a par value of \$145,555,000. The interest on these bonds ranges from 2.375 percent to 5 percent. Annual principal payments begin in November 2020 and semi-annual interest payments begin in May 2020. These bonds mature in fiscal year 2040. This total represents three issuances as follows:

2019A	\$ 25,060,000	Library Referendum debt
2019B	\$ 111,475,000	County Building Projects
2019C	\$ 9,020,000	County Equipment

C. Contingent Liabilities

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

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

The Charleston County Park and Recreation Commission is party to litigation where it is probable that a negative outcome will occur. As a result, the Commission has recorded a liability in the amount of \$1,159,442.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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.

On January 10, 2019, the County entered into an agreement with the South Carolina Department of Transportation (SCDOT) and the South Carolina Transportation Infrastructure Bank (SCTIB) concerning the completion of the Mark Clark Expressway Extension Project. This project proposed the construction of approximately seven miles of new roadway from the existing end point of I526 at U.S.17 to the James Island Connector at Folly Road

As part of the application process the County identified a contribution in the amount of \$354 million from the County's Transportation Sales Tax as its proposed local match for all projects in the application on which financial assistance was requested. In 2015, SCDOT advised the County and the SCTIB the cost of the project had increased from \$420 million to \$725 million. In October 2018, SCDOT, SCTIB and the County adopted separate motions authorizing representatives to negotiate an amended intergovernmental agreement, taking into account the changes to the extension project, including the increased cost. At that point the SCTIB had already expended \$40 million of its total contribution and the County had expended \$117 million of its local match contribution on highway and road construction. That \$117 million local match contribution has been deemed by the SCTIB as part of the local match for the Expressway Project.

In the most recent agreement, January 2019, the SCTIB agrees to fund its financial assistance of \$420 million, to include past disbursements. SCTIB will have no financial liability exceeding the \$420 million for the Extension Project.

The County agrees to pay all costs of the Extension Project exceeding \$420 million from the proceeds of the Transportation Sales Tax or any other lawful source.

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

An 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 \$1,809,557 for the fiscal year ended June 30, 2019. The budget amount for fiscal year ending June 30, 2020, is \$2,100,000 for an increase of 16.05%.

Effective July 1, 2019, the County entered into a new agreement with the Animal Society for the annual appropriations from the County. The County agrees to pay the Society a yearly fee for 2020 of \$2,100,000. The fees will be evaluated on an annual basis and may be increased or decreased by agreement of the parties. There shall not be an automatic annual adjustment of fees; however, the Society shall submit a proposal for the cost of services for each fiscal year at the time requested by the county. The Society shall own, operate and maintain all aspects of the animal shelter.

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In July 1995, the Charleston County Park and Recreation 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.

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, 2019:

Year Ending June 30	Total
2020	\$ 164,525
2021	167,815
2022	56,306
Total minimum future rentals	\$ 388,646

Total rental income of \$243,528 was recorded during the current year.

During October 2010, the Charleston County Park and Recreation Commission entered into a lease for an area commonly known as Laurel Hill Plantation for an initial period of 25 years with a provision that the lease will be automatically extended for three separate successive terms of 25 years each provided that the Commission is not in default. The Commission is required to pay base rental fees, operating expenses and additional rental fees. The base rental fee was \$1,330,000 for the first five years of the rental term for a total of \$6,650,000 with no further base rent being required for the remainder of the lease, including extension periods. Additional rental fees are defined as other items for which the Commission may become liable during the lease, including, but not limited to, premiums for insurance. Operating expenses are defined as nominal costs including, but not limited to, ad valorem taxes and premiums for insurance. The lease also contains an option to purchase contingent upon the Lessor obtaining the right to convey a fee simple interest in the property as well as the acceptance of an appraisal of fair market value. The base rental fee is being amortized on a straight-line basis over the initial lease term of 25 years in the government-wide financial statements, and at June 30, 2019, the unamortized prepaid rent was \$4,322,500.

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

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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 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. The Commission entered another one year contract with the City covering the period from July 1, 2019 to June 30, 2020, 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, 2019. The book value of the Capital assets transferred totaled \$0.

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, 2019, the leased assets have a book value of \$1,173.

To fulfill the contract terms for the year ended June 30, 2019, the Commission reflects a net amount due from the City of North Charleston totaling \$1,704.

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.

In recent years, the North Charleston District has seen its tax base decline as a result of property being annexed into the City of North Charleston, South Carolina (the "City"). The City is continuing to annex portions of the District. Effective April 1, 1996, the Commission contracted with the City to provide fire, sanitation, street lighting,

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and street sign services through June 30, 1997 to the citizens within the District's jurisdictional boundaries. As a part of this contract, the City agreed to pay all reasonable administrative and professional costs incurred by the District, and the District agreed to transfer and pay over to the City all appropriated funds from whatever source in the accounts of the District except for the amount necessary to pay administrative and professional costs incurred by the District. The City also assumed control and possession (but not legal title) of 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 described above. To fulfill the contract at June 30, 2019, the District owes the City \$9,331. The District entered into another one-year contract with the city covering the period from July 1, 2019 to June 30, 2020, with essentially identical terms as previous contracts. Due to the declining tax base and the fractured property lines of the District, it would be difficult or impractical to provide services to its citizens without this contract with the City.

As of June 30, 2019, St. John's Fire District had remaining contractual commitments of \$792,043 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 \$2,825,234 for the fiscal year ending June 30, 2019.

Total contributions made by the Charleston County Library's plan members were \$199,666 for the fiscal year ending June 30, 2019.

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 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

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- 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 526 employees who had retired from the County (includes Library retirees) and are receiving health insurance premium coverage benefits.

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) 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

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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 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.

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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	23	
Active Employees	160	
Total	<u>183</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 3.62% for the year ended June 30, 2018 and 3.56% for the year ended June 30, 2017. Employees are not required to contribute to the plan. For the year ended June 30, 2019, the County made net contributions of \$1,983,049 for retiree healthcare.

During the fiscal year ended June 30, 2019 the Commission made contributions of \$243,217 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, healthcare cost trend rates and future salary changes. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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-

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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, 2018												
Methods and Assumptions:													
Actuarial Cost Method	Individual Entry-Age												
Discount Rate	3.62% as of June 30, 2018												
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:	It was assumed that the rates of participation would vary based on the premium subsidy provided by the County.												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Premium Paid by County</th> <th style="width: 33%;">Pre-65 Election Rate</th> <th style="width: 33%;">Post-65 Continuation Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">25%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">0%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>	Premium Paid by County	Pre-65 Election Rate	Post-65 Continuation Rate	50%	70%	75%	25%	50%	50%	0%	20%	0%
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 6.40% and gradually decreasing to an ultimate trend rate of 4.15% after 15 years; ultimate trend rate includes a 0.15% adjustment for the excise tax.												
Notes:	The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018. Additionally, the health care trend rates were updated to reflect the plan's anticipated experience.												

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.

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The total OPEB liability is based upon an actuarial valuation performed as of the valuation date, June 30, 2018. An expected total OPEB liability is determined as of June 30, 2019, the measurement date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability, as of the valuation date,

June 30, 2018, includes the annual normal cost (also called the service cost), and deducts 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 3.62% (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 3.56% 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, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	538
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>2,578</u>
Total Plan Members	3,116

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 3.62%, 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 2.62%	Current Discount Rate Assumption 3.62%	1% Increase 4.62%
Primary Government	\$ 76,727,206	\$ 67,210,560	\$ 59,365,158
CCL	\$ 6,027,329	\$ 5,279,746	\$ 4,663,448
CCPRC	\$ 10,158,390	\$ 8,713,100	\$ 7,461,541

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:

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		Current Healthcare Costs Trend Rate		
	1% Decrease	Assumption	1% Increase	
Primary Government	\$ 56,944,255	\$ 67,210,560	\$ 80,292,512	
CCL	\$ 4,473,271	\$ 5,279,746	\$ 6,307,402	
CCPRC	\$ 7,287,424	\$ 8,713,109	\$ 10,435,400	

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

The County's total OPEB liability measured as of June 30, 2018 and rolled forward to June 30, 2019, is as follows:

Total OPEB liability		
Service cost	\$ 2,994,163	
Interest on the total OPEB liability	2,549,464	
Changes of benefit terms	-	
Difference between expected and actual experience of the total OPEB liability	(4,674,467)	
Changes of assumptions	(2,555,098)	
Benefit payments	(2,441,133)	
Net change in total OPEB liability	<u>(4,127,071)</u>	
Total OPEB liability - beginning	<u>71,337,631</u>	
Total OPEB liability - ending	<u><u>67,210,560</u></u>	
Covered payroll	<u>\$ 115,990,430</u>	
Total OPEB liability as a percentage of covered payroll	57.94%	

Changes of assumptions reflect a change in the discount rate from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

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	\$ 1,983,049	
b. Implicit benefit payments	<u>458,084</u>	(Explicit Benefit Payments *0.231)
c. Total benefit payments	<u>\$ 2,441,133</u>	

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$4,016,266 under GASB Statement No. 75:

Service Cost	\$ 2,994,163
Interest on the Total OPEB Liability	2,549,464
Recognition of Current Year Outflow(Inflow)	
Due to liabilities	(847,954)
Amortization of Prior Year Outflow(Inflow)	
Due to liabilities	<u>(679,407)</u>
	<u><u>\$ 4,016,266</u></u>

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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 26.567 years. Additionally, the total plan membership (active employees and inactive employees) was 3,116. 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 8.5259 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	\$ 64,446	\$ 4,126,200	\$ 5,062	\$ 324,135	\$ 750,177	\$ 7,094
Net difference between						
Projected/Actual earnings	-	-	-	-	24,175	-
Change in assumptions	-	6,761,410	-	531,144	575,427	57,783
Change in proportionate share of Liability	-	-	569,969	226	-	-
Contributions Subsequent to measurement date	2,692,717	-	211,527	-	-	-
	<u>\$ 2,757,163</u>	<u>\$ 10,887,610</u>	<u>\$ 786,558</u>	<u>\$ 855,505</u>	<u>\$ 1,349,779</u>	<u>\$ 64,877</u>

The following schedule reflects the amortization of the County's net balance of remaining deferred outflows (inflows) at June 30, 2019:

Primary Government:		
Measurement Period Ending June 30,	Fiscal Year Ending June 30,	
2019	2020	\$ (1,527,361)
2020	2021	(1,527,361)
2021	2022	(1,527,361)
2022	2023	(1,527,361)
2023	2024	(1,527,361)
Thereafter	Thereafter	<u>(3,186,359)</u>
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (10,823,164)</u>

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Component Units:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	CCL	CCPRC
2019	2020	\$ 37,519	\$ 138,815
2020	2021	37,519	138,815
2021	2022	37,519	138,815
2022	2023	37,519	132,406
2023	2024	37,519	131,169
Thereafter	Thereafter	92,879	604,882
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 280,474</u>	<u>\$ 1,284,902</u>

G. Funds Held by Coastal Community Foundation

As of June 30, 2019, the Coastal Community Foundation held \$513,585 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, \$19,721 was awarded as grants to the Library and recorded as restricted donations. At year-end, there were \$0 funds available for grants to the Library.

As of June 30, 2019, the Coastal Community Foundation was holding \$114,964 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, \$0 was available for grants to the Library. During the year, \$3,500 was 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

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Retirement Benefits' link on PEBA's website at 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, higher education institutions and political subdivisions.
- The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers, peace officers, coroners, probate judges, magistrates 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-

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year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

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

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

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the 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:

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	SCRS Rates			PORS Rates		
	2017	2018	2019	2017	2018	2019
Employer Rate:						
Retirement	11.41%	13.41%	14.41%	13.84%	15.84%	16.84%
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>11.56%</u>	<u>13.56%</u>	<u>14.56%</u>	<u>14.24%</u>	<u>16.24%</u>	<u>17.24%</u>
Employee Rate	<u>8.66%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.24%</u>	<u>9.75%</u>	<u>9.75%</u>

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

Year Ended	SCRS Contributions		PORS Contributions		
	June 30	Required	% Contributed	Required	% Contributed
2019	*	\$ 12,873,498	100%	\$ 7,142,553	100%
2018	*	11,691,075	100%	6,357,327	100%
2017		9,790,076	100%	5,403,995	100%

Eligible payrolls of the County covered under the Plans for the past years were as follows:

Year Ended	SCRS Payroll		PORS Payroll		
	June 30	Required	% Contributed	Required	% Contributed
2019	\$ 88,416,881	\$ 41,430,124			
2018	86,217,166	39,146,100			
2017	84,689,239	37,949,403			

* The County's actual contributions to SCRS and PORS equal the required contribution before the state credit of 1% issued in accordance with South Carolina 2018 – 2019 appropriations Act, Section 117.139.

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 most recent experience study was performed on data through July 1, 2015.

The June 30, 2018, 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, 2017, 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, 2018, 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

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roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2018. 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, 2018, valuations for SCRS and PORS.

	SCRS	PORS
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 2.25%

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 published Scale AA projected from the year 2016.

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, 2018 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	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%
PORS	\$ 7,403,972,673	\$ 4,570,430,247	\$ 2,833,542,426	61.7%

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

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	<u>System</u>	<u>Measurement Period Ended June 30</u>	<u>Fiscal Year Ended June 30</u>	<u>Proportional Share of Net Pension Liability</u>
Primary Government	SCRS	2018	2019	\$ 186,377,636
	PORS	2018	2019	\$ 80,154,468
Component Units				
CCL	SCRS	2018	2019	\$ 17,632,684
CCPRC	SCRS	2018	2019	\$ 23,023,723
SAPPPC	SCRS	2018	2019	\$ 4,111,162
SJFD	SCRS	2018	2019	\$ 901,552
	PORS	2018	2019	\$ 13,258,872
SPFD	SCRS	2018	2019	\$ 171,975
	PORS	2018	2019	\$ 4,366,305

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

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

	<u>System</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Primary Government	SCRS	0.831790%	0.838334%	-0.006544%
	PORS	2.828770%	2.827660%	0.001110%
Component Units				
CCL	SCRS	0.078693%	0.073595%	0.005098%
CCPRC	SCRS	0.102750%	0.102710%	0.000040%
SAPPPC	SCRS	0.018348%	0.021657%	-0.003309%
SJFD	SCRS	0.004024%	0.004160%	-0.000136%
	PORS	0.467930%	0.483670%	-0.015740%
SPFD	SCRS	0.000768%	0.001511%	-0.000743%
	PORS	0.154093%	0.183360%	-0.029267%

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.

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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 2018 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.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	47.00%		
Global Public Equity	33.00%	6.99%	2.31%
Private Equity	9.00%	8.73%	0.79%
Equity Option Strategies	5.00%	5.52%	0.28%
Real Assets	10.00%		
Real Estate (Private)	6.00%	3.54%	0.21%
Real Estate (REITs)	2.00%	5.46%	0.11%
Infrastructure	2.00%	5.09%	0.10%
Opportunistic	13.00%		
GTAA/Risk Parity	8.00%	3.75%	0.30%
Hedge Funds (Non-PA)	2.00%	3.45%	0.07%
Other Opportunistic Strategies	3.00%	3.75%	0.11%
Diversified Credit	18.00%		
Mixed Credit	6.00%	3.05%	0.18%
Emerging Markets Debt	5.00%	3.94%	0.20%
Private Debt	7.00%	3.89%	0.27%
Conservative Fixed Income	12.00%		
Core Fixed Income	10.00%	0.94%	0.09%
Cash and Short Duration (net)	2.00%	0.34%	0.01%
Total Expected Real Return	<u>100.00%</u>		5.03%
inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u><u>7.28%</u></u>

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	\$ 238,155,980	\$ 186,377,636	\$ 149,361,044
PORS	\$ 108,058,137	\$ 80,154,468	\$ 57,298,886

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Component Units

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%)
CCL	SCRS	\$ 22,531,181	\$ 17,632,684	\$ 14,130,574
CCPRC	SCRS	\$ 29,420,042	\$ 23,023,723	\$ 18,450,967
SAPPPC	SCRS	\$ 5,253,301	\$ 4,111,162	\$ 3,294,642
SJFD	SCRS	\$ 1,152,017	\$ 901,552	\$ 722,495
	PORS	\$ 17,874,616	\$ 13,258,872	\$ 9,478,189
SPFD	SCRS	\$ 219,892	\$ 171,975	\$ 137,907
	PORS	\$ 5,886,305	\$ 4,366,305	\$ 3,121,271

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, 2019, the County recognized pension expense of \$31,550,890, \$20,824,490 for SCRS and \$10,726,400 for PORS. At June 30, 2019, the County reported deferred outflows (inflows) of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>		<u>Deferred Inflow of Resources</u>	
	<u>SCRS</u>	<u>PORS</u>	<u>SCRS</u>	<u>PORS</u>
Pension contributions subsequent to measurement date	\$ 12,873,498	\$ 7,142,553	\$ -	\$ -
Difference in actual and proportionate share of employer contribution	-	-	-	-
Differences in actual and expected experience	336,434	2,469,689	1,096,781	-
Net differences between projected and actual earnings on plan investments	2,960,613	1,602,897	-	-
Change in assumptions	7,394,422	5,284,975	-	-
Change in proportionate share of net pension liability	<u>4,243,811</u>	<u>1,038,892</u>	<u>1,011,065</u>	<u>392,243</u>
	<u>\$ 27,808,778</u>	<u>\$ 17,539,006</u>	<u>\$ 2,107,846</u>	<u>\$ 392,243</u>

The County reported \$20,016,051 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, 2019.

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Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2018 was 4.080 years for SCRS and 4.348 years for PORS.

Primary Government

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2019	2020	\$ 9,164,373	\$ 5,186,731
2020	2021	6,267,219	3,746,933
2021	2022	(2,269,277)	952,810
2022	2023	(334,881)	117,736
Net Balance of Deferred Outflows / (Inflows) of Resources		\$ 12,827,434	\$ 10,004,210



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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, 2019:

Component Units		Measurement Period	Fiscal Year Ending	SCRS	PORS
	Ending June 30	June 30			
CCL	2019	2020	\$ 617,681	N/A	
	2020	2021	619,873	N/A	
	2021	2022	56,085	N/A	
	2022	2023	(8,794)	N/A	
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 1,284,845</u>	
CCPRC	2019	2020	\$ 824,875	N/A	
	2020	2021	504,114	N/A	
	2021	2022	(332,350)	N/A	
	2022	2023	(113,704)	N/A	
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 882,935</u>	
SAPPPC	2019	2020	\$ 330,237	N/A	
	2020	2021	393,186	N/A	
	2021	2022	(177,365)	N/A	
	2022	2023	(20,096)	N/A	
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 525,962</u>	
SJFD	2019	2020	\$ 12,141	\$ 862,024	
	2020	2021	6,388	546,243	
	2021	2022	(17,655)	(3,268)	
	2022	2023	(2,048)	(12,677)	
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (1,174)</u>	<u>\$ 1,392,322</u>
SPFD	2019	2020	\$ (6,729)	\$ (269,603)	
	2020	2021	(4,332)	(193,402)	
	2021	2022	1,922	(41,114)	
	2022	2023	286	(5,622)	
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (8,853)</u>	<u>\$ (509,741)</u>

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I. Related Party

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

	Amount
Amounts given to CCL:	
Appropriation (including \$13,485 of supplemental appropriation)	\$ 17,422,570
Reimbursement of Costs for Capital Projects Manager	93,654
	\$ 17,516,224
Amounts paid to the County by CCL:	
Workers' Compensation	\$ 373,203
OPEB compensation	339,310
Wellness expenditures	33,453
Motor vehicle repairs	12,987
Motor vehicle fuel charges	16,168
Health, life and dental insurance (library employees covered through County plan)	1,205,909
Other minor charges	1,175
	\$ 1,982,205
Other transactions:	
Rent-free use of County-owned Library buildings and County-owned vehicles*	
Value of library materials and equipment contributed to the Library from the County	\$ 1,839,693
*Not Determined	

J. Pending Implementation of GASB Statements

The GASB has issued the following 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 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.

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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 2021 financial statements.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61* is intended to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding meets the definition of an investment. It provides guidance as to whether the investment should be reported using the equity method or be reported at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

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. 91, *Conduit Debt Obligations*, intends to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The County will implement the new guidance with the 2022 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

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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.

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, 2019, the County collected an additional \$2,217,801 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, 2019:

Program	Tax Abated	Source	Amount
Fee in Lieu of Tax	Property Tax	Economic Development Department	\$ 3,742,719

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 SIX 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						
	2019	0.831790%	\$ 186,377,636	\$ 88,416,881	211%	54.10%
	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	2019	0.0787%	\$ 17,632,684	\$ 8,132,990	216.80%	54.10%
	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	2019	0.10275%	\$ 23,023,723	\$ 10,649,637	216.19%	54.10%
	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	2019	0.018348%	\$ 4,111,162	\$ 1,914,528	214.74%	54.10%
	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	2019	0.00402%	\$ 901,552	\$ 416,953	216.22%	54.11%
	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%

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

SCRS (continued)

SPFD	2019	0.000768%	\$ 171,975	\$ 86,674	198.42%	54.10%
	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

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	2019	2.82877%	\$ 80,154,468	\$ 41,430,124	193%	61.70%	
	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	2019	0.46793%	\$ 13,258,872	\$ 6,473,433	204.82%	61.73%
		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	2019	0.15409%	\$ 4,366,305	\$ 2,488,972	175.43%	61.70%
		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 preceding year. Only six years of information are presented as only six 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, 2019 (UNAUDITED)

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2019	* \$ 12,873,498	\$ 12,873,498	\$ -	\$ 88,416,881	14.56%
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%
Component Units					
<u>2019</u>					
CCL	\$ 1,239,350	\$ 1,239,350	\$ -	\$ 9,017,686	13.74%
CCPRC	\$ 1,724,627	\$ 1,724,627	\$ -	\$ 10,564,556	16.32%
SAPPPC	\$ 278,755	\$ 278,755	\$ -	\$ 1,914,528	14.56%
SJFD	\$ 69,364	\$ 69,364	\$ -	\$ 476,399	14.56%
SPFD	\$ 12,620	\$ 12,620	\$ -	\$ 86,674	14.56%
<u>2018</u>					
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%
<u>2017</u>					
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%
<u>2016</u>					
CCL	\$ 796,308	\$ 796,308	\$ -	\$ 7,199,888	11.06%
CCPRC	\$ 1,135,995	\$ 1,135,995	\$ -	\$ 10,271,200	11.06%
SAPPPC	\$ 166,275	\$ 166,275	\$ -	\$ 1,524,061	10.91%
SJFD	\$ 46,583	\$ 46,583	\$ -	\$ 421,182	11.06%
SPFD	\$ 21,114	\$ 21,114	\$ -	\$ 193,528	10.91%
<u>2015</u>					
CCL	\$ 828,413	\$ 828,413	\$ -	\$ 7,600,121	10.90%
CCPRC	\$ 1,080,200	\$ 1,080,200	\$ -	\$ 9,910,088	10.90%
SAPPPC	\$ 152,364	\$ 152,364	\$ -	\$ 1,414,338	10.77%
SJFD	\$ 45,321	\$ 45,321	\$ -	\$ 415,787	10.90%
SPFD	\$ 18,409	\$ 18,409	\$ -	\$ 168,894	10.90%
<u>2014</u>					
CCL	\$ 759,107	\$ 759,107	\$ -	\$ 7,161,389	10.60%
CCPRC	\$ 988,391	\$ 988,391	\$ -	\$ 9,324,443	10.60%
SAPPPC	\$ 123,077	\$ 123,077	\$ -	\$ 1,161,104	10.60%
SJFD	\$ 47,250	\$ 47,250	\$ -	\$ 445,755	10.60%
SPFD	\$ 11,195	\$ 11,195	\$ -	\$ 105,613	10.60%

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COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS
SOUTH CAROLINA RETIREMENT SYSTEM
FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<u>2013</u>					
CCL	\$ 729,721	\$ 729,721	\$ -	\$ 6,884,164	10.60%
CCPRC	\$ 944,996	\$ 944,996	\$ -	\$ 8,915,057	10.60%
SAPPPC	\$ 106,091	\$ 106,091	\$ -	\$ 1,000,858	10.60%
SJFD	\$ 42,139	\$ 42,139	\$ -	\$ 397,535	10.60%
SPFD	\$ 11,905	\$ 11,905	\$ -	\$ 112,311	10.60%
<u>2012</u>					
CCL	\$ 679,873	\$ 679,873	\$ -	\$ 7,130,293	9.53%
CCPRC	\$ 820,708	\$ 820,708	\$ -	\$ 8,611,836	9.53%
SAPPPC	\$ 108,404	\$ 108,404	\$ -	\$ 1,137,503	9.53%
SJFD	\$ 36,652	\$ 36,652	\$ -	\$ 384,596	9.53%
SPFD	\$ 9,968	\$ 9,968	\$ -	\$ 104,596	9.53%
<u>2011</u>					
CCL	\$ 653,680	\$ 653,680	\$ -	\$ 6,961,443	9.39%
CCPRC	\$ 810,537	\$ 810,537	\$ -	\$ 8,631,914	9.39%
SAPPPC	\$ 106,196	\$ 106,196	\$ -	\$ 1,130,948	9.39%
SJFD	\$ 36,538	\$ 36,538	\$ -	\$ 389,116	9.39%
SPFD	\$ 9,464	\$ 9,464	\$ -	\$ 100,841	9.39%
<u>2010</u>					
CCL	\$ 652,306	\$ 652,306	\$ -	\$ 6,946,820	9.39%
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%

* They County's actual contributions to SCRS and PORS equal the required contribution before the state credit of 1% issued in accordance with South Carolina 2018-2019 Appropriations Act, Section 117.139.

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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, 2019 (UNAUDITED)

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2019	* \$ 7,142,553	\$7,142,553	\$ -	\$ 41,430,124	17.24%
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%
Component Units					
<u>2019</u>					
SJFD	\$ 1,134,064	\$1,134,064	\$ -	\$ 6,578,098	17.24%
SPFD	\$ 429,099	\$429,099	\$ -	\$ 2,488,973	17.24%
<u>2018</u>					
SJFD	\$ 1,051,285	\$1,051,285	\$ -	\$ 6,473,433	16.24%
SPFD	\$ 346,983	\$346,983	\$ -	\$ 2,136,595	16.24%
<u>2017</u>					
SJFD	\$ 926,214	\$926,214	\$ -	\$ 6,504,309	14.24%
SPFD	\$ 351,615	\$351,615	\$ -	\$ 2,469,209	14.24%
<u>2016</u>					
SJFD	\$ 874,961	\$874,961	\$ -	\$ 6,367,986	13.74%
SPFD	\$ 369,438	\$369,438	\$ -	\$ 2,769,404	13.34%
<u>2015</u>					
SJFD	\$ 762,965	\$762,965	\$ -	\$ 5,689,526	13.41%
SPFD	\$ 354,044	\$354,044	\$ -	\$ 2,640,155	13.41%
<u>2014</u>					
SJFD	\$ 698,579	\$698,579	\$ -	\$ 5,440,646	12.84%
SPFD	\$ 322,448	\$322,448	\$ -	\$ 2,511,277	12.84%
<u>2013</u>					
SJFD	\$ 619,842	\$619,842	\$ -	\$ 5,039,365	12.30%
SPFD	\$ 307,664	\$307,664	\$ -	\$ 2,501,333	12.30%
<u>2012</u>					
SJFD	\$ 559,355	\$559,355	\$ -	\$ 4,755,207	11.76%
SPFD	\$ 281,982	\$281,982	\$ -	\$ 2,397,195	11.76%
<u>2011</u>					
SJFD	\$ 525,406	\$525,406	\$ -	\$ 4,556,860	11.53%
SPFD	\$ 258,948	\$258,948	\$ -	\$ 2,245,863	11.53%
<u>2010</u>					
SJFD	\$ 492,090	\$492,090	\$ -	\$ 4,453,303	11.05%
SPFD	\$ 267,074	\$267,074	\$ -	\$ 2,416,959	11.05%

* They County's actual contributions to SCRS and PORS equal the required contribution before the state credit of 1% issued in accordance with South Carolina 2018-2019 Appropriations Act, Section 117.139.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2019

<u>Total OPEB Liability</u>	<u>2018</u>	<u>2019</u>
Service cost	\$ 3,850,065	\$ 2,994,163
Interest on the total OPEB liability	2,166,518	2,549,464
Changes of benefit term	-	-
Difference between expected and actual experience of the total OPEB liability	84,162	(4,674,467)
Changes of assumptions	(5,884,529)	(2,555,098)
Benefit payments	<u>(2,298,726)</u>	<u>(2,441,133)</u>
Net change in total OPEB liability	(2,082,510)	(4,127,071)
Total OPEB liability - beginning	73,420,141	71,337,631
Total OPEB liability - ending	<u>\$ 71,337,631</u>	<u>\$ 67,210,560</u>
 Covered payroll	 \$ 113,995,618	 \$ 115,990,430
 Total OPEB liability as a percentage of covered payroll	 62.58%	 57.94%

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, 2019

CURRENT FISCAL YEAR

	Year Ended June 30, 2018	Year Ended June 30, 2019
Actuarially Determined Contribution	\$ 2,087,240	\$ 1,983,049
Contributions in Relation to the Actuarially Determined Contribution	2,087,240	1,983,049
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Payroll	\$ 113,995,618	\$ 115,990,430
Contributions as a Percentage of Covered Payroll	1.83%	1.71%

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 THREE YEARS (UNAUDITED)**

	<u>Measurement 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>
Primary Government						
	2016	2017	100.00%	\$73,420,141	\$111,871,830	65.63%
	2017	2018	100.00%	\$71,337,631	\$113,995,618	62.58%
	2018	2019	100.00%	\$67,210,560	\$115,990,430	57.94%
Component Units						
CCL	2016	2017	6.8937% *	\$5,061,380	\$7,079,628	71.49%
	2017	2018	7.5113%	\$5,358,392	\$7,167,565	74.76%
	2018	2019	7.8555%	\$5,279,746	\$8,092,921	65.24%
CCPRC	2016	2017	100.00%	\$6,517,177	\$10,362,054	62.89%
	2017	2018	100.00%	\$6,919,812	\$9,854,530	70.22%
	2018	2019	100.00%	\$8,713,109	\$8,931,694	97.55%

* 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

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 disaster costs and reimbursements from federal agencies including FEMA and from the State of South Carolina. The budget is adopted on a project-length basis.

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

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

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

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

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

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

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

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

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

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

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

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, 2019

<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	331,155	-	346,348	9,930,053	-
Restricted cash and cash equivalents	2,475,616	-	-	-	-
Receivables (net of allowances for uncollectibles)	4,446,074	179,498	320,992	3,339,860	3,434,009
Total assets	\$ 7,252,845	\$ 179,498	\$ 667,340	\$ 13,269,913	\$ 3,434,009
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 1,574,882	\$ 1,487	\$ 164,441	\$ 504,931	\$ 246,895
Accrued payroll and fringe benefits	-	10,243	7,061	-	-
Due to other funds	-	44,767	-	-	5,489,278
Intergovernmental payable	3,614,862	1	101,106	125,000	-
Unearned revenue	-	-	-	-	65,224
Total liabilities	5,189,744	56,498	272,608	629,931	5,801,397
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted	2,063,101	123,000	394,732	12,639,982	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(2,367,388)
Total fund balances	2,063,101	123,000	394,732	12,639,982	(2,367,388)
Total liabilities, deferred inflows of resources and fund balances	\$ 7,252,845	\$ 179,498	\$ 667,340	\$ 13,269,913	\$ 3,434,009

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2019

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,318,005	296,794	-	3,446,033	200,419	1,444,017
-	-	-	-	-	-
48,424	11,342,569	-	2,589,327	-	110,402
<u>\$ 9,366,429</u>	<u>\$ 11,639,363</u>	<u>\$ -</u>	<u>\$ 6,035,360</u>	<u>\$ 200,419</u>	<u>\$ 1,554,419</u>
\$ 21,444	\$ 3,673	\$ -	\$ 45,225	\$ 2,981	\$ 106,396
25,081	9,409	-	39,712	3,390	129,649
-	-	-	-	-	-
876,195	134,340	-	27,819	-	486
5,000,000	-	-	-	-	-
5,922,720	147,422	-	112,756	6,371	236,531
-	11,097,002	-	2,498,350	-	-
-	206,411	-	52,347	-	-
-	11,303,413	-	2,550,697	-	-
3,443,709	188,528	-	3,371,907	194,048	1,317,888
-	-	-	-	-	-
-	-	-	-	-	-
3,443,709	188,528	-	3,371,907	194,048	1,317,888
<u>\$ 9,366,429</u>	<u>\$ 11,639,363</u>	<u>\$ -</u>	<u>\$ 6,035,360</u>	<u>\$ 200,419</u>	<u>\$ 1,554,419</u>

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2019

<u>ASSETS</u>	Special Revenue Funds				
	Safety Enforcement	Sheriff	Solicitor	Storm Water Drainage	Victim Notification
Non-pooled cash and cash equivalents	\$ 41,036	\$ 66,045	\$ 913,707	\$ -	\$ 22,247
Pooled cash and cash equivalents	821,560	2,404,226	689,354	5,043,305	36,183
Restricted cash and cash equivalents	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	811,468	12,814	211,243	404,709	1,524
Total assets	\$ 1,674,064	\$ 2,483,085	\$ 1,814,304	\$ 5,448,014	\$ 59,954
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 203,820	\$ 13,267	\$ 8,346	19,421	-
Accrued payroll and fringe benefits	46,196	6,238	52,519	34,074	11,564
Due to other funds	-	-	-	-	-
Intergovernmental payable	1,448	23	125,920	226,589	9,231
Unearned revenue	672,742	-	-	-	-
Total liabilities	924,206	19,528	186,785	280,084	20,795
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted	749,858	2,463,557	1,627,519	5,167,930	39,159
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	749,858	2,463,557	1,627,519	5,167,930	39,159
Total liabilities, deferred inflows of resources and fund balances	\$ 1,674,064	\$ 2,483,085	\$ 1,814,304	\$ 5,448,014	\$ 59,954

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2019

<u>ASSETS</u>	<u>Capitol Projects Fund</u>			Total Nonmajor Governmental Funds
	Construction	Equipment Replacement Fund	ITS / MIS	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,043,035
Pooled cash and cash equivalents	-	2,354,631	-	36,662,083
Restricted cash and cash equivalents	-	-	-	2,475,616
Receivables (net of allowances for uncollectibles)	-	-	-	27,252,913
Total assets	\$ -	\$ 2,354,631	\$ -	\$ 67,433,647
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 102,754	\$ 9,010	\$ -	\$ 3,028,973
Accrued payroll and fringe benefits	7,633	-	-	382,769
Due to other funds	13,781,312	-	-	19,315,357
Intergovernmental payable	26,518	-	-	5,269,538
Unearned revenue	-	-	-	5,737,966
Total liabilities	13,918,217	9,010	-	33,734,603
Deferred inflows of resources:				
Unavailable property tax revenues-current	-	-	-	13,595,352
Unavailable property tax revenues-delinquent	-	-	-	258,758
Total deferred inflows of resources	-	-	-	13,854,110
Fund balances:				
Restricted	-	-	-	33,784,918
Committed	-	2,345,621	-	2,345,621
Unassigned	(13,918,217)	-	-	(16,285,605)
Total fund balances	(13,918,217)	2,345,621	-	19,844,934
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 2,354,631	\$ -	\$ 67,433,647

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, 2019

	Special Revenue Funds				
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works	Disaster Fund
Revenues:					
Property taxes and other taxes	\$ 17,898,770	\$ -	\$ -	\$ -	\$ -
Intergovernmental	207,942	1,191,279	2,096,742	6,529,380	2,453,898
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	-
Interest	34,198	-	-	235,118	-
Other revenues	-	-	-	-	-
Total revenues	18,140,910	1,191,279	2,096,742	6,764,498	2,453,898
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	88,154	-	-	-
Judicial	-	634,381	-	-	-
Public works	-	-	-	6,690,724	1,303,313
Health and welfare	-	-	2,083,669	-	-
Economic development	-	-	-	-	-
Culture and recreation	16,848,710	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	16,848,710	722,535	2,083,669	6,690,724	1,303,313
Excess (deficiency) of revenues over (under) expenditures	1,292,200	468,744	13,073	73,774	1,150,585
Other financing sources (uses):					
Capital lease issuance	-	-	-	-	-
Transfers in	-	48,702	-	6,774,481	588,077
Transfers out	(34,147)	(594,446)	-	(6,774,481)	(197,809)
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(34,147)	(545,744)	-	-	390,268
Net change in fund balance	1,258,053	(77,000)	13,073	73,774	1,540,853
Fund balances at beginning of year	805,048	200,000	381,659	12,566,208	(3,908,241)
Fund balances at end of year	\$ 2,063,101	\$ 123,000	\$ 394,732	\$ 12,639,982	\$ (2,367,388)

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ 3,756,483	\$ 10,930,083	\$ -	\$ 2,772,622	\$ -	\$ -
1,623,105	229,331	26,136	240,514	-	2,706,924
-	-	-	-	229,689	-
-	-	-	37,999	-	426,524
52,499	-	-	-	-	35,361
5,432,087	11,159,414	26,136	3,051,135	229,689	3,168,809
-	50,991	-	-	-	-
-	-	27,657	2,605,286	203,593	-
-	-	-	-	-	6,786,973
-	-	-	-	-	-
6,197,411	-	-	-	-	-
-	-	-	-	-	-
-	7,451,651	-	-	-	-
-	-	-	-	-	-
-	-	-	204,350	-	-
6,197,411	7,502,642	27,657	2,809,636	203,593	6,786,973
(765,324)	3,656,772	(1,521)	241,499	26,096	(3,618,164)
-	-	-	-	-	-
262,684	331,122	1,521	431,000	-	3,379,200
(262,684)	(3,937,685)	-	(298,000)	-	-
-	-	-	-	-	-
-	(3,606,563)	1,521	133,000	-	3,379,200
(765,324)	50,209	-	374,499	26,096	(238,964)
4,209,033	138,319	-	2,997,408	167,952	1,556,852
\$ 3,443,709	\$ 188,528	\$ -	\$ 3,371,907	\$ 194,048	\$ 1,317,888

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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, 2019

	Special Revenue Funds				
	Safety Enforcement	Sheriff	Solicitor	Storm Water Drainage	Victim Notification
Revenues:					
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,725,155	-	2,048,171	883,716	10,870
Fines and forfeitures	392,990	151,928	11,725	-	296,765
Service charges	-	32,000	495,731	3,017,915	540
Interest	1,302	54,588	-	101,672	-
Other revenues	1,140,823	614,451	2,789	-	-
Total revenues	3,260,270	852,967	2,558,416	4,003,303	308,175
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	2,332,250	1,130,381	-	-	238,295
Judicial	571,429	-	2,469,336	-	268,241
Public works	-	-	-	2,691,257	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	27,489	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	2,931,168	1,130,381	2,469,336	2,691,257	506,536
Excess (deficiency) of revenues over (under) expenditures	329,102	(277,414)	89,080	1,312,046	(198,361)
Other financing sources (uses):					
Capital lease issuance	-	-	-	-	-
Transfers in	22,831	-	167,457	-	119,305
Transfers out	-	(180,464)	(373,799)	(36,797)	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	22,831	(180,464)	(206,342)	(36,797)	119,305
Net change in fund balance	351,933	(457,878)	(117,262)	1,275,249	(79,056)
Fund balances at beginning of year	397,925	2,921,435	1,744,781	3,892,681	118,215
Fund balances at end of year	\$ 749,858	\$ 2,463,557	\$ 1,627,519	\$ 5,167,930	\$ 39,159

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Construction	Equipment Replacement Fund	ITS / MIS	
Revenues:				
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ 35,357,958
Intergovernmental	-	-	16,845	21,990,008
Fines and forfeitures	-	-	-	1,083,097
Service charges	-	-	-	3,972,710
Interest	-	32,952	20,852	554,042
Other revenues	-	-	-	1,810,562
Total revenues	-	32,952	37,697	64,768,377
Expenditures:				
Current:				
General government	-	-	-	50,991
Public safety	-	-	-	6,625,616
Judicial	-	-	-	10,730,360
Public works	-	-	-	10,685,294
Health and welfare	-	-	-	2,083,669
Economic development	-	-	-	6,197,411
Culture and recreation	-	-	-	16,876,199
Education	-	-	-	7,451,651
Capital outlay	1,732,225	50,000	1,269,200	3,051,425
Debt service	-	-	-	204,350
Total expenditures	1,732,225	50,000	1,269,200	63,956,966
Excess (deficiency) of revenues over (under) expenditures	(1,732,225)	(17,048)	(1,231,503)	811,411
Other financing sources (uses):				
Capital lease issuance	-	-	655,118	655,118
Transfers in	491,212	2,084,385	-	14,701,977
Transfers out	-	(470,457)	(707,198)	(13,867,967)
Proceeds from sale of capital assets	-	51,801	-	51,801
Total other financing sources (uses)	491,212	1,665,729	(52,080)	1,540,929
Net change in fund balance	(1,241,013)	1,648,681	(1,283,583)	2,352,340
Fund balances at beginning of year	(12,677,204)	696,940	1,283,583	17,492,594
Fund balances at end of year	\$ (13,918,217)	\$ 2,345,621	\$ -	\$ 19,844,934

See notes to financial statements.

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



COUNTY OF CHARLESTON, SOUTH CAROLINA
DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Property and local option sales taxes	\$ 23,059,000	\$ 23,059,000	\$ 22,914,893	\$ (144,107)
Intergovernmental	75,977	75,977	389,352	313,375
Interest	200,000	200,000	455,692	255,692
Bond premiums	3,610,771	3,610,771	-	(3,610,771)
Other revenues	171,428	171,428	171,428	-
Total revenues	<u>27,117,176</u>	<u>27,117,176</u>	<u>23,931,365</u>	<u>(3,185,811)</u>
EXPENDITURES:				
Debt service	<u>38,174,317</u>	<u>40,177,479</u>	<u>37,980,989</u>	<u>2,196,490</u>
Total expenditures	<u>38,174,317</u>	<u>40,177,479</u>	<u>37,980,989</u>	<u>2,196,490</u>
Excess of expenditures over revenues	<u>(11,057,141)</u>	<u>(13,060,303)</u>	<u>(14,049,624)</u>	<u>(989,321)</u>
Other financing sources (uses):				
Transfers in	8,325,434	18,678,784	18,800,836	122,052
Transfers out	-	(10,353,350)	(10,353,350)	-
Total other financing sources and (uses)	<u>8,325,434</u>	<u>8,325,434</u>	<u>8,447,486</u>	<u>122,052</u>
Net change in fund balance	<u>(2,731,707)</u>	<u>(4,734,869)</u>	<u>(5,602,138)</u>	<u>(867,269)</u>
Fund balance at beginning of year	<u>31,798,957</u>	<u>31,798,957</u>	<u>31,798,957</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,067,250</u>	<u>\$ 27,064,088</u>	<u>\$ 26,196,819</u>	<u>\$ (867,269)</u>

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, 2019**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Accommodations taxes	\$ 18,700,000	\$ 18,700,000	\$ 17,898,770	\$ (801,230)
Intergovernmental	125,000	125,000	207,942	82,942
Interest	10,000	10,000	34,198	24,198
Total revenues	<u>18,835,000</u>	<u>18,835,000</u>	<u>18,140,910</u>	<u>(694,090)</u>
Expenditures:				
Current:				
Culture and recreation	18,591,402	18,551,920	16,848,710	1,703,210
Total expenditures	<u>18,591,402</u>	<u>18,551,920</u>	<u>16,848,710</u>	<u>1,703,210</u>
Excess of revenues over expenditures	<u>243,598</u>	<u>283,080</u>	<u>1,292,200</u>	<u>1,009,120</u>
Other financing uses:				
Transfers out	(30,000)	(30,000)	(34,147)	(4,147)
Net change in fund balance	213,598	253,080	1,258,053	1,004,973
Fund balance at beginning of year	<u>805,048</u>	<u>805,048</u>	<u>805,048</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,018,646</u>	<u>\$ 1,058,128</u>	<u>\$ 2,063,101</u>	<u>\$ 1,004,973</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, 2019**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u></u>
Revenues:				
Intergovernmental	\$ 1,530,000	\$ 1,530,000	\$ 1,191,279	\$ (338,721)
Total revenues	<u>1,530,000</u>	<u>1,530,000</u>	<u>1,191,279</u>	<u>(338,721)</u>
Expenditures:				
Current:				
Public safety	87,530	87,530	88,154	(624)
Judicial	948,511	948,511	634,381	314,130
Total expenditures	<u>1,036,041</u>	<u>1,036,041</u>	<u>722,535</u>	<u>313,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>493,959</u>	<u>493,959</u>	<u>468,744</u>	<u>(25,215)</u>
Other financing sources (uses):				
Transfers in	42,530	42,530	48,702	6,172
Transfers out	(736,489)	(736,489)	(594,446)	142,043
Total other financing sources (uses)	<u>(693,959)</u>	<u>(693,959)</u>	<u>(545,744)</u>	<u>148,215</u>
Net change in fund balance	(200,000)	(200,000)	(77,000)	123,000
Fund balance at beginning of year	-	-	200,000	200,000
Fund balance at end of year	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ 123,000</u>	<u>\$ 323,000</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 3,454,964	\$ 3,454,964	\$ 3,756,483	\$ 301,519
Intergovernmental	-	6,973,203	1,623,105	(5,350,098)
Other revenues	5,000	5,000	52,499	47,499
Total revenues	3,459,964	10,433,167	5,432,087	(5,001,080)
Expenditures:				
Current:				
Economic development	4,329,057	13,030,457	6,197,411	6,833,046
Total expenditures	4,329,057	13,030,457	6,197,411	6,833,046
Excess (deficiency) of revenues over (under) expenditures	(869,093)	(2,597,290)	(765,324)	1,831,966
Other financing uses:				
Transfer in	-	262,684	262,684	-
Transfer out	-	(262,684)	(262,684)	-
Net change in fund balance	(869,093)	(2,597,290)	(765,324)	1,831,966
Fund balance at beginning of year	4,209,033	4,209,033	4,209,033	-
Fund balance at end of year	\$ 3,339,940	\$ 1,611,743	\$ 3,443,709	\$ 1,831,966

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, 2019

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 11,057,800	\$ 11,057,800	\$ 10,930,083	\$ (127,717)
Intergovernmental	78,000	78,000	229,331	151,331
Total revenues	<u>11,135,800</u>	<u>11,135,800</u>	<u>11,159,414</u>	<u>23,614</u>
Expenditures:				
Current:				
General Government	128,000	223,538	50,991	172,547
Education	7,427,432	7,441,413	7,451,651	(10,238)
Total expenditures	<u>7,555,432</u>	<u>7,664,951</u>	<u>7,502,642</u>	<u>162,309</u>
Excess of revenues over expenditures	<u>3,580,368</u>	<u>3,470,849</u>	<u>3,656,772</u>	<u>185,923</u>
Other financing sources (uses):				
Transfers in	220,230	317,674	331,122	13,448
Transfers out	(3,830,598)	(3,926,842)	(3,937,685)	(10,843)
Total other financing sources (uses)	<u>(3,610,368)</u>	<u>(3,609,168)</u>	<u>(3,606,563)</u>	<u>2,605</u>
Net change in fund balance	(30,000)	(138,319)	50,209	188,528
Fund balance at beginning of year	<u>138,319</u>	<u>138,319</u>	<u>138,319</u>	<u>-</u>
Fund balance at end of year	<u>\$ 108,319</u>	<u>\$ -</u>	<u>\$ 188,528</u>	<u>\$ 188,528</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, 2019

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 2,849,200	\$ 2,851,026	\$ 2,772,622	\$ (78,404)
Intergovernmental	143,464	143,464	240,514	97,050
Interest	-	-	37,999	37,999
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,992,664	2,994,490	3,051,135	56,645
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Public safety	2,842,293	4,843,321	2,605,286	2,238,035
Debt service	205,350	205,350	204,350	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,047,643	5,048,671	2,809,636	2,239,035
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues under expenditures	(54,979)	(2,054,181)	241,499	2,295,680
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	431,000	431,000	-
Transfers out	(298,000)	(298,000)	(298,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(298,000)	133,000	133,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(352,979)	(1,921,181)	374,499	2,295,680
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Fund balance at beginning of year	2,997,408	2,997,408	2,997,408	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 2,644,429</u>	<u>\$ 1,076,227</u>	<u>\$ 3,371,907</u>	<u>\$ 2,295,680</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, 2019

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Fines and forfeitures	\$ 230,000	\$ 230,000	\$ 229,689	\$ (311)
Total revenues	230,000	230,000	229,689	(311)
Expenditures:				
Current:				
Public safety	210,008	210,008	203,593	6,415
Total expenditures	210,008	210,008	203,593	6,415
Excess of revenues over expenditures	19,992	19,992	26,096	6,104
Net change in fund balance	19,992	19,992	26,096	6,104
Fund balance at beginning of year	167,952	167,952	167,952	-
Fund balance at end of year	\$ 187,944	\$ 187,944	\$ 194,048	\$ 6,104

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, 2019**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 2,587,067	\$ 2,714,165	\$ 2,706,924	\$ (7,241)
Service charges	350,000	430,000	426,524	(3,476)
Interest	8,000	8,000	35,361	27,361
Total revenues	<u>2,945,067</u>	<u>3,152,165</u>	<u>3,168,809</u>	<u>16,644</u>
Expenditures:				
Current:				
Judicial	6,445,377	6,837,979	6,786,973	51,006
Total expenditures	<u>6,445,377</u>	<u>6,837,979</u>	<u>6,786,973</u>	<u>51,006</u>
Deficiency of revenues under expenditures	<u>(3,500,310)</u>	<u>(3,685,814)</u>	<u>(3,618,164)</u>	<u>67,650</u>
Other financing sources:				
Transfers in	3,300,000	3,379,200	3,379,200	-
Net change in fund balance	(200,310)	(306,614)	(238,964)	67,650
Fund balance at beginning of year	<u>1,556,852</u>	<u>1,556,852</u>	<u>1,556,852</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,356,542</u>	<u>\$ 1,250,238</u>	<u>\$ 1,317,888</u>	<u>\$ 67,650</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, 2019**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Fines and forfeitures	\$ 23,428	\$ 23,428	\$ 151,928	\$ 128,500
Interest	-	-	54,588	54,588
Service charges	37,500	37,500	32,000	(5,500)
Other revenues	549,636	549,636	614,451	64,815
Total revenues	610,564	610,564	852,967	242,403
Expenditures:				
Current:				
Public safety	1,506,806	1,637,969	1,130,381	507,588
Total expenditures	1,506,806	1,637,969	1,130,381	507,588
Deficiency of revenues under expenditures	(896,242)	(1,027,405)	(277,414)	749,991
Other financing (uses):				
Transfers out	(180,018)	(183,518)	(180,464)	(3,054)
Total other financing (uses)	(180,018)	(183,518)	(180,464)	(3,054)
Net change in fund balance	(1,076,260)	(1,210,923)	(457,878)	753,045
Fund balance at beginning of year	2,921,435	2,921,435	2,921,435	-
Fund balance at end of year	\$ 1,845,175	\$ 1,710,512	\$ 2,463,557	\$ 753,045

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, 2019

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 2,011,897	\$ 2,011,897	\$ 2,048,171	\$ 36,274
Fines and forfeitures	5,000	5,000	11,725	6,725
Service charges	575,000	532,262	495,731	(36,531)
Other revenues	500	500	2,789	2,289
Total revenues	2,592,397	2,549,659	2,558,416	8,757
Expenditures:				
Current:				
Judicial	2,681,637	2,651,568	2,469,336	182,232
Total expenditures	2,681,637	2,651,568	2,469,336	182,232
Excess (deficiency) of revenues over (under) expenditures	(89,240)	(101,909)	89,080	190,989
Other financing sources (uses):				
Transfers in	120,804	167,457	167,457	-
Transfers out	(330,869)	(375,472)	(373,799)	1,673
Total other financing sources	(210,065)	(208,015)	(206,342)	1,673
Net change in fund balance	(299,305)	(309,924)	(117,262)	192,662
Fund balance at beginning of year	1,744,781	1,744,781	1,744,781	-
Fund balance at end of year	\$ 1,445,476	\$ 1,434,857	\$ 1,627,519	\$ 192,662

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, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Intergovernmental	\$ 895,000	\$ 895,000	\$ 883,716	\$ (11,284)
Service charges	3,310,000	3,310,000	3,017,915	(292,085)
Interest	-	-	101,672	101,672
Total revenues	4,205,000	4,205,000	4,003,303	(201,697)
Expenditures:				
Current:				
Public works	6,485,490	7,316,477	2,691,257	4,625,220
Total expenditures	6,485,490	7,316,477	2,691,257	4,625,220
Excess (deficiency) of revenues over (under) expenditures	(2,280,490)	(3,111,477)	1,312,046	4,423,523
Other financing sources (uses)				
Transfers out	-	(36,797)	(36,797)	-
Net change in fund balance	(2,280,490)	(3,148,274)	1,275,249	4,423,523
Fund balance at beginning of year	3,892,681	3,892,681	3,892,681	-
Fund balance at end of year	\$ 1,612,191	\$ 744,407	\$ 5,167,930	\$ 4,423,523

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, 2019**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 6,500	\$ 6,500	\$ 10,870	\$ 4,370
Fines and forfeitures	328,000	328,000	296,765	(31,235)
Service charges	-	-	540	540
	<u>334,500</u>	<u>334,500</u>	<u>308,175</u>	<u>(26,325)</u>
Expenditures:				
Current:				
Public safety	247,105	247,105	238,295	8,810
Judicial	278,206	278,206	268,241	9,965
	<u>525,311</u>	<u>525,311</u>	<u>506,536</u>	<u>18,775</u>
Deficiency of revenues under expenditures	<u>(190,811)</u>	<u>(190,811)</u>	<u>(198,361)</u>	<u>(7,550)</u>
Other financing sources:				
Transfers in	128,539	120,977	119,305	(1,672)
Net change in fund balance	<u>(62,272)</u>	<u>(69,834)</u>	<u>(79,056)</u>	<u>(9,222)</u>
Fund balance at beginning of year	<u>118,215</u>	<u>118,215</u>	<u>118,215</u>	<u>-</u>
Fund balance at end of year	<u>\$ 55,943</u>	<u>\$ 48,381</u>	<u>\$ 39,159</u>	<u>\$ (9,222)</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, 2019

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
Magistrates:						
Fines:						
Traffic/criminal	\$ 1,624,648	\$ -	\$ 1,624,648	\$ 1,624,648	\$ -	\$ 1,624,648
Wildlife/littering	-	-	-	-	-	-
DUI/DUS/BUI	38,942	38,942	-	-	-	-
Assessments	1,084,676	995,493	89,183	-	89,183	89,183
Surcharges	365,270	333,463	31,807	-	31,807	31,807
	<u>3,113,538</u>	<u>1,367,898</u>	<u>1,745,639</u>	<u>1,624,648</u>	<u>120,991</u>	<u>1,745,639</u>
Clerk of Court:						
Fines:						
Fines and Fees	1,022,026	743,266	278,760	278,760	-	278,760
Family court	1,925,898	1,019,290	906,608	906,608	-	906,608
DUI/DUS/BUI	9,677	9,677	-	-	-	-
Assessments	107,067	68,451	38,616	-	38,616	38,616
Surcharges	226,543	89,387	137,157	-	137,157	137,157
	<u>3,291,211</u>	<u>1,930,069</u>	<u>1,361,141</u>	<u>1,185,368</u>	<u>175,774</u>	<u>1,361,141</u>
	<u>\$ 6,404,749</u>	<u>\$ 3,297,967</u>	<u>\$ 3,106,780</u>	<u>\$ 2,810,017</u>	<u>\$ 296,765</u>	<u>\$ 3,106,780</u>

See notes to financial statements.

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CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2019

<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	\$ -	\$ -	\$ -	\$ 574,615	\$ 575,315
Pooled cash and cash equivalents	100,808	3,195,344	300,959	1,904,171	5,301,199	10,802,481
Receivables (net of allowances for uncollectibles)	3,393,078	481,309	12,096	235,824	1,769,259	5,891,566
Total current assets	3,494,586	3,676,653	313,055	2,139,995	7,645,073	17,269,362
Capital assets:						
Buildings	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	270,255	-	-	-	-	270,255
Machinery and equipment	608,378	3,881,466	13,079	1,131,165	141,411	5,775,499
Less accumulated depreciation	(5,253,482)	(3,199,781)	(3,633)	(754,344)	(83,337)	(9,294,577)
Total capital assets (net of accumulated depreciation)	5,327,518	681,685	9,446	376,821	58,074	6,453,544
Total noncurrent assets	5,327,518	681,685	9,446	376,821	58,074	6,453,544
Total assets	8,822,104	4,358,338	322,501	2,516,816	7,703,147	23,722,906

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2019

<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	\$ 165,092	\$ 48,656	\$ -	\$ 145,036	\$ 1,300,718	\$ 1,659,502
Accrued payroll and fringe benefits	144,805	13,539	3,741	4,980	34,140	201,205
Compensated absences-current	30,875	4,356	-	-	7,445	42,676
Due to other funds	13,090,342	1,070,411	121,905	464,717	2,931,214	17,678,589
Intergovernmental payable	4,231	358	-	45	5,701,864	5,706,498
Total current liabilities	13,435,345	1,137,320	125,646	614,778	9,975,381	25,288,470
Noncurrent liabilities:						
Compensated absences	338,899	37,173	12,479	8,936	169,064	566,551
Total noncurrent liabilities	338,899	37,173	12,479	8,936	169,064	566,551
Total liabilities	13,774,244	1,174,493	138,125	623,714	10,144,445	25,855,021
NET POSITION						
Net investment in capital assets	5,327,518	681,685	9,446	376,821	58,074	6,453,544
Unrestricted	(10,279,658)	2,502,160	174,930	1,516,281	(2,499,372)	(8,585,659)
Total net position	\$ (4,952,140)	\$ 3,183,845	\$ 184,376	\$ 1,893,102	\$ (2,441,298)	\$ (2,132,115)

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, 2019

	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
Operating revenues:						
Charges for services	\$ 7,789,440	\$ 2,617,514	\$ 854,331	\$ 2,996,839	\$ 2,284,267	\$ 16,542,391
Other revenues	204,888	-	-	-	1,034	205,922
Total operating revenues	7,994,328	2,617,514	854,331	2,996,839	2,285,301	16,748,313
Operating expenses:						
Personnel services	6,086,430	833,774	165,716	214,592	1,504,127	8,804,639
Contractual services	661,885	614,172	635,070	291,484	32,508	2,235,119
Materials and supplies	746,283	80,104	-	235,981	7,974	1,070,342
Utilities	176,176	405,092	-	94,271	-	675,539
Repairs and maintenance	341,548	-	-	2,040,966	1,690	2,384,204
Rental expenses	131,945	-	-	504,757	-	636,702
Vehicle fleet charges	16,475	3,948	-	2,728	9,996	33,147
Employee benefits	736,375	84,226	12,032	26,471	194,923	1,054,027
Other expenses	1,125,947	254,309	67,803	300,754	278,454	2,027,267
Depreciation and amortization	309,438	226,495	3,633	90,262	17,065	646,893
Total operating expenses	10,332,502	2,502,120	884,254	3,802,266	2,046,737	19,567,879
Operating income (loss)	(2,338,174)	115,394	(29,923)	(805,427)	238,564	(2,819,566)
Nonoperating revenues (expenses):						
Interest income	9,056	76,767	7,107	42,835	92,162	227,927
Intergovernmental revenues	950,071	-	-	-	-	950,071
Total nonoperating revenues (expenses)	959,127	76,767	7,107	42,835	92,162	1,177,998
Income (loss) before transfers	(1,379,047)	192,161	(22,816)	(762,592)	330,726	(1,641,568)
Transfers in	580,090	-	-	970,454	-	1,550,544
Transfers out	-	-	-	-	(336,377)	(336,377)
Change in net position	(798,957)	192,161	(22,816)	207,862	(5,651)	(427,401)
Total net position - beginning	(4,153,183)	2,991,684	207,192	1,685,240	(2,435,647)	(1,704,714)
Total net position - ending	\$ (4,952,140)	\$ 3,183,845	\$ 184,376	\$ 1,893,102	\$ (2,441,298)	\$ (2,132,115)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2019

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 7,102,560	\$ 2,520,567	\$ 859,430	\$ 2,871,595	\$ 2,115,502	\$ 15,469,654
Cash payments to suppliers for goods and services	(2,482,749)	(1,296,015)	(693,235)	(3,380,369)	2,108,557	(5,743,811)
Cash payments to employees for services	(6,827,617)	(920,275)	(172,850)	(239,568)	(1,694,161)	(9,854,471)
Net cash provided by (used in) operating activities	(2,207,806)	304,277	(6,655)	(748,342)	2,529,898	(128,628)
Cash flows from noncapital financing activities:						
Transfers in	580,090	-	-	970,454	-	1,550,544
Transfers (out)	-	-	-	-	(336,377)	(336,377)
Intergovernmental receipt	950,071	-	-	-	-	950,071
Net cash provided by (used in) noncapital financing activities	1,530,161	-	-	970,454	(336,377)	2,164,238
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	(583,963)	(13,079)	(167,483)	(24,495)	(789,020)
Net cash provided by (used in) capital and related financing activities	-	(583,963)	(13,079)	(167,483)	(24,495)	(789,020)
Cash flows from investing activities:						
Interest received	9,056	76,767	7,107	42,835	92,162	227,927
Net cash provided by investing activities	9,056	76,767	7,107	42,835	92,162	227,927
Net increase (decrease) in cash and cash equivalents	(668,589)	(202,919)	(12,627)	97,464	2,261,188	1,474,517
Cash and cash equivalents at beginning of year	770,097	3,398,263	313,586	1,806,707	3,614,626	9,903,279
Cash and cash equivalents at end of year	\$ 101,508	\$ 3,195,344	\$ 300,959	\$ 1,904,171	\$ 5,875,814	\$ 11,377,796
Reconciliation to balance sheet:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 574,615	\$ 575,315
Pooled cash and cash equivalents	100,808	3,195,344	300,959	1,904,171	5,301,199	10,802,481
Cash and cash equivalents at end of year	\$ 101,508	\$ 3,195,344	\$ 300,959	\$ 1,904,171	\$ 5,875,814	\$ 11,377,796

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2019

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (2,338,174)	\$ 115,394	\$ (29,923)	\$ (805,427)	\$ 238,564	\$ (2,819,566)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	309,438	226,495	3,633	90,262	17,065	646,893
Allowance for uncollectible accounts	(227,431)	-	-	-	-	(227,431)
Changes in assets and liabilities:						
(Increase) decrease in receivables	(664,337)	(96,947)	5,099	(125,244)	(169,799)	(1,051,228)
Increase (decrease) in accounts payable	717,510	61,610	9,638	90,572	2,439,179	3,318,509
Increase (decrease) in accrued payroll	(4,812)	(2,275)	4,898	1,495	4,889	4,195
Total adjustments	130,368	188,883	23,268	57,085	2,291,334	2,690,938
Net cash provided by (used in) operating activities	\$ (2,207,806)	\$ 304,277	\$ (6,655)	\$ (748,342)	\$ 2,529,898	\$ (128,628)

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

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

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

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

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

Employee Benefits - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees, 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, 2019

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 3,465,284	\$ 240,429	\$ 5,632,179	\$ 45,524,409	\$ 429,342	\$ 55,291,643
Cash with fiscal agent	-	-	125,000	-	-	125,000
Pooled investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	139,106	5,358	10,261	153,361	-	308,086
Due from other funds	-	-	107,204	36,133,785	-	36,240,989
Inventories	289,076	-	-	-	-	289,076
Total current assets	3,893,466	245,787	5,874,644	81,811,555	429,342	92,254,794
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	38,750,243	2,224,931	589,615	-	938,124	42,502,913
Less accumulated depreciation	(27,602,104)	(846,515)	(452,592)	-	(429,255)	(29,330,466)
Total capital assets (net of accumulated depreciation)	12,698,642	1,523,596	137,023	-	508,869	14,868,130
Total assets	16,592,108	1,769,383	6,011,667	81,811,555	938,211	107,122,924
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	45,347,784	-	45,347,784
Deferred OPEB charges	-	-	-	2,757,163	-	2,757,163
Total deferred outflows of resources	-	-	-	48,104,947	-	48,104,947
LIABILITIES						
Current liabilities:						
Accounts payable	334,612	40,713	3,280,514	80,785	201,298	3,937,922
Accrued payroll and fringe benefits	56,448	16,849	11,105	2,042	9,622	96,066
Unearned revenue	-	-	-	1,149,949	-	1,149,949
Compensated absences-current	2,495	475	-	-	-	2,970
Intergovernmental payable	2,067	-	310,567	-	4	312,638
Lease payable - current	-	267,906	-	-	-	267,906
Total current liabilities	395,622	325,943	3,602,186	1,232,776	210,924	5,767,451
Noncurrent liabilities:						
Net OPEB liability	-	-	-	67,210,560	-	67,210,560
Compensated absences	276,942	56,024	52,613	4,858	14,778	405,215
Lease payable	-	1,005,439	-	-	-	1,005,439
Net pension liability	-	-	-	266,532,104	-	266,532,104
Total noncurrent liabilities	276,942	1,061,463	52,613	333,747,522	14,778	335,153,318
Total liabilities	672,564	1,387,406	3,654,799	334,980,298	225,702	340,920,769
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	2,500,089	-	2,500,089
Deferred OPEB credits	-	-	-	10,887,610	-	10,887,610
Total deferred inflows of resources	-	-	-	13,387,699	-	13,387,699
NET POSITION						
Net investment in capital assets	12,698,642	250,251	137,023	-	508,869	13,594,785
Unrestricted	3,220,902	131,726	2,219,845	(218,451,495)	203,640	(212,675,382)
Total net position	\$ 15,919,544	\$ 381,977	\$ 2,356,868	\$ (218,451,495)	\$ 712,509	\$ (199,080,597)

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, 2019

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 14,133,157	\$ 2,016,938	\$ 5,200,121	\$ 48,378,179	\$ 2,010,073	\$ 71,738,468
Total operating revenues	14,133,157	2,016,938	5,200,121	48,378,179	2,010,073	71,738,468
Operating expenses:						
Personnel services	2,563,175	761,297	465,448	105,897	423,432	4,319,249
Contractual services	7,244	31,952	4,308,661	47,662	1,427,176	5,822,695
Materials and supplies	8,360,984	546,752	134,591	83,658	2,955	9,128,940
Utilities	92,068	18,117	-	-	26,612	136,797
Repairs and maintenance	1,857,376	214,636	40,334	-	99,459	2,211,805
Rental expenses	-	7,019	-	-	-	7,019
Vehicle fleet charges	110,958	13,508	11,130	-	1,174	136,770
Employee benefits	-	-	-	56,610,808	-	56,610,808
Other expenses	164,727	30,941	38,401	111,999	20,890	366,958
Depreciation	4,430,071	354,622	66,602	-	91,160	4,942,455
Total operating expenses	17,586,603	1,978,844	5,065,167	56,960,024	2,092,858	83,683,496
Operating income (loss)	(3,453,446)	38,094	134,954	(8,581,845)	(82,785)	(11,945,028)
Nonoperating revenues (expenses):						
Interest income	103,989	6,176	129,479	1,012,611	9,380	1,261,635
Interest expense	-	(16,512)	-	-	-	(16,512)
Intergovernmental revenues	-	1,682	-	-	-	1,682
Gain (loss) on disposal of capital assets	61,076	(39,003)	3,238	-	-	25,311
Total nonoperating revenues (expenses)	165,065	(47,657)	132,717	1,012,611	9,380	1,272,116
Income (loss) before transfers	(3,288,381)	(9,563)	267,671	(7,569,234)	(73,405)	(10,672,912)
Transfers in	3,492,256	1,900	-	-	-	3,494,156
Transfers out	(2,084,385)	-	-	-	(1,900)	(2,086,285)
Change in net position	(1,880,510)	(7,663)	267,671	(7,569,234)	(75,305)	(9,265,041)
Total net position - beginning	17,800,054	389,640	2,089,197	(210,882,261)	787,814	(189,815,556)
Total net position - ending	\$ 15,919,544	\$ 381,977	\$ 2,356,868	\$ (218,451,495)	\$ 712,509	\$ (199,080,597)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2019

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 103,037	\$ -	\$ -	\$ -	\$ 3,178	\$ 106,215
Cash receipts from interfund services provided	14,052,839	2,010,085	5,192,863	46,460,986	2,006,895	69,723,668
Cash payments to suppliers for goods and services	(10,819,067)	(900,265)	(4,713,222)	(43,875,889)	(1,547,455)	(61,855,898)
Cash payments to employees for services	(2,529,522)	(758,945)	(461,392)	(109,456)	(419,464)	(4,278,779)
Net cash provided by (used in) operating activities	<u>807,287</u>	<u>350,875</u>	<u>18,249</u>	<u>2,475,641</u>	<u>43,154</u>	<u>3,695,206</u>
Cash flows from noncapital financing activities:						
Transfers in	3,492,256	1,900	-	-	-	3,494,156
Transfers (out)	(2,084,385)	-	-	-	(1,900)	(2,086,285)
Intergovernmental receipt	-	1,682	-	-	-	1,682
Net cash provided by (used in) noncapital financing activities	<u>1,407,871</u>	<u>3,582</u>	<u>-</u>	<u>-</u>	<u>(1,900)</u>	<u>1,409,553</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(399,387)	-	-	-	(399,387)
Interest paid	-	(16,512)	-	-	-	(16,512)
Proceeds from sale of capital assets	240,157	-	3,237	-	-	243,394
Acquisition and construction of capital assets (including capitalized interest)	(4,121,537)	-	(86,677)	-	(3,138)	(4,211,352)
Net cash used in capital and related financing activities	<u>(3,881,380)</u>	<u>(415,899)</u>	<u>(83,440)</u>	<u>-</u>	<u>(3,138)</u>	<u>(4,383,857)</u>
Cash flows from investing activities:						
Interest received	103,989	6,176	129,479	1,012,611	9,380	1,261,635
Net cash provided by investing activities	<u>103,989</u>	<u>6,176</u>	<u>129,479</u>	<u>1,012,611</u>	<u>9,380</u>	<u>1,261,635</u>
Net increase (decrease) in cash and cash equivalents	(1,562,233)	(55,266)	64,288	3,488,252	47,496	1,982,537
Cash and cash equivalents at beginning of year	5,027,517	295,695	5,692,891	42,036,157	381,846	53,434,106
Cash and cash equivalents at end of year	<u>\$ 3,465,284</u>	<u>\$ 240,429</u>	<u>\$ 5,757,179</u>	<u>\$ 45,524,409</u>	<u>\$ 429,342</u>	<u>\$ 55,416,643</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 3,465,284	\$ 240,429	\$ 5,632,179	\$ 45,524,409	\$ 429,342	\$ 55,291,643
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 3,465,284</u>	<u>\$ 240,429</u>	<u>\$ 5,757,179</u>	<u>\$ 45,524,409</u>	<u>\$ 429,342</u>	<u>\$ 55,416,643</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2019

	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)	\$ (3,453,446)	\$ 38,094	\$ 134,954	\$ (8,581,845)	\$ (82,785)	\$ (11,945,028)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,430,071	354,622	66,602	-	91,160	4,942,455
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	22,719	(5,171)	(7,258)	(1,920,789)	-	(1,910,499)
Decrease in inventory	79,607	-	-	-	-	79,607
Increase (decrease) in accounts payable	(305,317)	(37,340)	(180,105)	(8,409)	30,811	(500,360)
Increase (decrease) in accrued payroll	33,653	2,352	4,056	(3,559)	3,968	40,470
Increase (decrease) in unearned revenue	-	(1,682)	-	3,596	-	1,914
Increase in net pension liability	-	-	-	344,218	-	344,218
Decrease in net OPEB liability	-	-	-	(4,127,071)	-	(4,127,071)
(Increase) in deferred outflows of resources for pensions	-	-	-	9,439,704	-	9,439,704
(Decrease) in deferred inflows of resources for pensions	-	-	-	1,750,917	-	1,750,917
(Increase) in deferred outflows of resources for OPEB	-	-	-	(113,467)	-	(113,467)
Increase in deferred inflows of resources for OPEB	-	-	-	5,692,346	-	5,692,346
Total adjustments	4,260,733	312,781	(116,705)	11,057,486	125,939	15,640,234
Net cash provided by (used in) operating activities	<u>\$ 807,287</u>	<u>\$ 350,875</u>	<u>\$ 18,249</u>	<u>\$ 2,475,641</u>	<u>\$ 43,154</u>	<u>\$ 3,695,206</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - FIDUCIARY FUNDS

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

Agency Funds - This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections, Clerk of Court (who administers both Clerk of Court and Family Court funds), Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, 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, 2019

<u>ASSETS</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 199,049	\$ 26,284	\$ 1,963	\$ 223,370
Held by Clerk of Court				
Third parties	9,048,713	15,005,166	6,946,470	17,107,409
Held by Delinquent Tax				
Third parties	109,346	6,192	4,949	110,589
Held by Family Court				
Third parties	405,396	24,310,524	24,438,950	276,970
Held by Magistrates				
Third parties	66,287	80,755	66,287	80,755
Held by Master-In-Equity				
Third parties	3,140,557	18,091,295	17,798,377	3,433,475
Held by Probate				
Third parties	15,614	13,792	11,715	17,691
Held by Public Defender				
Third parties	8,858	122,577	118,261	13,174
Held by Sheriff				
Third parties	351,126	4,182,780	3,938,570	595,336
Held by Solicitor				
Third parties	325,591	243,631	294,327	274,895
Total non-pooled cash and cash equivalents	13,670,537	62,082,996	53,619,869	22,133,664
Non-pooled investments:				
Held by Clerk of Court				
Third parties	128,981	-	-	128,981

COUNTY OF CHARLESTON, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
ASSETS				
Pooled investments:				
Held by Treasurer				
Charleston County Airport	\$ (1,038)	\$ 1,038	\$ -	\$ -
Charleston County PRC	174,658	24,867,610	24,581,729	460,539
Charleston County School District	31,070,323	1,617,825,455	1,615,916,293	32,979,485
City of Charleston	261,531	107,757,364	107,961,605	57,290
City of Folly Beach	7,630	2,367,450	2,367,401	7,679
City of Folly Beach/James Island	1,698	125,135	127,701	(868)
City of Isle of Palms	25,295	4,402,320	4,419,108	8,507
City of North Charleston	398,194	57,441,773	57,093,560	746,407
Cooper River PPC	2,924	220,967	217,497	6,394
James Island PSD	97,069	7,157,410	6,942,242	312,237
North Charleston District	17,934	1,222,290	1,201,006	39,218
S. C. Fireman's Association	-	2,627,198	2,627,198	-
St. Andrew's PPPC	16,716	1,830,146	1,769,987	76,875
St. Andrew's Public Service District	130,805	6,444,728	6,299,092	276,441
St. John's Fire District	438,271	23,684,804	23,575,705	547,370
St. Paul's Fire District	553,098	6,844,387	6,950,742	446,743
State Agencies	376,170	7,197,055	7,171,223	402,002
Third parties	5,322,193	969,689,845	970,996,130	4,015,908
Town of Awendaw	1,797	145,449	145,708	1,538
Town of Lincolnville	5,609	268,210	268,786	5,033
Town of McClellanville	315	34,968	34,776	507
Town of James Island	88,509	48,397	88,564	48,342
Town of Mount Pleasant	222,157	29,451,842	29,461,069	212,930
Town of Sullivan's Island	7,943	3,754,026	3,734,208	27,761
Town of Summerville	5,311	606,057	607,613	3,755
EMS Employee Fund	-	1,800	1,546	254
St. Paul's - Mead Westvaco	250,000	-	250,000	-
Total held by Treasurer	39,475,112	2,876,017,724	2,874,810,489	40,682,347
Held by Drug & Vice Seizure Trust				
Third parties	474,913	291,046	451,907	314,052
Total pooled investments	39,950,025	2,876,308,770	2,875,262,396	40,996,399
Total assets	\$ 53,749,543	\$ 2,938,391,766	\$ 2,928,882,265	\$ 63,259,044

COUNTY OF CHARLESTON, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ 174,658	\$ 24,867,610	\$ 24,581,729	\$ 460,539
Cooper River PPC	2,924	220,967	217,497	6,394
North Charleston District	17,934	1,222,290	1,201,006	39,218
St. Andrew's PPPC	16,716	1,830,146	1,769,987	76,875
St. John's Fire District	438,271	23,684,804	23,575,705	547,370
St. Paul's Fire District	553,098	6,844,387	6,950,742	446,743
Total due to component units	1,203,601	58,670,204	58,296,666	1,577,139
Intergovernmental payable:				
Charleston County Airport	(1,038)	1,038	-	-
Charleston County School District	31,070,323	1,617,825,455	1,615,916,293	32,979,485
City of Charleston	261,531	107,757,364	107,961,605	57,290
City of Folly Beach	7,630	2,367,450	2,367,401	7,679
City of Folly Beach/James Island	1,698	125,135	127,701	(868)
City of Isle of Palms	25,295	4,402,320	4,419,108	8,507
City of North Charleston	398,194	57,441,773	57,093,560	746,407
S. C. Fireman's Association	-	2,627,198	2,627,198	-
St. Andrew's Public Service District	130,805	6,444,728	6,299,092	276,441
State Agencies	376,170	7,197,055	7,171,223	402,002
Town of Awendaw	1,797	145,449	145,708	1,538
Town of Lincolnville	5,609	268,210	268,786	5,033
Town of James Island	88,509	48,397	88,564	48,342
Town of McClellanville	315	34,968	34,776	507
Town of Mount Pleasant	222,157	29,451,842	29,461,069	212,930
Town of Sullivan's Island	7,943	3,754,026	3,734,208	27,761
Town of Summerville	5,311	606,057	607,613	3,755
James Island PSD	97,069	7,157,410	6,942,242	312,237
EMS Employee Fund	-	1,800	1,546	254
St. Paul's - Mead Westvaco	250,000	-	250,000	-
Total intergovernmental payable	32,949,318	1,847,657,675	1,845,517,693	35,089,300
Due to third parties	19,596,624	1,032,063,887	1,025,067,906	26,592,605
Total liabilities	\$ 53,749,543	\$ 2,938,391,766	\$ 2,928,882,265	\$ 63,259,044

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, 2019

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 15,112,494	\$ 76,634,683	\$ 1,969,445	\$ 44,365,444	\$ -	\$ 1,038,106	\$ 139,120,172
Public safety	6,002,667	164,216,750	1,741,220	49,040,366	-	1,943,083	222,944,086
Judicial	-	60,706,495	1,151,447	1,847,628	-	79,330	63,784,900
Public works	188,336	570,761	31,160	7,165,857	44,576,048	-	52,532,162
Health and welfare	177,160	3,267,841	1,043,769	1,064,325	-	-	5,553,095
Culture and recreation	12,984,316	45,985,706	-	105,000	-	19,939,818	79,014,840
Economic Development	-	-	-	79,750	-	-	79,750
Total	\$ 34,464,973	\$ 351,382,236	\$ 5,937,041	\$ 103,668,370	\$ 44,576,048	\$ 23,000,337	\$ 563,029,005

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, 2019

Function	Balance July 1, 2018	Additions *	Deletions *	Balance June 30, 2019
General government	\$ 132,164,669	\$ 7,749,297	\$ (490,307)	\$ 139,423,659
Public safety	219,465,424	5,911,251	(1,630,979)	223,745,696
Judicial	63,376,766	424,190	(1,121,154)	62,679,802
Public works	50,184,914	2,766,441	(433,576)	52,517,779
Health and welfare	5,567,478	-	-	5,567,478
Culture and recreation	51,937,519	44,941,521	(17,864,199)	79,014,841
Economic Development	79,750	-	-	79,750
Total	\$ 522,776,520	\$ 61,792,700	\$ (21,540,215)	\$ 563,029,005

* 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.

	Page Number
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	191 - 198
Revenue Capacity These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.	199 - 203
Debt Capacity These schedules present information to help the reader assess the affordability of the County’s current level of outstanding debt and the County’s ability to issue additional debt in the future.	204 – 208
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	209 -210
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	211 – 215
Financial Assurance Coverage	216

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

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

UNAUDITED

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 81,464,869
Restricted	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	217,686,153
Unrestricted	(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)	(460,113,907)
Total Governmental Activities Net Position	<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>	<u>\$ (160,962,885)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 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	\$ 62,902,789
Restricted	41,832,681	48,107,916	54,181,917	57,336,068	-	-	-	-	-	-
Unrestricted	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	57,881,332
Total Business-type Activities Net Position	<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>	<u>\$ 120,784,121</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 144,367,658
Restricted	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	217,686,153
Unrestricted	(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)	(402,232,575)
Total Primary Government Net Position	<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>	<u>\$ (40,178,764)</u>

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

UNAUDITED

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 85,877,389
Public Safety	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	120,711,290
Judicial	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	35,614,908
Public Works	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	52,657,945
Health and Welfare	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	9,914,084
Economic Development	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	6,115,530
Culture and Recreation	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	41,057,699
Education	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	20,499,567
Interest and Fiscal Charges	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	21,799,514
Total Governmental Activities Expenses	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	394,247,926
Business-Type Activities:										
DOADAS	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	9,702,421
E 911 Communications	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	2,391,948
Environmental Management	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	31,477,849
Parking Garages	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	2,550,908
Public Safety Systems	-	-	-	-	422,102	379,728	441,029	668,590	568,449	865,670
Radio Communications	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	3,753,723
Revenue Collections	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	1,878,874
Total Business-Type Activities Expenses	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	52,621,393
Total Primary Government Expenses	\$ 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	\$ 446,869,319
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 18,479,340
Public Safety	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	25,915,127
Judicial	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	11,861,349
Public Works	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	6,191,232
Health and Welfare	412,732	233,266	250,352	309,820	189,629	148,364	351,291	241,946	233,216	12,307
Economic Development	-	-	-	-	-	-	2,970	8,400	11,500	52,499
Culture and Recreation	912,786	882,902	511,170	4,721,867	149,356	1,280,708	262,812	809,262	383,196	957,476
Operating Grants and Contributions	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	21,084,298
Capital Grants and Contributions	-	396,000	2,620,425	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	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	84,553,628

CONTINUED

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

UNAUDITED

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges for Services:										
DAODAS	\$ 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	\$ 7,194,885
E 911 Communications	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	2,617,514
Environmental Management	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	30,057,328
Parking Garages	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	3,763,833
Public Safety Systems	-	-	-	-	150,000	324,550	375,066	495,198	594,558	854,331
Radio Communications	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	2,996,839
Revenue Collections	528,649	497,742	629,551	490,052	765,637	467,233	586,530	735,095	2,130,627	2,285,301
Operating Grants and Contributions	284,416	768,317	779,097	765,244	977,744	2,529,772	1,116,139	1,076,613	1,232,188	1,204,226
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	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	50,974,257
Total Primary Government Program Revenues	\$ 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	\$ 135,527,885
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (309,694,298)
Business-type Activities	(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)	(1,647,136)
Total Primary Government Net (Expense)/Revenue	\$ (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)	\$ (311,341,434)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 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	\$ 167,544,389
Local Option Sales Tax	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	67,064,286
Transportation Sales Tax	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	121,908,968
Accommodations Tax	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	17,898,770
Franchise Tax	825,465	578,864	754,091	791,536	771,276	826,616	876,716	893,135	873,401	842,899
Alcohol Beverage Tax	-	-	-	-	-	84,900	-	-	-	-
Merchants Inventory Tax and Manufacture's Deprec	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	1,643,495
Motor Carrier Tax	120,432	111,247	92,429	105,961	115,352	145,831	145,810	173,315	186,590	213,121
Homestead Exemption	-	-	-	-	2,264,775	2,374,258	2,593,876	2,607,999	2,639,157	2,705,025
Unrestricted State Aid to Political Subdivisions	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	13,482,048
Unrestricted Investment Earnings	1,318,508	837,142	1,276,697	769,780	1,293,748	1,200,970	1,180,393	892,626	1,878,509	3,701,010
Gain on Sale of Capital Assets	-	-	239,152	-	-	-	313,118	(2,754,113)	-	45,728
Transfers	(4,493,248)	(2,322,103)	(3,054,286)	(196,329)	(2,507,996)	(1,436,924)	(2,294,434)	-	(2,536,460)	220,341
Special Items:										
Loss on Settlement of Lawsuit	-	-	-	-	-	-	-	-	(16,100,000)	-
Capital Asset Impairment	-	-	-	-	-	-	-	-	(11,900,000)	-
Total Governmental Activities	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	397,270,080

CONTINUED

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

UNAUDITED

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Business-type activities:										
Alcoholic Beverage Tax	\$ 542,927	\$ 537,486	\$ 594,682	\$ 469,405	\$ 532,043	\$ 537,916	\$ 697,064	\$ 678,629	\$ 737,748	\$ 799,443
Merchants Inventory tax and Manufacture's Depreciatio	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	11,082
Unrestricted Investment Earnings	102,188	85,303	31,880	34,210	22,615	132,021	301,223	531,993	830,282	1,374,511
Gain on Sale of Capital Assets	45,525	18,643	189,208	19,902	5,226	85,328	13,658	273,813	214,335	147,823
Transfers	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	(220,341)
Total Business-type Activities	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	2,112,518
Total Primary Government	\$ 208,631,710	\$ 211,313,284	\$ 220,268,444	\$ 224,086,185	\$ 247,004,838	\$ 259,897,331	\$ 289,902,596	\$ 312,260,741	\$ 350,312,516	\$ 399,382,598
Change in Net Position:										
Governmental Activities	\$ (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	\$ 87,575,782
Business-type Activities	(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	465,382
Total Primary Government	\$ (36,788,629)	\$ (43,694,443)	\$ (46,376,460)	\$ (34,663,414)	\$ (28,957,158)	\$ (8,275,812)	\$ 19,393,162	\$ 33,479,153	\$ 12,565,638	\$ 88,041,164

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

UNAUDITED

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved	\$ 2,727,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	49,868,870	-	-	-	-	-	-	-	-	-
Nonspendable - inventory	-	1,080,137	935,078	923,453	1,282,008	1,161,306	777,478	627,879	707,665	913,883
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	20,610,425
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	74,895,396
Total General Fund	<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>	<u>\$ 96,419,704</u>
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	60,767,518	-	-	-	-	-	-	-	-	-
Debt Service	20,672,652	-	-	-	-	-	-	-	-	-
Capital Projects Funds	39,387,522	-	-	-	-	-	-	-	-	-
Transportation and Road Sales Tax	109,412,393	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	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	26,196,819
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	183,907,167
Restricted - Special Source Revenue Bonds	-	-	-	-	-	86,213,244	80,042,831	79,228,897	83,117,745	81,849,277
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	33,784,918
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	42,979,526
Unassigned - Other Governmental Funds	-	-	-	-	-	-	-	-	(16,585,445)	(16,285,605)
Total All Other Governmental Funds	<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>	<u>\$ 352,432,102</u>

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

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

UNAUDITED

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues											
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	\$ 148,710,603	\$ 159,540,307	\$ 168,131,974
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	60,509,008	63,570,674	67,064,287
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	121,908,968
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	17,898,770
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	52,834,390
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	6,812,455
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	2,306,825
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	9,664,269
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	30,173,968
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	484,076
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	5,186,418
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	482,466,400
Expenditures											
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	84,904,532
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	109,835,878
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	31,809,574
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	51,713,932
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	5,697,777
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	6,197,411
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	35,686,624
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	7,451,651
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	53,851,878
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	46,862,168
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	28,485,289
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	462,496,714
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)	19,969,686

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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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Other Financing Sources (Uses)											
Capital Lease Issuance	\$ 775,100	\$ 702,710	\$ 632,831	\$ 299,650	\$ 712,056	\$ 794,923	\$ 483,458	\$ 55,928	\$ 895,185	\$ 1,319,191	\$ 655,118
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	98,519,596
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)	(99,707,126)
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	51,801
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>	<u>(480,611)</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>	 <u>\$ 19,489,075</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>	 <u>\$ 42,288,779</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>	<u>17.9%</u>

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

UNAUDITED

Fiscal Year Ended June 30	Real Property	Personal Property	Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Tax Value
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%
2019	3,587,084,114	322,541,151	238,961,560	4,148,586,825	211.0	77,880,168,294	5.33%

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 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Direct Rates:										
Charleston County Government Operating	40.2	40.2	39.1	39.9	40.7	40.7	44.7	44.7	44.7	44.7
Charleston County Government Debt Service	6.6	6.6	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Park and Recreation Commission Operating	3.7	3.7	3.6	4.0	4.1	4.1	4.3	4.3	4.3	4.3
Park and Recreation Commission Debt Service	1.9	1.9	1.8	1.4	1.3	1.3	1.3	1.3	1.8	1.8
Trident Technical College	2.0	2.0	2.4	1.9	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	1.0
County School Board Operating	98.7	98.7	98.6	100.5	100.5	100.5	100.7	100.7	116.3	123.2
County School Board Debt Service	27.9	27.9	27.9	26.0	26.0	26.0	26.0	26.0	20.0	28.0
Total Direct Rate	181.0	181.0	179.5	180.3	181.1	181.6	186.0	186.0	196.1	211.0
Fire District Rates:	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	12-61.6	12-63.1	12-64.9
City/Town Rates:	22.2 - 92.8	22.2 - 92.8	22.9 - 93.6	22.9 - 94.0	10.2 - 96.3	10.2 - 96.3	10.2-96.3	10.2-96.3	10.2-102.1	10.2-115
Public Service District Rates:	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	56.9-107	64.4-107

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

<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	\$ 690,392,609	100%	\$ 690,392,609
Overlapping:			
Park & Recreation Commission	42,730,000	100%	42,730,000
Public School Districts	669,210,387	100%	669,210,387
Subtotal	711,940,387	100%	711,940,387
Total	\$ 1,402,332,996	100%	\$ 1,402,332,996

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	2019			2010		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SC Electric & Gas/Dominion Energy	Public Utility	\$ 78,561,850	1	1.97%	\$ 41,072,860	1	1.40%
Boeing	Manufacturing	70,786,719	2	1.78%	-		-
Kapstone Kraft	Manufacturing/Chemical	18,709,974	3	0.47%	6,155,824	4	0.21%
Mercedes Benz Vans LLC	Automobile Manufacturing	13,430,470	4	0.34%	-		-
Bell South	Public Utility	9,833,590	5	0.25%	16,923,860	2	0.58%
Kiawah Real Estate Co.	Real Estate	9,058,050	6	0.23%	4,737,140	7	0.16%
Charleston/North Charleston MSA	Utility	8,283,900	7	0.21%	4,728,780	8	0.16%
Mid-America Apartments LP	Apartment	8,013,010	8	0.20%	-		-
Trident Medical Center LLC	Medical Center	7,724,920	9	0.19%	-		-
Northwood Mall CMBS	Retail	5,915,360	10	0.15%	-		-
Charleston Place LLC	Hotel	-		-	5,380,080	5	0.18%
Cellco	Telecommunications	-		-	6,928,696	3	0.24%
Cummins Engine	Engine Fabrication	-		-	4,240,800	10	0.15%
Voight Aircraft	Aircraft Manufacturing	-		-	4,770,549	6	0.16%
Kinder Morgan	Manufacturing/FILOT	-		-	4,536,693	9	0.16%
Totals		<u>\$ 230,317,843</u>		<u>5.78%</u>	<u>\$ 99,475,282</u>		<u>3.40%</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
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%
2019	132,765,335	132,765,335	127,346,650	95.9%	2,208,366	129,555,016	97.6%

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

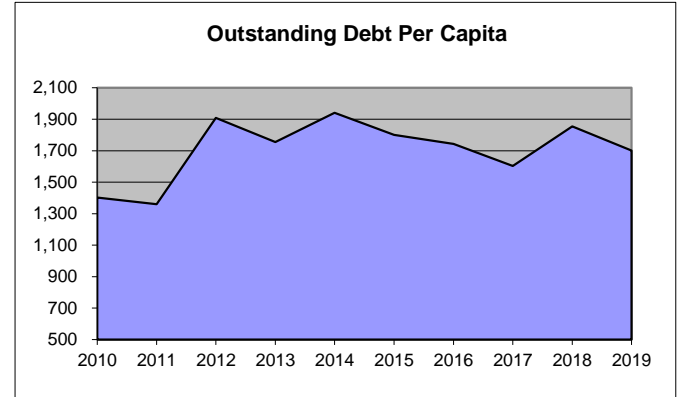
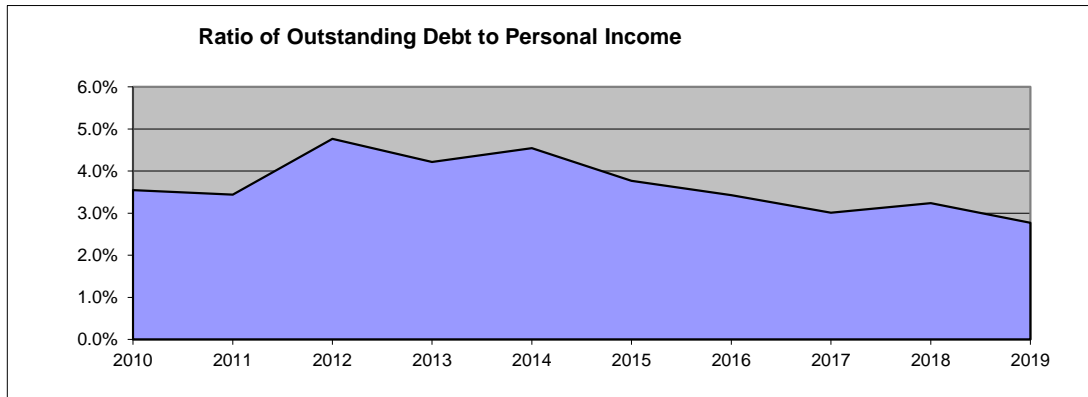
* 2010 includes penalties and interest.

**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			
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
2019	542,750,837	-	124,010,767	20,647,021	2,983,984	-	-	690,392,609	2.8%	1,701

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**

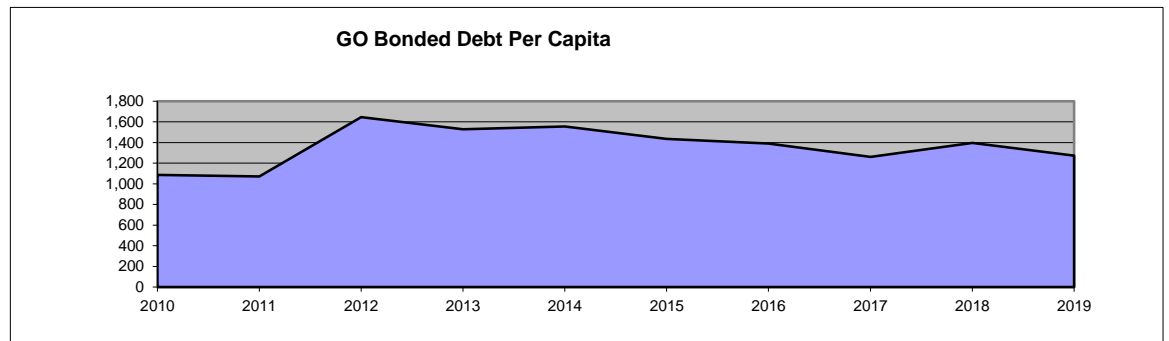
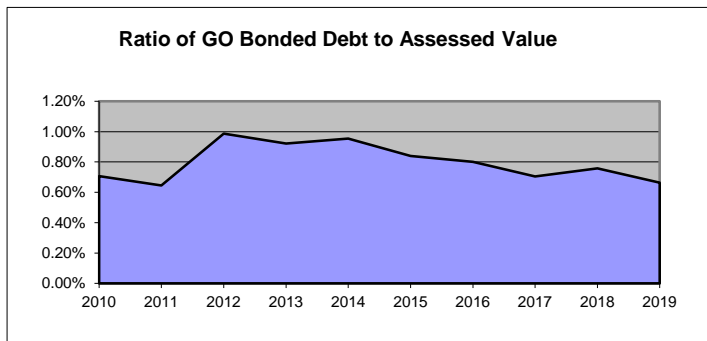
UNAUDITED

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
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
2019	405,905	77,880,168,294	542,750,837	26,196,819	516,554,018	0.66%	1,273

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

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

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



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

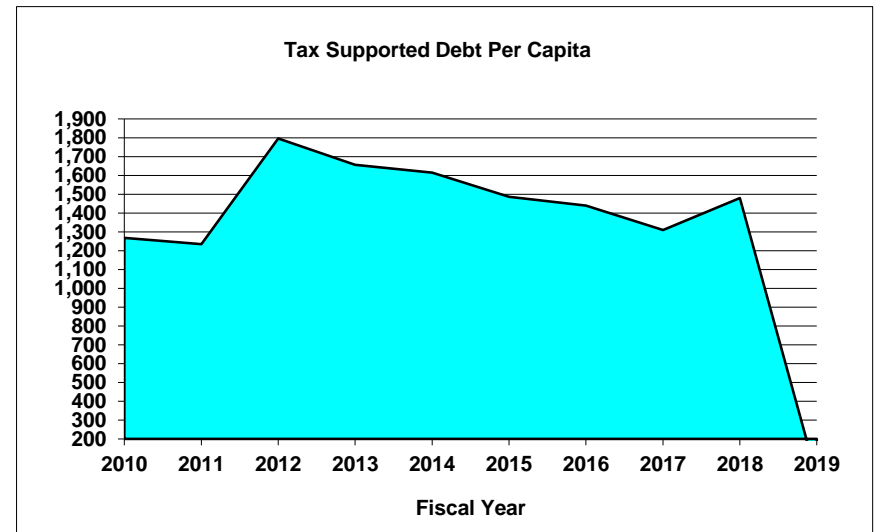
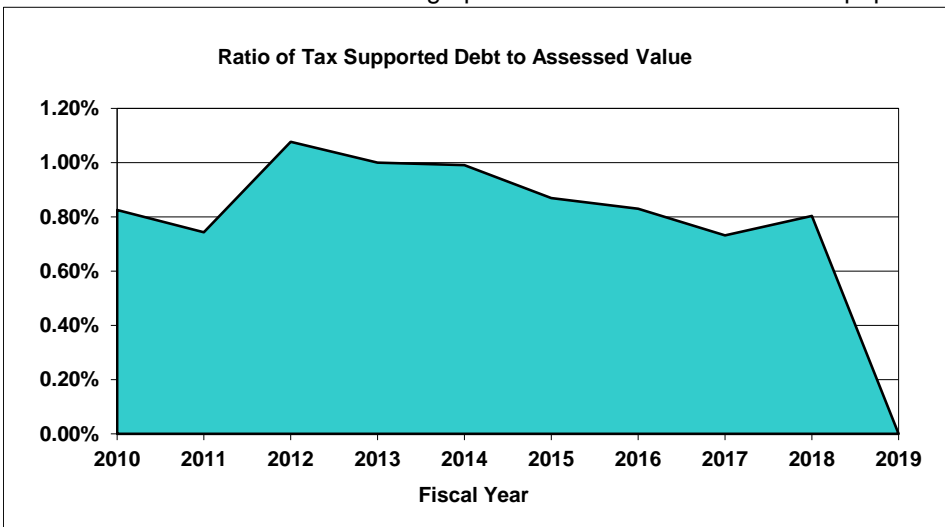
UNAUDITED

Fiscal Year	Estimated Population	Assessed Value	General Obligation Bonds	Certificates of Participation	Capital Leases	Net Tax Supported Debt	Ratio of Tax Supported Debt to Assessed Value	Net Tax Supported Debt Per Capita
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
2019	405,905	77,880,168,294	542,750,837	-	2,983,984	545,734,821	0.70%	1,344

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.

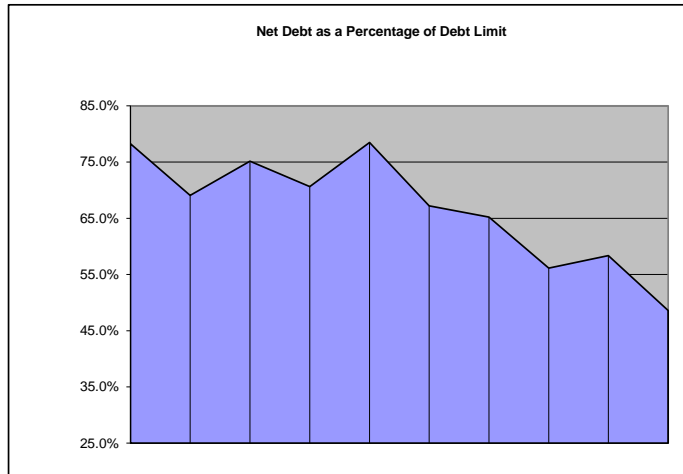
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 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	\$ 339,416,101
Total Net Debt Applicable to Debt Limit	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	164,875,000
Legal Debt Margin	\$ 51,330,407	\$ 77,841,874	\$ 63,990,000	\$ 78,085,783	\$ 57,495,722	\$ 93,863,641	\$ 103,381,745	\$ 135,495,820	\$ 133,588,684	\$ 174,541,101
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	78.2%	69.1%	75.2%	70.6%	78.5%	67.2%	65.2%	56.1%	58.4%	48.6%



Legal Debt Margin Calculation for Fiscal Year 2019

Total Assessed Value	\$ 4,242,701,262
Debt Limit (8% of Total Assessed Value)	339,416,101
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	489,600,000
Less: Debt Issued Through Referendum	(324,725,000)
	-
Total Amount of Debt Applicable to Debt Limit	<u>164,875,000</u>
Legal Debt Margin	<u>\$ 174,541,101</u>

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

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

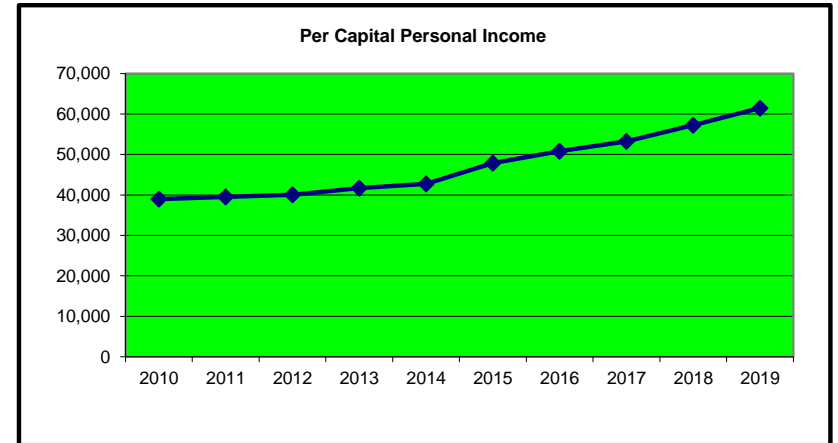
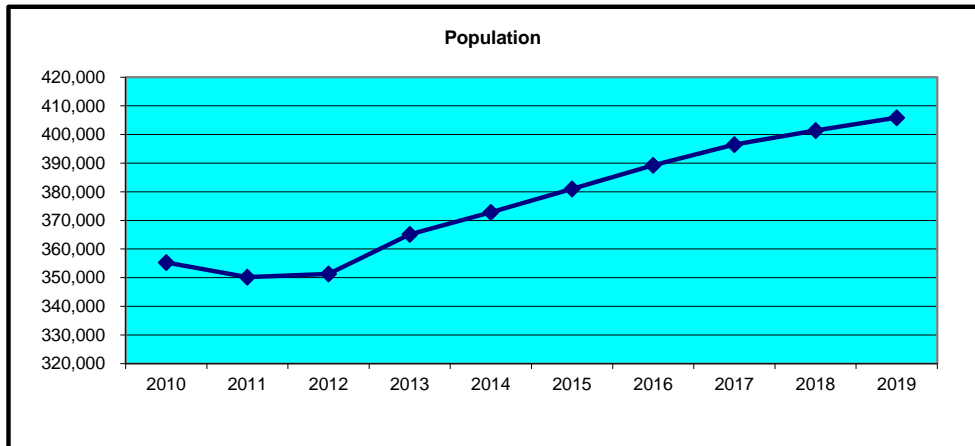
Fiscal Year Ended June 30	Derived from Fee Agreements (1)
2010	7,358,041
2011	10,389,121
2012	11,423,756
2013	12,178,308
2014	12,316,021
2015	14,899,943
2016	15,441,472
2017	17,216,233
2018	20,059,181
2019	21,672,338

(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
CHARLESTON METRO CHAMBER OF COMMERCE**

UNAUDITED

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollment
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
2019	405,905	24,953,728,000	61,477	2.9%	37.2	46,576



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 2019 **208,671**
County Employment for 2010 **163,985**

Employer	2019			2010		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Joint Base Charleston	20,000	1	9.58%			
Medical University of South Carolina (MUSC)	13,000	2	6.23%	11,000	1	6.71%
Boeing Charleston	7,000	3	3.35%			
Charleston County School District	6,500	4	3.11%	5,150	3	3.14%
Roper St. Francis Healthcare	5,500	5	2.64%	3,800	4	2.32%
County of Charleston	2,700	6	1.29%	2,150	7	1.31%
Walmart, Inc.	2,300	7	1.10%			
College of Charleston	2,000	8	0.96%			
City of Charleston	1,700	9	0.81%	1,700	9	1.04%
Kiawah Island Golf Resort/The Sanctuary	1,500	10	0.72%	1,600	10	0.98%
Piggly Wiggly Carolina Co. Inc.				1,900	8	1.16%
Charleston Air Force Base ¹				7,000	2	4.27%
JEM Restaurant Group				3,000	5	1.83%
Trident Health Systems				2,500	6	1.52%
Totals	62,200		29.81%	39,800		24.27%

¹ In 2010 all military installations were combined to form Joint Base Charleston

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

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

UNAUDITED

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administrator	5.31	6.80	5.90	5.90	7.80	7.80	8.80	7.60	8.80	7.80
Assessor	51.00	53.00	53.00	53.00	55.00	58.00	60.00	62.00	62.00	62.00
Auditor	29.00	31.00	31.00	31.00	31.00	31.00	31.00	32.00	32.00	32.00
Budget	7.00	8.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00
County Council	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Community Development	8.15	7.40	6.40	6.40	6.40	4.40	4.50	4.40	1.90	1.90
Deputy Admin for Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Deputy Admin for General Svcs	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Deputy Admin for Disp & Med	3.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Deputy Admin Transp & PW	-	-	-	-	-	-	-	-	4.00	4.00
Elections/Voter Registration	10.00	10.00	10.00	10.00	14.00	14.00	14.00	14.00	14.00	14.00
Facilities Management	11.00	62.00	75.25	75.25	95.00	104.00	106.00	112.00	124.75	121.75
Finance	13.00	13.00	12.00	12.00	11.00	12.00	12.00	12.00	12.00	12.00
Fleet Management	-	-	-	-	26.50	27.00	29.00	29.00	29.25	29.25
Human Resources	15.00	16.00	17.00	17.00	17.00	17.00	18.00	20.00	21.00	22.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	61.80	60.00	30.50	30.50	6.50	-	-	-	-	-
Legal	7.42	6.67	6.41	6.41	7.11	7.41	7.11	7.11	8.42	9.42
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	4.00
Organization Development	3.35	-	-	-	-	-	-	-	-	-
Procurement Services	15.00	14.00	14.00	14.00	15.00	15.00	19.00	20.00	20.00	19.00
Register of Deeds	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Revenue Collections	22.00	30.00	25.00	25.00	26.00	26.00	26.00	26.00	26.00	26.00
Safety & Risk Management	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
Technology Services	16.00	16.00	25.25	25.25	25.00	25.00	28.00	28.00	30.00	29.00
Treasurer	18.00	19.00	20.00	20.00	22.00	23.00	23.00	24.00	24.00	24.00
Zoning/Planning	22.00	21.00	20.60	20.60	21.20	22.20	24.20	24.20	24.40	24.40
Total General Government	375.03	432.87	418.31	418.31	453.51	463.81	478.61	489.31	512.52	510.52

CONTINUED

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

UNAUDITED

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Building Inspections	21.00	22.00	21.00	21.00	23.00	23.00	25.00	27.00	29.00	30.00
Consolidated Dispatch	72.50	100.25	120.00	120.00	160.00	160.00	164.00	179.00	172.00	173.00
Emergency Management	24.50	34.00	33.00	33.00	34.00	34.00	35.01	36.00	36.00	36.00
Emergency Medical Svcs.	139.50	134.00	151.50	151.50	167.50	218.50	218.50	216.00	216.00	216.00
Sheriff	834.11	828.74	836.74	836.74	835.74	860.74	862.74	873.74	869.25	874.25
Technology Services	2.00	-	-	-	1.00	-	-	-	-	-
Total Public Safety	1,093.61	1,118.99	1,162.24	1,162.24	1,221.24	1,296.24	1,305.25	1,331.74	1,322.25	1,329.25
Judicial										
Clerk of Court	55.00	56.00	57.00	57.00	57.00	57.00	57.00	61.00	61.00	63.00
Coroner	8.00	8.00	9.00	9.00	11.00	12.00	12.00	15.00	15.00	19.00
Magistrates Courts	68.39	68.13	68.63	68.63	71.63	70.70	71.01	72.51	72.51	72.51
Master-In-Equity	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00
Probate Courts	19.30	19.30	19.80	19.80	20.80	21.80	21.80	21.80	22.20	22.50
Public Defender	52.00	52.00	52.00	52.00	54.00	54.00	55.00	64.00	64.00	65.00
Solicitor	96.00	111.00	102.00	102.00	102.00	101.70	107.00	111.00	112.00	112.00
Total Judicial	305.69	321.43	315.43	315.43	324.43	325.20	331.81	353.31	354.71	361.01
Public Works										
Environmental Management	134.20	132.26	130.40	130.40	123.80	114.80	113.80	108.80	113.60	112.60
Procurement Services	-	2.00	3.00	3.00	3.00	3.00	-	-	-	-
Public Works	150.00	138.02	136.00	136.00	162.10	162.10	175.10	183.85	185.75	187.15
Transportation Development	-	21.63	21.41	21.41	23.11	23.21	25.21	30.21	27.00	27.00
Total Public Works	284.20	293.91	290.81	290.81	312.01	303.11	314.11	322.86	326.35	326.75

CONTINUED

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

UNAUDITED

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Health and Welfare										
Facilities	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Coppmunity Development	33.85	5.60	5.60	5.60	5.60	5.60	5.50	5.60	5.10	5.10
DAODAS	111.00	107.00	102.00	102.00	115.00	115.00	115.00	113.00	118.00	119.00
Public Works	20.00	20.00	20.00	20.00	28.00	28.00	28.00	25.25	25.25	24.85
Veterans Affairs	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Health and Welfare	170.85	138.60	132.60	132.60	154.60	154.60	154.50	149.85	155.35	155.95
Culture and Recreation										
Assist Admin for Transportation & Emergency Management Greenbelt	1.80	-	-	-	-	-	-	-	-	-
Greenbelt	-	2.00	1.30	1.30	1.30	1.20	1.20	1.40	2.20	2.20
Total Culture and Recreation	1.80	2.00	1.30	1.30	1.30	1.20	1.20	1.40	2.20	2.20
Economic Development	3.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00
Total Economic Development	3.00	5.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00
Total	2,234.18	2,312.80	2,325.69	2,325.69	2,472.09	2,554.16	2,595.48	2,658.47	2,683.38	2,695.68

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Auditor - Tax Notices Processed	575,000	585,470	583,240	560,097	651,050	586,801	622,507	659,238	680,000	648,191
RMC Documents Recorded	90,890	87,894	97,137	116,435	106,096	109,245	99,681	107,380	107,380	93,188
Zoning Applications Processed	2,500	1,206	1,327	2,864	³ 1,957	1,610	1,714	1,638	1,700	2,151
Illegal Businesses Located	117	172	154	165	175	50	50	61	200	42
Public Safety										
Building Inspections Performed	12,577	17,634	19,400	20,804	19,054	21,410	22,927	30,544	30,000	31,652
Bad Check Warrants Served	9,107	¹ 0	¹ 0	6,078	6,702	1,792	8	162	160	135
Daily Costs Per Prisoner	55	55	55	55	55	55	55	55	55	55
Judicial										
Marriage Licenses Issued	3,764	4,000	4,200	4,500	4,600	5,026	5,273	4,597	4,800	4,750
Master-in-Equity Cases Disposed of	3,560	3,459	2,063	1,736	1,481	1,675	1,047	841	900	694
Health and Welfare										
Veterans Claims Filed	10,688	522	2,871	3,388	8,681	8,238	867	1,939	2,062	2,876
Economic Development										
Number of New Companies Relocating to Charleston	1	3	3	2	4	4	3	5	4	6
Number of New Jobs From Relocating Companies	30	120	360	203	348	188	782	103	192	256
Number of Expanding Employers in Charleston	3	4	5	7	3	5	2	12	14	7
Number of Jobs Resulting from Expansion	4,275	323	492	2,226	114	1,627	350	974	493	464
Culture & Recreation										
Library Visits Per Capita	7.01	6.05	5.54	5.45	5.24	5.01	4.89	4.77	4.82	4.26
Library Cards In Use	326,600	² 284,617	² 269,552	284,328	264,289	264,113	262,034	264,271	266,914	203,106
Environmental Management										
Total Tons of Incinerated Waste	69,215	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Parking Garages										
Average Operating Revenue Per Space	2,043	2,287	2,264	2,463	2,732	3,039	2,973	3,024	3,116	3,124
Average Operating Expenditure Per Space	1,179	1,742	1,683	1,585	1,330	1,441	1,311	1,425	1,645	1,558

Sources: Charleston County Budget Performance Measures

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

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

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

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

UNAUDITED

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Automobiles	79	92	118	114	110	102	129	133	140	143
Buildings	99	104	102	104	104	111	112	111	114	116
Public Safety										
Police Cars	324	336	333	351	355	360	374	370	386	373
Fire Trucks	10	10	10	11	10	13	13	13	14	14
Ambulances	23	24	25	30	31	24	40	35	39	44
Judicial										
Magistrate Courts	15	15	15	15	15	13	13	9	9	9
Public Works										
Paved Streets (in Miles)	129	129	131	131	131	132	133	133	97.65	102.35
Ground Equipment	65	67	69	68	66	66	65	72	69	69
Heavy Trucks	35	35	34	34	37	37	39	43	39	38
Environmental Management										
Collection/Refuse Trucks	48	44	47	59	57	59	58	60	61	62
Ground Equipment	25	26	27	30	30	27	30	27	31	33
Culture & Recreation										
Libraries, Main and Branches	11	11	11	11	11	11	11	13	13	14

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

Note 1. Charleston County owns 14 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	\$ 423,461,709	
Total expenditures	<u>\$ 600,248,608</u>	
Requirement is no less than 5 percent		<u><u>70.55%</u></u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 75,763,356	
Total expenditures	<u>\$ 600,248,608</u>	
Requirement is no more than 20 percent		<u><u>12.62%</u></u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 609,507,531	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 262,088,238

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

Estimated costs from Note III.G. on landfill closure	\$ 48,408,965	
Less: Expenditures to date	\$ (22,373,865)	
Restricted assets committed to closure	<u>\$ (10,363,423)</u>	
Balance of closure costs being deferred		<u>\$ 15,671,677</u>
Additional permissible deferred cost		<u><u>\$ 246,416,561</u></u>

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