

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH

INDEPENDENT AUDITOR'S REPORT



PREPARED BY:

FINANCE DEPARTMENT

**CARLA D. RITTER, FINANCE DIRECTOR
LAURIE HAGBERG, ASSISTANT FINANCE DIRECTOR
CHRISANNE PORTER, ACCOUNTANT**

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INTRODUCTORY SECTION





William L. Tuten
County Administrator

843.958-4000
Fax: 843.958-4004
btuten@charlestoncounty.org
Lonnie Hamilton III Public Services Building
4045 Bridge View Drive, Suite B238
North Charleston, SC 29405

December 7, 2020

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, 2020.

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, 2020, 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, 2020, 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 66.

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 48-50 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 162.

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 typically prepares long-term financial plans for the General Fund, Debt Management, Transportation Sales Tax, and Environmental Management that contain five years of data. Due to the unknown economic impact of the COVID-19 virus, the County focused on the short-term plan for the FY21 budget. 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 more than 8,500 people in the region. Local operations for the two OEMs (original equipment manufacturers) supports 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 more than 62 percent. The nation experienced an increase of nearly 10 percent for the same period. The aircraft manufacturing industry represents a sizable portion of this industry in Charleston County. The story behind this historical 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. Boeing builds its newest and largest 787, the Dreamliner or "Dash 10," solely in South Carolina. The company currently employs more than 6,800 people in the region.

The Boeing Company (Boeing) has experienced major headwinds over the last 18 months. Boeing is currently working to resolve issues with its popular 737 MAX single-aisle aircraft built in Renton, Washington. The 737 MAX was grounded by the FAA after two fatal crashes that occurred in late 2018 and early 2019. The company has worked to fix mechanical issues, improve processes and restore confidence. Boeing is in the later stages of the process to gain approval to fly the 737 MAX again. In the meantime, the setback has drastically impacted Boeing's backlog of

orders. Boeing announced, in April 2020, that it planned to cut 10 percent of its global staff. The company has not publicly indicated what percent, if any staff will be cut at its South Carolina division.

The aircraft manufacturing industry has endured significant economic impacts from the Coronavirus pandemic. According to the Bureau of Transportation, U.S. airlines reported May 2020 passenger volumes down nearly 90 percent compared to May 2019. Travel restrictions persist around the globe causing some major airlines to cancel or delay orders for new aircrafts. These developments negatively weight on forecasts for future aircraft demand.

The automotive sector has settled into a new realm in the region with the completion of the Mercedes-Benz Vans' 1.1 million square foot Sprinter Van manufacturing facility in Palmetto Commerce Park. More than 1,700 people have been hired to run the expanded facility. While the plant moves forward with its expanded operations its parent organization, Daimler AG, reported that the worldwide sales of van units were down nearly 30 percent year-over-year. However, cost cutting measures, taken for the overall company, along with the "success of new products" positively impact profitability.

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 in the top 20 for high-tech GDP growth (2017-18) in Milken's *2020 Best-Performing Large Cities* report, released in March 2020. 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. While the concentration of Info tech and analytical instruments jobs remains lower than the national average, over the time period of 2011 to 2019, job growth in the cluster has far exceeded the national growth rate. Through June 2020, jobs in the information sector (tracked by the Bureau of Labor Statistics) are unchanged from June 2019.

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, more than 3,200 federal civilian contractors and supports an estimated 100 defense contractors.

Defense, Intelligence & Cybersecurity, over the past few decades, has significantly increased in its importance when it comes to national security. The sector is most critical in the current environment as our nation fights a global pandemic and is in the throws a major election cycle. The command at NIWC Atlantic is poised to contribute to these security efforts.

Warehouse, Distribution and Logistics – According to commercial real estate market analytics provided by Costar, the amount of new industrial space under construction in the county, is significantly lower than the 1 million+ square feet of space under construction the same time one year ago. Over the last 12 months, nearly 1.5 million square feet of new industrial space was added to the county's industrial commercial real estate market. The additional square feet and impacts from the pandemic have caused the vacancy rates to be higher year-over-year. It is anticipated that current trends of growth in the e-commerce industry could increase demand for warehouse and logistics space in the region.

Medical & Life Sciences Industry – The region's health care and social services industry accounts for 10 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 \$284 million in research funding in fiscal year 2019. 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. Adding to the overall life science ecosystem are new facilities and hospitals. The new \$400 million MUSC Shawn Jenkins Children’s Hospital and Pearl Tourville Women’s Pavilion opened in February 2020. The new 160,000 square foot office building at 22 WestEdge delivered this year. The building is part of a proposed 60-acre planned development, along the Ashley River, envisioned to serve as a “research and discovery” district. The area is closely located to MUSC and provides opportunities for collaboration between the Medical University and private industry.

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

In March of 2020, the nation found itself in the midst of a major health pandemic sparked by the COVID-19 virus. Many states throughout the nation, including South Carolina, implemented temporary social distancing laws (in the form of “stay at home orders”) to reduce social interactions to stem the spread of the virus. The laws called for the temporary closure of nonessential businesses. The only nonessential businesses that remained in operation were those that were able to allow employees to work remotely. The drastic reduction of production and demand resulted in a swift economic downturn. While the majority of social distancing regulations have been rescinded, daily data received from the South Carolina Department of Health and Environmental Control show signs that the COVID-19 virus continues to spread in the community. These developments indicate a sustained impact, for the near-term, on the local economy. In addition, some county businesses continue to face adverse financial impacts from the initial measures taken and the general decline in demand.

According to data released by the South Carolina Department of Employment and Workforce, more than 49,000 Charleston County workers have filed initial unemployment claims between March 21, 2020 and the end of the June 2020. As a result of the diminished demand for goods and services, the unemployment rate had increased from 2.5 percent, in March 2020, to 13.1 percent in April 2020 (the peak witnessed as of June 30, 2020). As some economic activity resumed the unemployment rate declined to 9.5 percent in June 2020.

The bright spot in the economic darkness is the diversification of key industries within the county. While the leisure and hospitality industry experienced a major negative impact, the manufacturing sector was able to somewhat weather through the economic turmoil with a little more success based on a number of factors. Many of Charleston County’s manufacturers are deemed essential, were able to pivot operations to produce essential items (i.e. personal protective equipment, sanitizer), or benefit from corporate fundamentals such as being a dominant player within their industry. In addition, Charleston County continues to focus on growing target industry clusters including IT/High Tech and Life Sciences. These industries capitalize on long-term trends that have only been accelerated by the COVID-19 pandemic and will help to further diversify the Charleston County industry mix to increase economic resilience. Finally, the underlying fundamentals of the Charleston County region, including its strategic location along the Eastern Seaboard, logistical port and rail access, a growing population and a skilled workforce, ensures that it will remain an economic bellwether in the Southeast.

Throughout the impact of the COVID-19 pandemic event, Charleston County has worked to support existing industry. These efforts include serving as a clearinghouse for vital information including the availability of local, state and federal aid and programs; updates on executive orders governing business operation; assisting with access to personal protective equipment and other items necessary for safe business operation. Finally, Charleston County government serves and collaborates with regional and state leadership in multiple business reopening advisory groups including One Region Ready and accelerateSC. These initiatives have helped to create economic revitalization plans to expedite the economic recovery from the pandemic.

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. The SCPA economic impact for the Lowcountry region is estimated at \$7.8 billion. The Port also supports an estimated 27,781 jobs and \$1.5 billion in labor income in the eight-county region.

The Port of Charleston moved almost 2.32 million twenty-foot equivalent units for the time period of July 2019 to June 2020, down 2.8 percent. Volumes were on track for the first seven months of the fiscal year before being impacted by decreased demand and supply chain disruptions connected to the COVID-19 pandemic. SCPA had anticipated seeing another “record year” before the impact of the COVID-19 pandemic, however the administration continues to trust that “great fundamentals” should support future growth. The addition of the Inland Port in Greer and the inland Port in Dillon, extends the Port of Charleston’s reach by 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 a modest decline (down 2.1 percent), while the Inland Port Dillon experienced record volume (up 9.7 percent).

The Port of Charleston harbor deepening project is currently underway. When complete in 2022, 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. 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 – The leisure and hospitality sector has experienced the sharpest economic impact from the COVID-19 pandemic. The industry has witnessed a loss of nearly 19,000 jobs in the Charleston metro area from June 2019 to June 2020. This job loss represents a decline of nearly 36 percent. In addition, Charleston offers a vast array of annual festivals and events that bring tourists to the region. Many of these events were either altered, cancelled or, in the case of the reformatted 2020 Volvo Car Open tennis tournament (2020 Credit One Bank Invitational), held without spectators. These events typically generate national spotlight for the region and spur millions of dollars in economic activity.



Previous to the pandemic, the region’s visitor industry had expanded rapidly over the past few years, experiencing nearly 7.3 million visitors in 2018 (the latest formal data available). The tourism industry contributes more than \$8 billion annually to the area’s economy. While the COVID-19 pandemic has dealt a significant blow to the travel and tourism industry, a rebound is anticipated. Conde Nast Traveler reports that the overwhelming response (at 97 percent) of respondents to their annual reader’s survey who visited Charleston said they would like to return. These results are significant. In addition, Explore Charleston’s Travel Council reports early signs of growth in air travel. Charleston County, South Carolina is literally the preeminent Southeastern “Gateway to the World.”

Charleston was named the “No. 1 City in the U.S. and Canada” by Travel + Leisure World’s Best Awards for eight consecutive years (2013 through 2020). Charleston has received the similar designation of “Best Small City in the U.S.” from Condé Nast Traveler Reader’s Choice Awards nine years straight (2011 through 2019). Travel + Leisure magazine readers also designated Charleston as the No. 12 City in the world.

Previous to the COVID-19 pandemic, Charleston area restaurants were multiplying and flourished with a constant flow of aspiring chefs and affluent visitors. Several Charleston area restaurants were given the ‘Star Diamond Award’ by The American Academy of Hospitality Sciences; landed on Forbes 4 Star Restaurants list; featured in Wine Enthusiast magazine’s ‘America’s 100 Best’; and recognized by the James Beard Foundation Awards. More recently, the Gullah food scene has been featured on a nationally syndicated food program.



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 seasonal nonstop transatlantic flight to London, Heathrow airport via British Airways that launched in April 2019 was temporarily suspended this season due to the impact of the Covid-19 pandemic. The new service coupled with anticipated passenger growth 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. At the conclusion of 2019, CHS announced its fifth consecutive year of record-breaking passenger growth with nearly 4.9 million passengers flying in and out of the airport. While 2020 passenger volume has been impacted by disruptions due to the COVID-19 pandemic, there are some glimmers of hope as economic activity begins to increase.

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. Carnival Cruise offers cruises between Charleston and ports in the Bahamas, Bermuda and the Caribbean ranging from two to ten days in duration. Despite the suspension of cruise operations in March 2020, the SCPA saw 217,673 cruise passengers in fiscal year 2020, a 2.2 percent increase.

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 more than 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. At the 2020 annual “State of the Coast Guard” address, Charleston was identified as a “future Coast Guard operational center of gravity.” The Admiral indicated that Coast Guard plans to make Charleston a base for new assets and infrastructure including the first Offshore Patrol Cutter that “will comprise almost seventy percent of the [Coast Guard’s] offshore presence.” This announcement comes on the heels of a 2019 announcement that five National Security Cutters are located at a new “superbase” located in Charleston by 2024.

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.” In the summer of 2020, the Graduate Center moved to a Trident Technical College building on the Thornley Campus.

The COVID-19 pandemic has definitely impacted education given the mandates of social distancing. Area colleges and universities and the Charleston County School District implemented distance learning in the spring of 2020. Going forward, the education community has researched strategies to continue to provide quality education through a number of different safe and effective learning formats. This research was conducted with the help of regional and statewide collaboration initiatives that include experts from multiple industries including healthcare. Other issues including broadband infrastructure and bridging the digital divide has become a major focus since the start of the pandemic.

Manufacturing – The manufacturing sector in Charleston County includes a diverse set of industries including transportation equipment manufacturing, chemical manufacturing, machinery manufacturing, paper manufacturing and other miscellaneous manufacturing industries. While the shutdowns sparked by the Covid-19 pandemic caused supply chain disruptions and a general reduction in economic demand, many Charleston County manufacturers were able to maneuver. Some manufacturers were able to pivot and manufacture items needed to fight the pandemic such as personal protective equipment. Overall, Charleston County jobs in the manufacturing sector are down 1.4 percent when comparing June 2020 to June 2019.



Recent attraction and expansion announcements in the manufacturing sector include PRC Laser Corporation (laser systems manufacturer), The Urban Electric Co. (artisan lighting fixture designer and manufacturer), Spartan Motors Inc. (fleet, work truck and specialty service vehicle manufacturer), Smithey Ironware (designer and manufacturer of premium cast iron and carbon steel cookware), High Wire Distilling Co. (handcrafted small batch spirits) and Lowcountry Kettle (producer of handmade lowcountry-inspired kettle chips.) These economic development announcements represent more than \$18 million in capital investment and 650 new jobs in Charleston County.

MAJOR COUNTY INITIATIVES

Charleston County Greenbelt Program:

During FY20 County Council approved six Greenbelt projects totaling nearly \$7 million to purchase 167 acres for public parks and green spaces. These projects provide the following:

- Future expansion of the City of Charleston's Johns Island Park
- ADA compliant beach access at the end of 42nd Avenue, Isle of Palms
- Permanent protection of two public parks – one in McClellanville, the other West Ashley
- Converting an abandoned shopping center to provide a new public park in West Ashley that will also help with the flooding near Church Creek
- 145 acres on Edisto Island – a small portion of the land will be used to provide outdoor recreation to area youth while most of the land will continue to be farmed.
- Leverage of over \$2 million toward the purchase of these Greenbelt properties and park improvements.

Charleston County Public Libraries (CCPL): The CCPL program continued to expand by completing a new 20,000 square foot Baxter Patrick James Island Library in fall 2019, and substantially completing new libraries in St Paul Hollywood and Bees Ferry West Ashley with expected occupancies in summer/fall 2020. The entire new and existing book/media collections were converted to RFID in summer 2019 supporting the addition of new self-check stations at every library by the end of summer 2019. The CCPL administration is scheduled to relocate from Main Library in summer 2020 and share a renovated Library Support Center with a new central hub for automatic sorting of book returns.

Construction Management:

- The new Awendaw Fire Station No 7 was substantially completed and scheduled for occupancy late summer 2020.
- Construction proceeded on the new Material Recovery Facility with completion and start of operation scheduled for late Fall 2020.
- Design has progressed on new Community Services Hub with site construction anticipated to break ground in late fall 2020 supporting occupancy for the Department of Alcohol and Drug Abuse Services, Department of Social Services, Department of Health and Environmental Control, and Vital Records by end of 2022 .

Other projects on the horizon for the County are:

- The Disabilities Board is on schedule to relocate from 995 Morrison Drive to 1357 Remount by the end of year 2020.
- Design and bidding were completed for a new Juvenile Detention Center supporting construction groundbreaking in the fall of 2020 and Juvenile occupancy by the end 2021.
- Design was completed and contract procured for the replacement of the Adams Run Radio Tower scheduled to commence in fall 2020.
- In support of the first project associated with the Azalea Complex Master Plan implementation, the designer of the new central fueling facility was selected, and design work is scheduled to commence in fall 2020.

Charleston County Expands On-line Live Chat Services: Charleston County's Environmental Management and Board of Elections and Voter Registration are now offering an online chat service to citizens in need of assistance. The departments join the Auditor's Office who have been utilizing the service to answer tax-related questions. Live Chat provides citizens the ability to communicate directly with a Charleston County representative through a messaging service online.

Charleston County Treasurer Debuts New Payment Website: Charleston County residents have access to a new and improved tax payment website. The new site provides taxpayers better navigation, new options, and lower costs to use a credit card for payment. Staff utilized customer feedback to assist in the development of the new website.

Charleston County Consolidated 9-1-1 Center Replaces Dispatch System with New Improved Technology: Charleston County Consolidated 9-1-1 Center replaced their on-premises Computer-Aided Dispatch (CAD) system with RapidDeploy's Nimbus CAD. The move to the cloud-native platform gives Charleston County access to modern features like real-time traffic information and incident feeds, allowing a faster and more informed emergency response.

Charleston County Clerk of Court Released Updated CourtPlus Web Application: Charleston County released a new and improved version of CourtPlus.org. The updated design makes it easier for citizens to locate public court information and a new dashboard allows users to track cases. The focus of CourtPlus from its inception has been online instead of in line to provide citizens free access to court records.

Center of Resilience Excellence South Carolina: Charleston County, the College of Charleston, and the South Carolina Aquarium have partnered to create a new center of excellence with a focus on community and resilience. The Center of Resilience Excellence South Carolina (CORE SC) will collaborate with organizations throughout the state, country and globe that provide best practices on resilience. CORE SC is designed to be the nexus for research, innovation, and collaboration that leads to actionable outcomes to improve community and societal resiliency.

Awards and Acknowledgements:

Charleston County Government's offices, departments and employees have been honored with numerous awards and recognitions in FY 2020. These awards reflect Charleston County employees' dedication to providing the best services to our citizens.

- **Charleston County's NASA team** won the South Carolina Association of Counties (SCAC) Barrett Lawrimore Memorial Award for the Launch with NASA Business Expo and STEM program. The Launch with NASA Program began with a partnership between Charleston County and NASA to provide opportunities for our citizens, education outreach, and access to technology and research. The program started with a STEM Expo and Small Business forum. These events provided new connections to schools, colleges, defense contractors, small business owners, as well as federal, state and local agencies.
- **Charleston County Economic Development** received one of the top honors for a communication piece at the 2019 Southern Economic Development Council (SEDC) Communication Awards Ceremony. **Charleston Tech: Our Time is Now** won a *Special Judges Award for Talent Attraction*. The video not only showed creativity, but also solid messaging and effectiveness at reaching their target audience.

Charleston County Economic Development also received a recognition of excellence for their Technomic Development Annual Report and a recognition of merit for their Business Resource Guide.

Jay M. Kramer, Existing Industry Specialist for Charleston County Economic Development, graduated from the University of Oklahoma Economic Development Institute. The Economic Development Institute is an intensive 117-hour certificate program that provides a broad spectrum of advanced education for the economic development professional.

- 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, 2019. This was the 32nd 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 31st consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2020 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 received its 1st award for the **Popular Annual Financial Report (PAFR)** for the fiscal year ended June 30, 2019. This was the first time the County has submitted a PAFR for the GFOA award.
- Charleston County maintained its AAA bond rating with Standard & Poor’s Ratings Services, Moody’s Investors Service, and Fitch Ratings for the 15th 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, Barbara Ford, and Allison Hughes of the Finance Department produced the Comprehensive Annual Financial Report, and coordinated the audit with the external auditors. Substantial contributions were also made by several financial staffs throughout the County: Mack Gile, and 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 performing the annual external audit.

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



William L. Tuten
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, 2019

Christopher P. Morrill

Executive Director/CEO

Charleston County, South Carolina

Organizational Chart—County Departments

CITIZENS OF CHARLESTON COUNTY

County Council

ELECTED

Auditor—Peter Tecklenburg
 Clerk of Court—Julie Armstrong
 Coroner—Rae Wooten
 Probate Court—Judge Irv Condon
 Register of Deeds— Michael Miller
 Sheriff—Al Cannon
 Solicitor—Scarlett Wilson
 Treasurer—Mary Tinkler

APPOINTED

Elections/Voter Registration—Joseph Debney
 Library Board Director—Angela Craig
 Magistrate Courts—Judge Thomas Lynn
 Master-In-Equity—Judge Mikell Scarborough
 Public Defender—Ashley Pennington
 Veterans Affairs—David J. LeBlanc, Sr.

District 1—Hebert R. Sass, III
 District 2—Dickie Schweers
 District 3—J. Elliott Summey, Chairman
 District 4—Henry Darby
 District 5—Teddie E. Pryor, Sr.
 District 6—A. Victor Rawl
 District 7—C. Brantley Moody, Vice chairman
 District 8—Anna B. Johnson
 District 9—Jenny Costa Honeycutt

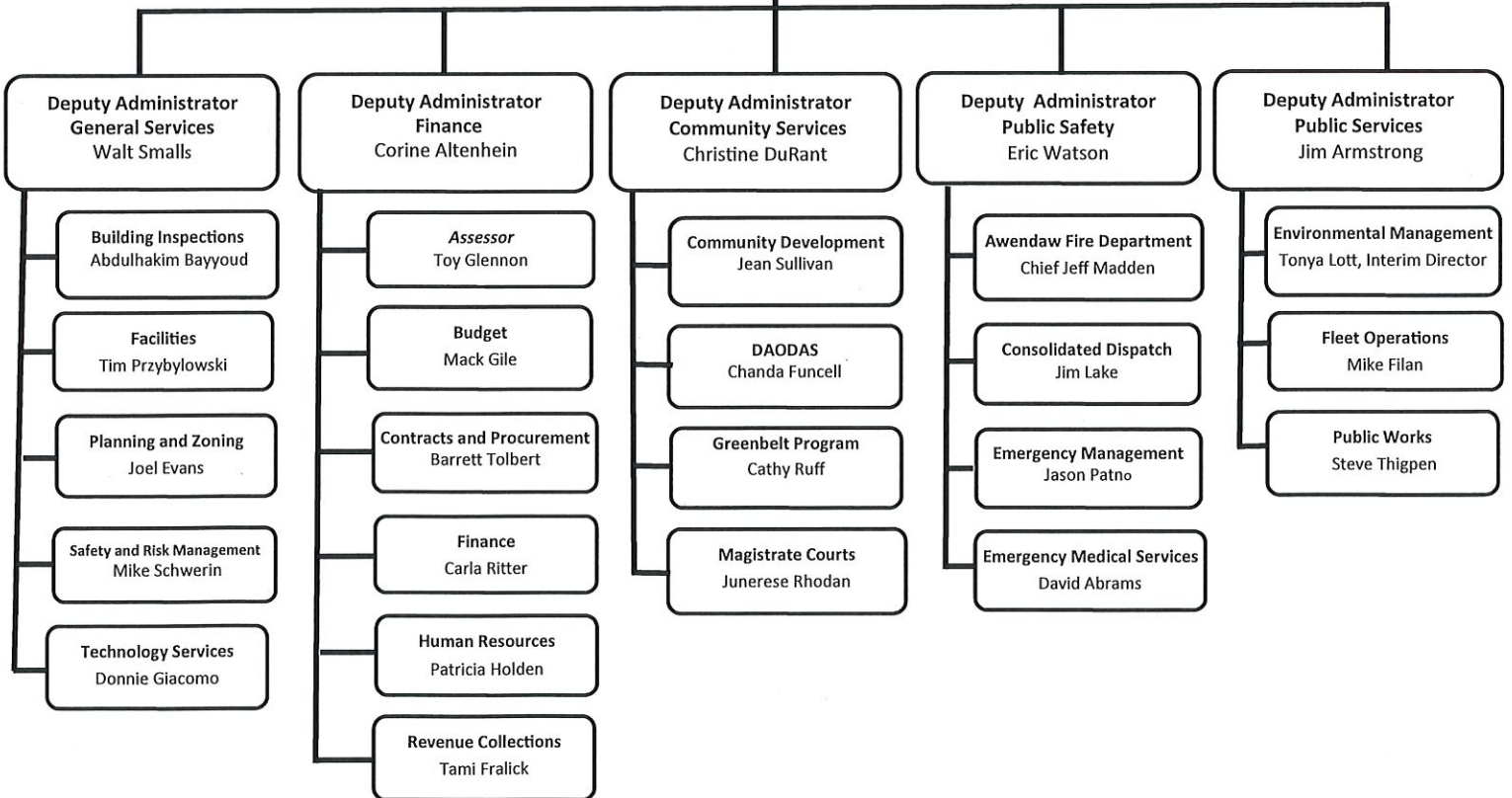
Clerk of Council—Kristin Salisbury
 County Attorney—Joe Dawson
 Internal Auditor—Robert Stewart

Budget Oversight

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

County Administrator
Bill Tuten

Economic Development—Steve Dykes
 Public Information Officer—Shawn Smetana



COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2020
MEMBERS OF COUNTY COUNCIL

	Year's in <u>Office</u>	Term <u>Expiration Date</u>	
J. Elliott Summey	11 ^{1/2}	12/31/2020	Chairman, District 3
C. Brantley Moody	3 ^{1/2}	12/31/2020	Vice Chairman, District 7
Herbert R. Sass, III	9	12/31/2022	District 1
Henry D. Schweers	13 ^{1/2}	12/31/2022	District 2
Henry E. Darby	15 ^{1/2}	12/31/2020	District 4
Teddie E. Pryor, Sr.	15 ^{1/2}	12/31/2022	District 5
A. Victor Rawl	11 ^{1/2}	12/31/2020	District 6
Anna B. Johnson	9 ^{1/2}	12/31/2022	District 8
Jenny Costa Honeycutt	1 ^{1/2}	12/31/2022	District 9

ELECTED OFFICIALS

Peter Tecklenburg	7	6/30/2021	Auditor
Julie J. Armstrong	28 ^{1/2}	12/31/2020	Clerk of Court
Rae Wooten	14	12/31/2020	Coroner
Irvin G. Condon	26 ^{1/2}	12/31/2022	Probate Court
Michael Miller	1 ^{1/2}	12/31/2022	Register of Deeds
James A. Cannon, Jr.	32 ^{1/2}	12/31/2020	Sheriff
Scarlett A. Wilson	13	12/31/2020	Solicitor
Mary Tinkler	3	6/30/2021	Treasurer

OTHER OFFICIALS

	Years with <u>County</u>	Years in Current <u>Position</u>	
** William L. Tuten	5	6 months	Interim County Administrator
Walter L. Smalls	21	14 yrs	Chief Deputy Administrator General Services
Jim Armstrong	32	6 yrs	Deputy Administrator Public Services
Christine DuRant	30 ^{1/2}	6 yrs	Deputy Administrator Community Services
Corine Altenhein	30	5 yrs	Deputy Administrator Finance
Carla Ritter	19	5 yrs	Finance Director

** Jennifer Miller retired as County Administrator in January 2020

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, 2020, 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, 2020, 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, 2020, 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, 2020, 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 174 as well as the schedules of capital assets used in the operation of governmental funds on pages 194 and 195 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 7, 2020, 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 7, 2020

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, 2020. The Management Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial condition, material deviations from the financial budget and individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2 through 13 of this report, and the County's financial statements, which follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at June 30, 2020 by \$21,101 (net position.) This is comprised of net investment in capital assets of \$177,769, restricted net position of \$276,537 and unrestricted net position of \$(433,205). 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 (OPEB), *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* during fiscal year 2018.
- Charleston County's total net position increased by \$61,280 during the fiscal year ended June 30, 2020, with a \$63,217 increase resulting from governmental activities and a \$1,937 decrease 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 \$592,004, which is a \$143,152 increase from the prior year. Approximately 10.96 percent or \$64,858 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 \$98,259 or approximately 41.44 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$85,984, or approximately 36.26 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, 2020 is \$273,199.
- The County implemented GASB No. 75 in fiscal year 2018. 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, 2020 is \$74,602.

Overview of the Financial Statements

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

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

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

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

The Statement of Net Position 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 66 through 67 of this report.

The government-wide financial statements for component units can be found on pages 59 through 62 of this report.

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

Governmental Funds. Governmental funds, presented on pages 44 through 46, 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 153 through 160 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 51 through 56 and pages 177 through 188 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 177 through 182.

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 184 through 188 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 190 through 192 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 63 through 137 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 153. 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 199. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 174.

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 139.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charleston County, assets and deferred outflows exceeded liabilities and deferred inflows by \$21,101 at the close of fiscal year 2020. This was an increase of \$61,280 or 152.5 percent during fiscal year 2020.

A portion of the County's net position, \$177,769, 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, \$276,537, 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 2020, the County had positive balances in two of the three categories of net position for the primary government. Unrestricted net position is (\$433,205), indicates the portion of net position which can be used for day-to-day operations without constraints established by legislation or other legal requirements. 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. Another contributing factor to the negative net position is 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, 2020

(Recapped from page 40)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
	Current, restricted and other assets	\$ 893,886	\$ 740,426	\$ 81,236	\$ 81,388	\$ 975,122
Capital assets	364,384	341,278	84,348	62,903	448,732	404,181
Total Assets	1,258,270	1,081,704	165,584	144,291	1,423,854	1,225,995
Total deferred outflows of resources	55,923	61,259	-	-	55,923	61,259
Long-term liabilities outstanding	1,139,390	1,037,110	35,359	11,701	1,174,749	1,048,811
Other liabilities	44,757	46,770	11,378	11,806	56,135	58,576
Total liabilities	1,184,147	1,083,880	46,737	23,507	1,230,884	1,107,387
Total deferred inflows of resources	227,792	220,046	-	-	227,792	220,046
Net Position:						
Investment in capital assets	121,876	81,465	55,893	62,903	177,769	144,368
Restricted for:						
Capital projects	229,415	179,588	-	-	229,415	179,588
Debt service	35,705	22,120	-	-	35,705	22,120
General government	130	806	-	-	130	806
Law enforcement	4,657	6,121	-	-	4,657	6,121
Judicial	2,679	3,149	-	-	2,679	3,149
Health and welfare assistance	377	395	-	-	377	395
Economic development	3,574	3,444	-	-	3,574	3,444
Tourism related	-	2,063	-	-	-	2,063
Unrestricted	(496,159)	(460,114)	62,954	57,881	(433,205)	(402,233)
Total net position	\$ (97,746)	\$ (160,963)	\$ 118,847	\$ 120,784	\$ 21,101	\$ (40,179)

The County's net position increased by \$61,280 during fiscal year 2020. The governmental activities had an increase in net position of \$63,217. Overall revenues for the Governmental Activities increased 6.47 percent. The Business-Type activities had a decrease in net position of \$1,937. Overall expenses for the Business-Type activities increased 11.86 percent.

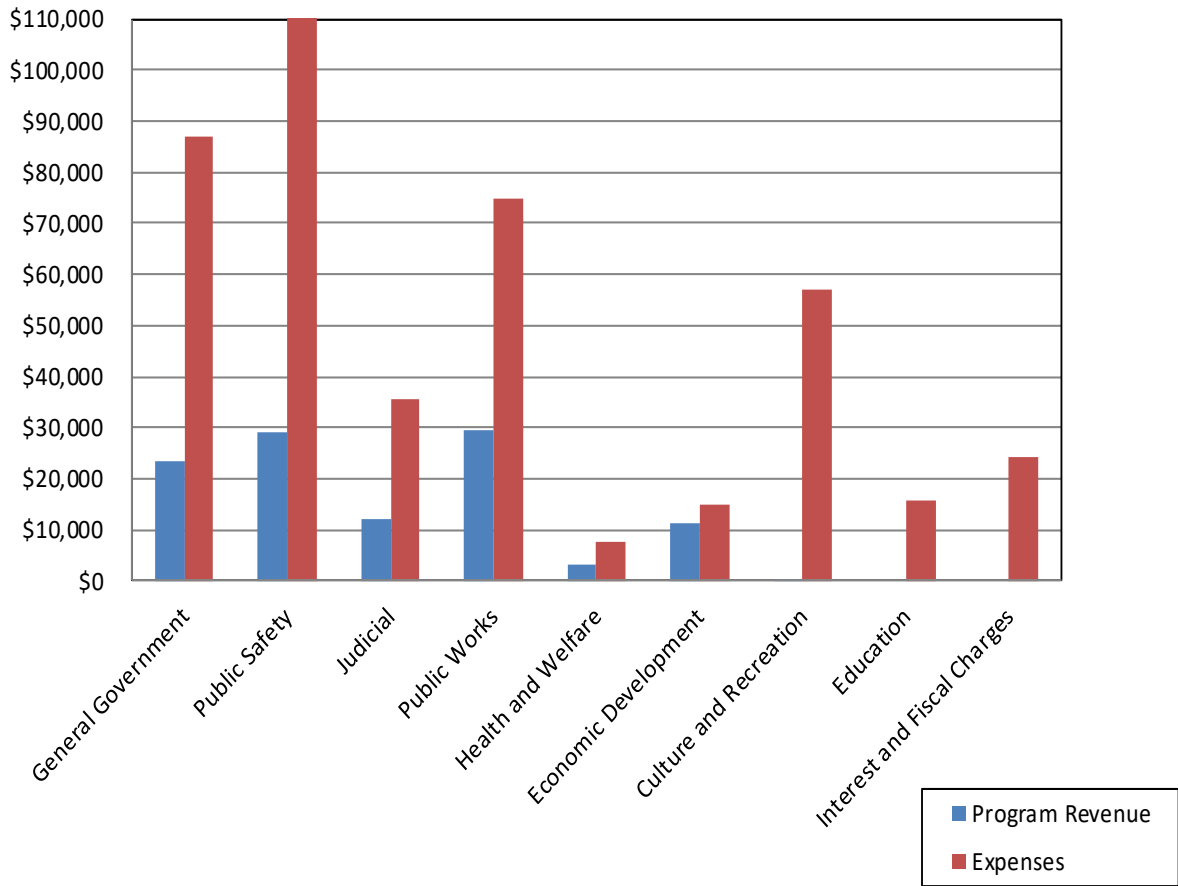
County of Charleston, South Carolina
Changes in Net Position (Recapped from pages 41 and 42)
For the Fiscal Year Ended June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	\$ 60,187	\$ 63,469	\$ 49,676	\$ 49,770	\$ 109,863	\$ 113,239
Operating grants and contributions	42,837	21,084	1,207	1,204	44,044	22,288
Capital grants	5,417	-	183	-	5,600	-
General Revenues:						
Property taxes	178,577	167,544	-	-	178,577	167,544
Other taxes and fees	207,306	212,277	707	811	208,013	213,088
State aid to political subdivisions	14,189	13,482	-	-	14,189	13,482
Unrestricted investments earnings	4,261	3,701	1,051	1,374	5,312	5,075
Miscellaneous	-	-	790	-	790	-
Gain on sale of capital assets	-	46	549	148	549	194
Total Revenues	512,774	481,603	54,163	53,307	566,937	534,910
Program Expenses						
Governmental Activities:						
General government	86,998	85,877	-	-	86,998	85,877
Public safety	129,003	120,711	-	-	129,003	120,711
Judicial	35,776	35,615	-	-	35,776	35,615
Public works	74,986	52,658	-	-	74,986	52,658
Health and welfare	7,790	9,914	-	-	7,790	9,914
Economic development	15,002	6,115	-	-	15,002	6,115
Culture and recreation	57,219	41,058	-	-	57,219	41,058
Education	15,648	20,500	-	-	15,648	20,500
Interest and fiscal charges	24,369	21,799	-	-	24,369	21,799
Business-Type Activities:						
DAODAS	-	-	10,552	9,702	10,552	9,702
E-911 communications	-	-	2,995	2,392	2,995	2,392
Environmental management	-	-	36,043	31,478	36,043	31,478
Parking garages	-	-	2,603	2,551	2,603	2,551
Public safety system	-	-	742	866	742	866
Radio communications	-	-	3,605	3,754	3,605	3,754
Revenue collections	-	-	2,326	1,879	2,326	1,879
Total Expenses	446,791	394,247	58,866	52,622	505,657	446,869
Excess (deficiency) of revenues before transfers over (under) expenses	65,983	87,356	(4,703)	685	61,280	88,041
Transfers	(2,766)	220	2,766	(220)	-	-
Increase in Net Position	63,217	87,576	(1,937)	465	61,280	88,041
Net position, beginning	(160,963)	(248,539)	120,784	120,319	(40,179)	(128,220)
Net Position, ending	\$ (97,746)	\$ (160,963)	\$ 118,847	\$ 120,784	\$ 21,101	\$ (40,179)

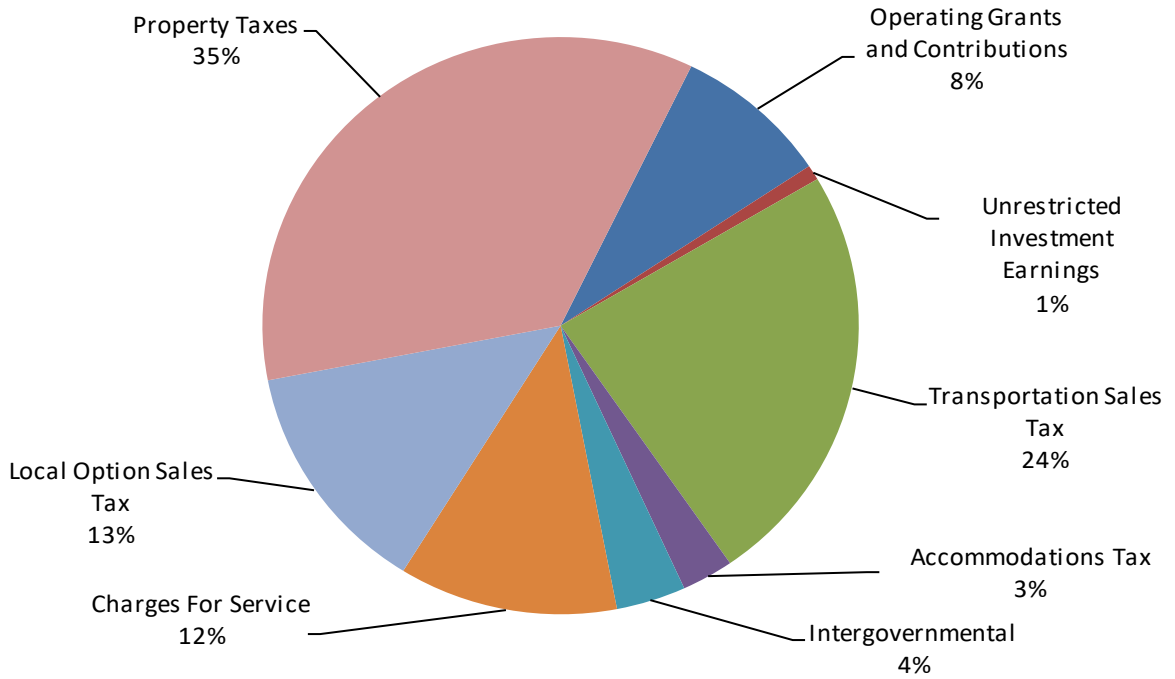
Governmental Activities. Governmental activities increased the County's net position by \$63,217. The key elements of this change are:

- Property tax revenue increased \$11,033 (6.6 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 decreased \$4,971 (2.3 percent) due to decreased consumer spending in Charleston County. This decrease is due to COVID related shutdowns. 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 decreased \$3,282 (5.2 percent) primarily in the public safety function. The public safety charges for services decreased \$3,646 (14%) due to:
 - Prisoner's Per Diem \$(1,309)
 - Alien Assistance Program \$ (161)
- Operating grants and contributions increased \$21,753 (103 percent) due to several new grants for economic development and disaster funds (Public Works).
- Capital grants and contributions increased \$5,417 (100 percent) due to voting machines given to the County by the State.
- Total governmental activities expenses increased \$1,121 (1.3 percent) due to an increase in salaries/benefits and COVID related expenses.
- The Public Safety expenses increased \$8,292 (6.9 percent) due to salaries, overtime costs and employee fringe benefits. COVID related expenses such as disinfectant and protective gear also contributed to this increase.
- The Public Works expenses increased \$22,328 (42 percent) is due to an increase in grant costs. The Public Works (FEMA/Disaster) grants revenue doubled from prior year.
- The Culture and Recreation expenses increased \$16,161 (39 percent) due to the increased appropriation to the Charleston County Library and the non-capital projects paid for by the County.
- The Economic Development expenses increased \$8,887 (145 percent) due to several new pass-through grants.

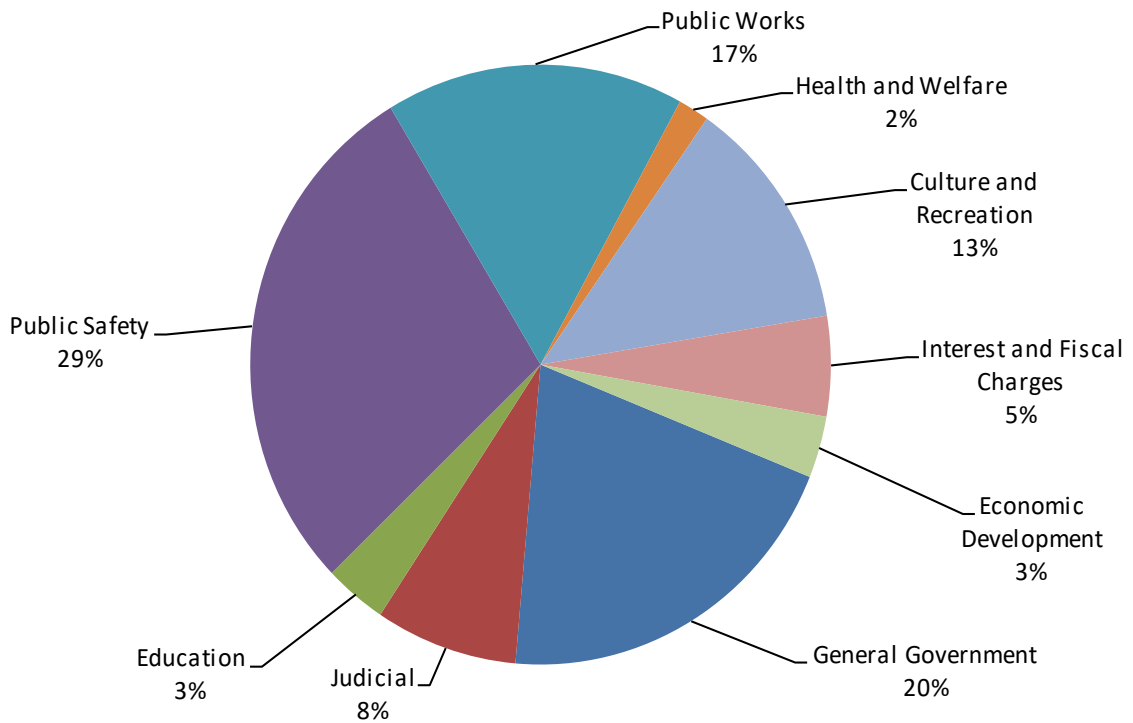
Program Revenues and Expenses - Governmental Activities



Revenues by Source - Governmental Activities

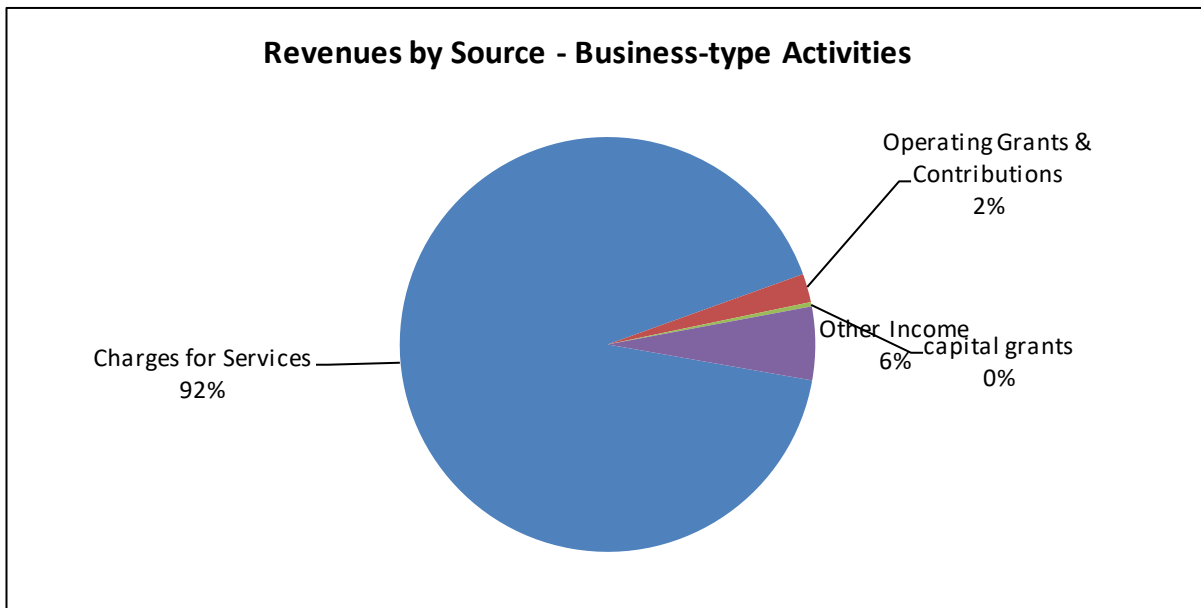


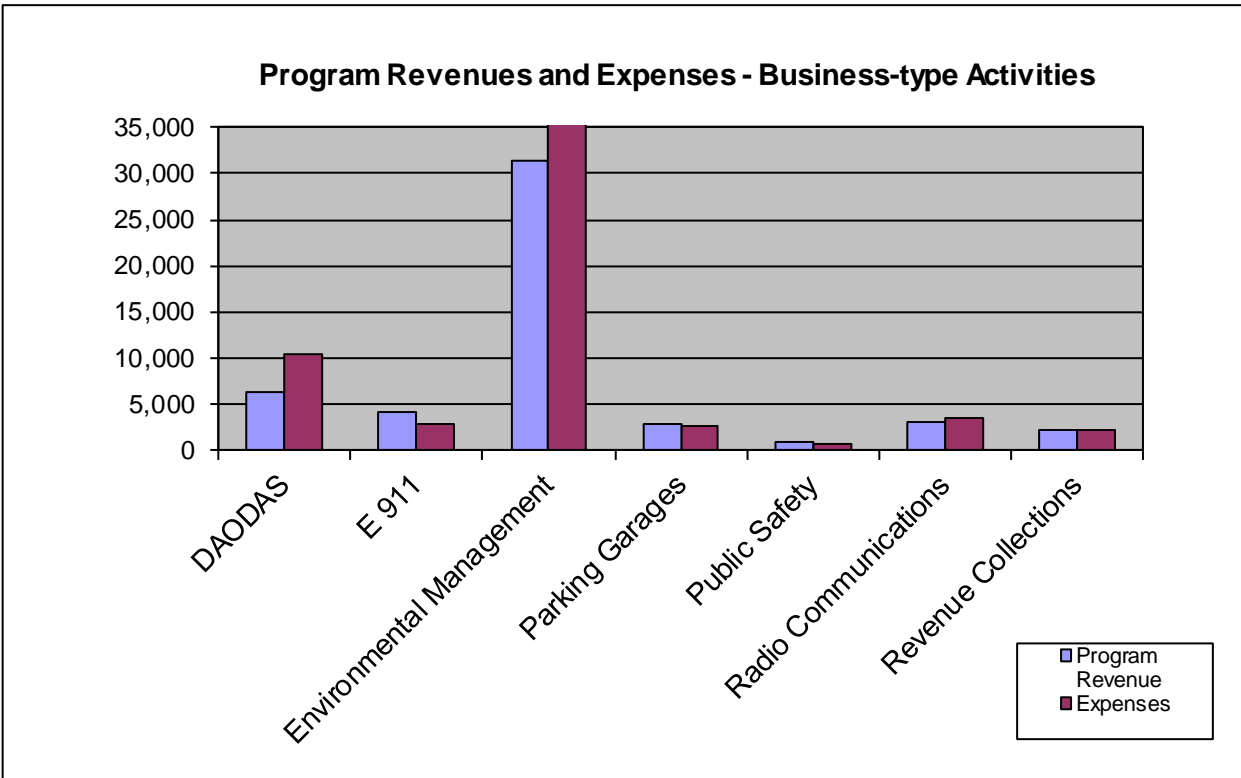
Expenses by Program - Governmental Activities



Business-type Activities. Business-type activities decreased the County's net position by \$(1,937). The key elements of this decrease were:

- Unrestricted investment earnings decreased by \$323 (23 percent) due to lower interest rates.
- Overall, expenses for the business-type activities increased by \$6,245 (12.0 percent). This increase was primarily in the Environmental Management Fund. Operating expenses in this fund increased \$4,565 with the largest increases in contractual services \$1,139, materials and supplies \$2,956, fleet expense \$147, and other expenses \$894. This fund has increased activities which include the building of a new Materials Recovery Facility (MRF), non-capital updates at the landfill, more expensive hauler contracts and contracted temporary staff at the MRF and for curbside collections.





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 \$592,004, an increase of \$143,152 in comparison with the prior year. This increase is due to several factors including the sale of general obligation bonds of \$125,509, bond premiums of \$14,083, and an increase of \$21,607 in intergovernmental revenues. There were several new grants in economic development and the disaster fund.

The ending fund balance of \$592,004 for the governmental funds is composed of five components: unassigned fund balance of \$64,858, assigned fund balance of \$12,275, committed fund balance of \$130,700, restricted fund balance of \$383,227 and non-spendable fund balance of \$944.

Unassigned fund balance accounts for approximately 10.96 percent or \$64,858 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 \$12,275 or 2.0 percent of ending fund balance. Assigned fund balance includes \$8,028 which was encumbered at the end of fiscal year 2020. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$130,700 or 22.0 percent of ending fund balance and is comprised of the fund balances in the capital project funds. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of County Council.

The restricted fund balance totals \$383,227 or 64.7 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$331,545, 2) debt service of \$40,265, 3) \$4,656 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$2,678 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 \$944. 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 \$85,984 while total fund balance reached \$99,203. 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 36 percent of total general fund disbursements, while total fund balance represents 41.8 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 32.0 percent of disbursements, which also meets the financial policy. There was an increase of \$2,784 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$5,296 or 2.2 percent higher than the previous fiscal year.

- Property taxes and local option sales taxes collected increased \$3,582 or 2.0 percent.
- Intergovernmental revenues increased \$534 or 1.8 percent.
- Interest income was up \$828 or 3.4 percent.

Expenditures increased by \$14,573 or 6.5 percent.

- Public Safety expenditures were up \$4,662 or 4.5 percent.
- Health and Welfare expenditures increased \$1,012 or 2.8 percent.
- Culture and Recreation expenditures increased \$6,852 or 39 percent.

Debt Service Fund. The debt service fund balance is \$40,265 and is \$14,068 or 53.7 percent more than the prior fiscal year. This increase is due to bond premiums of \$13,998.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance increased \$48,401 or 26.32 percent from the prior fiscal year. The new 2nd half cent Transportation Sales Tax was effective May 1, 2017. This increase is due to intergovernmental reimbursements of \$1,790 or 100 percent increase over prior year. The expenditures in this fund increased \$11,606 or 17.8 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 \$80,669 which is a \$1,180 decrease from the prior fiscal year.

G.O.B. Capital Projects. This fund balance increased \$89,215 or 220.0% from prior fiscal year due to general obligation bonds issued in the amount of \$124,808.

Other Governmental Funds. The other governmental funds had a decrease in fund balance of \$10,135 or 51.0 percent from the prior fiscal year. The Disaster Fund had a decrease in fund balance of \$3,608. This will be reimbursed by FEMA. The Equipment Replacement Fund had a decrease in the fund balance of \$1,494. This will be covered by the future sale of assets.

Non-major Capital Projects Funds. The non-major capital projects funds reflect a total fund balance of \$(13,890) and are shown on pages 156 and 160. The fund balance for the non-major capital projects funds decreased \$2,317 in fiscal year 2020.

Non-major Special Revenue Funds. The non-major special revenue funds have a combined total fund balance of \$23,600, \$29,984 classified as restricted and \$(6,384) as unassigned. Non-major special revenue funds are shown on pages 153 through 155, and 157 through 159. The fund balance for the non-major special revenue funds decreased \$7,817 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, 2020, is \$68,771 (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 \$70,313. The non-major proprietary funds have total net position of \$(1,542). These funds include DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 51 through 56 and pages 177 through 182 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 \$68,771 (before internal eliminations), a decrease of \$4,720 or 6.4 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 2020, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$4,635 over the final budget. The most significant revenue variances are outlined below:

- Service charges were over budget by \$3,336. EMS revenues were \$4,284 over budget due to increased collections. At the beginning of FY19, EMS changed to a new third party billing/collection company.
- Interest Income was over budget by \$2,009.

Actual expenditures and transfers out were \$18,759 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology Services was \$2,567 under budget, Facilities was \$10,652 under budget and Public Works was \$2,227 under budget. The County has quite a few vacancies of personnel in Public Works as well as projects that were not completed. Facilities and Technology had projects they were unable to complete in 2020.
- Due to the COVID pandemic, the County was shut down for non-essential functions for fifty-one days.

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, 2020, amounted to \$448,732 (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 \$44,551 or 11.0 percent for the current year. The depreciation expense increased by \$77 or 0.29 percent.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and easements	\$ 45,880	\$ 46,031	\$ 7,044	\$ 6,915	\$ 52,924	\$ 52,946
Buildings	245,434	227,474	13,885	14,474	259,319	241,948
Improvements other than buildings	3,441	3,544	16,354	16,896	19,795	20,440
Machinery and equipment	40,832	37,786	11,339	13,830	52,171	51,616
Infrastructure	2,454	3,443	-	-	2,454	3,443
Construction in progress	26,343	23,000	35,726	10,788	62,069	33,788
Total	<u>\$ 364,384</u>	<u>\$ 341,278</u>	<u>\$ 84,348</u>	<u>\$ 62,903</u>	<u>\$ 448,732</u>	<u>\$ 404,181</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 86 through 90 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$777,670. Of this amount, \$657,592 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$120,078 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, 2020, this obligation is recorded at a net present value of \$18,830 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 635,143	\$ 542,751	\$ 22,449	\$ -	\$ 657,592	\$ 542,751
Special source revenue bonds	120,078	124,011	-	-	120,078	124,011
Intergovernmental note payable	18,830	20,647	-	-	18,830	20,647
Total	\$ 774,051	\$ 687,409	\$ 22,449	\$ -	\$ 796,500	\$ 687,409

The County's total bonded debt increased by \$110,908 (16.6 percent) during the current fiscal year, due to the sale of General Obligation Bonds.

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

South Carolina statutes limit the amount of general obligation (G.O.) debt a governmental entity may issue (without referendum) to 8 percent of its total assessed value. The current available G.O. debt limit for Charleston County is \$377,935. The outstanding debt at June 30, 2020 subject to the debt limitation is \$266,875. 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 94 through 106 of this report.

Economic Factors and Next Year's Budget Rates

The fiscal year 2021 General Fund budget is a balanced budget. Total disbursements and funds available total \$249,976, a decrease of \$1,224 or 0.5 percent from the prior year. The millage is 44.7, which is unchanged from fiscal year 2020.

The General Fund's budgeted revenues for fiscal year 2021 decreased by \$461 or 0.2 percent from 2020. The major changes are:

- The Property Tax and the Local Option Sales Tax, the County's largest revenue sources, reflect a net decrease of \$7,479 or 11.3 percent. The net decrease is due to a reduction in sales tax projections resulting from the 2020 pandemic and its impact on the local economy. The decrease 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 lower credit of \$7,940 or 11.6 percent to taxpayers.
- The Register of Deeds: Documentary Stamps represents a decrease of \$2,000 or 25.0 percent in fee collections based on a lower volume of recorded real estate transactions.
- The Treasurer: Interest Income represents a net decrease of \$1,000 or 80.0 percent based on lower interest earning projections in FY 2021 due to the uncertainties associated with the national economy during the COVID-19 pandemic.

The General Fund's budgeted expenditures for fiscal year 2021 are increased \$3,591 or 1.5 percent from fiscal year 2020. The major changes for fiscal year 2021 are:

- The County Council increase of \$4,373 or 166.5 percent reflects a budgeted stop gap amount to address the uncertainties associated with the national economy. The Stop Gap Measure, budgeted in the County Council budget, represents a 2% reduction in the remaining General Fund budgets. The Stop Gap allowed Council to approve a budget based on the April 2020 revenue projections, while limiting the offices'/departments' spending patterns until an initial evaluation of the County's financial status is completed in October 2020 and the mid-year review is completed in February 2021. If funding is available, offices/departments will receive 1% in their current budget in October and another 1% in February.
- Facilities Management represents a \$1,744 or 8.1 percent decrease due to lower maintenance project funding to balance the budget.

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Non-pooled cash and cash equivalents	\$ 3,904,112	\$ 609,619	\$ 4,513,731	\$ 41,488,136
Pooled cash and cash equivalents	579,195,752	61,668,904	640,864,656	-
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	380,641	-	380,641	26,465,493
Receivables (net of allowances for uncollectibles)	320,908,068	7,111,473	328,019,541	53,605,608
Due from primary government	-	-	-	1,929,514
Current portion of note receivable	-	-	-	5,676
Internal balances - current	(11,845,415)	11,845,415	-	-
Inventories	1,217,817	-	1,217,817	683,666
Prepaid items and deposits	-	-	-	4,661,966
Other noncurrent assets	-	-	-	-
Note receivable	-	-	-	144,324
Capital assets:				
Land and other nondepreciable	72,223,404	42,769,868	114,993,272	115,444,037
Capital assets, net of accumulated depreciation	292,160,674	41,577,857	333,738,531	78,761,009
Total assets	1,258,270,053	165,583,136	1,423,853,189	323,189,429
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension charges	37,667,583	-	37,667,583	10,736,666
Deferred other post employment benefit (OPEB) charges	7,532,387	-	7,532,387	3,303,053
Deferred loss on refunding	10,723,318	-	10,723,318	-
Total deferred outflows of resources	55,923,288	-	55,923,288	14,039,719
LIABILITIES				
Accounts payable	16,160,617	5,873,037	22,033,654	3,459,370
Accrued payroll and fringe benefits	7,712,142	539,499	8,251,641	2,902,119
Intergovernmental payable	5,144,920	4,765,305	9,910,225	-
Due to component units	1,929,514	-	1,929,514	-
Due to third parties	1,556,480	-	1,556,480	-
Interest payable	5,042,624	135,146	5,177,770	585,041
Tax anticipation note payable	-	-	-	600,000
Unearned revenue	7,210,827	65,255	7,276,082	2,171,476
Noncurrent liabilities:				
Due within one year	77,243,451	3,845,069	81,088,520	7,844,759
Due in more than one year	714,344,679	31,513,445	745,858,124	55,277,841
OPEB liability	74,602,421	-	74,602,421	15,970,347
Net pension liability	273,199,142	-	273,199,142	65,689,592
Total liabilities	1,184,146,817	46,736,756	1,230,883,573	154,500,545
DEFERRED INFLOWS OF RESOURCES				
Deferred pension credits	2,820,866	-	2,820,866	2,719,770
Deferred OPEB credits	9,350,391	-	9,350,391	862,200
Deferred property taxes - current	215,620,641	-	215,620,641	50,674,588
Total deferred inflows of resources	227,791,898	-	227,791,898	54,256,558
NET POSITION				
Net investment in capital assets	121,876,245	55,892,857	177,769,102	146,509,916
Restricted for:				
Capital and infrastructure projects	229,415,337	-	229,415,337	2,260,184
Debt service	35,704,891	-	35,704,891	15,214,979
General government operations	130,392	-	130,392	-
Law enforcement and public safety programs	4,656,409	-	4,656,409	-
Judicial assistance and programs	2,678,504	-	2,678,504	-
Health and welfare assistance	377,332	-	377,332	-
Local economic development	3,574,283	-	3,574,283	-
1% fee	-	-	-	10,583
Special programs	-	-	-	117,377
Unrestricted	(496,158,767)	62,953,523	(433,205,244)	(35,640,994)
Total net position	\$ (97,745,374)	\$ 118,846,380	\$ 21,101,006	\$ 128,472,045

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	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	\$ 86,997,759	\$ 17,469,086	\$ 500,465	\$ 5,416,823	\$ (63,611,385)	\$ -	\$ (63,611,385)	\$ -
Public safety	129,003,269	22,268,634	6,823,331	-	(99,911,304)	-	(99,911,304)	-
Judicial	35,775,623	11,319,839	604,807	-	(23,850,977)	-	(23,850,977)	-
Public works	74,986,045	8,930,137	20,752,173	-	(45,303,735)	-	(45,303,735)	-
Health and welfare	7,790,350	175,884	2,867,298	-	(4,747,168)	-	(4,747,168)	-
Economic development	15,001,564	23,593	11,278,516	-	(3,699,455)	-	(3,699,455)	-
Culture and recreation	57,218,739	-	9,996	-	(57,208,743)	-	(57,208,743)	-
Education	15,648,275	-	-	-	(15,648,275)	-	(15,648,275)	-
Interest and fiscal charges	24,369,416	-	-	-	(24,369,416)	-	(24,369,416)	-
Total governmental activities	446,791,040	60,187,173	42,836,586	5,416,823	(338,350,458)	-	(338,350,458)	-
Business-type activities:								
DAODAS	10,551,777	5,420,700	878,513	-	-	(4,252,564)	(4,252,564)	-
E-911 Communications	2,995,189	4,244,798	-	-	-	1,249,609	1,249,609	-
Environmental Management	36,043,112	30,916,841	328,139	182,561	-	(4,615,571)	(4,615,571)	-
Parking Garages	2,603,119	2,997,340	-	-	-	394,221	394,221	-
Public Safety Systems	742,500	938,142	-	-	-	195,642	195,642	-
Radio Communications	3,604,897	3,014,595	-	-	-	(590,302)	(590,302)	-
Revenue Collections	2,325,618	2,143,905	-	-	-	(181,713)	(181,713)	-
Total business-type activities	58,866,212	49,676,321	1,206,652	182,561	-	(7,800,678)	(7,800,678)	-
Total primary government	\$ 505,657,252	\$ 109,863,494	\$ 44,043,238	\$ 5,416,823	(338,350,458)	(7,800,678)	(346,151,136)	-
Component Units:								
Charleston County Library	\$ 25,931,102	\$ 195,624	\$ 24,538,091	\$ 2,483,995				1,286,608
Charleston County PRC	35,897,090	12,364,335	87,967	1,142,339				(22,302,449)
Cooper River Park & Playground	211,426	-	-	-				(211,426)
North Charleston District	1,332,083	-	-	-				(1,332,083)
St. Andrew's Parish Parks & Playground	4,909,677	1,920,090	-	-				(2,989,587)
St. John's Fire District	15,298,678	-	-	-				(15,298,678)
St. Paul's Fire District	5,906,821	-	-	-				(5,906,821)
Charleston County Volunteer Rescue Squad	451,640	-	489,842	-				38,202
Total component units	\$ 89,938,517	\$ 14,480,049	\$ 25,115,900	\$ 3,626,334				(46,716,234)

General Revenues:				
Property taxes	178,577,269	-	178,577,269	-
Charleston County PRC	-	-	-	25,043,579
Cooper River Park & Playground	-	-	-	156,451
North Charleston District	-	-	-	960,669
St. Andrew's Parish Parks & Playground	-	-	-	1,960,849
St. John's Fire District	-	-	-	16,807,634
St. Paul's Fire District	-	-	-	7,116,121
Local option sales tax	66,432,618	-	66,432,618	-
Transportation sales tax	120,839,149	-	120,839,149	-
Accommodations tax	14,245,777	-	14,245,777	-
Franchise tax	853,482	-	853,482	39,724
Alcohol beverage tax	-	695,985	695,985	-
Merchants inventory tax and manufacturer's depreciation	1,685,124	10,895	1,696,019	317,626
Motor carrier tax	121,812	-	121,812	-
Homestead exemption	3,127,921	-	3,127,921	-
Unrestricted state aid to political subdivisions	14,189,324	-	14,189,324	-
Unrestricted investment earnings	4,261,100	1,051,384	5,312,484	60,215
Gain on sale of capital assets	-	549,155	549,155	128,426
Fundraising and donations	-	-	-	27,658
Miscellaneous	-	789,911	789,911	720,350
Transfers	(2,765,607)	2,765,607	-	-
Total general revenues and transfers	401,567,969	5,862,937	407,430,906	53,339,302
Change in position	63,217,511	(1,937,741)	61,279,770	6,623,068
Net position - beginning	(160,962,885)	120,784,121	(40,178,764)	121,848,977
Net position - ending	<u>\$ (97,745,374)</u>	<u>\$ 118,846,380</u>	<u>\$ 21,101,006</u>	<u>\$ 128,472,045</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

<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	\$ 2,995,331	\$ -	\$ -	\$ -	\$ -	\$ 908,781	\$ 3,904,112
Pooled cash and cash equivalents	44,585,776	40,031,462	187,509,153	81,322,282	132,940,130	33,942,061	520,330,864
Restricted cash and cash equivalents	-	-	-	21,651	-	358,990	380,641
Receivables (net of allowances for uncollectibles)	211,537,488	26,895,404	47,913,956	-	565,442	33,668,666	320,580,956
Due from other funds	32,237,896	-	-	-	-	-	32,237,896
Inventories	944,531	-	-	-	-	-	944,531
Total assets	\$ 292,301,022	\$ 66,926,866	\$ 235,423,109	\$ 81,343,933	\$ 133,505,572	\$ 68,878,498	\$ 878,379,000
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable	\$ 3,169,296	\$ 900	\$ 1,296,511	\$ 675,065	\$ 3,235,066	\$ 3,971,245	\$ 12,348,083
Accrued payroll and fringe benefits	7,038,240	-	16,995	-	-	511,233	7,566,468
Due to other funds	754,029	-	-	-	-	32,237,896	32,991,925
Intergovernmental payable	1,732,750	-	1,801,150	-	422,003	2,764,988	6,720,891
Due to third parties	1,556,480	-	-	-	-	-	1,556,480
Unearned revenue	-	-	-	-	-	6,060,878	6,060,878
Total liabilities	14,250,795	900	3,114,656	675,065	3,657,069	45,546,240	67,244,725
 Deferred inflows of resources:							
Unavailable property tax revenues - current	176,113,556	26,178,451	-	-	-	13,328,634	215,620,641
Unavailable property tax revenues - delinquent	2,733,295	482,524	-	-	-	293,722	3,509,541
Total deferred inflows of resources	178,846,851	26,660,975	-	-	-	13,622,356	219,130,182
 Fund balances:							
Nonspendable - Inventories	944,351	-	-	-	-	-	944,351
Restricted - Debt service	-	40,264,991	-	-	-	-	40,264,991
Restricted - General government operations	-	-	-	-	-	130,392	130,392
Restricted - Law enforcement and public safety programs	-	-	-	-	-	4,656,409	4,656,409
Restricted - Judicial assistance and programs	-	-	-	-	-	2,678,504	2,678,504
Restricted - Health and welfare assistance	-	-	-	-	-	377,332	377,332
Restricted - Local economic development	-	-	-	-	-	3,574,283	3,574,283
Restricted - Capital and infrastructure projects	-	-	232,308,453	80,668,868	-	18,567,295	331,544,616
Committed - Capital and infrastructure projects	-	-	-	-	129,848,503	851,925	130,700,428
Assigned - Purchases on order	8,028,361	-	-	-	-	-	8,028,361
Assigned for subsequent years' appropriations of fund balance	4,246,122	-	-	-	-	-	4,246,122
Unassigned	85,984,542	-	-	-	-	(21,126,238)	64,858,304
Total fund balances	99,203,376	40,264,991	232,308,453	80,668,868	129,848,503	9,709,902	592,004,093
Total liabilities, deferred inflows of resources and fund balances	\$ 292,301,022	\$ 66,926,866	\$ 235,423,109	\$ 81,343,933	\$ 133,505,572	\$ 68,878,498	\$ 878,379,000

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2020**

Total Governmental Fund Balances		\$ 592,004,093
<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.		349,492,459
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Deferred loss on refunding	\$ 10,723,318	
Property taxes	3,509,541	
		14,232,859
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.		(246,465,774)
Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance.		(11,845,415)
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	\$ (635,143,070)	
Special source revenue bonds	(120,078,515)	
Leases payable	(987,939)	
Compensated absences	(15,081,353)	
Intergovernmental note payable	(18,830,095)	
Accrued interest payable	(5,042,624)	
		(795,163,596)
Net position of governmental activities		<u>\$ (97,745,374)</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, 2020

	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	\$ 176,014,892	\$ 24,056,306	\$ 120,839,149	\$ 26,378,341	\$ -	\$ 32,503,820	\$ 379,792,508
Intergovernmental	29,238,978	443,639	3,540,209	-	-	41,218,528	74,441,354
Permits and licenses	6,021,901	-	-	-	-	-	6,021,901
Fines and forfeitures	1,085,432	-	-	-	-	633,575	1,719,007
Interest	3,266,621	534,933	3,302,329	1,418,189	1,557,625	364,804	10,444,501
Service charges	26,975,565	-	-	-	-	3,834,286	30,809,851
Rental and use of property	234,764	-	9,150	-	-	-	243,914
Other revenues	3,760,397	171,429	-	-	-	1,950,438	5,882,264
Total revenues	246,598,550	25,206,307	127,690,837	27,796,530	1,557,625	80,505,451	509,355,300
Expenditures:							
Current:							
General government	66,784,141	-	17,535,475	-	-	58,136	84,377,752
Public safety	107,902,516	-	-	-	-	9,869,222	117,771,738
Judicial	22,073,376	-	-	-	-	10,598,601	32,671,977
Public works	11,412,611	-	18,688,154	16,876,210	-	24,226,840	71,203,815
Health and welfare	4,626,460	-	-	-	-	2,873,087	7,499,547
Economic development	-	-	-	-	-	15,077,901	15,077,901
Culture and recreation	24,288,754	-	11,243,276	-	-	16,870,564	52,402,594
Education	-	-	-	-	-	7,825,694	7,825,694
Capital outlay	-	-	-	-	34,179,183	906,372	35,085,555
Debt service	-	36,181,845	29,320,506	8,674,324	327,232	221,289	74,725,196
Total expenditures	237,087,858	36,181,845	76,787,411	25,550,534	34,506,415	88,527,706	498,641,769
Excess (deficiency) of revenues over (under) expenditures	9,510,692	(10,975,538)	50,903,426	2,245,996	(32,948,790)	(8,022,255)	10,713,531
Other financing sources (uses):							
General obligation bonds issued	-	-	-	-	124,807,913	701,592	125,509,505
Bond Premium	-	13,997,936	-	-	-	85,255	14,083,191
Transfers in	4,737,268	15,624,065	64,797,350	8,083,978	10,674	12,893,771	106,147,106
Transfers out	(11,464,265)	(4,578,291)	(67,797,350)	(11,510,383)	(2,655,199)	(15,824,789)	(113,830,277)
Proceeds from sale of capital assets	-	-	497,860	-	-	31,394	529,254
Total other financing sources (uses)	(6,726,997)	25,043,710	(2,502,140)	(3,426,405)	122,163,388	(2,112,777)	132,438,779
Net change in fund balances	2,783,695	14,068,172	48,401,286	(1,180,409)	89,214,598	(10,135,032)	143,152,310
Fund balances at beginning of year	96,419,681	26,196,819	183,907,167	81,849,277	40,633,905	19,844,934	448,851,783
Fund balances at end of year	\$ 99,203,376	\$ 40,264,991	\$ 232,308,453	\$ 80,668,868	\$ 129,848,503	\$ 9,709,902	\$ 592,004,093

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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 143,152,310
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	\$ 40,221,266	
Depreciation expense	<u>(16,268,406)</u>	23,952,860

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	9,395,390	
Accumulated depreciation	<u>(8,525,056)</u>	
Net book value	870,334	
Proceeds	<u>(529,254)</u>	
Loss on disposal	341,080	(870,334)
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		302,307
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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.

45,119,626

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

General obligation bonds issued		(125,509,505)
Bond premiums		(14,083,191)

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

(516,983)

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	\$ (2,514,511)	
Deferred refunding costs and amortization of bond premiums	<u>6,122,365</u>	3,607,854

To record internal service fund transfers.

4,917,564

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.

865,005

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

(3,350,402)

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

(14,369,600)

Change in net position of governmental activities

\$ 63,217,511

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, 2020

<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	\$ 177,274,000	\$ 177,274,000	\$ 176,014,892	\$ (1,259,108)
Intergovernmental	28,312,258	28,312,258	29,238,978	926,720
Permits and licenses	6,427,850	6,427,850	6,021,901	(405,949)
Fines and forfeitures	1,306,500	1,306,500	1,085,432	(221,068)
Interest	1,257,250	1,257,250	3,266,621	2,009,371
Service charges	23,639,468	23,639,468	26,975,565	3,336,097
Rental and use of property	470,000	470,000	234,764	(235,236)
Other revenues	3,544,729	3,544,729	3,760,397	215,668
Total revenues	242,232,055	242,232,055	246,598,550	4,366,495
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	4,985,573	4,760,573	4,493,250	267,323
Auditor	2,476,399	2,479,581	2,477,969	1,612
Board of Elections & Voter Registration	1,871,420	1,871,420	2,086,973	(215,553)
Budget	764,422	762,922	756,699	6,223
Community Services	251,192	248,192	244,437	3,755
County Administrator	1,146,195	1,446,195	1,462,092	(15,897)
County Council	3,359,855	2,626,522	1,728,563	897,959
Chief Deputy Administrator for General Services	454,575	504,575	502,470	2,105
Deputy Administrator for Community Services	410,919	410,919	410,217	702
Deputy Administrator for Finance	682,316	778,816	757,854	20,962
Deputy Administrator for Public Services	522,929	526,571	453,615	72,956
Facilities Management	20,771,610	31,528,420	20,876,152	10,652,268
Finance	1,074,893	1,074,893	1,041,706	33,187
Human Resources	2,163,527	2,219,312	1,970,010	249,302
Internal Auditor	257,696	257,696	257,579	117
Legal	1,658,880	1,658,880	1,617,653	41,227
Legislative Delegation	313,775	313,775	311,499	2,276
Nondepartmental	125,000	125,000	1,460,706	(1,335,706)
Procurement	1,516,033	1,460,423	1,316,977	143,446
Register of Deeds	2,130,594	2,130,594	2,111,564	19,030
Revenue Collections - Delinquent Tax	1,096,288	959,342	936,551	22,791
Safety & Risk Management	2,738,020	2,738,020	2,786,535	(48,515)
Technology Services	14,620,585	15,280,283	12,712,840	2,567,443
Treasurer	2,163,280	2,163,280	2,104,573	58,707
Zoning/Planning	2,152,905	2,158,042	1,905,657	252,385
Total general government	69,708,881	80,484,246	66,784,141	13,700,105

CONTINUED

**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, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Safety:				
Building Inspections	\$ 2,567,911	\$ 2,701,351	\$ 2,218,256	\$ 483,095
Consolidated Dispatch	8,020,840	8,036,990	8,473,060	(436,070)
Deputy Administrator for Public Safety	-	150,000	124,162	25,838
Emergency Management	957,666	957,666	931,578	26,088
Emergency Medical Services	18,283,559	17,784,247	17,876,514	(92,267)
Sheriff	79,192,036	79,053,967	78,278,946	775,021
Total public safety	109,022,012	108,684,221	107,902,516	781,705
Judicial:				
Clerk of Court	4,820,419	4,820,419	4,232,206	588,213
Coroner	2,540,037	2,427,062	2,430,775	(3,713)
Magistrates Courts	5,300,306	5,280,306	5,230,628	49,678
Master-In-Equity	693,270	693,270	742,906	(49,636)
Probate Court	3,043,186	3,043,186	2,992,511	50,675
Solicitor	6,485,206	6,485,206	6,444,350	40,856
Total judicial	22,882,424	22,749,449	22,073,376	676,073
Public Works:				
Public Works Department	12,584,855	13,639,465	11,412,611	2,226,854
Total public works	12,584,855	13,639,465	11,412,611	2,226,854
Health and Welfare:				
Indigent Care	1,682,253	1,685,253	1,685,210	43
Public Works - Mosquito Abatement	2,371,436	2,631,749	2,218,239	413,510
State Agencies	329,859	329,859	311,644	18,215
Veterans Affairs	414,865	414,865	411,367	3,498
Total health and welfare	4,798,413	5,061,726	4,626,460	435,266
Culture and Recreation:				
Charleston County Library	24,258,824	24,258,824	24,258,824	-
Greenbelts Program	30,050	30,050	29,930	120
Total culture and recreation	24,288,874	24,288,874	24,288,754	120
Total expenditures	243,285,459	254,907,981	237,087,858	17,820,123
Excess (deficiency) of revenues over (under) expenditures	(1,053,404)	(12,675,926)	9,510,692	22,186,618

CONTINUED

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 4,468,533	\$ 4,468,533	\$ 4,737,268	\$ 268,735
Transfers out	<u>(7,915,129)</u>	<u>(12,403,032)</u>	<u>(11,464,265)</u>	<u>938,767</u>
Total other financing sources and (uses)	<u>(3,446,596)</u>	<u>(7,934,499)</u>	<u>(6,726,997)</u>	<u>1,207,502</u>
Net change in fund balance	(4,500,000)	(20,610,425)	2,783,695	23,394,120
Fund balance at beginning of year	<u>96,419,681</u>	<u>96,419,681</u>	<u>96,419,681</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 91,919,681</u></u>	<u><u>\$ 75,809,256</u></u>	<u><u>\$ 99,203,376</u></u>	<u><u>\$ 23,394,120</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

<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	\$ 598,668	\$ 609,619	\$ -
Pooled cash and cash equivalents	48,550,547	1,178,528	11,939,829	61,668,904	58,864,888
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	3,156,998	96,885	3,857,590	7,111,473	327,112
Due from other funds	-	-	-	-	38,983,787
Inventories	-	-	-	-	273,286
Total current assets	51,708,996	1,284,913	16,396,087	69,389,996	98,574,073
Capital assets:					
Land	4,693,883	2,350,320	-	7,044,203	-
Construction in progress	32,804,039	282,327	2,639,299	35,725,665	-
Buildings	3,836,940	14,515,236	9,702,367	28,054,543	1,695,683
Improvements other than buildings	24,749,639	1,735,839	270,255	26,755,733	-
Machinery and equipment	29,353,139	1,662,805	5,981,032	36,996,976	45,682,966
Less accumulated depreciation	(32,270,495)	(8,052,922)	(9,905,978)	(50,229,395)	(32,487,030)
Total capital assets (net of accumulated depreciation)	63,167,145	12,493,605	8,686,975	84,347,725	14,891,619
Total noncurrent assets	63,167,145	12,493,605	8,686,975	84,347,725	14,891,619
Total assets	114,876,141	13,778,518	25,083,062	153,737,721	113,465,692
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred pension charges	-	-	-	-	37,667,583
Deferred OPEB charges	-	-	-	-	7,532,387
Total deferred outflows of resources	-	-	-	-	45,199,970

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

<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	\$ 3,750,035	\$ 173,532	\$ 1,949,470	\$ 5,873,037	\$ 3,812,534
Accrued payroll and fringe benefits	236,045	33,042	270,412	539,499	145,674
Unearned revenue	6,000	-	59,255	65,255	1,149,949
Accrued interest payable	135,146	-	-	135,146	-
Compensated absences - current	27,165	2,683	24,371	54,219	2,629
Due to other funds	16,827,991	2,429,988	18,971,779	38,229,758	-
Intergovernmental payable	168,198	-	4,597,107	4,765,305	353,543
Lease payable - current	-	-	-	-	299,043
General obligation bonds payable - current	2,840,477	-	-	2,840,477	-
Accrual for landfill closure - current	950,373	-	-	950,373	-
Total current liabilities	24,941,430	2,639,245	25,872,394	53,453,069	5,763,372
Noncurrent liabilities:					
Net OPEB liability	-	-	-	-	74,602,421
Accrual for landfill closure	10,363,423	-	-	10,363,423	-
Compensated absences	698,409	90,852	752,478	1,541,739	459,090
Lease payable	-	-	-	-	706,396
General obligation bonds payable	19,608,283	-	-	19,608,283	-
Net pension liability	-	-	-	-	273,199,142
Total noncurrent liabilities	30,670,115	90,852	752,478	31,513,445	348,967,049
Total liabilities	55,611,545	2,730,097	26,624,872	84,966,514	354,730,421
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred pension credits	-	-	-	-	2,820,866
Deferred OPEB credits	-	-	-	-	9,350,391
Total deferred inflows of resources	-	-	-	-	12,171,257
<u>NET POSITION</u>					
Net investment in capital assets	34,712,277	12,493,605	8,686,975	55,892,857	13,886,180
Unrestricted	24,552,319	(1,445,184)	(10,228,785)	12,878,350	(222,122,196)
Total net position	\$ 59,264,596	\$ 11,048,421	\$ (1,541,810)	68,771,207	\$ (208,236,016)
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(8,536,192)	
Adjustment to reflect the elimination of indirect and other costs charged by the governmental funds				58,611,365	
Total net position for business-type activities				\$ 118,846,380	

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, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 911,015	\$ 2,997,340	\$ 15,552,748	\$ 19,461,103	\$ 73,167,684
User fees	29,682,944	-	-	29,682,944	-
Sale of recyclables	322,882	-	-	322,882	-
Other revenues	264,251	-	735,052	999,303	-
Total operating revenues	31,181,092	2,997,340	16,287,800	50,466,232	73,167,684
Operating expenses:					
Personnel services	7,752,980	1,107,091	9,460,324	18,320,395	4,485,961
Contractual services	11,780,500	302,136	2,272,393	14,355,029	6,244,772
Materials and supplies	3,926,044	74,959	1,053,552	5,054,555	8,678,511
Utilities	162,585	80,864	670,789	914,238	159,361
Repairs and maintenance	105,053	141,208	2,720,601	2,966,862	2,516,379
Rental expenses	38,347	-	626,938	665,285	14,231
Vehicle fleet charges	3,919,648	7,391	24,555	3,951,594	151,415
Employee benefits	1,083,330	158,814	1,293,190	2,535,334	61,553,333
Other expenses	3,172,566	310,152	2,468,509	5,951,227	365,666
Depreciation and amortization	4,296,566	568,594	627,237	5,492,397	5,162,409
Landfill closure	950,373	-	-	950,373	-
Total operating expenses	37,187,992	2,751,209	21,218,088	61,157,289	89,332,038
Operating income (loss)	(6,006,900)	246,131	(4,930,288)	(10,691,057)	(16,164,354)
Nonoperating revenues (expenses):					
Interest income	836,737	31,066	183,581	1,051,384	994,479
Interest expense	(490,937)	-	-	(490,937)	(147,994)
Intergovernmental revenues	328,139	-	1,585,393	1,913,532	1,149,949
Capital contribution	182,561	-	-	182,561	-
Gain (loss) on disposal of capital assets	549,155	-	-	549,155	94,937
Total nonoperating revenues (expenses)	1,405,655	31,066	1,768,974	3,205,695	2,091,371
Income (loss) before transfers	(4,601,245)	277,197	(3,161,314)	(7,485,362)	(14,072,983)
Transfers in	20,006,056	-	3,751,619	23,757,675	5,244,295
Transfers out	(19,761,056)	(1,231,012)	-	(20,992,068)	(326,731)
Change in net position	(4,356,245)	(953,815)	590,305	(4,719,755)	(9,155,419)
Total net position- beginning	63,620,841	12,002,236	(2,132,115)		(199,080,597)
Total net position - ending	\$ 59,264,596	\$ 11,048,421	\$ (1,541,810)		\$ (208,236,016)
Adjustment to reflect the elimination of indirect costs charged by governmental funds				3,350,402	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(568,388)	
Change in net position of business-type activities				\$ (1,937,741)	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	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	\$ 30,837,989	\$ 3,006,447	\$ 18,381,032	\$ 52,225,468	\$ 99,978
Cash receipts from interfund services provided	-	-	-	-	70,305,883
Cash payments to suppliers for goods and services	(22,072,298)	(659,376)	(9,363,571)	(32,095,245)	(64,004,928)
Cash payments to employees for services	(8,690,184)	(1,246,776)	(10,516,685)	(20,453,645)	(4,382,819)
Net cash (used in) provided by operating activities	75,507	1,100,295	(1,499,224)	(323,422)	2,018,114
Cash flows from noncapital financing activities:					
Transfers in	20,006,056	-	3,751,619	23,757,675	5,244,295
Transfers (out)	(19,761,056)	(1,231,012)	-	(20,992,068)	(326,731)
Intergovernmental receipt	273,351	-	1,585,393	1,858,744	1,149,949
Net cash provided by (used in) noncapital financing activities	518,351	(1,231,012)	5,337,012	4,624,351	6,067,513
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	-	-	-	-	(267,906)
Proceeds from sale of general obligation bonds	22,520,069	-	-	22,520,069	-
Interest paid	(407,690)	-	-	(407,690)	(147,994)
Proceeds from sale of capital assets	551,910	-	-	551,910	184,725
Acquisition and construction of capital assets	(22,775,159)	(1,136,174)	(2,860,668)	(26,772,001)	(5,275,686)
Net cash used in capital and related financing activities	(110,870)	(1,136,174)	(2,860,668)	(4,107,712)	(5,506,861)
Cash flows from investing activities:					
Interest received	836,737	31,066	183,581	1,051,384	994,479
Net cash provided by investing activities	836,737	31,066	183,581	1,051,384	994,479
Net (decrease) increase in cash and cash equivalents	1,319,725	(1,235,825)	1,160,701	1,244,601	3,573,245
Cash and cash equivalents at beginning of year	47,232,273	2,423,853	11,377,796	61,033,922	55,416,643
Cash and cash equivalents at end of year	<u>\$ 48,551,998</u>	<u>\$ 1,188,028</u>	<u>\$ 12,538,497</u>	<u>\$ 62,278,523</u>	<u>\$ 58,989,888</u>
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 1,451	\$ 9,500	\$ 598,668	\$ 609,619	\$ -
Pooled cash and cash equivalents	48,550,547	1,178,528	11,939,829	61,668,904	58,864,888
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 48,551,998</u>	<u>\$ 1,188,028</u>	<u>\$ 12,538,497</u>	<u>\$ 62,278,523</u>	<u>\$ 58,989,888</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (6,006,900)	\$ 246,131	\$ (4,930,288)	\$ (10,691,057)	\$ (16,164,354)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	4,296,566	568,594	627,237	5,492,397	5,162,409
Provision for landfill closure	950,373	-	-	950,373	-
Allowance for uncollectable accounts	49,853	-	650,639	700,492	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
(Increase) decrease in receivables	(398,956)	9,108	1,383,337	993,489	(2,761,824)
Decrease in inventories	-	-	-	-	15,790
Increase (decrease) in accounts payable	1,032,445	257,334	473,767	1,763,546	(84,483)
Increase in accrued payroll	146,126	19,128	236,829	402,083	103,142
Increase in unearned revenue	6,000	-	59,255	65,255	-
Increase in net pension liability	-	-	-	-	6,667,038
Increase in OPEB liability	-	-	-	-	7,391,861
Decrease in deferred outflows of resources for pensions	-	-	-	-	7,680,201
Increase in deferred inflows of resources for pensions	-	-	-	-	320,777
(Increase) in deferred outflows of resources for OPEB	-	-	-	-	(4,775,224)
(Decrease) in deferred inflows of resources for OPEB	-	-	-	-	(1,537,219)
Total adjustments	6,082,407	854,164	3,431,064	10,367,635	18,182,468
Net cash provided by (used in) operating activities	\$ 75,507	\$ 1,100,295	\$ (1,499,224)	\$ (323,422)	\$ 2,018,114

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2020**

ASSETS

Non-pooled cash and cash equivalents	\$ 22,529,252
Non-pooled investments	50,000
Pooled cash and cash equivalents	<u>23,171,603</u>
 Total assets	 <u><u>\$ 45,750,855</u></u>

LIABILITIES

Due to component units	\$ 1,279,215
Intergovernmental payable	14,738,331
Due to third parties	<u>29,733,309</u>
 Total liabilities	 <u><u>\$ 45,750,855</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS
 June 30, 2020

<u>ASSETS</u>	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District
Non-pooled cash and cash equivalents	\$ 5,492,039	\$ 24,366,365	\$ 83,458	\$ 556,213
Receivables (net of allowances for uncollectibles)	63,821	26,821,305	148,254	918,975
Due from primary government	-	231,530	22,741	106,793
Current portion of note receivable	-	-	-	-
Inventories	26,219	657,447	-	-
Prepaid items and deposits	402,013	4,066,475	-	-
Other non current asset - note receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	18,986,190	-	-
Capital assets:				
Nondepreciable assets	241,000	111,473,341	2	-
Other capital assets, net of accumulated depreciation	6,242,899	47,207,700	390	3,060
Total assets	<u>12,467,991</u>	<u>233,810,353</u>	<u>254,845</u>	<u>1,585,041</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred other postemployment benefit charges (OPEB)	1,634,618	1,668,435	-	-
Deferred pension charges	3,795,048	2,417,479	-	-
Total deferred outflows of resources	<u>5,429,666</u>	<u>4,085,914</u>	<u>-</u>	<u>-</u>
 <u>LIABILITIES</u>				
Accounts payable	687,785	1,856,309	24,896	162,332
Accrued payroll and fringe benefits	643,465	1,562,089	-	-
Interest payable	-	439,803	-	-
Unearned revenue	-	1,577,733	-	36,264
TAN payable	-	-	-	-
Noncurrent liabilities:				
Due within one year	178,430	4,780,510	-	-
Due in more than one year	1,729,104	35,409,354	-	-
OPEB liability	6,420,289	9,550,058	-	-
Net pension liability	19,499,662	22,903,774	-	-
Total liabilities	<u>29,158,735</u>	<u>78,079,630</u>	<u>24,896</u>	<u>198,596</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to OPEB credits	804,695	57,505	-	-
Deferred revenue - property taxes	-	24,939,663	136,674	837,245
Deferred pension credits	223,241	721,959	-	-
Total deferred inflows of resources	<u>1,027,936</u>	<u>25,719,127</u>	<u>136,674</u>	<u>837,245</u>
 <u>NET POSITION</u>				
Net investment in capital assets	6,162,447	124,179,484	392	3,060
Restricted for:				
Debt service	-	14,477,029	-	-
1% fee	-	-	-	-
Special programs	117,377	-	-	-
Capital projects	-	2,260,184	-	-
Unrestricted	(18,568,838)	(6,819,187)	92,883	546,140
Total net position	<u>\$ (12,289,014)</u>	<u>\$ 134,097,510</u>	<u>\$ 93,275</u>	<u>\$ 549,200</u>

Charleston County Volunteer Rescue Squad Dec. 31, 2019	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Totals
\$ 341,624	\$ 185,610	\$ 6,523,628	\$ 3,939,199	\$ 41,488,136
-	2,226,501	16,692,903	6,733,849	53,605,608
50,300	104,398	804,678	609,074	1,929,514
-	5,676	-	-	5,676
-	-	-	-	683,666
19,395	29,395	103,508	41,180	4,661,966
-	144,324	-	-	144,324
-	-	7,215,918	263,385	26,465,493
52,243	519,000	2,497,048	661,403	115,444,037
933,591	2,530,349	16,202,489	5,640,531	78,761,009
1,397,153	5,745,253	50,040,172	17,888,621	323,189,429
-	-	-	-	3,303,053
-	948,741	2,348,445	1,226,953	10,736,666
-	948,741	2,348,445	1,226,953	14,039,719
6,938	105,445	501,932	113,733	3,459,370
-	291,741	258,149	146,675	2,902,119
-	-	128,245	16,993	585,041
-	307,479	-	250,000	2,171,476
-	600,000	-	-	600,000
-	127,827	2,129,953	628,039	7,844,759
-	55,247	16,341,934	1,742,202	55,277,841
-	-	-	-	15,970,347
-	4,140,263	14,027,720	5,118,173	65,689,592
6,938	5,628,002	33,387,933	8,015,815	154,500,545
-	-	-	-	862,200
-	2,144,969	16,371,285	6,244,752	50,674,588
-	427,893	578,252	768,425	2,719,770
-	2,572,862	16,949,537	7,013,177	54,256,558
985,834	2,929,332	8,016,072	4,233,295	146,509,916
-	-	465,626	272,324	15,214,979
-	-	-	10,583	10,583
-	-	-	-	117,377
-	-	-	-	2,260,184
404,381	(4,436,202)	(6,430,551)	(429,620)	(35,640,994)
\$ 1,390,215	\$ (1,506,870)	\$ 2,051,147	\$ 4,086,582	\$ 128,472,045

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position								
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District	Chas County Volunteer Rescue Squad Dec. 31, 2019	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Total
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 25,931,102	\$ 195,624	\$ 24,538,091	\$ 2,483,995	\$ 1,286,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,286,608
Charleston County PRC													
Governmental activities:													
General government	6,223,184	-	-	100,000	-	(6,123,184)	-	-	-	-	-	-	(6,123,184)
Recreation/Park operations	28,648,090	12,364,335	87,967	1,042,339	-	(15,153,449)	-	-	-	-	-	-	(15,153,449)
Interest and fiscal charges	1,025,816	-	-	-	-	(1,025,816)	-	-	-	-	-	-	(1,025,816)
Total governmental activities	35,897,090	12,364,335	87,967	1,142,339	-	(22,302,449)	-	-	-	-	-	-	(22,302,449)
Cooper River Park & Playground													
Governmental activities:													
General government	10,546	-	-	-	-	-	(10,546)	-	-	-	-	-	(10,546)
Culture and recreation	200,880	-	-	-	-	-	-	-	-	-	-	-	(200,880)
Total governmental activities	211,426	-	-	-	-	-	(211,426)	-	-	-	-	-	(211,426)
North Charleston District													
Governmental activities:													
General government	23,071	-	-	-	-	-	(23,071)	-	-	-	-	-	(23,071)
Public safety	989,147	-	-	-	-	-	(989,147)	-	-	-	-	-	(989,147)
Public works	319,865	-	-	-	-	-	(319,865)	-	-	-	-	-	(319,865)
Total governmental activities	1,332,083	-	-	-	-	-	(1,332,083)	-	-	-	-	-	(1,332,083)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public Safety	451,640	-	489,842	-	-	-	-	-	38,202	-	-	-	38,202

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2020

	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, 2019	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	\$ 2,171,878	\$ 30,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,141,277)	\$ -	\$ -	\$ (2,141,277)
Culture and recreation	743,718	658,259	-	-	-	-	-	-	-	(85,459)	-	-	(85,459)
Interest	15,516	-	-	-	-	-	-	-	-	(15,516)	-	-	(15,516)
Total governmental activities	2,931,112	688,860	-	-	-	-	-	-	-	(2,242,252)	-	-	(2,242,252)
Business-type activities:													
Culture and recreation	1,978,565	1,231,230	-	-	-	-	-	-	-	(747,335)	-	-	(747,335)
Total St. Andrew's Parish Parks & Playground Commission	4,909,677	1,920,090	-	-	-	-	-	-	-	(2,989,587)	-	-	(2,989,587)
St. John's Fire District													
Governmental activities:													
Public safety	14,735,039	-	-	-	-	-	-	-	-	-	(14,735,039)	-	(14,735,039)
Interest	563,639	-	-	-	-	-	-	-	-	-	(563,639)	-	(563,639)
Total governmental activities	15,298,678	-	-	-	-	-	-	-	-	-	(15,298,678)	-	(15,298,678)
St. Paul's Fire District													
Governmental activities:													
Public safety	5,906,821	-	-	-	-	-	-	-	-	-	-	(5,906,821)	(5,906,821)
Total Component Units	\$ 89,938,517	\$ 14,480,049	\$ 25,115,900	\$ 3,626,334									(46,716,234)
General Revenues:													
Property taxes					-	25,043,579	156,451	960,669	-	1,960,849	16,807,634	7,116,121	52,045,303
Merchants inventory tax and manufacturer's depreciation					-	5,547	55,894	212,517	-	29,847	-	13,821	317,626
Franchise fees					-	-	-	39,724	-	-	-	-	39,724
Unrestricted investment earnings					-	6,331	-	7,987	-	8,817	-	37,080	60,215
Gains on sale of capital assets					-	-	-	-	23,158	105,268	-	-	128,426
Fundraising and donations					-	-	-	-	27,658	-	-	-	27,658
Miscellaneous					-	395,323	-	-	3,494	-	93,478	228,055	720,350
Total general revenues					-	25,450,780	212,345	1,220,897	54,310	2,104,781	16,901,112	7,395,077	53,339,302
Change in net position					1,286,608	3,148,331	919	(111,186)	92,512	(884,806)	1,602,434	1,488,256	6,623,068
Net position - beginning					(13,575,622)	130,949,179	92,356	660,386	1,297,703	(622,064)	448,713	2,598,326	121,848,977
Net position - end of year					\$ (12,289,014)	\$ 134,097,510	\$ 93,275	\$ 549,200	\$ 1,390,215	\$ (1,506,870)	\$ 2,051,147	\$ 4,086,582	\$ 128,472,045

See notes to financial statements.

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June 30, 2020

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The financial statements of the County of Charleston (County) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainders of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended June 30, 2020.

B. Financial Reporting Entity

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

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

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

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

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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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: 4355 Bridge View Drive Charleston, SC 29405 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 and the accrual basis of accounting. 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 and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 imposed by the provider 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, 2019, but which were levied to finance fiscal year 2020 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

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 Fund Balance/Net Position

1. Cash and Investments

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

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

The County allows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*.

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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, 2020, 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, 2020.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 – all other 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 or because they are legally or contractually required to be maintained intact. 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 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. The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds, other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

When committed, assigned and unassigned resources are available for use for the same purpose, the County depletes committed funds first followed by assigned and unassigned resources last; unless there are legal documents, contracts, or agreements that prohibit doing such.

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. Significant estimates include depreciation expense, as well as a liability for landfill closure and post-closure costs, and liabilities for pensions and OPEB.

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

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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 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

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amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The County recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the County's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the County'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

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custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or (2) pledge as collateral: (a) obligations of the United States; (b) obligations fully guaranteed both as to principal and interest by the United States; (c) general obligations of this State or any political subdivision of this State; or (d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity.

As of June 30, 2020, none of the County's bank balance of \$72,839,079 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, 2020, the County had no exposed custodial credit risk on its investments which total \$624,710,508. \$624,660,508 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 \$624,660,508 invested in the South Carolina Local Government Investment Pool (SCLGIP). This is shown as pooled cash equivalents on the face of the financials. \$50,000 has been invested in certificates of deposits and therefore by definition is not subject to credit risk. 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

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the funds being invested are considered short term or long term funds. Investment maturities for operating funds are scheduled to coincide with projected cash flow needs, taking in to account large routine expenditures as well as considering sizeable blocks of anticipated revenue. Maturities in this category are timed to comply with the following guidelines:

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

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

	<u>Maturity Date</u>		
	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Investments and Maturity:			
Certificates of Deposits	\$ -	\$ 50,000	\$ -
SCLGIP	624,660,508	-	-
	<u>\$ 624,660,508</u>	<u>\$ 50,000</u>	<u>\$ -</u>

Concentrations of Credit Risk

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

Certificates of Deposits	0.01%
SCLGIP	99.99%
	<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, 2019, exceeded FDIC limits by \$100,941.

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, 2020, St. John's Fire District had \$11,585 invested in the State Treasurer's Local Government Investment Pool.

St. Paul's Fire District has \$3,377,170 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	\$	81,217
Cash on hand - component units		2,545
Carrying amount of deposits - primary government		66,718,158
Carrying amount of deposits - component units		64,562,329
Carrying amount of investments - primary government		624,710,508
Carrying amount of investments - component units		3,388,755
Cash with fiscal agent - primary government		125,000
Total carrying amount of cash and investments	\$	<u>759,588,512</u>
Non-pooled cash and cash equivalents	\$	68,581,119
Pooled cash and cash equivalents		664,036,259
Restricted cash and cash equivalents		26,846,134
Cash with fiscal agent		125,000
Total carrying amount of cash and investments	\$	<u>759,588,512</u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
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B. Receivables

Receivables as of June 30, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				
	General	Debt Service	G.O.B. Capital Projects	Transportation Special Revenue Fund	Non-major Governmental Funds
	General	Debt Service	G.O.B. Capital Projects	Transportation Special Revenue Fund	Non-major Governmental Funds
Primary government:					
Receivables:					
Current property taxes	\$ 183,757,884	\$ 27,206,871	\$ -	\$ -	\$ 13,983,507
Delinquent property taxes	7,031,390	1,274,630	-	-	797,886
Accounts	47,419,829	-	565,442	-	1,426,399
Intergovernmental	21,556,694	14,497	-	47,913,956	19,236,572
Gross receivables	<u>259,765,797</u>	<u>28,495,998</u>	<u>565,442</u>	<u>47,913,956</u>	<u>35,444,364</u>
Less allowance for					
Current property taxes	7,644,328	1,028,420	-	-	654,873
Delinquent property taxes	3,241,121	572,174	-	-	348,291
Accounts	37,342,860	-	-	-	772,534
Gross allowance	<u>48,228,309</u>	<u>1,600,594</u>	<u>-</u>	<u>-</u>	<u>1,775,698</u>
Net total receivable	<u>\$ 211,537,488</u>	<u>\$ 26,895,404</u>	<u>\$ 565,442</u>	<u>\$ 47,913,956</u>	<u>\$ 33,668,666</u>
	Proprietary				Totals
	Governmental Activities-Internal Service Funds	Environmental Management	Parking Garages	Non-major Business-Type Activities	Primary Government
Receivables:					
Current property taxes	\$ -	\$ -	\$ -	\$ -	\$ 224,948,262
Delinquent property taxes	-	-	-	-	9,103,906.00
Accounts	322,548	7,287,208	24,379	4,211,215	61,257,020.00
Intergovernmental	4,564	95,620	72,506	643,304	89,537,713.00
Gross receivables	<u>327,112</u>	<u>7,382,828</u>	<u>96,885</u>	<u>4,854,519</u>	<u>384,846,901.00</u>
Less allowance for uncollectable:					
Current property taxes	-	-	-	-	9,327,621.00
Delinquent property taxes	-	-	-	-	4,161,586.00
Accounts	-	4,225,830	-	996,929	43,338,153.00
Gross allowance	<u>-</u>	<u>4,225,830</u>	<u>-</u>	<u>996,929</u>	<u>56,827,360</u>
Net total receivable	<u>\$ 327,112</u>	<u>\$ 3,156,998</u>	<u>\$ 96,885</u>	<u>\$ 3,857,590</u>	<u>\$ 328,019,541</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Component Units:

	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>NCD</u>
Receivables:				
Current property taxes	\$ -	\$ 25,922,111	\$ 147,564	\$ 903,957
Delinquent property taxes	-	1,245,521	22,205	135,336
Accounts	<u>63,821</u>	<u>822,949</u>	<u>-</u>	<u>-</u>
Gross receivables	<u>63,821</u>	<u>27,990,581</u>	<u>169,769</u>	<u>1,039,293</u>
Less allowance for uncollectible:				
Current property taxes	-	982,448	10,890	66,712
Delinquent property taxes	<u>-</u>	<u>186,828</u>	<u>10,625</u>	<u>53,606</u>
Gross allowance	<u>-</u>	<u>1,169,276</u>	<u>21,515</u>	<u>120,318</u>
Net total receivable	<u>\$ 63,821</u>	<u>\$ 26,821,305</u>	<u>\$ 148,254</u>	<u>\$ 918,975</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 2,265,733	\$ 16,839,483	\$ 6,733,612	\$ 52,812,460
Delinquent property taxes	120,235	416,737	518,390	2,458,424
Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>886,770</u>
Gross receivables	<u>2,385,968</u>	<u>17,256,220</u>	<u>7,252,002</u>	<u>56,157,654</u>
Less allowance for uncollectible:				
Current property taxes	120,764	468,198	488,860	2,137,872
Delinquent property taxes	<u>38,703</u>	<u>95,119</u>	<u>29,293</u>	<u>414,174</u>
Gross allowance	<u>159,467</u>	<u>563,317</u>	<u>518,153</u>	<u>2,552,046</u>
Net total receivable	<u>\$ 2,226,501</u>	<u>\$ 16,692,903</u>	<u>\$ 6,733,849</u>	<u>\$ 53,605,608</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2020, was as follows:

Governmental Activities	Balance July 1, 2019	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 34,464,973	\$ 9,942	\$ (182,560)	\$ 34,292,355
Construction in progress	23,000,337	31,069,660	(27,727,300)	26,342,697
Infrastructure-easements, land	11,565,920	29,962	(7,530)	11,588,352
Total capital assets not being depreciated	<u>69,031,230</u>	<u>31,109,564</u>	<u>(27,917,390)</u>	<u>72,223,404</u>
Capital assets being depreciated:				
Buildings	353,077,919	25,703,610	(11,696)	378,769,833
Improvements other than buildings	5,937,041	806,430	(1,043,770)	5,699,701
Machinery and equipment	146,171,283	15,535,392	(10,245,466)	151,461,209
Infrastructure	33,010,128	69,228	-	33,079,356
Total capital assets being depreciated	<u>538,196,371</u>	<u>42,114,660</u>	<u>(11,300,932)</u>	<u>569,010,099</u>
Less accumulated depreciation:				
Buildings	(125,603,893)	(7,743,861)	11,697	(133,336,057)
Improvements other than buildings	(2,393,341)	(573,820)	708,894	(2,258,267)
Machinery and equipment	(108,385,498)	(12,054,664)	9,810,303	(110,629,859)
Infrastructure	(29,566,772)	(1,058,470)	-	(30,625,242)
Total accumulated depreciation	<u>(265,949,504)</u>	<u>(21,430,815)</u>	<u>10,530,894</u>	<u>(276,849,425)</u>
Total capital assets being depreciated, net	<u>272,246,867</u>	<u>20,683,845</u>	<u>(770,038)</u>	<u>292,160,674</u>
Governmental activities				
Total capital assets, net	<u>\$ 341,278,097</u>	<u>\$ 51,793,409</u>	<u>\$ (28,687,428)</u>	<u>\$ 364,384,078</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Transfer/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2020</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 6,914,882	\$ 182,561	\$ (53,240)	\$ 7,044,203
Construction in progress	<u>10,788,291</u>	<u>24,937,374</u>	<u>-</u>	<u>35,725,665</u>
Total capital assets not being depreciated	<u>17,703,173</u>	<u>25,119,935</u>	<u>(53,240)</u>	<u>42,769,868</u>
Capital assets being depreciated:				
Buildings	28,054,543	-	-	28,054,543
Improvements other than buildings	25,897,705	858,028	-	26,755,733
Machinery and equipment	<u>36,869,634</u>	<u>1,427,800</u>	<u>(1,300,458)</u>	<u>36,996,976</u>
Total capital assets being depreciated	<u>90,821,882</u>	<u>2,285,828</u>	<u>(1,300,458)</u>	<u>91,807,252</u>
Less accumulated depreciation:				
Buildings	(13,580,998)	(588,392)	-	(14,169,390)
Improvements other than buildings	(9,002,136)	(1,399,287)	-	(10,401,423)
Machinery and equipment	<u>(23,039,132)</u>	<u>(3,504,718)</u>	<u>885,268</u>	<u>(25,658,582)</u>
Total accumulated depreciated	<u>(45,622,266)</u>	<u>(5,492,397)</u>	<u>885,268</u>	<u>(50,229,395)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>45,199,616</u>	<u>(3,206,569)</u>	<u>(415,190)</u>	<u>41,577,857</u>
Total capital assets, net	<u>\$ 62,902,789</u>	<u>\$ 21,913,366</u>	<u>\$ (468,430)</u>	<u>\$ 84,347,725</u>

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

Governmental Activities	
General government	\$ 10,127,634
Public safety	6,197,850
Judicial	1,752,810
Public works	1,959,376
Health and welfare	87,803
Economic development	13,492
Culture and recreation	1,291,850
Total	<u>\$ 21,430,815</u>
Business-type Activities	
DAODAS	\$ 296,513
E-911 Communications	223,895
Environmental Management	4,296,566
Parking Garages	568,594
Public Safety Systems	4,360
Radio Communications	85,457
Revenue Collections	17,012
Total	<u>\$ 5,492,397</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Component Units

Capital assets not being depreciated:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Land	\$ 110,119,640	\$ 169,082	\$ (35,436)	\$ 110,253,286
Construction in progress	8,792,211	3,663,620	(7,506,080)	4,949,751
Reference database	-	230,000	-	230,000
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>118,922,851</u>	<u>4,062,702</u>	<u>(7,541,516)</u>	<u>115,444,037</u>
Capital assets being depreciated:				
Buildings	81,041,028	11,673,961	(79,915)	92,635,074
Improvements other than buildings	21,995,531	782,351	-	22,777,882
Machinery and equipment	30,651,124	2,354,406	(367,132)	32,638,398
Infrastructure	5,329,786	656,659	-	5,986,445
Library materials	14,352,295	2,144,719	(2,709,243)	13,787,771
Total capital assets being depreciated	<u>153,369,764</u>	<u>17,612,096</u>	<u>(3,156,290)</u>	<u>167,825,570</u>
Less accumulated depreciation	<u>(84,301,643)</u>	<u>(7,890,172)</u>	<u>3,127,254</u>	<u>(89,064,561)</u>
Total capital assets being depreciated, net	<u>69,068,121</u>	<u>9,721,924</u>	<u>(29,036)</u>	<u>78,761,009</u>
Component units				
Total capital assets, net	<u>\$ 187,990,972</u>	<u>\$ 13,784,626</u>	<u>\$ (7,570,552)</u>	<u>\$ 194,205,046</u>

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

General government	\$ 290,196
Public safety	1,922,912
Culture and recreation	<u>5,677,064</u>
Total	<u>\$ 7,890,172</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Construction in progress in the Governmental and Business-type Activities as of June 30, 2020, is composed of the following:

Primary Government

Governmental activities:	Project Authorization	Expended to June 30, 2020	Commitments Outstanding	Required Future Financing
Awendaw Fire Station	\$ 3,400,000	\$ 2,873,803	\$ 84,673	None
Library Projects	95,000,000	12,165,527	20,482,648	None
Library Storage Tank	102,500	65,318	36,920	None
				General Obligation
Azalea Compound	57,948,000	215,034	-	Bonds
Detention Center				
Exterior	1,734,178	647,526	954,682	None
Sheriff Flashback HD System	301,255	56,990	242,264	None
Public Safety				
Court Hearing System	32,005	14,901	17,104	None
DJJ Renovations & relocation	2,100,000	763,226	976,993	None
Community Services Hub	59,176,000	7,212,032	51,963,968	None
Master Plan Community Services				
Hub	1,442,895	309,479	114,524	None
County Office Building				
& Magistrates Renovations	1,801,000	121,711	61,290	None
Juvenile Detention	16,061,000	1,366,217	14,224,051	None
Detention Center HVAC	1,808,321	255,960	1,712,010	None
Other Technology Projects	454,300	274,973	179,306	None
Total Governmental Activities	\$ 241,361,454	\$ 26,342,697	\$ 91,050,433	

Business-type activities:	Project Authorization	Expended to June 30, 2020	Commitments Outstanding	Required Future Financing
Parking Garages Renovations	\$ 718,016	\$ 282,327	\$ 267,622	None
Lined Landfill	9,966,122	6,066,933	339,879	None
Materials Recovery Facility				
Relocation	30,445,000	25,538,919	4,906,081	None
Bees Ferry Site Preparation	2,170,000	1,198,187	29,232	None
Revenue Collections				
IT Project	530,839	83,339	447,500	None
Radio Towers	775,768	558,440	196,833	None
E911 - recording logging system	2,812,498	1,997,520	516,648	None
Total business-type activities	\$ 47,418,243	\$ 35,725,665	\$ 6,703,795	

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2020, the County has assets under capital lease with a total cost of \$4,642,894 and a net book value of \$2,253,405. 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	<u>Project Authorization</u>	<u>Expended to June 30, 2020</u>	<u>Commitments Outstanding</u>	<u>Required Future Financing</u>
CCPRC				
James Island Fish Dock	\$ 800,000	\$ 55,852	\$ 829,379	None
Folly Beach Pier Replacement	4,610,000	558,177	13,246,223	General Obligation Bonds
Master Plan OTCCP	3,358,675	521,620	361,011	General Obligation Bonds
WCP Dog Park	3,282,812	1,903,860	372,209	General Obligation Bonds
Total CCPRC	<u>\$ 12,051,487</u>	<u>\$ 3,039,509</u>	<u>\$ 14,808,822</u>	
SJFD-Fire Stations 4 & 6	<u>\$ 7,013,846</u>	<u>\$ 1,910,242</u>	<u>\$ 5,233,102</u>	None
Total Component Units	<u><u>\$ 19,065,333</u></u>	<u><u>\$ 4,949,751</u></u>	<u><u>\$ 20,041,924</u></u>	

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2020, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Major governmental funds: General Fund	\$ 32,237,896	\$ 754,029
Non-major governmental funds	-	32,237,896
Major enterprise funds: Environmental Management	-	16,827,991
Major enterprise funds: Parking Garages	-	2,429,988
Non-major enterprise funds	-	18,971,779
Internal service funds	38,983,787	-
Total	<u><u>\$ 71,221,683</u></u>	<u><u>\$ 71,221,683</u></u>

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	\$ 4,737,268	\$ (11,464,265)
Debt Service Fund	15,624,065	(4,578,291)
Transportation and Road Sales Tax	64,797,350	(67,797,350)
Special Source Revenue Bonds	8,083,978	(11,510,383)
G.O.B. Capital Projects	10,674	(2,655,199)
Non-major governmental funds	12,893,771	(15,824,789)
Major business-type activities:		
Environmental Management	20,006,056	(19,761,056)
Parking Garage	-	(1,231,012)
Non-major business-type activities	3,751,619	-
Internal Service Funds	5,244,295	(326,731)
Total	\$ 135,149,076	\$ (135,149,076)

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 and Lease Obligations

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 2017, the Library entered into a capital lease agreement as lessee for financing the acquisition of telephone equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date. Repayment is budgeted in the general fund.

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.

In 2018, 2019, and 2020, the Library entered into capital lease agreements as lessee for financing the acquisition of copiers. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Repayment is budgeted in the general fund.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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They carrying value of the assets acquired through capital leases is as follows:

	Governmental Activities
Copiers, computer network, and telephone equipment	\$ 738,058
Less accumulated depreciation	369,309
Total	\$ 368,749

In August 2019, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing October 2019, ending September 2023, with a minimum monthly charge of \$1,594 for a total commitment of \$83,376 over the lease term.

In September 2019, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing October 2019, ending September 2023, with a minimum monthly charge of \$2,588 for a total commitment of \$135,408 over the lease term.

In December 2019, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing February 2020, ending January 2024, with a minimum monthly charge of \$1,282 for a total commitment of \$67,056 over the lease term.

In March 2020, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing May 2020, ending April 2024, with a minimum monthly charge of \$1,708 for a total commitment of \$89,376 over the lease term.

Total rent expense associated with the computer leases for the year ended June 30, 2020, is \$279,800. The future minimum lease payments for the leases are as follows:

Year Ending - June 30	Amount
2021	\$ 273,723
2022	207,782
2023	114,703
2024	42,074
	\$ 638,282

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

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NOTES TO FINANCIAL STATEMENTS
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sheet date. The \$11,313,796 reported as the accrual for landfill closure and post-closure at June 30, 2020, represents the estimated remaining cost reported of \$26,646,449 less \$15,332,653 deferred to date based on the following information:

Landfill Site	Percentage of Capacity Used	Estimated Costs Recognized			Balance To Be Recognized
		Closure	Post-closure	Total	
Romney Street	100%	\$ 5,490,798	\$ 240,821	\$ 5,731,619	\$ -
Bees Ferry					
Ash storage facility	100%	1,117,258	68,975	1,186,233	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	36.0%	7,571,000	954,000	8,525,000	15,169,000
Bees Ferry C&D landfill	93.8%	2,436,000	43,000	2,479,000	163,653
Totals		<u>\$32,380,865</u>	<u>\$ 1,306,796</u>	<u>\$ 33,687,661</u>	<u>\$ 15,332,653</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2020. 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 224 in the statistical section of this report.

H. Short-term Debt

Some of the County's component units use short-term tax anticipation notes or lines of credit to finance general operating expenditures during the fiscal year ended June 30, 2020. 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	-
SAPPPC	-	600,000	-	600,000
	<u>\$ -</u>	<u>\$ 1,600,000</u>	<u>\$ 1,000,000</u>	<u>\$ 600,000</u>

The SAPPPC balance of \$600,000 is to be repaid during fiscal year 2021, with interest of \$8,923.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2020.

Primary Government:	Balance			Balance	Amounts Due
	July 1, 2019	Increase	Decrease	June 30, 2020	In One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 542,750,837	\$ 139,592,645	\$ 47,200,412	\$ 635,143,070	\$ 67,652,417
Special source revenue bond	124,010,767	-	3,932,252	120,078,515	6,180,560
Intergovernmental note payable	20,647,021	-	1,816,926	18,830,095	1,921,036
Capital lease payable	2,983,984	-	990,606	1,993,378	892,400
Compensated absences	12,975,027	3,165,083	597,038	15,543,072	597,038
Total	\$ 703,367,636	\$ 142,757,728	\$ 54,537,234	\$ 791,588,130	\$ 77,243,451
<u>Business-type activities</u>					
General obligation bonds	\$ -	\$ 22,500,710	\$ 51,950	\$ 22,448,760	\$ 2,840,477
Accrual for landfill closure	10,363,423	950,373	-	11,313,796	950,373
Compensated absences	1,337,779	312,398	54,219	1,595,958	54,219
Total	\$ 11,701,202	\$ 23,763,481	\$ 106,169	\$ 35,358,514	\$ 3,845,069

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, 2020**

Primary government General Obligation Bond's payable at June 30, 2020, is comprised of the following:

Governmental Activities:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
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	\$ 425,000
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	17,505,000
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	2,485,000
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	18,775,000
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	70,120,000
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	25,170,000
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	3,045,000
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	995,000
November 3, 2015	General Obligation Capital Improvement Bonds, Series 2015A, 3.00 percent to 5.00 percent interest, annual principal payments beginning in November 2016, semi-annual interest payments beginning in May 2016, matures in fiscal year 2036.	18,795,000	16,120,000

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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	1,420,000
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	31,510,000
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	95,150,000
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
October 30, 2019	General Obligation Capital Improvement Bonds, Series 2019A, 2.375 percent to 5.00 percent interest, annual principal payments beginning in November 2020, semi-annual interest payments beginning May 2020, matures in fiscal year 2040.	25,060,000	25,060,000
October 30, 2019	General Obligation Capital Improvement Bonds, Series 2019B, 2.625 percent to 5.00 percent interest, annual principal payments beginning in November 2020, semi-annual interest payments beginning May 2020, matures in fiscal year 2040.	91,429,454	91,429,454
October 30, 2019	General obligation Bonds, Series 2019C, 5.0 percent interest, annual principal due November 2020, semi-annual interest payments beginning May 2020, matures in fiscal year 2021.	<u>9,020,000</u>	<u>9,020,000</u>
Subtotal		<u>\$858,254,454</u>	576,099,454
Add: Premium			<u>59,043,616</u>
General obligation debt per statement of net position, governmental activities			635,143,070
Less current portion, including premium			<u>(67,652,417)</u>
Long-term portion outstanding			<u>\$567,490,653</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Business-type Activities:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
October 30, 2019	General Obligation Capital Improvement Bonds, Series 2019B, 2.625 percent to 5.00 percent interest, annual principal payments beginning in November 2020, semi-annual interest payments beginning May 2020, matures in fiscal year 2040.	\$20,045,546	\$20,045,546
Subtotal		<u>\$20,045,546</u>	20,045,546
Add: Premium			<u>2,403,214</u>
General obligation debt per statement of business-type activities			22,448,760
Less current portion, including premium			<u>(2,840,477)</u>
Long-term portion outstanding			<u>\$19,608,283</u>

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, 2020, 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	\$ 79,455,000
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>	115,270,000
Add: Premium			<u>4,808,515</u>
Special source revenue debt per statement of net position			120,078,515
Less current portion, including premium			<u>(6,180,560)</u>
Long-term portion outstanding			<u>\$113,897,955</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2020

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, 2020, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	2,400,647	599,353
2026-2028	9,000,000	8,059,263	940,737
Total	<u>\$ 24,000,000</u>	<u>\$ 18,830,095</u>	<u>\$ 5,169,905</u>

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, 2020, include the following:

Governmental Activities

	<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	\$ 121,773
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	457,510
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	370,133
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	38,523

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2020**

Internal Service Fund

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	1,005,439
	\$ 4,503,149	1,993,378
Less current portion		(892,400)
Long-term portion outstanding		\$ 1,100,978

A summary of the annual requirements are as follows:

Year Ending June 30	Principal	Interest	Totals
2021	\$ 892,400	\$ 157,691	\$ 1,050,091
2022	650,544	96,640	747,184
2023	450,434	45,309	495,743
Total	\$ 1,993,378	\$ 299,640	\$ 2,293,018



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2020.

Governmental activities:

Year Ending June 30	General Obligation Bonds		Special Source Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	
2021	\$ 58,309,129	\$ 23,128,043	\$ 5,830,000	\$ 4,901,799	\$ 92,168,971
2022	40,021,591	20,759,294	5,580,000	4,687,361	71,048,246
2023	41,751,021	18,922,507	5,430,000	4,478,686	70,582,214
2024	44,958,653	17,163,098	5,655,000	4,264,889	72,041,640
2025	48,390,386	15,133,508	5,435,000	4,044,396	73,003,290
2026	51,925,322	12,742,878	5,445,000	3,819,856	73,933,056
2027	56,057,559	10,215,874	5,255,000	3,592,232	75,120,665
2028	42,303,897	8,001,545	5,070,000	3,365,892	58,741,334
2029	32,157,539	6,384,559	5,220,000	3,134,767	46,896,865
2030	27,439,382	5,196,761	5,455,000	2,912,128	41,003,271
2031	14,219,426	4,383,865	5,665,000	2,699,002	26,967,293
2032	14,951,269	3,804,180	5,880,000	2,474,223	27,109,672
2033	13,681,709	3,263,984	6,110,000	2,216,996	25,272,689
2034	14,350,744	2,760,431	6,400,000	1,927,743	25,438,918
2035	14,943,377	2,255,192	6,690,000	1,618,566	25,507,135
2036	15,632,807	1,734,132	7,015,000	1,288,273	25,670,212
2037	15,028,137	1,216,742	7,350,000	941,683	24,536,562
2038	15,732,567	690,762	7,705,000	578,051	24,706,380
2039	7,018,401	316,291	8,080,000	195,927	15,610,619
2040	7,226,538	106,454	-	-	7,332,992
Totals	576,099,454	158,180,100	115,270,000	53,142,470	902,692,024
Add Premium	59,043,616	-	4,808,515	-	63,852,131
Total debt- governmental activities	<u>\$ 635,143,070</u>	<u>\$ 158,180,100</u>	<u>\$120,078,515</u>	<u>\$ 53,142,470</u>	<u>\$ 966,544,155</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Business-type activities:

Year Ending <u>June 30</u>	General <u>Obligation Bonds</u>		
	Principal	Interest	Totals
2021	\$ 2,540,871	\$ 747,353	\$ 3,288,224
2022	593,409	668,996	1,262,405
2023	623,979	638,561	1,262,540
2024	656,347	606,553	1,262,900
2025	689,613	572,904	1,262,517
2026	724,679	537,547	1,262,226
2027	762,441	500,369	1,262,810
2028	801,103	461,280	1,262,383
2029	842,461	420,191	1,262,652
2030	885,618	376,989	1,262,607
2031	930,574	331,584	1,262,158
2032	973,731	288,845	1,262,576
2033	1,013,291	249,105	1,262,396
2034	1,049,256	213,101	1,262,357
2035	1,081,623	181,137	1,262,760
2036	1,112,193	150,315	1,262,508
2037	1,141,863	120,731	1,262,594
2038	1,172,433	89,623	1,262,056
2039	1,206,599	55,403	1,262,002
2040	1,243,462	18,652	1,262,114
Totals	20,045,546	7,229,239	27,274,785
Add Premium	2,403,214	-	2,403,214
Total debt Business- type activities	<u>\$ 22,448,760</u>	<u>\$ 7,229,239</u>	<u>\$ 29,677,999</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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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, 2020.

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2020:

Component Units	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Amount Due in One Year
Accrued compensated absences	\$ 4,035,402	\$ 2,388,006	\$ (2,272,628)	\$ 4,150,780	\$ 1,098,473
General obligation bonds	57,176,872	-	(5,356,055)	51,820,817	5,680,785
General obligation bonds - Direct Placement	6,769,000	-	(430,000)	6,339,000	515,000
Capital lease obligations	1,491,441	39,600	(839,055)	691,986	485,731
Revenue bonds	20,810	-	(20,810)	-	-
Notes payable	100,450	80,000	(60,433)	120,017	64,770
Total	\$ 69,593,975	\$ 2,507,606	\$ (8,978,981)	\$ 63,122,600	\$ 7,844,759



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Accrued compensated absences:						
CCL			\$ 1,169,159	\$ 1,132,607	\$ (715,684)	\$ 1,586,082
CCPRC			1,790,631	636,011	(1,105,810)	1,320,832
SAPPPC			83,077	43,117	(63,137)	63,057
SJFD			694,379	572,825	(387,997)	879,207
SPFD			298,156	3,446	-	301,602
Total accrued compensated absences			<u>4,035,402</u>	<u>2,388,006</u>	<u>(2,272,628)</u>	<u>4,150,780</u>
General obligation bonds:						
CCPRC	2021 - 2033	1.25% - 4.00%	43,245,270	-	(4,376,238)	38,869,032
SPFD	2021 - 2027	2.315% - 3.45%	2,276,602	-	(374,817)	1,901,785
SJFD	2021 - 2034	1.015% - 2.125%	11,655,000	-	(605,000)	11,050,000
Total general obligation bonds			<u>57,176,872</u>	<u>-</u>	<u>(5,356,055)</u>	<u>51,820,817</u>
General obligation bonds: Direct Placement:						
SJFD	2021-2034	1.015%-2.009%	6,769,000	-	(430,000)	6,339,000
Capital lease obligations:						
CCL	2021 - 2025		415,952	39,600	(134,100)	321,452
SPFD	2021 - 2022	2.57% - 6.37%	343,199	-	(176,345)	166,854
SJFD	2021	4.36% - 5.593%	732,290	-	(528,610)	203,680
Total capital lease obligations			<u>1,491,441</u>	<u>39,600</u>	<u>(839,055)</u>	<u>691,986</u>
Revenue Bonds:						
SAPPPC	2020	1.77% - 2.58%	20,810	-	(20,810)	-
Notes payable:						
SAPPPC	2021 - 2023	1.46% - 3.89%	100,450	80,000	(60,433)	120,017
Total component units long-term obligations			<u>\$69,593,975</u>	<u>\$ 2,507,606</u>	<u>\$ (8,978,981)</u>	<u>\$ 63,122,600</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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
2021	\$ 1,288,025	\$ 442,913	\$ 5,443,513	\$ 7,174,451
2022	1,619,375	442,764	3,933,500	5,995,639
2023	1,644,875	341,310	4,332,800	6,318,985
2024	1,666,731	340,528	4,326,450	6,333,709
2025	801,163	341,722	3,926,150	5,069,035
2026 - 2030	4,007,113	173,857	16,326,675	20,507,645
2031 - 2034	2,396,950	-	6,105,500	8,502,450
Total	13,424,232	2,083,094	44,394,588	59,901,914
Less interest and plus amortized premium included above	<u>(2,374,232)</u>	<u>(181,309)</u>	<u>(5,525,556)</u>	<u>(8,081,097)</u>
Debt per statement of net position	<u>\$ 11,050,000</u>	<u>\$ 1,901,785</u>	<u>\$ 38,869,032</u>	<u>\$ 51,820,817</u>

General Obligation Bonds - Direct Placement

<u>Year Ending June 30</u>	SJFD
2021	\$ 654,052
2022	558,770
2023	553,571
2024	549,304
2025	660,939
2026 - 2030	3,341,842
2031 - 2034	951,648
Total	7,270,126
Less interest and plus amortized premium included above	<u>(931,126)</u>
Debt per statement of net position	<u>\$ 6,339,000</u>

Future minimum capital lease payments

<u>Year Ending June 30</u>	CCL	SJFD	SPFD	Total Component Units
2021	\$ 132,560	\$ 214,402	\$ 171,191	\$ 518,153
2022	109,445	-	-	109,445
2023	86,331	-	-	86,331
2024	22,136	-	-	22,136
2025	4,784	-	-	4,784
Future minimum capital lease payments	355,256	214,402	171,191	740,849
Less amount representing interest	<u>(33,804)</u>	<u>(10,722)</u>	<u>(4,337)</u>	<u>(48,863)</u>
Debt per statement of net position	<u>\$ 321,452</u>	<u>\$ 203,680</u>	<u>\$ 166,854</u>	<u>\$ 691,986</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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Notes Payable

Year Ending June 30	SAPPPC
2021	\$ 67,228
2022	37,855
2023	18,342
Total	123,425
Less interest included above	(3,408)
Debt per statement of net position	\$ 120,017

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, 2020, the following debt issues outstanding are considered defeased:

	Governmental Activities
Primary Government:	
General Obligation Bonds:	
Series 2011 - CIP	\$ 16,775,000
Series 2011 - TST	101,925,000
Total General Obligation Bonds	118,700,000
Total Primary Government	\$ 118,700,000

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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		\$ 4,697,249,677
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u>\$ 4,724,193,274</u>
Debt limitation-8 percent of total assessed value		\$ 377,935,462
Total bonded debt:		
General Obligation Bonds	\$ 596,145,000	
Less:		
Series 2011 G.O. Bond Transportation Sales Tax	\$ (17,505,000)	
Series 2012 G.O. Bond Transportation Sales Tax	(18,775,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(70,120,000)	
Series 2015D G.O. Bond Transportation Sales Tax	(31,510,000)	
Series 2017C G.O. Bond Transportation Sales Tax	(97,600,000)	
Series 2015B G.O. Bond Awendaw Fire	(1,420,000)	
Series 2017A G.O. Bond Library Referendum	(67,280,000)	
Series 2019A G.O. Bond Library Referendum	(25,060,000)	(329,270,000)
Total debt subject to debt limit		<u>266,875,000</u>
Legal debt margin		<u>\$ 111,060,462</u>

J. Deficit Net Position / Fund Balance

The Employee Benefits Internal Service Fund has a deficit net position of \$228,647,896 for the year ended June 30, 2020. 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 Internal Service 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 \$2,292,621 in the Revenue Collections Fund and \$6,577,062 in DAODAS which also will be funded by governmental funds in future years. The Disaster Fund deficit of \$5,975,666 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 \$14,742,349 which will be funded by the future sale of capital assets. The Accommodations Fund has a deficit of \$408,223 which will be funded by future accommodations collections.

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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The County and its component units are also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all of its employees in the State's health insurance plans administered by the South Carolina Public Employee Benefit Authority (PEBA). The County records contributions from employer funds, employees, and retirees in the Employee Benefits 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 \$3,210,000 reported in the Fund at June 30, 2020, 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 2019 and 2020 were:

<u>Year Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2019	\$ 3,520,000	\$ 4,016,184	\$ (4,276,184)	\$ 3,260,000
2020	\$ 3,260,000	\$ 4,605,047	\$ (4,655,047)	\$ 3,210,000

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

B. Subsequent Events

In July 2020, Council approved the purchase of several Greenbelt projects:

Edisto Island Community Recreation Area	\$ 1,819,372
Ross Tract / John's Island Park Expansion	\$ 1,590,000
Church Creek Park	\$ 2,876,000

On July 6, 2020, the County signed an agreement with McGill Environmental Systems of NC, Inc. for composting services at the Bees Ferry landfill. The term of this agreement is for ten years. The County may extend this term for up to two additional periods of up to twelve months each. There are several fees the County will pay the contractor each month, including a per ton operating fee. Also included is a revenue sharing clause in which the contractor will pay the County a 30% revenue share for all compost and mulch sales, not including up to 10% of compost annual production set aside for distribution to County residents.

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In August 2020, the County entered into an agreement with Charleston Recycling Services, LLC to process and market the County's recyclable materials at the Materials Recovery Facility located at 8099 Palmetto Commerce Parkway in North Charleston. The term of the agreement is five years, and the County may extend the term for up to two additional periods of up to two years each. Each month, the County shall owe the contractor a fixed processing fee per ton for mixed recyclables, delivered and accepted based on a 3 tier schedule.

In September 2020, Council awarded the contract for the renovations of five regional libraries to the M.B. Kahn Construction Co., Inc. The cost of these renovations is \$8,785,068

In September 2020, Council voted to award the contract for construction of the Juvenile Detention Center to M.B. Kahn Construction Co., Inc. The bid price of this project is \$12,115,640.

In October 2020, Council voted to authorize staff to extend the IT services contract with CMC for five years. The minimum baseline price is as follows:

<u>June 30,</u>	
2022	\$ 5,400,000
2023	5,600,000
2024	5,550,000
2025	5,500,000
2026	<u>5,450,000</u>
	<u>\$ 27,500,000</u>

In October 2020, County Council voted to authorize staff to enter into a Purchase and Sale agreement for the sale of Charleston Center, located at 344 Calhoun Street. The sales price is approximately \$19 million.

In November 2020, County Council gave initial approval to sell the building and property at 3600 Rivers Avenue (the former Navy Hospital) for \$15 million. Numerous tax breaks are involved and a portion of the purchase price could be refunded if one of the tax breaks falls through. The buyer is Navy Yard Development, Co. An affiliated company, Civic Hub Development, Co. will construct the County's new Social Services building across the street from 3600 Rivers Avenue. Civic Hub Development will receive a total fee of \$2.45 million for managing the new Social Services Hub Project. This building is expected to be 165,000 square feet and cost the County approximately \$59.5 million.

On December 1, 2020, the County officially cut the ribbon on the new MRF located in North Charleston. This is a new 82,000 square foot facility for sorting recyclables.

In August 2020, the Library entered into a lease financing agreement in the amount of \$34,641 with an interest rate of 5.26%, payable in 60 monthly installments of \$649. The lease financing agreement was used for the acquisition of copiers.

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

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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 bridges connecting the City of Charleston and the Town of Mt. Pleasant. This debt is shown as an intergovernmental 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 project is currently estimated to cost \$725 million and therefore creates a possible \$305 million commitment for the County.

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.

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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.

The County signed a lease on October 14, 2019 with Carver Realty SC, LLC for land and improvements located at 1801 Shipyard Creek Road owned by the County. The term of the lease is for two years. The base rent is \$240,000 per year payable in monthly installments of \$20,000, in advance, on the first day of each month. This is a triple net lease and the tenant is responsible for the payment of all taxes, insurance and common area maintenance. The County is not responsible for any costs and/or fees. Base rent received for June 30, 2020 was \$160,000.

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. The amount to be paid in fiscal year 2021 remains at \$2,100,000.

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.

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The following is a schedule by year of the minimum future rentals on the non-cancelable operating lease as of June 30, 2020:

Year Ending June 30	Total
2021	\$ 83,632
2022	56,306
Total minimum future rentals	\$ 139,938

Total rental income of \$150,720 was recorded during the current year.

The Charleston County Park and Recreation Commission had several incomplete construction projects at year-end. As of June 30, 2020, the CCPRC had outstanding construction commitments of \$15,093,287.

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, 2020, the unamortized prepaid rent was \$4,056,000.

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

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 the management, staffing and maintenance of the pool complex, and the Town will be responsible for the costs of the management, staffing, and maintenance of all other proposed recreational amenities.

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

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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, 2020 to June 30, 2021, 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, 2020. 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, 2020, the leased assets have a book value of \$392.

To fulfill the contract terms for the year ended June 30, 2020, the Commission reflects a net amount due from the City of North Charleston totaling \$24,896.

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, 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, 2020, the District owes the City \$153,590. The District entered into another one-year contract with the city covering the period from July 1, 2020 to June 30, 2021, 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, 2020, St. John's Fire District had remaining contractual commitments of \$5,233,102 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 this contingent liability.

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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 \$2,909,053 for the fiscal year ending June 30, 2020.

Total contributions made by the Charleston County Library's plan members were \$186,257 for the fiscal year ending June 30, 2020.

E. 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

- 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 538 employees and beneficiaries 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.

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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 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

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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.

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.

Membership of the plan is as follows:

Retirees, survivors and beneficiaries receiving benefits	23	
Active Employees	134	
Total	157	

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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 3.13% for the year ended June 30, 2019 and 3.62% for the year ended June 30, 2018. Employees are not required to contribute to the plan. For the year ended June 30, 2020, the County made net contributions of \$2,325,317 for retiree healthcare.

During the fiscal year ended June 30, 2020 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-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:

Primary Government:

Valuation Date:	June 30, 2018
Measurement Date:	June 30, 2019
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.13% as of June 30, 2019
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

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Participation Rates: It was assumed that the rates of participation would vary based on the premium subsidy provided by the County.

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

For employees retiring after age 65, the assumed election rate is equal to the product of the pre-65 election rate and the post-65 continuation rate.

Health Care Trend Rate: Initial trend starting at 6.40% and declining to an ultimate 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 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019. Additionally, the health care trend rates were updated to reflect the plan's anticipated experience.

CCPRC: The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the CCPRC OPEB Plan.

Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market
Value Actuarial Assumptions:	
Inflation	2.25%
Single Discount Rate	2.45%
Healthcare Cost Trend	6.50% declining to an ultimate rate of 4.00% after 13 years

Rate Coverage: The participation rates were assumed to vary by the amount of the subsidy; employees were expected to participate at a rate of 70%, 90% and 95% when eligible for the 50%, 75% and 100% subsidies, respectively.

Mortality Table: 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. The following multipliers are applied to the base tables: 100% for male SCRS members and 111% for female SCRS members.

Demographic assumptions were based on the results of an actuarial experience study for the five-year period ended June 30, 2015, as conducted for the SCRS.

Total OPEB Liability

Prior to the year ended June 30, 2018, 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. Current 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

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difference between the total OPEB liability and the plan's fiduciary net position.

The total OPEB liability is based upon an actuarial valuation performed as of the valuation date, June 30, 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, 2019, 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 3.13% (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 3.62% 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 3.13%, 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 2.13%	Current Discount Rate Assumption 3.13%	1% Increase 4.13%
Primary Government	\$ 85,450,514	\$ 74,602,421	\$ 65,697,431
CCL	\$ 7,353,871	\$ 6,420,289	\$ 5,653,921

	1% Decrease 1.45%	Current Discount Rate Assumption 2.45%	1% Increase 3.45%
CCPRC	\$ 11,087,818	\$ 9,550,058	\$ 8,221,613

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

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

	1% Decrease	Current Healthcare Costs Trend Rate Assumption	1% Increase
Primary Government	\$ 62,328,301	\$ 74,602,421	\$ 90,399,850
CCL	\$ 5,363,974	\$ 6,420,289	\$ 7,779,811
CCPRC	\$ 8,160,293	\$ 9,550,058	\$ 11,212,800

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

The County's total OPEB liability measured as of June 30, 2019 and rolled forward to June 30, 2020, is as follows:

Total OPEB liability	
Service cost	\$ 2,866,179
Interest on the total OPEB liability	2,436,162
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	204,908
Changes of assumptions	4,577,329
Benefit payments	<u>(2,692,717)</u>
Net change in total OPEB liability	7,391,861
Total OPEB liability - beginning	<u>67,210,560</u>
Total OPEB liability - ending	<u><u>\$ 74,602,421</u></u>
Covered payroll	\$ 123,179,368
Total OPEB liability as a percentage of covered payroll	60.56%

Changes of assumptions reflect a change in the discount rate from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019.

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	\$ 2,325,317
b. Implicit benefit payments	<u>367,400</u> (Explicit Benefit Payments *0.158)
c. Total benefit payments	<u><u>\$ 2,692,717</u></u>

The 0.158 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

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For the year ended June 30, 2020, the County recognized OPEB expense of \$4,335,887 under GASB Statement No. 75:

Service Cost	\$ 2,866,179
Interest on the Total OPEB Liability	2,436,162
Recognition of Current Year Outflow(Inflow)	
Due to liabilities	560,907
Amortization of Prior Year Outflow(Inflow)	
Due to liabilities	<u>(1,527,361)</u>
	<u>\$ 4,335,887</u>

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	\$ 235,462	\$ 3,577,933	\$ 20,264	\$ 307,917	\$ 715,359	\$ 6,288
Net difference between Projected/Actual earnings	-	-	-	-	34,182	-
Change in assumptions	4,040,456	5,772,458	347,722	496,778	918,894	51,217
Change in proportionate share of Liability	-	-	986,380	-	-	-
Contributions Subsequent to measurement date	3,256,469	-	280,252	-	-	-
	<u>\$ 7,532,387</u>	<u>\$ 9,350,391</u>	<u>\$ 1,634,618</u>	<u>\$ 804,695</u>	<u>\$ 1,668,435</u>	<u>\$ 57,505</u>

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The following schedule reflects the amortization of the County's net balance of remaining deferred outflows (inflows) at June 30, 2020:

Primary Government:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,		
2020	2021	\$	(966,454)
2021	2022		(966,454)
2022	2023		(966,454)
2023	2024		(966,454)
2024	2025		(966,454)
Thereafter	Thereafter		<u>(242,203)</u>
Net Balance of Deferred Outflows/(Inflows) of Resources		\$	<u><u>(5,074,473)</u></u>

Component Units:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	CCL	CCPRC
2020	2021	\$ 65,605	\$ 193,232
2021	2022	65,605	193,232
2022	2023	65,605	186,823
2023	2024	65,605	185,587
2024	2025	65,605	181,173
Thereafter	Thereafter	<u>221,646</u>	<u>670,883</u>
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 549,671</u>	<u>\$ 1,610,930</u>

G. Funds Held by Coastal Community Foundation

As of June 30, 2020, the Coastal Community Foundation held \$496,751 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, \$19,981 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, 2020, the Coastal Community Foundation was holding \$111,451 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, \$4,219 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-

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trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, 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; be a coroner in a full-time permanent position; 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

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membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

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

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

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of 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

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022 (the employer contribution rates were frozen for the upcoming fiscal year – see "*Subsequent Event to the Plans Measurement Date*" at the end of this section for more details). If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS

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and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the PEBA Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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

	SCRS Rates			PORS Rates		
	2018	2019	2020	2018	2019	2020
Employer Rate:						
Retirement	13.41%	14.41%	15.41%	15.84%	16.84%	17.84%
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>13.56%</u>	<u>14.56%</u>	<u>15.56%</u>	<u>16.24%</u>	<u>17.24%</u>	<u>18.24%</u>
Employee Rate	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.75%</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	
	Required	% Contributed	Required	% Contributed
2020 *	\$ 14,347,977	100%	\$ 7,576,886	100%
2019 *	12,873,498	100%	7,142,553	100%
2018 *	11,691,075	100%	6,357,327	100%

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

Year Ended			
June 30	SCRS Payroll		PORS Payroll
2020	\$ 92,210,649	\$	41,539,944
2019	88,416,881		41,430,124
2018	86,217,166		39,146,100

* 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 2019 – 2020 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, 2019, 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 an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2019, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used as of June 30, 2019 to calculate the total pension liability 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 9.5% (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.

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Assumptions used in the determination of the June 30, 2019 total pension liability are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2019 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	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	\$ 7,681,749,768	\$ 4,815,808,554	\$ 2,865,941,214	62.7%

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

	System	Measurement Period Ended June 30	Fiscal Year Ended June 30	Proportional Share of Net Pension Liability
Primary Government	SCRS	2019	2020	\$ 191,323,604
	PORS	2019	2020	\$ 81,875,538
Component Units				
	CCL SCRS	2019	2020	\$ 19,499,662
	CCPRC SCRS	2019	2020	\$ 22,903,774
	SAPPPC SCRS	2019	2020	\$ 4,140,263
	SJFD SCRS	2019	2020	\$ 1,030,155
		PORS	2019	\$ 12,997,565
	SPFD SCRS	2019	2020	\$ 187,423
		PORS	2019	\$ 4,930,750

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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, 2018 and 2019:

	<u>System</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>
Primary Government	SCRS	0.837884%	0.831790%	0.006094%
	PORS	2.856850%	2.828770%	0.028080%
Component Units				
CCL	SCRS	0.085397%	0.078693%	0.006704%
CCPRC	SCRS	0.100300%	0.102750%	-0.002450%
SAPPPC	SCRS	0.018132%	0.018348%	-0.000216%
SJFD	SCRS	0.004511%	0.004024%	0.000487%
	PORS	0.453520%	0.467930%	-0.014410%
SPFD	SCRS	0.000821%	0.000768%	0.000053%
	PORS	0.172046%	0.154093%	0.017953%

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon the 20 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 2019 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 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.

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Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	51.00%		
Global Public Equity	35.00%	7.29%	2.55%
Private Equity	9.00%	7.67%	0.69%
Equity Option Strategies	7.00%	5.23%	0.37%
Real Assets	12.00%		
Real Estate (Private)	8.00%	5.59%	0.45%
Real Estate (REITs)	1.00%	8.16%	0.08%
Infrastructure (Private)	2.00%	5.03%	0.10%
Infrastructure (Public)	1.00%	6.12%	0.06%
Opportunistic	8.00%		
Global Tactical Asset Allocation	7.00%	3.09%	0.22%
Other Opportunistic Strategies	1.00%	3.82%	0.04%
Credit	15.00%		
High Yield Bonds/Bank Loans	4.00%	3.14%	0.13%
Emerging Markets Debt	4.00%	3.31%	0.13%
Private Debt	7.00%	5.49%	0.38%
Rate Sensitive	14.00%		
Core Fixed Income	13.00%	1.62%	0.21%
Cash and Short Duration (net)	1.00%	0.31%	0.00%
Total Expected Real Return	<u>100.00%</u>		5.41%
inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.66%</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	\$ 241,027,748	\$ 191,323,604	\$ 149,842,683
PORS	\$ 110,960,911	\$ 81,875,538	\$ 58,047,450

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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	\$ 24,565,509	\$ 19,499,662	\$ 15,271,941
CCPRC	SCRS	\$ 28,853,963	\$ 22,903,774	\$ 17,937,997
SAPPPC	SCRS	\$ 5,215,895	\$ 4,140,263	\$ 3,242,630
SJFD	SCRS	\$ 1,297,780	\$ 1,030,155	\$ 806,807
	PORS	\$ 17,614,782	\$ 12,997,565	\$ 9,214,898
SPFD	SCRS	\$ 236,171	\$ 187,423	\$ 146,823
	PORS	\$ 6,882,318	\$ 4,930,750	\$ 3,495,750

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. The CAFR is available through the Retirement Benefits' link on the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2020, the County recognized pension expense of \$36,592,901, \$24,023,541 for SCRS and \$12,569,360 for PORS. At June 30, 2020, 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	\$ 14,347,977	\$ 7,576,886	\$ -	\$ -
Difference in actual and proportionate share of employer contribution	-	-	-	-
Differences in actual and expected experience	131,516	1,683,532	1,374,435	605,121
Net differences between projected and actual earnings on plan investments	1,693,853	1,038,124	-	-
Change in assumptions	3,855,469	3,246,777	-	-
Change in proportionate share of net pension liability	<u>3,001,626</u>	<u>1,091,823</u>	<u>684,648</u>	<u>156,662</u>
	<u>\$ 23,030,441</u>	<u>\$ 14,637,142</u>	<u>\$ 2,059,083</u>	<u>\$ 761,783</u>

The County reported \$21,924,863 as deferred outflows of resources related to contributions subsequent to the measurement date of the net pension liability but before the end of the County's reporting period that will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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, 2020.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2019 was 4.026 years for SCRS and 4.217 years for PORS.

Primary Government

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2020	2021	\$ (7,065,110)	\$ 4,139,206
2021	2022	1,524,294	1,322,600
2022	2023	(424,175)	462,679
2023	2024	(658,390)	373,988
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ (6,623,381)</u>	<u>\$ 6,298,473</u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
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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, 2020:

Component Units	Measurement Period	Fiscal Year Ending		
	Ending June 30	June 30	SCRS	PORS
CCL	2020	2021	\$ (1,056,633)	N/A
	2021	2022	(438,020)	N/A
	2022	2023	(387,660)	N/A
	2023	2024	(75,449)	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (1,957,762)</u>
CCPRC	2020	2021	\$ 480,981	N/A
	2021	2022	(335,553)	N/A
	2022	2023	(122,118)	N/A
	2023	2024	(60,307)	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (36,997)</u>
SAPPPC	2020	2021	\$ 390,122	N/A
	2021	2022	(178,670)	N/A
	2022	2023	(21,860)	N/A
	2023	2024	13,769	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 203,361</u>
SJFD	2020	2021	\$ 37,274	\$ 472,722
	2021	2022	9,258	(62,550)
	2022	2023	25,904	(68,640)
	2023	2024	4,171	35,091
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 76,607</u>
SPFD	2020	2021	\$ (18,180)	\$ 159,267
	2021	2022	(24,864)	(10,764)
	2022	2023	(23,117)	(50,391)
	2023	2024	(22,607)	(47,794)
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (88,768)</u>

Payable to Plans

The County reported payables of \$1,770,703 and \$929,836 to PEBA as of June 30, 2020, representing required employer and employee contributions for the month of June 2020 for the SCRS and PORS, respectively. The amounts are included in accrued payroll and fringe benefits on the financial statements and were paid in July 2020.

Subsequent Event to the Plans Measurement Date

In May 2020, due to the global health crisis / pandemic caused by the COVID-19 virus, the South Carolina General Assembly included a provision in its continuing resolution for suspending the statutory employer rate increase of 1% for the 2020-2021 fiscal year. This means that the employer contribution rate for the Plans during

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

the 2020-2021 fiscal year, as expressed as a percentage of earnable compensation, shall remain the same rate as imposed for the 2019-2020 fiscal year.

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 \$12,466 of supplemental appropriation)	\$ 24,271,290
Reimbursement of Costs for Capital Projects Manager	113,782
	\$ 24,385,072
Amounts paid to the County by CCL:	
Workers' Compensation	\$ 431,440
OPEB compensation	376,844
Wellness expenditures	34,679
Motor vehicle repairs	25,347
Motor vehicle fuel charges	12,715
Health, life and dental insurance (library employees covered through County plan)	1,428,742
Other charges including utilities, insurance and other general services	2,786,556
	\$ 5,096,323
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	\$ 1,783,577
*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, as amended by GASB Statement No. 95, 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. 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, as amended by GASB Statement No. 95, are effective for reporting periods beginning after June 15, 2021. The County will implement the new guidance with the 2022 financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, intended to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and simplify accounting for interest cost incurred before the end of a construction period. The Statement requires that such interest cost be recognized as an expense in the period in which the cost is incurred for financial statements using the economic resources measurement focus, and accordingly, this interest cost 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, as amended by GASB Statement No. 95, are effective for reporting periods beginning after December 15, 2020. The County will implement the new guidance with the 2022 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 of the equity interest meets the definition of an investment. The requirements of this Statement, as amended by GASB Statement No. 95, are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in component unit and (2) reporting a component unit if the government acquires a 100% equity interest. Those provisions should be applied on a prospective basis. The County will implement the new guidance with the 2021 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, as amended by GASB Statement No. 95, are effective for reporting periods beginning after December 15, 2021. The County will implement the new guidance with the 2023 financial statements.

GASB Statement No. 92, *Omnibus 2020*, intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases* for interim financial reports.
- Reporting of intra entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.
- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective, as amended by GASB Statement 94, for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective, as amended by GASB Statement 94, for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective, as amended by GASB Statement 94, for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application is encouraged and is permitted by topic. The County will implement the new guidance with the 2022 financial statements.

GASB Statement 93, *Replacement of Interbank offered Rates*, intended to address issues expected to arise in debt or other agreements related to the cessation of the London Interbank Offered Rate (LIBOR) at the end of 2021. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement, as amended by GASB Statement No. 95, are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The County will implement the new guidance with the 2022 financial statements.

GASB Statement No. 94, *Public-Private and Public Partnerships and Available Payment Arrangements*, intended to improve financial reporting by addressing issues related to public private and public partnership arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The County will implement the new guidance with the 2023 financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, intended to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update – 2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update – 2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

The requirements of this Statement are effective immediately. The County will implement this guidance immediately.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, intended to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The County will implement the new guidance with the 2023 financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, intended to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board, and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirement of this Statement in light of the COVID 19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The County will implement the new guidance with the 2023 financial statements.

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

K. Tax Abatement

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

Fee in Lieu of Tax Program – Multi County Park Program

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

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, 2020, the County collected an additional \$2,166,487 in taxes under the Fee in Lieu of Tax Program, but it is not considered a tax abatement under GASB 77.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The following is a summary of the taxes forgone on the County's abatement program for the year ended June 30, 2020:

Program	Tax Abated	Source	Amount
Fee in Lieu of Tax	Property Tax	Economic Development Department	\$ 3,651,316

L. Uncertainties

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern”. The COVID-19 outbreak is disrupting global and national economies resulting in an economic slowdown. The extent of the impact of COVID-19 on the County’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, employees, and related organizations, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the County’s financial condition or results of operations is uncertain. Measures taken to contain the spread of the virus include travel bans, quarantine, social distancing, and closures of non-essential services. The County is seeking assistance from various grants for COVID related costs. The amount we may receive is unknown at this time.

**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 SEVEN 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						
	2020	0.837884%	\$ 191,323,604	\$ 92,210,649	207%	54.40%
	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	2020	0.0854%	\$ 19,449,662	\$ 9,017,686	215.68%	54.40%
	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	2020	0.10030%	\$ 22,903,774	\$ 10,564,556	216.80%	54.40%
	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	2020	0.018132%	\$ 4,140,263	\$ 2,040,404	202.91%	54.40%
	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

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

	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
SJFD	2020	0.00451%	\$ 1,030,155	\$ 476,399	216.24%	54.40%
	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%
SPFD	2020	0.000821%	\$ 187,423	\$ 87,718	213.67%	54.40%
	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	2020	2.85685%	\$ 81,875,538	\$ 41,539,944	197%	62.70%
	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%

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

Component Units	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
SJFD	2020	0.45352%	\$ 12,997,565	\$ 6,578,098	197.59%	62.70%
	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	2020	0.17205%	\$ 4,930,750	\$ 2,652,389	185.90%	62.70%
	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 preceeding year. Only seven years of information are presented as only seven 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, 2020 (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					
2020	* \$ 14,347,977	\$ 14,347,977	\$ -	\$ 92,210,649	15.56%
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%
Component Units					
<u>2020</u>					
CCL	\$ 1,614,045	\$ 1,614,045	\$ -	\$ 10,846,207	14.88%
CCPRC	\$ 1,732,517	\$ 1,732,517	\$ -	\$ 11,134,428	15.56%
SAPPPC	\$ 278,777	\$ 278,777	\$ -	\$ 2,040,404	13.66%
SJFD	\$ 74,489	\$ 74,489	\$ -	\$ 478,724	15.56%
SPFD	\$ 13,182	\$ 13,182	\$ -	\$ 84,718	15.56%
<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%

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS
SOUTH CAROLINA RETIREMENT SYSTEM
FISCAL YEAR ENDED JUNE 30, 2020 (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>2014</u>					
CCL	\$ 759,107	\$ 759,107	\$ -	\$ 7,161,389	10.60%
CCPRC	\$ 988,391	\$ 988,391	\$ -	\$ 9,324,443	10.60%
SAPPPC	\$ 123,077	\$ 123,077	\$ -	\$ 1,161,104	10.60%
SJFD	\$ 47,250	\$ 47,250	\$ -	\$ 445,755	10.60%
SPFD	\$ 11,195	\$ 11,195	\$ -	\$ 105,613	10.60%
<u>2013</u>					
CCL	\$ 729,721	\$ 729,721	\$ -	\$ 6,884,164	10.60%
CCPRC	\$ 944,996	\$ 944,996	\$ -	\$ 8,915,057	10.60%
SAPPPC	\$ 106,091	\$ 106,091	\$ -	\$ 1,000,858	10.60%
SJFD	\$ 42,139	\$ 42,139	\$ -	\$ 397,535	10.60%
SPFD	\$ 11,905	\$ 11,905	\$ -	\$ 112,311	10.60%
<u>2012</u>					
CCL	\$ 679,873	\$ 679,873	\$ -	\$ 7,130,293	9.53%
CCPRC	\$ 820,708	\$ 820,708	\$ -	\$ 8,611,836	9.53%
SAPPPC	\$ 108,404	\$ 108,404	\$ -	\$ 1,137,503	9.53%
SJFD	\$ 36,652	\$ 36,652	\$ -	\$ 384,596	9.53%
SPFD	\$ 9,968	\$ 9,968	\$ -	\$ 104,596	9.53%
<u>2011</u>					
CCL	\$ 653,680	\$ 653,680	\$ -	\$ 6,961,443	9.39%
CCPRC	\$ 810,537	\$ 810,537	\$ -	\$ 8,631,914	9.39%
SAPPPC	\$ 106,196	\$ 106,196	\$ -	\$ 1,130,948	9.39%
SJFD	\$ 36,538	\$ 36,538	\$ -	\$ 389,116	9.39%
SPFD	\$ 9,464	\$ 9,464	\$ -	\$ 100,841	9.39%

* 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 2018-2020 Appropriations Act, Section 117.139.

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, 2020 (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					
2020	* \$ 7,576,886	\$7,576,886	\$ -	\$ 41,539,944	18.24%
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%
Component Units					
<u>2020</u>					
SJFD	\$ 1,242,474	\$1,242,474	\$ -	\$ 6,811,807	18.24%
SPFD	\$ 483,796	\$483,796	\$ -	\$ 2,652,389	18.24%
<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%

* 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 2018-2020 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, 2020

<u>Total OPEB Liability</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Service cost	\$ 3,850,065	\$ 2,994,163	\$ 2,866,179
Interest on the total OPEB liability	2,166,518	2,549,464	2,436,162
Changes of benefit term	-	-	-
Difference between expected and actual experience of the total OPEB liability	84,162	(4,674,467)	204,908
Changes of assumptions	(5,884,529)	(2,555,098)	4,577,329
Benefit payments	(2,298,726)	(2,441,133)	(2,692,717)
Net change in total OPEB liability	<u>(2,082,510)</u>	<u>(4,127,071)</u>	<u>7,391,861</u>
Total OPEB liability - beginning	<u>73,420,141</u>	<u>71,337,631</u>	<u>67,210,560</u>
Total OPEB liability - ending	<u>\$ 71,337,631</u>	<u>\$ 67,210,560</u>	<u>\$ 74,602,421</u>
Covered payroll	\$ 113,995,618	\$ 115,990,430	\$ 123,179,368
Total OPEB liability as a percentage of covered payroll	62.58%	57.94%	60.56%

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, 2020

CURRENT FISCAL YEAR

	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2020</u>
Actuarially Determined Contribution	\$ 2,087,240	\$ 1,983,049	\$ 2,325,317
Contributions in Relation to the Actuarially Determined Contribution	<u>2,087,240</u>	<u>1,983,049</u>	<u>2,325,317</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 113,995,618	\$ 115,990,430	\$ 123,179,368
Contributions as a Percentage of Covered Payroll	1.83%	1.71%	1.89%

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 FOUR 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%
	2019	2020	100.00%	\$74,602,421	\$123,179,368	60.56%
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%
	2019	2020	8.6060%	\$6,420,289	\$8,957,126	71.68%
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%
	2019	2020	100.00%	\$9,550,058	\$8,702,641	109.74%

* 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, 2020

<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	107,403	1,575	375,852	9,436,591	313,813
Restricted cash and cash equivalents	358,990	-	-	-	-
Receivables (net of allowances for uncollectibles)	2,779,467	286,567	564,341	3,692,392	10,349,719
Total assets	\$ 3,245,860	\$ 288,142	\$ 940,193	\$ 13,128,983	\$ 10,663,532
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 917,382	\$ 12,193	\$ 510,170	\$ 1,326,423	\$ 607,877
Accrued payroll and fringe benefits	-	14,915	9,756	-	-
Due to other funds	1,439,443	138,034	-	-	15,923,430
Intergovernmental payable	1,297,258	-	42,935	-	57,891
Unearned revenue	-	-	-	-	50,000
Total liabilities	3,654,083	165,142	562,861	1,326,423	16,639,198
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted	-	123,000	377,332	11,802,560	-
Committed	-	-	-	-	-
Unassigned	(408,223)	-	-	-	(5,975,666)
Total fund balances	(408,223)	123,000	377,332	11,802,560	(5,975,666)
Total liabilities, deferred inflows of resources and fund balances	\$ 3,245,860	\$ 288,142	\$ 940,193	\$ 13,128,983	\$ 10,663,532

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,606,428	114,105	-	1,926,783	73,036	1,269,803
-	-	-	-	-	-
43	11,093,715	-	2,692,480	-	295,624
<u>\$ 9,606,471</u>	<u>\$ 11,207,820</u>	<u>\$ -</u>	<u>\$ 4,619,263</u>	<u>\$ 73,036</u>	<u>\$ 1,565,427</u>
\$ 36,426	\$ -	\$ -	\$ 309,209	\$ 3,889	\$ 175,396
36,104	-	-	51,155	5,524	179,239
-	-	-	-	-	-
959,658	95,344	-	23,719	-	392
5,000,000	-	-	-	-	-
6,032,188	95,344	-	384,083	9,413	355,027
-	10,758,928	-	2,569,706	-	-
-	223,156	-	70,566	-	-
-	10,982,084	-	2,640,272	-	-
3,574,283	130,392	-	1,594,908	63,623	1,210,400
-	-	-	-	-	-
-	-	-	-	-	-
3,574,283	130,392	-	1,594,908	63,623	1,210,400
<u>\$ 9,606,471</u>	<u>\$ 11,207,820</u>	<u>\$ -</u>	<u>\$ 4,619,263</u>	<u>\$ 73,036</u>	<u>\$ 1,565,427</u>

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020

<u>ASSETS</u>	<u>Special Revenue Funds</u>				
	Safety Enforcement	Sheriff	Solicitor	Storm Water Drainage	Victim Notification
Non-pooled cash and cash equivalents	\$ 47,594	\$ 61,235	\$ 775,142	\$ -	\$ 24,810
Pooled cash and cash equivalents	946,689	2,064,881	556,316	6,249,840	17,432
Restricted cash and cash equivalents	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	1,155,182	33,059	118,673	583,399	2,465
Total assets	\$ 2,149,465	\$ 2,159,175	\$ 1,450,131	\$ 6,833,239	\$ 44,707
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 30,090	\$ 3,681	\$ 10,497	\$ 17,147	\$ -
Accrued payroll and fringe benefits	64,218	7,419	69,518	51,357	11,708
Due to other funds	-	-	-	-	-
Intergovernmental payable	194,476	-	54,705	-	3,306
Unearned revenue	1,010,878	-	-	-	-
Total liabilities	1,299,662	11,100	134,720	68,504	15,014
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted	849,803	2,148,075	1,315,411	6,764,735	29,693
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	849,803	2,148,075	1,315,411	6,764,735	29,693
Total liabilities, deferred inflows of resources and fund balances	\$ 2,149,465	\$ 2,159,175	\$ 1,450,131	\$ 6,833,239	\$ 44,707

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020

<u>ASSETS</u>	<u>Capitol Projects Fund</u>			Total Nonmajor Governmental Funds
	Construction	Equipment Replacement Fund	ITS / MIS	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 908,781
Pooled cash and cash equivalents	23,930	857,584	-	33,942,061
Restricted cash and cash equivalents	-	-	-	358,990
Receivables (net of allowances for uncollectibles)	-	-	21,540	33,668,666
Total assets	\$ 23,930	\$ 857,584	\$ 21,540	\$ 68,878,498
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 5,206	\$ 5,659	\$ -	\$ 3,971,245
Accrued payroll and fringe benefits	10,320	-	-	511,233
Due to other funds	14,715,449	-	21,540	32,237,896
Intergovernmental payable	35,304	-	-	2,764,988
Unearned revenue	-	-	-	6,060,878
Total liabilities	14,766,279	5,659	21,540	45,546,240
Deferred inflows of resources:				
Unavailable property tax revenues-current	-	-	-	13,328,634
Unavailable property tax revenues-delinquent	-	-	-	293,722
Total deferred inflows of resources	-	-	-	13,622,356
Fund balances:				
Restricted	-	-	-	29,984,215
Committed	-	851,925	-	851,925
Unassigned	(14,742,349)	-	-	(21,126,238)
Total fund balances	(14,742,349)	851,925	-	9,709,902
Total liabilities, deferred inflows of resources and fund balances	\$ 23,930	\$ 857,584	\$ 21,540	\$ 68,878,498

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, 2020

	Special Revenue Funds				
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works	Disaster Fund
Revenues:					
Property taxes and other taxes	\$ 14,245,777	\$ -	\$ -	\$ -	\$ -
Intergovernmental	173,337	1,256,722	2,855,687	6,547,072	10,664,892
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	-
Interest	2,547	-	-	168,885	-
Other revenues	-	-	-	-	-
Total revenues	14,421,661	1,256,722	2,855,687	6,715,957	10,664,892
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	92,470	-	-	-
Judicial	-	527,401	-	-	-
Public works	-	-	-	7,553,380	14,275,521
Health and welfare	-	-	2,873,087	-	-
Economic development	-	-	-	-	-
Culture and recreation	16,860,568	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	16,860,568	619,871	2,873,087	7,553,380	14,275,521
Excess (deficiency) of revenues over (under) expenditures	(2,438,907)	636,851	(17,400)	(837,423)	(3,610,629)
Other financing sources (uses):					
General obligation bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	-	59,932	-	7,598,728	14,277
Transfers out	(32,417)	(696,783)	-	(7,598,728)	(11,926)
Gains (losses) from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(32,417)	(636,851)	-	-	2,351
Net change in fund balance	(2,471,324)	-	(17,400)	(837,423)	(3,608,278)
Fund balances at beginning of year	2,063,101	123,000	394,732	12,639,983	(2,367,388)
Fund balances at end of year	\$ (408,223)	\$ 123,000	\$ 377,332	\$ 11,802,560	\$ (5,975,666)

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ 3,906,366	\$ 11,470,292	\$ -	\$ 2,881,385	\$ -	\$ -
11,278,516	253,365	26,136	231,933	-	2,663,828
-	-	-	-	219,800	-
-	-	-	-	-	491,379
-	-	-	28,383	-	23,531
23,593	-	-	-	-	-
15,208,475	11,723,657	26,136	3,141,701	219,800	3,178,738
-	58,136	-	-	-	-
-	-	27,657	5,484,258	228,975	-
-	-	-	-	-	6,665,426
-	-	-	-	-	-
15,077,901	-	-	-	-	-
-	-	-	-	-	-
-	7,825,694	-	-	-	-
-	-	-	-	-	-
-	-	-	221,289	-	-
15,077,901	7,883,830	27,657	5,705,547	228,975	6,665,426
130,574	3,839,827	(1,521)	(2,563,846)	(9,175)	(3,486,688)
-	-	-	701,592	-	-
-	-	-	85,255	-	-
-	270,667	1,521	421,007	-	3,379,200
-	(4,168,630)	-	(421,007)	(121,250)	-
-	-	-	-	-	-
-	(3,897,963)	1,521	786,847	(121,250)	3,379,200
130,574	(58,136)	-	(1,776,999)	(130,425)	(107,488)
3,443,709	188,528	-	3,371,907	194,048	1,317,888
\$ 3,574,283	\$ 130,392	\$ -	\$ 1,594,908	\$ 63,623	\$ 1,210,400

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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, 2020

	Special Revenue Funds				
	Safety Enforcement	Sheriff	Solicitor	Storm Water Drainage	Victim Notification
Revenues:					
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,280,800	-	1,937,940	1,020,928	5,832
Fines and forfeitures	26,998	101,581	625	-	284,571
Service charges	-	29,000	438,375	2,875,198	334
Interest	1,212	13,275	-	98,617	-
Other revenues	1,067,365	621,713	16,482	-	-
Total revenues	3,376,375	765,569	2,393,422	3,994,743	290,737
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	2,858,899	1,041,481	-	-	135,482
Judicial	638,790	-	2,512,207	-	254,777
Public works	-	-	-	2,397,939	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	9,996	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	3,507,685	1,041,481	2,512,207	2,397,939	390,259
Excess (deficiency) of revenues over (under) expenditures	(131,310)	(275,912)	(118,785)	1,596,804	(99,522)
Other financing sources (uses):					
General obligation bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	244,916	-	189,236	-	90,056
Transfers out	(13,660)	(39,570)	(382,558)	-	-
Gains (losses) from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	231,256	(39,570)	(193,322)	-	90,056
Net change in fund balance	99,946	(315,482)	(312,107)	1,596,804	(9,466)
Fund balances at beginning of year	749,857	2,463,557	1,627,518	5,167,931	39,159
Fund balances at end of year	\$ 849,803	\$ 2,148,075	\$ 1,315,411	\$ 6,764,735	\$ 29,693

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Construction	Equipment Replacement Fund	ITS / MIS	
Revenues:				
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ 32,503,820
Intergovernmental	-	-	21,540	41,218,528
Fines and forfeitures	-	-	-	633,575
Service charges	-	-	-	3,834,286
Interest	-	28,354	-	364,804
Other revenues	-	-	221,285	1,950,438
Total revenues	-	28,354	242,825	80,505,451
Expenditures:				
Current:				
General government	-	-	-	58,136
Public safety	-	-	-	9,869,222
Judicial	-	-	-	10,598,601
Public works	-	-	-	24,226,840
Health and welfare	-	-	-	2,873,087
Economic development	-	-	-	15,077,901
Culture and recreation	-	-	-	16,870,564
Education	-	-	-	7,825,694
Capital outlay	906,372	-	-	906,372
Debt service	-	-	-	221,289
Total expenditures	906,372	-	-	88,527,706
Excess (deficiency) of revenues over (under) expenditures	(906,372)	28,354	242,825	(8,022,255)
Other financing sources (uses):				
General obligation bonds issued	-	-	-	701,592
Bond premium	-	-	-	85,255
Transfers in	297,500	326,731	-	12,893,771
Transfers out	(215,260)	(1,880,175)	(242,825)	(15,824,789)
Gains (losses) from sale of capital assets	-	31,394	-	31,394
Total other financing sources (uses)	82,240	(1,522,050)	(242,825)	(2,112,777)
Net change in fund balance	(824,132)	(1,493,696)	-	(10,135,032)
Fund balances at beginning of year	(13,918,217)	2,345,621	-	19,844,934
Fund balances at end of year	\$ (14,742,349)	\$ 851,925	\$ -	\$ 9,709,902

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, 2020

	<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	\$ 23,963,000	\$ 23,963,000	\$ 24,056,306	\$ 93,306
Intergovernmental	84,127	84,127	443,639	359,512
Interest	300,000	300,000	534,933	234,933
Other revenues	171,428	171,428	171,429	1
Total revenues	24,518,555	24,518,555	25,206,307	687,752
EXPENDITURES:				
Debt service	36,071,110	36,100,096	36,181,845	(81,749)
Total expenditures	36,071,110	36,100,096	36,181,845	(81,749)
Excess of expenditures over revenues	(11,552,555)	(11,581,541)	(10,975,538)	606,003
Other financing sources (uses):				
Bond premium	1,300,000	2,556,694	13,997,936	11,441,242
Transfers in	10,288,798	15,500,141	15,624,065	123,924
Transfers out	(2,010,923)	(4,567,617)	(4,578,291)	(10,674)
Total other financing sources and (uses)	9,577,875	13,489,218	25,043,710	11,554,492
Net change in fund balance	(1,974,680)	1,907,677	14,068,172	12,160,495
Fund balance at beginning of year	26,196,819	26,196,819	26,196,819	-
Fund balance at end of year	\$ 24,222,139	\$ 28,104,496	\$ 40,264,991	\$ 12,160,495

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, 2020**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
Revenues:				
Accommodations taxes	\$ 18,100,000	\$ 18,100,000	\$ 14,245,777	\$ (3,854,223)
Intergovernmental	125,000	125,000	173,337	48,337
Interest	5,000	5,000	2,547	(2,453)
Total revenues	<u>18,230,000</u>	<u>18,230,000</u>	<u>14,421,661</u>	<u>(3,808,339)</u>
Expenditures:				
Current:				
Culture and recreation	18,430,309	18,996,976	16,860,568	2,136,408
Total expenditures	<u>18,430,309</u>	<u>18,996,976</u>	<u>16,860,568</u>	<u>2,136,408</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(200,309)</u>	<u>(766,976)</u>	<u>(2,438,907)</u>	<u>(1,671,931)</u>
Other financing uses:				
Transfers out	(30,000)	(30,000)	(32,417)	(2,417)
Net change in fund balance	(230,309)	(796,976)	(2,471,324)	(1,674,348)
Fund balance at beginning of year	<u>2,063,101</u>	<u>2,063,101</u>	<u>2,063,101</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,832,792</u>	<u>\$ 1,266,125</u>	<u>\$ (408,223)</u>	<u>\$ (1,674,348)</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, 2020**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,171,145	\$ 1,171,145	\$ 1,256,722	\$ 85,577
Total revenues	<u>1,171,145</u>	<u>1,171,145</u>	<u>1,256,722</u>	<u>85,577</u>
Expenditures:				
Current:				
Public safety	90,988	90,988	92,470	(1,482)
Judicial	711,737	711,737	527,401	184,336
Total expenditures	<u>802,725</u>	<u>802,725</u>	<u>619,871</u>	<u>182,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>368,420</u>	<u>368,420</u>	<u>636,851</u>	<u>268,431</u>
Other financing sources (uses):				
Transfers in	49,843	49,843	59,932	10,089
Transfers out	(418,263)	(418,263)	(696,783)	(278,520)
Total other financing sources (uses)	<u>(368,420)</u>	<u>(368,420)</u>	<u>(636,851)</u>	<u>(268,431)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>123,000</u>	<u>123,000</u>	<u>123,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 123,000</u>	<u>\$ 123,000</u>	<u>\$ 123,000</u>	<u>\$ -</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 3,725,193	\$ 3,725,193	\$ 3,906,366	\$ 181,173
Intergovernmental	-	21,050,000	11,278,516	(9,771,484)
Other revenues	5,000	5,000	23,593	18,593
Total revenues	<u>3,730,193</u>	<u>24,780,193</u>	<u>15,208,475</u>	<u>(9,571,718)</u>
Expenditures:				
Current:				
Economic development	4,121,616	25,534,750	15,077,901	10,456,849
Total expenditures	<u>4,121,616</u>	<u>25,534,750</u>	<u>15,077,901</u>	<u>10,456,849</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(391,423)</u>	<u>(754,557)</u>	<u>130,574</u>	<u>885,131</u>
Net change in fund balance	(391,423)	(754,557)	130,574	885,131
Fund balance at beginning of year	<u>3,443,709</u>	<u>3,443,709</u>	<u>3,443,709</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,052,286</u>	<u>\$ 2,689,152</u>	<u>\$ 3,574,283</u>	<u>\$ 885,131</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 11,464,005	\$ 11,464,005	\$ 11,470,292	\$ 6,287
Intergovernmental	81,000	81,000	253,365	172,365
Total revenues	<u>11,545,005</u>	<u>11,545,005</u>	<u>11,723,657</u>	<u>178,652</u>
Expenditures:				
Current:				
General Government	100,000	188,535	58,136	130,399
Education	7,691,878	7,691,878	7,825,694	(133,816)
Total expenditures	<u>7,791,878</u>	<u>7,880,413</u>	<u>7,883,830</u>	<u>(3,417)</u>
Excess of revenues over expenditures	<u>3,753,127</u>	<u>3,664,592</u>	<u>3,839,827</u>	<u>175,235</u>
Other financing sources (uses):				
Transfers in	122,117	252,667	270,667	18,000
Transfers out	(3,975,244)	(4,105,794)	(4,168,630)	(62,836)
Total other financing sources (uses)	<u>(3,853,127)</u>	<u>(3,853,127)</u>	<u>(3,897,963)</u>	<u>(44,836)</u>
Net change in fund balance	(100,000)	(188,535)	(58,136)	130,399
Fund balance at beginning of year	188,528	188,528	188,528	-
Fund balance at end of year	<u>\$ 88,528</u>	<u>\$ (7)</u>	<u>\$ 130,392</u>	<u>\$ 130,399</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, 2020

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 2,847,800	\$ 2,847,800	\$ 2,881,385	\$ 33,585
Intergovernmental	194,433	194,433	231,933	37,500
Interest	-	24,918	28,383	3,465
Total revenues	3,042,233	3,067,151	3,141,701	74,550
Expenditures:				
Current:				
Public safety	2,778,418	5,086,338	5,484,258	(397,920)
Debt service	207,000	264,000	221,289	42,711
Total expenditures	2,985,418	5,350,338	5,705,547	(355,209)
Excess (deficiency) of revenues (under) over expenditures	56,815	(2,283,187)	(2,563,846)	(280,659)
Other financing sources (uses)				
General obligation bonds issued	-	-	701,592	(701,592)
Bond premium	-	14,270	85,255	(70,985)
Transfers in	-	420,943	421,007	(64)
Transfers out	(600,000)	(420,943)	(421,007)	64
Total other financing sources (uses)	(600,000)	14,270	786,847	(772,577)
Net change in fund balance	(543,185)	(2,268,917)	(1,776,999)	491,918
Fund balance at beginning of year	3,371,907	3,371,907	3,371,907	-
Fund balance at end of year	\$ 2,828,722	\$ 1,102,990	\$ 1,594,908	\$ 491,918

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, 2020**

	<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	\$ 219,800	\$ (10,200)
Total revenues	230,000	230,000	219,800	(10,200)
Expenditures:				
Current:				
Public safety	236,115	236,115	228,975	7,140
Total expenditures	236,115	236,115	228,975	7,140
Excess (deficiency) of revenues over (under) expenditures	(6,115)	(6,115)	(9,175)	(3,060)
Other financing uses:				
Transfers out	-	(121,250)	(121,250)	-
Net change in fund balance	(6,115)	(127,365)	(130,425)	(3,060)
Fund balance at beginning of year	194,048	194,048	194,048	-
Fund balance at end of year	\$ 187,933	\$ 66,683	\$ 63,623	\$ (3,060)

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, 2020**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
Revenues:				
Intergovernmental	\$ 2,735,315	\$ 2,768,203	\$ 2,663,828	\$ (104,375)
Service charges	510,000	510,000	491,379	(18,621)
Interest	19,000	19,000	23,531	4,531
Total revenues	<u>3,264,315</u>	<u>3,297,203</u>	<u>3,178,738</u>	<u>(118,465)</u>
Expenditures:				
Current:				
Judicial	6,848,281	6,881,169	6,665,426	215,743
Total expenditures	<u>6,848,281</u>	<u>6,881,169</u>	<u>6,665,426</u>	<u>215,743</u>
Deficiency of revenues under expenditures	<u>(3,583,966)</u>	<u>(3,583,966)</u>	<u>(3,486,688)</u>	<u>97,278</u>
Other financing sources:				
Transfers in	3,379,200	3,379,200	3,379,200	-
Net change in fund balance	(204,766)	(204,766)	(107,488)	97,278
Fund balance at beginning of year	<u>1,317,888</u>	<u>1,317,888</u>	<u>1,317,888</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,113,122</u>	<u>\$ 1,113,122</u>	<u>\$ 1,210,400</u>	<u>\$ 97,278</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, 2020**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Fines and forfeitures	\$ 24,000	\$ 24,000	\$ 101,581	\$ 77,581
Interest	1,000	1,000	13,275	12,275
Service charges	33,000	33,000	29,000	(4,000)
Other revenues	580,000	580,000	621,713	41,713
Total revenues	638,000	638,000	765,569	127,569
Expenditures:				
Current:				
Public safety	1,459,471	1,595,676	1,041,481	554,195
Total expenditures	1,459,471	1,595,676	1,041,481	554,195
Deficiency of revenues under expenditures	(821,471)	(957,676)	(275,912)	681,764
Other financing (uses):				
Transfers out	-	(100,607)	(39,570)	(61,037)
Total other financing (uses)	-	(100,607)	(39,570)	(61,037)
Net change in fund balance	(821,471)	(1,058,283)	(315,482)	742,801
Fund balance at beginning of year	2,463,557	2,463,557	2,463,557	-
Fund balance at end of year	\$ 1,642,086	\$ 1,405,274	\$ 2,148,075	\$ 742,801

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, 2020

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,994,315	\$ 1,994,315	\$ 1,937,940	\$ (56,375)
Fines and forfeitures	-	-	625	625
Service charges	490,000	505,000	438,375	(66,625)
Other revenues	-	-	16,482	16,482
Total revenues	2,484,315	2,499,315	2,393,422	(105,893)
Expenditures:				
Current:				
Judicial	2,584,104	2,621,604	2,512,207	109,397
Total expenditures	2,584,104	2,621,604	2,512,207	109,397
Excess (deficiency) of revenues over (under) expenditures	(99,789)	(122,289)	(118,785)	3,504
Other financing sources (uses):				
Transfers in	265,781	265,781	189,236	(76,545)
Transfers out	(472,961)	(476,704)	(382,558)	94,146
Total other financing sources	(207,180)	(210,923)	(193,322)	17,601
Net change in fund balance	(306,969)	(333,212)	(312,107)	21,105
Fund balance at beginning of year	1,627,518	1,627,518	1,627,518	-
Fund balance at end of year	\$ 1,320,549	\$ 1,294,306	\$ 1,315,411	\$ 21,105

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, 2020

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 878,500	\$ 878,500	\$ 1,020,928	\$ 142,428
Service charges	2,782,000	2,782,000	2,875,198	93,198
Interest	-	-	98,617	98,617
Total revenues	<u>3,660,500</u>	<u>3,660,500</u>	<u>3,994,743</u>	<u>334,243</u>
Expenditures:				
Current:				
Public works	<u>3,871,922</u>	<u>7,189,101</u>	<u>2,397,939</u>	<u>4,791,162</u>
Total expenditures	<u>3,871,922</u>	<u>7,189,101</u>	<u>2,397,939</u>	<u>4,791,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(211,422)</u>	<u>(3,528,601)</u>	<u>1,596,804</u>	<u>5,125,405</u>
Net change in fund balance	(211,422)	(3,528,601)	1,596,804	5,125,405
Fund balance at beginning of year	<u>5,167,931</u>	<u>5,167,931</u>	<u>5,167,931</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,956,509</u>	<u>\$ 1,639,330</u>	<u>\$ 6,764,735</u>	<u>\$ 5,125,405</u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

	<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	\$ 5,832	\$ (668)
Fines and forfeitures	270,000	270,000	284,571	14,571
Service charges	-	-	334	334
Total revenues	<u>276,500</u>	<u>276,500</u>	<u>290,737</u>	<u>14,237</u>
Expenditures:				
Current:				
Public safety	128,698	128,698	135,482	(6,784)
Judicial	282,669	282,669	254,777	27,892
Total expenditures	<u>411,367</u>	<u>411,367</u>	<u>390,259</u>	<u>21,108</u>
Deficiency of revenues under expenditures	<u>(134,867)</u>	<u>(134,867)</u>	<u>(99,522)</u>	<u>35,345</u>
Other financing sources:				
Transfers in	134,867	134,867	90,056	(44,811)
Net change in fund balance	-	-	(9,466)	(9,466)
Fund balance at beginning of year	<u>39,159</u>	<u>39,159</u>	<u>39,159</u>	<u>-</u>
Fund balance at end of year	<u>\$ 39,159</u>	<u>\$ 39,159</u>	<u>\$ 29,693</u>	<u>\$ (9,466)</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, 2020**

	<u>Total Collections</u>	<u>Remittance to State</u>	<u>Retained by County</u>	<u>General Fund</u>	<u>Victim Notification</u>	<u>Total County Revenue</u>
Magistrates:						
Fines:						
Traffic/criminal	\$ 1,266,078	\$	\$ 1,266,078	\$ 1,266,078	\$ -	\$ 1,266,078
DUI/DUS/BUI	43,323	43,323	-	-	-	-
Assessments	856,784	786,777	70,007	-	70,007	70,007
Surcharges	252,805	225,827	26,978	-	26,978	26,978
	<u>2,418,990</u>	<u>1,055,927</u>	<u>1,363,063</u>	<u>1,266,078</u>	<u>96,985</u>	<u>1,363,063</u>
Clerk of Court:						
Fines:						
Fines and Fees	950,313	690,496	259,817	259,817	-	259,817
Family court	1,740,146	916,490	823,656	823,656	-	823,656
DUI/DUS/BUI	11,325	11,325	-	-	-	-
Assessments	92,787	59,608	33,179	-	33,179	33,179
Surcharges	258,229	103,822	154,407	-	154,407	154,407
	<u>3,052,800</u>	<u>1,781,741</u>	<u>1,271,059</u>	<u>1,083,473</u>	<u>187,586</u>	<u>1,271,059</u>
	<u>\$ 5,471,790</u>	<u>\$ 2,837,668</u>	<u>\$ 2,634,122</u>	<u>\$ 2,349,551</u>	<u>\$ 284,571</u>	<u>\$ 2,634,122</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, 2020

<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	\$ -	\$ -	\$ -	\$ 597,968	\$ 598,668
Pooled cash and cash equivalents	1,476,980	3,121,975	522,395	1,671,495	5,146,984	11,939,829
Receivables (net of allowances for uncollectibles)	1,802,593	458,283	-	98,685	1,498,029	3,857,590
Total current assets	3,280,273	3,580,258	522,395	1,770,180	7,242,981	16,396,087
Capital assets:						
Construction in progress	-	1,997,520	-	558,440	83,339	2,639,299
Buildings	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	270,255	-	-	-	-	270,255
Machinery and equipment	608,378	4,022,127	13,079	1,196,037	141,411	5,981,032
Less accumulated depreciation	(5,549,995)	(3,407,840)	(7,993)	(839,801)	(100,349)	(9,905,978)
Total capital assets (net of accumulated depreciation)	5,031,005	2,611,807	5,086	914,676	124,401	8,686,975
Total noncurrent assets	5,031,005	2,611,807	5,086	914,676	124,401	8,686,975
Total assets	8,311,278	6,192,065	527,481	2,684,856	7,367,382	25,083,062

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2020

<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	\$ 129,630	\$ 59,645	\$ 1,595	\$ 75,262	\$ 1,683,338	\$ 1,949,470
Accrued payroll and fringe benefits	187,397	26,657	5,047	7,080	44,231	270,412
Unearned revenue	59,255	-	-	-	-	59,255
Compensated absences-current	13,540	-	-	1,997	8,834	24,371
Due to other funds	14,012,023	1,158,326	147,428	498,748	3,155,254	18,971,779
Intergovernmental payable	14,032	429	-	4,897	4,577,749	4,597,107
Total current liabilities	14,415,877	1,245,057	154,070	587,984	9,469,406	25,872,394
Noncurrent liabilities:						
Compensated absences	472,463	68,866	14,578	5,974	190,597	752,478
Total noncurrent liabilities	472,463	68,866	14,578	5,974	190,597	752,478
Total liabilities	14,888,340	1,313,923	168,648	593,958	9,660,003	26,624,872
<u>NET POSITION</u>						
Net investment in capital assets	5,031,005	2,611,807	5,086	914,676	124,401	8,686,975
Unrestricted	(11,608,067)	2,266,335	353,747	1,176,222	(2,417,022)	(10,228,785)
Total net position	\$ (6,577,062)	\$ 4,878,142	\$ 358,833	\$ 2,090,898	\$ (2,292,621)	\$ (1,541,810)

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, 2020

	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
Operating revenues:						
Charges for services	\$ 5,211,308	\$ 4,244,798	\$ 938,142	\$ 3,014,595	\$ 2,143,905	\$ 15,552,748
Other revenues	209,392	524,044	-	-	1,616	735,052
Total operating revenues	5,420,700	4,768,842	938,142	3,014,595	2,145,521	16,287,800
Operating expenses:						
Personnel services	6,254,732	1,229,235	152,215	209,885	1,614,257	9,460,324
Contractual services	909,477	580,285	506,004	237,935	38,692	2,272,393
Materials and supplies	794,949	30,290	-	220,478	7,835	1,053,552
Utilities	200,363	367,120	-	103,306	-	670,789
Repairs and maintenance	426,887	-	-	2,008,091	285,623	2,720,601
Rental expenses	134,235	-	-	492,703	-	626,938
Vehicle fleet charges	11,708	1,998	-	4,618	6,231	24,555
Employee benefits	921,681	87,915	25,523	34,031	224,040	1,293,190
Other expenses	1,224,578	613,044	83,085	292,488	255,314	2,468,509
Depreciation and amortization	296,513	223,895	4,360	85,457	17,012	627,237
Total operating expenses	11,175,123	3,133,782	771,187	3,688,992	2,449,004	21,218,088
Operating income (loss)	(5,754,423)	1,635,060	166,955	(674,397)	(303,483)	(4,930,288)
Nonoperating revenues (expenses):						
Interest income	4	59,237	7,502	30,984	85,854	183,581
Intergovernmental revenues	1,585,393	-	-	-	-	1,585,393
Total nonoperating revenues (expenses)	1,585,397	59,237	7,502	30,984	85,854	1,768,974
Income (loss) before transfers	(4,169,026)	1,694,297	174,457	(643,413)	(217,629)	(3,161,314)
Transfers in	2,544,104	-	-	841,209	366,306	3,751,619
Transfers out	-	-	-	-	-	-
Change in net position	(1,624,922)	1,694,297	174,457	197,796	148,677	590,305
Total net position - beginning	(4,952,140)	3,183,845	184,376	1,893,102	(2,441,298)	(2,132,115)
Total net position - ending	\$ (6,577,062)	\$ 4,878,142	\$ 358,833	\$ 2,090,898	\$ (2,292,621)	\$ (1,541,810)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2020

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 7,070,440	\$ 4,791,868	\$ 950,238	\$ 3,151,735	\$ 2,416,751	\$ 18,381,032
Cash payments to suppliers for goods and services	(2,806,177)	(1,493,762)	(561,971)	(3,390,511)	(1,111,150)	(9,363,571)
Cash payments to employees for services	(7,017,592)	(1,276,695)	(174,333)	(242,781)	(1,805,284)	(10,516,685)
Net cash provided by (used in) operating activities	(2,753,329)	2,021,411	213,934	(481,557)	(499,683)	(1,499,224)
Cash flows from noncapital financing activities:						
Transfers in	2,544,104	-	-	841,209	366,306	3,751,619
Transfers (out)	-	-	-	-	-	-
Intergovernmental receipt	1,585,393	-	-	-	-	1,585,393
Net cash provided by noncapital financing activities	4,129,497	-	-	841,209	366,306	5,337,012
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	(2,154,017)	-	(623,312)	(83,339)	(2,860,668)
Net cash used in capital and related financing activities	-	(2,154,017)	-	(623,312)	(83,339)	(2,860,668)
Cash flows from investing activities:						
Interest received	4	59,237	7,502	30,984	85,854	183,581
Net cash provided by investing activities	4	59,237	7,502	30,984	85,854	183,581
Net increase (decrease) in cash and cash equivalents	1,376,172	(73,369)	221,436	(232,676)	(130,862)	1,160,701
Cash and cash equivalents at beginning of year	101,508	3,195,344	300,959	1,904,171	5,875,814	11,377,796
Cash and cash equivalents at end of year	\$ 1,477,680	\$ 3,121,975	\$ 522,395	\$ 1,671,495	\$ 5,744,952	\$ 12,538,497
Reconciliation to balance sheet:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 597,968	\$ 598,668
Pooled cash and cash equivalents	1,476,980	3,121,975	522,395	1,671,495	5,146,984	11,939,829
Cash and cash equivalents at end of year	\$ 1,477,680	\$ 3,121,975	\$ 522,395	\$ 1,671,495	\$ 5,744,952	\$ 12,538,497

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2020

	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)	\$ (5,754,423)	\$ 1,635,060	\$ 166,955	\$ (674,397)	\$ (303,483)	\$ (4,930,288)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	296,513	223,895	4,360	85,457	17,012	627,237
Allowance for uncollectible accounts	650,639	-	-	-	-	650,639
Changes in assets and liabilities:						
Decrease in receivables	939,846	23,026	12,096	137,139	271,230	1,383,337
Increase (decrease) in accounts payable	896,020	98,975	27,118	(30,891)	(517,455)	473,767
Decrease in accrued payroll	158,821	40,455	3,405	1,135	33,013	236,829
Decrease in unearned revenue	59,255	-	-	-	-	59,255
Total adjustments	3,001,094	386,351	46,979	192,840	(196,200)	3,431,064
Net cash provided by (used in) operating activities	\$ (2,753,329)	\$ 2,021,411	\$ 213,934	\$ (481,557)	\$ (499,683)	\$ (1,499,224)

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, 2020

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 4,433,787	\$ 273,439	\$ 5,536,098	\$ 48,308,036	\$ 313,528	\$ 58,864,888
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	124,022	-	327	202,763	-	327,112
Due from other funds	-	-	139,360	38,844,427	-	38,983,787
Inventories	273,286	-	-	-	-	273,286
Total current assets	4,831,095	273,439	5,800,785	87,355,226	313,528	98,574,073
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	41,838,577	2,217,245	635,811	-	991,333	45,682,966
Less accumulated depreciation	(30,220,053)	(1,210,127)	(520,013)	-	(536,837)	(32,487,030)
Total capital assets (net of accumulated depreciation)	13,169,027	1,152,298	115,798	-	454,496	14,891,619
Total assets	18,000,122	1,425,737	5,916,583	87,355,226	768,024	113,465,692
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	37,667,583	-	37,667,583
Deferred OPEB charges	-	-	-	7,532,387	-	7,532,387
Total deferred outflows of resources	-	-	-	45,199,970	-	45,199,970
LIABILITIES						
Current liabilities:						
Accounts payable	318,773	46,494	3,217,296	70,926	159,045	3,812,534
Accrued payroll and fringe benefits	87,851	25,775	15,189	3,402	13,457	145,674
Unearned revenue	-	-	-	1,149,949	-	1,149,949
Compensated absences-current	2,629	-	-	-	-	2,629
Intergovernmental payable	942	175	352,426	-	-	353,543
Lease payable - current	-	299,043	-	-	-	299,043
Total current liabilities	410,195	371,487	3,584,911	1,224,277	172,502	5,763,372
Noncurrent liabilities:						
Net OPEB liability	-	-	-	74,602,421	-	74,602,421
Compensated absences	299,170	70,860	63,988	5,995	19,077	459,090
Lease payable	-	706,396	-	-	-	706,396
Net pension liability	-	-	-	273,199,142	-	273,199,142
Total noncurrent liabilities	299,170	777,256	63,988	347,807,558	19,077	348,967,049
Total liabilities	709,365	1,148,743	3,648,899	349,031,835	191,579	354,730,421
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	2,820,866	-	2,820,866
Deferred OPEB credits	-	-	-	9,350,391	-	9,350,391
Total deferred inflows of resources	-	-	-	12,171,257	-	12,171,257
NET POSITION						
Net investment in capital assets	13,169,027	146,859	115,798	-	454,496	13,886,180
Unrestricted	4,121,730	130,135	2,151,886	(228,647,896)	121,949	(222,122,196)
Total net position	\$ 17,290,757	\$ 276,994	\$ 2,267,684	\$ (228,647,896)	\$ 576,445	\$ (208,236,016)

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, 2020

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 14,041,895	\$ 2,041,299	\$ 5,310,146	\$ 49,734,010	\$ 2,040,334	\$ 73,167,684
Total operating revenues	14,041,895	2,041,299	5,310,146	49,734,010	2,040,334	73,167,684
Operating expenses:						
Personnel services	2,567,268	843,910	510,362	116,165	448,256	4,485,961
Contractual services	4,054	32,718	4,694,676	64,647	1,448,677	6,244,772
Materials and supplies	7,942,893	546,314	145,805	43,385	114	8,678,511
Utilities	90,780	19,428	-	-	49,153	159,361
Repairs and maintenance	2,169,846	212,879	40,236	-	93,418	2,516,379
Rental expenses	2,340	11,891	-	-	-	14,231
Vehicle fleet charges	125,927	16,152	6,776	-	2,560	151,415
Employee benefits	-	-	-	61,553,333	-	61,553,333
Other expenses	152,647	33,698	30,929	115,312	33,080	365,666
Depreciation	4,602,928	384,478	67,421	-	107,582	5,162,409
Total operating expenses	17,658,683	2,101,468	5,496,205	61,892,842	2,182,840	89,332,038
Operating income (loss)	(3,616,788)	(60,169)	(186,059)	(12,158,832)	(142,506)	(16,164,354)
Nonoperating revenues (expenses):						
Interest income	75,565	3,115	96,875	812,482	6,442	994,479
Interest expense	-	(147,994)	-	-	-	(147,994)
Intergovernmental revenues	-	-	-	1,149,949	-	1,149,949
Gain (loss) on disposal of capital assets	94,872	65	-	-	-	94,937
Total nonoperating revenues (expenses)	170,437	(144,814)	96,875	1,962,431	6,442	2,091,371
Income (loss) before transfers	(3,446,351)	(204,983)	(89,184)	(10,196,401)	(136,064)	(14,072,983)
Transfers in	5,144,295	100,000	-	-	-	5,244,295
Transfers out	(326,731)	-	-	-	-	(326,731)
Change in net position	1,371,213	(104,983)	(89,184)	(10,196,401)	(136,064)	(9,155,419)
Total net position - beginning	15,919,544	381,977	2,356,868	(218,451,495)	712,509	(199,080,597)
Total net position - ending	\$ 17,290,757	\$ 276,994	\$ 2,267,684	\$ (228,647,896)	\$ 576,445	\$ (208,236,016)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2020

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 99,978	\$ -	\$ -	\$ -	\$ -	\$ 99,978
Cash receipts from interfund services provided	13,957,001	2,046,658	5,287,924	46,973,966	2,040,334	70,305,883
Cash payments to suppliers for goods and services	(10,489,661)	(867,125)	(4,939,781)	(46,039,102)	(1,669,259)	(64,004,928)
Cash payments to employees for services	(2,513,503)	(820,623)	(494,903)	(113,668)	(440,122)	(4,382,819)
Net cash provided by (used in) operating activities	1,053,815	358,910	(146,760)	821,196	(69,047)	2,018,114
Cash flows from noncapital financing activities:						
Transfers in	5,144,295	100,000	-	-	-	5,244,295
Transfers (out)	(326,731)	-	-	-	-	(326,731)
Intergovernmental receipt	-	-	-	1,149,949	-	1,149,949
Net cash provided by noncapital financing activities	4,817,564	100,000	-	1,149,949	-	6,067,513
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(267,906)	-	-	-	(267,906)
Interest paid	-	(147,994)	-	-	-	(147,994)
Proceeds from sale of capital assets	184,660	65	-	-	-	184,725
Acquisition and construction of capital assets (including capitalized interest)	(5,163,101)	(13,180)	(46,196)	-	(53,209)	(5,275,686)
Net cash used in capital and related financing activities	(4,978,441)	(429,015)	(46,196)	-	(53,209)	(5,506,861)
Cash flows from investing activities:						
Interest received	75,565	3,115	96,875	812,482	6,442	994,479
Net cash provided by investing activities	75,565	3,115	96,875	812,482	6,442	994,479
Net increase (decrease) in cash and cash equivalents	968,503	33,010	(96,081)	2,783,627	(115,814)	3,573,245
Cash and cash equivalents at beginning of year	3,465,284	240,429	5,757,179	45,524,409	429,342	55,416,643
Cash and cash equivalents at end of year	<u>\$ 4,433,787</u>	<u>\$ 273,439</u>	<u>\$ 5,661,098</u>	<u>\$ 48,308,036</u>	<u>\$ 313,528</u>	<u>\$ 58,989,888</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 4,433,787	\$ 273,439	\$ 5,536,098	\$ 48,308,036	\$ 313,528	\$ 58,864,888
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 4,433,787</u>	<u>\$ 273,439</u>	<u>\$ 5,661,098</u>	<u>\$ 48,308,036</u>	<u>\$ 313,528</u>	<u>\$ 58,989,888</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2020

	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 (loss)	\$ (3,616,788)	\$ (60,169)	\$ (186,059)	\$ (12,158,832)	\$ (142,506)	\$ (16,164,354)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,602,928	384,478	67,421	-	107,582	5,162,409
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	15,084	5,358	(22,222)	(2,760,044)	-	(2,761,824)
Decrease in inventory	15,790	-	-	-	-	15,790
Increase (decrease) in accounts payable	(16,964)	5,956	(21,359)	(9,859)	(42,257)	(84,483)
Increase in accrued payroll	53,765	23,287	15,459	2,497	8,134	103,142
Increase in net pension liability	-	-	-	6,667,038	-	6,667,038
Increase in net OPEB liability	-	-	-	7,391,861	-	7,391,861
Decrease in deferred outflows of resources for pensions	-	-	-	7,680,201	-	7,680,201
Increase in deferred inflows of resources for pensions	-	-	-	320,777	-	320,777
(Increase) in deferred outflows of resources for OPEB	-	-	-	(4,775,224)	-	(4,775,224)
(Decrease) in deferred inflows of resources for OPEB	-	-	-	(1,537,219)	-	(1,537,219)
Total adjustments	4,670,603	419,079	39,299	12,980,028	73,459	18,182,468
Net cash provided by (used in) operating activities	\$ 1,053,815	\$ 358,910	\$ (146,760)	\$ 821,196	\$ (69,047)	\$ 2,018,114

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, 2020

<u>ASSETS</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 223,370	\$ 25,799	\$ 9,395	\$ 239,774
Held by Clerk of Court				
Third parties	17,107,409	12,697,851	11,969,311	17,835,949
Held by Delinquent Tax				
Third parties	110,589	5,054	5,353	110,290
Held by Family Court				
Third parties	276,970	2,875,420	2,996,140	156,250
Held by Magistrates				
Third parties	80,755	130,777	80,755	130,777
Held by Master-In-Equity				
Third parties	3,433,475	14,761,178	15,038,535	3,156,118
Held by Probate				
Third parties	17,691	6,702	6,623	17,770
Held by Public Defender				
Third parties	13,174	69,831	71,561	11,444
Held by Sheriff				
Third parties	595,336	4,194,254	4,184,562	605,028
Held by Solicitor				
Third parties	274,895	292,512	301,555	265,852
Total non-pooled cash and cash equivalents	22,133,664	35,059,378	34,663,790	22,529,252
Non-pooled investments:				
Held by Clerk of Court				
Third parties	128,981	-	78,981	50,000

COUNTY OF CHARLESTON, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>ASSETS</u>				
Pooled cash and cash equivalents:				
Held by Treasurer				
Charleston County PRC	\$ 460,539	\$ 26,250,244	\$ 26,479,253	\$ 231,530
Charleston County School District	32,979,485	676,926,699	697,066,952	12,839,232
City of Charleston	57,290	106,135,450	105,773,361	419,379
City of Folly Beach	7,679	2,397,927	2,383,389	22,217
City of Folly Beach/James Island	(868)	131,248	129,759	621
City of Isle of Palms	8,507	4,487,156	4,448,613	47,050
City of North Charleston	746,407	60,844,504	61,872,412	(281,501)
Cooper River PPC	6,394	210,871	194,525	22,740
James Island PSD	312,237	6,521,507	6,433,992	399,752
North Charleston District	39,218	1,162,616	1,095,041	106,793
S. C. Fireman's Association	-	2,685,237	2,685,237	-
St. Andrew's PPPC	76,875	2,035,754	2,608,231	(495,602)
St. Andrew's Public Service District	276,441	7,639,973	7,547,055	369,359
St. John's Fire District	547,370	16,879,905	16,622,597	804,678
St. Paul's Fire District	446,743	7,251,562	7,089,229	609,076
State Agencies	402,002	8,028,492	8,029,203	401,291
Third parties	4,015,908	1,048,241,507	1,045,456,007	6,801,408
Town of Awendaw	1,538	152,316	149,132	4,722
Town of Lincolnville	5,033	266,632	265,356	6,309
Town of McClellanville	507	33,790	33,872	425
Town of James Island	48,342	57,163	48,389	57,116
Town of Mount Pleasant	212,930	31,107,601	30,921,651	398,880
Town of Sullivan's Island	27,761	3,943,071	3,925,044	45,788
Town of Summerville	3,755	566,706	564,059	6,402
Employee Fund	254	1,550	515	1,289
Total held by Treasurer	40,682,347	2,013,959,481	2,031,822,874	22,818,954
Held by Drug & Vice Seizure Trust				
Third parties	314,052	198,274	159,677	352,649
Total pooled cash and cash equivalents	40,996,399	2,014,157,755	2,031,982,551	23,171,603
Total assets	\$ 63,259,044	\$ 2,049,217,133	\$ 2,066,725,322	\$ 45,750,855

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COUNTY OF CHARLESTON, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ 460,539	\$ 26,250,244	\$ 26,479,253	\$ 231,530
Cooper River PPC	6,394	210,871	194,525	22,740
North Charleston District	39,218	1,162,616	1,095,041	106,793
St. Andrew's PPPC	76,875	2,035,754	2,608,231	(495,602)
St. John's Fire District	547,370	16,879,905	16,622,597	804,678
St. Paul's Fire District	446,743	7,251,562	7,089,229	609,076
Total due to component units	1,577,139	53,790,952	54,088,876	1,279,215
Intergovernmental payable:				
Charleston County Airport	-	-	-	-
Charleston County School District	32,979,485	676,926,699	697,066,952	12,839,232
City of Charleston	57,290	106,135,450	105,773,361	419,379
City of Folly Beach	7,679	2,397,927	2,383,389	22,217
City of Folly Beach/James Island	(868)	131,248	129,759	621
City of Isle of Palms	8,507	4,487,156	4,448,613	47,050
City of North Charleston	746,407	60,844,504	61,872,412	(281,501)
S. C. Fireman's Association	-	2,685,237	2,685,237	-
St. Andrew's Public Service District	276,441	7,639,973	7,547,055	369,359
State Agencies	402,002	8,028,492	8,029,203	401,291
Town of Awendaw	1,538	152,316	149,132	4,722
Town of Lincolnville	5,033	266,632	265,356	6,309
Town of James Island	48,342	57,163	48,389	57,116
Town of McClellanville	507	33,790	33,872	425
Town of Mount Pleasant	212,930	31,107,601	30,921,651	398,880
Town of Sullivan's Island	27,761	3,943,071	3,925,044	45,788
Town of Summerville	3,755	566,706	564,059	6,402
James Island PSD	312,237	6,521,507	6,433,992	399,752
Employee Fund	254	1,550	515	1,289
Total intergovernmental payable	35,089,300	911,927,022	932,277,991	14,738,331
Due to third parties	26,592,605	1,083,499,159	1,080,358,455	29,733,309
Total liabilities	\$ 63,259,044	\$ 2,049,217,133	\$ 2,066,725,322	\$ 45,750,855

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, 2020

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 14,939,875	\$ 76,634,684	\$ 2,479,875	\$ 46,048,489	\$ -	\$ 7,702,554	\$ 147,805,477
Public safety	6,002,667	164,216,750	1,957,890	48,484,028	-	6,287,587	226,948,922
Judicial	-	60,706,495	1,230,777	1,966,377	-	121,711	64,025,360
Public works	188,336	544,682	31,160	8,205,386	44,667,708	-	53,637,272
Health and welfare	177,160	3,282,223	-	889,215	-	-	4,348,598
Culture and recreation	12,984,317	71,689,316	-	105,000	-	12,230,845	97,009,478
Economic Development	-	-	-	79,750	-	-	79,750
Total	\$ 34,292,355	\$ 377,074,150	\$ 5,699,702	\$ 105,778,245	\$ 44,667,708	\$ 26,342,697	\$ 593,854,857

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, 2020

<u>Function</u>	<u>Balance July 1, 2019</u>	<u>Additions *</u>	<u>Deletions *</u>	<u>Balance June 30, 2020</u>
General government	\$ 139,423,659	14,642,003	(6,260,185)	147,805,477
Public safety	223,745,696	6,577,228	(3,374,002)	226,948,922
Judicial	62,679,802	1,838,884	(493,326)	64,025,360
Public works	52,517,779	1,192,179	(72,686)	53,637,272
Health and welfare	5,567,478	-	(1,218,880)	4,348,598
Culture and recreation	79,014,841	43,698,247	(25,703,610)	97,009,478
Economic Development	79,750	-	-	79,750
Total	\$ 563,029,005	\$ 67,948,541	\$ (37,122,689)	\$ 593,854,857

* 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.	199 - 206
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	207 – 211
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.	212 - 216
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.	217 - 218
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.	219 - 223
Financial Assurance Coverage	224

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>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>	<u>2020</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 121,876,245
Restricted	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	276,537,148
Unrestricted	(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)	(496,158,767)
Total Governmental Activities Net Position	<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>	<u>\$ (97,745,374)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 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	\$ 55,892,857
Restricted	48,107,916	54,181,917	57,336,068	-	-	-	-	-	-	-
Unrestricted	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	62,953,523
Total Business-type Activities Net Position	<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>	<u>\$ 118,846,380</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 177,769,102
Restricted	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	276,537,148
Unrestricted	(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)	(433,205,244)
Total Primary Government Net Position	<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>	<u>\$ 21,101,006</u>

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

UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 86,997,759
Public Safety	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	129,003,269
Judicial	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	35,775,623
Public Works	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	74,986,045
Health and Welfare	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	7,790,350
Economic Development	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	15,001,564
Culture and Recreation	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	57,218,739
Education	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	15,648,275
Interest and Fiscal Charges	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	24,369,416
Total Governmental Activities Expenses	<u>319,496,257</u>	<u>340,948,578</u>	<u>332,936,424</u>	<u>345,900,839</u>	<u>347,960,013</u>	<u>347,960,913</u>	<u>355,386,470</u>	<u>435,768,912</u>	<u>394,247,926</u>	<u>446,791,040</u>
Business-Type Activities:										
DOADAS	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	10,551,777
E 911 Communications	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	2,995,189
Environmental Management	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	36,043,112
Parking Garages	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	2,603,119
Public Safety Systems	-	-	-	422,102	379,728	441,029	668,590	568,449	865,670	742,500
Radio Communications	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	3,604,897
Revenue Collections	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	2,325,618
Total Business-Type Activities Expenses	<u>34,965,228</u>	<u>36,420,042</u>	<u>40,808,480</u>	<u>41,701,739</u>	<u>40,816,839</u>	<u>47,550,251</u>	<u>48,682,922</u>	<u>52,429,440</u>	<u>52,621,393</u>	<u>58,866,212</u>
Total Primary Government Expenses	<u>\$ 354,461,485</u>	<u>\$ 377,368,620</u>	<u>\$ 373,744,904</u>	<u>\$ 387,602,578</u>	<u>\$ 388,776,852</u>	<u>\$ 395,511,164</u>	<u>\$ 404,069,392</u>	<u>\$ 488,198,352</u>	<u>\$ 446,869,319</u>	<u>\$ 505,657,252</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 17,469,086
Public Safety	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	22,268,634
Judicial	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	11,319,839
Public Works	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	8,930,137
Health and Welfare	233,266	250,352	309,820	189,629	148,364	351,291	241,946	233,216	12,307	175,884
Economic Development	-	-	-	-	-	2,970	8,400	11,500	52,499	23,593
Culture and Recreation	882,902	511,170	4,721,867	149,356	1,280,708	262,812	809,262	383,196	957,476	-
Operating Grants and Contributions	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	42,836,586
Capital Grants and Contributions	396,000	2,620,425	-	-	-	-	-	-	-	5,416,823
Total Governmental Activities Program Revenues	<u>60,364,264</u>	<u>68,252,493</u>	<u>71,691,075</u>	<u>66,672,712</u>	<u>74,449,731</u>	<u>79,898,480</u>	<u>78,416,182</u>	<u>100,833,153</u>	<u>84,553,628</u>	<u>108,440,582</u>

CONTINUED

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

UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-Type Activities:										
Charges for Services:										
DAODAS	\$ 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	\$ 5,420,700
E 911 Communications	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	4,244,798
Environmental Management	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	30,916,841
Parking Garages	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	2,997,340
Public Safety Systems	-	-	-	150,000	324,550	375,066	495,198	594,558	854,331	938,142
Radio Communications	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	3,014,595
Revenue Collections	497,742	629,551	490,052	765,637	467,233	586,530	735,095	2,130,627	2,285,301	2,143,905
Operating Grants and Contributions	768,317	779,097	765,244	977,744	2,529,772	1,116,139	1,076,613	1,232,188	1,204,226	1,206,652
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	182,561
Total Business-type Activities Program Revenues	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	51,065,534
Total Primary Government Program Revenues	\$ 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	\$ 159,506,116
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (338,350,458)
Business-type Activities	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)	(7,800,678)
Total Primary Government Net (Expense)/Revenue	\$ (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)	\$ (346,151,136)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 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	\$ 178,577,269
Local Option Sales Tax	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	66,432,618
Transportation Sales Tax	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	120,839,149
Accommodations Tax	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	14,245,777
Franchise Tax	578,864	754,091	791,536	771,276	826,616	876,716	893,135	873,401	842,899	853,482
Alcohol Beverage Tax	-	-	-	-	84,900	-	-	-	-	-
Merchants Inventory Tax and Manufacture's Depreciation	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	1,685,124
Motor Carrier Tax	111,247	92,429	105,961	115,352	145,831	145,810	173,315	186,590	213,121	121,812
Homestead Exemption	-	-	-	2,264,775	2,374,258	2,593,876	2,607,999	2,639,157	2,705,025	3,127,921
Unrestricted State Aid to Political Subdivisions	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	14,189,324
Unrestricted Investment Earnings	837,142	1,276,697	769,780	1,293,748	1,200,970	1,180,393	892,626	1,878,509	3,701,010	4,261,100
Gain on Sale of Capital Assets	-	239,152	-	-	-	313,118	(2,754,113)	-	45,728	-
Transfers	(2,322,103)	(3,054,286)	(196,329)	(2,507,996)	(1,436,924)	(2,294,434)	-	(2,536,460)	220,341	(2,765,607)
Special Items:										
Loss on Settlement of Lawsuit	-	-	-	-	-	-	-	(16,100,000)	-	-
Capital Asset Impairment	-	-	-	-	-	-	-	(11,900,000)	-	-
Total Governmental Activities	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	401,567,969

CONTINUED

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

UNAUDITED

	<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>	<u>2020</u>
Business-type activities:										
Alcoholic Beverage Tax	\$ 537,486	\$ 594,682	\$ 469,405	\$ 532,043	\$ 537,916	\$ 697,064	\$ 678,629	\$ 737,748	\$ 799,443	\$ 695,985
Merchants Inventory tax and Manufacture's Depreciation	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	11,082	10,895
Unrestricted Investment Earnings	85,303	31,880	34,210	22,615	132,021	301,223	531,993	830,282	1,374,511	1,051,384
Gain on Sale of Capital Assets	18,643	189,208	19,902	5,226	85,328	13,658	273,813	214,335	147,823	549,155
Micellaneous	-	-	-	-	-	-	-	-	-	789,911
Transfers	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)	2,765,607
Total Business-type Activities	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	5,862,937
Total Primary Government	<u>\$ 211,313,284</u>	<u>\$ 220,268,444</u>	<u>\$ 224,086,185</u>	<u>\$ 247,004,838</u>	<u>\$ 259,897,331</u>	<u>\$ 289,902,596</u>	<u>\$ 312,260,741</u>	<u>\$ 350,312,516</u>	<u>\$ 399,382,598</u>	<u>\$ 407,430,906</u>
Change in Net Position:										
Governmental Activities	\$ (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	\$ 63,217,511
Business-type Activities	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	(1,937,741)
Total Primary Government	<u>\$ (43,694,443)</u>	<u>\$ (46,376,460)</u>	<u>\$ (34,663,414)</u>	<u>\$ (28,957,158)</u>	<u>\$ (8,275,812)</u>	<u>\$ 19,393,162</u>	<u>\$ 33,479,153</u>	<u>\$ 12,565,638</u>	<u>\$ 88,041,164</u>	<u>\$ 61,279,770</u>

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

UNAUDITED

	<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>	<u>2020</u>
General Fund										
Nonspendable - inventory	\$ 1,080,137	\$ 935,078	\$ 923,453	\$ 1,282,008	\$ 1,161,306	\$ 777,478	\$ 627,879	\$ 707,665	\$ 913,883	\$ 944,351
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	12,274,483
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	85,984,542
Total General Fund	<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>	<u>\$ 99,203,376</u>
All Other Governmental Funds										
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	\$ 40,264,991
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	232,308,453
Restricted - Special Source Revenue Bonds	-	-	-	-	86,213,244	80,042,831	79,228,897	83,117,745	81,849,277	80,668,868
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	29,984,215
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	130,700,428
Unassigned - Other Governmental Funds	-	-	-	-	-	-	-	(16,585,445)	(16,285,605)	(21,126,238)
Total All Other Governmental Funds	<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>	<u>\$ 492,800,717</u>

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

UNAUDITED

	<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>	<u>2020</u>
Revenues										
Taxes by Source:										
Property Tax	\$ 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	\$ 178,274,964
Local Option Sales Tax	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	66,432,618
Transportation Sales Tax	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	120,839,149
Accommodations Tax	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	14,245,777
Intergovernmental	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	74,441,354
Permits and Licenses	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	6,021,901
Fines and Forfeitures	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	1,719,007
Interest	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	10,444,501
Service Charges	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	30,809,851
Rental and Use of Property	618,864	610,801	587,533	591,338	644,959	534,951	127,187	335,674	484,076	243,914
Other Revenues	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	5,882,264
Total Revenues	<u>276,996,888</u>	<u>292,524,874</u>	<u>295,471,507</u>	<u>317,350,893</u>	<u>338,599,094</u>	<u>373,009,016</u>	<u>393,668,287</u>	<u>481,419,599</u>	<u>482,466,400</u>	<u>509,355,300</u>
Expenditures										
Current:										
General Government	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	84,377,752
Public Safety	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	117,771,738
Judicial	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	32,671,977
Public Works	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	71,203,815
Health and Welfare	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	7,499,547
Economic Development	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	15,077,901
Culture and Recreation	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	52,402,594
Education	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	7,825,694
Capital Outlay	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	35,085,555
Debt Service:										
Principal	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	45,119,626
Interest and Fiscal Charges	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	29,076,127
Bond Issuance Costs	-	1,474,750	837,882	926,665	-	696,450	-	1,507,091	-	529,443
Total Expenditures	<u>339,637,647</u>	<u>374,136,290</u>	<u>355,270,590</u>	<u>366,548,636</u>	<u>371,783,465</u>	<u>382,122,579</u>	<u>383,811,680</u>	<u>486,819,251</u>	<u>462,496,714</u>	<u>498,641,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(62,640,759)</u>	<u>(81,611,416)</u>	<u>(59,799,083)</u>	<u>(49,197,743)</u>	<u>(33,184,371)</u>	<u>(9,113,563)</u>	<u>9,856,607</u>	<u>(5,399,652)</u>	<u>19,969,686</u>	<u>10,713,531</u>

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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>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>	<u>2020</u>
Other Financing Sources (Uses)										
Capital Lease Issuance	\$ 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	-	27,100,000	-	-	-	20,875,000	-	103,205,000	-	125,509,505
General Obligation Refunding Bonds Issued	-	32,095,000	129,770,000	29,190,000	-	102,930,000	-	16,440,000	-	-
Premium On Bonds Sold	-	27,995,947	23,983,718	9,356,441	-	20,857,982	-	31,640,003	-	14,083,191
Payment To Refunded Debt Escrow Agent	-	(36,334,680)	(152,862,692)	(33,404,536)	-	(121,786,215)	-	(130,737,060)	-	-
Settlement Loss On Lawsuit	-	-	-	-	-	-	-	(16,100,000)	-	-
Transfers In	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	106,147,106
Transfers Out	(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)	(113,830,277)
Proceeds From Sale of Capital Assets	70,524	247,378	478,115	99,828	32,684	408,784	16,970	19,481	51,801	529,254
Total Other Financing Sources (Uses)	<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>	<u>132,438,779</u>
 Net Change in Fund Balances	 <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>	 <u>\$ 143,152,310</u>
 Capital Asset Expenditures	 <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>	 <u>\$ 40,221,266</u>
Debt Service As A										
Percentage of Noncapital Expenditures	<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>	<u>16.2%</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
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%
2020	4,068,129,129	332,983,839	237,106,865	4,638,219,833	214.5	87,669,478,677	5.29%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County Direct Rates:										
Charleston County Government Operating	40.2	39.1	39.9	40.7	40.7	44.7	44.7	44.7	44.7	44.7
Charleston County Government Debt Service	6.6	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Park and Recreation Commission Operating	3.7	3.6	4.0	4.1	4.1	4.3	4.3	4.3	4.3	4.3
Park and Recreation Commission Debt Service	1.9	1.8	1.4	1.3	1.3	1.3	1.8	1.8	1.8	1.8
Trident Technical College	2.0	2.4	1.9	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	1.0
County School Board Operating	98.7	98.6	100.5	100.5	100.5	100.7	116.3	119.2	123.2	126.7
County School Board Debt Service	27.9	27.9	26.0	26.0	26.0	26.0	20.0	20.0	28.0	28.0
Total Direct Rate	181.0	179.5	180.3	181.1	181.6	186.0	196.1	199.0	211.0	214.5
Fire District Rates:	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	12-64.9
City/Town Rates:	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	24.7-117
Public Service District Rates:	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	88.9-107

**COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2020**

<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	\$ 776,045,058	100%	\$ 776,045,058
Overlapping:			
Park & Recreation Commission	38,465,000	100%	38,465,000
Public School Districts	663,903,324	100%	663,903,324
Subtotal	702,368,324	100%	702,368,324
Total	\$ 1,478,413,382	100%	\$ 1,478,413,382

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	2020			2011		
		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	\$ 76,381,740	1	1.81%	\$ 44,582,430	1	1.43%
Boeing	Manufacturing	70,941,146	2	1.68%	8,270,113	4	0.27%
Mercedes Benz Vans LLC	Automobile Manufacturing	19,500,831	3	0.46%	-	-	-
Kapstone Kraft	Manufacturing/Chemical	17,445,325	4	0.41%	14,728,415	2	0.47%
Trident Medical Center LLC	Medical Center	9,777,630	5	0.23%	-	-	-
Mid-America Apartments LP	Apartment	9,497,100	6	0.23%	-	-	-
Kiawah Real Estate Co.	Real Estate	9,058,050	7	0.21%	7,247,820	5	0.23%
Bell South	Public Utility	7,681,000	8	0.18%	13,798,840	3	0.44%
Berkeley Electric Co-Op	Public Utility	7,248,090	9	0.17%	5,931,340	7	0.19%
Northwood Mall CMBS	Retail	5,915,360	10	0.14%	-	-	-
Charleston/North Charleston MSA	Utility	-	-	-	6,298,520	6	0.20%
Charleston Place LLC	Hotel	-	-	-	5,635,510	8	0.18%
Cummins Engine	Engine Fabrication	-	-	-	5,049,300	9	0.16%
Kiawah Resort Associates	Resort	-	-	-	4,933,070	10	0.16%
Totals		<u>\$ 233,446,272</u>		<u>5.54%</u>	<u>\$ 116,475,358</u>		<u>3.73%</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
2011	93,003,512	93,003,512	87,880,320	94.5%	4,760,054	92,640,374	99.6%
2012	92,854,478	92,854,478	86,833,723	93.5%	5,768,317	92,602,040	99.7%
2013	91,424,352	91,424,352	86,267,951	94.4%	4,680,599	90,948,550	99.5%
2014	95,016,978	95,016,978	89,976,201	94.7%	3,625,210	93,601,411	98.5%
2015	97,657,553	97,657,553	93,450,651	95.7%	2,922,820	96,373,471	98.7%
2016	119,272,881	119,272,881	114,645,679	96.1%	2,973,301	117,618,980	98.6%
2017	123,685,619	123,685,619	118,881,801	96.1%	2,048,099	120,929,900	97.8%
2018	126,556,746	126,556,746	121,593,745	96.1%	2,228,633	123,822,378	97.8%
2019	132,765,335	132,765,335	127,346,650	95.9%	3,468,438	130,815,088	98.5%
2020	139,385,253	139,385,253	134,082,254	96.2%	1,580,798	135,663,052	97.3%

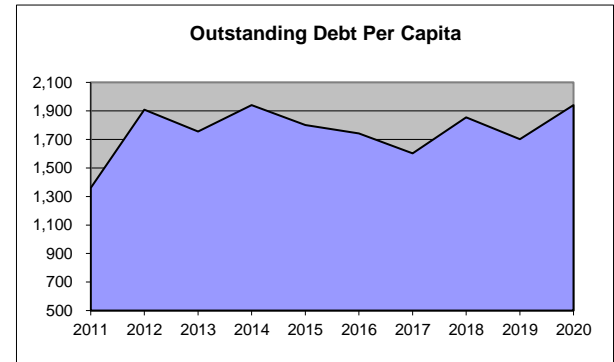
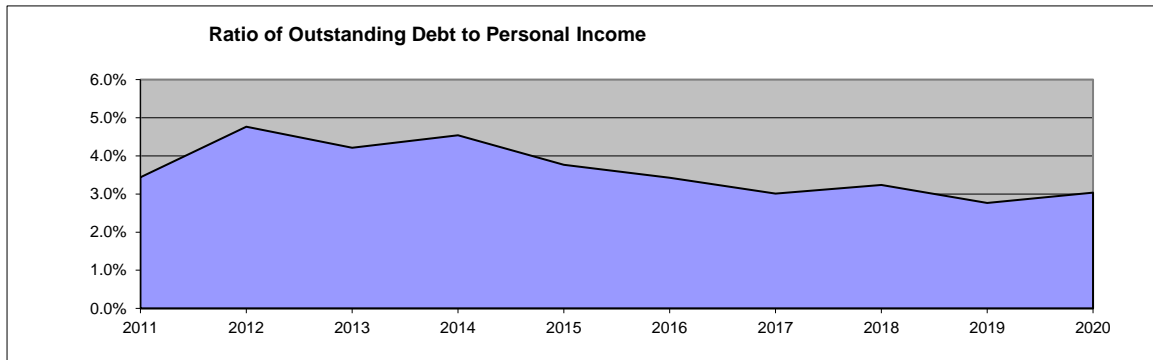
Source: This information was provided by the Charleston County Treasurer's Office.

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

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Special Source Revenue Bonds	Intergovernmental Note Payable	Capital Leases	General Obligation Bonds	Certificates of Participation	Revenue Bonds			
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
2020	635,143,070	-	120,078,515	18,830,095	1,993,378	22,448,760	-	-	798,493,818	3.0%	1,941

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**

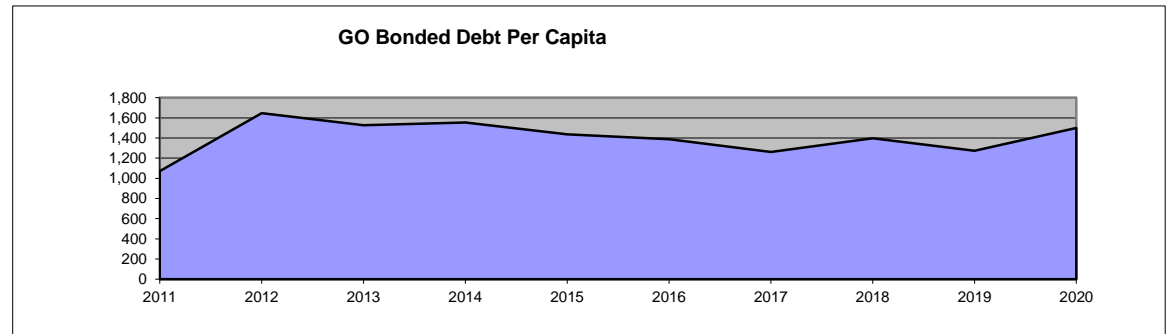
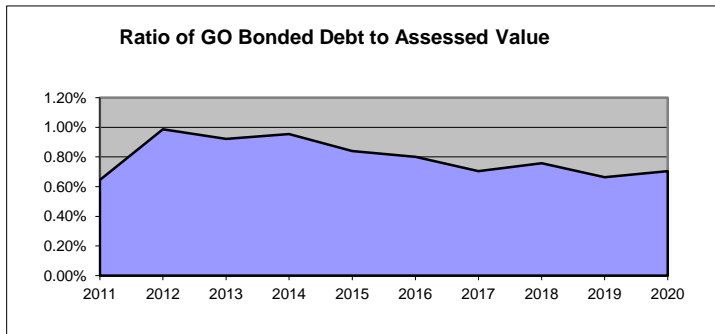
UNAUDITED

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
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
2020	411,406	87,669,478,677	657,591,882	40,264,991	617,326,891	0.70%	1,501

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**

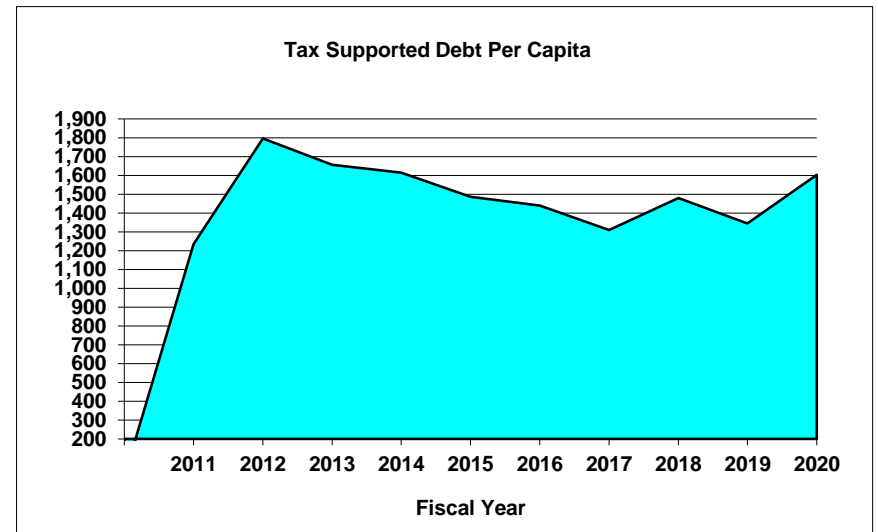
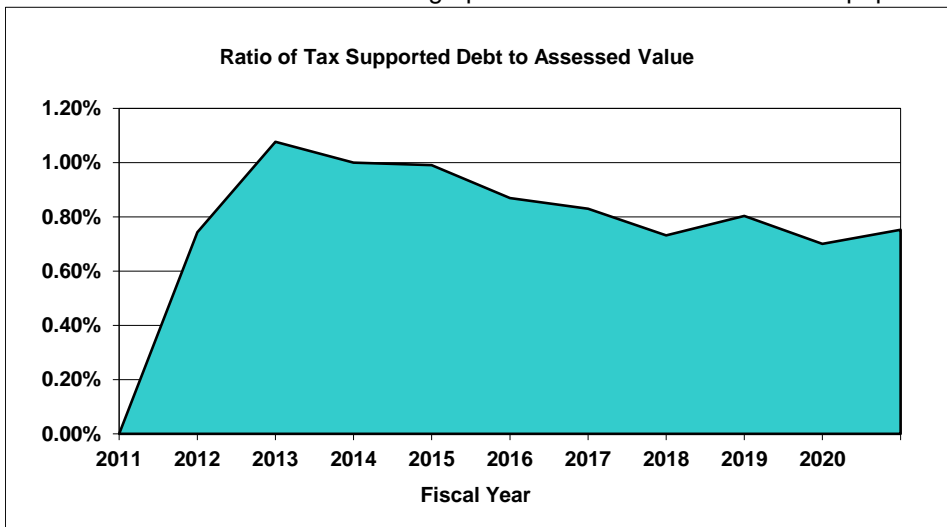
UNAUDITED

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
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
2020	411,406	87,669,478,677	657,591,882	-	1,993,378	659,585,260	0.75%	1,603

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

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

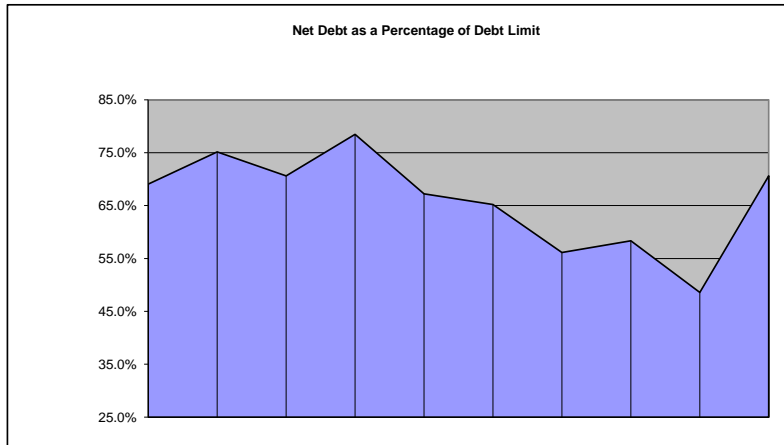
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	<u>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>	<u>2020</u>
Debt Limit	\$ 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	\$ 377,935,462
Total Net Debt Applicable to Debt Limit	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	266,875,000
Legal Debt Margin	<u>\$ 77,841,874</u>	<u>\$ 63,990,000</u>	<u>\$ 78,085,783</u>	<u>\$ 57,495,722</u>	<u>\$ 93,863,641</u>	<u>\$ 103,381,745</u>	<u>\$ 135,495,820</u>	<u>\$ 133,588,684</u>	<u>\$ 174,541,101</u>	<u>\$ 111,060,462</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>69.1%</u>	<u>75.2%</u>	<u>70.6%</u>	<u>78.5%</u>	<u>67.2%</u>	<u>65.2%</u>	<u>56.1%</u>	<u>58.4%</u>	<u>48.6%</u>	<u>70.6%</u>



Legal Debt Margin Calculation for Fiscal Year 2020

Total Assessed Value	\$ 4,724,193,274
Debt Limit (8% of Total Assessed Value)	377,935,462
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	596,145,000
Less: Debt Issued Through Referendum	<u>(329,270,000)</u>
Total Amount of Debt Applicable to Debt Limit	<u>266,875,000</u>
Legal Debt Margin	<u>\$ 111,060,462</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**

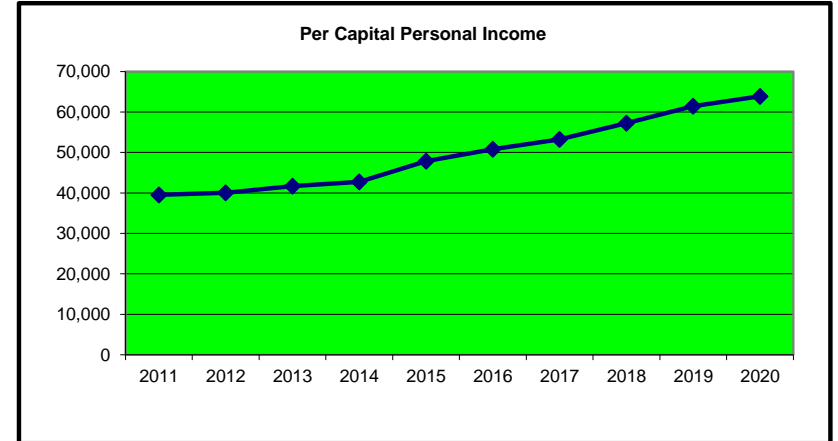
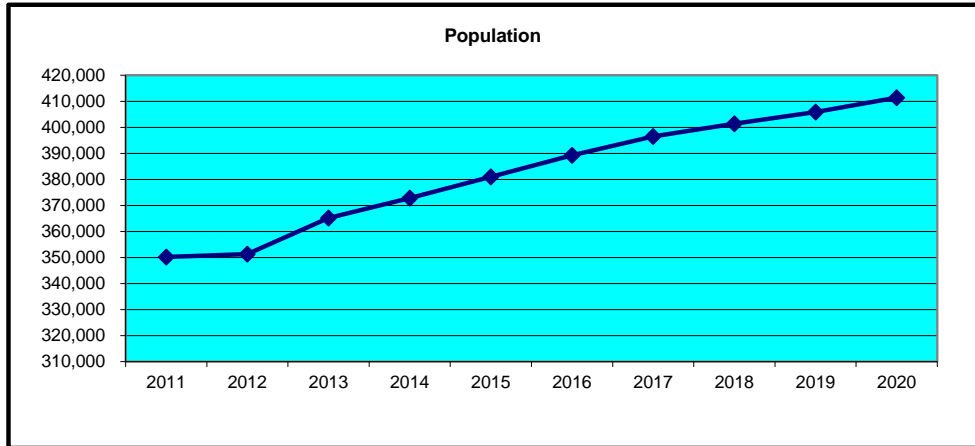
Fiscal Year Ended June 30	Derived from Fee Agreements (1)
2011	10,389,121
2012	11,423,756
2013	12,178,308
2014	12,316,021
2015	14,899,943
2016	15,441,472
2017	17,216,233
2018	20,059,181
2019	21,672,338
2020	21,855,098

(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
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
2020	411,406	26,289,411,000	63,901	9.5%	37.6	47,039



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 2020 198,915
County Employment for 2011 162,330

Employer	2020			2011		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Joint Base Charleston	22,000	1	11.06%			
Medical University of South Carolina (MUSC)	16,000	2	8.04%	11,000	1	6.78%
Boeing Charleston	6,869	3	3.45%	3,000	5	1.85%
Charleston County School District	5,900	4	2.97%	5,150	3	3.17%
Roper St. Francis Healthcare	5,700	5	2.87%	3,800	4	2.34%
County of Charleston	2,700	6	1.36%	2,150	9	1.32%
Walmart, Inc.	2,300	7	1.16%	2,300	8	1.42%
College of Charleston	2,000	8	1.01%			
City of Charleston	1,700	9	0.85%	1,700		1.05%
Mercedes-Benz Vans, LLC	1,600	10	0.80%			
Kiawah Island Golf Resort/The Sanctuary				1,600		0.99%
Piggly Wiggly Carolina Co. Inc.				1,900	10	1.17%
Charleston Air Force Base ¹				7,000	2	4.31%
JEM Restaurant Group				3,000	6	1.85%
Trident Health Systems				2,500	7	1.54%
Totals	66,769		33.57%	45,100		27.78%

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administrator	6.80	5.90	5.90	7.80	7.80	8.80	7.60	8.80	7.80	7.20
Assessor	53.00	53.00	53.00	55.00	58.00	60.00	62.00	62.00	62.00	62.00
Auditor	31.00	31.00	31.00	31.00	31.00	31.00	32.00	32.00	32.00	32.00
Budget	8.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
County Council	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	14.00
Community Development	7.40	6.40	6.40	6.40	4.40	4.50	4.40	1.90	1.90	1.90
Deputy Admin Community Services	-	-	-	-	-	-	-	-	-	3.00
Deputy Admin for Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	6.00
Deputy Admin for General Services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Deputy Admin for Public Safety	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Deputy Admin Public Services	-	-	-	-	-	-	-	4.00	4.00	3.00
Elections/Voter Registration	10.00	10.00	10.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Facilities Management	62.00	75.25	75.25	95.00	104.00	106.00	112.00	124.75	121.75	121.75
Finance	13.00	12.00	12.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00
Fleet Management	-	-	-	26.50	27.00	29.00	29.00	29.25	29.25	32.25
Human Resources	16.00	17.00	17.00	17.00	17.00	18.00	20.00	21.00	22.00	25.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Internal Services	60.00	30.50	30.50	6.50	-	-	-	-	-	-
Legal	6.67	6.41	6.41	7.11	7.41	7.11	7.11	8.42	9.42	9.56
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	-
Procurement Services	14.00	14.00	14.00	15.00	15.00	19.00	20.00	20.00	19.00	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	30.00	25.00	25.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Safety & Risk Management	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Technology Services	16.00	25.25	25.25	25.00	25.00	28.00	28.00	30.00	29.00	29.00
Treasurer	19.00	20.00	20.00	22.00	23.00	23.00	24.00	24.00	24.00	24.00
Zoning/Planning	21.00	20.60	20.60	21.20	22.20	24.20	24.20	24.40	24.40	24.40
Total General Government	432.87	418.31	418.31	453.51	463.81	478.61	489.31	512.52	510.52	519.06

CONTINUED

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

UNAUDITED

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Awendaw McClellanville Fire Dept.	-	-	-	-	-	-	-	-	-	29.00
Building Inspections	22.00	21.00	21.00	23.00	23.00	25.00	27.00	29.00	30.00	30.00
Consolidated Dispatch	100.25	120.00	120.00	160.00	160.00	164.00	179.00	172.00	173.00	170.00
Emergency Management	34.00	33.00	33.00	34.00	34.00	35.01	36.00	36.00	36.00	7.00
Emergency Medical Svcs.	134.00	151.50	151.50	167.50	218.50	218.50	216.00	216.00	216.00	216.00
Sheriff	828.74	836.74	836.74	835.74	860.74	862.74	873.74	869.25	874.25	864.25
Technology Services	-	-	-	1.00	-	-	-	-	-	-
Total Public Safety	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	1,316.25
Judicial										
Clerk of Court	56.00	57.00	57.00	57.00	57.00	57.00	61.00	61.00	63.00	60.00
Coroner	8.00	9.00	9.00	11.00	12.00	12.00	15.00	15.00	19.00	19.00
Magistrates Courts	68.13	68.63	68.63	71.63	70.70	71.01	72.51	72.51	72.51	72.51
Master-In-Equity	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Probate Courts	19.30	19.80	19.80	20.80	21.80	21.80	21.80	22.20	22.50	22.50
Public Defender	52.00	52.00	52.00	54.00	54.00	55.00	64.00	64.00	65.00	65.00
Solicitor	111.00	102.00	102.00	102.00	101.70	107.00	111.00	112.00	112.00	112.00
Total Judicial	321.43	315.43	315.43	324.43	325.20	331.81	353.31	354.71	361.01	358.01
Public Works										
Environmental Management	132.26	130.40	130.40	123.80	114.80	113.80	108.80	113.60	112.60	112.10
Procurement Services	2.00	3.00	3.00	3.00	3.00	-	-	-	-	-
Public Works	138.02	136.00	136.00	162.10	162.10	175.10	183.85	185.75	187.15	214.85
Transportation Development	21.63	21.41	21.41	23.11	23.21	25.21	30.21	27.00	27.00	-
Total Public Works	293.91	290.81	290.81	312.01	303.11	314.11	322.86	326.35	326.75	326.95

CONTINUED

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

UNAUDITED

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health and Welfare										
Facilities	2.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Copmmunity Development	5.60	5.60	5.60	5.60	5.60	5.50	5.60	5.10	5.10	4.10
DAODAS	107.00	102.00	102.00	115.00	115.00	115.00	113.00	118.00	119.00	120.50
Public Works	20.00	20.00	20.00	28.00	28.00	28.00	25.25	25.25	24.85	24.15
Veterans Affairs	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Health and Welfare	<u>138.60</u>	<u>132.60</u>	<u>132.60</u>	<u>154.60</u>	<u>154.60</u>	<u>154.50</u>	<u>149.85</u>	<u>155.35</u>	<u>155.95</u>	<u>155.75</u>
Culture and Recreation										
Greenbelt	2.00	1.30	1.30	1.30	1.20	1.20	1.40	2.20	2.20	2.30
Total Culture and Recreation	<u>2.00</u>	<u>1.30</u>	<u>1.30</u>	<u>1.30</u>	<u>1.20</u>	<u>1.20</u>	<u>1.40</u>	<u>2.20</u>	<u>2.20</u>	<u>2.30</u>
Economic Development	5.00	5.00	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00
Total Economic Development	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Total	<u><u>2,312.80</u></u>	<u><u>2,325.69</u></u>	<u><u>2,325.69</u></u>	<u><u>2,472.09</u></u>	<u><u>2,554.16</u></u>	<u><u>2,595.48</u></u>	<u><u>2,658.47</u></u>	<u><u>2,683.38</u></u>	<u><u>2,695.68</u></u>	<u><u>2,688.32</u></u>

Source: Charleston County Budget Department

Note: 1 Includes the Authorized Full Time Employees for both Government and Business-type Activities

**COUNTY OF CHARLESTON, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

UNAUDITED

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Auditor - Tax Notices Processed	585,470	583,240	560,097	651,050	586,801	622,507	659,238	680,000	648,191	671,931
Register of Deeds Documents Recorded	87,894	97,137	116,435	106,096	109,245	99,681	107,380	107,380	93,188	98,201
Zoning Applications Processed	1,206	1,327	2,864	³ 1,957	1,610	1,714	1,638	1,700	2,151	1,831
Illegal Businesses Located	172	154	165	175	50	50	61	200	42	38
Public Safety										
Building Inspections Performed	17,634	19,400	20,804	19,054	21,410	22,927	30,544	30,000	31,652	33,110
Bad Check Warrants Served	¹ 0	¹ 0	6,078	6,702	1,792	8	162	160	135	53
Daily Costs Per Prisoner	55	55	55	55	55	55	55	55	55	67
Judicial										
Marriage Licenses Issued	4,000	4,200	4,500	4,600	5,026	5,273	4,597	4,800	4,750	3,956
Master-in-Equity Cases Disposed of	3,459	2,063	1,736	1,481	1,675	1,047	841	900	694	395
Health and Welfare										
Veterans Claims Filed	522	2,871	3,388	8,681	8,238	867	1,939	2,062	2,876	2,445
Economic Development										
Number of New Companies Relocating to Charleston	3	3	2	4	4	3	5	4	6	2
Number of New Jobs From Relocating Companies	120	360	203	348	188	782	103	192	256	381
Number of Expanding Employers in Charleston	4	5	7	3	5	2	12	14	7	9
Number of Jobs Resulting from Expansion	323	492	2,226	114	1,627	350	974	493	464	912
Culture & Recreation										
Library Visits Per Capita	6.05	5.54	5.45	5.24	5.01	4.89	4.77	4.82	4.26	3.27
Library Cards In Use	² 284,617	² 269,552	284,328	264,289	264,113	262,034	264,271	266,914	203,106	202,509
Environmental Management										
Total Tons of Incinerated Waste	n/a	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	2,287	2,264	2,463	2,732	3,039	2,973	3,024	3,116	3,124	2,402
Average Operating Expenditure Per Space	1,742	1,683	1,585	1,330	1,441	1,311	1,425	1,645	1,558	1,532

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Automobiles	92	118	114	110	102	129	133	140	143	156
Buildings	104	102	104	104	111	112	111	114	116	118
Public Safety										
Police Cars	336	333	351	355	360	374	370	386	373	417
Fire Trucks	10	10	11	10	13	13	13	14	14	14
Ambulances	24	25	30	31	24	40	35	39	44	43
Judicial										
Magistrate Courts	15	15	15	15	13	13	9	9	9	9
Public Works										
Paved Streets (in Miles)	129	131	131	131	132	133	133	97.65	102.35	102.75
Ground Equipment	67	69	68	66	66	65	72	69	69	69
Heavy Trucks	35	34	34	37	37	39	43	39	38	34
Environmental Management										
Collection/Refuse Trucks	44	47	59	57	59	58	60	61	62	63
Ground Equipment	26	27	30	30	27	30	27	31	33	42
Culture & Recreation										
Libraries, Main and Branches	11	11	11	11	11	11	13	13	14	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	\$ 645,759,028	
Total expenditures	<u>\$ 649,770,027</u>	
Requirement is no less than 5 percent		<u><u>99.38%</u></u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 75,632,033	
Total expenditures	<u>\$ 649,770,027</u>	
Requirement is no more than 20 percent		<u><u>11.64%</u></u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 639,454,468	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 274,965,421

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

Estimated costs from Note III.G. on landfill closure	\$ 49,020,314	
Less: Expenditures to date	\$ (22,373,865)	
Restricted assets committed to closure	<u>\$ (11,313,796)</u>	
Balance of closure costs being deferred		<u>\$ 15,332,653</u>
Additional permissible deferred cost		<u><u>\$ 259,632,768</u></u>

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