

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

WITH

INDEPENDENT AUDITOR'S REPORT



PREPARED BY:

FINANCE DEPARTMENT

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INTRODUCTORY SECTION





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December 17, 2021

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, 2021.

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, 2021, 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, 2021, 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 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 160.

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

LONG-TERM FINANCIAL PLANNING

The Budget Department prepares long-term financial plans for the General Fund, Debt Management, Transportation Sales Tax, and Environmental Management that contain five years of data. Per the County's Financial Policies, the General Fund and Debt Management Plans are required to be updated annually. The County ordinance that established the Transportation Sales Taxes requires that plan to also be updated annually. Though it is not required, the Environmental Management Plan is updated annually due to its significance as a major Enterprise Fund. In addition to the plans for operating, the Budget Department, in conjunction with the Facilities Management Department, prepares a five-year Capital Improvement Plan and incorporates any operating impact into the operating funds. Together these plans capture approximately 72 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 7,300 people in the region. Local operations for the two OEMs (original equipment manufacturers) supports multiple tier one and tier two aerospace and automotive suppliers.

At nearly 5,000, Charleston County has a high concentration of jobs in the Aerospace Products and Parts Manufacturing industry. The Boeing Company's South Carolina division serves as the anchor within the local industry cluster. 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. In November 2020, Boeing announced its decision to consolidate the total production of its 787 program into its South Carolina site located in North Charleston. The company implemented this change in March 2021. Boeing currently employs 5,700 people in the region, a reduced job count as it sustained impacts from order declines. These negative impacts were linked to both program-specific issues (737 MAX discussed later) and an overall downturn in the aircraft manufacturing industry due to the COVID-19 pandemic. The total count of jobs within the overall Aerospace Products and Parts Manufacturing industry in Charleston County declined more than 20 percent over the time-period of 2015 to 2020. An uptick in air travel demand witnessed in the months of April through June 2021 provide support for increased demand for aircrafts, barring any major setbacks sparked by future outbreaks (i.e., Delta variant).

Boeing has experienced major headwinds over the last 2-years as it worked to address 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.

The aircraft manufacturing industry has endured significant economic impacts from the COVID-19 pandemic. While many travel restrictions eased as COVID-19 cases moderated and vaccinations grew, some restrictions persist around the globe causing some major airlines to delay orders for new aircrafts and parts. Aircraft orders in the global market have experienced greater than a 40 percent decline in deliveries with widebody planes experiencing the greatest decline.

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. In April 2021, Mercedes-Benz Vans announced that it would build its next generation eSprinter van in three locations in the world. The North Charleston plant is among the three locations. Mercedes-Benz indicated that it would invest around \$59 million in the plant to begin production in the second half of 2023.

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 is ranked in the top 20 for high-tech GDP growth (2014-19) in Milken's *2021 Best-Performing Large Cities* report, released in April 2021. 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. The Charleston Digital Corridor recently opened its third "Flagship" facility, a tech-focused incubator. The operation is housed in the new Charleston Tech Center a 92,000-square-foot class A office tower created to bring together tech companies at all phases of development. 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 2015 to 2020, job growth in the cluster has far exceeded the national growth rate. Through the end of 2020, jobs in the information sector (tracked by the Bureau of Labor Statistics) were three percent higher.

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 the potential for cyber-threat induced supply-chain disruptions. 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 construction starts in the county has returned to levels witnessed before the pandemic. Over the past 12 months multiple new industrial projects have been announced in Palmetto Commerce Park, Charleston County's largest class A industrial park. 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 early 2020. The new 160,000 square foot office building at 22 WestEdge delivered in 2020 is a 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. The site is home to a new incubator managed by the Charleston Digital Corridor and hosted such companies as Vikor Scientific. Vikor has announced a \$1 million expansion which will create 148 new jobs.

ECONOMIC CONDITIONS AND OUTLOOK FOR CHARLESTON COUNTY'S MATURE INDUSTRIES

The national, state and local economies have experienced a significant rebound from the pandemic-inspired lows witnessed in 2020. As of May 2021, the Charleston County unemployment rate is 3.2 percent, more than nine percentage points lower than the peak witnessed in May 2020 (12.3 percent). Charleston County's unemployment rate is lower than both the state and the nation at 3.6 percent and 5.5 percent, respectively. Charleston's rebound can be attributed to the diversity of industries within the Charleston economy as well as the presence of key industries that were somewhat insulated from pandemic-related shocks. In addition, industries including construction, manufacturing, logistics, IT/high tech and life sciences benefitted from prevailing trends only intensified by the pandemic. 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.

While many industry-sectors have experienced a rebound from pandemic-related lows, the leisure and hospitality sector which experienced the sharpest economic impact from the COVID-19 pandemic is still working to recover. The industry witnessed a loss of jobs in the midst of the pandemic and now, during the recovery phase, is experiencing a tight labor force. Despite major headwinds, employment in the industry-sector has increased 77 percent from lows witnessed in April 2020 (As of Dec 2020). Restored demand for travel-related product has sparked an increase in inbound passenger volume, hotel occupancy and restaurant patronage. Trends in other economic factors impacting county residents including the amount of housing stock available at various price points and other supply-related market developments are also at key inflection points.

Throughout the impact of the COVID-19 pandemic event and as a matter of course, 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 and to ensure that our existing industry will be able to sustain in the case of future impacts from major economic events.

Port of Charleston – The region's economic base includes the Port of Charleston, which is the fifth largest port in dollar value of goods handled along the east and Gulf Coasts and sixth among all seaport districts in the United States. The Port is considered among the most efficient in the nation for its cargo handling systems. In December 2019, the Port was recognized by the Journal of Commerce (JOC) as the "No. 1 for overall productivity in the midsize ports category for North American ports." In addition, the "Wando Welch Terminal was named No. 1 for overall productivity in the midsize terminals category." (S.C. Ports Authority) The Port has worked to position itself for growth with a six-year, multi-billion-dollar capital improvement plan. The list of major capital improvement projects includes the construction of the new Hugh K. Leatherman Sr. Terminal on the former Naval Base, deepening the harbor to 52 feet, and other road/rail access and terminal modernization projects. Phase I of the new 280-acre terminal opened in March of 2021, marking history as the nation's newest container terminal in over 10 years. At completion, the terminal is expected to double Charleston's total container capacity. The new terminal, coupled with multiple rail enhancements including the planned Navy Base Intermodal Container Transfer Facility, will



help to augment the success of the new port terminal.

The Port of Charleston handled 2.55 million twenty-foot equivalent units for the time in its history of operation in fiscal year 2021 (ending on June 30, 2021). At the beginning of FY21, container volumes were negatively impacted by pandemic-related supply-chain disruptions, however, a positive shift in consumer spending on retail and home goods prompted a surge in imports. The SCPA economic impact for the Lowcountry region is estimated at \$7.8 billion and supports nearly 28,000 jobs and \$1.5 billion in labor income in the eight-county region.

Hospitality and Tourism Industry – The pandemic-related impacts witnessed in the leisure and hospitality sector has somewhat moderated. At the conclusion of 2020, leisure and hospitality employment was down 22 percent from the previous year after having declining 44 percent at the height of the pandemic. Charleston's vast array of annual festivals and events that bring tourists to the region, continued to be impacted by the pandemic as in the previous year, but many are returning with COVID-19 safety protocols in place. However, there were fewer instances of cancellations and more instances of reformatted or hybrid events where attendance was restricted. The 2021 Volvo Car Open opted to host the event without spectators, however the event was broadly televised with stats indicating footage available in 170 countries.



The region's visitor industry was defined by the COVID-19 pandemic in 2020. Despite the unique challenges that were faced, the Charleston region attracted 5.12 million overnight visitors, who generated \$6.15 billion in total economic impact throughout the region. Condé Nast Traveler reports that 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 ten years straight (2011 through 2020). 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 2021 PGA Championship was hosted at the Ocean Course at Kiawah Island, SC. Even with in-person attendance limited to 50%, the Championship was expected to exceed \$100 million economic impact to the Charleston region. The Championship was previously held there in 2012 with great success, bringing with it a \$23.6 million economic impact.

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 non-stop service to 45 cities in the United States. The new seasonal nonstop transatlantic flight to London, Heathrow airport via British Airways that launched in April 2019 that was suspended due to the impact of the COVID-19 pandemic remains on hold. However, multiple new service announcements have added new destinations to the airport's flight roster. New service coupled with anticipated passenger growth has prompted multiple improvement projects. The airport has completed the \$88 million addition of a new parking structure for more than 3,000 vehicles (in fall 2020) and has plans to add a third concourse. While 2021 passenger volume remain impacted, passenger volume in June 2021 was 94 percent of that witnessed pre-pandemic. The Airport Authority CEO projects that July 2021 will surpass volumes posted in July 2019.

The Charleston cruise market remains on hold through fall or early winter. Carnival Cruise Lines, which started service in 2010, remains committed to resuming service when it is safe. The company is hopeful as it has had success with "vaccinated" cruises and is seeing signs of passenger demand. The cruise business was halted due to COVID-19, but plans to resume in early 2022. Carnival Cruise offers cruises between Charleston and ports in the

Bahamas, Bermuda and the Caribbean ranging from two to ten days in duration. In the previous fiscal year with service suspension in March 2020, the SCPA saw 217,673 cruise passengers.

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 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 the 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 will be located at a new “superbase” located in Charleston by 2024.

Higher Education – Nearly 48,000 students pursued higher education degrees in various Charleston regional colleges, universities and technical schools. The five largest institutions include Trident Technical College, with 12,351 students; the College of Charleston with 10,545 students; The Citadel with 3,767 students; Charleston Southern University with an enrollment of 3,477; and the Medical University of South Carolina with 2,971 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 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 that serves working professionals, enabling them “to grow their career right here in the greater Charleston area.” The Graduate Center is now located in the Trident Technical College building on the Thornley Campus.

The COVID-19 pandemic totally changed the approach to providing education at both for K-12 and college-level. The education community implemented multiple strategies designed to keep students learning. The Charleston County School District provided both in-person and virtual learning opportunities. In addition to focusing on keeping students and faculty safe, other initiatives were implemented to address other issues including lack of access to broadband, food insecurity and increased emotional needs sparked by 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.



Recent attraction and expansion announcements in the manufacturing sector include Cummins Turbo Technologies (turbocharger manufacturer), Bourne Group (installer and manufacturer of marine signage), Mercedes-Benz Vans,

LLC (commercial vehicle manufacturer), Vigilant Labs (COVID-19 test manufacturing) and Driverge Vehicle Solutions (Upfits commercial shuttles and wheelchair-accessible vans). These economic development announcements represent more than \$119.4 million in capital investment and 700 new jobs in Charleston County to be created over the next five years.

MAJOR COUNTY INITIATIVES

Charleston County Greenbelt Program:

- Charleston County Council approved \$2.8 million to rejuvenate the Church Creek Plaza project in West Ashley. The plan is to turn the four-acre plot of concrete into a green space and a fire station.
- The largest ever by acreage for the Charleston County Greenbelt program, another 1,450 acres were added to the Francis Marion National Forest in a recent conservation deal. The property is north of the town of McClellanville, between Old Georgetown Road and U.S. Highway 17, in the northern end of Charleston County. Crossed with dirt roads through a longleaf pine landscape, the Atlantic Creosote parcel will add to existing trails in the forest, including the East Coast Greenway and Walter Ezell Route bike trail, according to a U.S. Forest Service release. Rare and endangered species also live on the land, including at least three clusters of the red cockaded woodpecker.

Charleston County Public Libraries (CCPL): In June 2020, a brand new, state of the art 15,000-square-foot facility replaced the previous St. Paul's Hollywood Library. It is the third of five new libraries to open after the passing of a 2014 \$108.5 million referendum calling for new facilities and the renovation and update of the existing branches. The CCPL program continued to expand by completing the new 20,000 square foot Bees Ferry West Ashley Library with occupancy occurring on October 1, 2020. Groundbreaking for the Keith Summey North Charleston Library occurred on May 17, 2021. This will also be a 20,000-square-foot facility. The Otranto Road Library and John's Island Library have reopened after renovations. Mt. Pleasant and Dorchester Road library are closed for renovations and expected to reopen in 2022.



Groundbreaking ceremony

Construction Management:

- On December 1, 2020, Charleston County leaders officially opened the new Material Recovery Facility with a ribbon cutting ceremony. Located in North Charleston at 8099 Palmetto Commerce Parkway, the County's new recycling center is designed to meet future regional recycling needs. The site features 82,000 square feet of building space, including a multi-media education center, state-of-the-art recycling equipment, administrative offices and the collections fleet.
- The new Awendaw Fire Station No 7 was completed and occupied starting September 1, 2020.
- The Detention Center Workcamp building renovation for the Department of Juvenile Justice (DJJ) was completed and occupied by DJJ on November 1, 2020.
- Phase I of the County Office Building Modification Project was completed for the Magistrates Court and occupied on June 4, 2021.

Other projects on the horizon for the County are:

- Phase II of the County Office Building Modifications (Shared Training/Meeting Room) completed Fall 2021.
- Phase III of the County Office Building Modifications (Solicitor/Treasurer/Auditor) scheduled to commence spring 2022.
- Construction of the new Juvenile Detention Center is on schedule for substantial completion in December of 2021 and occupancy by end of January 2022.
- Design was completed and contract procured for the replacement of the Awendaw Run Radio Tower scheduled to commence in Fall 2021.
- Phase I (New Fuel Depot) of the Azalea Complex project design continued during 2021, with the estimated design completion scheduled for January 2022, and construction scheduled to commence in Spring of 2022.
- Renovations of the Main Library and smaller branches estimated to begin in FY23.

- Perimeter Center renovations for Community Services Department scheduled for design in FY22 and construction in FY23.

Charleston County Social Services Hub: On December 4, 2020, Charleston County broke ground on the Social Services Hub. The 175,000 square foot three-story healthcare and office facility is designed to consolidate local and state operated services in a single location. It is being built on Rivers Avenue. The hub will include:

- Charleston County’s Department of Alcohol and other Drug Abuse Services (DAODAS)
- South Carolina Department of Health clinics, administrative offices and vital records
- The South Carolina Department of Social Services
- South Carolina Department of Health and Human Services

The Social Services Hub is expected to be completed by Winter of 2022. The campus will also include a CARTA hub, North Charleston police substation, and the Keith Summey North Charleston Library.

Charleston County Board of Elections Processes a Record Number of Absentee Ballot Requests: More than 27,000 absentee ballots for the November 3, 2020 General Election were processed. This was 10,000 more than the 2016 General Election.

Charleston County Board of Elections New Mobile Voting Precinct: During the last week of February 2021, the Charleston County Board of Elections brought its new mobile voting precinct to the Town of Hollywood. Citizens used the mobile unit’s four voting machines to cast absentee ballots for the special election on March 2. The Charleston County Board of Elections purchased the \$100,000 mobile precinct through a grant last year.



Charleston County Human Resources Online Training: In November 2020, Charleston County Human Resources launched LEARN, a new learning management system for employees. It started with more than 250 e-learning courses spanning popular professional development topics and has grown from there.

Charleston County Public Safety Directorate Receives Unified Mobile Command Unit: In March 2021, the County’s Public Safety Directorate received its Unified Mobile Command Unit (UMC). This unit will allow multiple



public safety agencies to work together to manage emergency situations and improve public safety communication. The UMC will be shared between the Consolidated 9-1-1 Center, Emergency Management, Emergency Medical Services, the Awendaw-McClellanville Fire Department and the Charleston County Sheriff’s Office. It will be used for large crowd events, such as the Cooper River Bridge Run and PGA. Other counties and agencies will have the ability to use it during major public safety incidents.

TAX ABATEMENTS

Charleston County’s ability to offer financial incentives (and the minimum requirements to receive them) is rooted in the laws of South Carolina. Additional information regarding the County’s tax abatements can be found in the notes to the financial statements, in Other Information Note K. The County’s decision to offer those incentives is based on its hopes of achieving a competitive advantage to attract and retain industry and improve the local business climate. The County looks at not just the benefits/loss itself, but the benefit on the community as a whole (i.e. jobs, indirect sales, new home buying, lower unemployment, etc.) The County’s return on investment goes far beyond the numbers and can’t necessarily be quantified.


The Charleston County Economic Development Department is charged with regularly monitoring all financial incentive deals with regards to GASB77. When the Economic Development Department submits its annual budget, budgeted revenue is reduced by prior year estimated depreciation of personal property on existing deals. New deals are not included in the estimated revenue calculation due to the uncertainty of value associated with them at the time.

Within the last few months, Charleston County has partnered with a third-party provider for a cost/benefit model. At this point in the mission and with today’s need for more information, it was a natural progression to implement such a

tool. The tool will be built out and adapted for Charleston County. Governments are typically loss leaders in that they often run deficits in certain areas for others to progress. An example would be taking a tax loss to attract a company who in turn will bring jobs which in turn brings people which in turn brings increased retail sales which in turn brings in more tax revenue and so on. It is the opinion of the County that if not for the financial tax incentives, most of the industry that has located here would not have otherwise done so. So, the foregone tax revenue is actually a benefit in the long term to the County as a whole.

AWARDS AND ACKNOWLEDGEMENTS

Charleston County Government's offices, departments and employees have been honored with numerous awards and recognitions in FY 2021. These awards reflect Charleston County employees' dedication to providing the best services to our citizens.

- Council member and North Charleston High School Principal, Henry Darby, received the **Order of the Palmetto**. On February 8, 2021, South Carolina Governor Henry McMaster presented Council Member Darby with the state's highest civilian honor for his work to support students at North Charleston High School. Principal Darby made national headlines when it was revealed that he works a third job stocking shelves at a local Walmart three nights a week. He then donates all of his Walmart earnings to his students.
- 
- Charleston County's Public Works department won the **American Public Works Association, South Carolina Chapter's Transportation Project of the Year** for their efforts in paving Victory Lane in North Charleston. This award recognizes "excellence in the management and administration of public works projects." The purpose of the Victory Lane Paving project was to improve the safety and condition of the road.
 - 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, 2020. This was the 33rd 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 32nd consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2021 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 2022 budget will be submitted to the GFOA and we believe it will receive the award also.
 - Charleston County received its 2nd award for the **Popular Annual Financial Report (PAFR)** for the fiscal year ended June 30, 2020. This was only the second 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 16th year in a row.
 - The Charleston County Coroner's Office has received accreditation by **the International Association of Coroners and Medical Examiners (IACME)**. The Coroner's office underwent a five-year process to guarantee operating policies, procedures, and practices are within international guidelines. The association

reviewed 288 standards including administrative, forensic, facility, and investigative review. The association also inspects equipment conditions to ensure the Coroner's Office is efficiently using taxpayer dollars.

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, 2020

Christopher P. Morill

Executive Director/CEO

Charleston County, South Carolina

Organizational Chart—County Departments

CITIZENS OF CHARLESTON COUNTY

County Council

<p>District 1—Hebert R. Sass, III</p> <p>District 2—Dickie Schweers</p> <p>District 3—Robert L. Wehrman</p> <p>District 4—Henry Darby</p> <p>District 5—Teddie E. Pryor, Sr.</p>	<p>District 6—Kylon Jerome Middleton</p> <p>District 7—C. Brantley Moody</p> <p>District 8—Anna B. Johnson</p> <p>District 9—Jenny Costa Honeycutt</p>
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Clerk of Council—Kristin Salisbury
 County Attorney—Natalie Ham
 Internal Auditor—Robert Stewart

Budget Oversight

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

ELECTED

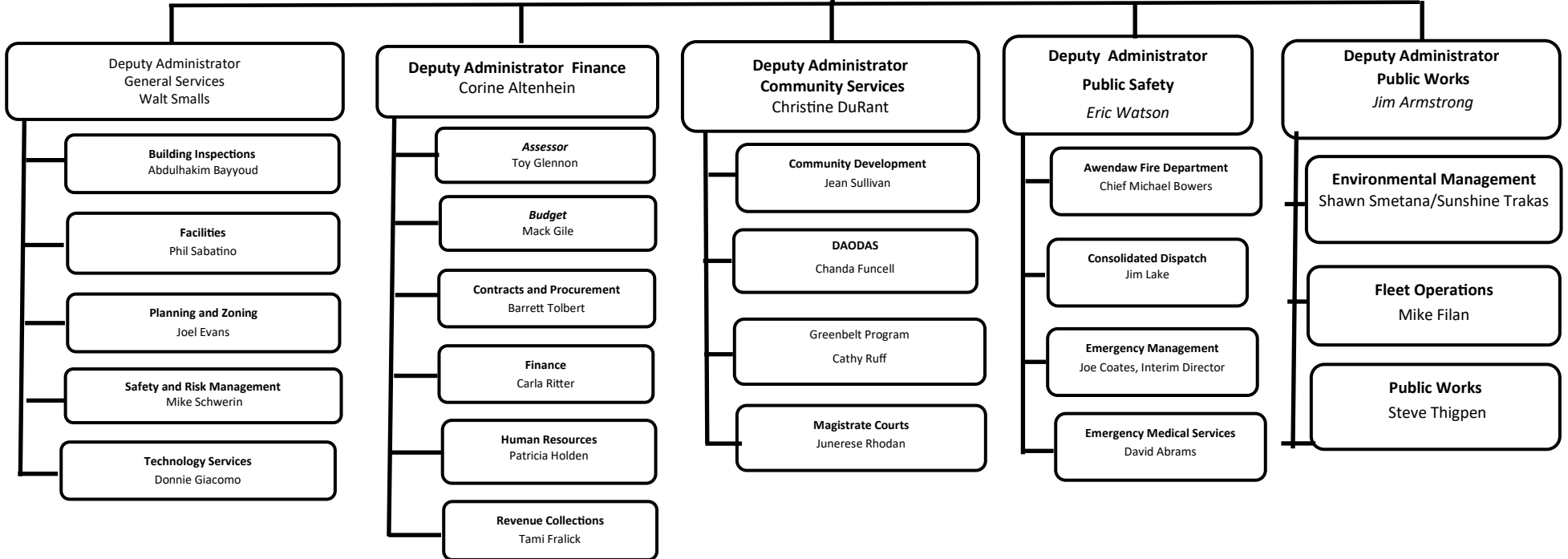
Auditor—Peter Tecklenburg
Clerk of Court—Julie Armstrong
Coroner—Bobbi Jo O’Neal
Probate Court—Judge Irv Condon
Register of Deeds— Michael Miller
Sheriff—Kristin Graziano
Solicitor—Scarlett Wilson
Treasurer—Mary Tinkler

APPOINTED

Elections/Voter Registration—Isaac Cramer
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.

County Administrator
Bill Tuten

Economic Development—Steve Dykes
Public Information Officer—Kelsey Barlow



COUNTY OF CHARLESTON, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2021

MEMBERS OF COUNTY COUNCIL

	<u>Years in Office</u>	<u>Term Expiration Date</u>	
Teddie E. Pryor, Sr.	16 ^{1/2}	12/31/2024	Chairman, District 5
Anna B. Johnson	10 ^{1/2}	12/31/2024	Vice Chairperson, District 8
Herbert R. Sass, III	10	12/31/2022	District 1
Henry D. Schweers	14 ^{1/2}	12/31/2022	District 2
Robert L. Wehrman	^{1/2}	12/31/2024	District 3
Henry E. Darby	16 ^{1/2}	12/31/2022	District 4
Kylon Jerome Middleton	^{1/2}	12/31/2024	District 6
C. Brantley Moody	4 ^{1/2}	12/31/2022	District 7
Jenny Costa Honeycutt	2 ^{1/2}	12/31/2022	District 9

ELECTED OFFICIALS

Peter Tecklenburg	8	6/30/2021	Auditor
Julie J. Armstrong	29 ^{1/2}	12/31/2024	Clerk of Court
Bobbi Jo O'Neal	^{1/2}	12/31/2024	Coroner
Irvin G. Condon	27 ^{1/2}	12/31/2022	Probate Court
Michael Miller	2 ^{1/2}	12/31/2022	Register of Deeds
Kristin Graziano	^{1/2}	12/31/2024	Sheriff
Scarlett A. Wilson	14	12/31/2024	Solicitor
Mary Tinkler	4	6/30/2021	Treasurer

OTHER OFFICIALS

	<u>Years with County</u>	<u>Years in Current Position</u>	
William L. Tuten	6	1 ^{1/2} yrs	County Administrator
Walter L. Smalls	22	15 yrs	Deputy Administrator General Services
Jim Armstrong	33	7 yrs	Deputy Administrator Public Services
Christine DuRant	31 ^{1/2}	7 yrs	Deputy Administrator Community Services
Corine Altenhein	31	6 yrs	Deputy Administrator Finance
Carla Ritter	20	6 yrs	Finance Director

FINANCIAL SECTION



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Independent Auditor's Report

To the Charleston County Council
County of Charleston, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, other than the financial statements of the aggregate discretely presented component units, and the budgetary comparison schedule of the general fund of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2021, 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 fiduciary funds (custodial 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, 2021, 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, 2021, 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 fiduciary funds (custodial funds) of the County as of June 30, 2021, 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 172 as well as the schedules of capital assets used in the operation of governmental funds on pages 189 and 190 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the victim notification schedule of fines, assessments, and surcharges collected as well as the schedules of capital assets used in the operation of governmental funds are fairly stated, in all material respects in relation to the financial statements as a whole.

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

Other Information

Change in Accounting Principal

As discussed in Note C, page 70, to the financial statements, in 2021 the County adopted new accounting guidance, *GASB No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina
December 17, 2021

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, 2021. 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, 2021 by \$135,938 (net position.) This is comprised of net investment in capital assets of \$226,229, restricted net position of \$336,038 and unrestricted net position of \$(426,329). 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 \$114,837 during the fiscal year ended June 30, 2021, with a \$116,967 increase resulting from governmental activities and a \$2,131 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 \$623,404, which is a \$31,400 increase from the prior year. Approximately 14.29 percent or \$89,091 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 \$109,818 or approximately 45.55 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$89,891, or approximately 35.59 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, 2021 is \$301,826.
- 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, 2021 is \$80,668.
- In June 2021, the County paid a settlement related to the death of an inmate at the County's detention center. The total settlement was \$10 million, with \$8 million paid by the County.

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 Disaster and Pandemic 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 151 through 158 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 175 through 186 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 175 through 180.

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 182 through 186 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 57 and 58 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 134 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 151. 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 194. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 172.

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 136.

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

\$135,938 at the close of fiscal year 2021. This was an increase of \$114,837 or 87.4 percent during fiscal year 2021.

A portion of the County's net position, \$226,229, 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, \$336,038, 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 2021, the County had positive balances in two of the three categories of net position for the primary government. Unrestricted net position is (\$426,329), 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, 2021
(Recapped from page 40)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
	Current, restricted and other assets	\$ 1,001,866	\$ 893,886	\$ 67,508	\$ 81,236	\$ 1,069,374
Capital assets	387,654	364,384	93,835	84,348	481,489	448,732
Total Assets	1,389,520	1,258,270	161,343	165,584	1,550,863	1,423,854
Total deferred outflows of resources	75,787	55,923	-	-	75,787	55,923
Long-term liabilities outstanding	1,093,529	1,139,390	33,134	35,359	1,126,663	1,174,749
Other liabilities	112,366	44,757	11,493	11,378	123,859	56,135
Total liabilities	1,205,895	1,184,147	44,627	46,737	1,250,522	1,230,884
Total deferred inflows of resources	240,190	227,792	-	-	240,190	227,792
Net Position:						
Investment in capital assets	152,003	121,876	74,226	55,893	226,229	177,769
Restricted for:						
Capital projects	301,304	229,415	-	-	301,304	229,415
Debt service	17,631	35,705	-	-	17,631	35,705
General government	130	130	-	-	130	130
Law enforcement	5,029	4,657	-	-	5,029	4,657
Judicial	2,413	2,679	-	-	2,413	2,679
Health and welfare assistance	357	377	-	-	357	377
Economic development	9,174	3,574	-	-	9,174	3,574
Unrestricted	(468,819)	(496,159)	42,490	62,954	(426,329)	(433,205)
Total net position	\$ 19,222	\$ (97,746)	\$ 116,716	\$ 118,847	\$ 135,938	\$ 21,101

The County's net position increased by \$114,837 during fiscal year 2021. The governmental activities had an increase in net position of \$116,967. Overall revenues for the Governmental Activities increased 8.37 percent. The Business-Type activities had a decrease in net position of \$2,131. Overall revenues for the Business-Type activities decreased 1.76 percent.

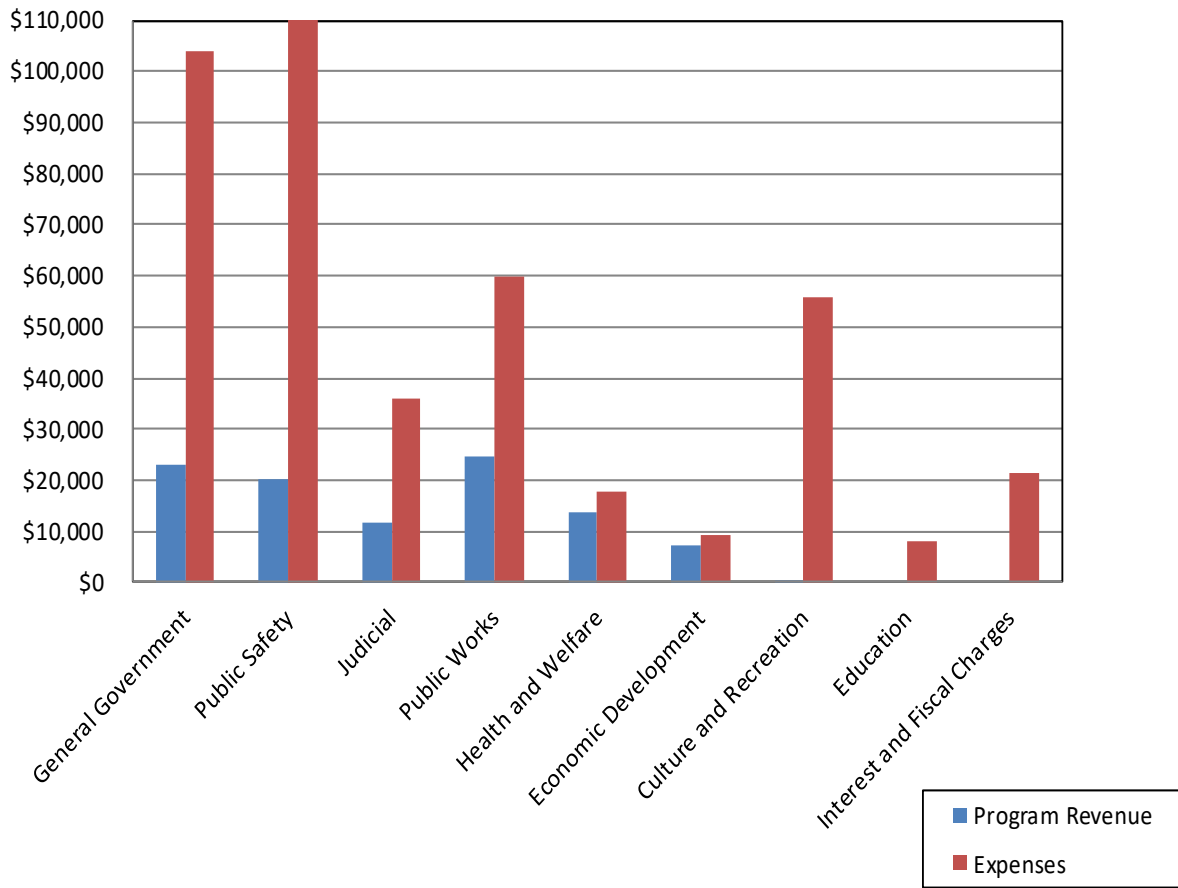
County of Charleston, South Carolina
Changes in Net Position (Recapped from pages 41 and 42)
For the Fiscal Year Ended June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for services	\$ 55,258	\$ 60,187	\$ 50,084	\$ 49,676	\$ 105,342	\$ 109,863
Operating grants and contributions	44,791	42,837	1,074	1,207	45,865	44,044
Capital grants	154	5,417	-	183	154	5,600
General Revenues:						
Property taxes	190,237	178,577	-	-	190,237	178,577
Other taxes and fees	236,759	207,306	873	707	237,632	208,013
State aid to political subdivisions	14,355	14,189	-	-	14,355	14,189
Unrestricted investments earnings	525	4,261	106	1,051	631	5,312
Miscellaneous	-	-	426	790	426	790
Gain on sale of capital assets	13,615	-	644	549	14,259	549
Total Revenues	555,694	512,774	53,207	54,163	608,901	566,937
Program Expenses						
Governmental Activities:						
General government	103,991	86,998	-	-	103,991	86,998
Public safety	124,156	129,003	-	-	124,156	129,003
Judicial	36,128	35,776	-	-	36,128	35,776
Public works	60,027	74,986	-	-	60,027	74,986
Health and welfare	17,681	7,790	-	-	17,681	7,790
Economic development	9,142	15,002	-	-	9,142	15,002
Culture and recreation	55,689	57,219	-	-	55,689	57,219
Education	8,261	15,648	-	-	8,261	15,648
Interest and fiscal charges	21,501	24,369	-	-	21,501	24,369
Business-Type Activities:						
DAODAS	-	-	9,924	10,552	9,924	10,552
E-911 communications	-	-	3,437	2,995	3,437	2,995
Environmental management	-	-	34,710	36,043	34,710	36,043
Parking garages	-	-	2,744	2,603	2,744	2,603
Public safety system	-	-	650	742	650	742
Radio communications	-	-	3,704	3,605	3,704	3,605
Revenue collections	-	-	2,319	2,326	2,319	2,326
Total Expenses	436,576	446,791	57,488	58,866	494,064	505,657
Excess (deficiency) of revenues before transfers over (under) expenses	119,118	65,983	(4,281)	(4,703)	114,837	61,280
Transfers	(2,150)	(2,766)	2,150	2,766	-	-
Increase in Net Position	116,968	63,217	(2,131)	(1,937)	114,837	61,280
Net position, beginning	(97,746)	(160,963)	118,847	120,784	21,101	(40,179)
Net Position, ending	\$ 19,222	\$ (97,746)	\$ 116,716	\$ 118,847	\$ 135,938	\$ 21,101

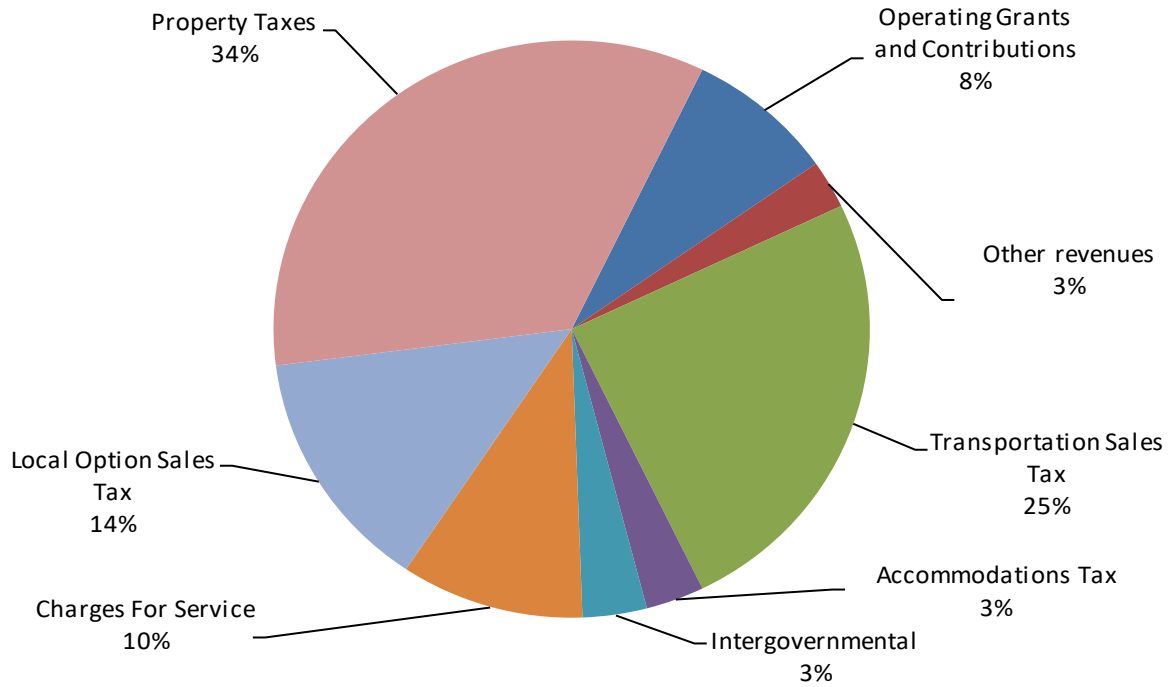
Governmental Activities. Governmental activities increased the County's net position by \$116,968. The key elements of this change are:

- Property tax revenue increased \$11,659 (6.53 percent) primarily due to an increase in the County's total taxable assessed value for real and personal property and vehicles.
- Other taxes and fees increased \$29,453 (14.2 percent) due to increased consumer spending in Charleston County. This includes accommodations tax, local option sales tax and transportation sales tax, also, the 2nd Transportation one half cent sales tax which was effective May 1, 2017.
- Charges for services decreased \$4,929 (8.2 percent) primarily in the public works function and the public safety function. The public safety charges for services decreased \$7,113 (32%) and the public works charges for services decreased \$3,793 (42.5%).
 - Prisoner's Per Diem \$ (825)
 - Local Government Operating Contribution \$ (181)
 - EMS \$ (8,266)
 - Public Works Projects \$ (3,733)
- Operating grants and contributions increased \$1,954 (4.5 percent) due to new grants for Pandemic funds (Health and Welfare). The County received \$7,010 in Federal Rental Assistance.
- Total governmental activities expenses increased \$16,993 (19.5 percent) due to an increase in salaries/benefits and COVID related expenses.
- The Public Safety expenses decreased \$4,847 (3.7 percent) due to decrease in overtime, salaries and employee fringe benefits.
- The Public Works expenses decreased \$14,959 (20 percent) due to decrease in grant costs and vacant positions.
- The Economic Development expenses decreased \$5,860 (39 percent) due to a decrease in State Grants costs.
- The Health and Welfare expenses increased \$9,891 (127%) due to new Federal Grants for emergency rental costs.

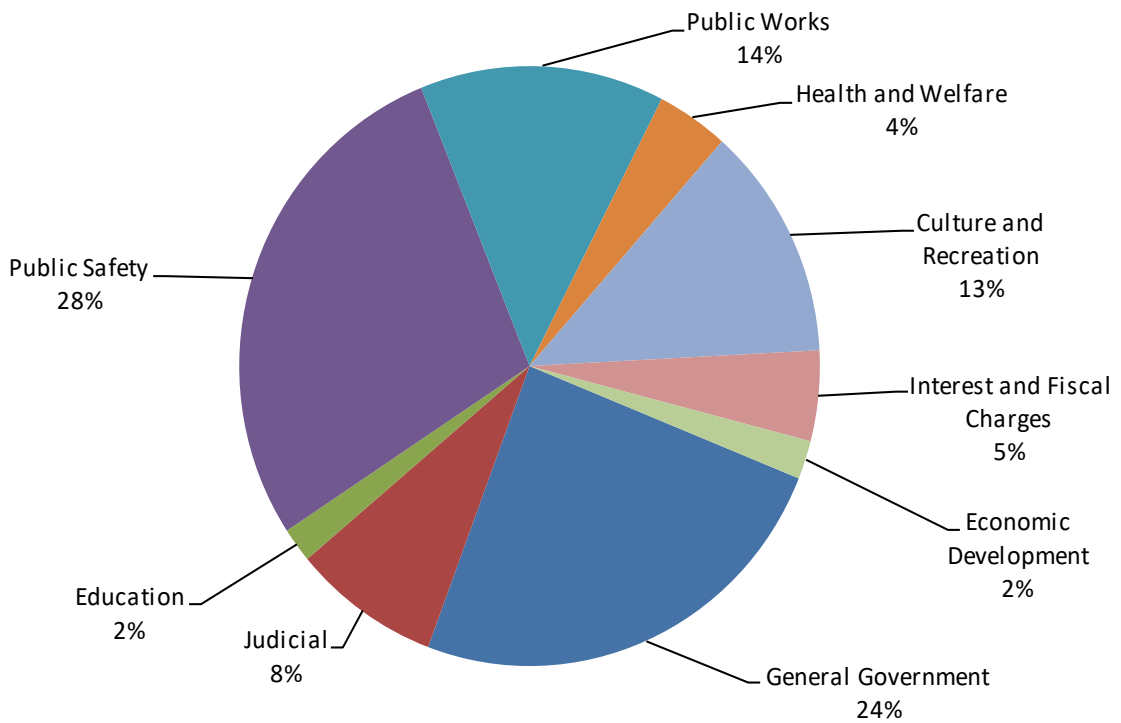
Program Revenues and Expenses - Governmental Activities



Revenues by Source - Governmental Activities

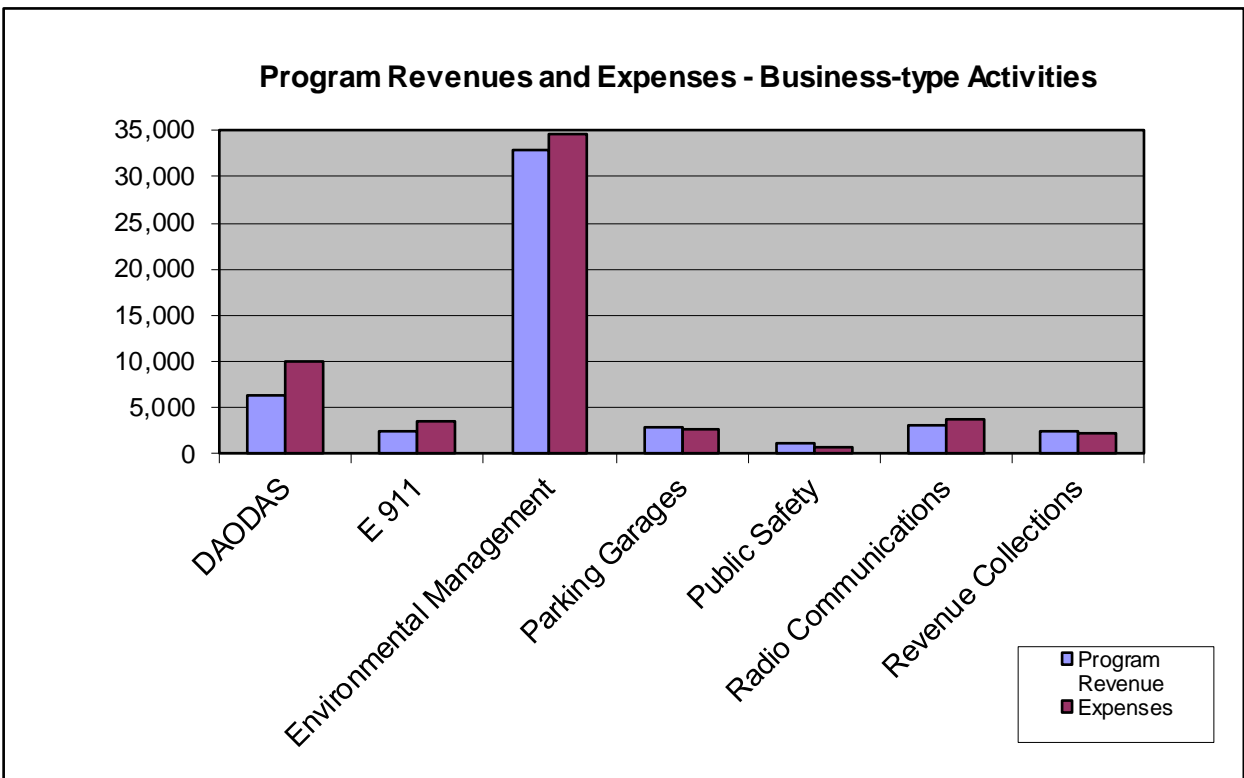
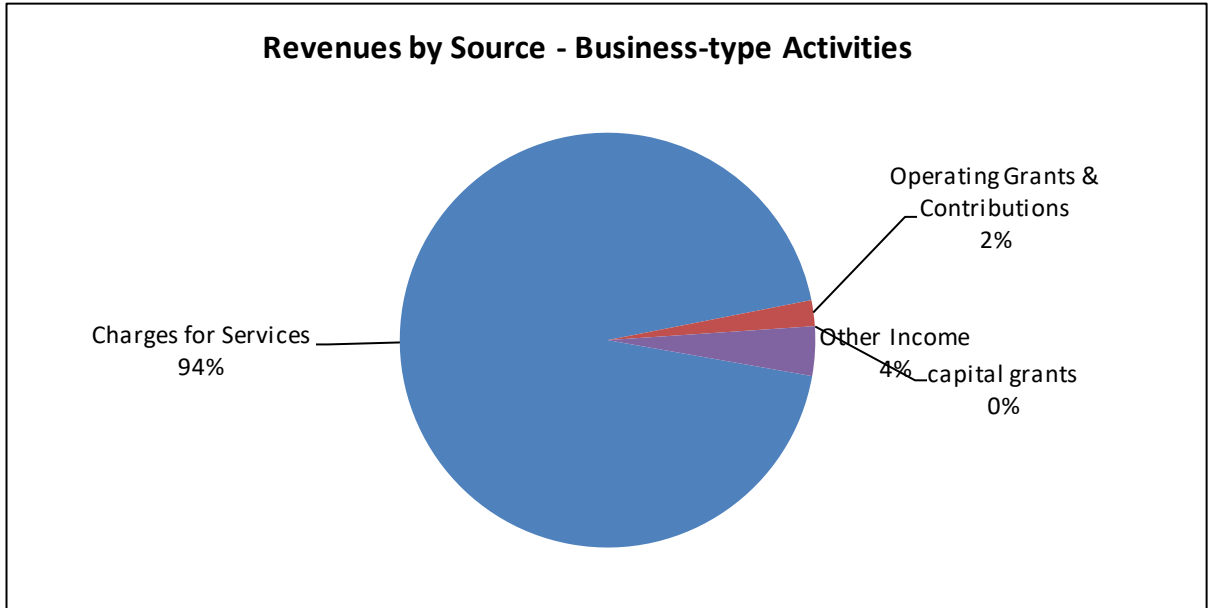


Expenses by Program - Governmental Activities



Business-type Activities. Business-type activities decreased the County’s net position by \$2,131. The key elements of this decrease were:

- Unrestricted investment earnings decreased by \$945 (90 percent) due to lower interest rates and lower overall cash balances for the business-type activities..



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 \$623,404, an increase of \$31,400 in comparison with the prior year. This increase is due to several factors including an increase in accommodations taxes collected and transportation sales taxes collected.

The ending fund balance of \$623,404 for the governmental funds is composed of five components: unassigned fund balance of \$89,091, assigned fund balance of \$19,928, committed fund balance of \$95,112, restricted fund balance of \$418,510 and non-spendable fund balance of \$763.

Unassigned fund balance accounts for approximately 14.29 percent or \$89,091 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 \$19,928 or 3.2 percent of ending fund balance. Assigned fund balance includes \$5,101 which was encumbered at the end of fiscal year 2021. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$95,112 or 15.3 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 \$418,510 or 67.1 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$379,833, 2) debt service of \$21,574, 3) \$5,028 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$9,174 for local economic development (primarily balances in the Accommodations fund and the Economic Development 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 \$763. 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 \$89,891 while total fund balance reached \$110,582. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$10,000. 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 43.8 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 31.6 percent of disbursements, which also meets the financial policy. There was an increase of \$11,379 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$13,110 or 5.3 percent higher than the previous fiscal year.

- Property taxes and local option sales taxes collected increased \$17,896 or 10.2 percent.

- Permits and licenses increased \$999 or 16.6 percent.

Expenditures increased by \$4,005 or 1.7 percent.

- General government expenditures were up \$5,850 or 8.7 percent.

Debt Service Fund. The debt service fund balance is \$21,574 and is \$18,691 or 46.4 percent less than the prior fiscal year. This decrease is due to a planned decrease of these funds and no additional debt issued this year.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance increased \$56,406 or 24.28 percent from the prior fiscal year. The new 2nd half cent Transportation Sales Tax was effective May 1, 2017. This increase is due to an increase in transportation sales taxes collected of \$16,900 or 14 percent higher than prior fiscal year. The expenditures in this fund increased \$5,446 or 7.0 percent from the prior fiscal year

Disaster and Pandemic Funds. The increase in this fund balance was \$5,176 or 186% from prior fiscal year due to a decrease in expenditures of \$8,605 or 60.28%. Several FEMA grants for past disasters were winding down.

G.O.B. Capital Projects. This fund balance decreased \$40,289 or 31% from prior fiscal year due to ongoing projects and no additional bonds issued this fiscal year.

Other Governmental Funds. The other governmental funds had an increase in fund balance of \$17,420 or 18.1 percent from the prior fiscal year. The Construction Fund had an increase in the fund balance of \$19,700. This increase was due to the sale of property on Rivers Avenue.

Non-major Capital Projects Funds. The non-major capital projects funds reflect a total fund balance of \$5,553 and are shown on pages 154 and 158. The fund balance for the non-major capital projects funds increased \$19,443 in fiscal year 2021.

Non-major Special Revenue Funds. The non-major special revenue funds have a combined total fund balance of \$108,221, all is classified as restricted. Non-major special revenue funds are shown on pages 151 through 153, and 155 through 157. The Special Source Revenue Bond Fund was classified as a non-major fund in fiscal year 2021. The amount of this restricted fund balance at year end is \$72,210.

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, 2021, is \$64,394 (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 \$68,477. The non-major proprietary funds have total net position of \$(4,083). These funds include DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 51 through 56 and pages 175 through 180 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 \$64,394 (before internal eliminations), a decrease of \$4,377 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 primarily due to the OPEB and retirement expenses.

General Fund Budgetary Highlights

During fiscal year 2021, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$18,214 over the final budget. The most significant revenue variances are outlined below:

- Property and local option sales taxes were \$12,069 over budget due to the robust housing market and increasing visitors to the County.
- Service charges were \$3,733 over budget due primarily to the increase in number of transactions recorded in the ROD office.

Actual expenditures and transfers out were \$5,139 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Facilities Management was \$4,156 under budget and Public Safety was \$3,995 under budget. The County has quite a few vacancies of personnel in Public Safety. Facilities had projects they were unable to complete in 2021.

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, 2021, amounted to \$481,489 (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 \$32,757 or 7.3 percent for the current year. The depreciation expense decreased by \$1033 or 3.8 percent.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and easements	\$ 44,623	\$ 45,880	\$ 5,544	\$ 7,044	\$ 50,167	\$ 52,924
Buildings	242,576	245,434	46,471	13,885	289,047	259,319
Improvements other than buildings	20,967	3,441	17,409	16,354	38,376	19,795
Machinery and equipment	38,411	40,832	13,107	11,339	51,518	52,171
Infrastructure	2,890	2,454	-	-	2,890	2,454
Construction in progress	38,187	26,343	11,304	35,726	49,491	62,069
Total	<u>\$ 387,654</u>	<u>\$ 364,384</u>	<u>\$ 93,835</u>	<u>\$ 84,348</u>	<u>\$ 481,489</u>	<u>\$ 448,732</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 86 through 89 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$700,997. Of this amount, \$587,099 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$113,898 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, 2021, this obligation is recorded at a net present value of \$16,909 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 567,491	\$ 635,143	\$ 19,608	\$ 22,449	\$ 587,099	\$ 657,592
Special source revenue bonds	113,898	120,078	-	-	113,898	120,078
Intergovernmental note payable	16,909	18,830	-	-	16,909	18,830
Total	\$ 698,298	\$ 774,051	\$ 19,608	\$ 22,449	\$ 717,906	\$ 796,500

The County's total bonded debt decreased by \$70,493 (10.72 percent) during the current fiscal year.

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

South Carolina statutes limit the amount of general obligation (G.O.) debt a governmental entity may issue (without referendum) to 8 percent of its total assessed value. The current available G.O. debt limit for Charleston County is \$392,218. The outstanding debt at June 30, 2021 subject to the debt limitation is \$231,390. 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 93 through 104 of this report.

Economic Factors and Next Year's Budget Rates

The fiscal year 2022 General Fund budget is a balanced budget. Total disbursements and funds available total \$271,632, an increase of \$21,656 or 8.7 percent from the prior year. The millage is 41.2, which is unchanged from fiscal year 2021.

The General Fund's budgeted revenues for fiscal year 2022 increased \$10,615 or 4.4 percent from 2021. The major changes are:

- The Property Tax and the Local Option Sales Tax, the County's largest revenue sources, reflect an increase of \$25,580 or 10.9 percent. The increase is due to higher sales tax projections resulting from a strong recovery of the local economy after the pandemic in FY 2021. In addition, Charleston County anticipates an increase in Property Tax revenue due to rising property values and property sales. The increase in the revenue from the Local Option Sales Tax, which is used to offset the amount property owners pay on their tax bill, results in a higher credit of \$17,100 or 28.2 percent to taxpayers.
- The Register of Deeds: Documentary Stamps represents an increase of \$3,500 or 58.3 percent in the estimated fee collections is based on higher number of anticipated real estate transactions occurring in FY 2022.

The General Fund's budgeted expenditures for fiscal year 2022 increase \$15,176 or 6.2 percent from fiscal year 2021. The major changes for fiscal year 2022 are:

- Emergency Medical Services increase of \$5,287 or 29.5 percent represents full-year funding of forty-two positions added in FY 2021 and twenty positions added in FY 2022.
- Technology Services represents a \$2,450 or 19.9 percent increase for the purchase of hardware and software requirements and higher contract costs due to price inflation and new applications.
- County Council decrease of \$4,839 or 69.1 percent is the most significant decrease and represents the elimination of the budgeted Stop Gap mechanism used in FY 2021 to give the County the flexibility needed to address unknown issues resulting from the pandemic.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS



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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Non-pooled cash and cash equivalents	\$ 7,253,829	\$ 638,772	\$ 7,892,601	\$ 49,913,983
Pooled cash and cash equivalents	671,167,669	48,294,375	719,462,044	-
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	380,055	-	380,055	39,525,589
Receivables (net of allowances for uncollectibles)	333,276,948	6,679,986	339,956,934	53,966,156
Due from primary government	-	-	-	2,165,025
Current portion of note receivable	-	-	-	14,978
Internal balances - current	(11,420,040)	11,420,040	-	-
Inventories	1,082,527	-	1,082,527	561,026
Prepaid items and deposits	-	474,781	474,781	4,177,158
Other noncurrent assets				
Note receivable	-	-	-	120,044
Capital assets:				
Land and other nondepreciable	82,809,807	16,847,769	99,657,576	120,262,368
Capital assets, net of accumulated depreciation	304,844,548	76,986,959	381,831,507	81,978,023
Total assets	1,389,520,343	161,342,682	1,550,863,025	352,684,350
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension charges	54,043,663	-	54,043,663	16,553,611
Deferred other post employment benefit (OPEB) charges	13,449,777	-	13,449,777	5,120,566
Deferred loss on refunding	8,293,478	-	8,293,478	-
Total deferred outflows of resources	75,786,918	-	75,786,918	21,674,177
LIABILITIES				
Accounts payable	23,403,736	2,969,925	26,373,661	5,423,198
Accrued payroll and fringe benefits	8,702,863	599,663	9,302,526	2,678,099
Intergovernmental payable	13,276,878	7,720,867	20,997,745	-
Due to component units	2,165,025	-	2,165,025	-
Due to third parties	1,561,736	-	1,561,736	-
Interest payable	4,425,144	113,972	4,539,116	750,826
Bond anticipation note payable	-	-	-	2,008,000
Unearned revenue	55,830,377	88,223	55,918,600	3,233,094
Noncurrent liabilities:				
Due within one year	58,300,454	1,605,512	59,905,966	7,746,232
Due in more than one year	655,734,137	31,528,240	687,262,377	69,220,712
OPEB liability	80,667,997	-	80,667,997	21,736,783
Net pension liability	301,826,444	-	301,826,444	72,343,647
Total liabilities	1,205,894,791	44,626,402	1,250,521,193	185,140,591
DEFERRED INFLOWS OF RESOURCES				
Deferred pension credits	6,004,766	-	6,004,766	2,449,910
Deferred OPEB credits	11,034,793	-	11,034,793	1,097,195
Deferred property taxes - current	223,150,874	-	223,150,874	51,730,756
Total deferred inflows of resources	240,190,433	-	240,190,433	55,277,861
NET POSITION				
Net investment in capital assets	152,003,075	74,226,393	226,229,468	147,797,319
Restricted for:				
Capital and infrastructure projects	301,303,654	-	301,303,654	2,431,862
Debt service	17,631,281	-	17,631,281	18,714,124
General government operations	130,392	-	130,392	-
Law enforcement and public safety programs	5,028,377	-	5,028,377	-
Judicial assistance and programs	2,413,432	-	2,413,432	-
Health and welfare assistance	356,495	-	356,495	-
Local economic development	9,173,923	-	9,173,923	-
1% fee	-	-	-	743
Special programs	-	-	-	398,165
Unrestricted	(468,818,592)	42,489,887	(426,328,705)	(35,402,138)
Total net position	\$ 19,222,037	\$ 116,716,280	\$ 135,938,317	\$ 133,940,075

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	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	\$ 103,990,965	\$ 21,431,838	\$ 1,329,058	\$ 154,000	\$ (81,076,069)	\$ -	\$ (81,076,069)	\$ -
Public safety	124,156,457	15,155,346	5,188,889	-	(103,812,222)	-	(103,812,222)	-
Judicial	36,127,714	10,925,175	600,739	-	(24,601,800)	-	(24,601,800)	-
Public works	60,027,327	5,137,371	19,432,551	-	(35,457,405)	-	(35,457,405)	-
Health and welfare	17,680,680	281,858	13,299,231	-	(4,099,591)	-	(4,099,591)	-
Economic development	9,142,251	2,326,578	4,928,052	-	(1,887,621)	-	(1,887,621)	-
Culture and recreation	55,689,247	-	12,514	-	(55,676,733)	-	(55,676,733)	-
Education	8,261,200	-	-	-	(8,261,200)	-	(8,261,200)	-
Interest and fiscal charges	21,500,648	-	-	-	(21,500,648)	-	(21,500,648)	-
Total governmental activities	436,576,489	55,258,166	44,791,034	154,000	(336,373,289)	-	(336,373,289)	-
Business-type activities:								
DAODAS	9,923,670	5,469,342	818,785	-	-	(3,635,543)	(3,635,543)	-
E-911 Communications	3,437,069	2,412,257	-	-	-	(1,024,812)	(1,024,812)	-
Environmental Management	34,710,087	32,662,350	255,443	-	-	(1,792,294)	(1,792,294)	-
Parking Garages	2,743,976	2,949,841	-	-	-	205,865	205,865	-
Public Safety Systems	650,061	1,068,063	-	-	-	418,002	418,002	-
Radio Communications	3,704,090	3,004,356	-	-	-	(699,734)	(699,734)	-
Revenue Collections	2,319,162	2,517,710	-	-	-	198,548	198,548	-
Total business-type activities	57,488,115	50,083,919	1,074,228	-	-	(6,329,968)	(6,329,968)	-
Total primary government	\$ 494,064,604	\$ 105,342,085	\$ 45,865,262	\$ 154,000	(336,373,289)	(6,329,968)	(342,703,257)	-
Component Units:								
Charleston County Library	\$ 28,642,202	\$ 66,740	\$ 25,665,982	\$ 987,058				(1,922,422)
Charleston County PRC	39,237,848	14,022,728	232,312	35,062				(24,947,746)
Cooper River Park & Playground	210,570	-	-	-				(210,570)
North Charleston District	1,322,727	-	-	-				(1,322,727)
St. Andrew's Parish Parks & Playground	3,433,305	1,281,527	294,322	-				(1,857,456)
St. John's Fire District	15,187,229	-	8,671	175,000				(15,003,558)
St. Paul's Fire District	6,217,352	-	-	-				(6,217,352)
Charleston County Volunteer Rescue Squad	487,647	-	313,769	3,077				(170,801)
Total component units	\$ 94,738,880	\$ 15,370,995	\$ 26,515,056	\$ 1,200,197				(51,652,632)

General Revenues:				
Property taxes	190,236,514	-	190,236,514	-
Charleston County PRC	-	-	-	26,467,503
Cooper River Park & Playground	-	-	-	182,485
North Charleston District	-	-	-	1,123,194
St. Andrew's Parish Parks & Playground	-	-	-	2,606,151
St. John's Fire District	-	-	-	17,202,389
St. Paul's Fire District	-	-	-	7,349,909
Local option sales tax	75,614,563	-	75,614,563	-
Transportation sales tax	137,739,414	-	137,739,414	-
Accommodations tax	17,571,434	-	17,571,434	-
Franchise tax	824,295	-	824,295	36,264
Alcohol beverage tax	-	862,917	862,917	-
Merchants inventory tax and manufacturer's depreciation	1,754,718	10,895	1,765,613	648,208
Motor carrier tax	455,575	-	455,575	-
Homestead exemption	2,799,906	-	2,799,906	-
Unrestricted state aid to political subdivisions	14,354,595	-	14,354,595	-
Unrestricted investment earnings	525,059	105,690	630,749	20,740
Gain on sale of capital assets	13,614,940	643,916	14,258,856	169,420
Fundraising and donations	-	-	-	14,622
Miscellaneous	-	426,137	426,137	1,299,777
Transfers	(2,150,313)	2,150,313	-	-
Total general revenues and transfers	453,340,700	4,199,868	457,540,568	57,120,662
Change in position	116,967,411	(2,130,100)	114,837,311	5,468,030
Net position - beginning	(97,745,374)	118,846,380	21,101,006	128,472,045
Net position - ending	<u>\$ 19,222,037</u>	<u>\$ 116,716,280</u>	<u>\$ 135,938,317</u>	<u>\$ 133,940,075</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

<u>ASSETS</u>	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Disaster and Pandemic Funds	G.O.B Capital Projects	Other Governmental Funds	Total Governmental Funds
Non-pooled cash and cash equivalents	\$ 6,022,859	\$ -	\$ -	\$ -	\$ -	\$ 1,230,970	\$ 7,253,829
Pooled cash and cash equivalents	95,876,014	21,471,038	230,309,136	34,788,538	97,036,722	129,438,688	608,920,136
Restricted cash and cash equivalents	-	-	-	-	-	380,055	380,055
Receivables (net of allowances for uncollectibles)	210,763,839	27,616,236	62,776,387	4,311,682	139,737	27,374,699	332,982,580
Due from other funds	34,415	-	-	-	-	-	34,415
Inventories	763,615	-	-	-	-	-	763,615
Total assets	\$ 313,460,742	\$ 49,087,274	\$ 293,085,523	\$ 39,100,220	\$ 97,176,459	\$ 158,424,412	\$ 950,334,630
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable	\$ 4,295,092	\$ -	\$ 2,625,201	\$ 1,400	\$ 7,617,308	\$ 5,151,328	\$ 19,690,329
Accrued payroll and fringe benefits	7,980,997	-	20,005	-	-	550,366	8,551,368
Due to other funds	859,410	-	-	-	-	34,415	893,825
Intergovernmental payable	3,419,268	-	1,726,188	66,099	-	9,947,735	15,159,290
Due to third parties	1,561,736	-	-	-	-	-	1,561,736
Unearned revenue	-	-	-	39,832,327	-	14,848,101	54,680,428
Total liabilities	18,116,503	-	4,371,394	39,899,826	7,617,308	30,531,945	100,536,976
Deferred inflows of resources:							
Unavailable property tax revenues - current	182,224,660	27,061,486	-	-	-	13,864,728	223,150,874
Unavailable property tax revenues - delinquent	2,537,562	451,887	-	-	-	253,651	3,243,100
Total deferred inflows of resources	184,762,222	27,513,373	-	-	-	14,118,379	226,393,974
Fund balances:							
Nonspendable - Inventories	763,615	-	-	-	-	-	763,615
Restricted - Debt service	-	21,573,901	-	-	-	-	21,573,901
Restricted - General government operations	-	-	-	-	-	130,392	130,392
Restricted - Law enforcement and public safety programs	-	-	-	-	-	5,028,377	5,028,377
Restricted - Judicial assistance and programs	-	-	-	-	-	2,413,432	2,413,432
Restricted - Health and welfare assistance	-	-	-	-	-	356,495	356,495
Restricted - Local economic development	-	-	-	-	-	9,173,923	9,173,923
Restricted - Capital and infrastructure projects	-	-	288,714,129	-	-	91,118,505	379,832,634
Committed - Capital and infrastructure projects	-	-	-	-	89,559,151	5,552,964	95,112,115
Assigned - Purchases on order	5,101,215	-	-	-	-	-	5,101,215
Assigned for subsequent years' appropriations of fund balance	14,826,440	-	-	-	-	-	14,826,440
Unassigned	89,890,747	-	-	(799,606)	-	-	89,091,141
Total fund balances	110,582,017	21,573,901	288,714,129	(799,606)	89,559,151	113,774,088	623,403,680
Total liabilities, deferred inflows of resources and fund balances	\$ 313,460,742	\$ 49,087,274	\$ 293,085,523	\$ 39,100,220	\$ 97,176,459	\$ 158,424,412	\$ 950,334,630

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2021**

Total Governmental Fund Balances		\$ 623,403,680
<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.		375,438,321
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Deferred loss on refunding	\$ 8,293,478	
Property taxes	<u>3,243,100</u>	11,536,578
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.		(262,420,865)
Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance.		(11,420,040)
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:		
Premiums	\$ (54,158,283)	
General obligation bonds	(517,790,325)	
Special source revenue bonds	(109,440,000)	
Leases payable	(394,582)	
Compensated absences	(14,198,243)	
Intergovernmental note payable	(16,909,060)	
Accrued interest payable	<u>(4,425,144)</u>	<u>(717,315,637)</u>
Net position of governmental activities		<u>\$ 19,222,037</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, 2021

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Disaster and Pandemic Funds	G.O.B Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property, local option sales, transportation sales, and other taxes	\$ 193,911,239	\$ 26,726,523	\$ 137,739,414	\$ -	\$ -	\$ 62,389,879	\$ 420,767,055
Intergovernmental	28,154,270	474,407	2,943,481	9,580,292	-	34,064,267	75,216,717
Permits and licenses	7,021,530	-	-	-	-	-	7,021,530
Fines and forfeitures	817,006	-	-	-	-	712,746	1,529,752
Interest	409,272	44,200	953,881	-	217,376	196,827	1,821,556
Service charges	24,304,242	-	-	-	-	7,091,246	31,395,488
Rental and use of property	167,872	-	2,745	-	-	-	170,617
Other revenues	4,922,946	171,429	-	50,000	-	2,678,606	7,822,981
Total revenues	<u>259,708,377</u>	<u>27,416,559</u>	<u>141,639,521</u>	<u>9,630,292</u>	<u>217,376</u>	<u>107,133,571</u>	<u>545,745,696</u>
Expenditures:							
Current:							
General government	72,634,576	-	22,890,204	-	-	695,000	96,219,780
Public safety	106,538,423	-	-	-	-	6,423,951	112,962,374
Judicial	22,106,614	-	-	-	-	10,473,433	32,580,047
Public works	11,429,303	-	17,676,050	1,303,566	-	31,443,932	61,852,851
Health and welfare	3,804,455	-	-	4,367,247	-	13,277,825	21,449,527
Economic development	-	-	-	-	-	9,239,640	9,239,640
Culture and recreation	24,579,038	-	11,284,022	-	-	13,958,856	49,821,916
Education	-	-	-	-	-	8,261,200	8,261,200
Capital outlay	-	-	-	-	40,627,292	635,838	41,263,130
Debt service	-	54,476,040	30,383,569	-	-	11,059,191	95,918,800
Total expenditures	<u>241,092,409</u>	<u>54,476,040</u>	<u>82,233,845</u>	<u>5,670,813</u>	<u>40,627,292</u>	<u>105,468,866</u>	<u>529,569,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,615,968</u>	<u>(27,059,481)</u>	<u>59,405,676</u>	<u>3,959,479</u>	<u>(40,409,916)</u>	<u>1,664,705</u>	<u>16,176,431</u>
Other financing sources (uses):							
Transfers in	4,236,026	19,808,151	105,562,000	1,216,581	-	22,735,934	153,558,692
Transfers out	(11,473,353)	(11,439,760)	(108,562,000)	-	(979,436)	(25,450,646)	(157,905,195)
Proceeds from sale of capital assets	-	-	-	-	1,100,000	18,469,660	19,569,660
Total other financing sources (uses)	<u>(7,237,327)</u>	<u>8,368,391</u>	<u>(3,000,000)</u>	<u>1,216,581</u>	<u>120,564</u>	<u>15,754,948</u>	<u>15,223,157</u>
Net change in fund balances	11,378,641	(18,691,090)	56,405,676	5,176,060	(40,289,352)	17,419,653	31,399,588
Fund balances at beginning of year	99,203,376	40,264,991	232,308,453	(5,975,666)	129,848,503	96,354,435	592,004,092
Fund balances at end of year	<u>\$ 110,582,017</u>	<u>\$ 21,573,901</u>	<u>\$ 288,714,129</u>	<u>\$ (799,606)</u>	<u>\$ 89,559,151</u>	<u>\$ 113,774,088</u>	<u>\$ 623,403,680</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 31,399,588
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	\$ 48,536,210	
Depreciation expense	<u>(16,635,609)</u>	31,900,601

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	\$ 7,425,382	
Accumulated depreciation	<u>(1,470,662)</u>	
Net book value	5,954,720	
Proceeds	<u>(19,569,660)</u>	
Gain on disposal	<u>(13,614,940)</u>	(5,954,720)
Difference of proceeds and Gain 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		(266,441)
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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.

66,653,521

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

617,480

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	\$ 883,110	
Deferred refunding costs and amortization of bond premiums	<u>7,264,008</u>	8,147,118

To record internal service fund transfers into the government-wide statement. 2,196,190

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.

4,002

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

(3,713,468)

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

(14,016,460)

Change in net position of governmental activities \$ 116,967,411

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, 2021

<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	\$ 181,842,000	\$ 181,842,000	\$ 193,911,239	\$ 12,069,239
Intergovernmental	28,852,777	28,852,777	28,154,270	(698,507)
Permits and licenses	4,966,000	4,966,000	7,021,530	2,055,530
Fines and forfeitures	1,087,500	1,087,500	817,006	(270,494)
Interest	251,000	251,000	409,272	158,272
Service charges	20,571,207	20,571,207	24,304,242	3,733,035
Rental and use of property	136,899	136,899	167,872	30,973
Other revenues	4,063,832	4,063,832	4,922,946	859,114
Total revenues	241,771,215	241,771,215	259,708,377	17,937,162
 <u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	4,858,486	4,858,486	4,620,482	238,004
Auditor	2,490,011	2,541,411	2,507,585	33,826
Board of Elections & Voter Registration	2,046,969	2,396,969	2,703,906	(306,937)
Budget	745,780	745,780	759,193	(13,413)
Community Services	251,110	251,110	256,200	(5,090)
County Administrator	1,127,532	1,125,308	1,006,388	118,920
County Council	6,999,714	3,385,214	1,982,829	1,402,385
Chief Deputy Administrator for General Services	621,582	621,582	615,542	6,040
Deputy Administrator for Community Services	429,348	432,348	435,653	(3,305)
Deputy Administrator for Finance	795,581	795,581	797,859	(2,278)
Deputy Administrator for Pubic Services	444,024	444,024	453,538	(9,514)
Facilities Management	19,731,311	25,084,038	20,927,914	4,156,124
Finance	1,070,944	1,070,944	961,630	109,314
Human Resources	2,439,897	2,495,275	2,311,293	183,982
Internal Auditor	352,308	352,308	335,328	16,980
Legal	1,661,667	1,661,667	1,762,839	(101,172)
Legislative Delegation	383,108	383,108	318,412	64,696
Nondepartmental	95,000	100,000	5,961,869	(5,861,869)
Procurement	1,474,584	1,474,584	1,207,184	267,400
Register of Deeds	2,057,524	2,178,316	2,156,498	21,818
Revenue Collections - Delinquent Tax	1,013,271	1,010,271	950,224	60,047
Safety & Risk Management	3,077,824	3,077,824	3,148,887	(71,063)
Technology Services	12,443,385	13,081,504	12,420,723	660,781
Treasurer	2,077,428	2,118,628	2,112,133	6,495
Zoning/Planning	1,995,313	2,035,125	1,920,467	114,658
Total general government	70,683,701	73,721,405	72,634,576	1,086,829

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, 2021**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Safety:				
Building Inspections	\$ 2,399,097	\$ 2,628,467	\$ 2,127,188	\$ 501,279
Consolidated Dispatch	8,906,474	8,951,769	8,775,942	175,827
Deputy Administrator for Public Safety	443,443	451,667	465,620	(13,953)
Emergency Management	892,928	892,928	897,924	(4,996)
Emergency Medical Services	17,935,444	19,092,378	18,357,612	734,766
Sheriff	78,399,528	78,516,313	75,914,137	2,602,176
Total public safety	108,976,914	110,533,522	106,538,423	3,995,099
Judicial:				
Clerk of Court	4,518,589	4,518,589	3,763,730	754,859
Coroner	2,531,775	2,749,975	2,777,478	(27,503)
Magistrates Courts	5,224,681	5,227,981	5,177,286	50,695
Master-In-Equity	775,234	780,434	779,417	1,017
Probate Court	3,067,674	3,067,674	3,046,039	21,635
Solicitor	6,774,102	6,756,602	6,562,664	193,938
Total judicial	22,892,055	23,101,255	22,106,614	994,641
Public Works:				
Public Works Department	13,078,655	12,521,154	11,429,303	1,091,851
Total public works	13,078,655	12,521,154	11,429,303	1,091,851
Health and Welfare:				
Indigent Care	1,369,167	1,369,167	1,398,491	(29,324)
Public Works - Mosquito Abatement	2,213,874	2,213,874	1,689,845	524,029
State Agencies	329,859	329,859	297,369	32,490
Veterans Affairs	414,389	417,889	418,750	(861)
Total health and welfare	4,327,289	4,330,789	3,804,455	526,334
Culture and Recreation:				
Charleston County Library	24,551,065	24,551,065	24,551,065	-
Greenbelts Program	27,395	27,395	27,973	(578)
Total culture and recreation	24,578,460	24,578,460	24,579,038	(578)
Total expenditures	244,537,074	248,786,585	241,092,409	7,694,176
Excess (deficiency) of revenues over (under) expenditures	(2,765,859)	(7,015,370)	18,615,968	25,631,338

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 3,958,911	\$ 3,958,911	\$ 4,236,026	\$ 277,115
Transfers out	(5,439,174)	(9,218,024)	(11,473,353)	(2,255,329)
Total other financing sources and (uses)	<u>(1,480,263)</u>	<u>(5,259,113)</u>	<u>(7,237,327)</u>	<u>(1,978,214)</u>
Net change in fund balance	(4,246,122)	(12,274,483)	11,378,641	23,653,124
Fund balance at beginning of year	<u>99,203,376</u>	<u>99,203,376</u>	<u>99,203,376</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 94,957,254</u></u>	<u><u>\$ 86,928,893</u></u>	<u><u>\$ 110,582,017</u></u>	<u><u>\$ 23,653,124</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

<u>ASSETS</u>	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds		
Current assets:					
Non-pooled cash and cash equivalents	\$ 1,400	\$ 7,000	\$ 630,372	\$ 638,772	\$ -
Pooled cash and cash equivalents	35,256,204	1,778,781	11,259,390	48,294,375	62,247,533
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	2,509,245	66,804	4,103,937	6,679,986	294,368
Due from other funds	-	-	-	-	41,761,179
Prepaid asset	474,781	-	-	474,781	-
Inventories	-	-	-	-	318,912
Total current assets	38,241,630	1,852,585	15,993,699	56,087,914	104,746,992
Capital assets:					
Land	3,193,780	2,350,320	-	5,544,100	-
Construction in progress	10,890,564	41,169	371,936	11,303,669	33,377
Buildings	36,986,927	14,515,236	9,702,367	61,204,530	1,695,683
Improvements other than buildings	26,710,453	2,204,420	359,426	29,274,299	-
Machinery and equipment	24,525,368	1,662,805	9,690,971	35,879,144	43,979,913
Less accumulated depreciation	(29,816,216)	(8,602,473)	(10,952,325)	(49,371,014)	(33,492,939)
Total capital assets (net of accumulated depreciation)	72,490,876	12,171,477	9,172,375	93,834,728	12,216,034
Total noncurrent assets	72,490,876	12,171,477	9,172,375	93,834,728	12,216,034
Total assets	110,732,506	14,024,062	25,166,074	149,922,642	116,963,026
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred pension charges	-	-	-	-	54,043,663
Deferred OPEB charges	-	-	-	-	13,449,777
Total deferred outflows of resouces	-	-	-	-	67,493,440

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

<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	\$ 2,584,220	\$ 68,799	\$ 316,906	\$ 2,969,925	\$ 3,713,407
Accrued payroll and fringe benefits	271,486	38,541	289,636	599,663	151,495
Unearned revenue	-	-	88,223	88,223	1,149,949
Accrued interest payable	113,972	-	-	113,972	-
Compensated absences - current	30,800	3,792	52,336	86,928	53,924
Due to other funds	18,003,559	2,587,509	20,310,701	40,901,769	-
Intergovernmental payable	51,486	137,399	7,531,982	7,720,867	282,613
Lease payable - current	-	-	-	-	333,800
General obligation bonds payable - current	836,680	-	-	836,680	-
Accrual for landfill closure - current	681,904	-	-	681,904	-
Total current liabilities	22,574,107	2,836,040	28,589,784	53,999,931	5,685,188
Noncurrent liabilities:					
Net OPEB liability	-	-	-	-	80,667,997
Accrual for landfill closure	11,313,796	-	-	11,313,796	-
Compensated absences	697,745	86,137	658,907	1,442,789	383,779
Lease payable	-	-	-	-	372,595
General obligation bonds payable	18,771,655	-	-	18,771,655	-
Net pension liability	-	-	-	-	301,826,444
Total noncurrent liabilities	30,783,196	86,137	658,907	31,528,240	383,250,815
Total liabilities	53,357,303	2,922,177	29,248,691	85,528,171	388,936,003
DEFERRED INFLOWS OF RESOURCES					
Deferred pension credits	-	-	-	-	6,004,766
Deferred OPEB credits	-	-	-	-	11,034,793
Total deferred inflows of resources	-	-	-	-	17,039,559
NET POSITION					
Net investment in capital assets	52,882,541	12,171,477	9,172,375	74,226,393	11,509,639
Unrestricted	4,492,662	(1,069,592)	(13,254,992)	(9,831,922)	(233,028,735)
Total net position	\$ 57,375,203	\$ 11,101,885	\$ (4,082,617)	64,394,471	\$ (221,519,096)
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(10,003,024)	
Adjustment to reflect the elimination of indirect and other costs charged by the governmental funds				62,324,833	
Total net position for business-type activities				\$ 116,716,280	

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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 3,003,295	\$ 2,949,841	\$ 14,471,728	\$ 20,424,864	\$ 72,836,073
User fees	29,527,900	-	-	29,527,900	-
Sale of recyclables	115,495	-	-	115,495	-
Other revenues	171,953	-	254,184	426,137	-
Total operating revenues	32,818,643	2,949,841	14,725,912	50,494,396	72,836,073
Operating expenses:					
Personnel services	7,581,776	1,115,398	8,577,225	17,274,399	4,572,689
Contractual services	14,341,524	486,668	2,545,576	17,373,768	6,376,853
Materials and supplies	923,668	73,966	931,031	1,928,665	8,830,289
Utilities	291,630	75,742	760,362	1,127,734	141,909
Repairs and maintenance	142,552	118,541	2,691,324	2,952,417	2,340,417
Rental expenses	449,255	-	644,590	1,093,845	10,499
Vehicle fleet charges	3,540,408	3,595	26,135	3,570,138	142,556
Employee benefits	1,175,568	157,521	1,338,922	2,672,011	62,481,289
Other expenses	2,633,128	317,829	2,573,872	5,524,829	375,925
Depreciation and amortization	3,512,516	549,550	1,046,350	5,108,416	4,145,631
Landfill closure	681,904	-	-	681,904	-
Total operating expenses	35,273,929	2,898,810	21,135,387	59,308,126	89,418,057
Operating income (loss)	(2,455,286)	51,031	(6,409,475)	(8,813,730)	(16,581,984)
Nonoperating revenues (expenses):					
Interest income	77,499	2,433	25,758	105,690	115,787
Interest expense	(426,625)	-	-	(426,625)	(116,857)
Intergovernmental revenues	271,103	-	1,692,597	1,963,700	1,152,563
Gain (loss) on disposal of capital assets	643,916	-	-	643,916	(48,779)
Total nonoperating revenues (expenses)	565,893	2,433	1,718,355	2,286,681	1,102,714
Income (loss) before transfers	(1,889,393)	53,464	(4,691,120)	(6,527,049)	(15,479,270)
Transfers in	2,045,811	-	2,709,677	4,755,488	2,814,536
Transfers out	(2,045,811)	-	(559,364)	(2,605,175)	(618,346)
Change in net position	(1,889,393)	53,464	(2,540,807)	(4,376,736)	(13,283,080)
Total net position- beginning	59,264,596	11,048,421	(1,541,810)		(208,236,016)
Total net position - ending	\$ 57,375,203	\$ 11,101,885	\$ (4,082,617)		\$ (221,519,096)
Adjustment to reflect the elimination of indirect costs charged by governmental funds				3,713,468	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(1,466,832)	
Change in net position of business-type activities				\$ (2,130,100)	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	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	\$ 33,591,037	\$ 2,979,922	\$ 14,508,533	\$ 51,079,492	\$ 101,064
Cash receipts from interfund services provided	-	-	-	-	69,990,361
Cash payments to suppliers for goods and services	(22,925,079)	(886,154)	(7,562,549)	(31,373,782)	(63,647,711)
Cash payments to employees for services	(8,718,931)	(1,271,026)	(9,961,395)	(19,951,352)	(4,590,884)
Net cash (used in) provided by operating activities	1,947,027	822,742	(3,015,411)	(245,642)	1,852,830
Cash flows from noncapital financing activities:					
Transfers in	2,045,811	-	2,709,677	4,755,488	2,814,536
Transfers (out)	(2,045,811)	-	(559,364)	(2,605,175)	(618,346)
Intergovernmental receipt	271,103	-	1,692,597	1,963,700	1,152,563
Net cash provided by noncapital financing activities	271,103	-	3,842,910	4,114,013	3,348,753
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(2,840,426)	-	-	(2,840,426)	(299,044)
Proceeds from sale of general obligation bonds	-	-	-	-	-
Interest paid	(405,451)	-	-	(405,451)	(116,857)
Proceeds from sale of capital assets	2,880,495	-	-	2,880,495	281,336
Acquisition and construction of capital assets	(15,224,641)	(227,422)	(1,501,992)	(16,954,055)	(1,800,160)
Net cash used in capital and related financing activities	(15,590,023)	(227,422)	(1,501,992)	(17,319,437)	(1,934,725)
Cash flows from investing activities:					
Interest received	77,499	2,433	25,758	105,690	115,787
Net cash provided by investing activities	77,499	2,433	25,758	105,690	115,787
Net (decrease) increase in cash and cash equivalents	(13,294,394)	597,753	(648,735)	(13,345,376)	3,382,645
Cash and cash equivalents at beginning of year	48,551,998	1,188,028	12,538,497	62,278,523	58,989,888
Cash and cash equivalents at end of year	<u>\$ 35,257,604</u>	<u>\$ 1,785,781</u>	<u>\$ 11,889,762</u>	<u>\$ 48,933,147</u>	<u>\$ 62,372,533</u>
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 1,400	\$ 7,000	\$ 630,372	\$ 638,772	\$ 62,247,533
Pooled cash and cash equivalents	35,256,204	1,778,781	11,259,390	48,294,375	125,000
Cash with fiscal agent	-	-	-	-	-
Cash and cash equivalents at end of year	<u>\$ 35,257,604</u>	<u>\$ 1,785,781</u>	<u>\$ 11,889,762</u>	<u>\$ 48,933,147</u>	<u>\$ 62,372,533</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (2,455,286)	\$ 51,031	\$ (6,409,475)	\$ (8,813,730)	\$ (16,581,984)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,512,516	549,550	1,046,350	5,108,416	4,145,631
Provision for landfill closure	681,904	-	-	681,904	-
Allowance for uncollectable accounts	130,641	-	(46,465)	84,176	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
(Increase) decrease in receivables	647,753	30,081	(199,883)	477,951	(2,744,648)
Decrease in inventories	-	-	-	-	(45,626)
Increase in prepaid assets	(474,781)	-	-	(474,781)	-
Increase (decrease) in accounts payable	(128,133)	190,187	2,610,342	2,672,396	(170,058)
Increase (decrease) in accrued payroll	38,413	1,893	(45,248)	(4,942)	(18,195)
Increase (decrease) in unearned revenue	(6,000)	-	28,968	22,968	-
Increase in net pension liability	-	-	-	-	28,627,302
Increase in OPEB liability	-	-	-	-	6,065,576
Increase in deferred outflows of resources for pensions	-	-	-	-	(16,376,080)
Increase in deferred inflows of resources for pensions	-	-	-	-	3,183,900
(Increase) in deferred outflows of resources for OPEB	-	-	-	-	(5,917,390)
(Decrease) in deferred inflows of resources for OPEB	-	-	-	-	1,684,402
Total adjustments	4,402,313	771,711	3,394,064	8,568,088	18,434,814
Net cash provided by (used in) operating activities	\$ 1,947,027	\$ 822,742	\$ (3,015,411)	\$ (245,642)	\$ 1,852,830

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
Custodial Funds
June 30, 2021**

ASSETS

Non-pooled cash and cash equivalents	\$ 20,563,704
Non-pooled investments	50,000
Pooled cash and cash equivalents	<u>35,542,979</u>
Total assets	<u><u>\$ 56,156,683</u></u>

LIABILITIES

Due to component units	\$ 2,165,027
Intergovernmental payable	27,852,619
Due to third parties	<u>26,139,037</u>
Total liabilities	<u><u>\$ 56,156,683</u></u>

<u>NET POSITION</u>	<u><u>\$ -</u></u>
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See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Custodial Funds
June 30, 2021

ADDITIONS

Property taxes collected for other governments	\$ 1,099,122,693
Licenses and fees collected for the State	1,021,593,344
Fees to other governments	2,864,982
Other fees and fines	96,712,601
Total Additions	<u>\$ 2,220,293,620</u>

DEDUCTIONS

Payments of property taxes to other governments	\$ 1,099,122,693
Payments to the State	1,021,593,344
Payments to third parties	96,712,601
Payments of fees to other governments	2,864,982
Total Deductions	<u>\$ 2,220,293,620</u>

Change in Net Position	\$ -
Net Position, beginning balance	<u>-</u>
Net Position, ending balance	<u><u>\$ -</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS
 June 30, 2021

<u>ASSETS</u>	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District
Non-pooled cash and cash equivalents	\$ 5,672,855	\$ 28,787,707	\$ 107,104	\$ 520,713
Receivables (net of allowances for uncollectibles)	145,722	27,034,770	149,152	931,578
Due from primary government	-	321,834	7,273	44,550
Current portion of note receivable	-	-	-	-
Inventories	29,260	531,766	-	-
Prepaid items and deposits	200,169	3,798,282	-	-
Other non current asset - note receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	36,466,412	-	-
Capital assets:				
Nondepreciable assets	471,000	115,480,409	2	-
Other capital assets, net of accumulated depreciation	6,285,280	44,718,206	-	1,667
Total assets	<u>12,804,286</u>	<u>257,139,386</u>	<u>263,531</u>	<u>1,498,508</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred other postemployment benefit charges (OPEB)	2,915,623	2,204,943	-	-
Deferred pension charges	6,850,524	3,979,720	-	-
Total deferred outflows of resources	<u>9,766,147</u>	<u>6,184,663</u>	<u>-</u>	<u>-</u>
 <u>LIABILITIES</u>				
Accounts payable	620,709	2,892,112	3,730	13,362
Accrued payroll and fringe benefits	734,814	1,437,760	-	-
Interest payable	-	632,318	-	-
Unearned revenue	1,700	2,420,354	-	34,496
BAN payable	-	-	-	-
Noncurrent liabilities:				
Due within one year	158,432	4,791,313	-	-
Due in more than one year	1,624,994	51,729,849	-	-
OPEB liability	7,654,372	10,622,221	-	-
Net pension liability	24,842,547	25,477,383	-	-
Total liabilities	<u>35,637,568</u>	<u>100,003,310</u>	<u>3,730</u>	<u>47,858</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to OPEB credits	1,047,062	50,133	-	-
Deferred revenue - property taxes	-	25,785,984	138,717	849,767
Deferred pension credits	97,239	470,100	-	-
Total deferred inflows of resources	<u>1,144,301</u>	<u>26,306,217</u>	<u>138,717</u>	<u>849,767</u>
 <u>NET POSITION</u>				
Net investment in capital assets	6,520,958	124,208,573	2	1,667
Restricted for:				
Debt service	-	17,600,882	-	-
1% fee	-	-	-	-
Special programs	149,593	248,572	-	-
Capital projects	-	2,431,862	-	-
Unrestricted	(20,881,987)	(7,475,367)	121,082	599,216
Total net position	<u>\$ (14,211,436)</u>	<u>\$ 137,014,522</u>	<u>\$ 121,084</u>	<u>\$ 600,883</u>

Charleston County Volunteer Rescue Squad Dec. 31, 2020	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Totals
\$ 348,482	\$ 827,076	\$ 8,494,766	\$ 5,155,280	\$ 49,913,983
-	1,807,699	16,998,052	6,899,183	53,966,156
-	109,296	1,011,874	670,198	2,165,025
-	14,978	-	-	14,978
-	-	-	-	561,026
19,715	29,395	129,597	-	4,177,158
-	120,044	-	-	120,044
-	-	2,805,146	254,031	39,525,589
-	669,000	2,095,341	1,546,616	120,262,368
-	-	-	-	-
935,370	2,277,367	22,402,713	5,357,420	81,978,023
<u>1,303,567</u>	<u>5,854,855</u>	<u>53,937,489</u>	<u>19,882,728</u>	<u>352,684,350</u>
-	-	-	-	5,120,566
-	534,581	3,563,316	1,625,470	16,553,611
-	534,581	3,563,316	1,625,470	21,674,177
10,882	57,505	774,867	1,050,031	5,423,198
-	122,878	240,297	142,350	2,678,099
-	-	107,072	11,436	750,826
47,000	479,544	-	250,000	3,233,094
-	-	2,008,000	-	2,008,000
-	102,738	2,217,273	476,476	7,746,232
-	18,230	14,490,286	1,357,353	69,220,712
-	3,460,190	-	-	21,736,783
-	-	16,049,893	5,973,824	72,343,647
<u>57,882</u>	<u>4,241,085</u>	<u>35,887,688</u>	<u>9,261,470</u>	<u>185,140,591</u>
-	-	-	-	1,097,195
-	1,732,022	16,741,915	6,482,351	51,730,756
-	983,104	516,118	383,349	2,449,910
-	2,715,126	17,258,033	6,865,700	55,277,861
-	2,891,119	8,786,964	5,388,036	147,797,319
-	-	726,581	386,661	18,714,124
-	-	-	743	743
-	-	-	-	398,165
-	-	-	-	2,431,862
1,245,685	(3,457,894)	(5,158,461)	(394,412)	(35,402,138)
<u>\$ 1,245,685</u>	<u>\$ (566,775)</u>	<u>\$ 4,355,084</u>	<u>\$ 5,381,028</u>	<u>\$ 133,940,075</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position								Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District	Chas County Volunteer Rescue Squad Dec. 31, 2020	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 28,642,202	\$ 66,740	\$ 25,665,982	\$ 987,058	\$ (1,922,422)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,922,422)
Charleston County PRC													
Governmental activities:													
General government	8,009,132	-	-	-	-	(8,009,132)	-	-	-	-	-	-	(8,009,132)
Recreation/Park operations	29,984,063	14,022,728	232,312	35,062	-	(15,693,961)	-	-	-	-	-	-	(15,693,961)
Interest and fiscal charges	1,244,653	-	-	-	-	(1,244,653)	-	-	-	-	-	-	(1,244,653)
Total governmental activities	39,237,848	14,022,728	232,312	35,062	-	(24,947,746)	-	-	-	-	-	-	(24,947,746)
Cooper River Park & Playground													
Governmental activities:													
General government	11,187	-	-	-	-	-	(11,187)	-	-	-	-	-	(11,187)
Culture and recreation	199,383	-	-	-	-	-	-	-	-	-	-	-	(199,383)
Total governmental activities	210,570	-	-	-	-	-	(210,570)	-	-	-	-	-	(210,570)
North Charleston District													
Governmental activities:													
General government	23,382	-	-	-	-	-	(23,382)	-	-	-	-	-	(23,382)
Public safety	980,006	-	-	-	-	-	(980,006)	-	-	-	-	-	(980,006)
Public works	319,339	-	-	-	-	-	(319,339)	-	-	-	-	-	(319,339)
Total governmental activities	1,322,727	-	-	-	-	-	(1,322,727)	-	-	-	-	-	(1,322,727)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public Safety	487,647	-	313,769	3,077	-	-	-	-	(170,801)	-	-	-	(170,801)

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended June 30, 2021

	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, 2020	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	\$ 2,505,929	\$ 54,867	\$ 294,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,156,740)	\$ -	\$ -	\$ (2,156,740)
Culture and recreation	924,923	1,226,660	-	-	-	-	-	-	-	301,737	-	-	301,737
Interest	2,453	-	-	-	-	-	-	-	-	(2,453)	-	-	(2,453)
Total governmental activities	3,433,305	1,281,527	294,322	-	-	-	-	-	-	(1,857,456)	-	-	(1,857,456)
St. John's Fire District													
Governmental activities:													
Public safety	14,608,465	-	8,671	175,000	-	-	-	-	-	-	(14,424,794)	-	(14,424,794)
Interest	578,764	-	-	-	-	-	-	-	-	-	(578,764)	-	(578,764)
Total governmental activities	15,187,229	-	8,671	175,000	-	-	-	-	-	-	(15,003,558)	-	(15,003,558)
St. Paul's Fire District													
Governmental activities:													
Public safety	6,161,444	-	-	-	-	-	-	-	-	-	-	(6,161,444)	(6,161,444)
Interest	55,908	-	-	-	-	-	-	-	-	-	-	(55,908)	(55,908)
Total governmental activities	6,217,352	-	-	-	-	-	-	-	-	-	-	(6,217,352)	(6,217,352)
Total Component Units	\$ 91,305,575	\$ 14,089,468	\$ 26,220,734	\$ 1,200,197									(49,795,176)
General Revenues:													
Property taxes					-	26,467,503	182,485	1,123,194	-	2,606,151	17,202,389	7,349,909	54,931,631
Merchants inventory tax and manufacturer's depreciation					-	334,556	55,894	214,089	-	29,848	-	13,821	648,208
Franchise fees					-	-	-	36,264	-	-	-	-	36,264
Unrestricted investment earnings					-	12,464	-	863	-	132	-	7,281	20,740
Gains on sale of capital assets					-	-	-	-	8,000	161,420	-	-	169,420
Fundraising and donations					-	-	-	-	14,622	-	-	-	14,622
Miscellaneous					-	1,050,235	-	-	3,649	-	105,106	140,787	1,299,777
Total general revenues					-	27,864,758	238,379	1,374,410	26,271	2,797,551	17,307,495	7,511,798	57,120,662
Change in net position					(1,922,422)	2,917,012	27,809	51,683	(144,530)	940,095	2,303,937	1,294,446	7,325,486
Net position - beginning					(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
Net position - end of year					\$ (14,211,436)	\$ 137,014,522	\$ 121,084	\$ 600,883	\$ 1,245,685	\$ (566,775)	\$ 4,355,084	\$ 5,381,028	\$ 133,940,075

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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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, 2021.

B. Financial Reporting Entity

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

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

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

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

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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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>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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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, 2021

C. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities for the County at year-end.

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

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

Fund Financial Statements

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

Fund Accounting - The major fund types are:

Governmental funds are used to account for general governmental activities. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund – This is the primary operating fund of the County. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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Disaster and Pandemic Fund – This fund accounts for the financial resources to be used for disaster and pandemic costs and reimbursements from federal agencies including FEMA and from the State of South Carolina.

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

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

Proprietary funds reporting focus is on the determination of operating income, changes in net position, financial position, and cash flow. Proprietary funds are classified as either enterprise or internal service. These funds use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Enterprise Funds – These funds are used to account for those operations that are financed and operated in a manner similar to private business. In the enterprise funds a fee is charged to external users. The County reports the following major proprietary funds:

Environmental Management – This fund is used to account for the County's solid waste disposal activities, currently consisting of the following:

1. Landfill to dispose of all county dry goods and construction materials.
2. Service contracts for hauling and transfer of municipal solid waste.

This fund is also used to account for the County's recycling operations, which consist of the following:

1. Curbside collection of recyclables in the urban areas of the County.
2. Drop-box collection in all areas of the County.
3. Operation of materials recovery facility.
4. Yard waste mulch facility.

These services are funded from collection of a countywide user fee, tipping fees at the landfill, and sale of recyclables.

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

Internal Service Funds – These funds account for the financing of services provided by one department to other departments of the County, or to other governments, on a cost reimbursement basis.

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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. As of January 1, 1993, the County 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. These 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 custodial funds.

Custodial 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.

During the year ended June 30, 2021, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities* which establishes criteria for identifying and reporting fiduciary activities. As a result of this Statement, the County added the Statement of Changes in Fiduciary Net Position – Custodial Funds. No restatements of prior balance was required.

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
NOTES TO FINANCIAL STATEMENTS
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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, 2020, but which were levied to finance fiscal year 2021 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
NOTES TO FINANCIAL STATEMENTS
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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.

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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, 2021, 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.

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, 2021, none of the County's bank balance of \$116,925,299 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, 2021, the County had no exposed custodial credit risk on its investments which total \$675,053,622. \$675,003,622 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 \$675,003,622 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.

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As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy specifies limitations on instruments; diversification and maturity scheduling that are dependent upon whether the funds being invested are considered short term or long term funds. Investment maturities for operating funds are scheduled to coincide with projected cash flow needs, taking in to account large routine expenditures as well as considering sizeable blocks of anticipated revenue. Maturities in this category are timed to comply with the following guidelines:

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

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

Investments and Maturity:	<u>Maturity Date</u>		
	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Certificates of Deposits	\$ -	\$ 50,000	\$ -
SCLGIP	675,003,622	-	-
	<u>\$ 675,003,622</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, 2020, exceeded FDIC limits by \$135,841.

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, 2021, St. John's Fire District had \$11,608 invested in the State Treasurer's Local Government Investment Pool.

St. Paul's Fire District has \$4,883,920 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	\$	99,340
Cash on hand - component units		2,745
Carrying amount of deposits - primary government		108,788,421
Carrying amount of deposits - component units		84,541,299
Carrying amount of investments - primary government		675,003,622
Carrying amount of investments - component units		4,895,528
Cash with fiscal agent - primary government		125,000
 Total carrying amount of cash and investments	 \$	 <u><u>873,455,955</u></u>
 Non-pooled cash and cash equivalents	 \$	 78,420,288
Pooled cash and cash equivalents		755,005,023
Restricted cash and cash equivalents		39,905,644
Cash with fiscal agent		125,000
 Total carrying amount of cash and investments	 \$	 <u><u>873,455,955</u></u>



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B. Receivables

Receivables as of June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds					
	General	Debt Service	G.O.B. Capital Projects	Disaster and Pandemic Fund	Transportation Special Revenue Fund	Non-major Governmental Funds
	Primary government:					
Receivables:						
Current property taxes	\$ 190,094,575	\$ 28,145,071	\$ -	\$ -	\$ -	\$ 14,514,431
Delinquent property taxes	6,499,938	1,170,650	-	-	-	674,205
Accounts	53,311,715	-	139,737	-	-	1,446,188
Intergovernmental	19,338,234	-	-	4,311,682	62,776,387	11,894,382
Gross receivables	<u>269,244,462</u>	<u>29,315,721</u>	<u>139,737</u>	<u>4,311,682</u>	<u>62,776,387</u>	<u>28,529,206</u>
Less allowance for						
Current property taxes	7,869,915	1,083,585	-	-	-	649,703
Delinquent property taxes	3,458,568	615,900	-	-	-	345,713
Accounts	47,152,140	-	-	-	-	159,091
Gross allowance	<u>58,480,623</u>	<u>1,699,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154,507</u>
Net total receivable	<u>\$ 210,763,839</u>	<u>\$ 27,616,236</u>	<u>\$ 139,737</u>	<u>\$ 4,311,682</u>	<u>\$ 62,776,387</u>	<u>\$ 27,374,699</u>

	Proprietary				Totals
	Governmental Activities-Internal Service Funds	Environmental Management	Parking Garages	Non-major Business-Type Activities	Primary Government
	Receivables:				
Current property taxes	\$ -	\$ -	\$ -	\$ -	\$ 232,754,077
Delinquent property taxes	-	-	-	-	8,344,793
Accounts	293,534	6,829,597	29,964	4,849,413	66,900,148
Intergovernmental	834	36,120	36,840	280,819	98,675,298
Gross receivables	<u>294,368</u>	<u>6,865,717</u>	<u>66,804</u>	<u>5,130,232</u>	<u>406,674,316.00</u>
Less allowance for uncollectable:					
Current property taxes	-	-	-	-	9,603,203
Delinquent property taxes	-	-	-	-	4,420,181
Accounts	-	4,356,472	-	1,026,295	52,693,998
Gross allowance	<u>-</u>	<u>4,356,472</u>	<u>-</u>	<u>1,026,295</u>	<u>66,717,382</u>
Net total receivable	<u>\$ 294,368</u>	<u>\$ 2,509,245</u>	<u>\$ 66,804</u>	<u>\$ 4,103,937</u>	<u>\$ 339,956,934</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2021**

Component Units:

	<u>CCL</u>	<u>CCPRC</u>	<u>CRPPC</u>	<u>NCD</u>
Receivables:				
Current property taxes	\$ -	\$ 26,818,496	\$ 149,916	\$ 918,369
Delinquent property taxes	-	1,124,066	22,127	134,818
Accounts	<u>97,937</u>	<u>293,330</u>	<u>-</u>	<u>-</u>
Gross receivables	<u>97,937</u>	<u>28,235,892</u>	<u>172,043</u>	<u>1,053,187</u>
Less allowance for uncollectible:				
Current property taxes	-	1,032,512	11,199	68,602
Delinquent property taxes	<u>-</u>	<u>168,610</u>	<u>11,692</u>	<u>53,007</u>
Gross allowance	<u>-</u>	<u>1,201,122</u>	<u>22,891</u>	<u>121,609</u>
Net total receivable	<u>\$ 97,937</u>	<u>\$ 27,034,770</u>	<u>\$ 149,152</u>	<u>\$ 931,578</u>

	<u>SAPPPC</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Total Component Units</u>
Receivables:				
Current property taxes	\$ 1,812,497	\$ 17,345,539	\$ 6,871,265	\$ 53,916,082
Delinquent property taxes	117,315	296,005	439,168	2,133,499
Accounts	<u>-</u>	<u>38,929</u>	<u>-</u>	<u>430,196</u>
Gross receivables	<u>1,929,812</u>	<u>17,680,473</u>	<u>7,310,433</u>	<u>56,479,777</u>
Less allowance for uncollectible:				
Current property taxes	80,475	603,625	388,914	2,185,327
Delinquent property taxes	<u>41,638</u>	<u>78,796</u>	<u>22,336</u>	<u>376,079</u>
Gross allowance	<u>122,113</u>	<u>682,421</u>	<u>411,250</u>	<u>2,561,406</u>
Net total receivable	<u>\$ 1,807,699</u>	<u>\$ 16,998,052</u>	<u>\$ 6,899,183</u>	<u>\$ 53,918,371</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2021, was as follows:

Governmental Activities	Balance July 1, 2020	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 34,292,355	\$ -	\$ (5,000,015)	\$ 29,292,340
Construction in progress	26,342,697	39,591,629	(27,747,135)	38,187,191
Infrastructure-easements, land	11,588,352	3,875,030	(133,106)	15,330,276
Total capital assets not being depreciated	<u>72,223,404</u>	<u>43,466,659</u>	<u>(32,880,256)</u>	<u>82,809,807</u>
Capital assets being depreciated:				
Buildings	378,769,833	13,159,198	(8,988,635)	382,940,396
Improvements other than buildings	5,699,701	18,163,192	-	23,862,893
Machinery and equipment	151,461,209	9,079,210	(3,997,748)	156,542,671
Infrastructure	33,079,356	1,439,513	-	34,518,869
Total capital assets being depreciated	<u>569,010,099</u>	<u>41,841,113</u>	<u>(12,986,383)</u>	<u>597,864,829</u>
Less accumulated depreciation:				
Buildings	(133,336,057)	(7,970,496)	942,750	(140,363,803)
Improvements other than buildings	(2,258,267)	(637,183)	-	(2,895,450)
Machinery and equipment	(110,629,859)	(11,170,213)	3,667,634	(118,132,438)
Infrastructure	(30,625,242)	(1,003,348)	-	(31,628,590)
Total accumulated depreciation	<u>(276,849,425)</u>	<u>(20,781,240)</u>	<u>4,610,384</u>	<u>(293,020,281)</u>
Total capital assets being depreciated, net	<u>292,160,674</u>	<u>21,059,873</u>	<u>(8,375,999)</u>	<u>304,844,548</u>
Governmental activities				
Total capital assets, net	<u>\$ 364,384,078</u>	<u>\$ 64,526,532</u>	<u>\$ (41,256,255)</u>	<u>\$ 387,654,355</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

	<u>Balance</u> <u>July 1, 2020</u>	<u>Transfer/</u> <u>Additions</u>	<u>Transfers/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 7,044,203	\$ -	\$ (1,500,103)	\$ 5,544,100
Construction in progress	<u>35,725,665</u>	<u>13,886,582</u>	<u>(38,308,578)</u>	<u>11,303,669</u>
Total capital assets not being depreciated	<u>42,769,868</u>	<u>13,886,582</u>	<u>(39,808,681)</u>	<u>16,847,769</u>
Capital assets being depreciated:				
Buildings	28,054,543	33,149,987	-	61,204,530
Improvements other than buildings	26,755,733	2,518,566	-	29,274,299
Machinery and equipment	<u>36,996,976</u>	<u>5,915,096</u>	<u>(7,032,928)</u>	<u>35,879,144</u>
Total capital assets being depreciated	<u>91,807,252</u>	<u>41,583,649</u>	<u>(7,032,928)</u>	<u>126,357,973</u>
Less accumulated depreciation:				
Buildings	(14,169,390)	(564,256)	-	(14,733,646)
Improvements other than buildings	(10,401,423)	(1,464,012)	-	(11,865,435)
Machinery and equipment	<u>(25,658,582)</u>	<u>(3,080,148)</u>	<u>5,966,797</u>	<u>(22,771,933)</u>
Total accumulated depreciated	<u>(50,229,395)</u>	<u>(5,108,416)</u>	<u>5,966,797</u>	<u>(49,371,014)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>41,577,857</u>	<u>36,475,233</u>	<u>(1,066,131)</u>	<u>76,986,959</u>
Total capital assets, net	<u>\$84,347,725</u>	<u>\$50,361,815</u>	<u>\$ (40,874,812)</u>	<u>\$ 93,834,728</u>

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

Governmental Activities	
General government	\$ 8,836,608
Public safety	6,152,555
Judicial	1,874,491
Public works	1,968,015
Health and welfare	82,101
Economic development	13,324
Culture and recreation	1,854,146
Total	<u>\$ 20,781,240</u>
Business-type Activities	
DAODAS	\$ 258,390
E-911 Communications	677,065
Environmental Management	3,512,517
Parking Garages	549,550
Public Safety Systems	4,360
Radio Communications	93,021
Revenue Collections	13,513
Total	<u>\$ 5,108,416</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Component Units

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 110,253,286	\$ 1,658,535	\$ (111,420)	\$ 111,800,401
Construction in progress	4,949,751	11,769,542	(8,787,503)	7,931,790
Reference database	230,000	230,000	-	460,000
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>115,444,037</u>	<u>13,658,077</u>	<u>(8,898,923)</u>	<u>120,203,191</u>
Capital assets being depreciated:				
Buildings	92,635,074	9,248,087	(4,551,772)	97,331,389
Improvements other than buildings	22,777,882	413,283	-	23,191,165
Machinery and equipment	32,638,398	1,151,683	(1,034,995)	32,755,086
Infrastructure	5,986,445	692,145	-	6,678,590
Library materials	13,787,771	2,073,429	(2,444,416)	13,416,784
Total capital assets being depreciated	<u>167,825,570</u>	<u>13,578,627</u>	<u>(8,031,183)</u>	<u>173,373,014</u>
Less accumulated depreciation	<u>(89,064,561)</u>	<u>(8,050,264)</u>	<u>5,666,931</u>	<u>(91,447,894)</u>
Total capital assets being depreciated, net	<u>78,761,009</u>	<u>5,528,363</u>	<u>(2,364,252)</u>	<u>81,925,120</u>
Component units				
Total capital assets, net	<u>\$ 194,205,046</u>	<u>\$ 19,186,440</u>	<u>\$ (11,263,175)</u>	<u>\$ 202,128,311</u>

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

General government	\$ 1,117,495
Public safety	1,854,849
Culture and recreation	<u>5,077,920</u>
Total	\$ <u>8,050,264</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Construction in progress in the Governmental and Business-type Activities as of June 30, 2021, is composed of the following:

Primary Government

Governmental activities:	Project Authorization	Expended to June 30, 2021	Commitments Outstanding	Required Future Financing
Library Projects	\$ 24,392,305	\$ 8,790,693	\$ 15,601,612	None
EMS Warehouse	15,454	12,699	2,755	None
Azalea Compound	57,948,000	341,992	2,505,446	None
Telecommunications	43,000	33,377	9,623	None
Family Court Cameras System	80,479	53,509	26,970	None
Social Services Hub	64,459,137	25,428,455	39,030,682	None
Remount Road Renovation	1,437,600	1,243,797	193,803	None
County Office Building & Magistrates Renovations	1,801,000	1,416,114	509,663	None
Detention Center HVAC	1,914,314	854,780	1,059,534	None
Technology Projects	31,804	11,775	20,029	None
Total Governmental Activities	\$ 152,123,093	\$ 38,187,191	\$ 58,960,117	

Business-type activities:	Project Authorization	Expended to June 30, 2021	Commitments Outstanding	Required Future Financing
Parking Garages Renovations	\$ 52,800	\$ 41,169	\$ 11,631	None
Lined Landfill	11,583,610	10,890,564	693,046	None
Revenue Collections				
IT Project	530,839	303,339	144,161	None
E911 Wireless Project	89,297	68,597	20,700	None
Total business-type activities	\$ 12,256,546	\$ 11,303,669	\$ 869,538	

COUNTY OF CHARLESTON, SOUTH CAROLINA
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JUNE 30, 2021

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2021, the County has assets under capital lease with a total cost of \$4,642,894 and a net book value of \$1,408,453. 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.

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2021, is as follows:

	Receivable Fund	Payable Fund
Major governmental funds: General Fund	\$ 34,415	\$ 859,410
Non-major governmental funds	-	34,415
Major enterprise funds: Environmental Management	-	18,003,559
Major enterprise funds: Parking Garages	-	2,587,509
Non-major enterprise funds	-	20,310,701
Internal service funds	41,761,179	-
Total	<u>\$ 41,795,594</u>	<u>\$ 41,795,594</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. Examples of this activity include cash to cover grant expenditures of a reimbursable grant, pension expenses and OPEB costs paid by the employee benefits fund for other funds.

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	\$ 4,236,026	\$ (11,473,353)
Debt Service Fund	19,808,151	(11,439,760)
Transportation and Road Sales Tax	105,562,000	(108,562,000)
Disaster and Pandemic Funds	1,216,581	-
G.O.B. Capital Projects	-	(979,436)
Non-major governmental funds	22,735,934	(25,450,646)
Major business-type activities:		
Environmental Management	2,045,811	(2,045,811)
Non-major business-type activities	2,709,677	(559,364)
Internal Service Funds	2,814,536	(618,346)
Total	<u>\$ 161,128,716</u>	<u>\$ (161,128,716)</u>

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

The carrying value of the assets acquired through capital leases is as follows:

	Governmental Activities
Copiers, computer network, and telephone equipment	\$ 605,431
Less accumulated depreciation	302,034
Total	\$ 303,397

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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.

In October 2020, the Library entered into a lease agreement for computers to be used by staff members. The lease agreement is for a 48-month period commencing in February 2021, ending January 2025, with a minimum monthly charge of \$10,048 for a total minimum commitment of \$525,716 over the lease term.

Total rent expense associated with the computer leases for the year ended June 30, 2021, is \$328,485. The future minimum lease payments for the leases are as follows:

<u>Year Ending - June 30</u>	<u>Amount</u>
2022	\$ 320,614
2023	227,538
2024	163,358
2025	70,336
	<u>\$ 781,846</u>

G. Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the County to place a final cover on its Romney Street and Bees Ferry landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$11,995,700 reported as the accrual for landfill closure and post-closure at June 30, 2021, represents the estimated remaining cost reported of \$27,121,197 less \$15,125,497 deferred to date based on the following information:

<u>Landfill Site</u>	<u>Percentage of Capacity Used</u>	<u>Estimated Costs Recognized</u>			<u>Balance To Be Recognized</u>
		<u>Closure</u>	<u>Post-closure</u>	<u>Total</u>	
Beach Company Property	100%	\$ 5,490,798	\$ 201,573	\$ 5,692,371	\$ -
Bees Ferry					
Ash storage facility	100%	1,117,258	58,427	1,175,685	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	38.15%	8,525,000	702,370	9,227,370	14,966,485
Bees Ferry C&D landfill	93.80%	2,479,000	29,330	2,508,330	159,012
Totals		<u>\$33,377,865</u>	<u>\$ 991,700</u>	<u>\$ 34,369,565</u>	<u>\$15,125,497</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2021. 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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, 2021. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SJFD-TAN	-	2,000,000	2,000,000	-
SJFD-BAN	-	2,008,000	-	2,008,000
SAPPPC-TAN	600,000	1,000,000	1,600,000	-
	<u>\$ 600,000</u>	<u>\$ 5,008,000</u>	<u>\$ 3,600,000</u>	<u>\$ 2,008,000</u>

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2021.

Primary Government:	Balance			Balance	Amounts Due
	July 1, 2020	Increase	Decrease	June 30, 2021	In One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 635,143,070	\$ -	\$ 67,652,417	\$ 567,490,653	\$ 48,563,984
Special source revenue bond	120,078,515	-	6,180,560	113,897,955	5,920,847
Intergovernmental note payable	18,830,095	-	1,921,035	16,909,060	2,031,111
Capital lease payable	1,993,378	-	892,401	1,100,977	650,544
Compensated absences	15,543,072	226,842	1,133,968	14,635,946	1,133,968
Total	<u>\$ 791,588,130</u>	<u>\$ 226,842</u>	<u>\$ 77,780,381</u>	<u>\$ 714,034,591</u>	<u>\$ 58,300,454</u>
<u>Business-type activities</u>					
General obligation bonds	\$ 22,448,760	\$ -	\$ 2,840,425	\$ 19,608,335	\$ 836,680
Accrual for landfill closure	11,313,796	681,904	-	11,995,700	681,904
Compensated absences	1,595,958	20,687	86,928	1,529,717	86,928
Total	<u>\$ 35,358,514</u>	<u>\$ 702,591</u>	<u>\$ 2,927,353</u>	<u>\$ 33,133,752</u>	<u>\$ 1,605,512</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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.

Primary government General Obligation Bond's payable at June 30, 2021, is comprised of the following:

Governmental Activities:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
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	\$ 9,110,000
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	1,275,000
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	15,310,000
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	61,165,000
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	21,050,000
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	1,540,000
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	15,385,000

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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	1,245,000
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	51,180,000
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	92,780,000
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	22,360,000
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	79,840,325
Subtotal		<u>\$813,504,454</u>	517,790,325
Add: Premium			49,700,328
General obligation debt per statement of net position, governmental activities			567,490,653
Less current portion, including premium			<u>(48,563,984)</u>
Long-term portion outstanding			<u>\$518,926,669</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Business-type Activities:

Issue Date	Title of Issues	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	\$17,504,676
Subtotal		<u>\$20,045,546</u>	17,504,676
Add: Premium			<u>2,103,659</u>
General obligation debt per statement of business-type activities			19,608,335
Less current portion, including premium			<u>(836,680)</u>
Long-term portion outstanding			<u>\$18,771,655</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, 2021, 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	\$ 76,125,000
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	33,315,000
Subtotal		<u>\$122,220,000</u>	109,440,000
Add: Premium			<u>4,457,955</u>
Special source revenue debt per statement of net position			113,897,955
Less current portion, including premium			<u>(5,920,847)</u>
Long-term portion outstanding			<u>\$107,977,108</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	2,538,204	461,796
2027-2028	6,000,000	5,521,060	478,940
Total	<u>\$ 21,000,000</u>	<u>\$ 16,909,060</u>	<u>\$ 4,090,940</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, 2021, include the following:

Governmental Activities

	<u>Original</u>	<u>Outstanding</u>
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	\$ 147,079
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	227,700
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	19,803

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	706,395
	<u>\$ 3,607,964</u>	<u>1,100,977</u>
Less current portion		<u>(650,544)</u>
Long-term portion outstanding		<u>\$ 450,433</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 650,544	\$ 96,640	\$ 747,184
2023	450,433	45,309	495,742
Total	<u>\$ 1,100,977</u>	<u>\$ 141,949</u>	<u>\$ 1,242,926</u>

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2021.

Governmental activities:

<u>Year Ending June 30</u>	<u>General Obligation Bonds</u>		<u>Special Source Revenue Bonds</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
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	517,790,325	135,052,057	109,440,000	48,240,671	810,523,053
Add Premium	49,700,328	-	4,457,955	-	54,158,283
Total debt- governmental activities	<u>\$ 567,490,653</u>	<u>\$ 135,052,057</u>	<u>\$113,897,955</u>	<u>\$48,240,671</u>	<u>\$ 864,681,336</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Business-type activities:

Year Ending <u>June 30</u>	General <u>Obligation Bonds</u>		
	Principal	Interest	Totals
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	1,243,463	18,652	1,262,115
Totals	17,504,676	6,481,886	23,986,562
Add Premium	2,103,659	-	2,103,659
Total debt Business- type activities	<u>\$ 19,608,335</u>	<u>\$ 6,481,886</u>	<u>\$ 26,090,221</u>

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, 2021.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2021:

Component Units	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amount Due in One Year
Accrued compensated absences	\$ 4,150,780	\$ 2,108,909	\$ (2,064,313)	\$ 4,195,376	\$ 1,160,875
General obligation bonds	51,820,817	22,003,551	(10,177,370)	63,646,998	5,017,019
General obligation bonds - Direct Placement	6,339,000	3,010,000	(515,000)	8,834,000	1,426,000
Capital lease obligations	691,986	34,155	(490,819)	235,322	596,593
Notes payable	116,577	-	(61,329)	55,248	37,018
Total	\$ 63,119,160	\$ 27,156,615	\$ (13,308,831)	\$ 76,966,944	\$ 8,237,505



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Accrued compensated absences:						
CCL			\$ 1,586,082	\$ 840,366	\$ (878,344)	\$ 1,548,104
CCPRC			1,320,832	695,507	(481,175)	1,535,164
SAPPPC			63,057	78,005	(75,342)	65,720
SJFD			879,207	478,804	(629,452)	728,559
SPFD			301,602	16,227	-	317,829
Total accrued compensated absences			<u>4,150,780</u>	<u>2,108,909</u>	<u>(2,064,313)</u>	<u>4,195,376</u>
General obligation bonds:						
CCPRC	2022 - 2035	1.50% - 4.00%	38,869,032	22,003,551	(5,886,585)	54,985,998
SPFD	2022 - 2027	2.315% - 3.45%	1,901,785	-	(385,785)	1,516,000
SJFD	2022 - 2033	2.75% - 5.0%	11,050,000	-	(3,905,000)	7,145,000
Total general obligation bonds			<u>51,820,817</u>	<u>22,003,551</u>	<u>(10,177,370)</u>	<u>63,646,998</u>
General obligation bonds: Direct Placement:						
SJFD	2022-2033	1.015%-2.009%	6,339,000	3,010,000	(515,000)	8,834,000
Capital lease obligations:						
CCL	2022 - 2026		321,452	34,155	(120,285)	235,322
SPFD	2021	2.57% - 6.37%	166,854	-	(166,854)	-
SJFD	2021	4.36% - 5.593%	203,680	-	(203,680)	-
Total capital lease obligations			<u>691,986</u>	<u>34,155</u>	<u>(490,819)</u>	<u>235,322</u>
Notes payable:						
SAPPPC	2022 - 2023	1.46% - 3.89%	116,577	-	(61,329)	55,248
Total component units long-term obligations			<u>\$63,119,160</u>	<u>\$27,156,615</u>	<u>\$(13,308,831)</u>	<u>\$ 76,966,944</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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
2022	\$ 644,375	\$ 442,764	\$ 5,856,235	\$ 6,943,374
2023	649,875	341,310	6,202,875	7,194,060
2024	651,731	340,528	6,143,325	7,135,584
2025	801,163	341,722	5,689,825	6,832,710
2026	802,663	86,889	5,635,200	6,524,752
2027 - 2031	4,002,250	86,968	22,510,700	26,599,918
2032 - 2035	1,599,150	-	9,236,681	10,835,831
Total	9,151,207	1,640,181	61,274,841	72,066,229
Less interest and plus amortized premium included above	(2,006,207)	(124,181)	(6,288,843)	(8,419,231)
Debt per statement of net position	<u>\$ 7,145,000</u>	<u>\$ 1,516,000</u>	<u>\$ 54,985,998</u>	<u>\$ 63,646,998</u>

General Obligation Bonds - Direct Placement

<u>Year Ending June 30</u>	SJFD
2022	\$ 1,578,407
2023	1,573,489
2024	1,568,291
2025	660,939
2026	658,639
2027 - 2031	3,357,211
2032 - 2033	277,640
Total	9,674,616
Less interest and plus amortized premium included above	(840,616)
Debt per statement of net position	<u>\$ 8,834,000</u>

Future minimum capital lease payments

<u>Year Ending June 30</u>	CCL
2022	\$ 117,229
2023	94,115
2024	29,920
2025	12,567
2026	1,297
Future minimum capital lease payments	255,128
Less amount representing interest	(19,806)
Debt per statement of net position	<u>\$ 235,322</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Notes Payable

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2022	\$ 37,855
2023	<u>18,342</u>
Total	56,197
Less interest included above	<u>(949)</u>
Debt per statement of net position	<u>\$ 55,248</u>

Prior Year Defeasance of Debt - In prior years, the primary government defeased various outstanding debt issues by placing proceeds of new debt or other funds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust accounts and the defeased debt are not included in these financial statements. At June 30, 2021, the following debt issues outstanding are considered defeased:

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

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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		\$4,875,778,339
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u>\$4,902,721,936</u>
Debt limitation-8 percent of total assessed value		\$ 392,217,755
Total bonded debt:		
General Obligation Bonds	\$ 535,295,000	
Less:		
Series 2011 G.O. Bond Transportation Sales Tax	\$ (9,110,000)	
Series 2012 G.O. Bond Transportation Sales Tax	(15,310,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(61,165,000)	
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	(1,245,000)	
Series 2017A G.O. Bond Library Referendum	(65,605,000)	
Series 2019A G.O. Bond Library Referendum	(22,360,000) (303,905,000)	
Total debt subject to debt limit		<u>231,390,000</u>
Legal debt margin		<u>\$ 160,827,755</u>

J. Deficit Net Position / Fund Balance

The Employee Benefits Internal Service Fund has a deficit net position of \$240,621,773 for the year ended June 30, 2021. 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 \$2,420,071 in the Revenue Collections Fund and \$7,694,617 in DAODAS which also will be funded by governmental funds in future years. The Disaster and Pandemic Funds has a deficit of \$799,606 which will be funded by FEMA.

IV. 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
JUNE 30, 2021

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 2020 and 2021 were:

Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2020	\$ 3,260,000	\$ 4,605,047	\$ (4,655,047)	\$ 3,210,000
2021	\$ 3,210,000	\$ 4,862,571	\$ (4,882,571)	\$ 3,190,000

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

On September 23, 2021, the County sold property at 13 Romney Street for \$3 million.

On October 28, 2021, the County closed on the sale of General Obligation Bonds Series 2021 as follows:

- Series 2021A for Road Projects \$200,000,000
- Series 2021B for County Facilities Projects \$ 45,560,000
- Series 2021C for Equipment \$4,010,000

The County also refunded the Series 2013 Special Source Revenue Bonds. The par amount was \$73,545,000 and the closing date was November 18, 2021.

On October 8, 2021, the County signed a recyclables collection services agreement with Republic Services of South Carolina, LLC (the Contractor). The Contractor will begin providing curbside residential, as well as multi-family, commercial and institutional recyclable collection services to areas defined by the County on April 4, 2022.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The County shall pay the Contractor monthly based on a fee per type of Customer. Residential Customer service fees shall be based on the service fee per Cart multiplied by the number of Carts in service. Commercial Customer service fees related to carted services shall follow the provisions outlined for Residential Customer fees. Commercial Customer fees related to Container services shall be based on the price per cubic yard multiplied by the Container size and frequency of service.

In October 2021, the County paid \$14,850,000 to Point Farm Salt Marsh Mitigation Bank to purchase and reserve mitigation credits for use in transportation improvement projects. These credits will satisfy the County's needs on those projects for impact permits while restoring 60 acres of wetlands and protecting over 1,300 acres of salt marsh lands.

In July 2021, the St. John's Fire District was awarded a FEMA Assistance to Fire Fighters Grant in the amount of \$560,536 with a 10% matching requirement.

In early 2021, the Charleston County Rescue Squad management approved changing its fiscal year-end to June 30th in order to correspond with the County's year-end.

C. Contingent Liabilities

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

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

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

Annexation - Several of the component units serve geographic regions which are subject to annexation by the surrounding municipalities. Should these annexations continue, there could be a significant impact on the operations of the various component units. The South Carolina General Assembly is currently considering legislation which would require the municipality which annexes properties of another political subdivision to assume responsibility for payment of the pro-rata bonded debt outstanding on the date of annexation.

In May 2000, the South Carolina General Assembly passed legislation to address the loss of revenues by public service districts due to annexations by municipalities. The legislation calls for an agreed-upon plan between the annexing municipality and the public service district. This plan would protect the remaining unannexed area in the public service district from economic loss of revenue brought about by annexation.

This legislation should lessen but not eliminate the impact on the operations of various component units due to annexations.

D. Commitments

The County and its various component units have various commitments to provide facilities or services under numerous agreements signed with third parties in addition to its construction commitments and recorded encumbrances.

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In July 2001, the County entered into an intergovernmental agreement with the South Carolina Infrastructure Bank to make twenty-five annual payments of \$3,000,000 beginning in January 2004 as a local match to help defray the cost of the Arthur Ravenel Jr. Bridge over the Cooper River built by the State to replace the existing bridges connecting the City of Charleston and the Town of Mt. Pleasant. This debt is shown as an inter-government note payable in Note I of these financial statements.

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.

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 began 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, 2021 was \$240,000.

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Effective July 1, 2019, the County entered into a new agreement with the Animal Society for the annual appropriations from the County. The County paid the Society a yearly fee for 2021 of \$2,058,000. 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 2022 will be \$2,100,000.

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. The net cost to the County for fiscal year ended June 30, 2021 was \$1,636,195.

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. The cost to the County for fiscal year 2021 was \$175,404.

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>

The County paid \$4,977,572 for these IT services in fiscal year 2021.

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.

The Charleston County Park and Recreation Commission had several incomplete construction projects at year-end. As of June 30, 2021, the CCPRC had outstanding construction commitments of \$8,594,504.

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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, 2021, the unamortized prepaid rent was \$3,790,500.

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

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 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, 2021 to June 30, 2022, with essentially identical terms as previous contracts.

Certain real estate and facilities acquired by the Cooper River Park and Playground Commission are located within the corporate limits of the City of North Charleston. Those facilities were originally leased to the City for a 25-year lease term commencing May 23, 1980, at a \$1 annual rental fee. This lease was renegotiated and signed May 23, 2006, for a 50-year term at a \$1 annual rental fee. Additional facilities were leased in February and May of 1990 for a 100-year term also at an annual rental fee of \$1.

Under the annual contract with the City of North Charleston, the Cooper River Park and Playground Commission has agreed to assign to the City all of its assets, real and personal, thereby allowing the City exclusive use, possession, control and management of these assets. As of June 30, 2021, the leased assets have a book value of \$0.

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To fulfill the contract terms for the year ended June 30, 2021, the Commission reflects a net amount due to the City of North Charleston totaling \$3,730.

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, 2021, the District owes the City \$12,253. The District entered into another one-year contract with the city covering the period from July 1, 2021 to June 30, 2022, 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.

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.

During the year ended June 30, 2020, the Library entered into an agreement to purchase digital archives of newspaper content of historical significance. The Library will earn equity in the archives in accordance with the amount expended, up to a maximum possible total of \$925,166. The Library is contractually committed to paying a total of \$150,000 under the agreement. During the year, the Library paid a discretionary \$200,000 towards the equity purchase and \$30,000 on the contractual amount. As of June 30, 2021, the Library has paid \$460,000 toward the total agreement amount of \$925,166. The \$460,000 is composed of \$400,000 in discretionary amounts and \$60,000 in contractual amounts under the agreement. The Library is committed to paying an additional \$30,000 per year for the next three years.

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 \$3,056,015 for the fiscal year ending June 30, 2021.

Total contributions made by the Charleston County Library's plan members were \$199,302 for the fiscal year ending June 30, 2021.

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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.

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)

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as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.

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

- A) Any covered employee who retires with at least 20 years, but less than 25 years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50% of the retiree cost and 50% of the dependent cost for health and dental coverage.
- B) Any covered employee who retires with 25 or more years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 100% of the retiree cost and 65% of the dependent cost for health and dental coverage.
- C) The health and dental insurance premiums for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50% or 65%) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.
- D) Retirees and their dependents may remain on retiree coverage until the retiree reaches Medicare eligible age. Upon reaching Medicare eligibility, retirees and/or their dependents will be required to enroll in Medicare Part A and B and will be eligible for a reimbursement of premium costs of a Medicare Supplemental Plan. Retirees with 25 or more years of Commission service credit under the South Carolina Retirement Systems will be eligible to receive up to \$250 per month and up to \$162.50 for a spouse. Retirees with at least 20 Commission full time years, but less than 25 full time years of Commission service will be eligible to receive up to \$125 per month and up to \$125 for a spouse. The reimbursement amount will be reviewed annually during the budget process. The Executive Director or designee will develop reimbursement procedures. Retirees will be notified of reimbursement procedures in the *Retiree Medicare Supplemental Plan Premium Reimbursement Agreement*, which each retiree will be required to accept before reimbursements will be issued.
- E) If the retiree reaches Medicare eligibility prior to their covered spouse, the covered spouses may remain on the Commission's group coverage until they reach Medicare eligible age and the Commission will continue to contribute toward their premium at the same percentage to which they are eligible based on the retiree's years of service with the Commission.
- F) Retirees and their dependents may remain on the Agency's dental and vision plans. The Commission will continue dental and vision premium contributions for both the retiree and their dependents based on the retiree's years of service.

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

- A) Any covered employee who meets the following requirements: is at least 55 years old, who is not currently eligible for Medicare coverage, who retires with at least 20 Commission full time years, but less than 25 full time years of Commission service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, and provided he/she is eligible for retirement at the time he/she leaves active Commission service and retires at the time of separation with the Commission. The last five years must be consecutive and in a

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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	

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 2.45% for the year ended June 30, 2020. Employees are not required to contribute to the plan. For the year ended June 30, 2020, the County made net contributions of \$2,812,149 for retiree healthcare and \$2,071,710 for the year ended June 30, 2021.

During the fiscal year ended June 30, 2021 the Commission made contributions of \$303,275 through the payment of retiree premiums. No contributions were made to the irrevocable trust during the current year. Employees are not required to contribute to the OPEB Plan.

Actuarial methods and assumptions

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

Projections of benefits for financial reporting purposes are based on the substantive plans as understood by the County and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. Actuarial calculations reflect a long-

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term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Primary Government:

Valuation Date: June 30, 2020
 Measurement Date: June 30, 2020
 Methods and Assumptions:
 Actuarial Cost Method Individual Entry-Age
 Discount Rate 2.45% as of June 30, 2020
 Inflation 2.25%
 Salary Increases 3.50% to 9.50% PORS
 3.00% to 7.00% SRCS
 Including inflation

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

Mortality: For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type as follows:
 100% for male SCRS members
 111% for female SCRS members
 125% for male PORS members
 111% for female PORS members

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

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 6.00% and declining to an ultimate rate of 4.00% after 15 years.

Expenses: The investment return assumption is net of the investment expenses; administrative expenses related to the health care benefits are included in the age-adjusted claims costs.

Notes: The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020. Additionally, the health care trend rates were updated to reflect the plan's anticipated experience and the repeal of the excise tax on high-cost employer health plans.

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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	1.92%
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 gender-distinct South Carolina Retirees 2020 Mortality Tables are used. The rates are projected on a fully generational basis using 80% of the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Demographic assumptions were based on the results of an actuarial experience study for the five-year period ended June 30, 2019, 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 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, 2020. An expected total OPEB liability is determined as of June 30, 2020, 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, 2020, 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 2.45% (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 3.13% 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.

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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, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	492
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>2,298</u>
Total Plan Members	2,790

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 2.45%, 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 <u>1.45%</u>	Current Discount Rate Assumption <u>2.45%</u>	1% Increase <u>3.45%</u>
Primary Government	\$ 92,918,796	\$ 80,667,997	\$ 70,658,947
CCL	\$ 7,353,871	\$ 6,420,289	\$ 5,653,921

	1% Decrease <u>0.92%</u>	Current Discount Rate Assumption <u>1.92%</u>	1% Increase <u>2.92%</u>
CCPRC	\$ 12,304,934	\$ 10,622,221	\$ 9,176,385

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 <u> </u>	Current Healthcare Costs Trend Rate Assumption <u> </u>	1% Increase <u> </u>
Primary Government	\$ 67,776,793	\$ 80,667,997	\$ 97,232,292
CCL	\$ 6,431,160	\$ 7,654,372	\$ 9,226,114
CCPRC	\$ 9,034,513	\$ 10,622,221	\$ 12,533,280

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

The County's total OPEB liability measured as of June 30, 2020, is as follows:

Total OPEB liability	
Service cost	\$ 2,577,457
Interest on the total OPEB liability	2,324,429
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(3,658,872)
Changes of assumptions	8,079,031
Benefit payments	<u>(3,256,469)</u>
Net change in total OPEB liability	6,065,576
Total OPEB liability - beginning	<u>74,602,421</u>
Total OPEB liability - ending	<u><u>\$ 80,667,997</u></u>
 Covered payroll	 \$ 128,181,643
 Total OPEB liability as a percentage of covered payroll	 62.93%

Changes of assumptions reflect a change in the discount rate from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020, and updates to the health care trend rates better reflect the plan's anticipated experience and the repeal of the excise tax on high-cost employer health plans.

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	\$ 2,812,149	
b. Implicit benefit payments	<u>444,320</u>	(Explicit Benefit Payments *0.158)
c. Total benefit payments	<u><u>\$ 3,256,469</u></u>	

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$4,463,660 under GASB Statement No. 75:

Service Cost	\$ 2,577,457
Interest on the Total OPEB Liability	2,324,429
Recognition of Current Year Outflow(Inflow)	
Due to liabilities	528,228
Amortization of Prior Year Outflow(Inflow)	
Due to liabilities	<u>(966,454)</u>
	<u><u>\$ 4,463,660</u></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.

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At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 23.346 years. Additionally, the total plan membership (active employees and inactive employees) was 2,790. 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 8.3679 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	\$ 201,570	\$ 6,251,287	\$ 19,126	\$ 593,168	\$ 639,409	\$ 5,482
Net difference between Projected/Actual earning:	-	-	-	-	56,052	-
Change in assumptions	10,617,135	4,783,506	1,007,432	453,894	1,509,482	44,651
Change in proportionate share of Liability	-	-	1,639,409	-	-	-
Contributions Subsequent to measurement date	2,631,072	-	249,656	-	-	-
	<u>\$ 13,449,777</u>	<u>\$ 11,034,793</u>	<u>\$ 2,915,623</u>	<u>\$ 1,047,062</u>	<u>\$ 2,204,943</u>	<u>\$ 50,133</u>

The following schedule reflects the amortization of the County's net balance of remaining deferred outflows (inflows) at June 30, 2021:

Primary Government:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	
2021	2022	\$ (438,226)
2022	2023	(438,226)
2023	2024	(438,226)
2024	2025	(438,226)
2025	2026	(123,930)
Thereafter	Thereafter	<u>1,660,746</u>
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (216,088)</u>

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Component Units:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	CCL	CCPRC
2021	2022	\$ 216,022	\$ 280,343
2022	2023	216,022	273,934
2023	2024	216,022	272,698
2024	2025	216,022	268,285
2025	2026	222,044	259,802
Thereafter	Thereafter	532,773	799,748
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 1,618,905</u>	<u>\$ 2,154,810</u>

G. Funds Held by Coastal Community Foundation

As of June 30, 2021, the Coastal Community Foundation held \$639,139 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, \$20,104 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, 2021, the Coastal Community Foundation was holding \$143,580 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, \$4,300 was awarded as grants to the Library.

As of June 30, 2021, the Coastal Community Foundation held \$34,900 in the Dubois Kenyetta Campbell Memorial Endowment for the Charleston County Library. The endowment was established for the purpose of providing grants to the John L. Dart Branch of the Charleston County Public Library system for the purchase of electronic books or other state-of-the-art delivery system with the most up-to-date world-class scientific content, appropriate for readers from pre-kindergarten through the 8th grade level, as well as for teachers for their continuing education. During the year, \$964 was awarded as grants to the Library. At year-end, no funds were available for grants to the Library.

These amounts are not reflected in the Library's financial statements until grants are received by the Library from the Foundation.

H. Employee Retirement Systems and Plans

South Carolina Retirement and Police Officers' Retirement Systems

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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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, political subdivisions, other participating local subdivisions of governments, and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- 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 membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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Benefits

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

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

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

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

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

Contributions

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 in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. 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 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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		
	2019	2020	2021	2019	2020	2021
Employer Rate:						
Retirement	14.41%	15.41%	15.41%	16.84%	17.84%	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>14.56%</u>	<u>15.56%</u>	<u>15.56%</u>	<u>17.24%</u>	<u>18.24%</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 June 30	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2021 *	\$ 14,813,991	100%	\$ 7,302,050	100%
2020 *	14,347,977	100%	7,576,886	100%
2019 *	12,873,498	100%	7,142,553	100%

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

Year Ended June 30	SCRS Payroll	PORS Payroll
2021	\$ 95,205,599	\$ 40,033,170
2020	92,210,649	41,539,944
2019	88,416,881	41,430,124

* 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.

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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, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used as of June 30, 2020 to calculate the total pension liability for SCRS and PORS.

	SCRS	PORS
	Entry age Normal	Entry age Normal
Actuarial cost method		
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.

Assumptions used in the determination of the June 30, 2020 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%

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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 measurement date 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	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	50.7%
PORS	\$ 8,046,386,629	\$ 4,730,174,642	\$ 3,316,211,987	58.8%

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	2021	\$ 210,523,553
	PORS	2019	2021	\$ 91,302,891
Component Units				
	CCL SCRS	2019	2021	\$ 24,842,547
	CCPRC SCRS	2019	2021	\$ 25,477,383
	SAPPPC SCRS	2019	2021	\$ 3,460,190
	SJFD SCRS	2019	2021	\$ 1,096,437
	PORS	2019	2021	\$ 14,953,456
	SPFD SCRS	2019	2021	\$ 194,033
	PORS	2019	2021	\$ 5,779,791

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.

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The County's and component units' proportionate share of the net pension liability for both SCRS and PORS is as follows for the measurement years ended June 30, 2019 and 2020:

	<u>System</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
Primary Government	SCRS	0.823910%	0.837884%	-0.013974%
	PORS	2.753230%	2.856850%	-0.103620%
Component Units				
CCL	SCRS	0.097224%	0.085397%	0.011827%
CCPRC	SCRS	0.099710%	0.100300%	-0.000590%
SAPPPC	SCRS	0.013542%	0.018132%	-0.004590%
SJFD	SCRS	0.004290%	0.004511%	-0.000221%
	PORS	0.450920%	0.453520%	-0.002600%
SPFD	SCRS	0.000759%	0.000821%	-0.000062%
	PORS	0.174289%	0.172046%	0.002243%

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 2020 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%	7.81%	2.73%
Private Equity	9.00%	8.91%	0.80%
Equity Option Strategies	7.00%	5.09%	0.36%
Real Assets	12.00%		
Real Estate (Private)	8.00%	5.55%	0.44%
Real Estate (REITs)	1.00%	7.78%	0.08%
Infrastructure (Private)	2.00%	4.88%	0.10%
Infrastructure (Public)	1.00%	7.05%	0.07%
Opportunistic	8.00%		
Global Tactical Asset Allocatio	7.00%	3.56%	0.25%
Other Opportunistic Strategies	1.00%	4.41%	0.04%
Credit	15.00%		
High Yield Bonds/Bank Loans	4.00%	4.21%	0.17%
Emerging Markets Debt	4.00%	3.44%	0.14%
Private Debt	7.00%	5.79%	0.40%
Rate Sensitive	14.00%		
Core Fixed Income	13.00%	1.62%	0.21%
Cash and Short Duration (net)	1.00%	0.56%	0.01%
Total Expected Real Return	<u>100.00%</u>		5.80%
inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>8.05%</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 Disc

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 260,918,166	\$ 210,523,553	\$ 168,443,497
PORS	\$ 120,869,715	\$ 91,302,891	\$ 67,562,722

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Component Units

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

	System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
CCL	SCRS	\$ 30,789,173	\$ 24,842,547	\$ 19,876,868
CCPRC	SCRS	\$ 31,576,130	\$ 25,477,383	\$ 20,384,912
SAPPPC	SCRS	\$ 4,288,519	\$ 3,460,190	\$ 2,768,581
SJFD	SCRS	\$ 1,358,900	\$ 1,096,437	\$ 877,278
	PORS	\$ 19,795,858	\$ 14,953,456	\$ 11,065,318
SPFD	SCRS	\$ 240,362	\$ 194,033	\$ 155,173
	PORS	\$ 7,651,473	\$ 5,779,791	\$ 4,276,954

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, 2021, the County recognized pension expense of \$37,551,163, \$24,706,763 for SCRS and \$12,844,400 for PORS. At June 30, 2021, 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	\$ 14,813,991	\$ 7,302,050	\$ -	\$ -
Difference in actual and proportionate share of employer contribution	-	-	-	-
Differences in actual and expected experience	2,429,163	1,940,374	796,079	401,894
Net differences between projected and actual earnings on plan investments	15,485,772	9,349,206	-	-
Change in assumptions	257,925	1,114,196	-	-
Change in proportionate share of net pension liability	<u>782,673</u>	<u>568,313</u>	<u>2,694,910</u>	<u>2,111,883</u>
	<u>\$ 33,769,524</u>	<u>\$ 20,274,139</u>	<u>\$ 3,490,989</u>	<u>\$ 2,513,777</u>

The County reported \$22,116,041 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, 2021.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2020 was 3.984 years for SCRS and 4.176 years for PORS.

Primary Government

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2021	2022	\$ 2,496,514	\$ 3,309,060
2022	2023	4,400,950	2,473,006
2023	2024	4,611,093	2,382,853
2024	2025	3,955,987	2,293,393
Net Balance of Deferred Outflows / (Inflows) of Resources		\$ 15,464,544	\$ 10,458,312



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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, 2021:

Component Units	Measurement Period	Fiscal Year Ending		
	Ending June 30	June 30	SCRS	PORS
CCL	2021	2022	\$ (1,639,289)	N/A
	2022	2023	(1,614,095)	N/A
	2023	2024	(1,297,040)	N/A
	2024	2025	(466,307)	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (5,016,731)</u>
CCPRC	2021	2022	\$ 208,273	N/A
	2022	2023	429,369	N/A
	2023	2024	615,843	N/A
	2024	2025	478,223	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 1,731,708</u>
SAPPPC	2021	2022	\$ (348,523)	N/A
	2022	2023	(201,480)	N/A
	2023	2024	(164,777)	N/A
	2024	2025	64,950	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (649,830)</u>
SJFD	2021	2022	\$ 22,144	\$ 359,758
	2022	2023	38,320	354,266
	2023	2024	16,580	457,957
	2024	2025	20,580	392,543
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ 97,624</u>
SPFD	2021	2022	\$ (8,751)	\$ 222,358
	2022	2023	(7,136)	182,215
	2023	2024	(6,677)	184,843
	2024	2025	(7,995)	147,040
	Net Balance of Deferred Outflows/(Inflows) of Resources			<u>\$ (30,559)</u>

Payable to Plans

The County reported payables of \$1,836,532 and \$851,508 to PEBA as of June 30, 2021, representing required employer and employee contributions for the month of June 2021 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 2021.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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I. Related Party

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

	Amount
Amounts given to CCL:	
Appropriation (net of amount retained in case of funding short falls due to COVID-19)	\$ 24,551,065
Reimbursement of Costs for Capital Projects Manager	118,589
CARES Act Reimbursement	129,673
	\$ 24,799,327
Amounts paid to the County by CCL:	
Workers' Compensation	\$ 412,510
OPEB compensation	414,931
Wellness expenditures	26,959
Motor vehicle repairs	34,991
Motor vehicle fuel charges	13,786
Health, life and dental insurance (library employees covered through County plan)	1,444,911
Other charges including utilities, insurance and other general services	3,207,135
	\$ 5,555,223
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	\$ 987,058
*Not Determined	

J. Pending Implementation of GASB Statements

The GASB has issued the following 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.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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. 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.
- 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, 2021.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

- 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, 2021.
- 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, 2021.

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, 2021. 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*
- 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*
- Statement No. 93, *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.*
- 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*

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

- 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.

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 2022 financial statements.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021, the County collected an additional \$1,317,491 in taxes under the Fee in Lieu of Tax Program, but it is not considered a tax abatement under GASB 77.

The following is a summary of the taxes forgone on the County's abatement program for the year ended June 30, 2021:

Program	Tax Abated	Source	Amount
Fee in Lieu of Tax	Property Tax	Economic Development Department	\$ 2,534,555

L. Uncertainties

Coronavirus Impact: In March 2020, the World Health Organization classified the coronavirus ("COVID-19") outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of these financial statements. Management is actively monitoring the impact from this health crisis on its financial condition, liquidity, operations, workforce and constituents. In May 2021, the County received approximately \$39.9 million from the Coronavirus State and Local Fiscal Recovery funds in the first tranche of funds from the US Treasury.

**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 EIGHT 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	2021	0.823910%	\$ 210,523,553	\$ 95,205,599	221%	50.70%
	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	0.772840%	\$ 138,621,003	\$ 66,980,874	207%	56.39%
Component Units						
CCL	2021	0.0972%	\$ 24,842,547	\$ 10,846,209	229.04%	50.70%
	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	2021	0.09971%	\$ 25,477,383	\$ 11,134,428	228.82%	50.70%
	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%	56.40%
SAPPPC	2021	0.013542%	\$ 3,460,190	\$ 1,293,750	267.45%	50.70%
	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%

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST EIGHT 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	2021	0.004291%	\$ 1,096,437	\$ 478,724	229.03%	50.70%
	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%	56.40%
SPFD	2021	0.000759%	\$ 194,033	\$ 88,112	220.21%	50.70%
	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%

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	2021	2.75323%	\$ 91,302,891	\$ 40,033,170	228%	58.80%
	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 EIGHT 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	2021	0.45092%	\$ 14,953,456	\$ 6,811,807	219.52%	58.80%
	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%	62.90%
SPFD	2021	0.17429%	\$ 5,779,791	\$ 2,864,659	201.76%	58.80%
	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	N/A	N/A	N/A	N/A	N/A

Note: The amounts presented for each fiscal year were determined as of June 30th of the preceeding year. Only eight years of information are presented as only eight 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, 2021 (UNAUDITED)

Year Ended June 30	Contributions			Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Relative to Contractually Required Contribution				
Primary Government						
2021	\$ 14,813,991	\$ 14,813,991	\$ -	\$ 95,205,599	15.56%	
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%	
Component Units						
<u>2021</u>						
CCL	\$ 1,736,554	\$ 1,736,554	\$ -	\$ 11,633,541	14.93%	
CCPRC	\$ 1,777,912	\$ 1,777,912	\$ -	\$ 11,426,171	15.56%	
SAPPPC	\$ 201,307	\$ 201,307	\$ -	\$ 1,293,750	15.56%	
SJFD	\$ 75,684	\$ 75,684	\$ -	\$ 486,273	15.56%	
SPFD	\$ 13,710	\$ 13,710	\$ -	\$ 88,112	15.56%	
<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%	

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	Contributions			Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Relative to Contractually Required Contribution	Contribution Deficiency (Excess)		
<u>2015</u>					
CCL	\$ 828,413	\$ 828,413	\$ -	\$ 7,600,121	10.90%
CCPRC	\$ 1,080,200	\$ 1,080,200	\$ -	\$ 9,910,088	10.90%
SAPPPC	\$ 152,364	\$ 152,364	\$ -	\$ 1,414,338	10.77%
SJFD	\$ 45,321	\$ 45,321	\$ -	\$ 415,787	10.90%
SPFD	\$ 18,409	\$ 18,409	\$ -	\$ 168,894	10.90%
<u>2014</u>					
CCL	\$ 759,107	\$ 759,107	\$ -	\$ 7,161,389	10.60%
CCPRC	\$ 988,391	\$ 988,391	\$ -	\$ 9,324,443	10.60%
SAPPPC	\$ 123,077	\$ 123,077	\$ -	\$ 1,161,104	10.60%
SJFD	\$ 47,250	\$ 47,250	\$ -	\$ 445,755	10.60%
SPFD	\$ 11,195	\$ 11,195	\$ -	\$ 105,613	10.60%
<u>2013</u>					
CCL	\$ 729,721	\$ 729,721	\$ -	\$ 6,884,164	10.60%
CCPRC	\$ 944,996	\$ 944,996	\$ -	\$ 8,915,057	10.60%
SAPPPC	\$ 106,091	\$ 106,091	\$ -	\$ 1,000,858	10.60%
SJFD	\$ 42,139	\$ 42,139	\$ -	\$ 397,535	10.60%
SPFD	\$ 11,905	\$ 11,905	\$ -	\$ 112,311	10.60%
<u>2012</u>					
CCL	\$ 679,873	\$ 679,873	\$ -	\$ 7,130,293	9.53%
CCPRC	\$ 820,708	\$ 820,708	\$ -	\$ 8,611,836	9.53%
SAPPPC	\$ 108,404	\$ 108,404	\$ -	\$ 1,137,503	9.53%
SJFD	\$ 36,652	\$ 36,652	\$ -	\$ 384,596	9.53%
SPFD	\$ 9,968	\$ 9,968	\$ -	\$ 104,596	9.53%

The County's actual contributions to SCRS and PORS equal the required contribution before the state credit of 1% issued in accordance with South Carolina 2018-2020 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, 2021 (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					
2021	\$ 7,302,050	\$7,302,050	\$ -	\$ 40,033,170	18.24%
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%
Component Units					
<u>2021</u>					
SJFD	\$ 1,309,366	\$1,309,366	\$ -	\$ 7,178,542	18.24%
SPFD	\$ 522,514	\$522,514	\$ -	\$ 2,864,659	18.24%
<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%

The County's actual contributions to SCRS and PORS equal the required contribution before the state credit of 1% issued in accordance with South Carolina 2018-2020 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, 2021

<u>Total OPEB Liability</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Service cost	\$ 3,850,065	\$ 2,994,163	\$ 2,866,179	\$ 2,577,457
Interest on the total OPEB liability	2,166,518	2,549,464	2,436,162	2,324,429
Changes of benefit term	-	-	-	-
Difference between expected and actual experience of the total OPEB liability	84,162	(4,674,467)	204,908	(3,658,872)
Changes of assumptions	(5,884,529)	(2,555,098)	4,577,329	8,079,031
Benefit payments	(2,298,726)	(2,441,133)	(2,692,717)	(3,256,469)
Net change in total OPEB liability	<u>(2,082,510)</u>	<u>(4,127,071)</u>	<u>7,391,861</u>	<u>6,065,576</u>
Total OPEB liability - beginning	<u>73,420,141</u>	<u>71,337,631</u>	<u>67,210,560</u>	<u>74,602,421</u>
Total OPEB liability - ending	<u>\$ 71,337,631</u>	<u>\$ 67,210,560</u>	<u>\$ 74,602,421</u>	<u>\$ 80,667,997</u>
 Covered payroll	 \$ 113,995,618	 \$ 115,990,430	 \$ 123,179,368	 \$ 128,181,643
 Total OPEB liability as a percentage of covered payroll	 62.58%	 57.94%	 60.56%	 62.93%

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 is as of the valuation date.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF CHARLESTON COUNTY OPEB CONTRIBUTIONS
YEAR ENDED JUNE 30, 2021**

CURRENT FISCAL YEAR

	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2021</u>
Actuarially Determined Contribution	\$ 2,087,240	\$ 1,983,049	\$ 2,325,317	\$ 2,812,149
Contributions in Relation to the Actuarially Determined Contribution	<u>2,087,240</u>	<u>1,983,049</u>	<u>2,325,317</u>	<u>2,812,149</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 113,995,618	\$ 115,990,430	\$ 123,179,368	\$ 128,181,643
Contributions as a Percentage of Covered Payroll	1.83%	1.71%	1.89%	2.19%

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 FIVE 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%	
2020	2021	100.00%	\$80,667,997	\$128,181,643	62.93%	
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%
	2020	2021	9.4887%	\$7,654,372	\$10,816,362	70.77%
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%
	2020	2021	100.00%	\$10,622,221	\$8,728,576	121.69%

* 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.

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**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.

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.

Special Source Revenue Bonds – 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.

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, 2021

<u>ASSETS</u>	Special Revenue Funds				
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works	Economic Development
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	4,647,309	-	12,674,345	9,581,046	11,105,240
Restricted cash and cash equivalents	358,744	-	-	-	-
Receivables (net of allowances for uncollectibles)	6,646,881	176,163	904,215	3,144,583	739,116
Total assets	\$ 11,652,934	\$ 176,163	\$ 13,578,560	\$ 12,725,629	\$ 11,844,356
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ 692	\$ 3,641,567	\$ 822,785	\$ 28,143
Accrued payroll and fringe benefits	-	18,056	21,131	-	31,200
Due to other funds	-	34,415	-	-	-
Intergovernmental payable	8,191,881	-	189,375	4,576	1,072,143
Unearned revenue	-	-	9,369,992	-	5,000,000
Total liabilities	8,191,881	53,163	13,222,065	827,361	6,131,486
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted	3,461,053	123,000	356,495	11,898,268	5,712,870
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	3,461,053	123,000	356,495	11,898,268	5,712,870
Total liabilities, deferred inflows of resources and fund balances	\$ 11,652,934	\$ 176,163	\$ 13,578,560	\$ 12,725,629	\$ 11,844,356

Special Revenue Funds

Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ -	\$ -	\$ -	\$ -	\$ -
160,868	-	1,623,370	87,416	1,172,200
-	-	-	-	-
11,367,702	-	2,825,518	-	245,631
<u>\$ 11,528,570</u>	<u>\$ -</u>	<u>\$ 4,448,888</u>	<u>\$ 87,416</u>	<u>\$ 1,417,831</u>
\$ -	\$ -	\$ 9,695	\$ 3,616	\$ 126,917
-	-	57,223	6,009	196,910
-	-	-	-	-
74,114	-	17,732	70	20
-	-	-	-	-
74,114	-	84,650	9,695	323,847
11,123,444	-	2,741,284	-	-
200,620	-	53,031	-	-
11,324,064	-	2,794,315	-	-
130,392	-	1,569,923	77,721	1,093,984
-	-	-	-	-
-	-	-	-	-
130,392	-	1,569,923	77,721	1,093,984
<u>\$ 11,528,570</u>	<u>\$ -</u>	<u>\$ 4,448,888</u>	<u>\$ 87,416</u>	<u>\$ 1,417,831</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

<u>ASSETS</u>	Special Revenue Funds					
	Safety Enforcement	Sheriff	Solicitor	Special Source Revenue Bonds	Storm Water Drainage	Victim Notification
Non-pooled cash and cash equivalents	\$ 49,856	\$ 58,285	\$ 1,111,925	\$ -	\$ -	\$ 10,904
Pooled cash and cash equivalents	896,942	2,095,160	281,739	72,188,268	7,290,335	28,837
Restricted cash and cash equivalents	-	-	-	21,311	-	-
Receivables (net of allowances for uncollectibles)	843,874	99,697	51,969	-	326,574	2,776
Total assets	\$ 1,790,672	\$ 2,253,142	\$ 1,445,633	\$ 72,209,579	\$ 7,616,909	\$ 42,517
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 18,499	\$ 9,292	\$ 8,473	\$ 234,638	\$ 241,697	\$ -
Accrued payroll and fringe benefits	63,481	5,921	70,618	-	54,547	13,685
Due to other funds	-	-	-	-	-	-
Intergovernmental payable	87,779	-	194,094	63,000	12,369	4,832
Unearned revenue	478,109	-	-	-	-	-
Total liabilities	647,868	15,213	273,185	297,638	308,613	18,517
Deferred inflows of resources:						
Unavailable property tax revenues-current	-	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balances:						
Restricted	1,142,804	2,237,929	1,172,448	71,911,941	7,308,296	24,000
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	1,142,804	2,237,929	1,172,448	71,911,941	7,308,296	24,000
Total liabilities, deferred inflows of resources and fund balances	\$ 1,790,672	\$ 2,253,142	\$ 1,445,633	\$ 72,209,579	\$ 7,616,909	\$ 42,517

<u>ASSETS</u>	<u>Capital Projects Fund</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Construction</u>	<u>Equipment Replacement Fund</u>	<u>ITS / MIS</u>	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,230,970
Pooled cash and cash equivalents	5,010,664	594,949	-	129,438,688
Restricted cash and cash equivalents	-	-	-	380,055
Receivables (net of allowances for uncollectibles)	-	-	-	27,374,699
Total assets	\$ 5,010,664	\$ 594,949	\$ -	\$ 158,424,412
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 5,293	\$ 21	\$ -	\$ 5,151,328
Accrued payroll and fringe benefits	11,585	-	-	550,366
Due to other funds	-	-	-	34,415
Intergovernmental payable	35,750	-	-	9,947,735
Unearned revenue	-	-	-	14,848,101
Total liabilities	52,628	21	-	30,531,945
Deferred inflows of resources:				
Unavailable property tax revenues-current	-	-	-	13,864,728
Unavailable property tax revenues-delinquent	-	-	-	253,651
Total deferred inflows of resources	-	-	-	14,118,379
Fund balances:				
Restricted	-	-	-	108,221,124
Committed	4,958,036	594,928	-	5,552,964
Unassigned	-	-	-	-
Total fund balances	4,958,036	594,928	-	113,774,088
Total liabilities, deferred inflows of resources and fund balances	\$ 5,010,664	\$ 594,949	\$ -	\$ 158,424,412

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2021

	Special Revenue Funds			
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works
Revenues:				
Property taxes and other taxes	\$ 17,571,434	\$ -	\$ -	\$ -
Intergovernmental	278,489	1,337,746	13,287,620	6,858,778
Fines and forfeitures	-	-	-	-
Service charges	-	-	-	-
Interest	3,369	-	-	18,262
Other revenues	-	-	-	-
Total revenues	17,853,292	1,337,746	13,287,620	6,877,040
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	92,831	-	-
Judicial	-	541,154	-	-
Public works	-	-	-	6,781,332
Health and welfare	-	-	13,277,825	-
Economic development	-	-	-	-
Culture and recreation	13,946,342	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	13,946,342	633,985	13,277,825	6,781,332
Excess (deficiency) of revenues over (under) expenditures	3,906,950	703,761	9,795	95,708
Other financing sources (uses):				
Transfers in	-	80,951	-	5,545,121
Transfers out	(37,674)	(784,712)	(30,632)	(5,545,121)
Gains (losses) from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(37,674)	(703,761)	(30,632)	-
Net change in fund balance	3,869,276	-	(20,837)	95,708
Fund balances at beginning of year	(408,223)	123,000	377,332	11,802,560
Fund balances at end of year	\$ 3,461,053	\$ 123,000	\$ 356,495	\$ 11,898,268

Special Revenue Funds

Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ 4,123,597	\$ 11,064,152	\$ -	\$ 3,000,321	\$ -	\$ -
4,928,052	242,448	26,136	219,360	-	2,769,063
-	-	-	-	220,447	-
2,326,578	-	-	-	-	379,349
-	-	-	470	-	2,318
-	-	-	79	-	-
11,378,227	11,306,600	26,136	3,220,230	220,447	3,150,730
-	-	-	-	-	-
-	-	27,657	2,921,573	206,349	-
-	-	-	-	-	6,646,008
-	-	-	-	-	-
9,239,640	-	-	-	-	-
-	-	-	-	-	-
-	8,261,200	-	-	-	-
-	-	-	-	-	-
-	-	-	323,642	-	-
9,239,640	8,261,200	27,657	3,245,215	206,349	6,646,008
2,138,587	3,045,400	(1,521)	(24,985)	14,098	(3,495,278)
-	145,117	1,521	92,145	-	3,378,862
-	(3,190,517)	-	(92,145)	-	-
-	-	-	-	-	-
-	(3,045,400)	1,521	-	-	3,378,862
2,138,587	-	-	(24,985)	14,098	(116,416)
3,574,283	130,392	-	1,594,908	63,623	1,210,400
\$ 5,712,870	\$ 130,392	\$ -	\$ 1,569,923	\$ 77,721	\$ 1,093,984

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2021

	Special Revenue Funds					
	Safety Enforcement	Sheriff	Solicitor	Special Source Revenue Bonds	Storm Water Drainage	Victim Notification
Revenues:						
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ 26,630,375	\$ -	\$ -
Intergovernmental	1,568,987	-	1,913,051	-	-	12,997
Fines and forfeitures	158,830	159,067	5,000	-	-	169,402
Service charges	-	26,700	466,098	-	3,892,328	193
Interest	122	1,188	-	155,913	12,850	-
Other revenues	1,516,537	860,875	56,273	-	724	-
Total revenues	3,244,476	1,047,830	2,440,422	26,786,288	3,905,902	182,592
Expenditures:						
Current:						
General government	695,000	-	-	-	-	-
Public safety	2,102,223	942,476	-	-	-	130,842
Judicial	634,701	-	2,401,777	-	-	249,793
Public works	-	-	-	21,300,260	3,362,340	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	12,514	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	10,735,549	-	-
Total expenditures	3,444,438	942,476	2,401,777	32,035,809	3,362,340	380,635
Excess (deficiency) of revenues over (under) expenditures	(199,962)	105,354	38,645	(5,249,521)	543,562	(198,043)
Other financing sources (uses):						
Transfers in	492,963	-	254,475	10,736,198	-	192,350
Transfers out	-	(15,500)	(436,083)	(14,243,604)	-	-
Gains (losses) from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	492,963	(15,500)	(181,608)	(3,507,406)	-	192,350
Net change in fund balance	293,001	89,854	(142,963)	(8,756,927)	543,562	(5,693)
Fund balances at beginning of year	849,803	2,148,075	1,315,411	80,668,868	6,764,734	29,693
Fund balances at end of year	\$ 1,142,804	\$ 2,237,929	\$ 1,172,448	\$ 71,911,941	\$ 7,308,296	\$ 24,000

Capital Projects Funds				
	Construction	Equipment Replacement Fund	ITS / MIS	Total Nonmajor Governmental Funds
Revenues:				
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ 62,389,879
Intergovernmental	600,000	-	21,540	34,064,267
Fines and forfeitures	-	-	-	712,746
Service charges	-	-	-	7,091,246
Interest	-	2,335	-	196,827
Other revenues	-	-	244,118	2,678,606
Total revenues	600,000	2,335	265,658	107,133,571
Expenditures:				
Current:				
General government	-	-	-	695,000
Public safety	-	-	-	6,423,951
Judicial	-	-	-	10,473,433
Public works	-	-	-	31,443,932
Health and welfare	-	-	-	13,277,825
Economic development	-	-	-	9,239,640
Culture and recreation	-	-	-	13,958,856
Education	-	-	-	8,261,200
Capital outlay	488,688	-	147,150	635,838
Debt service	-	-	-	11,059,191
Total expenditures	488,688	-	147,150	105,468,866
Excess (deficiency) of revenues over (under) expenditures	111,312	2,335	118,508	1,664,705
Other financing sources (uses):				
Transfers in	1,148,735	518,346	149,150	22,735,934
Transfers out	-	(807,000)	(267,658)	(25,450,646)
Gains (losses) from sale of capital assets	18,440,338	29,322	-	18,469,660
Total other financing sources (uses)	19,589,073	(259,332)	(118,508)	15,754,948
Net change in fund balance	19,700,385	(256,997)	-	17,419,653
Fund balances at beginning of year	(14,742,349)	851,925	-	96,354,435
Fund balances at end of year	\$ 4,958,036	\$ 594,928	\$ -	\$ 113,774,088

See independent auditor's report.

**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, 2021

	<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	\$ 26,519,000	\$ 26,519,000	\$ 26,726,523	\$ 207,523
Intergovernmental	97,127	97,127	474,407	377,280
Interest	46,000	46,000	44,200	(1,800)
Other revenues	171,428	171,428	171,429	1
Total revenues	26,833,555	26,833,555	27,416,559	583,004
EXPENDITURES:				
Debt service	54,706,460	54,559,310	54,476,040	83,270
Total expenditures	54,706,460	54,559,310	54,476,040	83,270
Excess of expenditures over revenues	(27,872,905)	(27,725,755)	(27,059,481)	666,274
Other financing sources (uses):				
Transfers in	18,496,276	19,449,969	19,808,151	358,182
Transfers out	(11,318,353)	(11,439,760)	(11,439,760)	-
Total other financing sources and (uses)	7,177,923	8,010,209	8,368,391	358,182
Net change in fund balance	(20,694,982)	(19,715,546)	(18,691,090)	1,024,456
Fund balance at beginning of year	40,264,991	40,264,991	40,264,991	-
Fund balance at end of year	\$ 19,570,009	\$ 20,549,445	\$ 21,573,901	\$ 1,024,456

See independent auditor's report.

**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, 2021**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Accommodations taxes	\$ 10,110,000	\$ 13,793,102	\$ 17,571,434	\$ 3,778,332
Intergovernmental	43,000	43,000	278,489	235,489
Interest	2,500	2,500	3,369	869
Total revenues	<u>10,155,500</u>	<u>13,838,602</u>	<u>17,853,292</u>	<u>4,014,690</u>
Expenditures:				
Current:				
Culture and recreation	10,723,652	13,835,652	13,946,342	(110,690)
Total expenditures	<u>10,723,652</u>	<u>13,835,652</u>	<u>13,946,342</u>	<u>(110,690)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(568,152)</u>	<u>2,950</u>	<u>3,906,950</u>	<u>3,904,000</u>
Other financing uses:				
Transfers in	571,102	-	-	-
Transfers out	(25,900)	(25,900)	(37,674)	(11,774)
Net change in fund balance	(22,950)	(22,950)	3,869,276	3,892,226
Fund balance at beginning of year	<u>(408,223)</u>	<u>(408,223)</u>	<u>(408,223)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (431,173)</u>	<u>\$ (431,173)</u>	<u>\$ 3,461,053</u>	<u>\$ 3,892,226</u>

See independent auditor's report.

**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, 2021**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,144,000	\$ 1,144,000	\$ 1,337,746	\$ 193,746
Total revenues	<u>1,144,000</u>	<u>1,144,000</u>	<u>1,337,746</u>	<u>193,746</u>
Expenditures:				
Current:				
Public safety	94,648	94,648	92,831	1,817
Judicial	664,350	664,350	541,154	123,196
Total expenditures	<u>758,998</u>	<u>758,998</u>	<u>633,985</u>	<u>125,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>385,002</u>	<u>385,002</u>	<u>703,761</u>	<u>318,759</u>
Other financing sources (uses):				
Transfers in	60,648	60,648	80,951	20,303
Transfers out	(445,650)	(445,650)	(784,712)	(339,062)
Total other financing sources (uses)	<u>(385,002)</u>	<u>(385,002)</u>	<u>(703,761)</u>	<u>(318,759)</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 independent auditor's report.

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, 2021

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 3,750,000	\$ 3,750,000	\$ 4,123,597	\$ 373,597
Intergovernmental	-	10,904,300	4,928,052	(5,976,248)
Service charges	-	1,750,000	2,326,578	576,578
Total revenues	<u>3,750,000</u>	<u>16,404,300</u>	<u>11,378,227</u>	<u>(5,026,073)</u>
Expenditures:				
Current:				
Economic development	4,490,689	17,196,466	9,239,640	7,956,826
Total expenditures	<u>4,490,689</u>	<u>17,196,466</u>	<u>9,239,640</u>	<u>7,956,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(740,689)</u>	<u>(792,166)</u>	<u>2,138,587</u>	<u>2,930,753</u>
Net change in fund balance	(740,689)	(792,166)	2,138,587	2,930,753
Fund balance at beginning of year	<u>3,574,283</u>	<u>3,574,283</u>	<u>3,574,283</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,833,594</u>	<u>\$ 2,782,117</u>	<u>\$ 5,712,870</u>	<u>\$ 2,930,753</u>

See independent auditor's report.

**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, 2021**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 10,422,000	\$ 10,422,000	\$ 11,064,152	\$ 642,152
Intergovernmental	89,477	89,477	242,448	152,971
Total revenues	<u>10,511,477</u>	<u>10,511,477</u>	<u>11,306,600</u>	<u>795,123</u>
Expenditures:				
Current:				
General Government	60,000	60,000	-	60,000
Education	7,822,803	7,822,803	8,261,200	(438,397)
Total expenditures	<u>7,882,803</u>	<u>7,882,803</u>	<u>8,261,200</u>	<u>(378,397)</u>
Excess of revenues over expenditures	<u>2,628,674</u>	<u>2,628,674</u>	<u>3,045,400</u>	<u>416,726</u>
Other financing sources (uses):				
Transfers in	129,117	129,117	145,117	16,000
Transfers out	(2,818,291)	(2,818,291)	(3,190,517)	(372,226)
Total other financing sources (uses)	<u>(2,689,174)</u>	<u>(2,689,174)</u>	<u>(3,045,400)</u>	<u>(356,226)</u>
Net change in fund balance	(60,500)	(60,500)	-	60,500
Fund balance at beginning of year	130,392	130,392	130,392	-
Fund balance at end of year	<u>\$ 69,892</u>	<u>\$ 69,892</u>	<u>\$ 130,392</u>	<u>\$ 60,500</u>

See independent auditor's report.

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, 2021

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 2,856,300	\$ 2,856,300	\$ 3,000,321	\$ 144,021
Intergovernmental	161,268	161,268	219,360	58,092
Interest	-	-	470	470
Other revenues	-	-	79	79
Total revenues	3,017,568	3,017,568	3,220,230	202,662
Expenditures:				
Current:				
Public safety	3,195,984	3,332,470	2,921,573	410,897
Debt service	323,642	323,642	323,642	-
Total expenditures	3,519,626	3,656,112	3,245,215	410,897
Excess (deficiency) of revenues (under) over expenditures	(502,058)	(638,544)	(24,985)	613,559
Other financing sources (uses)				
Transfers in	70,986	71,732	92,145	(20,413)
Transfers out	-	(92,145)	(92,145)	-
Total other financing sources (uses)	70,986	(20,413)	-	(20,413)
Net change in fund balance	(431,072)	(658,957)	(24,985)	633,972
Fund balance at beginning of year	1,594,908	1,594,908	1,594,908	-
Fund balance at end of year	\$ 1,163,836	\$ 935,951	\$ 1,569,923	\$ 633,972

See independent auditor's report.

**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, 2021**

	<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	\$ 220,000	\$ 220,000	\$ 220,447	\$ 447
Total revenues	220,000	220,000	220,447	447
Expenditures:				
Current:				
Public safety	226,036	226,568	206,349	20,219
Total expenditures	226,036	226,568	206,349	20,219
Excess (deficiency) of revenues over (under) expenditures	(6,036)	(6,568)	14,098	20,666
Net change in fund balance	(6,036)	(6,568)	14,098	20,666
Fund balance at beginning of year	63,623	63,623	63,623	-
Fund balance at end of year	\$ 57,587	\$ 57,055	\$ 77,721	\$ 20,666

See independent auditor's report.

**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, 2021**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 2,760,803	\$ 2,776,665	\$ 2,769,063	\$ (7,602)
Service charges	510,000	510,000	379,349	(130,651)
Interest	3,500	3,500	2,318	(1,182)
Total revenues	<u>3,274,303</u>	<u>3,290,165</u>	<u>3,150,730</u>	<u>(139,435)</u>
Expenditures:				
Current:				
Judicial	6,929,372	6,929,372	6,646,008	283,364
Total expenditures	<u>6,929,372</u>	<u>6,929,372</u>	<u>6,646,008</u>	<u>283,364</u>
Deficiency of revenues under expenditures	<u>(3,655,069)</u>	<u>(3,639,207)</u>	<u>(3,495,278)</u>	<u>143,929</u>
Other financing sources:				
Transfers in	3,412,992	3,412,992	3,378,862	(34,130)
Net change in fund balance	(242,077)	(226,215)	(116,416)	109,799
Fund balance at beginning of year	<u>1,210,400</u>	<u>1,210,400</u>	<u>1,210,400</u>	<u>-</u>
Fund balance at end of year	<u>\$ 968,323</u>	<u>\$ 984,185</u>	<u>\$ 1,093,984</u>	<u>\$ 109,799</u>

See independent auditor's report.

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, 2021

	<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	\$ 159,067	\$ 135,067
Interest	5,000	4,000	1,188	(2,812)
Service charges	32,000	32,000	26,700	(5,300)
Other revenues	625,000	625,000	860,875	235,875
	<u>686,000</u>	<u>685,000</u>	<u>1,047,830</u>	<u>362,830</u>
Expenditures:				
Current:				
Public safety	1,484,430	1,496,998	942,476	554,522
	<u>1,484,430</u>	<u>1,496,998</u>	<u>942,476</u>	<u>554,522</u>
Deficiency of revenues under expenditures	<u>(798,430)</u>	<u>(811,998)</u>	<u>105,354</u>	<u>917,352</u>
Other financing (uses):				
Transfers out	-	(15,500)	(15,500)	-
	<u>-</u>	<u>(15,500)</u>	<u>(15,500)</u>	<u>-</u>
Net change in fund balance	<u>(798,430)</u>	<u>(827,498)</u>	<u>89,854</u>	<u>917,352</u>
Fund balance at beginning of year	<u>2,148,075</u>	<u>2,148,075</u>	<u>2,148,075</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,349,645</u></u>	<u><u>\$ 1,320,577</u></u>	<u><u>\$ 2,237,929</u></u>	<u><u>\$ 917,352</u></u>

See independent auditor's report.

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, 2021

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,896,815	\$ 1,896,815	\$ 1,913,051	\$ 16,236
Fines and forfeitures	-	-	5,000	5,000
Service charges	438,000	438,000	466,098	28,098
Other revenues	2,500	2,500	56,273	53,773
Total revenues	2,337,315	2,337,315	2,440,422	103,107
Expenditures:				
Current:				
Judicial	2,718,999	2,718,999	2,401,777	317,222
Total expenditures	2,718,999	2,718,999	2,401,777	317,222
Excess (deficiency) of revenues over (under) expenditures	(381,684)	(381,684)	38,645	420,329
Other financing sources (uses):				
Transfers in	411,043	411,043	254,475	(156,568)
Transfers out	(669,361)	(669,361)	(436,083)	233,278
Total other financing sources	(258,318)	(258,318)	(181,608)	76,710
Net change in fund balance	(640,002)	(640,002)	(142,963)	497,039
Fund balance at beginning of year	1,315,411	1,315,411	1,315,411	-
Fund balance at end of year	\$ 675,409	\$ 675,409	\$ 1,172,448	\$ 497,039

See independent auditor's report.

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, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
Revenues:				
Service charges	\$ 3,714,500	\$ 3,714,500	\$ 3,892,328	\$ 177,828
Interest	30,000	30,000	12,850	(17,150)
Other revenues	-	-	724	724
Total revenues	<u>3,744,500</u>	<u>3,744,500</u>	<u>3,905,902</u>	<u>161,402</u>
Expenditures:				
Current:				
Public works	<u>8,501,631</u>	<u>8,780,538</u>	<u>3,362,340</u>	<u>5,418,198</u>
Total expenditures	<u>8,501,631</u>	<u>8,780,538</u>	<u>3,362,340</u>	<u>5,418,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,757,131)</u>	<u>(5,036,038)</u>	<u>543,562</u>	<u>5,579,600</u>
Net change in fund balance	<u>(4,757,131)</u>	<u>(5,036,038)</u>	<u>543,562</u>	<u>5,579,600</u>
Fund balance at beginning of year	<u>6,764,734</u>	<u>6,764,734</u>	<u>6,764,734</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,007,603</u>	<u>\$ 1,728,696</u>	<u>\$ 7,308,296</u>	<u>\$ 5,579,600</u>

See independent auditor's report.

**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, 2021**

	<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	\$ 12,997	\$ 6,497
Fines and forfeitures	251,000	251,000	169,402	(81,598)
Service charges	-	-	193	193
	<u>257,500</u>	<u>257,500</u>	<u>182,592</u>	<u>(74,908)</u>
Expenditures:				
Current:				
Public safety	128,961	128,961	130,842	(1,881)
Judicial	260,795	260,795	249,793	11,002
	<u>389,756</u>	<u>389,756</u>	<u>380,635</u>	<u>9,121</u>
Deficiency of revenues under expenditures	<u>(132,256)</u>	<u>(132,256)</u>	<u>(198,043)</u>	<u>(65,787)</u>
Other financing sources:				
Transfers in	<u>132,256</u>	<u>132,256</u>	<u>192,350</u>	<u>60,094</u>
Net change in fund balance	-	-	(5,693)	(5,693)
Fund balance at beginning of year	<u>29,693</u>	<u>29,693</u>	<u>29,693</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,693</u>	<u>\$ 29,693</u>	<u>\$ 24,000</u>	<u>\$ (5,693)</u>

See independent auditor's report.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED
June 30, 2021**

	<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	\$ 972,186	\$	\$ 972,186	\$ 972,186	\$ -	\$ 972,186
DUI/DUS/BUI	41,615	41,615	-	-	-	-
Assessments	742,476	678,256	64,220	-	64,220	64,220
Surcharges	212,685	184,543	28,142	-	28,142	28,142
	<u>1,968,962</u>	<u>904,414</u>	<u>1,064,548</u>	<u>972,186</u>	<u>92,362</u>	<u>1,064,548</u>
Clerk of Court:						
Fines:						
Fines and Fees	843,335	612,473	230,862	230,862	-	230,862
Family court	1,648,421	865,797	782,624	782,624	-	782,624
DUI/DUS/BUI	6,918	6,918	-	-	-	-
Assessments	48,713	31,510	17,203	-	17,203	17,203
Surcharges	98,709	38,872	59,837	-	59,837	59,837
	<u>2,646,096</u>	<u>1,555,570</u>	<u>1,090,526</u>	<u>1,013,486</u>	<u>77,040</u>	<u>1,090,526</u>
	<u>\$ 4,615,058</u>	<u>\$ 2,459,984</u>	<u>\$ 2,155,074</u>	<u>\$ 1,985,672</u>	<u>\$ 169,402</u>	<u>\$ 2,155,074</u>

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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, 2021

<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	\$ -	\$ -	\$ -	\$ 629,672	\$ 630,372
Pooled cash and cash equivalents	1,367,147	2,815,054	583,535	520,814	5,972,840	11,259,390
Receivables (net of allowances for uncollectibles)	1,891,057	387,142	-	3,332	1,822,406	4,103,937
Total current assets	3,258,904	3,202,196	583,535	524,146	8,424,918	15,993,699
Capital assets:						
Construction in progress	-	68,597	-	-	303,339	371,936
Buildings	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	316,111	-	-	43,315	-	359,426
Machinery and equipment	608,378	6,059,442	13,079	2,868,661	141,411	9,690,971
Less accumulated depreciation	(5,808,385)	(4,084,904)	(12,353)	(932,821)	(113,862)	(10,952,325)
Total capital assets (net of accumulated depreciation)	4,818,471	2,043,135	726	1,979,155	330,888	9,172,375
Total noncurrent assets	4,818,471	2,043,135	726	1,979,155	330,888	9,172,375
Total assets	8,077,375	5,245,331	584,261	2,503,301	8,755,806	25,166,074

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2021

<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	\$ 144,445	\$ 91,523	\$ 6,114	\$ 73,639	\$ 1,185	\$ 316,906
Accrued payroll and fringe benefits	194,940	30,479	2,924	8,147	53,146	289,636
Unearned revenue	88,223	-	-	-	-	88,223
Compensated absences-current	46,919	5,417	-	-	-	52,336
Due to other funds	14,925,058	1,295,427	170,764	530,835	3,388,617	20,310,701
Intergovernmental payable	2,728	-	-	4,969	7,524,285	7,531,982
Total current liabilities	15,402,313	1,422,846	179,802	617,590	10,967,233	28,589,784
Noncurrent liabilities:						
Compensated absences	369,679	59,590	13,477	7,517	208,644	658,907
Total noncurrent liabilities	369,679	59,590	13,477	7,517	208,644	658,907
Total liabilities	15,771,992	1,482,436	193,279	625,107	11,175,877	29,248,691
<u>NET POSITION</u>						
Net investment in capital assets	4,818,471	2,043,135	726	1,979,155	330,888	9,172,375
Unrestricted	(12,513,088)	1,719,760	390,256	(100,961)	(2,750,959)	(13,254,992)
Total net position	\$ (7,694,617)	\$ 3,762,895	\$ 390,982	\$ 1,878,194	\$ (2,420,071)	\$ (4,082,617)

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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, 2021

	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
Operating revenues:						
Charges for services	\$ 5,469,342	\$ 2,412,257	\$ 1,068,063	\$ 3,004,356	\$ 2,517,710	\$ 14,471,728
Other revenues	213,652	710	-	36,044	3,778	254,184
Total operating revenues	5,682,994	2,412,967	1,068,063	3,040,400	2,521,488	14,725,912
Operating expenses:						
Personnel services	5,752,277	927,573	88,653	237,622	1,571,100	8,577,225
Contractual services	1,002,260	758,184	478,896	260,646	45,590	2,545,576
Materials and supplies	712,923	25,215	-	183,984	8,909	931,031
Utilities	196,150	443,137	-	121,075	-	760,362
Repairs and maintenance	367,825	-	-	2,028,637	294,862	2,691,324
Rental expenses	134,933	-	-	509,657	-	644,590
Vehicle fleet charges	7,140	9,935	-	2,217	6,843	26,135
Employee benefits	913,035	137,101	23,336	32,087	233,363	1,338,922
Other expenses	1,304,121	555,685	82,377	340,661	291,028	2,573,872
Depreciation and amortization	258,391	677,065	4,360	93,021	13,513	1,046,350
Total operating expenses	10,649,055	3,533,895	677,622	3,809,607	2,465,208	21,135,387
Operating income (loss)	(4,966,061)	(1,120,928)	390,441	(769,207)	56,280	(6,409,475)
Nonoperating revenues (expenses):						
Interest income	654	5,681	1,072	2,081	16,270	25,758
Intergovernmental revenues	1,692,597	-	-	-	-	1,692,597
Total nonoperating revenues (expenses)	1,693,251	5,681	1,072	2,081	16,270	1,718,355
Income (loss) before transfers	(3,272,810)	(1,115,247)	391,513	(767,126)	72,550	(4,691,120)
Transfers in	2,155,255	-	-	554,422	-	2,709,677
Transfers out	-	-	(359,364)	-	(200,000)	(559,364)
Change in net position	(1,117,555)	(1,115,247)	32,149	(212,704)	(127,450)	(2,540,807)
Total net position - beginning	(6,577,062)	4,878,142	358,833	2,090,898	(2,292,621)	(1,541,810)
Total net position - ending	\$ (7,694,617)	\$ 3,762,895	\$ 390,982	\$ 1,878,194	\$ (2,420,071)	\$ (4,082,617)

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2021

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 5,623,498	\$ 2,484,108	\$ 1,068,063	\$ 3,135,753	\$ 2,197,111	\$ 14,508,533
Cash payments to suppliers for goods and services	(2,808,806)	(1,623,606)	(533,418)	(3,447,233)	850,514	(7,562,549)
Cash payments to employees for services	(6,727,175)	(1,064,711)	(115,213)	(267,961)	(1,786,335)	(9,961,395)
Net cash provided by (used in) operating activities	(3,912,483)	(204,209)	419,432	(579,441)	1,261,290	(3,015,411)
Cash flows from noncapital financing activities:						
Transfers in	2,155,255	-	-	554,422	-	2,709,677
Transfers (out)	-	-	(359,364)	-	(200,000)	(559,364)
Intergovernmental receipt	1,692,597	-	-	-	-	1,692,597
Net cash provided by (used in) noncapital financing activities	3,847,852	-	(359,364)	554,422	(200,000)	3,842,910
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(45,856)	(108,393)	-	(1,127,743)	(220,000)	(1,501,992)
Net cash used in capital and related financing activities	(45,856)	(108,393)	-	(1,127,743)	(220,000)	(1,501,992)
Cash flows from investing activities:						
Interest received	654	5,681	1,072	2,081	16,270	25,758
Net cash provided by investing activities	654	5,681	1,072	2,081	16,270	25,758
Net increase (decrease) in cash and cash equivalents	(109,833)	(306,921)	61,140	(1,150,681)	857,560	(648,735)
Cash and cash equivalents at beginning of year	1,477,680	3,121,975	522,395	1,671,495	5,744,952	12,538,497
Cash and cash equivalents at end of year	\$ 1,367,847	\$ 2,815,054	\$ 583,535	\$ 520,814	\$ 6,602,512	\$ 11,889,762
Reconciliation to balance sheet:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 629,672	\$ 630,372
Pooled cash and cash equivalents	1,367,147	2,815,054	583,535	520,814	5,972,840	11,259,390
Cash and cash equivalents at end of year	\$ 1,367,847	\$ 2,815,054	\$ 583,535	\$ 520,814	\$ 6,602,512	\$ 11,889,762

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2021

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (4,966,061)	\$ (1,120,928)	\$ 390,441	\$ (769,207)	\$ 56,280	\$ (6,409,475)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	258,391	677,065	4,360	93,021	13,513	1,046,350
Allowance for uncollectible accounts	(46,465)	-	-	-	-	(46,465)
Changes in assets and liabilities:						
(Increase) decrease in receivables	(42,000)	71,141	-	95,353	(324,377)	(199,883)
Increase (decrease) in accounts payable	916,546	168,550	27,855	(355)	1,497,746	2,610,342
Increase (decrease) in accrued payroll	(61,862)	(37)	(3,224)	1,747	18,128	(45,248)
(Increase) decrease in unearned revenue	28,968	-	-	-	-	28,968
Total adjustments	1,053,578	916,719	28,991	189,766	1,205,010	3,394,064
Net cash provided by (used in) operating activities	\$ (3,912,483)	\$ (204,209)	\$ 419,432	\$ (579,441)	\$ 1,261,290	\$ (3,015,411)

See independent auditor's report.

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 County 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, 2021

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 5,644,529	\$ 230,950	\$ 5,216,700	\$ 50,827,143	\$ 328,211	\$ 62,247,533
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	105,106	82	19,612	169,568	-	294,368
Due from other funds	-	-	165,676	41,595,503	-	41,761,179
Inventories	318,912	-	-	-	-	318,912
Total current assets	6,068,547	231,032	5,526,988	92,592,214	328,211	104,746,992
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	40,131,275	2,189,370	667,936	-	991,332	43,979,913
Construction in Progress	-	-	-	-	33,377	33,377
Less accumulated depreciation	(30,730,739)	(1,552,616)	(570,971)	-	(638,613)	(33,492,939)
Total capital assets (net of accumulated depreciation)	10,951,039	781,934	96,965	-	386,096	12,216,034
Total assets	17,019,586	1,012,966	5,623,953	92,592,214	714,307	116,963,026
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	54,043,663	-	54,043,663
Deferred OPEB charges	-	-	-	13,449,777	-	13,449,777
Total deferred outflows of resources	-	-	-	67,493,440	-	67,493,440
LIABILITIES						
Current liabilities:						
Accounts payable	318,852	35,932	3,195,306	10,933	152,384	3,713,407
Accrued payroll and fringe benefits	89,223	25,957	17,609	3,864	14,842	151,495
Unearned revenue	-	-	-	1,149,949	-	1,149,949
Compensated absences-current	39,304	12,069	-	-	2,551	53,924
Intergovernmental payable	1,832	-	280,781	-	-	282,613
Lease payable - current	-	333,800	-	-	-	333,800
Total current liabilities	449,211	407,758	3,493,696	1,164,746	169,777	5,685,188
Noncurrent liabilities:						
Net OPEB liability	-	-	-	80,667,997	-	80,667,997
Compensated absences	242,086	48,135	61,305	8,681	23,572	383,779
Lease payable	-	372,595	-	-	-	372,595
Net pension liability	-	-	-	301,826,444	-	301,826,444
Total noncurrent liabilities	242,086	420,730	61,305	382,503,122	23,572	383,250,815
Total liabilities	691,297	828,488	3,555,001	383,667,868	193,349	388,936,003
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	6,004,766	-	6,004,766
Deferred OPEB credits	-	-	-	11,034,793	-	11,034,793
Total deferred inflows of resources	-	-	-	17,039,559	-	17,039,559
NET POSITION						
Net investment in capital assets	10,951,039	75,539	96,965	-	386,096	11,509,639
Unrestricted	5,377,250	108,939	1,971,987	(240,621,773)	134,862	(233,028,735)
Total net position	\$ 16,328,289	\$ 184,478	\$ 2,068,952	\$ (240,621,773)	\$ 520,958	\$ (221,519,096)

See independent auditor's report.

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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, 2021

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 13,723,067	\$ 2,015,347	\$ 5,396,294	\$ 49,558,425	\$ 2,142,940	\$ 72,836,073
Total operating revenues	13,723,067	2,015,347	5,396,294	49,558,425	2,142,940	72,836,073
Operating expenses:						
Personnel services	2,717,784	814,072	493,853	113,934	433,046	4,572,689
Contractual services	3,230	38,610	4,876,643	58,846	1,399,524	6,376,853
Materials and supplies	8,145,218	578,915	100,456	4,346	1,354	8,830,289
Utilities	81,525	14,093	-	-	46,291	141,909
Repairs and maintenance	1,991,562	214,041	40,630	-	94,184	2,340,417
Rental expenses	2,400	8,099	-	-	-	10,499
Vehicle fleet charges	118,891	13,401	9,258	-	1,006	142,556
Employee benefits	-	-	-	62,481,289	-	62,481,289
Other expenses	160,209	42,408	33,433	117,925	21,950	375,925
Depreciation	3,622,532	370,365	50,958	-	101,776	4,145,631
Total operating expenses	16,843,351	2,094,004	5,605,231	62,776,340	2,099,131	89,418,057
Operating income (loss)	(3,120,284)	(78,657)	(208,937)	(13,217,915)	43,809	(16,581,984)
Nonoperating revenues (expenses):						
Interest income	10,405	384	10,205	94,089	704	115,787
Interest expense	-	(116,857)	-	-	-	(116,857)
Intergovernmental revenues	-	2,614	-	1,149,949	-	1,152,563
Gain (loss) on disposal of capital assets	(48,779)	-	-	-	-	(48,779)
Total nonoperating revenues (expenses)	(38,374)	(113,859)	10,205	1,244,038	704	1,102,714
Income (loss) before transfers	(3,158,658)	(192,516)	(198,732)	(11,973,877)	44,513	(15,479,270)
Transfers in	2,714,536	100,000	-	-	-	2,814,536
Transfers out	(518,346)	-	-	-	(100,000)	(618,346)
Change in net position	(962,468)	(92,516)	(198,732)	(11,973,877)	(55,487)	(13,283,080)
Total net position - beginning	17,290,757	276,994	2,267,684	(228,647,896)	576,445	(208,236,016)
Total net position - ending	\$ 16,328,289	\$ 184,478	\$ 2,068,952	\$ (240,621,773)	\$ 520,958	\$ (221,519,096)

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2021

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 101,064	\$ -	\$ -	\$ -	\$ -	\$ 101,064
Cash receipts from interfund services provided	13,640,919	2,015,265	5,350,693	46,840,544	2,142,940	69,990,361
Cash payments to suppliers for goods and services	(10,547,692)	(920,305)	(5,154,055)	(45,454,689)	(1,570,970)	(63,647,711)
Cash payments to employees for services	(2,736,821)	(824,546)	(494,116)	(110,786)	(424,615)	(4,590,884)
Net cash provided by (used in) operating activities	<u>457,470</u>	<u>270,414</u>	<u>(297,478)</u>	<u>1,275,069</u>	<u>147,355</u>	<u>1,852,830</u>
Cash flows from noncapital financing activities:						
Transfers in	2,714,536	100,000	-	-	-	2,814,536
Transfers (out)	(518,346)	-	-	-	(100,000)	(618,346)
Intergovernmental receipt	-	2,614	-	1,149,949	-	1,152,563
Net cash provided by noncapital financing activities	<u>2,196,190</u>	<u>102,614</u>	<u>-</u>	<u>1,149,949</u>	<u>(100,000)</u>	<u>3,348,753</u>
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(299,044)	-	-	-	(299,044)
Interest paid	-	(116,857)	-	-	-	(116,857)
Proceeds from sale of capital assets	281,336	-	-	-	-	281,336
Acquisition and construction of capital assets (including capitalized interest)	(1,734,659)	-	(32,125)	-	(33,376)	(1,800,160)
Net cash used in capital and related financing activities	<u>(1,453,323)</u>	<u>(415,901)</u>	<u>(32,125)</u>	<u>-</u>	<u>(33,376)</u>	<u>(1,934,725)</u>
Cash flows from investing activities:						
Interest received	10,405	384	10,205	94,089	704	115,787
Net cash provided by investing activities	<u>10,405</u>	<u>384</u>	<u>10,205</u>	<u>94,089</u>	<u>704</u>	<u>115,787</u>
Net increase (decrease) in cash and cash equivalents	1,210,742	(42,489)	(319,398)	2,519,107	14,683	3,382,645
Cash and cash equivalents at beginning of year	4,433,787	273,439	5,661,098	48,308,036	313,528	58,989,888
Cash and cash equivalents at end of year	<u>\$ 5,644,529</u>	<u>\$ 230,950</u>	<u>\$ 5,341,700</u>	<u>\$ 50,827,143</u>	<u>\$ 328,211</u>	<u>\$ 62,372,533</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 5,644,529	\$ 230,950	\$ 5,216,700	\$ 50,827,143	\$ 328,211	\$ 62,247,533
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 5,644,529</u>	<u>\$ 230,950</u>	<u>\$ 5,341,700</u>	<u>\$ 50,827,143</u>	<u>\$ 328,211</u>	<u>\$ 62,372,533</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2021

	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)	\$ (3,120,284)	\$ (78,657)	\$ (208,937)	\$ (13,217,915)	\$ 43,809	\$ (16,581,984)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,622,532	370,365	50,958	-	101,776	4,145,631
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	18,916	(82)	(45,601)	(2,717,881)	-	(2,744,648)
(Increase) decrease in inventory	(45,626)	-	-	-	-	(45,626)
Increase (decrease) in accounts payable	969	(10,738)	(93,635)	(59,993)	(6,661)	(170,058)
Increase (decrease) in accrued payroll	(19,037)	(10,474)	(263)	3,148	8,431	(18,195)
Increase in net pension liability	-	-	-	28,627,302	-	28,627,302
Increase in net OPEB liability	-	-	-	6,065,576	-	6,065,576
Increase in deferred outflows of resources for pensions	-	-	-	(16,376,080)	-	(16,376,080)
Increase in deferred inflows of resources for pensions	-	-	-	3,183,900	-	3,183,900
(Increase) in deferred outflows of resources for OPEB	-	-	-	(5,917,390)	-	(5,917,390)
(Decrease) in deferred inflows of resources for OPEB	-	-	-	1,684,402	-	1,684,402
Total adjustments	3,577,754	349,071	(88,541)	14,492,984	103,546	18,434,814
Net cash provided by (used in) operating activities	\$ 457,470	\$ 270,414	\$ (297,478)	\$ 1,275,069	\$ 147,355	\$ 1,852,830

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**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, 2021

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 9,939,860	\$ 74,870,334	\$ 2,494,765	\$ 46,854,361	\$ -	\$ 26,767,977	\$ 160,927,298
Public safety	6,002,667	167,216,921	16,307,750	50,740,536	-	1,125,521	241,393,395
Judicial	-	60,706,495	1,230,777	2,044,682	-	1,467,754	65,449,708
Public works	188,336	544,682	31,160	8,311,810	49,849,145	-	58,925,134
Health and welfare	177,160	3,282,223	(0)	889,214	-	-	4,348,597
Culture and recreation	12,984,316	74,624,058	3,798,442	3,642,404	-	8,792,562	103,841,782
Economic Development	-	-	-	79,750	-	-	79,750
Total	\$ 29,292,340	\$ 381,244,713	\$ 23,862,894	\$ 112,562,757	\$ 49,849,145	\$ 38,153,814	\$ 634,965,663

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 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, 2021

<u>Function</u>	<u>Balance July 1, 2020</u>	<u>Additions *</u>	<u>Deletions *</u>	<u>Balance June 30, 2021</u>
General government	\$ 147,805,477	20,498,171	(7,376,350)	160,927,298
Public safety	226,948,922	31,788,079	(17,343,606)	241,393,395
Judicial	64,025,360	1,424,348		65,449,708
Public works	53,637,272	5,430,660	(142,798)	58,925,134
Health and welfare	4,348,597	-		4,348,597
Culture and recreation	97,009,478	17,142,066	(10,309,763)	103,841,781
Economic Development	79,750	-	-	79,750
	<u>593,854,856</u>	<u>76,283,324</u>	<u>(35,172,517)</u>	<u>634,965,663</u>
Total	\$ 593,854,856	\$ 76,283,324	\$ (35,172,517)	\$ 634,965,663

* 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.

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STATISTICAL TABLES (UNAUDITED)



STATISTICAL TABLES

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

	Page Number
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	194 - 200
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	201 - 205
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.	206 - 210
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.	211 - 212
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.	213 - 217
Financial Assurance Coverage	218

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>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>	<u>2021</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 152,003,075
Restricted	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	336,037,554
Unrestricted	(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)	(468,818,592)
Total Governmental Activities Net Position	<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>	<u>\$ 19,222,037</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 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	\$ 74,226,393
Restricted	54,181,917	57,336,068	-	-	-	-	-	-	-	-
Unrestricted	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	42,489,887
Total Business-type Activities Net Position	<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>	<u>\$ 116,716,280</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 226,229,468
Restricted	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	336,037,554
Unrestricted	(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)	(426,328,705)
Total Primary Government Net Position	<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>	<u>\$ 135,938,317</u>

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

UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 103,990,965
Public Safety	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	124,156,457
Judicial	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	36,127,714
Public Works	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	60,027,327
Health and Welfare	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	17,680,680
Economic Development	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	9,142,251
Culture and Recreation	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	55,689,247
Education	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	8,261,200
Interest and Fiscal Charges	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	21,500,648
Total Governmental Activities Expenses	<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>	<u>436,576,489</u>
Business-Type Activities:										
DOADAS	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	9,923,670
E 911 Communications	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	3,437,069
Environmental Management	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	34,710,087
Parking Garages	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	2,743,976
Public Safety Systems	-	-	422,102	379,728	441,029	668,590	568,449	865,670	742,500	650,061
Radio Communications	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	3,704,090
Revenue Collections	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	2,319,162
Total Business-Type Activities Expenses	<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>	<u>57,488,115</u>
Total Primary Government Expenses	<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>	<u>\$ 494,064,604</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 21,431,838
Public Safety	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	15,155,346
Judicial	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	10,925,175
Public Works	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	5,137,371
Health and Welfare	250,352	309,820	189,629	148,364	351,291	241,946	233,216	12,307	175,884	281,858
Economic Development	-	-	-	-	2,970	8,400	11,500	52,499	23,593	2,326,578
Culture and Recreation	511,170	4,721,867	149,356	1,280,708	262,812	809,262	383,196	957,476	-	-
Operating Grants and Contributions	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	44,791,034
Capital Grants and Contributions	2,620,425	-	-	-	-	-	-	-	5,416,823	154,000
Total Governmental Activities Program Revenues	<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>	<u>100,203,200</u>

CONTINUED

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

UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for Services:										
DAODAS	\$ 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	\$ 5,469,342
E 911 Communications	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	2,412,257
Environmental Management	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	32,662,350
Parking Garages	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	2,949,841
Public Safety Systems	-	-	150,000	324,550	375,066	495,198	594,558	854,331	938,142	1,068,063
Radio Communications	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	3,004,356
Revenue Collections	629,551	490,052	765,637	467,233	586,530	735,095	2,130,627	2,285,301	2,143,905	2,517,710
Operating Grants and Contributions	779,097	765,244	977,744	2,529,772	1,116,139	1,076,613	1,232,188	1,204,226	1,206,652	1,074,228
Capital Grants and Contributions	-	-	-	-	-	-	-	-	182,561	-
Total Business-type Activities Program Revenues	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	51,158,147
Total Primary Government Program Revenues	\$ 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	\$ 151,361,347
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (336,373,289)
Business-type Activities	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)	(6,329,968)
Total Primary Government Net (Expense)/Revenue	\$ (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)	\$ (342,703,257)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 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	\$ 190,236,514
Local Option Sales Tax	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	75,614,563
Transportation Sales Tax	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	137,739,414
Accommodations Tax	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	17,571,434
Franchise Tax	754,091	791,536	771,276	826,616	876,716	893,135	873,401	842,899	853,482	824,295
Alcohol Beverage Tax	-	-	-	84,900	-	-	-	-	-	-
Merchants Inventory Tax and Manufacturer's Depreciation	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	1,754,718
Motor Carrier Tax	92,429	105,961	115,352	145,831	145,810	173,315	186,590	213,121	121,812	455,575
Homestead Exemption	-	-	2,264,775	2,374,258	2,593,876	2,607,999	2,639,157	2,705,025	3,127,921	2,799,906
Unrestricted State Aid to Political Subdivisions	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	14,354,595
Unrestricted Investment Earnings	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	525,059
Gain on Sale of Capital Assets	239,152	-	-	-	313,118	(2,754,113)	-	45,728	-	13,614,940
Transfers	(3,054,286)	(196,329)	(2,507,996)	(1,436,924)	(2,294,434)	-	(2,536,460)	220,341	(2,765,607)	(2,150,313)
Special Items:										
Loss on Settlement of Lawsuit	-	-	-	-	-	-	(16,100,000)	-	-	-
Capital Asset Impairment	-	-	-	-	-	-	(11,900,000)	-	-	-
Total Governmental Activities	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	453,340,700

CONTINUED

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

UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Alcoholic Beverage Tax	\$ 594,682	\$ 469,405	\$ 532,043	\$ 537,916	\$ 697,064	\$ 678,629	\$ 737,748	\$ 799,443	\$ 695,985	\$ 862,917
Merchants Inventory tax and Manufacturer's Depreciation	10,832	10,832	10,832	10,832	10,832	10,832	10,832	11,082	10,895	10,895
Unrestricted Investment Earnings	31,880	34,210	22,615	132,021	301,223	531,993	830,282	1,374,511	1,051,384	105,690
Gain on Sale of Capital Assets	189,208	19,902	5,226	85,328	13,658	273,813	214,335	147,823	549,155	643,916
Micellaneous	-	-	-	-	-	-	-	-	789,911	426,137
Transfers	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	2,150,313
Total Business-type Activities	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	4,199,868
Total Primary Government	<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>	<u>\$ 457,540,568</u>
Change in Net Position:										
Governmental Activities	\$ (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	\$ 116,967,411
Business-type Activities	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)	(2,130,100)
Total Primary Government	<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>	<u>\$ 114,837,311</u>

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

UNAUDITED

	<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>	<u>2021</u>
General Fund										
Nonspendable - inventory	\$ 935,078	\$ 923,453	\$ 1,282,008	\$ 1,161,306	\$ 777,478	\$ 627,879	\$ 707,665	\$ 913,883	\$ 944,351	\$ 763,615
Assigned	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	19,927,655
Unassigned	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	89,890,747
Total General Fund	<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>	<u>\$ 110,582,017</u>
All Other Governmental Funds										
Restricted - Debt Service	\$ 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	\$ 21,573,901
Restricted - Transportation Sales Tax	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	288,714,129
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	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	108,221,124
Committed - Transportation Sales Tax	-	-	-	25,563,498	25,448,811	26,304,952	-	-	-	-
Committed - Capital Project Funds	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	95,112,115
Unassigned - Disaster & Pandemic Funds	-	-	-	-	-	-	(16,585,445)	(16,285,605)	(21,126,238)	(799,606)
Total All Other Governmental Funds	<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>	<u>\$ 512,821,663</u>

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

UNAUDITED

	<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>	<u>2021</u>
Revenues										
Taxes by Source:										
Property Tax	\$ 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	\$ 189,841,644
Local Option Sales Tax	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	75,614,563
Transportation Sales Tax	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	137,739,414
Accommodations Tax	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	17,571,434
Intergovernmental	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	75,216,717
Permits and Licenses	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	7,021,530
Fines and Forfeitures	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	1,529,752
Interest	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	1,821,556
Service Charges	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	31,395,488
Rental and Use of Property	610,801	587,533	591,338	644,959	534,951	127,187	335,674	484,076	243,914	170,617
Other Revenues	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	7,822,981
Total Revenues	292,524,874	295,471,507	317,350,893	338,599,094	373,009,016	393,668,287	481,419,599	482,466,400	509,355,300	545,745,696
Expenditures										
Current:										
General Government	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	96,219,780
Public Safety	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	112,962,374
Judicial	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	32,580,047
Public Works	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	61,852,851
Health and Welfare	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	21,449,527
Economic Development	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	9,239,640
Culture and Recreation	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	49,821,916
Education	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	8,261,200
Capital Outlay	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	41,263,130
Debt Service:										
Principal	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	66,653,521
Interest and Fiscal Charges	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	29,265,279
Bond Issuance Costs	1,474,750	837,882	926,665	-	696,450	-	1,507,091	-	529,443	-
Total Expenditures	374,136,290	355,270,590	366,548,636	371,783,465	382,122,579	383,811,680	486,819,251	462,496,714	498,641,769	529,569,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,611,416)	(59,799,083)	(49,197,743)	(33,184,371)	(9,113,563)	9,856,607	(5,399,652)	19,969,686	10,713,531	16,176,431

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

UNAUDITED

	<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>	<u>2021</u>
Other Financing Sources (Uses)										
Capital Lease Issuance	\$ 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	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	153,558,692
Transfers Out	(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)	(157,905,195)
Proceeds From Sale of Capital Assets	247,378	478,115	99,828	32,684	408,784	16,970	19,481	51,801	529,254	19,569,660
Total Other Financing Sources (Uses)	<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>	<u>15,223,157</u>
Net Change in Fund Balances	<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>	<u>\$ 31,399,588</u>
Capital Asset Expenditures	<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>	<u>\$ 48,536,210</u>
Debt Service As A Percentage of Noncapital Expenditures	<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>	<u>19.9%</u>

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

UNAUDITED

Fiscal Year Ended June 30	Real Property	Personal Property	Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Tax Value
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%
2021	4,216,611,987	397,334,017	261,832,335	4,875,778,339	202.2	91,240,937,439	5.34%

Source: Charleston County Auditor

Note: 1 Property in the county was last reassessed for fiscal year 2020. 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Direct Rates:										
Charleston County Government Operating	39.9	40.7	40.7	44.7	44.7	44.7	44.7	44.7	41.2	41.2
Charleston County Government Debt Service	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Park and Recreation Commission Operating	4.0	4.1	4.1	4.3	4.3	4.3	4.3	4.3	4.0	4.0
Park and Recreation Commission Debt Service	1.4	1.3	1.3	1.3	1.8	1.8	1.8	1.8	1.8	1.8
Trident Technical College	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.8	1.8
Trident Technical College Bonds	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.7
County School Board Operating	100.5	100.5	100.5	100.7	116.3	119.2	123.2	126.7	118.6	123.7
County School Board Debt Service	26.0	26.0	26.0	26.0	20.0	26.0	28.0	28.0	28.0	28.0
Total Direct Rate	180.3	181.1	181.6	186.0	196.1	205.0	211.0	214.5	202.2	207.3
Fire District Rates:	5.2 - 51.3	4.2 - 55.3	4.6 - 57.1	4.9 - 61.6	4.6 - 63.1	4.7 - 67.1	4.8 - 64.9	4.3 - 64.9	4.0 - 61.8	3.8 - 61.8
City/Town Rates:	22.9 - 94.0	10.2 - 96.3	10.2 - 96.3	10.2 - 96.3	10.2 - 102.1	10.2 - 107.4	10.2 - 115.0	10.2 - 117.0	9.8 - 102.3	9.8 - 105.8
Public Service District Rates:	53.9 - 102.3	54.9 - 102.3	54.9 - 102.3	56.9 - 107.0	56.9 - 107.0	56.9 - 107.0	64.4 - 107.0	64.4 - 107.0	56.8 - 101.9	60.0 - 101.9

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

<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	\$ 699,398,645	100%	\$ 699,398,645
Overlapping:			
Park & Recreation Commission	52,760,000	100%	52,760,000
Public School Districts	578,134,446	100%	578,134,446
Subtotal	630,894,446	100%	630,894,446
Total	\$ 1,330,293,091	100%	\$ 1,330,293,091

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	2021			2012		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SCE&G/Dominion Energy	Public Utility	\$ 75,685,610	1	1.55%	\$ 52,138,497	1	1.79%
Boeing	Manufacturing	68,747,003	2	1.41%	29,448,263	2	1.01%
Kapstone/Westrock Charleston Kraft	Manufacturing/Chemical	16,380,240	3	0.34%	14,698,076	3	0.50%
Mercedes Benz Vans LLC	Automobile Manufacturing	16,303,945	4	0.33%	-	-	-
Mid-America Apartments LP	Apartment	10,407,690	5	0.21%	-	-	-
Trident Medical Center LLC	Medical Center	10,322,910	6	0.21%	-	-	-
Kiawah Real Estate Co.	Real Estate	9,774,600	7	0.20%	7,876,700	5	0.27%
10 West Edge Owner	Apartment	8,048,940	8	0.17%	-	-	-
Berkeley Electric Co-Op	Public Utility	7,514,710	9	0.15%	5,987,530	8	0.21%
Tanger Charleston	Retail	6,354,690	10	0.13%	-	-	-
Charleston/North Charleston MSA	Utility	-	-	-	6,230,940	7	0.21%
Charleston Place LLC	Hotel	-	-	-	5,008,500	9	0.17%
Cummins Engine	Engine Fabrication	-	-	-	4,411,569	10	0.15%
East Cooper Community Hospital	Hospital	-	-	-	7,070,853	6	0.24%
BellSouth	Public Utility	-	-	-	12,565,760	4	0.43%
Totals		<u>\$ 229,540,338</u>		<u>4.71%</u>	<u>\$ 145,436,688</u>		<u>4.99%</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
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%
2021	151,469,267	151,469,267	145,701,296	96.2%	2,944,233	148,645,529	98.1%

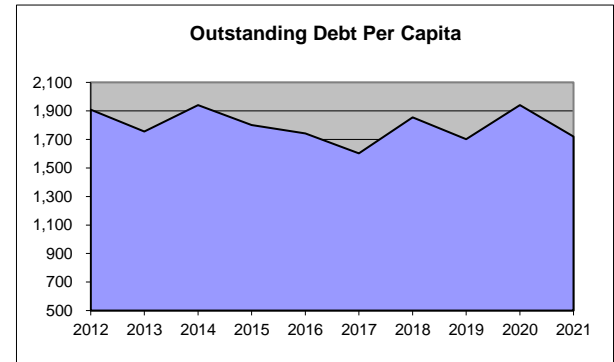
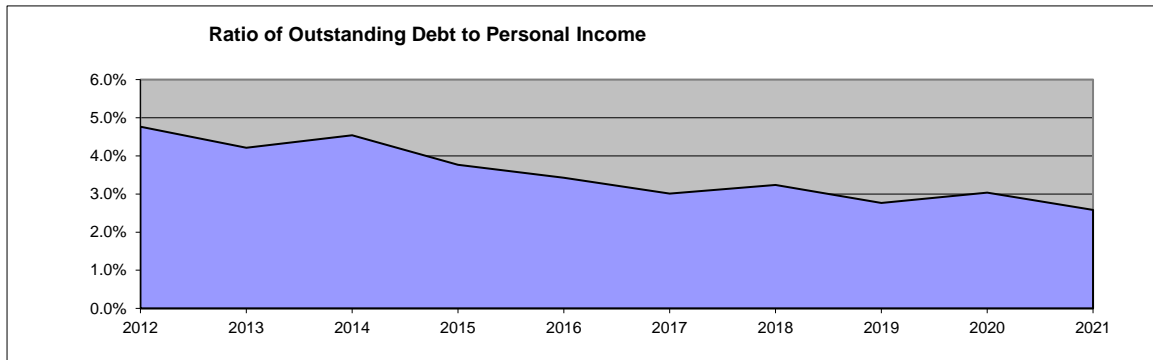
Source: This information was provided by the Charleston County Treasurer's Office.

**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			
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
2021	567,490,653	-	113,897,955	16,909,060	1,100,977	19,608,335	-	-	719,006,980	2.6%	1,720

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**

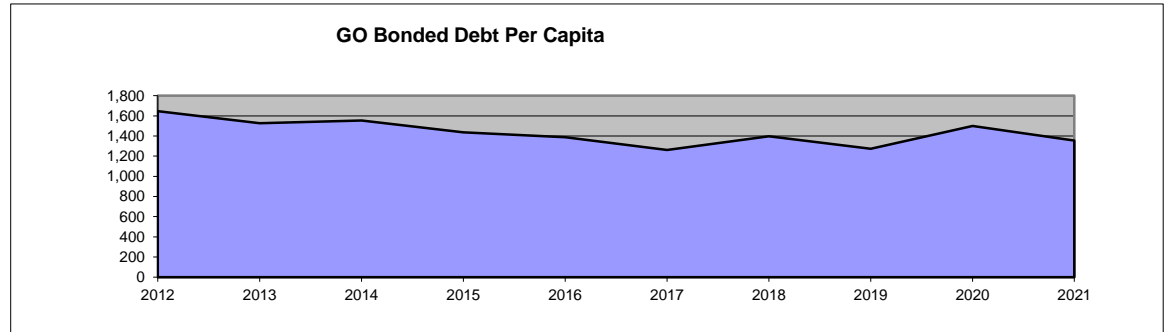
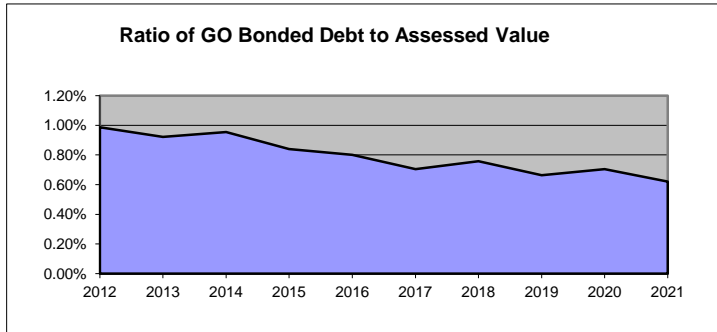
UNAUDITED

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
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
2021	417,981	91,240,937,439	587,098,988	21,573,901	565,525,087	0.62%	1,353

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**

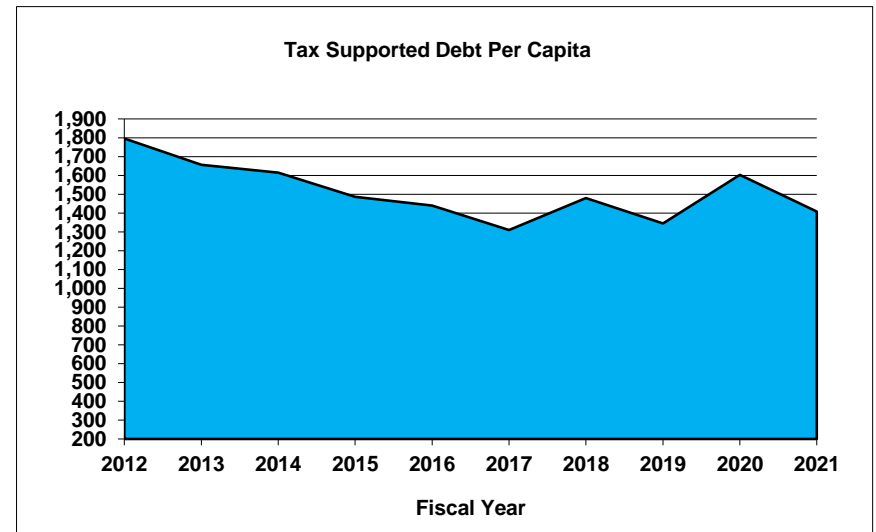
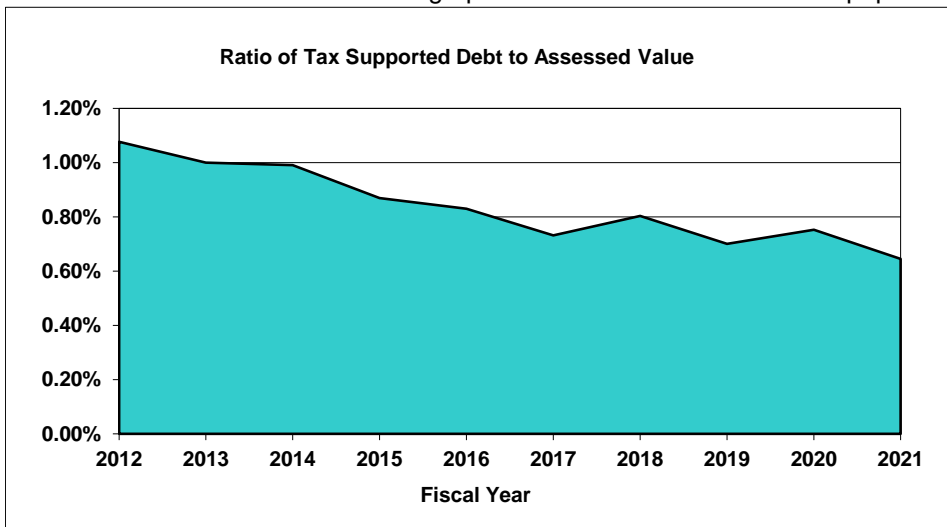
UNAUDITED

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
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
2021	417,981	91,240,937,439	587,098,988	-	1,100,977	588,199,965	0.64%	1,407

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.

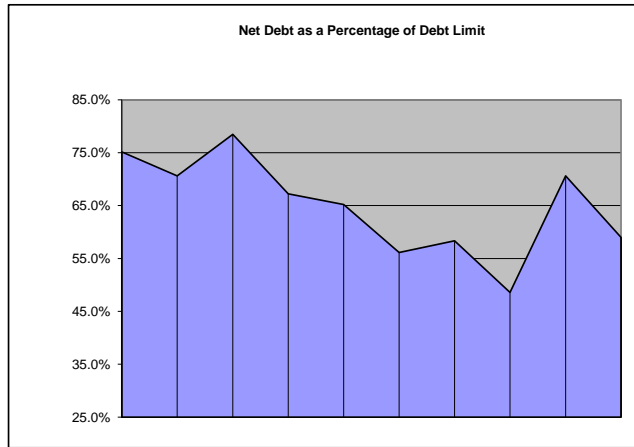
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	<u>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>	<u>2021</u>
Debt Limit	\$ 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	\$ 392,217,755
Total Net Debt Applicable to Debt Limit	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	231,390,000
Legal Debt Margin	<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>	<u>\$ 160,827,755</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<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>	<u>59.0%</u>



Legal Debt Margin Calculation for Fiscal Year 2021

Total Assessed Value	\$ 4,902,721,936
Debt Limit (8% of Total Assessed Value)	392,217,755
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	535,295,000
Less: Debt Issued Through Referendum	<u>(303,905,000)</u>
Total Amount of Debt Applicable to Debt Limit	<u>231,390,000</u>
Legal Debt Margin	<u>\$ 160,827,755</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

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

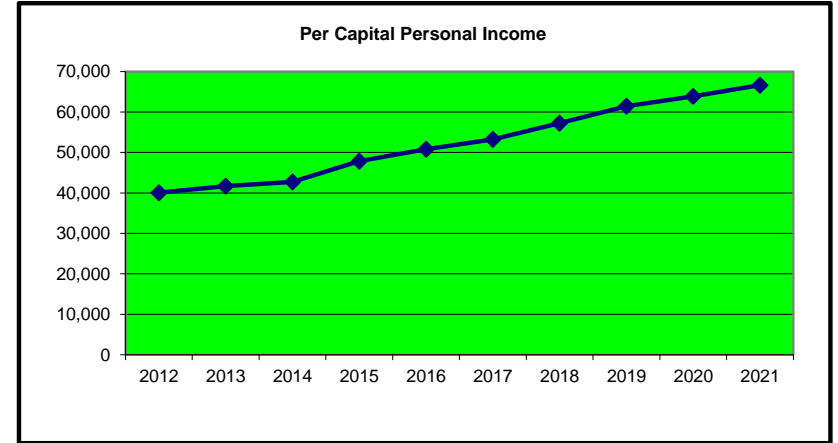
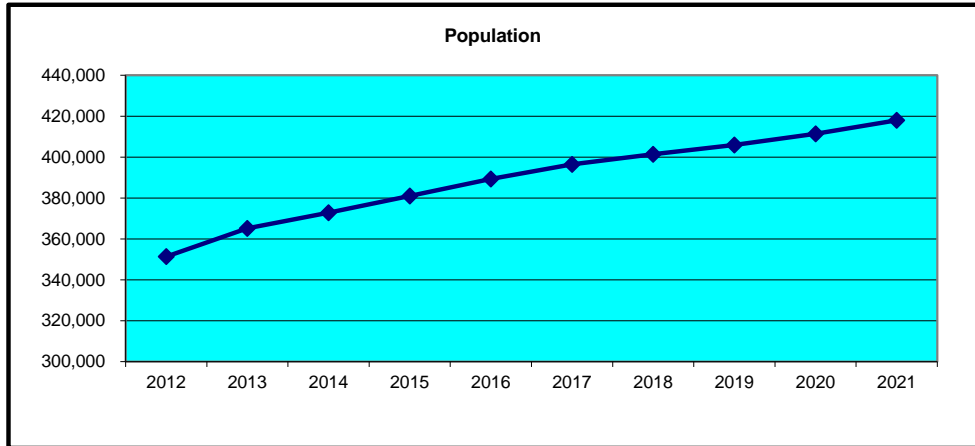
Fiscal Year Ended June 30	Derived from Fee Agreements (1)
2012	11,423,756
2013	12,178,308
2014	12,316,021
2015	14,899,943
2016	15,441,472
2017	17,216,233
2018	20,059,181
2019	21,672,338
2020	21,855,098
2021	26,630,375

(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
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
2021	417,981	27,860,889,000	66,656	3.9%	37.6	46,283



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
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administrator	5.90	5.90	7.80	7.80	8.80	7.60	8.80	7.80	7.20	7.50
Assessor	53.00	53.00	55.00	58.00	60.00	62.00	62.00	62.00	62.00	62.00
Auditor	31.00	31.00	31.00	31.00	31.00	32.00	32.00	32.00	32.00	32.00
Budget	7.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	8.00
County Council	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	14.00	14.00
Community Development	6.40	6.40	6.40	4.40	4.50	4.40	1.90	1.90	1.90	2.00
Comm Revital & Housing Afford	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00
Deputy Admin Community Services	-	-	-	-	-	-	-	-	3.00	3.00
Deputy Admin for Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	6.00	6.00
Deputy Admin for General Services	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	5.00
Deputy Admin for Public Safety	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Deputy Admin Public Services	-	-	-	-	-	-	4.00	4.00	3.00	3.00
Elections/Voter Registration	10.00	10.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	19.00
Facilities Management	75.25	75.25	95.00	104.00	106.00	112.00	124.75	121.75	121.75	122.75
Finance	12.00	12.00	11.00	12.00	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	32.25
Human Resources	17.00	17.00	17.00	17.00	18.00	20.00	21.00	22.00	25.00	27.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Internal Services	30.50	30.50	6.50	-	-	-	-	-	-	-
Legal	6.41	6.41	7.11	7.41	7.11	7.11	8.42	9.42	9.56	10.42
Legislative Delegation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Minority Business Development	-	-	-	3.00	-	-	-	-	-	-
Nondepartmental	-	-	-	-	1.00	-	2.00	4.00	-	-
Procurement Services	14.00	14.00	15.00	15.00	19.00	20.00	20.00	19.00	19.00	18.00
Register of Deeds	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	33.00
Revenue Collections	25.00	25.00	26.00	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	6.00	6.00	6.00	6.00
Technology Services	25.25	25.25	25.00	25.00	28.00	28.00	30.00	29.00	29.00	29.00
Treasurer	20.00	20.00	22.00	23.00	23.00	24.00	24.00	24.00	24.00	25.00
Zoning/Planning	20.60	20.60	21.20	22.20	24.20	24.20	24.40	24.40	24.40	24.40
Total General Government	418.31	418.31	453.51	463.81	478.61	489.31	512.52	510.52	519.06	538.32

CONTINUED

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

UNAUDITED

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Awendaw McClellanville Fire Dept.	-	-	-	-	-	-	-	-	29.00	29.00
Building Inspections	21.00	21.00	23.00	23.00	25.00	27.00	29.00	30.00	30.00	30.00
Consolidated Dispatch	120.00	120.00	160.00	160.00	164.00	179.00	172.00	173.00	170.00	167.00
Deputy Admin for Public Safety	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14.00
Emergency Management	33.00	33.00	34.00	34.00	35.01	36.00	36.00	36.00	7.00	7.00
Emergency Medical Svcs.	151.50	151.50	167.50	218.50	218.50	216.00	216.00	216.00	216.00	280.00
Sheriff	836.74	836.74	835.74	860.74	862.74	873.74	869.25	874.25	864.25	809.25
Technology Services	-	-	1.00	-	-	-	-	-	-	-
Total Public Safety	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	1,336.25
Judicial										
Clerk of Court	57.00	57.00	57.00	57.00	57.00	61.00	61.00	63.00	60.00	60.00
Coroner	9.00	9.00	11.00	12.00	12.00	15.00	15.00	19.00	19.00	21.00
Magistrates Courts	68.63	68.63	71.63	70.70	71.01	72.51	72.51	72.51	72.51	72.51
Master-In-Equity	7.00	7.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Probate Courts	19.80	19.80	20.80	21.80	21.80	21.80	22.20	22.50	22.50	23.50
Public Defender	52.00	52.00	54.00	54.00	55.00	64.00	64.00	65.00	65.00	65.00
Solicitor	102.00	102.00	102.00	101.70	107.00	111.00	112.00	112.00	112.00	115.00
Total Judicial	315.43	315.43	324.43	325.20	331.81	353.31	354.71	361.01	358.01	364.01
Public Works										
Environmental Management	130.40	130.40	123.80	114.80	113.80	108.80	113.60	112.60	112.10	104.60
Procurement Services	3.00	3.00	3.00	3.00	-	-	-	-	-	-
Public Works	136.00	136.00	162.10	162.10	175.10	183.85	185.75	187.15	214.85	214.00
Transportation Development	21.41	21.41	23.11	23.21	25.21	30.21	27.00	27.00	-	-
Total Public Works	290.81	290.81	312.01	303.11	314.11	322.86	326.35	326.75	326.95	318.60

CONTINUED

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

UNAUDITED

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Health and Welfare										
Facilities	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Coppmunity Development	5.60	5.60	5.60	5.60	5.50	5.60	5.10	5.10	4.10	4.00
DAODAS	102.00	102.00	115.00	115.00	115.00	113.00	118.00	119.00	120.50	119.50
Public Works	20.00	20.00	28.00	28.00	28.00	25.25	25.25	24.85	24.15	28.00
Veterans Affairs	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Health and Welfare	<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>	<u>158.50</u>
Culture and Recreation										
Greenbelt	1.30	1.30	1.30	1.20	1.20	1.40	2.20	2.20	2.30	3.50
Total Culture and Recreation	<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>	<u>3.50</u>
Economic Development	5.00	5.00	5.00	10.00	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>10.00</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>2,325.69</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>	<u><u>2,729.18</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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Auditor - Tax Notices Processed	583,240	560,097	651,050	586,801	622,507	659,238	680,000	648,191	671,931	717,044
Register of Deeds Documents Recorded	97,137	116,435	106,096	109,245	99,681	107,380	107,380	93,188	98,201	100,003
Zoning Applications Processed	1,327	2,864	³ 1,957	1,610	1,714	1,638	1,700	2,151	1,831	2,598
Illegal Businesses Located	154	165	175	50	50	61	200	42	38	19
Public Safety										
Building Inspections Performed	19,400	20,804	19,054	21,410	22,927	30,544	30,000	31,652	33,110	33,588
Bad Check Warrants Served	¹ 0	6,078	6,702	1,792	8	162	160	135	53	33
Daily Costs Per Prisoner	55	55	55	55	55	55	55	55	67	67
Judicial										
Marriage Licenses Issued	4,200	4,500	4,600	5,026	5,273	4,597	4,800	4,750	3,956	5,566
Master-in-Equity Cases Disposed of	2,063	1,736	1,481	1,675	1,047	841	900	694	395	471
Health and Welfare										
Veterans Claims Filed	2,871	3,388	8,681	8,238	867	1,939	2,062	2,876	2,445	3,159
Economic Development										
Number of New Companies Relocating to Charleston	3	2	4	4	3	5	4	6	2	6
Number of New Jobs From Relocating Companies	360	203	348	188	782	103	192	256	381	852
Number of Expanding Employers in Charleston	5	7	3	5	2	12	14	7	9	12
Number of Jobs Resulting from Expansion	492	2,226	114	1,627	350	974	493	464	912	1,253
Culture & Recreation										
Library Visits Per Capita	5.54	5.45	5.24	5.01	4.89	4.77	4.82	4.26	3.27	1.30
Library Cards In Use	² 269,552	284,328	264,289	264,113	262,034	264,271	266,914	203,106	202,509	285,002
Parking Garages										
Average Operating Revenue Per Space	2,264	2,463	2,732	3,039	2,973	3,024	3,116	3,124	2,402	2,380
Average Operating Expenditure Per Space	1,683	1,585	1,330	1,441	1,311	1,425	1,645	1,558	1,532	1,453

Sources: Charleston County Budget Performance Measures

¹ The Sheriff's Office did not perform this function in 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Automobiles	118	114	110	102	129	133	140	143	156	153
Buildings	102	104	104	111	112	111	114	116	118	111
Public Safety										
Police Cars	333	351	355	360	374	370	386	373	417	380
Fire Trucks	10	11	10	13	13	13	14	14	14	14
Ambulances	25	30	31	24	40	35	39	44	43	40
Judicial										
Magistrate Courts	15	15	15	13	13	9	9	9	9	9
Public Works										
Paved Streets (in Miles)	131	131	131	132	133	133	97.65	102.35	102.75	104.23
Ground Equipment	69	68	66	66	65	72	69	69	69	70
Heavy Trucks	34	34	37	37	39	43	39	38	34	32
Environmental Management										
Collection/Refuse Trucks	47	59	57	59	58	60	61	62	63	53
Ground Equipment	27	30	30	27	30	27	31	33	42	36
Culture & Recreation										
Libraries, Main and Branches	11	11	11	11	11	13	13	14	14	15

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

Note 1. Charleston County owns 15 libraries and leases 4 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	\$ 727,734,700	
Total expenditures	\$ 678,838,930	
Requirement is no less than 5 percent		<u>107.20%</u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 99,601,752	
Total expenditures	\$ 678,838,930	
Requirement is no more than 20 percent		<u>14.67%</u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 672,413,905	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 289,137,979

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

Estimated costs from Note III.G. on landfill closure	\$ 49,495,062	
Less: Expenditures to date	\$ (22,373,865)	
Restricted assets committed to closure	\$ (11,995,700)	
Balance of closure costs being deferred		<u>\$ 15,125,497</u>
Additional permissible deferred cost		<u>\$ 274,012,482</u>

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