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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.
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- 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