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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 Annual Comprehensive Financial Report (ACFR) for Charleston County, South Carolina, for the fiscal year ending June 30, 2023.

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 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 to safeguard 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, 2023, 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, 2023, 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. The current estimated population of the County is 419,279.

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, 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 non-appointed County departments. The County has approximately 2,400 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 63.

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 47 - 49 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 169.

SIGNIFICANT FINANCIAL POLICIES

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

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

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

LONG-TERM FINANCIAL PLANNING

The Budget Department prepares long-term financial plans for the General Fund, Debt Management, Transportation Sales Tax, and Environmental Management that contain five years of data. Per the County's Financial Policies, the General Fund and Debt Management Plans are required to be updated annually. The County ordinance that established the Transportation Sales Taxes requires that plan to also be updated annually. Though it is not required, the Environmental Management Plan is updated annually due to its significance as a major Enterprise Fund. In addition to the plans for operating, the Budget Department, in conjunction with the Facilities Management Department, prepares a five-year Capital Improvement Plan and incorporates any operating impact into the operating funds. Together these plans capture approximately 73 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 are cornerstones of the region's advanced manufacturing cluster. The Boeing Company and Mercedes-Benz Vans employ a combined 8,100 people in the region. Local operations for the two OEMs (original equipment manufacturers) support multiple tier one and tier two aerospace and automotive suppliers. The region also hosts Volvo Car USA and Robert Bosch, though these companies are located outside of Charleston County.

At 16,231 jobs, Charleston County has a high concentration of jobs spread across the manufacturing industry. The largest job counts within manufacturing are found in the aircraft, automobile and light duty motor vehicle, and motor vehicle transmission and power train parts sectors. Job losses in the aerospace and motor vehicle sectors have been largely made up by job additions in the transmission and power train parts sector.

The Boeing Company's South Carolina division is still this local cluster's anchor. 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 aircraft. In November 2020, Boeing announced its decision to consolidate the total production of its 787 programs into its North Charleston site. The company implemented this change in March 2021. Boeing currently employs 6,500 people in the region, adding jobs in support of increased aircraft demand driven by an uptick in air travel.

The automotive sector has established itself in the region with the completion of the Mercedes-Benz Vans' 1.1 million square foot Sprinter Van manufacturing facility in Palmetto Commerce Park. Currently, 1,600 people are employed at the expanded facility. In April 2021, Mercedes-Benz Vans announced that it would build its next-generation e-Sprinter van in three locations worldwide. The North Charleston plant is among the chosen locations. As of May 2023, Mercedes-

Benz has invested \$150 million in the plant to begin production of the e-Sprinter 2.0 in 2024. This reflects a trend of the electric vehicle industry clustering across the broader Southeastern region. Vehicle and battery manufacturing facilities are taking root across not only South Carolina but the region at large.

IT & High Tech – Solid growth and support of the IT and high-tech industry has helped the Charleston region maintain its standing as the nation’s “Silicon Harbor.” 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 developing startups inside a technology cluster. In 2022 the Charleston Digital Corridor housed 66 companies with 472 employees, hosted 161 team conferences, and gave 304 visitor tours. This year the Digital Corridor opened a 1,200 sq. ft. learning center with a large initial donation from Google. Also this year the Harbor Entrepreneur Center opened its new location, a 22,000 sq. ft. facility designed as a hub for the local technology cluster. This location has offices, conference rooms, and event space located on an 18-acre campus featuring a jogging trail, reflection ponds, and outdoor seating.

Defense, Intelligence & Cybersecurity – The Charleston region contains the largest military presence in South Carolina (Von Nessen, 2022) when considering the total volume of military-related economic activity (\$12.7 billion). The defense, intelligence, and cybersecurity industries represent a significant part of this story. Investments from these industries have bolstered the area’s intelligence community as organizations like the Charleston Defense Contractors Association continue to operate and add local synergy to the dynamic industry. The Naval Information Warfare Center (NIWC) Atlantic’s Charleston operations have a total economic impact of \$2.5 billion on South Carolina. NIWC directly supports 127 military staff and 3,600 federal civilian contractors and supports an estimated 80 defense contractors.

Over the past few decades, Defense, Intelligence & Cybersecurity has significantly increased its importance to national security. The sector is most critical in the current environment of winning the information war and the potential cyber-threat-induced supply-chain disruptions. The command at NIWC Atlantic continues to contribute to these security efforts.

Warehouse, Distribution, and Logistics – According to commercial real estate market analytics provided by Colliers, in the third quarter of 2023 there was 6.94 million sq. ft. of new industrial space under construction. The Charleston industrial market should remain competitive as local infrastructure buildout continues.

Medical & Life Sciences Industry – The region's health care and social services industry accounts for 10 percent of the area's total employment. The healthcare industry is anchored by the state's teaching hospital, the Medical University of South Carolina (MUSC). MUSC attracted more than \$300 million in research funding in the fiscal year 2023, leading the state of South Carolina in overall research funding as well as federal and National Institutes of Health funding. Most 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 has emerged as an attractive biomedical market. 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 300 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 part of a proposed 60-acre planned development along the Ashley River, envisioned as a “research and discovery” district. Patten Seed Company, a soil and grass development firm, has recently, with the help of Charleston County Economic Development, relocated its executive offices to this complex. The area is closely located to MUSC and provides opportunities for collaboration between the Medical University and private industry.

ECONOMIC CONDITIONS AND OUTLOOK FOR CHARLESTON COUNTY’S MATURE INDUSTRIES

The local economy continues its strong performance into FY24. As of September 2023, the Charleston County unemployment rate is 2.1 percent, even lower than September 2022 (2.5 percent). Charleston County’s unemployment rate is lower than both the state and the nation at 2.9 percent and 3.2 percent respectively (both seasonally adjusted). Charleston’s continued outperformance can be attributed to the diversity of industries within the Charleston economy and the continued in-migration to the region. 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, ensure that it will remain an economic leader in the Southeast.

Last year, while the Consumer Price Index (CPI), registered a 6.5% inflation rate more recent data suggests the CPI inflation rate could drop below 3% by the end of 2023. The unadjusted CPI rate for the 12 months ending September 2023 was 3.7% for all urban consumers.

Port of Charleston – The region’s economic base includes the Port of Charleston, the sixth largest port in dollar value of goods handled along the East and Gulf Coasts and eighth among all seaport districts in the United States. The Port is considered among the most efficient in the nation for its cargo handling systems and respected leadership. The Port’s capital infrastructure investments have begun to bare fruit: Charleston Harbor is the deepest on the US East Coast at 52 feet, the Navy Base Intermodal facility is under construction being bolstered by a \$400 million investment from the State of South Carolina, and the Leatherman terminal is well positioned to handle its full capacity once an ongoing labor dispute has been resolved. According to a recent economic study conducted by Joseph C. Von Nessen, Ph.D.: “Having a world-class port in South Carolina attracts companies to invest in new facilities and expand existing operations, creating generational opportunities for South Carolinians.”



The Port of Charleston handled 2.58 million twenty-foot equivalent units, a slight decline over the previous year, in the fiscal year 2023 (ending on June 30, 2023). This fiscal year has signaled the end of a “demand surge” brought on by the COVID pandemic, fiscal policy, and consumer practices. While shipping volumes are normalizing, trends indicate a steady growth over time. The South Carolina Ports Authority economic impact on the Lowcountry region is estimated at \$10.7 billion and supports over 32,000 jobs and \$2.2 billion in labor income across the eight-counties.

Hospitality and Tourism Industry – Charleston is small but offers big city attractions like the world-renowned Spoleto Festival, Southeastern Wildlife Exposition, Charleston Wine + Food Festival, Cooper River Bridge Run, Credit One Charleston Open tennis tournament, and recently opened International African American Museum. These events and attractions collectively bring over a quarter million attendees to the Charleston Area annually. The largest 18 events in the region brought a collective 2.2 million attendees in 2022. The Southeastern Wildlife Exposition welcomed an estimated 500 artists, exhibitors, and wildlife experts, generating approximately \$50 million in economic impact. The Credit One Charleston Open tennis tournament is the preeminent all-women’s professional competition. It is held each year at the Credit One Stadium on Daniel Island. It averages 90,000 attendees and generated an estimated direct economic impact of \$30 million in previous years. The annual Cooper River Bridge Run 10K has an annual attendance of up to 40,000 participants and an estimated direct economic impact of \$25 million. Recognized as a top tourism event by the State of South Carolina, approximately 60 percent of attendees are from out of town.



Charleston provides natural beauty, a humid subtropical climate, and an unmatched quality of life that has been consciously updated. Charleston continues to be a coveted destination for travel. Readers of leading travel magazines have repeatedly placed Charleston at the top of their lists of favorite domestic and world travel destinations. Charleston was named the “No. 1 City in the U.S. and Canada” by Travel + Leisure World’s Best Awards for eleven consecutive years (2013 through 2023). Charleston has received the similar designation of “Best Small City in the U.S.” from Condé Nast Traveler Reader’s Choice Awards for ten years straight (2011 through 2020). Charleston regained the top spot in 2022 after slipping to the number two spot, behind Aspen, Colorado in 2021. Travel + Leisure magazine readers also ranked Charleston as the only destination in the U.S. among the 25 best cities worldwide and the #1 Top City in the U.S. for 2023. Charleston was also named The South’s Best City in 2023 by Southern Living.

After shrinking by about a third due to the pandemic in 2020, Charleston’s tourism industry recovered and continued to break records in 2022. According to the College of Charleston Office of Tourism Analysis, the industry had an economic impact of \$12.8 billion in 2022, a 21% increase over 2021. The region attracted 7.68 million visitors and tourism was responsible for 23.8% of regional sales. The average total expenditure per adult reached an all-time high of \$1,026 in 2022.

Charleston International Airport saw nearly 5.3 million passengers in 2022 - about 1.1 million more than in 2021. Hotel occupancy was up 70% with over 4.8 million room nights sold in 2022. This number broke the previous record from 2019.

Charleston area restaurants continue to multiply and flourish 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 heritage and influence of the Gullah food culture has been featured on a nationally syndicated food program and is gaining much-deserved recognition.

Carnival Cruise Line will end a 14-year partnership with the SC Port Authority and will no longer homeport a ship after 2024. The City of Charleston and SCPA are working with the local community to redevelop Union Pier. In the meantime, Carnival Sunshine continues to operate its year-round schedule offering mainly four and five-day cruises to the Bahamas.

Military – The military has continued to be a significant presence in the area even after the 1996 closure of the Charleston Naval Complex. A 2022 statewide study by the University of South Carolina and the South Carolina Military Base Task Force estimated the annual economic impact to be \$34 billion, with more than 254,000 jobs (directly or indirectly) supported. The Charleston Region has the largest military presence in South Carolina, with an annual economic impact of approximately \$12.7 billion supported by 78,414 jobs. Joint Base Charleston remains the largest employer in the region, employing 24,900 uniformed, civilian, and reservist personnel 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 in carrying supplies to active-duty troops stationed all over the world.

The U.S. Coast Guard (USCG) operates a growing station in Charleston, as well. Currently, the USCG has 1,300 members with 2,990 dependent family members in the Charleston community. This represents \$130 million of annual income. By 2030, with base expansions, this is expected to grow to 2,300 Coast Guard members with 5,290 dependent family members and \$230 million in annual income. The Coast Guard base expansion is contributing to the redevelopment of the Navy Base site, its marine operations, and borders the intermodal facility.

Higher Education – In 2022 44,240 students pursued degrees in various Charleston regional colleges, universities, and technical schools. The Medical University of South Carolina offers advanced medical degrees at the State's largest teaching hospital. The College of Charleston offers new degree programs in engineering: systems, electrical, and software. Trident Technical College provides a diverse range of industrial training programs. Trident Technical College has built a nursing school (opened in 2016) and an aeronautical training facility (opened in 2019). Trident Technical College continues to partner with the State of South Carolina to offer free tuition to residents of South Carolina in all of their degree programs. Higher education opportunities include the College of Charleston, The Citadel, and Charleston Southern University. Charleston County School District's Center for Advanced Studies offers nearly 100 industry certification exams so that students can become college and career-ready. The East Cooper Center for Advanced Studies is the only school nationwide to provide all 17 Biomedical Science, Computer Science, and Engineering Project Lead the Way courses in 2022.

Charleston County Economic Development – In FY23 Charleston County Economic Development announced 13 projects totaling 713 new jobs, \$160 million in capital investment, and \$63.4 million in new annual payroll. These projects included:



NEW COMPANIES RECRUITED (5)	EXISTING COMPANIES EXPANDED (8)
SHL Medical	Zeltwanger
Sweet Grass Vodka	Metal Trades
Patten Seed Company	Striped Pig Distillery
Ignite Digital Services	Interloop
Ranger Designs	Neal Brothers Charleston, Inc.
	Defense Engineering Services
	Protego
	Averitt Express

MAJOR COUNTY INITIATIVES

Charleston County Greenbelt Program:

During FY23 County Council approved fourteen Greenbelt projects totaling over \$15 million to award grant funding to purchase 868 acres for public parks and green spaces and acquire 2.8 miles of right of way for corridor projects. These projects provide the following:

- Expansion of Botany Bay Heritage Preserve, the most visited SCDNR preserve in the state
- Protection of the tree canopy and roadside buffer along the Edisto National Scenic Byway
- Land for future water access and walking trails on the Stono River, Bohicket Creek, two unnamed saltwater tributaries and several freshwater ponds in the Francis Marion National Forest
- 440 acres of land for the City of North Charleston’s largest park site
- Permanent protection of land with planned historic interpretation of the Battle of Stono Ferry, Rutledge Tomb, Ingleside Plantation and the Battle of Haulover Cut
- 2.8 miles of right of way for the Mt. Pleasant Way bike and pedestrian network
- Leveraging of nearly \$40 million in matching project funds

Capital Projects:

- Azalea Complex – Phase II (aka Public Works/Facilities Office Building and Shops) is currently under construction with a projected completion of early 2026.
- Tri-County Biological Science Center – In partnership with Berkeley and Dorchester Counties, Charleston County took the lead in creating a Tri-County Biological Science Center. The Center will reduce the statewide criminal DNA backlog for the Tri-county area. Once construction is completed, there will be a forensic lab accreditation process before the facility can begin operations.

Charleston County Public Libraries (CCPL):

- Renovations were completed at the following libraries during FY23: Mt. Pleasant Regional Library, Dorchester Regional Library, and the new Keith Summey North Charleston Library.
- The Mt. Pleasant Village Library, the John L. Dart Library, and the South Windermere Branch Library were completed early in FY24.
- The renovations at four remaining branch libraries are expected to be completed in early 2024.
- Renovation design work for the Main Library is expected to begin in early 2024.

Construction Management:

- Glenn McConnel Parkway Widening – County Council approved \$25,000,000 from the 2016 Transportation Sales tax to fund the design and construction of this project. The goal of this project is to relieve traffic congestion and improve bike and pedestrian facilities. Construction is expected to be substantially complete in March 2024.

- The following projects are under construction and anticipated to be completed in the first half of 2024: Camp Road Sidewalk, Riverland Drive Multi-Use Path, International Boulevard Pedestrian Bridge, Lexington Drive at All American Boulevard Mini-Roundabout, Maybank Highway Improvement - Northern Pitchfork, Public Works Maintenance Facility - James Island.
- The new Parking Access Revenue Control Systems were installed in both garages in the Fall of 2023.

Other projects on the horizon for the County are:

- Palmetto Commerce Interchange – the goal of this project is to reduce congestion at surrounding intersections, offer additional travel routes, provide access to existing and planned development, and improve mobility. Construction began in August 2023 and is anticipated to be substantially complete in early 2026.
- Several new Emergency Medical Service (EMS) Stations are expected to be underway in the coming months.
- The Coroner Office Expansion Project is scheduled to begin in January 2024.

SUPPORTING OUR CITIZENS

The pandemic negatively impacted many of our citizens. Charleston County is using \$3 million of American Rescue Act funds on a home repair program for its older, low-to-moderate income residents to reduce energy costs and increase safety measures.

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 2023. These awards reflect Charleston County employees’ dedication to providing the best services to our citizens.

- 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 35th 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 annual

comprehensive 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 34th consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2023 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 2024 budget will be submitted to the GFOA, and we believe it will receive the award also.
- Charleston County received its 4th award for the **Popular Annual Financial Report (PAFR)** for the fiscal year ended June 30, 2022. This is the fourth time the County has submitted a PAFR for the GFOA award.
- Government Finance Officers Association of the United States and Canada (GFOA) has named Charleston County, SC as a 2021 **Triple Crown** Winner. GFOA's Triple Crown designation recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting or Canadian Award for Financial Reporting, Popular Annual Financial Reporting Award, and Distinguished Budget Presentation Award for a fiscal year. The Triple Crown designation represents a significant achievement. To qualify, each entity must meet the high standards of all three separate award programs. Each award program recognizes governments that produce reports which communicate their financial stories in a transparent manner and meet applicable standards.
- Charleston County maintained its AAA bond rating with **Standard & Poor's** Ratings Services, **Moody's** Investors Service, and **Fitch** Ratings for the 18th year in a row.
- Devri DeToma, Capital Programs Manager, was named Woman of the Year by Women in Transportation International. The award recognizes women who are outstanding role models in transportation, have made an outstanding contribution to transportation, have directly contributed toward the advancement of women and minorities through programs or opportunities in the transportation field, and women who have advanced the reputation and credibility of women in transportation.
- Mikala Randich, Asset Manager, was named the 2023 Outstanding Public Works Employee of the Year by the American Public Works Association for her work with overhauling databases that saved Charleston County approximately \$250,000.
- The Public Works Department received the 2023 American Public Works Association Technical Innovation Award for its use of Titanium Dioxide Paving to preserve roads with high traffic and heat islands.
- The repaving of Murray Boulevard won the Project Delivery Award from the South Carolina Asphalt Pavement Association. The project was completed ahead of schedule, constructed with minimal delays, and minimal congestion.
- The Steamboat Landing Seawall Repair Project won the Project of the Year Award from the South Carolina Chapter of the American Public Works Association. The project featured the installation of 330 feet of seawall down a road that services a public boat landing. The project was evaluated based on safety, environmental considerations, public outreach, and its unique construction challenges.
- Awendaw Fire Department received the Fire Safe SC Award for its commitment to keeping the community safe through public education and community outreach.

The preparation of the Annual Comprehensive 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, Barbara Ford, and Carlitta Taylor of the Finance Department produced the Annual Comprehensive Financial Report and coordinated the audit with the external auditors. Substantial contributions

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William L. Tuten
County Administrator



Mack Gile
Chief Financial Officer



Carla Ritter
Finance Director