

OFFICIAL STATEMENT

NEW ISSUES; BOOK-ENTRY ONLY

RATINGS: Moody's: Aaa
S&P: AAA
Fitch: AAA

DAC Bond®

(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Howell Linkous & Nettles, LLC, Bond Counsel to the County, under existing law and assuming compliance by the County with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. Bond Counsel is of the further opinion that interest on the Bonds will not be treated as an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. Bond Counsel expresses no other opinions with regard to federal tax consequences arising from ownership of the Bonds. Bond Counsel is of the opinion that the Bonds and the interest thereon will also be exempt from all State, county, municipal, school district, and other taxes or assessments in the State of South Carolina, except inheritance, estate, transfer, and certain other franchise taxes. See "LEGAL MATTERS - Tax Treatment" herein for additional information regarding the tax status of interest on the Bonds.

\$94,265,000

CHARLESTON COUNTY, SOUTH CAROLINA
GENERAL OBLIGATION BONDS
SERIES 2024

\$90,250,000

GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS
SERIES 2024A

\$4,015,000

GENERAL OBLIGATION
FIRE PROTECTION SERVICE BONDS
(AWENDAW MCCLELLANVILLE CONSOLIDATED
FIRE PROTECTION DISTRICT)
SERIES 2024B

Dated: Date of Delivery

Due: November 1, as shown below

THE BONDS ARE SECURED BY AN IRREVOCABLE PLEDGE OF THE FULL FAITH, CREDIT, AND TAXING POWER OF CHARLESTON COUNTY, SOUTH CAROLINA, AND ARE PAYABLE FROM AN ANNUAL TAX, WITHOUT LIMIT AS TO RATE OR AMOUNT, ON ALL TAXABLE PROPERTY IN CHARLESTON COUNTY SUFFICIENT TO PAY PRINCIPAL AND INTEREST AS THEY RESPECTIVELY MATURE.

Charleston County, South Carolina (the "County") is issuing its \$90,250,000 General Obligation Capital Improvement Bonds, Series 2024A (the "Series 2024A Bonds"), and its \$4,015,000 General Obligation Fire Protection Service Bonds (Awendaw McClellanville Consolidated Fire Protection District), Series 2024B (the "Series 2024B Bonds;" and together with the Series 2024A Bonds, collectively the "Bonds") for the purposes of (i) providing financing for certain capital improvement projects, equipment, and fire fighting vehicles; and (ii) paying costs of issuance of the Bonds. See "THE BONDS – Plan of Finance" herein.

Principal of the Bonds is payable at the corporate trust office of Computershare Trust Company, N.A. in St. Paul, Minnesota (the "Paying Agent"). Interest on the Bonds payable May 1 and November 1, beginning May 1, 2025, for interest accruing from the date of delivery, is payable to the registered owner thereof by the Paying Agent. The Bonds will be issued in fully-registered form in denominations of \$5,000 or any integral multiple thereof and will initially be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as a securities depository for the Bonds. The Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC participants. Purchasers will not be entitled to receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant in order to receive payment of principal of and interest on such Bond. See "APPENDIX E –DTC AND BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2024A Bonds and the Series 2024B Bonds maturing after November 1, 2034, are subject to redemption prior to their maturity at the option of the County as described herein at "INTRODUCTION - Optional Redemption."

This cover page contains certain information for quick reference only. It is *not* a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued and accepted by the Underwriters, subject to the approving opinion as to legality of Howell Linkous & Nettles, LLC, Charleston, South Carolina, Bond Counsel and Disclosure Counsel to the County. Certain legal matters will be passed on for the County by Natalie A. Ham, Esq., Charleston County Attorney, Charleston, South Carolina. First Tryon Advisors, Charlotte, North Carolina, has served as financial advisor to the County. It is expected that the Bonds in definitive form will be available for delivery on or about November 7, 2024, through the facilities of DTC.

Dated: October 24, 2024

MATURITY SCHEDULES

\$90,250,000
CHARLESTON COUNTY, SOUTH CAROLINA
GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
SERIES 2024A

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2025	\$16,630,000	5.00%	2.930%	160069K33
2026	2,390,000	5.00	2.740	160069K41
2027	2,510,000	5.00	2.680	160069K58
2028	2,640,000	5.00	2.700	160069K66
2029	2,775,000	5.00	2.760	160069K74
2030	2,915,000	5.00	2.810	160069K82
2031	3,065,000	5.00	2.870	160069K90
2032	3,225,000	5.00	2.950	160069L24
2033	3,390,000	5.00	3.020	160069L32
2034	3,565,000	5.00	3.080	160069L40
2035	3,745,000	5.00	3.140 ^C	160069L57
2036	3,940,000	5.00	3.200 ^C	160069L65
2037	4,140,000	5.00	3.240 ^C	160069L73
2038	4,355,000	5.00	3.240 ^C	160069L81
2039	4,575,000	5.00	3.300 ^C	160069L99
2040	4,810,000	5.00	3.380 ^C	160069M23
2041	5,055,000	5.00	3.470 ^C	160069M31
2042	5,290,000	4.00	4.000	160069M49
2043	5,505,000	4.00	4.020	160069M56
2044	5,730,000	4.00	4.074	160069M64

^C Priced to first optional call on November 1, 2034.

[†] Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\$4,015,000
CHARLESTON COUNTY, SOUTH CAROLINA
GENERAL OBLIGATION FIRE PROTECTION SERVICE BONDS
(AWENDAW MCCLELLANVILLE CONSOLIDATED FIRE PROTECTION DISTRICT)
SERIES 2024B

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2025	\$465,000	5.00%	3.030%	160069M72
2026	180,000	5.00	2.800	160069M80
2027	190,000	5.00	2.720	160069M98
2028	200,000	5.00	2.740	160069N22
2029	210,000	5.00	2.810	160069N30
2030	220,000	5.00	2.860	160069N48
2031	230,000	5.00	2.920	160069N55
2032	245,000	5.00	3.010	160069N63
2033	255,000	5.00	3.090	160069N71
2034	270,000	5.00	3.160	160069N89
2035	280,000	5.00	3.230 ^c	160069N97
2036	295,000	5.00	3.300 ^c	160069P20
2037	310,000	5.00	3.350 ^c	160069P38
2038	325,000	5.00	3.360 ^c	160069P46
2039	340,000	4.00	3.690 ^c	160069P53

^c Priced to first optional call on November 1, 2034.

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No dealer, broker, salesman, or other person has been authorised by the Issuer to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such other information or representations may not be relied upon as having been authorised by the Issuer. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. Certain information contained in the Preliminary Official Statement and the Final Official Statement may have been obtained from sources other than records of the Issuer and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE. NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE ORDINANCES OR OTHER PROCEEDINGS OF THE COUNTY BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. ADDITIONALLY, WHILE THE BONDS MAY BE EXEMPT FROM THE REGISTRATION AND QUALIFICATION PROVISIONS OF THE SECURITIES LAWS OF THE VARIOUS STATES, SUCH EXEMPTION CANNOT BE REGARDED AS A RECOMMENDATION OF THE BONDS. NEITHER THE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Reference herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished on request.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

This Official Statement contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions. Such statements are generally identifiable by the use of the future tense or by terms such as “may,” “intend,” “will,” “expect,” “forecast,” “project,” “anticipate,” “estimate,” “plan,” “budget,” “believe,” “should,” “strategy,” “position,” or the negative of such terms or variations of such words or similar expressions. In particular, any statements, express or implied, concerning future operating results or the ability to generate tax revenues or cash flow to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the County’s management believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. Those forward-looking statements, including forecasts, projections, and estimates, are based on currently available information, expectations, estimates, assumptions, and projections and management’s judgment about the operations of the County government and general economic conditions. The forward-looking statements are not guarantees of future performance. Actual results may vary materially and adversely from what is contained in a forward-looking statement. Factors which may cause results different from those expected or anticipated include, among others, tightening of credit availability, changes in federal tax treatment of interest on governmental obligations, new legislation, natural disasters, the impact of weather on operating results, general economic and business conditions, demographic trends, the housing market, employment levels, changes in political, social, and economic conditions, impediments to the implementation of gap-closing actions, regulatory initiatives and compliance with governmental regulations, litigation, and various other events, conditions, and circumstances, many of which are beyond the control of the County. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially and adversely from any results indicated or suggested by those assumptions. Such forward-looking statements are included in, among other portions of this Official Statement.

In making such forward-looking statements, the County's expectations are based on assumptions considered reasonable by the County. All such forward-looking statements, however, involve uncertainties and are qualified in their entirety by reference to factors both identified within this Official Statement and from publicly available sources that could cause the actual results of the County to differ materially and adversely from those contemplated in such forward-looking statements.

Any forward-looking statement speaks only as of the date such statement is made, and the County undertakes no obligation to update any forward-looking statement in this Official Statement to reflect events or circumstances after the date of this Official Statement or to reflect the occurrence of unanticipated events. New factors arise or emerge from time to time and it is not possible for the County to predict all of such factors, nor can it assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially and adversely from those contained in any forward-looking statement.

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SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained in this Official Statement and the Appendices hereto (collectively, the “Official Statement”). All capitalised terms not otherwise defined in the Summary Statement shall have the meanings ascribed to such terms elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement and no person is authorised to detach this Summary Statement from the Official Statement or otherwise use it without the entire Official Statement.

The Issuer

Charleston County is located in the southeastern part of South Carolina bordering on the Atlantic Ocean. Charleston is the third most populous county in South Carolina and ranks seventh according to landmass. Charleston County has developed into a business, financial, medical, and service center for the southeastern part of the State. The County is governed by the County Council of Charleston County. See “DESCRIPTION OF CHARLESTON COUNTY AND ITS SURROUNDING AREA” herein.

The Bonds

The Bonds are being issued in two series. The Series 2024A Bonds are to be issued in the initial principal amount of \$90,250,000. The Series 2024B Bonds are to be issued in the initial principal amount of \$4,015,000. The Bonds are being issued initially in book-entry only form in denominations of \$5,000 and integral multiples thereof. See “THE BONDS – Book-Entry Only System.”

Date of Issue

The Bonds will be initially dated and bear interest from their date of delivery.

Purpose of the Bonds

The Series 2024A Bonds are being issued for the purposes of (i) defraying or reimbursing the costs of acquisition and construction of County facilities and equipment and (ii) paying costs of issuance of the Series 2024A Bonds. The Series 2024B Bonds are being issued for the purposes of (i) defraying or reimbursing the costs of acquisition of fire trucks and equipment, and (ii) paying costs of issuance of the Series 2024B Bonds. See “THE BONDS – Plan of Finance” herein.

Security and Source of Payment

The Bonds are general obligations of the County; and the full faith, credit, and taxing power of the County are irrevocably pledged to the payment of the principal and interest thereof. See “THE BONDS - Security for Bonds” herein.

Interest Payments

Interest on the Bonds is payable on May 1, 2025, and semi-annually thereafter on each May 1 and November 1.

Redemption Provisions

The Bonds maturing on or prior to November 1, 2034, are not subject to optional redemption prior to their maturity. The Bonds maturing after November 1, 2034, are subject to redemption on and after November 1, 2034, at the option of the County, in whole or in part at any time, and by lot as to Bonds or portions of Bonds within a maturity of a Series designated by the County (but only in integral multiples of \$5,000), at the redemption price of par plus accrued interest to the date fixed for redemption.

Delivery of Bonds

It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about November 7, 2024.

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\$94,265,000
CHARLESTON COUNTY, SOUTH CAROLINA
GENERAL OBLIGATION BONDS
SERIES 2024

\$90,250,000
GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS
SERIES 2024A

\$4,015,000
GENERAL OBLIGATION
FIRE PROTECTION SERVICE BONDS
(AWENDAW MCCLELLANVILLE CONSOLIDATED
FIRE PROTECTION DISTRICT)
SERIES 2024B

INTRODUCTION

General

This Official Statement of Charleston County, South Carolina (herein, the “County” or the “Issuer”), including the cover page and appendices, sets forth certain information concerning the County and its proposed \$90,250,000 General Obligation Capital Improvement Bonds, Series 2024A (the “Series 2024A Bonds”) and its \$4,015,000 General Obligation Fire Protection Service Bonds (Awendaw McClellanville Consolidated Fire Protection District), Series 2024B (the “Series 2024B Bonds;” and together with the Series 2024A Bonds, collectively referred to herein as the “Bonds”), for all who may become holders thereof. This Introduction is only a brief description of the securities offered hereby. Any potential purchaser of the Bonds should make a full review of this entire Official Statement, as well as of the documents summarised or described herein. The information contained in this Introduction is qualified in its entirety by more complete information set forth elsewhere in this Official Statement. Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, such statements are set forth as such and not as representations of fact. No representation is made that any of the opinions or estimates will be realised.

Throughout the Official Statement, the terms “Issuer” and “County” refer to Charleston County as a political subdivision of the State of South Carolina, while the term “Charleston County” generally refers to Charleston County as a geographical area.

The County’s Fiscal Year is the twelve-month period beginning July 1 in each year and ending June 30 of the succeeding year. Reference herein to “Fiscal Year” or “FY” followed by a year designation means the Fiscal Year ended or ending June 30 of that year. For example, “Fiscal Year 2023” means the Fiscal Year ended June 30, 2023.

Charleston County and its Government

Charleston County is located on the southeastern coast of South Carolina, bordering on the Atlantic Ocean. It is the third most populous county in South Carolina based on its population of approximately 411,406. It encompasses an area of 945 square miles and contains 16 municipalities, including the City of Charleston, North Charleston, Mt. Pleasant, Kiawah Island, Seabrook Island, Sullivans Island, and Isle of Palms. The County is the successor to the Charleston District, one of the original districts created by the colonial government in 1769.

The County is responsible at the local level for activities involving public safety, welfare, health, assessment, billing and collection of property taxes, public works, mosquito control, solid waste management, judicial administration, voter registration, public defender assistance, libraries, planning and zoning administration, and veteran’s assistance. The County’s budgeted revenue for all funds for Fiscal Year 2024 is approximately \$761.7 million and the total assessed valuation of taxable property located within Charleston County is over \$5.8 billion. The legislative body of the County is a nine-member County Council (the “County Council”) elected from single-member districts for four-year staggered terms. Other elected officials, including the County Auditor, the County Treasurer, the County Clerk of Court, and the County Sheriff, are elected for four-year terms. The County Administrator, who is appointed by the County Council, administers the daily affairs of the County and carries out policies of the County Council. Department heads are appointed by the County Administrator.

For certain economic, demographic, and financial information with respect to the County and Charleston County, see “DESCRIPTION OF CHARLESTON COUNTY AND ITS SURROUNDING AREA,” “CERTAIN FISCAL MATTERS,” “DEBT STRUCTURE,” and “APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2023” herein.

Description of Bonds

The Bonds will be dated their date of delivery, and will mature on November 1 in the years and amounts set forth on the inside cover pages of this Official Statement, and will bear interest at such rates as named by the successful bidders. The principal shall be payable to the registered owner thereof at maturity upon presentation and surrender of the Bonds at the corporate trust office of Computershare Trust Company, N.A., St. Paul, Minnesota (the “Paying Agent”). Interest on the Bonds will be paid semiannually on May 1 and November 1, beginning May 1, 2025 (the “Interest Payment Dates”), by cheque or draught mailed by the Paying Agent to each person in whose name a Bond is registered at the close of business on the fifteenth day of the calendar month next preceding the Interest Payment Date. The Bonds are issued in fully-registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds may be transferred only on the registration books of the County maintained by the Paying Agent as bond registrar at the expense of the County.

Book-Entry Only System

The Bonds will be available to purchasers under the book-entry system maintained by The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Purchasers will not be entitled to receive physical delivery of the Bonds. For so long as any purchaser is a beneficial owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant in order to receive payment of principal of and interest on such Bonds. See “APPENDIX E – DTC AND BOOK-ENTRY ONLY SYSTEM” hereto for additional information regarding DTC and its book-entry system.

Redemption Provisions

The Bonds maturing on or prior to November 1, 2034, are not subject to optional redemption prior to their maturity. The Bonds maturing after November 1, 2034, are subject to redemption on and after November 1, 2034, at the option of the County, in whole or in part at any time, and by lot as to Bonds or portions of Bonds within a maturity of a Series designated by the County (but only in integral multiples of \$5,000), at the redemption price of par plus accrued interest to the date fixed for redemption.

Authorisation

The County Council has authorised the issuance of the Bonds under and pursuant to a bond ordinance (the “Bond Ordinance”) enacted by the County Council on September 24, 2024. A summary of certain provisions of the Bond Ordinance is attached hereto as APPENDIX B. The three Series of Bonds are authorised to be issued under the State statutes described below.

The Series 2024A Bonds will be issued pursuant to the County Bond Act (Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended), as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended. The Series 2024B Bonds will be issued pursuant to the Fire Protection Bond Act (Title 4, Chapter 19 of the Code of Laws of South Carolina 1976, as amended).

Security for the Bonds

The payment of the principal of and interest on the Bonds, as they respectively mature, is secured by an irrevocable pledge of the full faith, credit, and taxing power of the County. The proceedings under which the Bonds are being issued require that there shall be levied annually by the Charleston County Auditor and collected by the Charleston County Treasurer, in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in Charleston County, sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

The Series 2024B Bonds are also secured by a pledge of the net proceeds from the collection of an ad valorem property tax levied upon all taxable property in the Awendaw McClellanville Fire Protection District.

See “THE BONDS - Security for Bonds” herein for additional information regarding security for the Bonds.

Use of Proceeds

The County is issuing Series 2024A Bonds for the purposes of (i) defraying or reimbursing the costs of acquisition and construction of County public safety, public works, and general operating facilities and equipment and (ii) paying costs of issuance of the Series 2024A Bonds. The Series 2024B Bonds are being issued for the purposes of (i) defraying or reimbursing the costs of acquisition of fire trucks and equipment, and (ii) paying costs of issuance of the Series 2024B Bonds. See “THE BONDS – Plan of Finance” herein for additional information regarding the use of proceeds of the Bonds.

Parties and Professionals to the Transaction

Issuer	Charleston County, South Carolina Charleston, South Carolina
Paying Agent, Bond Registrar, and Authenticating Agent	Computershare Trust Company, N.A. St. Paul, Minnesota
Securities Depository	The Depository Trust Company New York, New York
Disclosure Dissemination Agent	Digital Assurance Certification, L.L.C. Orlando, Florida
Financial Advisor	First Tryon Advisors Charlotte, North Carolina
Bond Counsel and Disclosure Counsel	Howell Linkous & Nettles, LLC Charleston, South Carolina
County Attorney	Natalie A. Ham, Esq. Charleston, South Carolina
Auditors	Scott and Company LLC Columbia, South Carolina
Underwriter for Series 2024A Bonds	Jefferies LLC New York, New York
Underwriter for Series 2024B Bonds	Brownstone Investment Group, LLC New York, New York

Tax Status of Interest on Bonds

In the opinion of Howell Linkous & Nettles, LLC, Bond Counsel to the County, under existing law and assuming compliance by the County with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. Bond Counsel is of the further opinion that interest on the Bonds will not be treated as an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. Bond Counsel expresses no other opinions with regard to federal tax consequences arising from ownership of the Bonds. Bond Counsel is of the opinion that the Bonds and the interest thereon will also be exempt from all State, county,

municipal, school district, and other taxes or assessments in the State of South Carolina, except inheritance, estate, transfer, and certain other franchise taxes. See “LEGAL MATTERS - Tax Treatment –*Bonds*” herein for additional information regarding the tax status of interest on the Bonds. The forms of the opinion of Bond Counsel with respect to each Series of Bonds is attached hereto as APPENDIX C-1 and C-2.

Terms of Offering and Custodial Depository

The Bonds are being offered by the County when, as, and if issued, and subject to the delivery of the approving opinion as to legality of Howell Linkous & Nettles, LLC, Charleston, South Carolina, as bond counsel. It is expected that the Bonds will be available for delivery to the successful purchasers, on or about November 7, 2024, through the facilities of DTC.

Continuing Disclosure

Pursuant to Disclosure Dissemination Agent Agreements (collectively, the “Disclosure Dissemination Agreement”), the County will agree for the benefit of the Holders and the “Beneficial Owners” (as defined in the Disclosure Dissemination Agreement) of the Bonds, to provide certain financial information and operating data relating to the County (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events with respect to the Bonds. The Annual Reports and notices of such events will be filed by or on behalf of the County with the Municipal Securities Rulemaking Board. Digital Assurance Certification LLC, Orlando, Florida (“DAC”) has agreed to serve as the initial disclosure dissemination agent under the Disclosure Dissemination Agreement. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in APPENDIX D - “Form of Disclosure Dissemination Agent Agreements.” See “MISCELLANEOUS – Continuing Disclosure” herein for additional information regarding the County’s continuing disclosure undertaking.

Miscellaneous

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Prior to the delivery of the Bonds, copies of the documents described herein may be obtained by contacting the County’s Financial Advisor, First Tryon Advisors, 6101 Carnegie Blvd., Suite 210, Charlotte, North Carolina 28209; telephone: 704.926.2457, Attention: Amy Vitner. After closing, copies of the documents may be obtained from the Paying Agent.

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THE BONDS

Description of Bonds

The Bonds will be dated their date of delivery, and will mature on November 1 in the years and amounts set forth on the inside cover pages of this Official Statement, and will bear interest at such rates as named by the successful bidders. The principal shall be payable to the person in whose name the Bond is registered at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding the payment date (the “Record Date”) at maturity upon presentation and surrender of the Bonds at the corporate trust office of the Paying Agent. Interest on the Bonds will be paid semiannually on each Interest Payment Date to the registered owner as of the Record Date. The Bonds are issued in fully-registered form in denominations of \$5,000 or any integral multiple thereof. See “APPENDIX E – DTC AND BOOK-ENTRY ONLY SYSTEM” for a description of the Book-Entry Only System with respect to the Bonds.

See “DEBT STRUCTURE – Debt Service for General Obligation Bonds and Lease Purchase Obligations” herein for a table setting forth the annual principal and interest payments on all of the County’s outstanding general obligation indebtedness, including the Bonds.

Security for the Series 2024A Bonds

The County Bond Act, and the Bond Ordinance pursuant thereto, irrevocably pledge for the payment of the principal of and interest on the Series 2024A Bonds, as they respectively mature, and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the County, and require that there shall be levied annually by the Charleston County Auditor and collected by the Charleston County Treasurer, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in Charleston County, sufficient to pay the principal of and interest on the Series 2024A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

In the opinion of Bond Counsel, any law which attempts to repeal or modify the aforesaid provisions of the Transportation Sales Tax Act or the County Bond would be invalid under Section 10 of Article 1 of the Constitution of the United States which prohibits the enactment of a law impairing the obligation of contracts.

Security for the Series 2024B Bonds

The County Bond Act and the Bond Ordinance pursuant thereto irrevocably pledge for the payment of the principal of and interest on the Series 2024B Bonds, as they mature, and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the County, and require that there shall be levied annually by the Charleston County Auditor and collected by the Charleston County Treasurer, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in Charleston County, sufficient to pay the principal of and interest on the Series 2024B Bonds as they mature and to create such sinking fund as may be necessary therefor.

The Series 2024B Bonds are also secured by a pledge of the net proceeds from the collection of an ad valorem property tax levied upon all taxable property in the Awendaw McClellanville Fire Protection District.

In the opinion of Bond Counsel, any law which attempts to repeal or modify the aforesaid provisions of the applicable State statutes would be invalid under Section 10 of Article 1 of the Constitution of the United States which prohibits the enactment of a law impairing the obligation of contracts.

Application of State Funds

Article X of the South Carolina Constitution provides that: “if at any time any political subdivision shall fail to effect the punctual payment of the principal of or interest on its general obligation debt, then, in such instance, the State Treasurer shall withhold from such political subdivision sufficient moneys from any state appropriation to which such political subdivision may be entitled and apply so much as shall be necessary to the payment of the principal and interest on the indebtedness of the political subdivision then due. Any and all appropriations for political subdivisions of the State shall be subject to the provisions of this subsection.”

Article X does not contain an express pledge or covenant to apply the State moneys referred to therein to the payment of county indebtedness. Neither the applicable State statute nor the Bonds nor the proceedings pursuant to which the Bonds are being issued contains any reference to the above-quoted provision of Article X. In the opinion of Bond Counsel, the constitutional provision above-quoted can be enforced only so long as it remains a part of the South Carolina Constitution, but an amendment to the South Carolina Constitution modifying or repealing the above-quoted provision of Article X would be sustained against a claim by the holders of the Bonds that such an amendment is a law impairing the obligation of contracts in violation of Section 10 of Article 1 of the Constitution of the United States.

Any such constitutional amendment, to become effective, would have to be proposed by a vote of two-thirds (2/3rd) of the members of each House of the South Carolina General Assembly, favourably voted on in the succeeding State-wide general election, and then ratified by a majority vote of each House of the General Assembly at the next session.

During the last ten fiscal years, the County has received State appropriations as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Amount Received</u> <u>From State Appropriations</u>
2015	\$14,252,604
2016	14,086,855
2017	14,687,402
2018	14,453,589
2019	14,886,819
2020	15,187,474
2021	15,354,045
2022	16,995,889
2023	17,714,077
2024	18,552,635

Plan of Finance

Series 2024A Bonds

The County will use the proceeds of the Series 2024A Bonds (i) to defray or reimburse the costs of certain County capital projects and (ii) to pay the costs of issuance of the Series 2024A Bonds. All facilities being financed with the proceeds of the Series 2024A Bonds are included in the County’s Capital Improvement Plan.

Series 2024B Bonds

The County will use the proceeds of the Series 2024B Bonds (i) to purchase fire trucks and equipment, and (ii) to pay the costs of issuance of the Series 2024B Bonds.

Estimated Sources and Uses of Proceeds

The tables below set forth the estimated sources and uses of funds under the Plan of Finance.

	<u>Series 2024A Bonds</u>	<u>Series 2024B Bonds</u>
<u>Sources</u>		
Face Amount	\$90,250,000	\$4,015,000
Original Issue Net Premium	<u>7,801,682</u>	<u>418,294</u>
Total	\$98,051,682	\$4,433,294
<u>Uses</u>		
Construction Fund	\$90,000,000	\$4,000,000
Bond Fund	7,501,064	399,222
Costs of Issuance*	546,378	29,311
Miscellaneous	<u>4,240</u>	<u>4,760</u>
Total	\$98,051,682	\$4,433,294

*Includes underwriter's discount.

Redemption Provisions

The Bonds maturing on or prior to November 1, 2034, are not subject to optional redemption prior to their maturity. The Bonds maturing after November 1, 2034, are subject to redemption on and after November 1, 2034, at the option of the County, in whole or in part at any time, and by lot as to Bonds or portions of Bonds within a maturity of a Series designated by the County (but only in integral multiples of \$5,000), at the redemption price of par plus accrued interest to the date fixed for redemption.

Book-Entry Only System

The Bonds will be available to purchasers under the book-entry system maintained by The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchasers will not be entitled to receive physical delivery of the Bonds. For so long as any purchaser is a beneficial owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant in order to receive payment of principal of and interest on such Bonds. See "APPENDIX E – DTC and Book-Entry Only System" herein for a more complete description of the Book-Entry Only System for the Bonds.

Miscellaneous

The interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any action to be taken under the Bond Ordinance, including the payment of principal of and interest on the Bonds, is to be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina or in a state where the office of the Paying Agent, the Bond Registrar, or the authenticating agent is located, such action shall be taken on the first business day occurring thereafter. In that event, there shall be no additional interest due on the Bonds.

DESCRIPTION OF CHARLESTON COUNTY AND ITS SURROUNDING AREA

Description of Charleston County

Charleston County is located along the southeastern coast of South Carolina. It has a land area of 945 square miles and a 97-mile coastline along the Atlantic Ocean. The Intracoastal Waterway from New York to Florida runs through the entire length of the County. Charleston County has the third largest county population in South Carolina. Charleston County has developed into a business, financial, medical, and service center for the southeastern part of the State.

Located within Charleston County are 16 incorporated municipalities and several special purpose districts which provide various local governmental services. The largest municipalities are Charleston, North Charleston, and Mt. Pleasant.

Some of the largest employers located within the Charleston County Metropolitan Statistical Area (MSA) and the approximate number of employees are listed below:

<u>Name</u>	<u>Service</u>	<u>Employees</u>
Joint Base Charleston*	Military	22,000
Medical University of South Carolina (MUSC)	Healthcare, education	16,000
Boeing Charleston	Aircraft manufacturer	6,869
Charleston County School District	Education	5,900
Roper St. Francis Healthcare	Healthcare	5,700
County of Charleston	Government	2,700
Wal-Mart, Inc.	Retail Store	2,300
College of Charleston	Education	2,000
City of Charleston	Government	1,700
Mercedes Benz Vans, LLC	Production of Vans	1,600

* Result of merger of Charleston Air Force Base and Charleston Naval Weapons Station in 2010.

Some of the largest manufacturing employers located within the Charleston County MSA and their major products are shown in the following table:

<u>Industry</u>	<u>Products</u>	<u>Employees</u>
The Boeing Company	Aircraft manufacturer	6,869
Robert Bosch LLC	Antilock brake systems, fuel injection	1,600
Mercedes-Benz Vans LLC	Production of vans	1,600
Volvo Cars USA Operations, Inc.	Auto manufacturer	1,500
Nucor Steel	Steel roll & steel beam	1,000
KapStone Charleston Kraft LLC	Paper and lumber	1,000
Mahle Behr	Engine cooling systems manufacturer	900
Cummins Turbo Technologies	Turbochargers & air compressors manufacturer	600
IFA North America LLC	Manufacturer of propshafts	600
Ingevity	Manufacture specialty chemicals	520
Detyens Shipyards, Inc. (DSI)	Shipyards (repairs & modifications)	400
CR Bard Inc. – BMD Manufacturing	Medical Products	390
JW Aluminum	Flat-rolled aluminum products	380
Sportsman Boats	Boat design and manufacturer	350
Scout Boats Inc.	Boat design and manufacturer	320

Source: Charleston Regional Development Alliance.

Charleston County has a strong and diverse economy driven by seven primary engines of growth: Advanced Manufacturing, Advanced Security/Information Technology, Medical Industry, Port of Charleston, Military, Hospitality/Tourism Industry, Logistics, and Higher Education. As of July 2024, the Charleston County unemployment rate was 3.9 percent, in-line with the State's rate and 0.4% lower than the national average. Charleston's resilience can be attributed to the diversity of industries within the Charleston economy. 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.

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 collectively employ more than 9,800 people in the region. Local operations for the two OEMs (original equipment manufacturers) support 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 with 5x the share of workers in this industry compared to the national average. The Boeing Company's South Carolina division serves as the anchor within this 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 aircraft. 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 approximately 6,800 people in the region. Boeing is still facing negative impacts from program-specific issues related to the 737 MAX aircraft, discussed in detail later. The total count of jobs within the overall Aerospace Products and Parts Manufacturing industry in Charleston County declined by almost 900 jobs, or 15%, over the time-period of 2014 to 2024. Air travel demand continues to grow, although at a slower pace in 2024 versus 2023 year over year, which should provide support for planned increased productivity at Boeing's Charleston plant. The North Charleston plant aims to produce ten 787 aircraft per month by 2030, compared to its current rate of five aircraft per month.

Boeing has experienced major headwinds over the last several 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, respectively. The company has worked to fix mechanical issues, improve processes, and restore confidence. These efforts were hindered by the loss of a fuselage panel from an Alaskan airlines 737 Max aircraft. This incident has renewed headwinds for Boeing, both legally and in public perceptions of safety and compliance. 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. Anchored by this global OEM the motor vehicle manufacturing industry in Charleston County employees approximately 3,300 people as of 2024, adding over 800 jobs in the last 5 years, a 34% growth. Mercedes-Benz employs 1,600 people in the running of its expanded facility. In April 2021, Mercedes-Benz Vans announced that it would build the 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 €50 million in the plant to begin production.

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 fifth for high-tech GDP growth (2021-22) in Milken's 2024 Best-Performing Cities report, with the authors stating "[a]lthough still small, Charleston's high-tech sector has grown relative to other large cities." 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 Learning Center adjacent to its office facility, the space has seating for up to 40 and conducts classes and seminars along with being a space for local tech meetups. 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 many of the brightest tech minds from all over the country to the area for an event focused on idea generation and collaboration, represent an undeniable expansion in entrepreneurial resources and interest in Charleston County's high-tech sector. The information services and telecommunications industries have fueled the area's high-tech growth with their real GDP increasing by 40.8% and 33.5% respectively from 2021-2022.

Defense, Intelligence & Cybersecurity – The Charleston region contains the largest military presence in South Carolina based on an economic impact study conducted by University of South Carolina’s Joey Von Nessen, in 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. Over 60% of these workers operate in the cybersecurity space.

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 more government, corporate, and civilian data is stored in the cloud and there is continued potential for cyber-threat induced supply-chain disruptions. The command at NIWC Atlantic is poised to contribute to these security efforts.

Logistics – The Charleston market has surpassed 90 million sq. ft. in total market size for industrial real estate, much of that devoted to warehousing, distribution, and logistics due to the County’s proximity to the Port of Charleston. The County continues to offer top-tier transportation options with access to interstates, international shipping, and rail. The Charleston Navy Yard redevelopment includes an expansive intermodal transit yard with Palmetto Railways working to increase the portability of containers and goods coming into Charleston via rail on their way to and from the Port.

Medical & Life Sciences Industry – The region's healthcare 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 Fiscal Year 2023. 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 MUSC’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, MUSC’s Office of Innovation and the Zucker Institute for Innovation Commercialization are paving the way for investors, industry, and entrepreneurs to collaborate. The office of innovation assisted in 28 patents issued in FY23 with 53 active startup companies, and 34 products on the market. 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 planned development 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 initiative, SCbiodrive, an intensive eight-week program designed to help launch biomedical startups with access to intellectual property and under \$2 million in funding.

Port of Charleston – The region’s economic base includes the Port of Charleston, the eighth largest port in dollar value of goods handled among all seaports in the United States and sixth among East and Gulf coast ports. The Port is considered among the most efficient in the nation for its cargo handling systems. The Port has invested more than \$2 billion into port infrastructure over the recent years. With state and port funding combined the South Carolina Ports Authority plans to spend an additional \$25 billion dollars over the next decade. The list of major capital improvement projects includes modernizing the Wando Welch Terminal, Expanding Inland Port Greer, developing near-dock rail, developing an inner harbor barge network, the harbor deepening project, the opening of the Hugh Leatherman terminal, and the launch of the SMART Pool chassis operating system.

The Port of Charleston handled approximately 2.5 million twenty-foot equivalent units in the Fiscal Year 2024 (ending June 30, 2024). Consumer demand has slowed since the exceptional Fiscal Year 2022, volumes are normalizing to fall in line with expectations based on more representative years, accounting for the boost in demand seen during the pandemic. Retail, advanced manufacturing, automotive, and cold storage sectors continue to drive growth at the Port of Charleston. Strategic investments at the Port allow for increasingly competitive performance

going forward. The SCPA economic impact for the Lowcountry region is estimated at \$10.7 billion and supports over 32,000 jobs and \$2.2 billion in labor income in the eight-county area.

Hospitality and Tourism Industry – This city of enchantment and charm, fascinating beauty, history, and culture makes it easy to fall in love with and impossible to forget. Tourism has long been an economic mainstay in this historic eighteenth-century setting and continues to thrive in the Lowcountry. Charleston is not only an international vacation destination but a cosmopolitan city whose residents cherish the past and excitedly embrace the future. Charleston International currently has 50 non-stop destinations and continues to add airlines and locales to its roster.

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, and Credit One Charleston Open tennis tournament. These events collectively bring over a quarter million attendees to the Charleston Area. 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 unmatched quality of life that has been consciously updated as well as carefully preserved. Charleston continues to prove 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 years straight (2011 through 2020). Charleston regained the top spot in 2022 & 2023 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 broke records in 2021, continuing this trend into 2022, and 2023. According to the College of Charleston Office of Tourism Analysis, the industry generated over \$13 billion (↑280 million from 2022) in total economic impact and attracted 7.79 (↑190K from 2022) million regional visitors. 24.7% (↑0.9% from 2022) of regional sales were attributable to tourism with the average total expenditure per adult reaching another all-time high of \$1,048 (↑2.1% from 2022) in 2023.

Charleston International saw over 6.15 million passengers in 2023 – a 16% gain over 2022. Hotel occupancy was over 70% with a record-setting 4.9 million room nights sold in 2023. This number broke the previous record from 2022. Growth in the Charleston market was not large but is a marked divergence from slight declines seen in other regional markets.

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.

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 2022 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 \$34 billion to the state's economy annually through three components: the eight military installations across the state, more than 600

contractors working with those installations, and the service members in South Carolina themselves. The military presence in the Charleston Region (Tri-County area) had an economic impact of \$12.7 billion, supporting over 78k jobs and generating \$5.2 billion of labor income.

Joint Base Charleston remains the largest employer in the region, employing 22,000 uniformed, civilian, and reservist personnel within the Naval Weapons Station, the Navy Nuclear Power Training School, and the Naval Information Warfare Center (NIWC). According to a 2022 study by the University of South Carolina NIWC generates almost \$3.2 billion of economic impact in the state of South Carolina and over \$12 billion of economic impact nationwide. This impact supports nearly 18k jobs in South Carolina. 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 operates a station in Charleston, as well. As the Coast Guard continues their development of the “superbase” they anticipate personnel in greater Charleston growing from 1,300 in 2023 to 2,300 by 2030. Currently the 1,300 Coast Guard personnel support 2,990 dependent family members and 130 million dollars of annual income. The 2030 force of 2,300 Coast Guard personnel will support 5,290 dependent family members and 230 million dollars of annual income. Charleston has gained the designation of a Coast Guard Community.

Higher Education – Nearly 35,000 students pursued higher education degrees in various Charleston regional colleges, universities, and technical schools. The five largest institutions include Trident Technical College, with 11,789 students; the College of Charleston with 10,885 students; The Citadel with 3,721 students; Charleston Southern University with an enrollment of 3,418; and the Medical University of South Carolina with 3,175 students. The region has many other educational institutions that support a thriving research community and a trained workforce:

- Trident Technical College has constructed multiple facilities to meet the needs of a trained workforce in the areas of nursing, science, and advanced manufacturing. In 2014, the college opened a \$30 million, 90,000-square-foot Nursing and Science Building featuring nursing simulation labs. In 2019, the college opened a \$79.3 million, 218,105-square-foot S.C. Aeronautical Training Center featuring two hanger bays, and 31 specialty labs.
- The Lowcountry Graduate Center, a partnership of five universities across the state and 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 Charleston County School District currently has 7,520 students enrolled in its Career and Technical Education programs as well as 1,045 students participating in dual enrollment programs with local higher education institutions.

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.

Recent business 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), Driverge Vehicle Solutions (Upfits commercial shuttles and wheelchair-accessible vans), Ranger Design (upfitting Mercedes Benz Vans for various commercial and recreation uses), Leidos (safety and security manufacturing), Protego (global industrial equipment manufacturer), Elbit Systems of America (defense), and Allegiance Flag Supply.

Recent Developments - Thus far in 2024 Charleston County has had seven documented expansions of existing companies bringing 383 new jobs and over \$7.7 million dollars of capital expenditure to the county over the next five years.

Cybersecurity

The County, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats involving, but not limited to, hacking, phishing, viruses, malware, and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the County may be the target of cybersecurity incidents that could result in adverse consequences to the County and its Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the County’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the County invests in multiple forms of cybersecurity and operational safeguards. A designated full time IT Cybersecurity employee was hired in 2020 and has implemented cybersecurity training for all employees who utilize a laptop/computer and a multi-factor authentication verification process amongst other safeguards.

While the County’s cybersecurity and operational safeguards are periodically tested, no assurances can be given by the County that such measures will ensure against other cybersecurity threats and attacks. The costs of remedying any such damage or obtaining insurance related thereto, or protecting against future attacks could be substantial and insurance (if any can be obtained), may not be adequate to cover such losses or other consequential County costs and expenses. Further, cybersecurity breaches could expose the County to material litigation and other legal risks, which could cause the County to incur material costs related to such legal claims or proceedings.

Business Disruption Risk

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, national debt ceiling crises, riots, acts of war or terrorism or other circumstances, could potentially disrupt the County’s ability to conduct its business. A prolonged disruption in the County’s operations could have an adverse effect on the County’s financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the County has updated its operations and business continuity plan to (i) provide for the continued execution of the mission-essential functions of the County with minimal or no disruption if an emergency threatens, interrupts or incapacitates the County’s operations, (ii) provide County leadership with timely direction, control and coordination before, during and after an emergency, and (iii) facilitate the return to normal operation conditions as soon as practical based on the circumstances surrounding any given emergency. No assurances can be given that the County’s efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations in the event of an emergency.

One such external event was the global outbreak of COVID-19 in 2020 (“COVID-19”), a respiratory disease declared to be a pandemic (the “Pandemic”) by the World Health Organization. Throughout the Pandemic, the County was able to continue day-to-day operations without significant disruption.

Resilience, Sustainability and Climate Change

In light of flooding events over recent years, along with annual hurricane threats, the existence of a major earthquake fault line in the region, and unprecedented growth creating stresses on essential services, infrastructure, development, and the environment, it has become overwhelmingly apparent that Charleston County and surrounding areas need to plan and proactively approach resilience and sustainability now in order to be prepared for changes in the future. If left unchecked, climate change may produce sea-level rise, flooding, more frequent heatwaves, droughts, wildfires, water shortages, mass loss of local land and ocean biodiversity, and more severe and frequent extreme weather events.

In 2020, County Council approved a Resilience Element of the County’s comprehensive plan. This element explains high water impacts and other resilience related issues, is coordinated with the efforts of other jurisdictions, and identifies a goal, needs, and strategies to ensure the County is resilient and sustainable in the future. This element also identified a Chief Resilience Officer to implement strategies and administer all aspects of

the Resilience Element as it pertains to funding opportunities, provide standards to coordinate resilience-related efforts of County departments, municipalities and adjacent jurisdictions, applicable regulatory agencies, and regional partners.

Charleston County was awarded funding in 2021 to perform an All-Hazards Vulnerability and Risk Assessment. Funding for this project comes from two federal grants awarded by the South Carolina Emergency Management Department (Building Resilience Infrastructure Communities Grant and the HMGP Grant). This assessment will be used to identify populations and assets (i.e., economic, cultural, historical, critical facilities, and ecosystem services) that are vulnerable to various physical threats such as mid- and long-term sea level rise, floodplain inundation, current tidal flooding, storm surge, extreme heat, and earthquakes. This assessment will also enhance opportunities to strengthen internal capacity, pursue new funding sources, and leverage external partnerships to build momentum and sustain resilience efforts in the long-term.

To preserve and enhance the quality of life for all citizens of Charleston County, the County government has been proactive in the face of changing climate, and in 2021 passed a Climate Action Resolution and hired a Sustainability Manager. The County is currently working on a draft Climate Action Plan through a collaborative process involving various stakeholders from the business, education, non-profit, and local government sectors.

On September 20, 2022, Charleston's County Council approved the Resilience & Sustainability Advisory Committee. This committee will act as an advisory board on all matters related to the Climate Action Plan, Sustainability, and Resilience. The County intends to continually monitor beneficial local, State, federal, and private initiatives and recommendations regarding resilience and sustainability. By committing time, effort, and funding now we can research, assess, and implement projects to protect our citizens and natural resources for future generations.

Population

The table below sets forth the population of each of the three counties, including Charleston County, which constitute the “Tri-County” Standard Metropolitan Statistical Area for the past five decennial censuses.

	Census <u>1980</u>	Census <u>1990</u>	Census <u>2000</u>	Census <u>2010</u>	Census <u>2020</u>
Charleston County	276,974	295,039	309,969	350,209	408,235
Berkeley County	94,727	128,776	142,651	177,843	229,861
Dorchester County	<u>58,266</u>	<u>83,060</u>	<u>96,413</u>	<u>136,555</u>	<u>161,540</u>
Total SMSA (Tri-County)	429,967	506,875	549,033	664,607	799,636

Source: US Census Bureau.

More recent population estimates are set forth in the table below:

<u>July 1</u>	<u>Charleston</u>	<u>Berkeley</u>	<u>Dorchester</u>	<u>Total SMSA</u>
2014	379,793	198,295	148,748	726,836
2015	389,299	203,035	152,854	745,188
2016	396,785	208,498	156,199	761,482
2017	401,738	214,470	158,881	775,089
2018	405,905	221,091	160,647	787,643
2019	413,135	224,030	161,755	798,920
2020	409,899	231,533	162,043	803,425
2021	414,514	236,857	163,452	814,823
2022	419,350	244,952	166,050	830,352
2023	424,367	255,217	169,893	849,417

Source: Charleston Regional Data Center, Berkeley Charleston Dorchester Council of Governments.

Per Capita Personal Income

The per capita income in Charleston County and the State for each of the past ten calendar years is set forth below.

<u>Year</u>	<u>County</u>	<u>State</u>
2013	42,748	36,934
2014	47,843	38,041
2015	50,838	39,465
2016	53,272	39,517
2017	57,281	40,421
2018	61,477	45,414
2019	63,901	45,438
2020	66,656	48,772
2021	73,032	52,467
2022	76,546	53,618

Source: South Carolina Board of Economic Advisors and South Carolina Department of Revenue.

Labor Force

The table below sets forth the labor force estimate in Charleston County prepared by the South Carolina Department of Employment and Workforce for the past five years.

	Labor Force Estimate (Charleston County)				
	Annual Average				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Civilian Labor Force	205,453	210,295	216,613	226,376	240,752
Employment Total	196,433	202,844	210,699	220,866	231,247
Unemployment	9,020	7,451	5,914	5,510	9,505
Percent of Labor Force	4.4%	3.5%	2.7%	2.4%	3.9%

Source: South Carolina Department of Employment and Workforce.

Note: Labor force estimates in the table above are not seasonally adjusted.

Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households and unpaid family workers.

Nonagricultural Wage and Salary Employment

The table below sets forth average monthly employees in the industries described below located in Charleston County, based on the North American Industry Classification System (NAICS).

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Natural Resources and Mining	208	211	252	246	273
Construction	13,718	13,755	13,357	14,010	14,500
Manufacturing	16,218	17,365	15,637	15,166	15,614
Wholesale Trade	5,910	6,387	6,055	6,448	6,991
Retail Trade	29,122	29,179	27,685	28,589	28,776
Transportation and Warehousing	10,018	10,479	9,783	10,460	11,336
Utilities	680	706	681	636	735
Information	3,892	3,816	3,939	3,814	4,779
Financial Activities	11,850	11,963	11,690	11,875	13,028
Professional and Business Services	39,470	39,563	37,454	39,537	43,042
Education and Health Services	31,735	32,673	31,623	32,684	33,990
Leisure and Hospitality	39,041	39,608	30,800	35,068	39,245
Other Services	6,660	6,929	6,310	6,594	7,066
Total, Federal Government	9,911	10,289	10,764	10,760	10,417
Total, State Government	19,706	20,231	20,010	20,517	21,044
Total, Local Government	<u>16,140</u>	<u>16,326</u>	<u>16,181</u>	<u>16,101</u>	<u>16,444</u>
Total	254,279	259,480	242,221	252,505	267,280

Source: South Carolina Department of Employment and Workforce.

GOVERNMENT STRUCTURE

Government of the County

The County adopted a Council-Administrator form of government under Home Rule in 1976. Under this form of county government, the elected County Council must employ an administrator who is the administrative head of the County government and is responsible for the administration of all of the departments of the County government which the County Council has the authority to control. State law requires that the administrator be employed with regard to his executive and administrative qualifications only. The term of employment of the administrator is at the pleasure of the County Council, and he is compensated for services as the County Council may determine. The County Council is composed of nine members who are elected from single-member districts for staggered four-year terms.

The current members of County Council are as follows:

<u>Name</u>	<u>Number of Years Served on Council</u>	<u>Principal Occupation</u>	<u>Term Expires</u>
Herbert R. Sass, III, Chairman	13½	Real Estate Appraiser	December 31, 2026
Jenny Costa Honeycutt, Vice Chairperson	4½	Attorney	December 31, 2026
Joe Boykin	1½	Retired	December 31, 2026
Henry E. Darby	19½	Educator	December 31, 2024
Larry Kobrovsky	1½	Attorney	December 31, 2026
Kylon Jerome Middleton	3½	Pastor	December 31, 2024
C. Brantley Moody	7½	Commercial Banker	December 31, 2024
Teddie E. Pryor, Sr.	19½	Project Manager	December 31, 2026
Robert L. Wehrman	3½	Attorney	December 31, 2024

The County Council is the policy-making body of the government. Annually the Council elects one of its members as chairman to guide the County Council, act as its spokesman and preside at meetings. The chairman has no more power than any other member of County Council. The responsibilities of County Council include making appropriations, levying taxes, incurring indebtedness and issuing bonds; establishing the basic legislative policies for the County through ordinances and resolutions governing all County affairs; and establishing guidelines and standards to govern all administrative decisions and procedures.

Bill Tuten has been the Charleston County Administrator since July 2020. He previously worked as Charleston County's Chief of Staff and Senior Project Liaison. Mr. Tuten has more than 25 years of experience working in government at the Local, State and Federal level. He served in numerous positions with U.S. Senators Lindsey Graham and Strom Thurmond. He holds a bachelor's degree in Political Science and Government from the University of South Carolina. In addition, he is a member of the South Carolina Military Base Task Force, a former member of the MUSC Board of Visitors, and a Riley Fellow Graduate of the Riley Institute's Diversity Initiative.

Mack Gile has been the County's Chief Financial Officer since December 2023. Mr. Gile also served as Budget Director, Assistant Budget Director, and as a Budget Analyst since coming to the County in November 1994. Prior to then, he was in practice as a Certified Public Accountant for four years. Mr. Gile earned his B.S. degree (Accounting) from Bob Jones University in 1990 and his Masters in Business Administration from The Citadel in 1999. Mr. Gile is a Certified Governmental Finance Officer through the South Carolina Government Finance Officers Association and the Government Finance Officers Association of the United States and Canada.

Carla Ritter has been the County's Finance Director since July 2015. Prior to becoming the Finance Director, she served as the Assistant Finance Director since coming to the County in August 2001. Ms. Ritter earned her B.S. degree in Business Administration from the College of Charleston in May of 1986. She is a Certified Public Accountant and Certified Government Finance Officer through the South Carolina Government Finance Officers Association. Ms. Ritter worked in public accounting for ten years and the Charleston County School District for six years before coming to the County.

Mike Franks has been the County's Budget Director since July 2024. He has over 13 years of experience in managing Budget and Finance functions for multiple towns, cities, and counties. He began his career in Fairfax County, Virginia and served in leadership positions in Aurora, Colorado and Cary, North Carolina before coming to the County. He holds a master's degree in public policy from George Mason University and a bachelor's degree in political science and political communication from James Madison University.

In addition to the elected County Council, various County officers are elected including the County Treasurer, County Auditor, Clerk of Court, Probate Judge, Sheriff, Coroner, Solicitor, and Register of Deeds.

Services Provided

The County operates and maintains various programs which are funded from County revenues, as reflected in its annual budget for the Fiscal Year ending June 30, 2024. These programs include:

- (1) Public Safety (including law enforcement, emergency preparedness planning, detention facilities and fire protection in the Awendaw McClellanville Consolidated Fire Protection District);
- (2) Health related assistance (including Emergency Medical Services, drug and alcohol abuse services and substantial contributions to the State's Medically Indigent Assistance Fund and social services);
- (3) Public Works (including street and drainage maintenance and mosquito abatement);
- (4) Solid Waste Management (solid waste disposal and recycling);
- (5) Judicial Administration (including prosecuting and public defender legal services and criminal, civil, probate and family court administration);
- (6) Property Assessment, Tax Billing, Tax Collection and Dispersal;
- (7) Libraries;
- (8) Planning and Zoning Administration;
- (9) Veterans Assistance; and

(10) Board of Election and Voter Registration.

The County has a budgetary accounting system which provides for control of appropriations by department and major objects of expenditure using a proprietary automated financial accounting system. Encumbrance accounting is also utilised. Financial reporting provides periodic reports of expenditures, encumbrances, unencumbered balances and revenues. Monthly expenditure to budget reports are delivered to the County Council. Quarterly budget reviews are performed and brought to Council when appropriate.

Also in place are legislative controls (covering transfers, appropriations and amendments), position controls (utilising authorised position lists), purchasing controls (governing compliance with budget and bidding procedures), travel controls (mode of travel and related costs), payroll controls (ensuring that attendance records are kept) and inventory and fixed asset controls.

The County has a comprehensive set of financial policies which have been adopted by County Council. These policies cover the following areas:

- | | |
|------------------------------|---|
| 1. Operating budget | 6. Investments |
| 2. Revenues and expenditures | 7. Accounting, auditing and financial reporting |
| 3. Financial reserves | 8. Procurement |
| 4. Capital improvements | 9. Risk management |
| 5. Debt management | 10. Human resources |

The General Fund balance for the fiscal year ended June 30, 2024, is estimated at \$120.0 million. The ending balances for the fiscal years ended June 30, 2023 and 2022 were \$136.2 million and \$134.4 million, respectively.

During the present Fiscal Year, the County has approximately 2,470 employees (including temporary employees). The County's total payroll for the fiscal year ended June 30, 2024, was \$164,867,073.

CERTAIN FISCAL MATTERS

Revenue Sources

The County has historically derived its revenues for the most part from general property taxes on real and personal property located within the County limits, state aid to political subdivisions, local option sales taxes imposed by the County, accommodation taxes imposed by the County on all commercial lodging, license and permit charges made by the County, and charges for services imposed and collected by the County.

Revenues from Property Taxes

Until recent years, county governments in South Carolina have generated the largest portion of revenues for general governmental purposes from ad valorem property taxes. Property taxes have constituted the largest single source of revenues for Charleston County historically. Until the enactment of property tax reform by the State Legislature in 2006 (effective for fiscal years beginning after January 1, 2007), counties in the State generally could impose property tax levies without limit so long as certain procedural requirements were met. Beginning with the fiscal year commencing on July 1, 2007, local governments in the State, including Charleston County, have been subject to the limitations set forth in property tax reform legislation. Property tax levies for the purpose of funding debt service on bonded indebtedness or payments for real property purchased using a lease-purchase agreement or used to maintain a reserve account are not subject to the limitations imposed under property tax reform. See “-Assessment of Property for Property Tax Purposes” herein for a more complete discussion of the property tax levy and collection process in South Carolina. See “-Property Tax Reform – Limitation on Millage Increases” herein for a description of these limitations. Charleston County currently levies an operational millage of 41.7 mills, which is expected to have generated approximately \$215.7 million of tax revenues for the general fund in the fiscal year ended June 30, 2024 and to generate approximately \$229.4 million in the fiscal year ending June 30, 2025. See “-

Property Tax Collection Record” and “-Millage Levied Within the County” herein for historical information concerning tax levies and collections in Charleston County.

Revenues from Local Option Sales Taxes

At the general election held on November 6, 1990, each county in the State voted on an initiative to levy an additional 1% to the (then) 5% State sales tax, which additional 1% would be used by counties and municipalities located in counties which approved imposition of the Local Option Sales Tax. Charleston County was one of six counties in the State which initially approved imposition of a Local Option Sales Tax. The additional 1% sales tax was imposed effective July 1, 1991. Sales tax revenues are collected by the State government and remitted to the County on a monthly basis. The Fiscal Year 2024 budget anticipated \$103.5 million in Local Option Sales Tax receipts and a \$109.8 million credit against tax revenues. The Fiscal Year 2025 budget includes \$110.0 million in Local Option Sales Tax receipts and a corresponding credit against property tax revenues. See “- Local Option Sales Tax” herein for a history of Local Option Sales Tax receipts.

State Aid to Political Subdivisions

Unrestricted State aid to political subdivisions has constituted the third largest source of revenues to the County’s general fund for the past several years. The annual amount paid to the County is subject to appropriation by the State Legislature in the annual State budget. See the table on Page 6 hereof for the history of receipts of State aid to political subdivisions by the County.

Transportation Sales Tax

The imposition and collection of the Transportation Sales Tax is authorised by Title 4, Chapter 37 of the Code of Laws of South Carolina 1976, as amended (the “Transportation Facilities Financing Act”). The Transportation Sales Tax is collected and remitted in the same manner as the general sales tax. The Transportation Facilities Financing Act authorises any county council to impose a sales and use tax by county ordinance, subject to referendum approval, to pay for the costs of highways, roads, streets, bridges, mass transit systems, greenbelts, and other transportation-related projects and facilities.

On November 2, 2004, the sales tax referendum (the “2004 Sales Tax Referendum”) was conducted in Charleston County on the issue of imposing the Transportation Sales Tax in the amount of one-half of one percent (1/2%) to pay costs of highways, roads, streets, bridges and other transportation-related projects facilities, and drainage facilities related thereto, and mass transit systems operated by the County or jointly operated by the County and other governmental entities and greenbelts.

The Transportation Sales Tax authorised by the 2004 Sales Tax Referendum (the “2004 Sales Tax”) has been collected on net taxable sales in Charleston County since May 1, 2005. The 2004 Sales Tax will be collected until the earlier of (i) total collections equal \$1,303,360,000 or (ii) April 30, 2030. See the table at “-Transportation Sales Tax” for a history of the annual collections of the Transportation Sales Tax by the County

On November 8, 2016, the sales tax referendum (the “2016 Sales Tax Referendum”) was conducted in Charleston County on the issue of imposing an additional Transportation Sales Tax in the amount of one-half of one percent (1/2%) to pay costs of highways, roads, streets, bridges and other transportation-related projects facilities, and drainage facilities related thereto, and mass transit systems operated by the County or jointly operated by the County and other governmental entities and greenbelts. The Transportation Sales Tax authorised by the 2016 Sales Tax Referendum (the “2016 Sales Tax”) has been collected on net taxable sales in Charleston County since May 1, 2017. The 2016 Sales Tax will be collected until the earlier of (i) total collections equal \$2,100,000,000 or (ii) April 30, 2042. The proceeds of the 2016 Sales Tax are pledged as security for the payment of the Series 2024A Bonds. See “- Transportation Sales Tax” herein for a history of Transportation Sales Tax receipts.

County Council approved conducting the sales tax referendum (the “2024 Sales Tax Referendum”) on November 5, 2024 to extend the Transportation Sales Tax in the amount of one-half of one percent (1/2%) to pay costs of highways, roads, streets, bridges and other transportation-related projects facilities, and drainage facilities related thereto, and mass transit systems operated by the County or jointly operated by the County and other governmental

entities and greenbelts. If approved by a majority vote in the General Election to be held on November 5, 2024, the 2024 Sales Tax (the “2024 Sales Tax”) will be collected until the earlier of (i) total collections equal \$5,400,000,000 or (ii) 25 years from the end of imposition of the 2004 Sales Tax.

The Transportation Sales Tax is administered and collected by the South Carolina Department of Revenue in the same manner as other sales and use taxes. The revenues of the tax are remitted to the South Carolina Department of Revenue and placed on deposit with the State Treasurer and credited to a fund separate and distinct from the General Fund of the State. After deducting the amount of any refunds made and costs to the South Carolina Department of Revenue of administering the tax, not to exceed one percent of the revenues, the State Treasurer will distribute the revenues quarterly to the County Treasurer. Net revenues received by the County Treasurer are deposited into a separate Transportation Sales Tax Fund and applied solely to pay the costs of eligible projects or debt service on bonds issued to finance eligible projects.

Revenues from Local Accommodations Taxes

Pursuant to the Local Accommodations Tax Act (Title 6, Chapter 1, Article 5 of the Code of Laws of South Carolina 1976, as amended), the County imposes a local accommodations tax in the amount of 2%. The tax is levied on the gross proceeds derived from the rental or charges for accommodations furnished to tourists for any rooms, campground spaces, lodgings, or sleeping accommodations by any hotel, inn, tourist court, tourist camp, motel, campground, residence, or any place in which rooms, lodgings, or sleeping accommodations are furnished to tourists for a consideration. The tax does not apply where the facilities consist of less than six sleeping rooms, contained on the same premises, which is used as the individual’s place of abode. In accordance with the Local Accommodations Tax Act, revenues collected from the imposition of the local accommodations tax may only be used for the following purposes or for operation and maintenance of those purposes, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to the following facilities:

- (1) tourism-related buildings;
- (2) tourism-related cultural, recreational, or historic facilities;
- (3) beach access, renourishment, or other tourism-related lands and water access;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;
- (5) advertisements and promotions related to tourism development; or
- (6) water and sewer infrastructure to serve tourism-related demand.

The local accommodations tax is required to be remitted to the County on a monthly basis when the estimated average monthly tax is more than \$50; on a quarterly basis when the estimated average monthly tax is \$25 to \$50; and on an annual basis when the estimated average monthly tax is less than \$25.

Revenues from License and Permit Fees, Franchise Fees, User Fees, and Administrative Fees

The County generates revenues from a variety of fees, including various business licenses and professional fees, franchise fees and building permits, zoning fees, and solid waste disposal fees. In addition, there are court and other administrative fees charged by the County.

Assessment of Property for Property Tax Purposes

The South Carolina Constitution mandates the equal and uniform assessment of taxable property throughout the State for the following classes of property and at the following ratios:

- 1) Real and personal property owned by or leased to manufacturers, utilities, or mining operations – 10.5% of fair market value (certain industrial facilities may be entitled to a limited exemption or to pay at lower ratios; see “-Exemptions and Limitations for Certain Industries” herein).
- 2) Real and personal property owned by or leased to transportation companies for hire (railroads and pipelines) – 9.5% of fair market value.

- 3) Inventories of business establishments – 6% of fair market value (this category has been phased out; see discussion below).
- 4) Legal residence and not more than five contiguous acres – 4% of fair market value (if the property owner makes proper application and qualifies).
- 5) Agricultural real property used for such purposes owned by individuals and certain small corporations – 4% of use value (if the property owner makes proper application and qualifies).
- 6) Agricultural real property and timberlands belonging to large corporations (more than 10 shareholders) – 6% of use value (if the property owner makes proper application and qualifies).
- 7) Power-driven farm machinery and equipment – 5% of fair market value.
- 8) Personal motor vehicles – 6% of fair market value.
- 9) All other real property – 6% of fair market value.
- 10) All other personal property – 10.5% of fair market value.

The business inventory tax has been phased out as of 1988. The business inventory exempted from property taxation is nonetheless considered taxable property for purposes of calculating the bond debt limits for all political subdivisions. The legislation creating the exemption provides that the exemption is conditioned upon the State legislature appropriating annually to each taxing entity an amount equivalent to taxes which would have been collected by such taxing entity based upon the value of business inventory in 1987. The amount of the 1987 business inventory taxes in the Charleston County was \$21,648,190.

Since 1975, State law has required all counties within the State to employ a reassessment program to insure that all taxable properties are assessed on a uniform basis. All properties located in Charleston County are assessed in compliance with the ratio mandates of State law. Further, all properties in Charleston County are presently listed at appraised values computed in accordance with the regulations promulgated by the South Carolina Department of Revenue and Taxation (“DOR”).

DOR is charged with responsibility for taking steps necessary to ensure equalisation of assessment statewide and may require reassessment of any part or all property within any county. Regulations of DOR effectively require that a reassessment must be instituted by any county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. State law also requires each county to assess all properties on the newly appraised values every fifth year. Upon completion of a reassessment, the total ad valorem millage for any political subdivision of the State may not exceed the total ad valorem tax millage of such political subdivision for the year immediately prior to completion of such reassessment, adjusted for new taxable property, by more than the increase in the consumer price index for the year in question. The latest reassessment of all real property in Charleston County has a date of value of December 31, 2018 and was initially implemented for Tax Year 2020. The next Countywide reassessment of all real property is expected to occur for the calendar year 2023 and effective Tax Year 2025.

The Charleston County Assessor appraises and assesses all real property and mobile homes located within Charleston County, and certifies the results to the Charleston County Auditor. The County Auditor appraises and assesses all motor vehicles, marine equipment, business personal property, and airplanes. DOR furnishes guides for use by the County in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers, and business equipment.

In each year, upon completion of its work, the DOR certifies its assessments to the County Auditor. During August and September of each year the County Auditor prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares the tax rolls, and then in September charges the County Treasurer with the collection of taxes. With the exception of motor vehicles, the South Carolina Tax Control date is December 31 for the ensuing tax year. South Carolina has no state-wide property tax.

Homestead Exemption

South Carolina provides, among other exemptions, an exemption for homesteads. This is a general exemption from all ad valorem property taxes and applies to the first \$50,000 of value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled, or legally blind (the “Homestead Exemption”). The revenues that would have been received by various taxing entities but for the exemptions are replaced by funds from the State. The State pays each taxing entity the amount to which it is entitled by April 15 of each year from the State's general fund. The Homestead Exemption reimbursement to the County for the 2024 fiscal year amounted to \$2.3 million.

Property Tax Reform

State Property Tax Reform

In 2006, State statutes established a new mechanism for the funding of a portion of school operations and a limitation on annual growth in millage levied by political subdivisions and school districts for operations. S.C. Code Sections 11-11-155 and 12-36-1110 essentially substitute revenues to be collected by an increase in the State sales tax of 1% (in addition to the previous 5%) for local property taxes on owner-occupied residential property attributable to school district operating levies. The County has no responsibility for funding school district operations or debt service. See “-Property Tax Reform” herein for a more complete discussion of recent property tax reform legislation.

Sales Tax Imposition; Exemption of Owner-Occupied Residential Property from School Operating Taxes

Beginning in 2007, S.C. Code Section 12-36-1110 imposes an additional one percent sales tax State-wide. The additional tax does not apply to certain items, including certain accommodations (e.g., hotels, motels, and campgrounds), items taxed at a defined maximum tax (e.g., automobiles), and unprepared food (upon which the prior 5% tax was eliminated in October 2007). Receipts from this 1% sales tax are credited to the “Homestead Exemption Fund.”

Effective beginning with fiscal year 2008, all owner-occupied residential real property in the State is exempted from ad valorem real property taxes levied for school district operations (the “New Homestead Exemption”). Proceeds of the sales tax deposited in the Homestead Exemption Fund are distributed to the school districts in substitution for the ad valorem real property taxes not collected as a consequence of the New Homestead Exemption. S.C. Code Section 11-11-156 provides that a minimum of \$2,500,000 of sales taxes per county will be distributed to the school district or districts within such county. Owner-occupied residential real property is not exempt from millage imposed for the payment of general obligation indebtedness incurred by school districts.

The amount of the reimbursements in fiscal year 2008 was equal to the amount estimated to have been otherwise collected (but for the New Homestead Exemption) in fiscal year 2008 by the school district from school operating millage imposed on owner occupied residential property therein, subject to the minimum of \$2,500,000 described above. Beginning in fiscal year 2009 and continuing each year thereafter, the aggregate reimbursement to the school districts will increase by an amount equal to the Consumer Price Index, Southeast Region, plus the percentage increase in the previous year in the population of the State. The aggregate amount of the reimbursement increase in any year will be distributed among the school districts proportionately based on each school district's weighted pupil units as a percentage of statewide weighted pupil units as determined annually pursuant to the South Carolina Education Finance Act.

Any amounts remaining in the Homestead Exemption Fund after the distribution of moneys as described in the preceding paragraphs will be distributed to the school districts of the 46 counties of the State, proportionately based upon population, to be applied as a credit against ad valorem real property taxes levied against, first, owner-occupied residential real property, and, thereafter, to all other classes of taxable property, for county operating purposes.

To the extent revenues in the Homestead Exemption Fund are insufficient to pay all reimbursements to the school districts as described above, S.C. Code Section 11-11-156 provides that the difference is to be paid from the

State's general fund. Enforcement of this provision is not self-executing, and will in each applicable year be subject to the appropriation of the necessary amounts by the General Assembly.

Limitation on Millage Increases

Beginning in 2007, S.C. Code Section 6-1-320 imposes a limitation on increases in millage levied for operational purposes by all political subdivisions in South Carolina. State law provides that annual millage levies may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the political subdivision. There may be added to the operating millage increase any such increase permitted under clauses (a) or (b) of the prior sentence, that was allowed but not previously imposed, for the three property tax years preceding the year to which the current limit applies. This limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;
- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by 10% or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or
- (5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government.

Local Option Sales Tax for Additional Tax Relief

S.C. Code Section 4-10-730 authorizes the imposition within any county, subject to approval by referendum, of a local sales tax to provide additional property tax relief. The local sales tax may only be imposed to the extent necessary to provide a 100% credit to all classes of taxable property against (a) county operating taxes, (b) school operating taxes, or (c) both, as set forth on the referendum ballot. The rate of such local sales tax may not exceed 1%. Charleston County has not implemented the provisions of S.C. Code Section 4-10-730 as of this date.

Reassessment Valuations Limited

Since 2007, S.C. Code Section 12-37-3140 has provided that the growth in valuation of real property attributable to reassessment may not exceed 15% for each five-year reassessment cycle. Growth in valuation resulting from improvements to real property are exempt from this restriction. Except for property classified as "all other real property" subject to the 6.0% assessment ratio, upon the sale of any parcel of real property or other "assessable transfer of interest," including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value.

Exemptions and Limitations for Certain Industries

Pursuant to various economic development incentives enacted by the State Legislature, the assessment ratio for certain manufacturing facilities and other facilities can be reduced to 6% (and, in some instances, as low as 3%) under fee-in-lieu of tax transactions and multi-county industrial parks by action of the County Council. These incentives can remain in effect up to 45 years in certain instances. In addition to lowering the assessment ratio, this legislation permits the negotiation of a fixed or periodically adjusted millage rate by the industry and County Council, which can differ from the millage rate imposed upon taxable property located within Charleston County. In addition, the County can rebate a portion of the fee-in-lieu of tax payment to the industry.

The South Carolina Constitution exempts from ad valorem taxation (except school and municipal taxes) all new manufacturing establishments for five years from the time of establishment and all additions to existing manufacturing establishments for five years from the time each such addition is made if the cost of such addition is \$50,000 or more. The exemptions authorised by the South Carolina Constitution for manufacturing establishments do not include exemptions from school taxes or municipal taxes.

Assessed Value of Taxable Properties in Charleston County

The following table shows the assessed values of real and personal property and the estimated market value of taxable property in Charleston County for the fiscal years indicated:

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
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%
2022	4,484,140,748	400,133,870	259,781,746	5,144,056,364	207.3	96,642,738,084	5.32%
2023	4,769,813,454	429,985,249	309,862,863	5,509,661,566	213.6	103,249,479,283	5.34%

Source: Charleston County Auditor.

The following table shows the assessed values of real and personal property and the estimated market value of taxable property in the Awendaw McClellanville Consolidated Fire Protection District for the fiscal years indicated:

Fiscal Year Ended June 30	Real Property	Personal Property	Vehicles	Total Taxable Assessed Value
2015	\$53,326,911	\$3,729,860	\$3,788,880	\$60,845,651
2016	53,331,662	5,178,580	4,045,080	62,555,322
2017	53,879,423	5,466,930	4,376,150	63,722,503
2018	54,785,878	5,699,990	4,937,340	65,423,208
2019	54,131,024	6,555,630	4,737,410	65,424,064
2020	54,755,590	6,456,740	4,798,660	66,010,990
2021	60,806,500	7,269,680	4,985,387	73,061,567
2022	63,404,720	6,904,490	4,280,209	74,589,419
2023	67,369,790	7,064,780	5,575,055	80,009,625
2024	72,447,630	7,733,430	6,443,778	86,624,838

Source: Charleston County Auditor.

The following table sets forth the assessed values and approximate market values, by tax class categories, for all taxable property in Charleston County for tax year 2024.

<u>Class of Property</u>	<u>Assessed Value</u>	<u>Approximate Market Value</u>
Real Property and Mobile Homes-County Assessor	\$5,015,009,132	\$100,227,503,596
Motor Vehicles-County Auditor by DOR Manual	337,068,244	4,945,682,155
Public Utilities	151,222,830	1,440,217,429
Manufacturing Property-DOR Full Levy	8,365,584	79,672,229
Water Craft-County Auditor	73,627,400	729,742,476
Business Personal-County Auditor	31,612,620	316,846,990
Business Personal-DOR	89,865,090	855,858,000
Railroads	6,259,580	65,890,316
Aircraft	24,194,580	230,424,571
Rental Residential	3,600,610	34,291,524
Multi-county Park Personal Property	<u>80,637,260</u>	<u>104,649,158</u>
TOTALS	<u>\$5,821,462,930</u>	<u>\$109,030,778,444</u>

Source: Charleston County Auditor.

Method by Which Tax Levy is Made

South Carolina taxing entities (including counties, school districts, cities and towns, and special tax districts) levy property taxes as a single tax bill which each taxpayer must pay in full. In Charleston County, the Charleston County Treasurer collects all current taxes and the County Administrator is responsible for delinquent tax collections.

Notices are mailed in October of each year or as soon as practicable thereafter. All taxes may be paid without penalty through January 15. A 3% penalty is added on January 16. An additional 7% penalty is added on February 1. On March 16, another additional penalty of 5% is added on and delinquent taxes are forwarded at this time to the Charleston County Delinquent Tax Collector for collection.

Property Tax Collection Record

The following table shows the total amount of property taxes levied for operational and debt service purposes for the County for each of the years shown:

Fiscal Year Ended June 30	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
2015	\$ 97,657,553	\$ 93,450,651	95.7%	\$ 2,936,832	\$ 96,387,483	98.7%
2016	119,272,881	114,645,679	96.1	2,993,020	117,638,699	98.6
2017	123,685,619	118,881,801	96.1	2,077,005	120,958,806	97.8
2018	126,556,746	121,593,745	96.1	2,263,319	123,857,064	97.9
2019	132,765,335	127,346,650	95.9	3,534,210	130,880,860	98.6
2020	139,385,253	134,082,254	96.2	1,562,459	135,644,713	97.3
2021	151,469,267	145,701,296	96.2	3,982,119	149,683,415	98.8
2022	146,421,167	141,830,300	96.9	2,202,382	144,032,682	98.4
2023	135,488,964	130,626,458	96.4	3,306,882	133,933,340	98.9
2024	144,350,552	139,768,101	96.8	2,064,181	141,832,882	98.3

Source: Charleston County Treasurer's Office.

The following table shows the total amount of property taxes levied for operational and debt service purposes for the Awendaw McClellanville Consolidated Fire Protection District for each of the years shown:

Fiscal Year Ended <u>June 30</u>	Adjusted Tax Levy for Fiscal <u>Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent <u>Years</u>	Total Collections to Date	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2015	\$2,318,777	\$2,128,705	91.8%	\$183,988	\$2,312,692	99.7%
2016	2,383,793	2,223,277	93.3	160,515	2,383,792	100.0
2017	2,423,047	2,251,645	92.9	146,314	2,397,959	99.0
2018	2,424,933	2,225,857	91.8	164,614	2,390,472	98.6
2019	2,380,271	2,201,653	92.5	144,919	2,346,572	98.6
2020	2,500,183	2,306,254	92.2	159,879	2,466,133	98.6
2021	2,552,159	2,395,849	93.9	134,218	2,530,067	99.1
2022	2,647,922	2,493,498	94.2	137,909	2,631,407	99.4
2023	2,799,681	2,618,351	93.5	164,896	2,783,247	99.4
2024	3,343,039	3,097,745	92.7	125,443	3,223,188	96.4

Source: Charleston County Treasurer's Office.

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Tax Levy

The following table shows total tax millage for the County and overlapping governments in Charleston County for the tax years shown:

<u>County Direct Rates</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>	<u>2022</u>	<u>2023</u>
Charleston County Operating	40.7	44.7	44.7	44.7	44.7	44.7	41.2	41.2	41.2	41.7
Charleston County Debt Service	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	5.8
Park and Recreation Commission Operating	4.1	4.3	4.3	4.3	4.3	4.3	4.0	4.0	4.0	4.0
Park and Recreation Commission Debt Service	1.3	1.3	1.8	1.8	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	1.8	1.8	1.8	1.8
Trident Technical College Debt Service	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.7	0.7	0.5
County School Board Operating	100.5	100.7	116.3	119.2	123.2	126.7	118.6	123.7	130.0	138.3
County School Board Debt Service	<u>26.0</u>	<u>26.0</u>	<u>20.0</u>	<u>26.0</u>	<u>28.0</u>	<u>28.0</u>	<u>28.0</u>	<u>28.0</u>	<u>28.0</u>	<u>26.0</u>
Total Direct Rate	181.6	186.0	196.1	205.0	211.0	214.5	202.2	207.3	213.6	219.9
Fire District Rates:	4.6-57.1	4.1-61.6	4.6-63.1	4.7-67.1	4.8-64.9	4.3-64.9	4.0-61.8	3.8-61.8	3.8-61.8	3.1-64.7
City/Town Rates:	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	17.9-105.8	17.9-65.8
Public Service District Rates	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	60.0-101.9	62.0-101.9

Source: Charleston County Auditor.

Local Option Sales Tax

At the general election held on November 6, 1990, each county in the State voted on an initiative to levy an additional 1% to the State sales tax, which additional 1% would be used by counties and municipalities located in counties which approved imposition of the Local Option Sales Tax. Charleston County was one of six counties in the State which initially approved imposition of a Local Option Sales Tax. The additional 1% sales tax was imposed effective July 1, 1991. County Council has determined to apply all of this amount to a reduction of property taxes.

The following table provides the Local Option Sales Tax Receipts retained by Charleston County while the second table reflects the Total Distribution of Local Option Sales Tax receipts to all eligible political subdivisions located in Charleston County and net taxable sales which generate the taxes:

Local Option Sales Tax Receipts Retained by Charleston County

<u>Fiscal Year</u>	<u>Receipts</u>	<u>% Increase(Decrease) Over Prior Years</u>
2015	\$54,628,244	6.3%
2016	57,932,479	6.0
2017	60,509,008	4.4
2018	63,570,674	5.1
2019	67,064,286	5.5
2020	66,432,619	(0.9)
2021	75,614,563	13.8
2022	88,244,795	16.7
2023	94,158,393	6.7
2024	95,658,728	1.7

Source: Charleston County Treasurer.

Total Distribution to All Charleston County Entities

<u>Fiscal Year</u>	<u>Amount of Distribution</u>	<u>Net Taxable Sales</u>
2015	\$ 94,860,574	\$ 9,985,323,421
2016	101,101,304	10,642,242,500
2017	105,794,446	11,136,257,500
2018	111,062,800	11,690,821,200
2019	118,384,789	12,252,662,800
2020	115,330,850	12,142,547,500
2021	132,322,265	13,928,659,300
2022	155,095,941	16,325,742,700
2023	165,751,993	17,447,578,100
2024	168,490,568	17,735,879,300

Source: Charleston County Treasurer.

The effective County operating millage rate following application of Local Option Sales Tax Receipts to County millage for homeowners whose property is assessed at 4% as well as those properties assessed at 6% and 10.5% is shown in the following table:

Fiscal Year Ended <u>June 30</u>	Actual Operating <u>Millage Levied</u>	Effective Operating Millage after Local Option Sales Tax Credit (4%) Applied <u>To Ad Valorem Tax</u>	Effective Operating Millage after Local Option Sales Tax Credit (6%) Applied <u>to Ad Valorem Tax</u>	Effective Operating Millage after Local Option Sales Tax Credit (10.5%) Applied <u>to Ad Valorem Tax</u>
2015	40.7	19.0	26.2	32.4
2016*	44.7	22.5	29.9	36.2
2017	44.7	22.0	29.5	36.0
2018	44.7	22.2	29.7	36.1
2019	44.7	22.2	29.7	36.1
2020	44.7	22.2	29.7	36.1
2021*	41.2	22.5	28.7	34.1
2022	41.2	19.5	26.7	32.9
2023	41.2	14.0	23.0	30.8
2024	41.7	14.5	23.5	31.3

Source: Charleston County Auditor.

* Reassessment

The State legislation mandating that the initiative be placed before the voters at the November 6, 1990 general election, provides that a petition signed by 15% of the qualified electors in a county may place before the voters at a subsequent election an initiative to rescind the Local Option Sales Tax.

Transportation Sales Tax

The table below sets forth the amounts of annual collections of the Transportation Sales Tax remitted to Charleston County for Fiscal Years 2011-2022:

Year Ended <u>June 30</u>	<u>Amount of Collections</u>	<u>% Increase (Decrease) Over Prior Year</u>
2014	\$ 46,683,572	9.8%
2015	49,707,278	6.5
2016	52,922,363	6.5
2017 ¹	65,362,302	23.5
2018	114,929,407	75.8
2019	121,908,968	6.1
2020	120,839,148	(0.9)
2021	138,687,177	14.8
2022	162,740,647	17.3
2023	173,566,958	6.7

¹ 2nd Transportation Sales Tax began May 1, 2017. See "Revenue Sources – Transportation Sales Tax" under this heading for additional information about the first and second Transportation Sales Taxes imposed by the County.

Largest Taxpayers

The ten largest property taxpayers in Charleston County and the June 30, 2023 fiscal year assessed value for the taxable property of each located within Charleston County are as follows:

<u>Taxpayer</u>	<u>Business</u>	<u>Estimated Assessed Value</u>
Dominion Energy	Public Utility	\$89,350,880
The Boeing Company	Aircraft manufacturing	61,605,223
Charleston Place Propco LLC	Hotel	15,133,520
Westrock Charleston Kraft	Manufacturing/Chemical	14,625,230
Mercedes Benz Vans LLC	Automobile manufacturing	14,188,275
Trident Medical Center LLC	Medical Center	12,831,530
Mid-America Apartments LP	Apartment	10,001,680
Kiawah Real Estate Co.	Real estate holding	9,774,600
Berkeley Electric Co-Op	Public Utility	8,198,860
Jasper Development Co.	Real Estate	7,414,040

Source: Charleston County Auditor.

Retirement Plan

All full-time County employees except public safety department employees are under the South Carolina Governmental Employees' Retirement System ("SCRS") established by the State for county government employees. Public safety department employees are covered by the South Carolina Police Officers' Retirement System ("PORS"), also a defined benefit plan. These plans are funded on a matching basis, using an actuarial method, by the employees and the County.

The County is required to make contributions on behalf of its employees into the pension system. The County's expenses are funded on an actuarial basis determined by the State, and the County is assessed on an annual basis for its share of the State retirement system's pension costs. The County's local pension contributions have risen substantially since Fiscal Year 2000. This has resulted in substantial increases in the County's pension costs as shown in the table below. The table below sets forth the County's actual pension contributions for the Fiscal Years 2019-2023.

Retirement Plan Costs

<u>Pension System</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
S.C. Governmental Employee's Retirement System (SCRS)	\$12,873,498	\$14,347,977	\$14,813,991	\$16,423,414	\$18,155,360
S.C. Police Officer's Retirement System (PORS)	<u>7,142,553</u>	<u>7,576,886</u>	<u>7,302,049</u>	<u>7,451,555</u>	<u>8,157,195</u>
Total Pension Payments	\$20,016,051	\$21,924,863	\$22,116,040	\$23,874,969	\$26,312,555
Credit from the State	\$ 1,149,949	\$ 1,149,949	\$ 1,149,949	\$ 1,149,949	\$ 1,149,979

For the 2024 fiscal year employees (other than police officers) contribute 9.0% of their salary. Police officers contribute 9.75% of salary. The County's current share is 20.84% on police officers' salaries and 18.41% on all other employees. Police officers are eligible for retirement at age 55 or after 25 years of service. All other employees are eligible for retirement at age 65 or after 28 years of service for Class Two members. Class Three members are eligible for retirement after 30 years of service and age of 65. Class Two vesting rights are after five years of service and Class Three vesting rights are after 8 years of service. See Note I.V.H to the Notes to Financial Statements in APPENDIX A hereto for more information regarding the County's employee benefits plans.

Legislation by the State General Assembly increased the employer contribution rate by 2% in Fiscal Year 2018. The legislation provided that employer rates increased annually by 1% through Fiscal Year 2023. This increase was deferred one year during Fiscal Year 2021 due to the COVID-19 pandemic. This legislation also increased and capped the employee contribution rate at 9.75% for police officers and 9.0% for other employees.

Other Post Employment Benefits

The County provides certain other post-employment benefits ("OPEB") as part of the total compensation offered to attract and retain qualified employees. Employees hired before July 1, 2008, who meet certain eligibility requirements (including the last five years of employment must be served consecutively and as a full-time regular employee) can continue receiving their health, life and dental benefits with the County. The County will pay 50 percent of the retirees' and dependents' health insurance premiums. Employees hired after June 30, 2008 can receive a 25 percent benefit after 15 years of service and a 50 percent benefit after 25 years of service. For employees who start work with the County January 1, 2009 and later, the surviving spouse benefit is reduced to one year. Effective July 1, 2016, the County modified its OPEB policy to discontinue the subsidy for retiree health insurance for new hires.

The County currently funds its OPEB plan on a pay-as-you-go basis as calculated by Gabriel Roeder Smith & Company. The net OPEB liability recorded at June 30, 2023 and June 30, 2024, respectively, was \$52,857,308 and \$53,441,615. The County has cash funded approximately 104% of the total OPEB liability at June 30, 2024.

The tables below set forth shows the schedule of changes in the County's total OPEB liability and related ratios and schedule of OPEB contributions as of the dates shown.

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability	2022	2023	2024
Service cost	\$ 3,454,430	\$ 3,611,799	\$ 1,949,642
Interest on the total OPEB liability	1,986,452	1,741,796	1,937,526
Changes of benefit term	-0-	-0-	-0-
Difference between expected and actual experience of the total OPEB liability	101,721	(27,186,515)	377,827
Changes of assumptions	6,890,675	(12,664,820)	(1,031,381)
Benefit payments	(2,631,072)	(3,115,155)	(2,649,307)
Net change in total OPEB liability	9,802,206	(37,612,895)	584,307
Total OPEB liability – beginning	80,667,997	90,470,203	52,857,308
Total OPEB liability – ending	\$90,470,203	\$52,857,308	\$53,441,615
Covered payroll	\$127,701,079	\$129,219,069	\$132,791,686
Total OPEB liability as a percentage of covered payroll	70.85%	40.91%	40.24%

SCHEDULE OF OPEB CONTRIBUTIONS

	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2024
Actuarially Determined Contribution	\$ 2,071,710	\$ 2,452,878	\$ 2,678,774
Contributions in Relation to the Actuarially Determined Contribution	<u>2,071,710</u>	<u>2,452,878</u>	<u>2,678,774</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered Payroll	<u>\$128,181,643</u>	<u>\$127,701,079</u>	<u>\$129,219,069</u>
Contributions as a Percentage of Covered Payroll	1.62%	1.92%	2.07%

Note: The County implemented GASB #75 during the year ended June 30, 2018. Information is not available for prior years.

CHARLESTON COUNTY FIVE YEAR SUMMARY OF GENERAL FUND REVENUE AND EXPENDITURES FISCAL YEAR ENDED JUNE 30

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Local Sources	\$212,746,979	\$218,762,914	\$232,915,443	\$249,321,508	\$255,819,339
State Sources	18,188,879	19,110,973	19,480,632	21,511,838	21,882,364
Federal Sources	<u>10,366,513</u>	<u>8,724,663</u>	<u>7,332,302</u>	<u>8,081,996</u>	<u>7,754,434</u>
TOTAL REVENUES	\$241,302,371	\$246,598,550	\$259,708,377	\$278,915,342	\$285,456,137
EXPENDITURES					
General Government	\$ 65,909,327	\$ 66,784,141	\$ 72,634,576	\$ 68,584,418	\$70,722,097
Public Safety	103,210,262	107,902,516	106,538,423	110,843,541	120,166,388
Judicial	21,079,214	22,073,376	22,106,614	23,622,751	25,350,066
Public Works	11,264,809	11,412,611	11,429,303	12,362,175	13,526,377
Health & Welfare	3,614,108	4,626,460	3,804,455	5,047,620	5,445,729
Culture & Recreation	17,437,126	24,288,754	24,579,038	25,947,504	31,510,793
Debt Service	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>417,125</u>	<u>914,059</u>
TOTAL EXPENDITURES	\$222,514,846	\$237,087,858	\$241,092,409	\$246,825,134	\$267,635,509
EXCESS REVENUES OVER EXPENDITURES	18,787,525	9,510,692	18,615,968	32,090,208	17,820,628
OTHER FINANCING SOURCES (USES):					
Sale of Fixed Assets	-0-	-0-	-0-	1,117,546	1,707,092
Transfers In/(Out)	(5,486,967)	(6,726,997)	(7,237,327)	(9,350,467)	(17,778,676)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,486,967)</u>	<u>(6,726,997)</u>	<u>(7,237,327)</u>	<u>(8,232,921)</u>	<u>(16,071,584)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,300,558	2,783,695	11,378,641	23,857,287	1,749,044
FUND BALANCE – July 1 of Fiscal Year	83,119,146	96,419,704	99,203,376	110,582,017	134,439,304
PRIOR YEAR ADJUSTMENT/ROUNDING	-0-	(23)	-0-	-0-	-0-
FUND BALANCE - June 30 of Fiscal Year	<u>\$ 96,419,704</u>	<u>\$ 99,203,376</u>	<u>\$110,582,017</u>	<u>\$134,439,304</u>	<u>\$136,188,348</u>

Source: Charleston County Annual Report.

Fiscal Year 2024 Results and Fiscal Year 2025 Budget Commentary

As of the date of this Official Statement, General Fund revenues for Fiscal Year 2024 were estimated at \$2.0 million over budget due to higher interest income. In addition, General Fund expenditures were estimated at \$16.0 million under budget with \$5.0 million of this amount carried over to Fiscal Year 2025 for the completion of ongoing projects and encumbrances. As a result, the County anticipates Fiscal Year 2024 to end with \$120.1 million in fund balance. The completion of Fiscal Year 2024 is in progress and final results are anticipated to be similar to projections.

The Fiscal Year 2025 General Fund total budgeted revenues equal \$324.8 million. The Fiscal Year 2025 General Fund disbursement budget totals \$341.3 million and uses \$16.5 million of fund balance for pay-as-you-go capital items. The Fiscal Year 2025 budget reflects additional funding for rising compensation and benefits costs.

DEBT STRUCTURE

Outstanding General Obligation Debt

As of June 30, 2024, the County had general obligation bonds outstanding as follows:

<u>Series</u>	<u>Date of Issue</u>	<u>Original Issue Amount</u>	<u>Outstanding Bond Principal</u>
Series 2013A Bonds	May 21, 2013	\$ 28,940,000	\$ 6,050,000
Series 2015A Bonds	November 3, 2015	18,795,000	12,970,000
Series 2015B Bonds	November 3, 2015	2,080,000	705,000
Series 2015C Bonds	November 3, 2015	56,680,000	41,750,000
Series 2017A Bonds	November 30, 2017	103,205,000	84,070,000
Series 2017B Bonds	November 30, 2017	16,440,000	13,635,000
Series 2019A Bonds	October 30, 2019	25,060,000	19,930,000
Series 2019B Bonds	October 30, 2019	111,475,000	86,925,000
Series 2021B Bonds	October 28, 2021	45,560,000	38,725,000
Series 2022 Bonds	August 9, 2022	<u>1,200,000</u>	<u>847,000</u>
TOTALS		<u>\$409,435,000</u>	<u>\$305,607,000</u>

As of June 30, 2024, the County had general obligation bonds additionally secured by a pledge of net revenues derived from the Transportation Sales Tax outstanding as follows:

<u>Series</u>	<u>Date of Issue</u>	<u>Original Issue Amount</u>	<u>Outstanding Bond Principal</u>
Series 2012 Bonds	March 22, 2012	\$ 32,095,000	\$ 3,980,000
Series 2013 Bonds	May 21, 2013	70,135,000	27,550,000
Series 2015D Bonds	November 3, 2015	46,250,000	31,510,000
Series 2017C Bonds	November 30, 2017	97,600,000	77,615,000
Series 2021A Bonds	October 28, 2021	<u>200,000,000</u>	<u>165,000,000</u>
TOTALS		<u>\$446,080,000</u>	<u>\$305,565,000</u>

Outstanding Special Source Revenue Bonds

On December 11, 2013, the County issued Special Source Revenue Bonds with a par value of \$86,405,000 (the “2013 SSRBs”). The 2013 SSRBs were issued for the purpose of defraying the cost of infrastructure improvement to streets and highways. The 2013 SSRBs are limited obligations of the County payable solely from the revenues derived by the County from certain fee-in-lieu of taxes received and retained by the County from property located in the County’s multi-county park. The County Council has agreed to make up any shortfall in fee-in-lieu of tax revenues from the County’s general fund, subject to annual non-appropriation by the County Council. As of June 30, 2024, the principal amount of the 2013 SSRBs remaining outstanding was \$-0-. On November 18, 2021, County Council refunded the 2013 SSRBs for debt service savings by the issuance of Special Source Revenue Bonds in the original principal amount of \$73,454,000 (the “2021 SSRBs”). As of June 30, 2024, the principal amount of the 2021 SSRBs was \$71,320,000.

On November 29, 2017, the County issued Special Source Revenue Bonds with a par value of \$35,815,000 (the “2017 SSRBs”). The 2017 SSRBs were issued for the purpose of defraying the costs of acquiring, constructing and installing a portion of the manufacturing facility of Mercedes-Benz Vans, LLC in the County and to pay capitalized interest on the Series 2017 Bonds through December 1, 2019. The 2017 SSRBs are limited obligations of the County payable solely from the revenues derived by the County from certain fee-in-lieu of taxes received and retained by the County from property located in the County’s multi-county park. The County Council has agreed to make up any shortfall in fee-in-lieu of tax revenues from the County’s general fund, subject to annual non-appropriation by the County Council. As of June 30, 2024, the principal amount of the 2017 SSRBs remaining outstanding was in the amount of \$25,690,000.

The 2021 SSRBs are secured on a parity with the security for the 2013 SSRBs.

The following table, based on the Fiscal Years, shows the annual debt service requirements on the County’s outstanding special source revenue bonds.

Fiscal Year	Principal	Interest	Total
2025	\$ 6,495,000	\$ 2,281,796	\$ 8,776,796
2026	6,385,000	2,176,099	8,561,099
2027	6,080,000	2,063,748	8,143,748
2028	5,780,000	1,952,409	7,732,409
2029	5,815,000	1,836,022	7,651,022
2030	5,955,000	1,707,053	7,662,053
2031	6,090,000	1,568,136	7,658,136
2032	6,230,000	1,421,578	7,651,578
2033	6,355,000	1,266,893	7,621,893
2034	6,520,000	1,101,515	7,621,515
2035	6,680,000	924,321	7,604,321
2036	6,865,000	736,029	7,601,029
2037	7,050,000	537,286	7,587,286
2038	7,250,000	328,956	7,578,956
2039	<u>7,460,000</u>	<u>111,324</u>	<u>7,571,324</u>
	<u>\$97,010,000</u>	<u>\$20,013,165</u>	<u>\$117,023,165</u>

Outstanding Lease Purchase Obligations

As of June 30, 2023 the County had an aggregate of \$7,550,413 of equipment lease purchase obligations which mature by June 30, 2038. The County's obligation to make lease purchase payments is subject to annual appropriation by County Council. These lease purchase agreements do not count against the County's 8% constitutional debt limit. See Note I to Financial Statements included in Appendix A hereto for additional information regarding the County's outstanding lease purchase obligations.

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 new Arthur Ravenel, Jr. Bridge over the Cooper River. The County agreed to pay \$3,000,000 per year for 25 years. The County uses revenues derived from the Transportation Sales Tax to make this payment. The County has recorded the obligation on its records at a net present value using the discount rate of 5.73%. The maturity date for this obligation is in 2028. The balance due at June 30, 2024, is \$12,000,000 which includes principal and interest. See Note I to Financial Statements included in Appendix A hereto for additional information regarding the intergovernmental note payable.

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Debt Service for General Obligation Bonds

The following table, based on a Fiscal Year, shows the annual debt service requirements on the County's outstanding general obligation debt as well as on the Bonds offered hereby.

Fiscal Year	Series 2024A Bonds			Series 2024B Bonds ¹			Transportation Sales Tax General Obligation Bonds	General Obligation Bonds ¹	Total
	Principal	Interest	Total	Principal	Interest	Total			
2025	\$ -0-	\$ 2,101,171	\$ 2,101,171	\$ -0-	\$ 95,386	\$ 95,386	\$ 47,087,088	\$ 33,523,274	\$ 82,806,919
2026	16,630,000	3,931,500	20,561,500	465,000	185,725	650,725	48,188,575	33,568,730	102,969,530
2027	2,390,000	3,456,000	5,846,000	180,000	169,600	349,600	49,257,694	34,105,368	89,558,662
2028	2,510,000	3,333,500	5,843,500	190,000	160,350	350,350	32,740,350	34,654,114	73,588,314
2029	2,640,000	3,204,750	5,844,750	200,000	150,600	350,600	28,256,175	27,375,700	61,827,225
2030	2,775,000	3,069,375	5,844,375	210,000	140,350	350,350	27,138,050	22,596,477	55,929,252
2031	2,915,000	2,927,125	5,842,125	220,000	129,600	349,600	12,943,525	22,753,135	41,888,385
2032	3,065,000	2,777,625	5,842,625	230,000	118,350	348,350	12,939,275	22,900,605	42,030,855
2033	3,225,000	2,620,375	5,845,375	245,000	106,475	351,475	12,939,700	20,966,793	40,103,343
2034	3,390,000	2,455,000	5,845,000	255,000	93,975	348,975	12,940,575	21,130,520	40,265,070
2035	3,565,000	2,281,125	5,846,125	270,000	80,850	350,850	12,939,625	21,218,176	40,354,776
2036	3,745,000	2,098,375	5,843,375	280,000	67,100	347,100	12,943,300	21,386,081	40,519,856
2037	3,940,000	1,906,250	5,846,250	295,000	52,725	347,725	12,939,350	20,262,280	39,395,605
2038	4,140,000	1,704,250	5,844,250	310,000	37,600	347,600	12,940,600	20,444,004	39,576,454
2039	4,355,000	1,491,875	5,846,875	325,000	21,725	346,725	12,941,900	11,357,545	30,493,045
2040	4,575,000	1,268,625	5,843,625	340,000	6,800	346,800	12,943,150	11,336,558	30,470,133
2041	4,810,000	1,034,000	5,844,000	-0-	-0-	-0-	-0-	2,725,450	8,569,450
2042	5,055,000	787,375	5,842,375	-0-	-0-	-0-	-0-	2,727,000	8,569,375
2043	5,290,000	555,200	5,845,200	-0-	-0-	-0-	-0-	-0-	5,845,200
2044	5,505,000	339,300	5,844,300	-0-	-0-	-0-	-0-	-0-	5,844,300
2045	5,730,000	114,600	5,844,600	-0-	-0-	-0-	-0-	-0-	5,844,600
Totals	\$90,250,000	\$43,457,396	\$133,707,396	\$4,015,000	\$1,617,211	\$5,632,211	\$362,078,932	\$385,031,810	\$886,450,349

¹ Debt service on the Series 2024B Bonds and on \$1,552,000 of previously issued general obligation bonds are additionally secured by a pledge of a special fire tax millage in the Awendaw Fire District.

No Variable Rate Debt or Derivative Contracts

The County currently has no variable rate debt outstanding, and is not a party to any derivative contracts such as interest rate swaps.

Overlapping Debt

Contained within Charleston County are the Charleston County School District and numerous municipalities and special purpose districts providing public services, a number of which have issued general obligation bonds. Direct debt constitutes debt directly issued by the County while overlapping debt constitutes that portion of debt issued by different public entities within Charleston County. The County is not responsible for the overlapping debt of other local agencies.

The following table shows each political subdivision which lies within Charleston County and which has long-term general obligation debt (excluding tax anticipation notes) outstanding and the total outstanding general obligation debt as of June 30, 2023, of each such political subdivision.

<u>Issuer</u>	<u>Outstanding General Obligation Debt</u>
Charleston County School District	\$235,630,000
City of Charleston ⁽¹⁾	59,935,629
Town of Mt Pleasant	100,503,000
City of North Charleston	27,410,275
Charleston County Park & Recreation Commission	45,113,863
City of Isle of Palms	9,191,000
St John's Fire Department	19,479,807
St. Paul's Fire Department	5,763,690
City of Folly Beach	2,060,000
James Island Public Service District	7,240,838

⁽¹⁾ At December 31, 2022.

Overlapping Debt Limits

Under the applicable debt limitation provisions of Article X of the South Carolina Constitution, each school district, incorporated municipality, and special purpose district has the power, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, (a) to incur general obligation debt, authorised by a majority vote of the qualified electors thereof voting in a referendum, without limitations as to amount, and (b) to incur, without an election, general obligation debt (in addition to bonded indebtedness authorised by referendum) in an amount not exceeding 8% of the assessed value of all taxable property therein.

Article X of the South Carolina Constitution also authorises all school districts, incorporated municipalities, and special purpose districts to incur general obligation debt in anticipation of the collection of ad valorem taxes (tax anticipation notes) in amounts which do not count against the 8% constitutional debt limit described above.

Additional General Obligation Indebtedness Now Permitted

The County Bond Act empowers the governing body of any county to issue general obligation bonds of that county in any amount not exceeding the constitutional debt limit applicable to the county upon compliance with certain conditions.

The County Council is permitted under the applicable debt limitation provisions of Article X of the South Carolina Constitution to incur general obligation debt of the County as follows:

(a) If the general obligation debt is authorised by a majority vote of the qualified electors of the County in a referendum, general obligation debt may be incurred without any limitation as to amount (other than the amount specified in the referendum).

(b) General obligation debt also may be incurred by counties for sewage disposal or treatment, fire protection, street lighting, garbage collection and disposal, water service, or any other service or facility benefiting only a particular geographical section of such county, without an election and without limitation as to amount, provided a special assessment, tax or service charge in an amount sufficient to provide debt service on the bonds issued for such purposes shall be imposed upon the area or persons receiving the benefit therefrom.

(c) General obligation debt may also be incurred in an amount not exceeding 8% of the assessed value of all taxable property of the county.

Article X of the South Carolina Constitution also authorises all counties to incur general obligation debt in anticipation of the collection of ad valorem taxes (tax anticipation notes) in amounts not subject to the 8% constitutional debt limit described in paragraph (c) above.

At June 30, 2024, of the County's outstanding \$611,262,000 general obligation indebtedness, \$385,035,000 was approved by voters in previous referendums (as described in paragraph (a) above). General obligation indebtedness in the amount of \$1,552,000 is payable from a special tax as describe in paragraph (b) above. Consequently, \$224,675,000 of the County's outstanding general obligation indebtedness counts against the County's 8% constitutional debt limit.

Based on the Fiscal Year 2024 estimated assessed value of \$5,821,462,930, the County's 8% constitutional debt limit is \$465,717,034. The Series 2024B Bonds (in the amount of \$4,015,000) are issued in accordance with paragraph (b) above and therefore do not count against the County's 8% constitutional debt limit. Upon issuance of the Bonds offered hereby, the County will be permitted to incur under the constitutional debt limit additional general obligation debt in the total amount of \$150,000,000. See "-Anticipated Capital Needs" herein for the anticipated issuance of additional general obligation debt by the County.

Additional Lease-Purchase and Annual Appropriation Indebtedness

South Carolina law permits county governments to finance the acquisition and construction of capital assets by means of lease-purchase financing. Lease-purchase financing of personal property, such as vehicles and equipment, does not count against the 8% constitutional debt limit described in "- Additional General Obligation Indebtedness Now Permitted" herein. In most instances, lease-purchase financing of real property acquisition or improvements will, however, count against a similar statutory 8% debt limit.

County governments are permitted under State law to use annual appropriation instalment purchase financing to acquire and construct real property improvements. This form of financing generally will not count against either the constitutional or statutory 8% debt limit.

The County has no plans at this time to incur lease-purchase or annual appropriation indebtedness to finance capital projects as described above.

County's Authority to Issue Other Revenue Bonds

The South Carolina Constitution grants authority to county governments to incur indebtedness payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax or license on such terms and conditions as are prescribed by general law. Revenue bond indebtedness issued in compliance with this provision of the State Constitution does not count against the 8% constitutional debt limit described in "- Additional General Obligation Indebtedness Now Permitted" herein.

Pursuant to this authorisation, State law permits county governments to issue revenue bonds payable from user fees or charges, such as for utility systems, solid waste disposal facilities and systems, parking facilities and systems, healthcare facilities, and similar revenue-generating projects. South Carolina law also permits county governments to finance public infrastructure by means of tax increment financing and special assessment district financing. County governments that receive fee-in-lieu of tax payments from qualifying businesses may also issue special source revenue bonds payable from those payments. As of the date of this Official Statement, the County has two issues of bonds outstanding pursuant to this authorisation. See “DEBT STRUCTURE – Outstanding Special Source Revenue Bonds” herein for a description of the 2013 SSRBs and 2017 SSRBs.

County governments are also permitted to provide conduit private activity bond financing for qualifying industrial, pollution control, and healthcare facilities. Conduit revenue bonds are payable solely by the private conduit borrower, and are not an obligation of the county government which issues the bonds. Although the County has issued conduit bonds for various qualifying projects, none of these bonds are considered debt obligations of the County for legal, balance sheet, or accounting purposes. Consequently, no information is provided in this Official Statement regarding such bonds.

Debt Payment Record

The County has not issued any refunding bonds within the last 25 years for the purpose of preventing a default in the payment of the principal of or interest on securities then outstanding, nor have securities of the County been in default as to the payment of principal or interest or in any other material respect at any time within the last 25 years. The proceeds of the sale of securities have not within the last 25 years been used for operating expenses.

Anticipated Future Capital Needs

The County anticipates a future issuance in November 2026 of approximately \$55 million in General Obligation Bonds for an Emergency Services Facility and future public safety related projects. In addition, this issuance is anticipated to include funding of \$302 million associated with the 2nd Transportation Sales Tax for transportation related projects.

LEGAL MATTERS

Litigation

There is no litigation of any nature now pending or threatened to restrain or enjoin the sale, execution, issuance, or delivery of the Bonds or in any way contesting the validity of the Bonds or any proceedings of the County taken with respect to the authorisation, sale, or issuance of the Bonds or the pledge or application of any moneys provided for the payment of or security for the Bonds. Certifications to those effects will be delivered at the time of the original delivery of the Bonds.

The County has several matters in various stages of litigation, none of which challenge the validity of the Bonds offered hereby. In the opinion of the County Attorney, none of this litigation will have a materially adverse affect upon the County’s ability to repay the Bonds offered hereby.

United States Bankruptcy Code

The undertakings of the County should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. 901, *et seq.*, as amended, and other laws affecting creditors’ rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under the Chapter operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors or each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may

be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

Legal Proceedings and Disclosure Counsel

The legal proceedings relating to the issuance of the Bonds were prepared by Howell Linkous & Nettles, LLC, attorneys and counsellors at law, Charleston, South Carolina, whose approving opinion will be furnished without charge to the purchasers of the Bonds at the time of their delivery. The forms of Bond Counsel's opinions are set forth in APPENDIX C to this Official Statement.

Howell Linkous & Nettles, LLC have also served as disclosure counsel to the County regarding the issuance of the Bonds offered hereby. On delivery of the Bonds, Howell Linkous & Nettles, LLC will deliver an opinion letter as disclosure counsel addressed to the County and the Underwriter to the effect that (1) the Continuing Disclosure Undertaking on the part of the County satisfies the requirements of Rule 15c2-12, (2) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and (3) that, subject to their limited review, nothing has come to their attention that would lead them to believe that the Official Statement contains any untrue statement of material fact or omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they made, not misleading (except that no statement will be made regarding information on DTC or financial or statistical information contained in this Official Statement or in APPENDIX A hereto).

Certain legal matters will be passed upon for the County by Natalie A. Ham, Esq., Charleston, South Carolina, Charleston County Attorney.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganisation, or other laws affecting the enforcement of creditors' rights generally.

Tax Treatment

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest on the Bonds to be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code and for purposes of South Carolina income taxation. Noncompliance with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The County has covenanted to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code and South Carolina income tax purposes (the "Covenants"). The Non-Arbitrage and Tax Certificate executed by the County with respect to the Bonds (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The County, in executing the Tax Certificate, will certify to the effect that the County expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinions described below with respect to the Bonds, Bond Counsel has relied upon the Covenants and has assumed the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate.

Certain requirements and procedures contained or referred to in the Resolution, the Tax Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Howell Linkous & Nettles, LLC.

Tax Opinions

In the opinion of Howell Linkous & Nettles, LLC, Bond Counsel to the County, under existing law, including current statutes, regulations, rulings, and judicial decisions and assuming continuing compliance by the County with the Covenants and the Tax Certificate, interest on the Bonds is excludible from gross income for federal income tax purposes under Section 103(a) of the Code, except as discussed below.

Bond Counsel is of the further opinion that interest on the Bonds is not an item of tax preference for the purposes of the alternative minimum tax imposed by the Internal Revenue Code of 1986, as amended (the "Code"); however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from all state, county, school district, municipal, and all other taxes or assessments of the State of South Carolina, except inheritance, estate, or transfer taxes. Section 12-11-20 of the South Carolina Code of Laws of 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed at the rate of $4\frac{1}{2}\%$ of the entire net income of such bank. Regulations of the South Carolina Department of Revenue and Taxation require that the term "entire net income" includes income derived from any source whatsoever including interest on obligations of any state or political subdivision thereof. Interest on the Bonds will be included in such computation.

Ownership of the Bonds may result in certain collateral federal income tax consequences to certain Bondholders.

The proposed form of the opinion letter of Bond Counsel for the Bonds is set forth in Appendix C, attached hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by re-circulation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), including non-compliance with the Covenants or other provisions of the Tax Certificate, or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon, in connection with any such actions, events, or matters.

Certain Federal Tax Consequences

The following is a discussion of certain federal income tax matters under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to particular Bondholders of the Bonds. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion letter, and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding, or disposing of the Bonds on the tax liabilities of the individual or entity.

Although Bond Counsel has rendered an opinion that, with certain assumptions, interest on the Bonds is excludible from gross income for federal and South Carolina income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction.

For example, ownership or disposition of the Bonds may result in other collateral federal, state, or local tax consequence for certain taxpayers, including, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, and increasing the federal tax liability of certain individual recipients of Social Security or Railroad Retirement benefits under Section 86 of the Code. Ownership of the Bonds may also result in the limitation of interest, and certain other deductions for financial institutions and certain other taxpayers under Section 265 of the Code. Finally, residence of the holder of the Bonds in a state other than the State of South Carolina or being subject to tax in a state other than the State of South Carolina may result in income or other tax liability being imposed by such states or their political subdivisions based on the interest or other income from the Bonds.

Changes in Federal and State Tax Law

From time to time, legislative proposals are pending in the United States Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or adversely affect the market value of the Bonds. Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. It cannot be predicted whether or in what form any of such proposals may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In all such events, the market value of the Bonds may be affected and the ability of the Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to adjustment in the event of any such change in the tax treatment of interest on the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby.

Information Reporting Requirement

Interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. In general, such information reporting requirements are satisfied if the Bondholder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or the Bondholder is one of a limited class of exempt recipients, such as corporations. Backup withholding (i.e., the requirement for the payor to deduct and withhold a tax, calculated in the manner determined under the Code, from the interest payment) may be imposed on payments made to any Bondholder who fails to provide the required information, including an accurate taxpayer identification number, to any person required to collect such information under Section 6049 of the Code. Neither the compliance with this reporting requirement nor backup withholding, in and of itself, affects or alters the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

BOND COUNSEL'S OPINION IS BASED ON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS. EACH SUCH OPINION IS FURTHER BASED ON BOND COUNSEL'S KNOWLEDGE OF FACTS AS OF THE DATE THEREOF. BOND COUNSEL ASSUMES NO DUTY TO UPDATE OR SUPPLEMENT ITS OPINION TO REFLECT ANY FACTS OR CIRCUMSTANCES THAT MAY THEREAFTER COME TO BOND COUNSEL'S ATTENTION OR TO REFLECT ANY CHANGES IN ANY LAW THAT MAY THEREAFTER OCCUR OR BECOME EFFECTIVE. MOREOVER, BOND COUNSEL'S OPINION IS NOT A GUARANTEE OF RESULT AND ARE NOT BINDING ON THE INTERNAL REVENUE SERVICE (THE "SERVICE"); RATHER, SUCH OPINION REPRESENTS BOND COUNSEL'S LEGAL JUDGMENT BASED UPON ITS REVIEW OF EXISTING LAW AND IN RELIANCE UPON THE REPRESENTATIONS AND COVENANTS REFERENCED ABOVE THAT IT DEEMS RELEVANT TO SUCH RESPECTIVE OPINIONS.

THE SERVICE HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE SERVICE WILL COMMENCE AN AUDIT OF ANY COMPONENT OF THE BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES, THE SERVICE IS LIKELY TO TREAT THE COUNTY AS THE TAXPAYER AND THE BONDHOLDERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE BONDS COULD ADVERSELY AFFECT THE VALUE OF THE BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

Original Issue Discount on Bonds

The Series 2024A Bonds maturing in the years 2043 and 2044 have been sold at initial public offering prices which are less than the amount payable at maturity (the “Discount Bonds”). The difference between the initial public offering prices to the public (excluding bond houses and brokers) at which price a substantial amount of each maturity of the Discount Bonds is sold and the amount payable at maturity constitutes original issue discount, which will be treated as interest on such Discount Bonds and to the extent properly allocable to particular owners who acquire such Discount Bonds at the initial offering thereof, will be excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Discount Bond who acquires the Discount Bond in this offering during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Discount Bond. Any gain realized by an owner from a sale, exchange, payment, or redemption of a Discount Bond will be treated as gain from the sale or exchange of such Discount Bond.

Owners who may acquire Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount or interest properly accruable with respect to such Discount Bonds, other tax consequences of owning Discount Bonds and the state and local tax consequences of owning Discount Bonds.

Original Issue Premium on Bonds

The Series 2024A Bonds maturing in the years 2025 through 2041 and the Series 2024B Bonds maturing in the years 2025 through 2039 have been sold at an initial public offering price which is greater than the amount payable at maturity (the “Premium Bonds”). An amount equal to the excess of the purchase price of the Premium Bonds over their stated redemption prices at maturity constitutes premium on such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A BONDHOLDER'S PARTICULAR SITUATION. IT IS NOT INTENDED TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO BONDHOLDERS. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE BONDS UNDER FEDERAL OR APPLICABLE STATE OR LOCAL LAWS, INCLUDING THE EFFECT OF ANY PENDING OR PROPOSED LEGISLATION, REGULATORY INITIATIVES OR LITIGATION. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

MISCELLANEOUS

Financial Statements

The Comprehensive Annual Financial Report for Charleston County for the Year Ended June 30, 2023 (the "2023 Financial Statements"), is included in this Official Statement as Appendix A. The 2023 Financial Statements have been audited by Scott and Company LLC, Certified Public Accountants, as set forth in its report dated December 20, 2023. Scott and Company LLC has consented to the inclusion of its report in Appendix A, but has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness, or fairness of the statements made in this Official Statement, and no opinion is expressed by Scott and Company LLC, with respect to any event subsequent to its report dated December 20, 2023.

With respect to evaluating the ability of the County to make timely payment of debt service on the Bonds based on information contained in the 2023 Financial Statements, no representation is made that such information contains all factors material to such an evaluation or that any specific information should be accorded any particular significance. This Official Statement should be considered in its entirety and no one factor considered more or less important than any other solely by reason of its location herein.

Underwriting

Series 2024A Bonds

The Series 2024A Bonds have been purchased at a competitive sale from the County for resale by Jefferies LLC (the "Series 2024A Underwriter"). The Series 2024A Underwriter has agreed, subject to certain conditions, to purchase the Series 2024A Bonds at a price of par plus an aggregate net premium of \$7,801,681.50. The initial public offering prices of the Series 2024A Bonds are as shown on the front page of this Official Statement and may be changed from time to time by the Series 2024A Underwriter. The Series 2024A Underwriter may also allow a concession from the public offering prices to certain dealers. The Series 2024A Underwriter has received no fee from the County for underwriting the Series 2024A Bonds. If all of the Series 2024A Bonds are sold at the public offering yields set forth on the cover page of this Official Statement, the Series 2024A Underwriter anticipates total selling compensation of \$300,618.15.

Series 2024B Bonds

The Series 2024B Bonds have been purchased at a competitive sale from the County for resale by Brownstone Investment Group, LLC (the "Series 2024B Underwriter"). The Series 2024B Underwriter has agreed, subject to certain conditions, to purchase the Series 2024B Bonds at a price of par plus an aggregate premium of \$418,293.60. The initial public offering prices of the Series 2024B Bonds are as shown on the front page of this Official Statement and may be changed from time to time by the Series 2024B Underwriter. The Series 2024B Underwriter may also allow a concession from the public offering prices to certain dealers. The Series 2024B Underwriter has received no fee from the County for underwriting the Series 2024B Bonds. If all of the Series 2024B Bonds are sold at the public offering yields set forth on the cover page of this Official Statement, the Series 2024B Underwriter anticipates total selling compensation of \$19,071.25.

Financial Advisor

First Tryon Advisors has acted as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Ratings

Application has been made to Fitch, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”), and Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc. (“S&P”), for ratings for this issue of Bonds. The Bonds have received the ratings of “AAA” from Fitch, “Aaa” from Moody’s and “AAA” from S&P. An explanation of the significance of such ratings may be obtained from the respective rating agency furnishing the same. The County has furnished the rating agencies the information contained in this Official Statement and certain publicly available materials and information about the County. Generally, the rating agencies base their ratings on such materials and information, as well as investigations, studies, and assumptions of the rating agencies. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by any of the rating agencies if, in their judgment, circumstances so warrant. Such circumstances may include, without limitation, changes in or availability of information relating to the County. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

CUSIP Numbers

At the written direction of the undersigned, a “CUSIP” identification number will be imprinted on the Bonds, but such number shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of or payment for the Bonds. In addition, failure on the part of the County to use such CUSIP number in notice to holders of the Bonds shall not constitute an event of default or similar violation of the County’s contract with such holders.

Continuing Disclosure

Rule 15c2-12. In order to assist the Underwriter of the Bonds to comply with the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule 15c2-12”), the County will enter into separate Disclosure Dissemination Agent Agreements (collectively, the “Disclosure Dissemination Agreement”) for the benefit of the Holders of each Series of Bonds with Digital Assurance Certification, L.L.C. (“DAC”), under which the County has designated DAC as Disclosure Dissemination Agent. The form of the Disclosure Dissemination Agreement is set forth in APPENDIX D – FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENTS.

Under the Disclosure Dissemination Agreement, the County has undertaken for the benefit of the Holders of the respective Series of Bonds to provide annually financial information and operating data regarding the County, which is the only “obligated person” (within the meaning of the Rule) for whom financial information or operating data is provided in this Official Statement, by not later than nine months after the end of each fiscal year, commencing with the year ending June 30, 2024 (the “Annual Report”) for the Fiscal Year 2024. The Annual Report shall include, at a minimum, the financial information and operating data which is customarily prepared by the County and is publicly available. Under the Disclosure Dissemination Agreement, the County has also undertaken for the benefit of the Holders of respective Series of Bonds, to provide notices of certain enumerated events (the “Event Notices”) as provided in the Rule within the time frame required by the Rule. The Annual Reports and Event Notices will be filed with the Municipal Securities Rulemaking Board in the manner prescribed by the Rule. See APPENDIX D to this Official Statement for a more complete description of the County’s undertaking under the Rule.

The Disclosure Dissemination Agent has only the duties specifically set forth in the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the County has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty or obligation to review or verify any information in the Annual Report (including the financial statements contained therein), any Event Notices, or any Voluntary Report (as defined therein), or any other information, disclosures or notices provided to it by the County and shall not be deemed to be acting in any fiduciary capacity for the County, the Holders of the Bonds, or any other party. The Disclosure Dissemination Agent has no responsibility for the County's failure to report to the Disclosure Dissemination Agent an Event Notice or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine nor liability for failing to determine whether the County has complied with the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the County at all times.

State Law Requirement. Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), the County has covenanted to file with a central repository for availability in the secondary bond market when requested:

An annual independent audit within thirty days of the County's receipt of the audit; and

Event specific information within thirty days of an event adversely affecting more than five percent of the revenues of the County.

The only remedy for failure by the County to comply with these covenants is an action for specific performance. Moreover, the County has specifically reserved the right to amend the covenants to reflect any change in Section 11-1-85 without the consent of any Bondholder.

Conclusion

The execution of this Official Statement and its delivery have been duly authorised by the County.

CHARLESTON COUNTY, SOUTH CAROLINA

By: /s/ Patrick M. Gile
Chief Financial Officer

APPENDIX A

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2023

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COUNTY OF CHARLESTON, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH
INDEPENDENT AUDITOR'S REPORT



PREPARED BY:

FINANCE DEPARTMENT

CARLA D. RITTER, FINANCE DIRECTOR
LAURIE HAGBERG, ASSISTANT FINANCE DIRECTOR
BARBARA FORD, CAPITAL ASSET SPECIALIST

**COUNTY OF CHARLESTON, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2023**

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For the Year Ended June 30, 2023**

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INTRODUCTORY SECTION





William L. Tuten
County Administrator

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December 20, 2023

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.

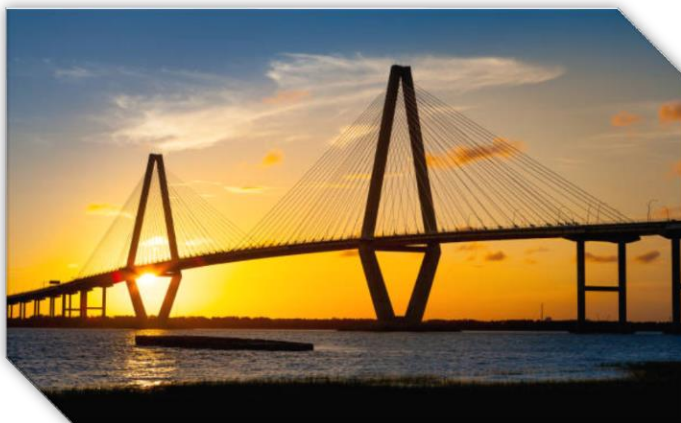
Carnival Cruise Line will end a 14-year partnership with the SC Port Authority and will no longer homeport a ship after 2024. The City of Charleston and SCPA are working with the local community to redevelop Union Pier. In the meantime, Carnival Sunshine continues to operate its year-round schedule offering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

were also made by several financial staffs throughout the County: Mack Gile, and Gail Marion from the Budget Department; Mary Tinkler and Julie Riley from the Treasurer's Office; Amber Hills from the Department of Alcohol and Other Drug Abuse Services; Jean Sullivan and Mike Turner from Community Development; Amy Taylor from the Public Works Department; Tami Fralick and Shemequa Pringle-Jackson from Revenue Collections; and Reggie Fuller and Ashley Richardson of the Economic Development Department. 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



Mack Gile
Chief Financial Officer



Carla Ritter
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Charleston
South Carolina**

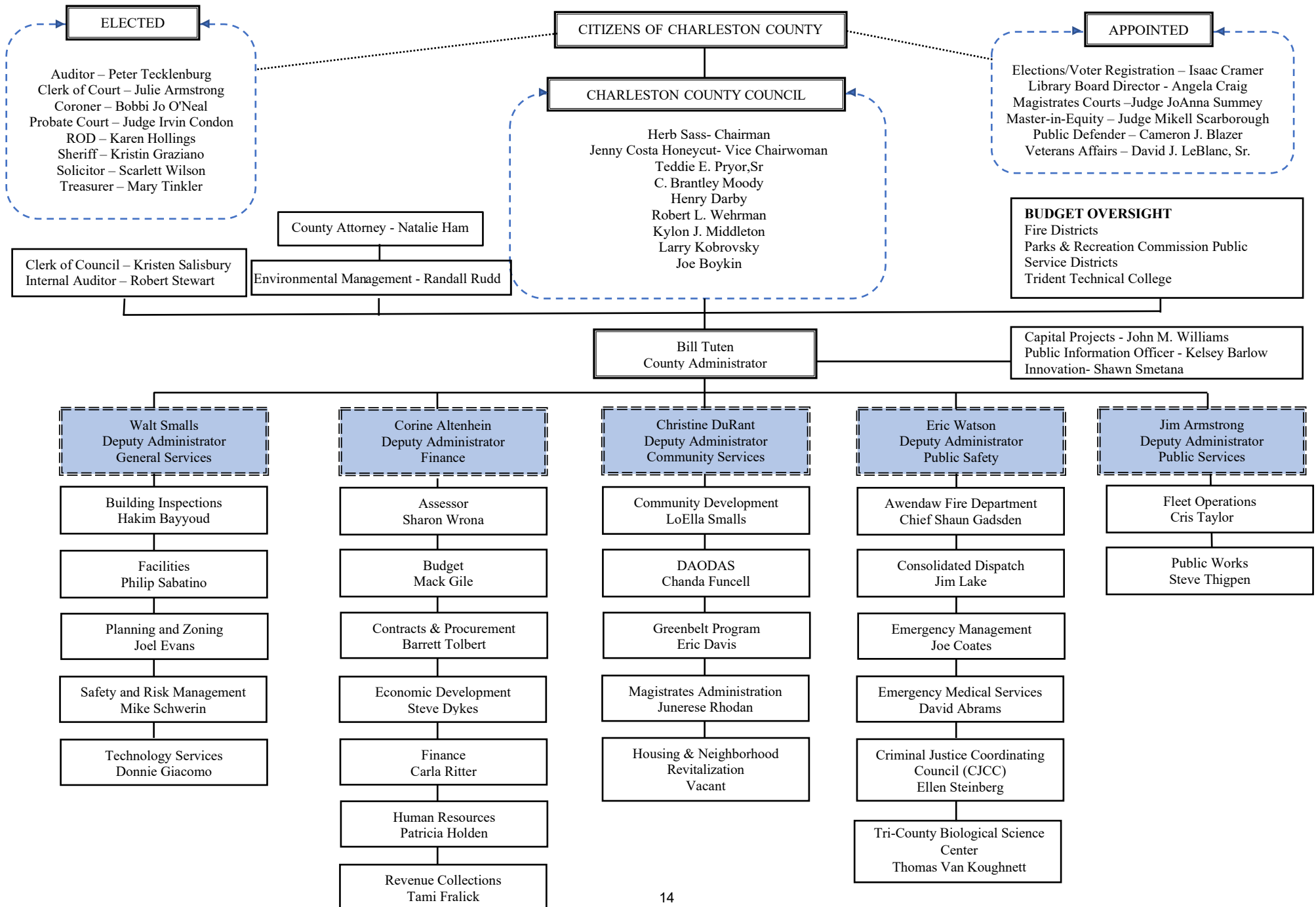
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CHARLESTON COUNTY, SOUTH CAROLINA ORGANIZATIONAL CHART



COUNTY OF CHARLESTON, SOUTH CAROLINA

PRINCIPAL OFFICIALS

As of June 30, 2023

MEMBERS OF COUNTY COUNCIL

	<u>Years in Office</u>	<u>Term Expiration Date</u>	
Herbert R. Sass, III	12 1/2	12/31/2026	Chairman, District 1
Jenny Costa Honeycutt	3 1/2	12/31/2026	Vice Chairperson, District 9
Larry Kobrovsky	1/2	12/31/2026	District 2
Robert L. Wehrman	2 1/2	12/31/2024	District 3
Henry E. Darby	18 1/2	12/31/2024	District 4
Teddie E. Pryor, Sr.	18 1/2	12/31/2026	District 5
Kylon Jerome Middleton	2 1/2	12/31/2024	District 6
C. Brantley Moody	6 1/2	12/31/2024	District 7
Joe Boykin	1/2	12/31/2026	District 8

ELECTED OFFICIALS

Peter Tecklenburg	10	6/30/2025	Auditor
Julie J. Armstrong	31 1/2	12/31/2024	Clerk of Court
Bobbi Jo O'Neal	2 1/2	12/31/2024	Coroner
Irvin G. Condon	28 1/2	12/31/2026	Probate Court
Karen Hollings	1/2	12/31/2026	Register of Deeds
Kristin Graziano	2 1/2	12/31/2024	Sheriff
Scarlett A. Wilson	16	12/31/2024	Solicitor
Mary Tinkler	6	6/30/2025	Treasurer

OTHER OFFICIALS

	<u>Years with County</u>	<u>Years in Current Position</u>	
William L. Tuten	8	3 1/2 yrs	County Administrator
Walter L. Smalls	24	17 yrs	Deputy Administrator General Services
Jim Armstrong	35	9 yrs	Deputy Administrator Public Services
Christine DuRant	33 1/2	9 yrs	Deputy Administrator Community Services
Corine Altenhein	33	8 yrs	Deputy Administrator Finance
Carla Ritter	22	8 yrs	Finance Director

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FINANCIAL SECTION



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Independent Auditor's Report

To the Charleston County Council
County of Charleston, South Carolina

Report on the Audit of the Financial Statements

Opinions

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, 2023, 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, 2023, as listed in the table of contents.

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, 2023, 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, 2023, 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.

We did not audit the financial statements of the aggregate presented component units, which represent 100 percent, of all the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for aggregate discretely presented component units of Charleston County, South Carolina, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the County's Total OPEB Liability and Related Ratios, Budgetary Comparison Schedule – General Fund, Notes to Budgetary Comparison Schedule, Schedule of the County's Contributions – Pension, and Schedule of the County's Proportionate Share of the Net Pension Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 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 victim notification schedule of fines, assessments, and surcharges collected as well as the schedules of capital assets used in the operation of governmental funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, 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.

Emphasis of Matter

As discussed in Note 18., to the financial statements, the County has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, as of July 1, 2022. Our opinions are not modified with respect to this matter.

Scott and Company LLC

Columbia, South Carolina
December 20, 2023

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, 2023. 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 12 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, 2023 by \$520,409 (net position.) This is comprised of net investment in capital assets of \$238,817, restricted net position of \$157,806 and unrestricted net position of \$123,786.
- Charleston County's total net position increased by \$209,749 during the fiscal year ended June 30, 2023, with a \$210,132 increase resulting from governmental activities and a \$383 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 \$1,073,214, which is a \$84,645 increase from the prior year. Approximately 9.44 percent or \$101,347 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 \$135,643 or approximately 50.68 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$101,546, or approximately 37.94 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, 2023 is \$275,442.
- 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, 2023 is \$52,857.

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 39 through 41 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 Biological Science Center, 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 65 through 66 of this report.

The government-wide financial statements for component units can be found on pages 58 through 61 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 43 through 45, 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 American Rescue Plan Act 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 160 through 163 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 50 through 55 and pages 184 through 195 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. Biological Science Center, 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 184 through 189.

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 191 through 195 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 56 and 57 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 144 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 160. 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 203. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 181.

This report also presents required supplementary financial information concerning the County's progress in funding its obligation to provide pension and 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 146.

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

\$520,409 at the close of fiscal year 2023. This was an increase of \$209,749 or 67.52 percent during fiscal year 2023.

A portion of the County's net position, \$238,817, 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, \$157,806, 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 2023, the County had positive balances in all categories of net position for the primary government.

Charleston County's Net Position
June 30, 2023
(Recapped from page 39)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current, restricted and other assets	\$ 1,496,571	\$ 1,375,864	\$ 83,725	\$ 78,930	\$ 1,580,296	\$ 1,454,794
Capital and intangible assets	445,209	426,182	90,113	95,260	535,322	521,442
Total Assets	1,941,780	1,802,046	173,838	174,190	2,115,618	1,976,236
Total deferred outflows of resources	64,381	76,331	-	-	64,381	76,331
Long-term liabilities outstanding	1,178,725	1,283,785	42,932	42,085	1,221,657	1,325,870
Other liabilities	116,825	103,613	13,279	14,621	130,104	118,234
Total liabilities	1,295,550	1,387,398	56,211	56,706	1,351,761	1,444,104
Total deferred inflows of resources	305,862	296,362	1,967	1,441	307,829	297,803
Net Position:						
Investment in capital assets	170,928	146,331	67,889	72,807	238,817	219,138
Restricted for:						
Capital projects	93,384	83,724	-	-	93,384	83,724
Debt service	27,751	29,658	-	-	27,751	29,658
General government	116	112	-	-	116	112
Law enforcement	6,773	5,864	-	-	6,773	5,864
Judicial	3,194	3,396	-	-	3,194	3,396
Health and welfare assistance	175	130	-	-	175	130
Economic development	26,412	17,211	-	-	26,412	17,211
Unrestricted	76,016	(91,809)	47,771	43,236	123,787	(48,573)
Total net position	\$ 404,749	\$ 194,617	\$ 115,660	\$ 116,043	\$ 520,409	\$ 310,660

The County's net position increased by \$209,749 during fiscal year 2023. The governmental activities had an increase in net position of \$210,132. Overall revenues for the Governmental Activities increased 7.86 percent. The Business-Type activities had a decrease in net position of \$383. Overall expense for the Business-Type activities increased 5.86 percent.

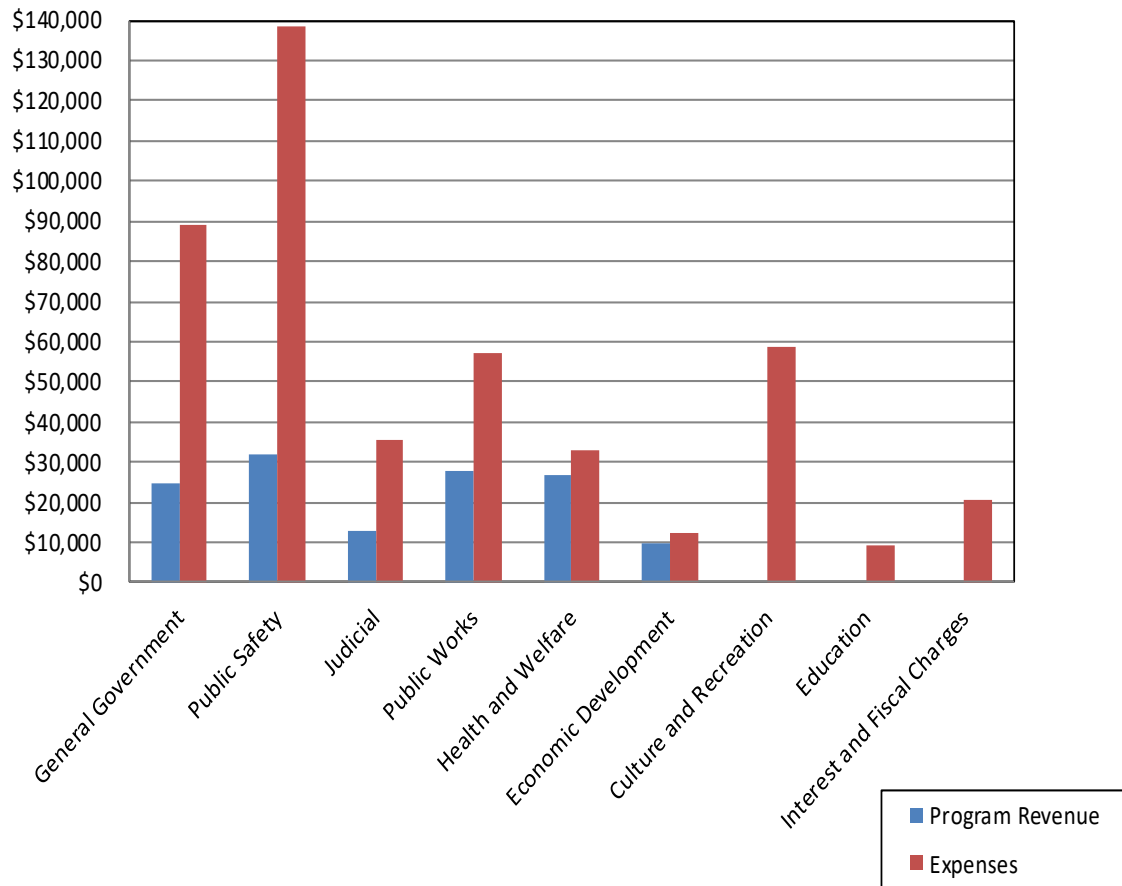
County of Charleston, South Carolina
Changes in Net Position (Recapped from pages 40 and 41)
For the Fiscal Year Ended June 30, 2023

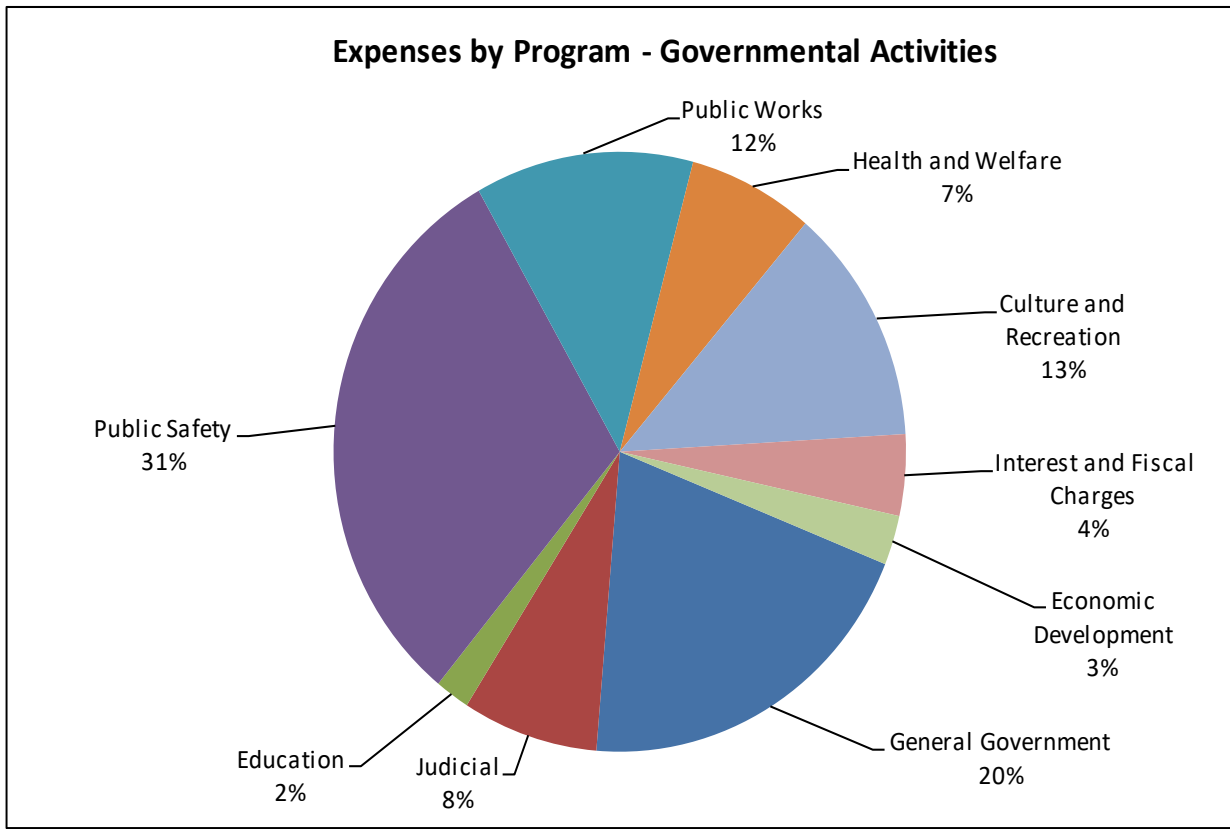
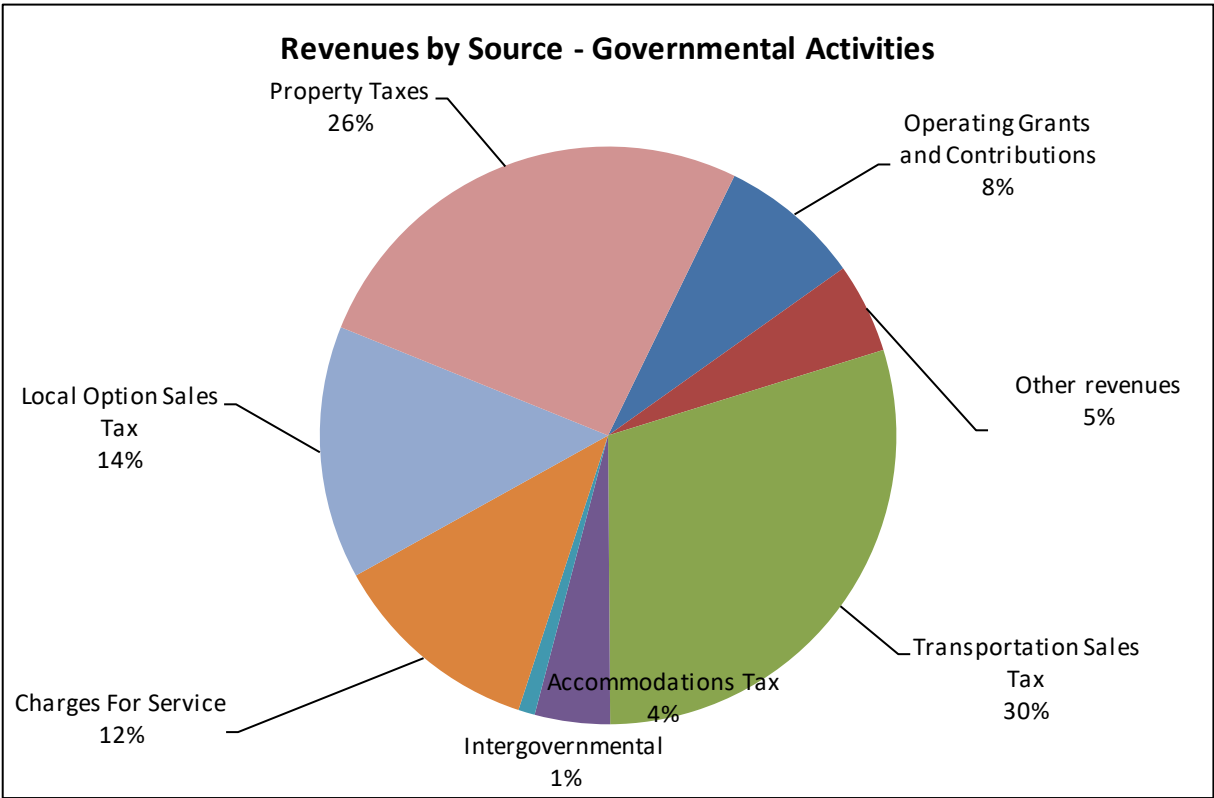
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for services	\$ 79,163	\$ 73,364	\$ 57,010	\$ 57,216	\$ 136,173	\$ 130,580
Operating grants and contributions	52,873	59,105	1,849	1,268	54,722	60,373
Capital grants	1,667	10	-	-	1,667	10
General Revenues:						
Property taxes	173,501	186,310	-	-	173,501	186,310
Other taxes and fees	326,273	282,540	1,393	1,218	327,666	283,758
State aid to political subdivisions	16,697	16,017	-	-	16,697	16,017
Unrestricted investments earnings	16,026	1,315	2,223	180	18,249	1,495
Miscellaneous	-	-	756	990	756	990
Gain on sale of capital assets	-	-	2,961	1,297	2,961	1,297
Total Revenues	666,200	618,661	66,192	62,169	732,392	680,830
Program Expenses						
Governmental Activities:						
General government	89,141	85,815	-	-	89,141	85,815
Public safety	138,647	125,170	-	-	138,647	125,170
Judicial	35,595	36,173	-	-	35,595	36,173
Public works	57,218	58,809	-	-	57,218	58,809
Health and welfare	32,960	43,286	-	-	32,960	43,286
Economic development	12,378	9,002	-	-	12,378	9,002
Culture and recreation	58,494	49,883	-	-	58,494	49,883
Education	9,075	8,569	-	-	9,075	8,569
Interest and fiscal charges	20,345	24,422	-	-	20,345	24,422
Business-Type Activities:						
Biological Science Center	-	-	246	21	246	21
DAODAS	-	-	10,301	9,528	10,301	9,528
E-911 communications	-	-	3,950	3,636	3,950	3,636
Environmental management	-	-	43,433	42,200	43,433	42,200
Parking garages	-	-	2,877	2,578	2,877	2,578
Public safety system	-	-	886	729	886	729
Radio communications	-	-	4,277	3,888	4,277	3,888
Revenue collections	-	-	2,820	2,399	2,820	2,399
Total Expenses	453,853	441,129	68,790	64,979	522,643	506,108
Excess (deficiency) of revenues before transfers over (under) expenses	212,347	177,532	(2,598)	(2,810)	209,749	174,722
Transfers	(2,215)	(2,137)	2,215	2,137	-	-
Increase in Net Position	210,132	175,395	(383)	(673)	209,749	174,722
Net position, beginning	194,617	19,222	116,043	116,716	310,660	135,938
Net Position, ending	\$ 404,749	\$ 194,617	\$ 115,660	\$ 116,043	\$ 520,409	\$ 310,660

Governmental Activities. Governmental activities increased the County's net position by \$201,132. The key elements of this change are:

- Property tax revenue decreased \$12,809 (6.87 percent) primarily due to an increase (6.7 percent) in the County's LOST credit given on the real property tax bills, which results in a lower tax bill overall.
- Other taxes and fees increased \$43,733 (15.48 percent) due to increased consumer spending in Charleston County. This includes accommodations tax, local option sales tax and transportation sales tax, also, the 2nd Transportation one half cent sales tax which was effective May 1, 2017.
- Charges for services increased \$5,799 (7.9 percent) primarily in the public safety function and the health and welfare function. The public safety charges for services increased \$3,904 (18.05 percent) and the health and welfare charges for services increased \$664 (130 percent).
 - EMS charges \$2,190 increased 15.93 percent
- Operating grants and contributions decreased \$6,362 (10.76 percent) due to grants for the Rental Assistance Program ending during fiscal year 2023. The decrease in this funding was \$18,079 (68.3 percent).
- Unrestricted investment earnings increased \$14,711 (1,118 percent) due to the increases in interest rates.
- The culture and recreation expenses increased \$8,611 (17.26 percent) due to increase in the amount given to the Charleston County Library and the increase in spending for the Greenbelt program.
- Total governmental activities expenses increased \$12,724 (2.88 percent) primarily due to an increase in salaries and related benefits.
- The Public Safety expenses increased \$13,477 (10.77 percent) due to increase in operating costs and salaries.
- The Health and Welfare expenses decreased \$10,326 (31.13%) due to Federal Grants for emergency rental costs ending in fiscal year 2023.

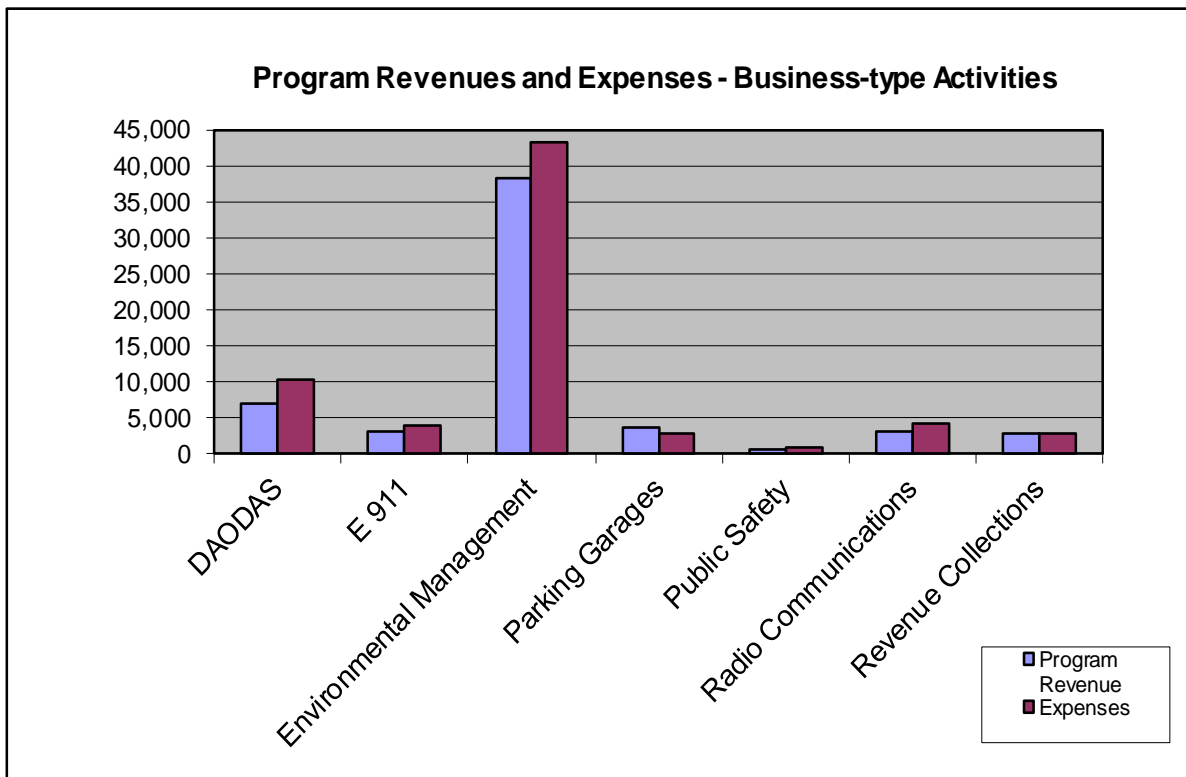
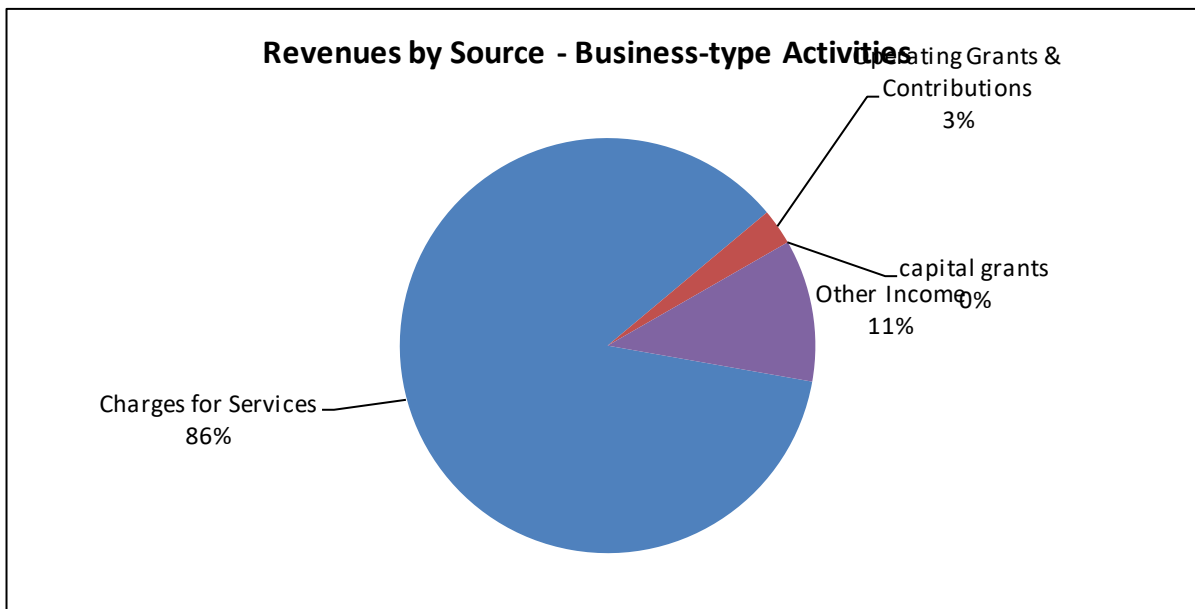
Program Revenues and Expenses - Governmental Activities





Business-type Activities. Business-type activities decreased the County's net position by \$383. The key elements of this decrease were:

- Overall, the business-type activities expenses increased \$3,811 (5.8 percent).
- Environmental management expenses increased by \$1,233 (2.9 percent). The majority of this increase is due to increase in operating costs.



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 \$1,073,214, an increase of \$84,645 in comparison with the prior year. This increase is due to several factors including an increase in accommodations taxes collected, local option sales taxes and transportation sales taxes collected.

The ending fund balance of \$1,073,214 for the governmental funds is composed of five components: unassigned fund balance of \$101,347, assigned fund balance of \$34,096, committed fund balance of \$75,963, restricted fund balance of \$846,413 and non-spendable fund balance of \$15,395.

Unassigned fund balance accounts for approximately 9.44 percent or \$101,347 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 \$34,096 or 3.18 percent of ending fund balance. Assigned fund balance includes \$3,791 which was encumbered at the end of fiscal year 2023. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$75,963 or 7.08 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 \$846,413 or 78.86 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$781,991, 2) debt service of \$27,751, 3) \$6,773 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$3,194 for judicial programs and assistance. 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 \$15,395. Non-spendable fund balance accounts for inventories recorded in the general fund and prepaid assets recorded in the Transportation and Road Sales Tax 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 \$101,546 while total fund balance reached \$136,188. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$11,707. 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 37.9 percent of total general fund disbursements, while total fund balance represents 50.88 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 33.57 percent of disbursements, which also meets the financial policy. There was an increase of \$1,749 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$6,541 or 2.35 percent higher than the previous fiscal year.

- Local option sales taxes collected increased \$5,913 or 6.70 percent. This 1 percent tax is collected when goods are purchased. This growth is due to the increase in spending by our citizens and tourists.
- Interest income increased by \$41,897 or 1,118 percent. This increase is due to the overall state of

the economy.

- Service charges increased \$3,366 or 7.27 percent. EMS Service fees increased \$2,190 (15.93 percent) due to the increased number of responses. The EMS third party billing company has also increased their collection efforts and decreased the electronic filing rejections.

Expenditures increased by \$20,810 or 8.43 percent.

- Public Safety expenditures were up \$9,323 or 3.78 percent. This increase can be attributed to an increase in salaries, overtime paid, and related benefits paid.
- Culture and recreation expenditures increased by \$5,564 or 2.14 percent. The majority of this increase can be attributed to the increase of the Charleston County Library appropriation.

Debt Service Fund. The debt service fund balance is \$27,751 and is \$1,907 or 6.43 percent less than the prior fiscal year. This decrease is due to debt paid off in the prior year.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance increased \$82,450 or 13.61 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 \$10,826 or 6.65 percent higher than prior fiscal year. The expenditures in this fund increased \$35,888 or 47.27 percent from the prior fiscal year due to debt service payments on the referendum debt issued prior year for the 2nd half cent sales tax.

American Plan Rescue Act. The increase in this fund balance was \$115 from prior fiscal year the same as the revenue and expenditures were both \$114,603.

G.O.B. Capital Projects. This fund balance decreased \$23,660 or 26.32 percent from prior fiscal year due to the issuance of bonds in prior year.

Other Governmental Funds. The other governmental funds had an increase in fund balance of \$26,013 or 4.17 percent from the prior fiscal year. The Accommodations fund had an increase in fund balance of \$8,061 or 7.68 percent due to the increase in visitors to Charleston. The total expenditures for the other governmental funds decreased by \$3,299 or 2.74 percent.

Non-major Capital Projects Funds. The non-major capital projects funds reflect a total fund balance of \$9,716 and are shown on pages 163 and 167. The fund balance for the non-major capital projects funds increased \$3,759 in fiscal year 2023.

Non-major Special Revenue Funds. The non-major special revenue funds have a combined total fund balance of \$145,070, all is classified as restricted, except for a negative fund balance in the Disaster and Pandemic funds which is classified as unassigned. Non-major special revenue funds are shown on pages 160 through 162, and 164 through 166.

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, 2023, is \$52,770 (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 \$61,484. The non-major proprietary funds have total net position of \$(8,714). These funds include Biological Science Center, DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 50 through 55 and pages 184 through 189 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 \$52,770 (before internal eliminations), a decrease of \$6,453 or 10.89 percent in comparison with the prior year. The proprietary funds implemented GASB No. 75 during fiscal year 2018. Three 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 2023, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$22,111 over the final budget. The most significant revenue variances are outlined below:

- Interest income was \$11,996 or 921 percent over budget due to the higher interest rates the County is earning.
- Permits and licenses were \$3,610 or 34.13 percent over budget due to the increase in permits and licenses issued. Building permits and plan review fees increased 17.23 percent.
- Service charges were \$4,222 or 13.84 percent over budget. EMS revenues increased 15.93 percent from prior year due to an increase in transports.

Actual expenditures and transfers out were \$8,290 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Facilities Management was \$2,123 under budget and Technology Services was \$2,163 under budget. Facilities and Technology Services had projects they were unable to complete in 2023.

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, 2023, amounted to \$535,322 (net of accumulated depreciation and amortization). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, intangible assets, roads, bridges and drainage easements. The County's net investment in capital assets increased \$11,307 or 2.16 percent for the current year. The depreciation and amortization expense increased by \$2,524 or 8.6 percent.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and easements	\$ 45,028	\$ 44,417	\$ 5,415	\$ 5,544	\$ 50,443	\$ 49,961
Buildings	287,691	224,017	37,692	38,822	325,383	262,839
Improvements other than buildings	33,521	45,802	30,807	21,538	64,328	67,340
Machinery and equipment	54,225	41,348	11,303	13,263	65,528	54,611
Infrastructure	3,928	3,453	-	-	3,928	3,453
Intangible asset Right to use	3,724	3,040	4,055	3,648	7,779	6,688
Intangible asset SBITA	1,636	-	227	-	1,863	-
Construction in progress	15,456	64,105	614	12,445	16,070	76,550
Total	<u>\$ 445,209</u>	<u>\$ 426,182</u>	<u>\$ 90,113</u>	<u>\$ 95,260</u>	<u>\$ 535,322</u>	<u>\$ 521,442</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 91 through 94 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$830,029 (including premiums). Of this amount, \$726,111 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$103,918 are 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, 2023, this obligation is recorded at a net present value of \$12,730 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 708,195	\$ 799,398	\$ 17,916	\$ 18,772	\$ 726,111	\$ 818,170
Special source revenue bonds	103,918	110,790	-	-	103,918	110,790
Intergovernmental note payable	<u>12,730</u>	<u>14,878</u>	<u>-</u>	<u>-</u>	<u>12,730</u>	<u>14,878</u>
Total	<u>\$ 824,843</u>	<u>\$ 925,066</u>	<u>\$ 17,916</u>	<u>\$ 18,772</u>	<u>\$ 842,759</u>	<u>\$ 943,838</u>

The County's total bonded debt decreased by \$92,059 (11.25 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 \$440,773. The outstanding debt at June 30, 2023 subject to the debt limitation is \$199. This would indicate that the County has not exceeded its limit.

The County implemented GASB Statement No. 96 *Subscriptions Based Information Technology Arrangements (SBITAs)* during the year ended June 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The statement provides uniform guidance for accounting and financial reporting for SBITA transactions. The guide will decrease diversity in the accounting and reporting for these transactions, thereby, increasing comparability in financial reporting among governments.

Additional information on the County's long-term debt can be found in Note III. I. on pages 99 through 116 of this report.

Economic Factors and Next Year's Budget Rates (2024)

The fiscal year 2024 General Fund budget is a balanced budget. Total disbursements and funds available total \$324.7MM, an increase of \$32.0MM or 10.9 percent from the prior year. The millage is 41.7, which is .5 mills higher than 2023. However, due to a decrease of .5 mills for Debt Service levies, the County's countywide millage rates resulted in a net zero change.

The General Fund's budgeted revenues for fiscal year 2024 increase \$29.4MM or 11.2 percent from 2023. The major changes for fiscal year 2024 are:

- Property Taxes represent a \$14.2MM or 14.8 percent increase due to rising property values and property sales.
- The next largest category of revenue, Sales Tax, includes a \$7.2MM or 7.5 percent increase resulting from more stringent sales tax collections from online sales, as well as increases in post-pandemic spending.
- Interest income reflects a \$3.7MM increase due to higher interest rates.

The General Fund's budgeted expenditures for fiscal year 2024 increase by \$32.2MM or 11.7 percent from the fiscal year 2023 budget. The major changes for fiscal year 2024 are:

- Rising personnel costs represent the most significant increase: Non-departmental includes funding for a 7.5 percent equity increase for most employees. The Sheriff: Detention Center (Adult) reflects a \$7.1MM or 19.1 percent increase predominantly due to the full-year cost of FY 2023 pay increases.
- The Library includes a \$4.7MM or 15.0 percent increase for personnel costs, library materials, and facilities maintenance costs.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



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COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component
	Governmental	Business-type	Total	Units
<u>ASSETS</u>	<u>Activities</u>	<u>Activities</u>		
Non-pooled cash and cash equivalents	\$ 5,140,648	\$ 654,372	\$ 5,795,020	\$ 67,277,240
Pooled cash and cash equivalents	1,109,065,866	55,383,949	1,164,449,815	-
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	7,306,263	-	7,306,263	38,269,570
Receivables (net of allowances for uncollectibles)	376,658,182	10,078,329	386,736,511	63,667,832
Lease receivables	54,021	-	54,021	-
Due from primary government	-	-	-	1,453,181
Current portion of note receivable	-	-	-	12,173
Internal balances - current	(17,608,295)	17,608,295	-	-
Inventories	979,557	-	979,557	772,538
Prepaid items and deposits	14,850,000	-	14,850,000	8,008,357
Other noncurrent assets				
Note receivable	-	-	-	88,399
Capital assets:				
Land and other nondepreciable	60,484,716	6,029,200	66,513,916	117,213,103
Capital assets, net of accumulated depreciation	384,724,142	84,083,595	468,807,737	92,021,122
Total assets	1,941,780,100	173,837,740	2,115,617,840	388,783,515
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred pension charges	41,539,044	-	41,539,044	15,520,093
Deferred other post employment benefit (OPEB) charges	15,716,678	-	15,716,678	4,873,015
Deferred loss on refunding	7,125,665	-	7,125,665	-
Total deferred outflows of resources	64,381,387	-	64,381,387	20,393,108
<u>LIABILITIES</u>				
Accounts payable	19,946,374	2,848,947	22,795,321	2,683,304
Accrued payroll and fringe benefits	11,296,862	690,438	11,987,300	3,037,995
Intergovernmental payable	11,678,439	8,726,723	20,405,162	471,043
Due to component units	1,453,181	-	1,453,181	-
Due to third parties	884,887	-	884,887	-
Interest payable	4,973,613	107,696	5,081,309	809,217
Line of credit	-	-	-	94,322
Unearned revenue	66,591,812	905,882	67,497,694	3,627,116
Noncurrent liabilities:				
Due within one year	75,954,067	2,700,125	78,654,192	9,229,272
Due in more than one year	770,088,169	40,231,411	810,319,580	73,566,178
Arbitrage liability	4,382,992	-	4,382,992	-
OPEB liability	52,857,308	-	52,857,308	14,091,619
Net pension liability	275,442,454	-	275,442,454	75,362,197
Total liabilities	1,295,550,158	56,211,222	1,351,761,380	182,972,263
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred pension credits	11,434,769	-	11,434,769	2,174,419
Deferred OPEB credits	41,977,408	-	41,977,408	6,893,442
Deferred lease revenue	52,870	1,966,848	2,019,718	-
Deferred property taxes - current	252,396,765	-	252,396,765	60,328,698
Total deferred inflows of resources	305,861,812	1,966,848	307,828,660	69,396,559
<u>NET POSITION</u>				
Net investment in capital assets	170,927,754	67,889,158	238,816,912	163,900,703
Restricted for:				
Capital and infrastructure projects	93,384,420	-	93,384,420	3,942,241
Debt service	27,751,017	-	27,751,017	15,958,635
General government operations	115,780	-	115,780	-
Law enforcement and public safety programs	6,773,460	-	6,773,460	-
Judicial assistance and programs	3,194,401	-	3,194,401	-
Health and welfare assistance	175,247	-	175,247	-
Local economic development	26,411,953	-	26,411,953	-
1% fee	-	-	-	216
Special programs	-	-	-	418,656
Unrestricted	76,015,485	47,770,512	123,785,997	(27,453,089)
Total net position	\$ 404,749,517	\$ 115,659,670	\$ 520,409,187	\$ 156,767,362

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 89,140,607	\$ 24,495,225	\$ 225,032	\$ -	\$ (64,420,350)	\$ -	\$ (64,420,350)	\$ -
Public safety	138,646,852	25,535,998	4,942,885	1,666,667	(106,501,302)	-	(106,501,302)	-
Judicial	35,594,796	12,082,243	556,596	-	(22,955,957)	-	(22,955,957)	-
Public works	57,218,337	8,398,511	19,256,655	-	(29,563,171)	-	(29,563,171)	-
Health and welfare	32,959,922	1,173,556	25,650,931	-	(6,135,435)	-	(6,135,435)	-
Economic development	12,378,475	7,477,395	2,241,555	-	(2,659,525)	-	(2,659,525)	-
Culture and recreation	58,494,683	-	-	-	(58,494,683)	-	(58,494,683)	-
Education	9,074,662	-	-	-	(9,074,662)	-	(9,074,662)	-
Interest and fiscal charges	20,344,876	-	-	-	(20,344,876)	-	(20,344,876)	-
Total governmental activities	453,853,210	79,162,928	52,873,654	1,666,667	(320,149,961)	-	(320,149,961)	-
Business-type activities:								
Biological Science Center	246,423	-	-	-	-	(246,423)	(246,423)	-
DAODAS	10,300,928	5,920,807	1,061,351	-	-	(3,318,770)	(3,318,770)	-
E-911 Communications	3,949,967	3,062,340	-	-	-	(887,627)	(887,627)	-
Environmental Management	43,433,662	37,524,862	787,611	-	-	(5,121,189)	(5,121,189)	-
Parking Garages	2,876,697	3,680,435	-	-	-	803,738	803,738	-
Public Safety Systems	885,655	780,793	-	-	-	(104,862)	(104,862)	-
Radio Communications	4,276,874	3,052,673	-	-	-	(1,224,201)	(1,224,201)	-
Revenue Collections	2,820,255	2,988,017	-	-	-	167,762	167,762	-
Total business-type activities	68,790,461	57,009,927	1,848,962	-	-	(9,931,572)	(9,931,572)	-
Total primary government	\$ 522,643,671	\$ 136,172,855	\$ 54,722,616	\$ 1,666,667	(320,149,961)	(9,931,572)	(330,081,533)	-
Component Units:								
Charleston County Library	\$ 35,341,403	\$ 205,480	\$ 33,250,989	\$ 859,216				(1,025,718)
Charleston County PRC	43,820,469	20,452,857	238,690	1,086,147				(22,042,775)
Cooper River Park & Playground	212,858	-	-	-				(212,858)
North Charleston District	1,331,705	-	-	-				(1,331,705)
St. Andrew's Parish Parks & Playground	3,242,803	1,703,721	970	-				(1,538,112)
St. John's Fire District	16,656,560	-	20,977	-				(16,635,583)
St. Paul's Fire District	7,777,587	-	-	-				(7,777,587)
Charleston County Volunteer Rescue Squad	575,400	-	595,990	240,000				260,590
Total component units	\$ 108,958,785	\$ 22,362,058	\$ 34,107,616	\$ 2,185,363				(50,303,748)

General Revenues:				
Property taxes	173,500,916	-	173,500,916	-
Charleston County PRC	-	-	-	29,191,511
Cooper River Park & Playground	-	-	-	179,460
North Charleston District	-	-	-	1,104,624
St. Andrew's Parish Parks & Playground	-	-	-	2,218,198
St. John's Fire District	-	-	-	19,157,373
St. Paul's Fire District	-	-	-	8,012,584
Local option sales tax	94,158,394	-	94,158,394	-
Transportation sales tax	197,149,305	-	197,149,305	-
Accommodations tax	28,038,158	-	28,038,158	-
Franchise tax	749,029	-	749,029	35,223
Alcohol beverage tax	-	1,381,869	1,381,869	-
Merchants inventory tax and manufacturer's depreciation	2,892,028	10,895	2,902,923	338,432
Motor carrier tax	512,299	-	512,299	-
Homestead exemption	2,773,965	-	2,773,965	-
Unrestricted state aid to political subdivisions	16,696,927	-	16,696,927	-
Unrestricted investment earnings	16,026,228	2,222,969	18,249,197	549,961
Gain on sale of capital assets	-	2,960,845	2,960,845	14,413
Fundraising and donations	-	-	-	4,459
Miscellaneous	-	756,312	756,312	1,301,675
Transfers	(2,215,061)	2,215,061	-	-
Total general revenues and transfers	530,282,188	9,547,951	539,830,139	62,107,913
 Change in position	 210,132,227	 (383,621)	 209,748,606	 11,804,165
Net position - beginning, as restated	194,617,290	116,043,291	310,660,581	144,083,361
Net position - ending	<u>\$ 404,749,517</u>	<u>\$ 115,659,670</u>	<u>\$ 520,409,187</u>	<u>\$ 155,887,526</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	American Rescue Plan Act	G.O.B Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS							
Non-pooled cash and cash equivalents	\$ 4,042,210	\$ -	\$ -	\$ -	\$ -	\$ 1,098,438	\$ 5,140,648
Pooled cash and cash equivalents	120,518,819	27,620,360	595,218,589	58,540,943	68,742,677	161,700,363	1,032,341,751
Restricted cash and cash equivalents	-	-	6,677,379	-	-	628,884	7,306,263
Receivables (net of allowances for uncollectibles)	239,926,289	29,606,519	75,906,023	14,033	-	30,735,221	376,188,085
Due from other funds	2,066,678	-	-	-	-	-	2,066,678
Prepaid asset	-	-	14,850,000	-	-	-	14,850,000
Inventories	545,540	-	-	-	-	-	545,540
Total assets	\$ 367,099,536	\$ 57,226,879	\$ 692,651,991	\$ 58,554,976	\$ 68,742,677	\$ 194,162,906	\$ 1,438,438,965
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 5,261,647	\$ -	\$ 3,988,647	\$ 1,471,843	\$ 2,489,854	\$ 3,366,385	\$ 16,578,376
Accrued payroll and fringe benefits	10,240,688	-	31,814	27,614	6,107	798,893	11,105,116
Due to other funds	963,801	-	-	-	-	2,066,678	3,030,479
Intergovernmental payable	3,287,755	-	505,132	-	-	9,319,582	13,112,469
Due to third parties	884,887	-	-	-	-	-	884,887
Unearned revenue	-	-	-	56,940,527	-	8,501,265	65,441,792
Total liabilities	20,638,778	-	4,525,593	58,439,984	2,495,961	24,052,803	110,153,119
Deferred inflows of resources:							
Unavailable property tax revenues - current	208,201,708	29,088,193	-	-	-	15,106,864	252,396,765
Unavailable property tax revenues - delinquent	2,070,702	387,669	-	-	-	217,092	2,675,463
Total deferred inflows of resources	210,272,410	29,475,862	-	-	-	15,323,956	255,072,228
Fund balances:							
Nonspendable - Inventories and prepaid assets	545,540	-	14,850,000	-	-	-	15,395,540
Restricted - Debt service	-	27,751,017	-	-	-	-	27,751,017
Restricted - General government operations	-	-	-	-	-	115,780	115,780
Restricted - Law enforcement and public safety programs	-	-	-	-	-	6,773,460	6,773,460
Restricted - Judicial assistance and programs	-	-	-	-	-	3,194,401	3,194,401
Restricted - Health and welfare assistance	-	-	-	114,992	-	60,255	175,247
Restricted - Local economic development	-	-	-	-	-	26,411,953	26,411,953
Restricted - Capital and infrastructure projects	-	-	673,276,398	-	-	108,714,247	781,990,645
Committed - Capital and infrastructure projects	-	-	-	-	66,246,716	9,715,913	75,962,629
Assigned - General government operations	2,100,000	-	-	-	-	-	2,100,000
Assigned - Public safety	64,575	-	-	-	-	-	64,575
Assigned - Purchases on order	3,791,597	-	-	-	-	-	3,791,597
Assigned for subsequent years' appropriations of fund balance	28,140,102	-	-	-	-	-	28,140,102
Unassigned	101,546,534	-	-	-	-	(199,862)	101,346,672
Total fund balances	136,188,348	27,751,017	688,126,398	114,992	66,246,716	154,786,147	1,073,213,618
Total liabilities, deferred inflows of resources and fund balances	\$ 367,099,536	\$ 57,226,879	\$ 692,651,991	\$ 58,554,976	\$ 68,742,677	\$ 194,162,906	\$ 1,438,438,965

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2023

Total Governmental Fund Balances \$ 1,073,213,618

*Amounts reported for governmental activities in
the statement of net position are different because:*

Capital assets (including Right to use assets & SIBTA) used in governmental activities are not financial resources and therefore are not reported in the funds. 430,054,828

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Deferred loss on refunding	\$	7,125,665	
Leases receivable, net of deferred inflows		1,151	
Property taxes		2,675,463	9,802,279

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. (235,813,803)

Elimination of indirect revenues and expenses between governmental funds and the enterprise funds which creates an internal balance. (17,608,295)

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	\$	(59,319,492)	
General obligation bonds		(649,013,713)	
Special source revenue bonds		(103,780,000)	
Leases liabilities		(3,382,245)	
SBITA liabilities		(1,293,418)	
Compensated absences		(16,023,228)	
Intergovernmental note payable		(12,730,455)	
Arbitrage payable		(4,382,992)	
Accrued interest payable		(4,973,567)	(854,899,110)

Net position of governmental activities \$ 404,749,517

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, 2023

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	American Rescue Plan Act	G.O.B Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property, local option sales, transportation sales, and other taxes	\$ 193,812,729	\$ 29,535,035	\$ 173,566,960	\$ -	\$ -	\$ 71,494,610	\$ 468,409,334
Intergovernmental	31,679,362	564,051	736,367	14,603,430	-	44,040,702	91,623,912
Permits and licenses	10,575,299	-	-	-	-	-	10,575,299
Fines and forfeitures	923,833	-	-	-	-	725,487	1,649,320
Interest	13,298,604	979,488	22,845,978	-	3,232,469	5,287,718	45,644,257
Service charges	30,496,327	-	-	-	-	12,441,860	42,938,187
Rental and use of property	196,102	-	-	-	-	-	196,102
Other revenues	4,473,881	-	-	-	-	1,550,825	6,024,706
Total revenues	<u>285,456,137</u>	<u>31,078,574</u>	<u>197,149,305</u>	<u>14,603,430</u>	<u>3,232,469</u>	<u>135,541,202</u>	<u>667,061,117</u>
Expenditures:							
Current:							
General government	70,722,097	-	18,706,680	-	-	106,757	89,535,534
Public safety	120,166,388	-	-	-	-	7,714,190	127,880,578
Judicial	25,350,066	-	-	-	-	12,277,200	37,627,266
Public works	13,526,377	-	18,933,619	-	-	26,444,477	58,904,473
Health and welfare	5,445,729	-	-	14,603,430	-	10,989,890	31,039,049
Economic development	-	-	-	-	-	12,588,850	12,588,850
Culture and recreation	31,510,793	-	7,032,064	-	-	21,101,636	59,644,493
Education	-	-	-	-	-	9,074,662	9,074,662
Capital outlay	-	-	-	-	24,428,620	6,991,996	31,420,616
Debt service	914,059	43,413,871	67,123,069	-	-	9,955,174	121,406,173
Total expenditures	<u>267,635,509</u>	<u>43,413,871</u>	<u>111,795,432</u>	<u>14,603,430</u>	<u>24,428,620</u>	<u>117,244,832</u>	<u>579,121,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,820,628</u>	<u>(12,335,297)</u>	<u>85,353,873</u>	<u>-</u>	<u>(21,196,151)</u>	<u>18,296,370</u>	<u>87,939,423</u>
Other financing sources (uses):							
General obligation bonds issued	-	-	-	-	-	1,200,000	1,200,000
Subscription based IT arrangements financing	1,707,092	31,940	-	-	-	34,708	1,773,740
Lease financing	-	-	-	-	-	2,292,307	2,292,307
Transfers in	3,863,037	14,683,875	121,100,334	-	-	30,121,637	169,768,883
Transfers out	(21,641,713)	(4,287,924)	(124,003,927)	-	(2,464,179)	(25,980,274)	(178,378,017)
Proceeds from sale of capital assets	-	-	-	-	-	48,592	48,592
Total other financing sources (uses)	<u>(16,071,584)</u>	<u>10,427,891</u>	<u>(2,903,593)</u>	<u>-</u>	<u>(2,464,179)</u>	<u>7,716,970</u>	<u>(3,294,495)</u>
Net change in fund balances	1,749,044	(1,907,406)	82,450,280	-	(23,660,330)	26,013,340	84,644,928
Fund balances at beginning of year	134,439,304	29,658,423	605,676,118	114,992	89,907,046	128,772,807	988,568,690
Fund balances at end of year	<u>\$ 136,188,348</u>	<u>\$ 27,751,017</u>	<u>\$ 688,126,398</u>	<u>\$ 114,992</u>	<u>\$ 66,246,716</u>	<u>\$ 154,786,147</u>	<u>\$ 1,073,213,618</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, 2023

Net Change in Fund Balances - Total Governmental Funds
*Amounts reported for governmental activities in the statement
of activities are different because:* \$ 84,644,928

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 and amortization
expense. This is the amount by which depreciation and amortization exceeded
capital outlay in the current period:

Capital and right to use asset additions	\$ 41,959,764	
Depreciation and amortization expense	<u>(19,661,007)</u>	22,298,757

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	\$ 13,474,495	
Accumulated depreciation	<u>(8,952,891)</u>	
Net book value	4,521,604	
Proceeds	<u>48,592</u>	
(Loss) on disposal	4,570,196	
Difference of proceeds and Gain on sale		(4,521,604)

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		(26,892)
Rental income		1,179

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.

90,216,982

Other financing sources (uses) which do not provide current resources
or current uses;

Lease financing	\$ (2,292,307)	
SBITA financing	(1,773,740)	
General obligation bonds issued	<u>(1,200,000)</u>	
		(5,266,047)

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

668,561

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported as
expenditures in governmental funds:

Compensated absences payable	\$ (2,109,964)	
Arbitrage payable	(4,382,992)	
Deferred refunding costs and amortization of bond premiums	<u>10,511,843</u>	4,018,887

To record internal service fund transfers into the government-wide statement.

6,394,073

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.

2,677,208

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

(3,710,516)

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

12,736,711

Change in net position of governmental activities

\$ 210,132,227

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, 2023

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Property and local option sales taxes	\$ 192,355,000	\$ 192,355,000	\$ 193,812,729	\$ 1,457,729
Intergovernmental	31,482,695	31,482,695	31,679,362	196,667
Permits and licenses	6,965,600	6,965,600	10,575,299	3,609,699
Fines and forfeitures	679,500	679,500	923,833	244,333
Interest	1,302,500	1,302,500	13,298,604	11,996,104
Service charges	26,273,803	26,273,803	30,496,327	4,222,524
Rental and use of property	57,282	57,282	196,102	138,820
Other revenues	4,233,803	4,233,803	4,473,881	240,078
Total revenues	263,350,183	263,350,183	285,456,137	22,105,954
 EXPENDITURES				
Current:				
General Government:				
Assessor	5,059,686	4,984,686	4,792,751	191,935
Auditor	3,101,871	3,101,871	3,157,912	(56,041)
Board of Elections & Voter Registration	3,216,250	3,173,662	3,061,956	111,706
Budget	774,376	759,377	728,574	30,803
Capital Projects	257,653	257,653	227,709	29,944
County Administrator	974,406	1,067,391	1,034,209	33,182
County Council	2,624,857	2,327,624	1,975,180	352,444
Deputy Administrator for Community Services	453,047	468,447	467,215	1,232
Deputy Administrator for Finance	826,152	741,153	716,775	24,378
Deputy Administrator for General Services	817,976	1,006,976	815,926	191,050
Deputy Administrator for Public Services	482,148	482,148	513,788	(31,640)
Facilities Management	21,374,408	21,754,503	19,631,335	2,123,168
Finance	1,102,079	1,097,081	1,059,914	37,167
Human Resources	2,930,666	2,920,106	2,546,629	373,477
Innovation	-	145,000	144,042	958
Internal Auditor	392,968	392,968	383,348	9,620
Legal	1,929,722	1,969,722	1,854,052	115,670
Legislative Delegation	461,163	475,881	446,068	29,813
Nondepartmental	150,000	150,000	218,265	(68,265)
Procurement	1,555,150	1,505,150	1,436,067	69,083
Register of Deeds	2,687,666	2,687,666	2,216,980	470,686
Revenue Collections - Delinquent Tax	1,033,603	1,033,604	802,015	231,589
Safety & Risk Management	3,491,301	3,741,301	3,674,801	66,500
Technology Services	15,683,978	16,504,354	14,341,257	2,163,097
Treasurer	2,034,216	2,034,216	1,987,736	46,480
Zoning/Planning	2,415,928	2,425,877	2,487,593	(61,716)
Total general government	75,831,270	77,208,417	70,722,097	6,486,320

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, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Safety:				
Building Inspections	\$ 2,974,610	\$ 3,200,000	\$ 2,863,175	\$ 336,825
Consolidated Dispatch	10,602,123	9,768,370	9,371,688	396,682
Deputy Administrator for Public Safety	677,256	799,440	787,433	12,007
Emergency Management	1,487,005	1,517,005	1,451,499	65,506
Emergency Medical Services	23,503,453	23,244,769	22,504,254	740,515
Sheriff	82,010,942	82,952,212	83,188,339	(236,127)
Total public safety	121,255,389	121,481,796	120,166,388	1,315,408
Judicial:				
Clerk of Court	4,700,651	4,700,651	4,700,651	-
Coroner	3,238,909	3,238,909	3,469,220	(230,311)
Magistrates Courts	5,663,519	5,617,564	5,453,383	164,181
Master-In-Equity	823,418	823,418	793,745	29,673
Probate Court	3,522,266	3,522,266	3,371,825	150,441
Solicitor	7,542,117	7,542,117	7,561,242	(19,125)
Total judicial	25,490,880	25,444,925	25,350,066	94,859
Public Works:				
Public Works Department	15,500,008	14,745,591	13,526,377	1,219,214
Total public works	15,500,008	14,745,591	13,526,377	1,219,214
Health and Welfare:				
Community Development	1,669,612	1,769,067	1,829,785	(60,718)
Housing and Neighborhood Revitalization	213,568	503,558	203,410	300,148
Public Works - Mosquito Abatement	2,605,287	2,599,835	2,525,288	74,547
State Agencies	486,106	486,106	433,015	53,091
Veterans Affairs	461,334	481,758	454,231	27,527
Total health and welfare	5,435,907	5,840,324	5,445,729	394,595
Culture and Recreation:				
Charleston County Library	31,142,997	31,472,230	31,472,230	-
Greenbelts Program	37,104	37,104	38,563	(1,459)
Total culture and recreation	31,180,101	31,509,334	31,510,793	(1,459)
Debt Service	-	-	914,059	(914,059)
Total expenditures	274,693,555	276,230,387	267,635,509	8,594,878
Excess (deficiency) of revenues over (under) expenditures	(11,343,372)	(12,880,204)	17,820,628	30,700,832

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, 2023

	<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):				
Subscription based IT arrangements	\$ -	\$ -	\$ 1,707,092	\$ 1,707,092
Transfers in	3,868,143	3,868,143	3,863,037	(5,106)
Transfers out	<u>(18,013,918)</u>	<u>(21,336,269)</u>	<u>(21,641,713)</u>	<u>(305,444)</u>
Total other financing sources and (uses)	<u>(14,145,775)</u>	<u>(17,468,126)</u>	<u>(16,071,584)</u>	<u>1,396,542</u>
Net change in fund balance	(25,489,147)	(30,348,330)	1,749,044	32,097,374
Fund balance at beginning of year	<u>121,153,402</u>	<u>121,153,402</u>	<u>134,439,304</u>	<u>-</u>
Fund balance at end of year	<u>\$ 95,664,255</u>	<u>\$ 90,805,072</u>	<u>\$ 136,188,348</u>	<u>\$ 32,097,374</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

ASSETS	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Current assets:					
Non-pooled cash and cash equivalents	\$ 1,300	\$ 7,000	\$ 646,072	\$ 654,372	\$ -
Pooled cash and cash equivalents	40,013,729	3,289,524	12,080,696	55,383,949	76,724,115
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	2,919,664	697,011	6,461,654	10,078,329	470,097
Due from other funds	-	-	-	-	46,245,418
Inventories	-	-	-	-	434,018
Total current assets	42,934,693	3,993,535	19,188,422	66,116,650	123,998,648
Capital assets:					
Land	3,064,459	2,350,320	-	5,414,779	-
Construction in progress	32,120	582,301	-	614,421	836,632
Buildings	28,518,887	14,515,236	9,702,367	52,736,490	1,695,683
Improvements other than buildings	45,071,767	2,427,241	359,426	47,858,434	-
Machinery and equipment	21,453,031	1,693,378	11,086,078	34,232,487	45,002,286
Right to use assets	-	-	5,056,916	5,056,916	1,709,374
SIBTA intangible assets	-	-	363,645	363,645	208,464
Less accumulated depreciation	(31,286,196)	(9,767,533)	(15,110,648)	(56,164,377)	(34,298,409)
Total capital assets (net of accumulated depreciation)	66,854,068	11,800,943	11,457,784	90,112,795	15,154,030
Total noncurrent assets	66,854,068	11,800,943	11,457,784	90,112,795	15,154,030
Total assets	109,788,761	15,794,478	30,646,206	156,229,445	139,152,678
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension charges	-	-	-	-	41,539,044
Deferred OPEB charges	-	-	-	-	15,716,678
Total deferred outflows of resources	-	-	-	-	57,255,722

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

<u>LIABILITIES</u>	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Environmental Management</u>	<u>Parking Garages</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>	
Current liabilities:					
Accounts payable	\$ 2,365,624	\$ 66,708	\$ 416,615	\$ 2,848,947	\$ 3,367,998
Accrued payroll and fringe benefits	197,925	53,453	439,060	690,438	191,746
Unearned revenue	-	-	905,882	905,882	1,150,020
Accrued interest payable	103,827	-	3,869	107,696	46
Compensated absences - current	85,359	196	72,006	157,561	39,122
Due to other funds	19,950,348	2,861,634	22,469,635	45,281,617	-
Intergovernmental payable	35,384	3,548	8,687,791	8,726,723	19,151
Lease liability - current	-	-	503,875	503,875	6,196
Subscription liability - current	-	-	39,780	39,780	20,494
General obligation bonds payable - current	876,246	-	-	876,246	-
Accrual for landfill closure - current	1,122,663	-	-	1,122,663	-
Total current liabilities	24,737,376	2,985,539	33,538,513	61,261,428	4,794,773
Noncurrent liabilities:					
Net OPEB liability	-	-	-	-	52,857,308
Accrual for landfill closure	18,291,273	-	-	18,291,273	-
Compensated absences	338,687	127,136	670,579	1,136,402	351,541
Lease liability	-	-	3,639,811	3,639,811	18,286
Subscription liability	-	-	124,634	124,634	64,046
General obligation bonds payable	17,039,291	-	-	17,039,291	-
Net pension liability	-	-	-	-	275,442,454
Total noncurrent liabilities	35,669,251	127,136	4,435,024	40,231,411	328,733,635
Total liabilities	60,406,627	3,112,675	37,973,537	101,492,839	333,528,408
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows leases	-	580,101	1,386,747	1,966,848	-
Deferred pension credits	-	-	-	-	11,434,769
Deferred OPEB credits	-	-	-	-	41,977,408
Total deferred inflows of resources	-	580,101	1,386,747	1,966,848	53,412,177
<u>NET POSITION</u>					
Net investment in capital assets	48,938,531	11,800,943	7,149,684	67,889,158	15,045,008
Unrestricted	443,603	300,759	(15,863,762)	(15,119,400)	(205,577,193)
Total net position	\$ 49,382,134	\$ 12,101,702	\$ (8,714,078)	52,769,758	\$ (190,532,185)
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(6,804,188)	
Adjustment to reflect the elimination of indirect and other costs charged by the governmental funds				69,694,100	
Total net position for business-type activities				\$ 115,659,670	

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, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 1,273,202	\$ 3,680,435	\$ 15,804,630	\$ 20,758,267	\$ 87,778,805
User fees	33,114,652	-	-	33,114,652	-
Sale of recyclables	2,695,336	-	-	2,695,336	-
Other revenues	552,457	550	203,305	756,312	-
Total operating revenues	37,635,647	3,680,985	16,007,935	57,324,567	87,778,805
Operating expenses:					
Personnel services	5,007,241	1,238,316	9,643,316	15,888,873	4,483,473
Contractual services	26,673,030	523,589	2,065,488	29,262,107	448,832
Materials and supplies	472,959	72,619	1,358,258	1,903,836	7,973,600
Utilities	366,258	90,306	439,328	895,892	165,423
Repairs and maintenance	220,352	130,909	4,343,160	4,694,421	2,341,169
Rental expenses	379,616	-	75,135	454,751	7,425
Vehicle fleet charges	2,192,251	6,133	39,856	2,238,240	137,519
Employee benefits	629,781	89,744	670,716	1,390,241	50,750,444
Other expenses	3,833,603	481,741	3,572,478	7,887,822	4,267,329
Depreciation and amortization	5,326,552	583,785	2,332,921	8,243,258	3,841,457
Landfill closure	1,122,663	-	-	1,122,663	-
Total operating expenses	46,224,306	3,217,142	24,540,656	73,982,104	74,416,671
Operating income (loss)	(8,588,659)	463,843	(8,532,721)	(16,657,537)	13,362,134
Nonoperating revenues (expenses):					
Interest income	1,616,074	128,683	478,212	2,222,969	2,726,195
Interest expense	(401,222)	-	(34,884)	(436,106)	(60,217)
Intergovernmental revenues	787,611	-	2,454,115	3,241,726	1,149,949
Gain (loss) on disposal of capital assets	2,953,020	-	7,825	2,960,845	594,792
Total nonoperating revenues (expenses)	4,955,483	128,683	2,905,268	7,989,434	4,410,719
Income (loss) before transfers	(3,633,176)	592,526	(5,627,453)	(8,668,103)	17,772,853
Transfers in	1,365,531	-	3,199,238	4,564,769	7,476,476
Transfers out	(1,365,531)	(96,408)	(887,769)	(2,349,708)	(1,082,403)
Change in net position	(3,633,176)	496,118	(3,315,984)	(6,453,042)	24,166,926
Total net position- beginning, as restated	53,015,310	11,605,584	(5,398,094)		(214,699,111)
Total net position - ending	\$ 49,382,134	\$ 12,101,702	\$ (8,714,078)		\$ (190,532,185)
Adjustment to reflect the elimination of indirect costs charged by governmental funds				3,710,514	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				2,358,907	
Change in net position of business-type activities				\$ (383,621)	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	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	\$ 37,434,528	\$ 3,659,781	\$ 17,966,993	\$ 59,061,302	\$ 187,204
Cash receipts from interfund services provided	-	-	-	-	87,782,859
Cash payments to suppliers for goods and services	(33,444,956)	(1,271,744)	(12,864,105)	(47,580,805)	(75,845,177)
Cash payments to employees for services	(5,755,166)	(1,298,793)	(10,156,926)	(17,210,885)	(4,466,996)
Net cash (used in) provided by operating activities	(1,765,594)	1,089,244	(5,054,038)	(5,730,388)	7,657,890
Cash flows from noncapital financing activities:					
Transfers in	1,365,531	-	3,199,238	4,564,769	7,476,476
Transfers (out)	(1,365,531)	(96,408)	(887,769)	(2,349,708)	(1,082,403)
Intergovernmental receipt	787,611	-	2,454,115	3,241,726	1,149,949
Net cash (used in) provided by noncapital financing activities	787,611	(96,408)	4,765,584	5,456,787	7,544,022
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	(856,118)	-	(491,941)	(1,348,059)	(369,753)
Interest paid	(401,222)	-	(34,884)	(436,106)	(60,217)
Proceeds from sale of capital assets	3,975,843	-	8,225	3,984,068	797,495
Acquisition and construction of capital assets	(1,992,123)	(450,673)	(468,232)	(2,911,028)	(5,296,659)
Net cash (used in) provided by capital and related financing activities	726,380	(450,673)	(986,832)	(711,125)	(4,929,134)
Cash flows from investing activities:					
Interest received	1,616,074	128,683	478,212	2,222,969	2,726,195
Net cash provided by investing activities	1,616,074	128,683	478,212	2,222,969	2,726,195
Net (decrease) increase in cash and cash equivalents	1,364,471	670,846	(797,074)	1,238,243	12,998,973
Cash and cash equivalents at beginning of year	38,650,558	2,625,678	13,523,842	54,800,078	63,850,142
Cash and cash equivalents at end of year	\$ 40,015,029	\$ 3,296,524	\$ 12,726,768	\$ 56,038,321	\$ 76,849,115
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 1,300	\$ 7,000	\$ 646,072	\$ 654,372	\$ -
Pooled cash and cash equivalents	40,013,729	3,289,524	12,080,696	55,383,949	76,724,115
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 40,015,029	\$ 3,296,524	\$ 12,726,768	\$ 56,038,321	\$ 76,849,115

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	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)	\$ (8,588,659)	\$ 463,843	\$ (8,532,721)	\$ (16,657,537)	\$ 13,362,134
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,326,552	583,785	2,332,921	8,243,258	3,841,457
Provision for landfill closure	1,122,663	-	-	1,122,663	-
Allowance for uncollectable accounts	(44,977)	-	(101,995)	(146,972)	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
(Increase) decrease in receivables	(143,916)	(52,130)	900,647	704,601	198,065
Decrease in inventories	-	-	-	-	48,681
(Increase) decrease in prepaid assets	474,781	-	-	474,781	-
Increase (decrease) in accounts payable	218,332	33,553	(970,402)	(718,517)	(1,028,152)
Increase (decrease) in accrued payroll	(118,144)	29,267	157,106	68,229	16,477
Increase (decrease) in unearned revenue	(12,226)	-	665,358	653,132	-
Increase in net pension liability	-	-	-	-	24,494,156
Decrease in OPEB liability	-	-	-	-	(37,612,895)
Increase in deferred outflows of resources for pensions	-	-	-	-	6,413,281
Increase in deferred inflows of resources for pensions	-	-	-	-	(37,830,112)
(Increase) in deferred outflows of resources for OPEB	-	-	-	-	2,837,713
(Decrease) in deferred inflows of resources for OPEB	-	-	-	-	32,917,085
Increase in deferred inflows of resources for leases	-	30,926	495,048	525,974	-
Total adjustments	6,823,065	625,401	3,478,683	10,927,149	(5,704,244)
Net cash provided by (used in) operating activities	<u>\$ (1,765,594)</u>	<u>\$ 1,089,244</u>	<u>\$ (5,054,038)</u>	<u>\$ (5,730,388)</u>	<u>\$ 7,657,890</u>
Noncash investing, capital and financing activities:					
Right to use assets leased	\$ -	\$ -	\$ 5,096,916	\$ 5,096,916	\$ 13,646
Intangible SBITA assets	\$ -	\$ -	\$ 363,645	\$ 363,645	\$ 84,540

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
Custodial Funds
June 30, 2023

ASSETS

Non-pooled cash and cash equivalents	\$ 18,326,706
Pooled cash and cash equivalents	<u>58,514,086</u>
Total assets	<u><u>\$ 76,840,792</u></u>

LIABILITIES

Due to component units	\$ 994,122
Intergovernmental payable	52,477,714
Due to third parties	<u>23,368,956</u>
Total liabilities	<u><u>\$ 76,840,792</u></u>

<u>NET POSITION</u>	<u><u>\$ -</u></u>
----------------------------	--------------------

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Custodial Funds
For the Year Ended June 30, 2023

ADDITIONS

Property taxes collected for other governments	\$ 1,359,069,108
Licenses and fees collected for the State	1,120,982,210
Fees to other governments	4,054,500
Other fees and fines	23,168,746
Total Additions	<u>\$ 2,507,274,564</u>

DEDUCTIONS

Payments of property taxes to other governments	\$ 1,359,069,108
Payments to the State	1,120,982,210
Payments to third parties	23,168,746
Payments of fees to other governments	4,054,500
Total Deductions	<u>\$ 2,507,274,564</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, 2023

	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District
ASSETS				
Non-pooled cash and cash equivalents	\$ 6,467,115	\$ 35,100,171	\$ 98,005	\$ 656,715
Receivables (net of allowances for uncollectibles)	77,596	31,404,423	160,815	1,012,995
Due from primary government	-	-	2,456	15,039
Current portion of note receivable	-	-	-	-
Inventories	24,574	747,964	-	-
Prepaid items and deposits	235,277	3,351,573	-	-
Other non current asset - note receivable	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	31,218,320	-	-
Capital assets:				
Nondepreciable assets	906,499	112,006,414	2	-
Other capital assets, net of accumulated depreciation	6,377,728	53,651,649	-	-
Total assets	14,088,789	267,480,514	261,278	1,684,749
DEFERRED OUTFLOWS OF RESOURCES				
Deferred other postemployment benefit charges (OPEB)	3,229,195	1,643,820	-	-
Deferred pension charges	4,870,739	5,262,623	-	-
Total deferred outflows of resources	8,099,934	6,906,443	-	-
LIABILITIES				
Accounts payable	395,705	1,812,540	-	-
Accrued payroll and fringe benefits	1,208,789	1,362,681	-	-
Other governments payable	-	459,059	3,975	8,009
Interest payable	4,073	495,291	-	-
Line of credit	-	-	-	-
Unearned revenue	1,700	3,007,927	-	37,140
Noncurrent liabilities:				
Due within one year	418,502	5,631,381	-	-
Due in more than one year	2,342,711	41,546,141	-	-
OPEB liability	5,815,049	8,276,570	-	-
Net pension liability	24,859,402	26,495,060	-	-
Total liabilities	35,045,931	89,086,650	3,975	45,149
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB credits	4,618,107	2,275,335	-	-
Deferred revenue - property taxes	-	29,115,865	160,463	924,406
Deferred pension credits	172,032	151,826	-	-
Total deferred inflows of resources	4,790,139	31,543,026	160,463	924,406
NET POSITION				
Net investment in capital assets	6,478,801	136,395,801	2	-
Restricted for:				
Debt service	-	14,964,385	-	-
1% fee	-	-	-	-
Special programs	175,372	238,079	-	-
Capital projects	-	3,942,241	-	-
Unrestricted	(24,301,520)	(1,783,225)	106,399	715,194
Total net position	\$ (17,647,347)	\$ 153,757,281	\$ 106,401	\$ 715,194

Charleston County Volunteer Rescue Squad	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Totals
\$ 319,406	\$ 1,689,645	\$ 11,946,281	\$ 10,949,902	\$ 67,227,240
-	2,192,477	20,624,739	8,194,787	63,667,832
-	30,490	1,162,254	242,942	1,453,181
-	12,173	-	-	12,173
-	-	-	-	772,538
14,363	16,329	4,339,940	50,875	8,008,357
-	88,399	-	-	88,399
-	-	6,786,610	264,640	38,269,570
52,243	669,000	2,917,542	661,403	117,213,103
1,218,384	2,597,808	21,596,892	6,578,661	92,021,122
1,604,396	7,296,321	69,374,258	26,943,210	388,733,515
-	-	-	-	4,873,015
-	662,927	3,022,902	1,700,902	15,520,093
-	662,927	3,022,902	1,700,902	20,393,108
4,616	46,321	315,340	108,782	2,683,304
-	144,722	188,009	133,794	3,037,995
-	-	-	-	471,043
-	-	252,651	57,202	809,217
94,322	-	-	-	94,322
-	330,349	-	250,000	3,627,116
-	149,883	2,589,704	439,802	9,229,272
-	437,573	23,545,603	5,694,150	73,566,178
-	-	-	-	14,091,619
-	2,749,779	14,935,704	6,322,252	75,362,197
98,938	3,858,627	41,827,011	13,005,982	182,972,263
-	-	-	-	6,893,442
-	2,110,665	20,300,004	7,717,295	60,328,698
-	1,083,416	632,452	134,693	2,174,419
-	3,194,081	20,932,456	7,851,988	69,396,559
1,270,627	2,748,502	9,965,678	7,041,292	163,900,703
-	-	848,041	146,209	15,958,635
-	-	-	216	216
5,205	-	-	-	418,656
-	-	-	-	3,942,241
229,626	(1,841,962)	(1,176,026)	598,425	(27,453,089)
<u>\$ 1,505,458</u>	<u>\$ 906,540</u>	<u>\$ 9,637,693</u>	<u>\$ 7,786,142</u>	<u>\$ 156,767,362</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, 2023

	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	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 34,461,567	\$ 205,480	\$ 33,250,989	\$ 859,216	\$ (145,882)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (145,882)
Charleston County PRC													
Governmental activities:													
General government	8,989,743	-	-	-	-	(8,989,743)	-	-	-	-	-	-	(8,989,743)
Recreation/Park operations	33,776,198	20,452,857	238,690	1,086,147	-	(11,998,504)	-	-	-	-	-	-	(11,998,504)
Interest and fiscal charges	1,054,528	-	-	-	-	(1,054,528)	-	-	-	-	-	-	(1,054,528)
Total governmental activities	43,820,469	20,452,857	238,690	1,086,147	-	(22,042,775)	-	-	-	-	-	-	(22,042,775)
Cooper River Park & Playground													
Governmental activities:													
General government	11,509	-	-	-	-	-	(11,509)	-	-	-	-	-	(11,509)
Culture and recreation	201,349	-	-	-	-	-	(201,349)	-	-	-	-	-	(201,349)
Total governmental activities	212,858	-	-	-	-	-	(212,858)	-	-	-	-	-	(212,858)
North Charleston District													
Governmental activities:													
General government	24,960	-	-	-	-	-	(24,960)	-	-	-	-	-	(24,960)
Public safety	987,252	-	-	-	-	-	(987,252)	-	-	-	-	-	(987,252)
Public works	319,493	-	-	-	-	-	(319,493)	-	-	-	-	-	(319,493)
Total governmental activities	1,331,705	-	-	-	-	-	(1,331,705)	-	-	-	-	-	(1,331,705)
Charleston County Volunteer													
Rescue Squad													
Governmental activities:													
Public Safety	575,400	-	595,990	240,000	-	-	-	-	260,590	-	-	-	260,590

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets								
	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	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Total
St. Andrew's Parish Parks & Playground Commission													
Governmental activities:													
General government	\$ 2,102,839	\$ 88,533	\$ 970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,013,336)	\$ -	\$ -	\$ (2,013,336)
Culture and recreation	1,126,307	1,615,188	-	-	-	-	-	-	-	488,881	-	-	488,881
Interest	13,657	-	-	-	-	-	-	-	-	(13,657)	-	-	(13,657)
Total governmental activities	3,242,803	1,703,721	970	-	-	-	-	-	-	(1,538,112)	-	-	(1,538,112)
St. John's Fire District													
Governmental activities:													
Public safety	15,878,680	-	20,977	-	-	-	-	-	-	-	(15,857,703)	-	(15,857,703)
Interest	777,880	-	-	-	-	-	-	-	-	-	(777,880)	-	(777,880)
Total governmental activities	16,656,560	-	20,977	-	-	-	-	-	-	-	(16,635,583)	-	(16,635,583)
St. Paul's Fire District													
Governmental activities:													
Public safety	7,605,904	-	-	-	-	-	-	-	-	-	-	(7,605,904)	(7,605,904)
Interest	171,683	-	-	-	-	-	-	-	-	-	-	(171,683)	(171,683)
Total governmental activities	7,777,587	-	-	-	-	-	-	-	-	-	-	(7,777,587)	(7,777,587)
Total Component Units	<u>\$ 108,078,949</u>	<u>\$ 22,362,058</u>	<u>\$ 34,107,616</u>	<u>\$ 2,185,363</u>									<u>(49,423,912)</u>
General Revenues:													
Property taxes					-	29,191,511	179,460	1,104,624	-	2,218,198	19,157,373	8,012,584	59,863,750
Merchants inventory tax and manufacturer's depreciation					-	20,248	55,894	214,233	-	34,236	-	13,821	338,432
Franchise fees					-	-	-	35,223	-	-	-	-	35,223
Unrestricted investment earnings					-	218,432	-	15,291	-	1,286	-	314,952	549,961
Gains on sale of capital assets					-	-	-	-	14,050	-	363	-	14,413
Fundraising and donations					-	-	-	-	4,459	-	-	-	4,459
Miscellaneous					-	606,134	-	-	101,015	-	125,380	469,146	1,301,675
Total general revenues					-	30,036,325	235,354	1,369,371	119,524	2,253,720	19,283,116	8,810,503	62,107,913
Change in net position					(145,882)	7,993,550	22,496	37,666	380,114	715,608	2,647,533	1,032,916	12,684,001
Net position - restated					(17,501,465)	145,763,731	83,905	677,528	1,125,344	190,932	6,990,160	6,753,226	144,083,361
Net position - end of year					<u>\$ (17,647,347)</u>	<u>\$ 153,757,281</u>	<u>\$ 106,401</u>	<u>\$ 715,194</u>	<u>\$ 1,505,458</u>	<u>\$ 906,540</u>	<u>\$ 9,637,693</u>	<u>\$ 7,786,142</u>	<u>\$ 156,767,362</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023.

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, 2023**

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
JUNE 30, 2023

Based on the previously discussed criteria, the following component units are reported in the County's Annual Comprehensive Financial Report (ACFR) 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
JUNE 30, 2023

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, 2023

C. Basis of Presentation

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

Fund Accounting - The major fund types are:

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

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

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

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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.

American Rescue Plan Act – This fund accounts for the financial resources from the Federal government for the American Rescue Plan Act, also called the COVID-19 Stimulus Package.

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, Public Works equipment 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, sale of recyclables, and grants.

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

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

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

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

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Telecommunications – This fund is used to account for the centrally administered telecommunications system, which includes pagers and cellular telephones.

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

Employee Benefits – This fund is used to account for costs of providing health and life insurance to the County's employees and retirees, as well as providing retirement benefits. Funding is provided by a percentage charge against all departmental payrolls and payments from retirees. 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 uses the economic resources measurement. 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.

The County adopted 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.

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.

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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, 2022, but which were levied to finance fiscal year 2023 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then.

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

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acquisition of net assets 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 and leases. 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, 2022, 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 fair 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

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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	5-8
Office Equipment and furniture	5-12
Computer Equipment	3-5
Other Equipment	5-12
Landfill Land	10-20
Sewer Systems	25-50

6. *Right to use assets*

The County has recorded right to use lease assets as a result of implementing GASB 87, *Leases*, for accounting and reporting of its leases greater than one year. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt.

Key estimates and judgements related to leases include the discount rate, the lease terms and the lease payments. For the discount rate, the County uses the interest rate charged by the lessor. If an interest rate is not provided by the lessor, the County will use its estimated incremental borrowing rate as the discount rate. Lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that significantly affect the amount of the lease liabilities.

7. *Subscription Based Information Technology Arrangements*

The County has entered into various IT software subscriptions arrangements. The County follows GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for accounting and reporting of its IT software subscriptions. At the commencement of the agreement, the County initially measures the subscription liability at the present value of payments expected to be made during the agreement term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt.

Key estimates and judgements related to subscriptions include the discount rate, the agreement terms and the agreement payments. For the discount rate, the County uses the interest rate charged by the software vendor. If an interest rate is not provided by the software vendor, the County will use its estimated incremental borrowing rate as the discount rate. Agreement terms include the noncancellable period of the agreement. Agreement payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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8. 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.

9. 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.

10. 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.
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.

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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.

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.

11. 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

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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.

12. 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.

13. 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.

14. 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.

15. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officer's Retirement Systems (PORS), and additions to/deductions from the SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

16. 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 assets 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 six items that qualify for reporting in this category as follows:

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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.
6. The unamortized amount of the loss on refunding of debt.

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 assets 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.
4. Current property taxes which are not recognized as a revenue until the period it becomes available.
5. Current lease receipts are not recognized as a revenue until the period it becomes available.

17. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The County recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the 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

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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.

18. Change in Accounting Principle and Restatement

The County implemented Governmental Accounting Standards (GASB) Statement No. 96, *Subscription Based Information Technology (SBITA) Arrangements* effective July 1, 2022. GASB Statement No. 96 enhances the relevance and consistency of information of the government's SBITA activities. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the County has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will *not* exercise that option).

Under this Statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the County's incremental borrowing rate if the interest rate is not readily determinable. The County will recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

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The implementation of GASB 96 resulted in the recognition of the County's SBITA assets and the related liabilities at July 1, 2022 as shown as follows:

	Governmental Activities		
	Long-term Liabilities	SBITA Assets	Net Position
Balance at 6/30/22			
as previously reported	\$ 942,367,033	\$ -	\$ 194,617,290
Restatement due to the implementation of GASB 96			
SBITA assets	-	2,139,729	2,139,729
SBITA liabilities	2,139,729	-	(2,139,729)
Beginning balances at July 1, 2022 as restated	<u>\$ 944,506,762</u>	<u>\$ 2,139,729</u>	<u>\$ 194,617,290</u>

	Business-type Activities		
	Long-term Liabilities	SBITA Assets	Net Position
Balance at 6/30/22			
as previously reported	\$ 42,085,236	\$ -	\$ 116,043,291
Restatement due to the implementation of GASB 96			
SBITA assets	-	363,645	363,645
SBITA liabilities	363,645	-	(363,645)
Beginning balances at July 1, 2022 as restated	<u>\$ 42,085,236</u>	<u>\$ 363,645</u>	<u>\$ 116,406,936</u>

	Proprietary Funds		
	SBITA Assets	Long-term Liabilities	Net Position
E-911 Communications			
Balance at 6/30/22			
as previously reported	\$ -	\$ -	\$ 3,414,641
Restatement due to the implementation of GASB 96			
SBITA Asset	363,645	-	363,645
SBITA Liabilities	-	(363,645)	(363,645)
Beginning balances at July 1, 2022 as restated	<u>\$ 363,645</u>	<u>\$ (363,645)</u>	<u>\$ 3,414,641</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are legally adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Debt Service Fund and certain Special Revenue Funds including Accommodations, Child Support Enforcement, Economic Development, Education, Fire Districts, Hazardous Materials Enforcement, Public Defender, Storm Water Drainage, Sheriff, Solicitor, and Victim Notification Funds. The balance of the Special Revenue Funds and Capital Projects Funds are budgeted over the life of the grant or project. Certain reclasses have been made to the general fund presentation of the budget.

All agencies of the County and its component units must submit requests for appropriations to the County Administrator by April 15 along with revenue estimates so that a budget may be prepared. During May, the proposed budgets are presented to County Council for review. The Council holds public hearings and adopts the final budgets by July 1 through passage of ordinances.

The legal level of budgetary control is determined by County Council at the individual fund level. Expenditures by department, sub-organizational level and major category, i.e. personnel, non-personnel and capital outlay, are further defined in the budget document and are subject to County Administrator approval. The County Administrator is authorized to make transfers between major expenditure categories within departments and between departments within the same fund.

The Administrator has further delegated to the Assistant Administrators the authority to transfer between departments. The budget ordinance must be amended by Council to effect changes in fund totals, unless otherwise authorized in the budget ordinance.

Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations were necessary.

The results were increases and decreases within the individual departments within the funds. All annual appropriations lapse at year-end, except for Council designations and outstanding encumbrances.

III. DETAILED NOTES ON ALL FUNDS

A. Cash Deposits, Cash Equivalents and Investments

Custodial Credit Risk - Deposits

Custodial Credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County follows Section 6-5-15, South Carolina Code of Laws, 1976 (as amended) as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this 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, 2023, \$27,642 of the County's bank balance of \$119,183,502 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

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outside party. As of June 30, 2023, the County had no exposed custodial credit risk on its investments which total \$1,138,777,983. \$1,138,777,983 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 \$1,138,777,983 invested in the South Carolina Local Government Investment Pool (SCLGIP). This is shown as pooled cash equivalents on the face of the financials. The County has no formal policy relating to the credit risk of investments.

Investment Policy

The County's Investments are carried at fair value. Non-participating interest-earning investment contracts, such as bank certificates of deposit whose terms are not affected by changes in market rates, are stated at cost. Investment contracts that have a remaining maturity at the time of the purchase of one year or less are stated at amortized cost, provided the fair value of the investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Amortization of investment premiums and discounts is netted against investment income for financial statement purposes. Money market investments are short-term, highly liquid debt instruments including US Treasury obligations. Interest-earning investment contracts are contracts that a government enters into with a financial institution or other financial services company for which it receives interest payments.

As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy specifies limitations on instruments; diversification and maturity scheduling that are dependent upon whether the funds being invested are considered short term or long term funds. Investment maturities for operating funds 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

COUNTY OF CHARLESTON, SOUTH CAROLINA
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Long-term investment maturity scheduling is timed according to anticipated needs.

	<u>Maturity Date</u>		
	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Investments and Maturity:			
SCLGIP	\$ 1,138,777,983	\$ -	\$ -
	<u>\$ 1,138,777,983</u>	<u>\$ -</u>	<u>\$ -</u>

Concentrations of Credit Risk

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

SCLGIP	100.00%
	<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 June 30, 2023, exceeded FDIC limits by \$83,552, which is considered uninsured.

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.

Custodial Credit Risk-Investments

None of the component units have a formal investment policy for managing custodial credit risk. As of June 30, 2023, St. John's Fire District has \$12,120 invested in the State Treasurer's Local Government Investment Pool.

St. Paul's Fire District has \$10,574,835 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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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 Custodial funds follows:

Cash on hand - primary government	\$ 57,022
Cash on hand - component units	2,545
Carrying amount of deposits - primary government	115,556,884
Carrying amount of deposits - component units	94,907,310
Carrying amount of investments - primary government	1,138,777,984
Carrying amount of investments - component units	10,586,955
Cash with fiscal agent - primary government	<u>125,000</u>
 Total carrying amount of cash and investments	 <u><u>\$ 1,360,013,700</u></u>
 Non-pooled cash and cash equivalents	 \$ 91,348,966
Pooled cash and cash equivalents	1,222,963,901
Restricted cash and cash equivalents	45,575,833
Cash with fiscal agent	<u>125,000</u>
 Total carrying amount of cash and investments	 <u><u>\$ 1,360,013,700</u></u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
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B. Receivables

Receivables as of June 30, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				
	General	Debt Service	Transportation	American	Non-major Governmental Funds
			Special Revenue Fund	Rescue Plan Act	
Primary government:					
Receivables:					
Current property taxes	\$ 216,831,606	\$ 30,158,832	\$ -	\$ -	\$ 15,781,812
Delinquent property taxes	7,107,874	1,360,884	-	-	771,841
Accounts	65,743,425	-	48,812	-	3,950,615
Intergovernmental	21,071,416	5,175	75,857,211	14,033	11,578,715
Gross receivables	310,754,321	31,524,891	75,906,023	14,033	32,082,983
Uncollectable:					
Current property taxes	8,629,898	1,070,639	-	-	674,948
Delinquent property taxes	4,528,095	847,733	-	-	474,725
Accounts	57,670,039	-	-	-	198,089
Gross allowance	70,828,032	1,918,372	-	-	1,347,762
Net total receivable	\$ 239,926,289	\$ 29,606,519	\$ 75,906,023	\$ 14,033	\$ 30,735,221
	Proprietary				Totals
	Governmental			Non-major	
	Activities-Internal	Environmental	Parking	Business-Type	Primary
	Service Funds	Management	Garages	Activities	Government
Receivables:					
Current property taxes	\$ -	\$ -	\$ -	\$ -	\$ 262,772,250
Delinquent property taxes	-	-	-	-	9,240,599
Accounts	26,994	6,622,688	290	3,625,319	80,023,318
Intergovernmental	443,103	594,866	105,824	2,518,971	112,184,139
Lease receivable	-	-	590,439	1,373,911	1,964,350
Interest receivable	-	-	458	5,096	5,554
Gross receivables	470,097	7,217,554	697,011	7,523,297	466,190,210
Less allowance for uncollectable:					
Current property taxes	-	-	-	-	10,375,485
Delinquent property taxes	-	-	-	-	5,850,553
Accounts	-	4,297,890	-	1,061,643	63,227,661
Gross allowance	-	4,297,890	-	1,061,643	79,453,699
Net total receivable	\$ 470,097	\$ 2,919,664	\$ 697,011	\$ 6,461,654	\$ 386,736,511

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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Component Units:

	CCL	CCPRC	CRPPC	NCD
Receivables:				
Current property taxes	\$ -	\$ 30,190,653	\$ 159,297	\$ 975,832
Delinquent property taxes	-	1,308,574	24,059	146,625
Accounts	77,596	1,176,270	-	-
Gross receivables	77,596	32,675,497	183,356	1,122,457
Less allowance for uncollectible:				
Current property taxes	-	1,074,788	8,395	51,426
Delinquent property taxes	-	196,286	14,146	58,036
Gross allowance	-	1,271,074	22,541	109,462
Net total receivable	\$ 77,596	\$ 31,404,423	\$ 160,815	\$ 1,012,995
				Total Component Units
Receivables:	SAPPPC	SJFD	SPFD	
Current property taxes	\$ 2,213,133	\$ 21,053,728	\$ 8,145,762	\$ 62,738,405
Delinquent property taxes	126,911	388,939	499,758	2,494,866
Accounts	-	48,690	-	1,302,556
Gross receivables	2,340,044	21,491,357	8,645,520	66,535,827
Less allowance for uncollectible:				
Current property taxes	102,468	753,724	428,467	2,419,268
Delinquent property taxes	45,099	112,894	22,266	448,727
Gross allowance	147,567	866,618	450,733	2,867,995
Net total receivable	\$ 2,192,477	\$ 20,624,739	\$ 8,194,787	\$ 63,667,832

Lease Receivables

For the year ended 6/30/2022, the County's financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the 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.

Note Receivable

Effective June 24, 2020, the St. Andrew's Parish Parks and Playground Commission entered into an asset purchase agreement with a buyer to all related assets of the eTrak business. The Commission received \$150,000 for the sale of the related eTrak assets. The entire \$150,000 will be repaid by the buyer in the form of a promissory note. The note includes quarterly payments based on a revenue sharing formula whereby a percentage of usage fees collected by the buyer will be used to repay the note. There is no stated interest rate, and the note will mature when paid in full. The balance of the note was \$100,572 at June 30, 2023.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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Governmental Activities:

On 01/01/2020, Charleston County entered into a 36 month lease as Lessor for the use of Suite 500 – 1189 Sweetgrass Basket Parkway. An initial lease receivable was recorded in the amount of \$61,374. As of 06/30/2023, the balance of the lease receivable is \$20,497. The lessee is required to make monthly variable principal and interest payments of \$3,420. The lease has an interest rate of 0.4350%. The Buildings estimated useful life was 180 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2023 was \$20,413 and the County recognized lease revenue of \$40,827 during the fiscal year. The County had a termination period of 3 months as of the lease commencement.

On 04/01/2021 the County entered into a 60 month lease as Lessor for the use of 4056 Bridge View Drive. An initial lease receivable was recorded in the amount of \$40,832. As of 06/30/2023, the balance of the lease receivable is \$33,524. The lessee is required to make annual fixed payments of \$3,890. The lease has an interest rate of 0.9800%. The balance of the deferred inflow of resources as of 06/30/2023 was \$32,456 and the County recognized lease revenue of \$4,188 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

Business-type Activities:

On 06/26/2021, the County entered into a 13 month lease as Lessor for the use of 5 Charleston Center Drive. An initial lease receivable was recorded in the amount of \$72,920. As of 06/30/2023, the balance of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$5,618. The lease has an interest rate of 0.3080%. The Buildings estimated useful life was 264 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2023 was \$0, and the County recognized lease revenue of \$5,616 during the fiscal year.

On 06/26/2017, the County entered into a 60 month lease as Lessor for the use of a Multi-Level Building – MUSC. An initial lease receivable was recorded in the amount of \$100,446. As of 06/30/2023, the balance of the lease receivable is \$0. The lessee is required to make monthly variable principal and interest payments of \$6,709. The lease has an interest rate of 0.3080%. The Buildings estimated useful life was 180 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2023 was \$0 and the County recognized lease revenue of \$20,117 during the fiscal year.

On 08/20/1996, the County entered into a 420 month lease as Lessor for the use of land at 4850 River Road. An initial lease receivable was recorded in the amount of \$202,077. As of 06/30/2023, the balance of the lease receivable is \$162,018. The lessee is required to make annual variable principal and interest payments of \$21,667. The lease has an interest rate of 1.5250%. The balance of the deferred inflow of resources as of 06/30/2023 was \$162,324 and the County recognized lease revenue of \$19,876 during the fiscal year. The lessee has 2 extension options(s), each for 60 months.

On 07/01/2020, the County entered into a 39 month lease as Lessor for the use of Retail Store #2 & #3 in the Cumberland Parking Garage. An initial lease receivable was recorded in the amount of \$152,942. As of 06/30/2023, the balance of the lease receivable is \$17,667. The lessee is required to make monthly fixed payments of \$5,555. The lease has an interest rate of 0.4350%. The buildings estimated useful life was 420 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2023 was \$16,996 and the County recognized lease revenue of \$67,974 during the fiscal year.

On 10/07/2017 the County entered into a 60 month lease as Lessor for the use of land at 840 Society Road. An initial lease receivable was recorded in the amount of \$22,415. As of 06/30/2023, the balance of the lease receivable is \$0. The lessee is required to make annual fixed payments of \$11,236. The lease has an interest rate of 0.3080%. The balance of the deferred inflow of resources as of 06/30/2023 was \$0 and the County recognized lease revenue of \$5,777 during the fiscal year.

On 12/03/2018, the County entered into a 120 month lease as Lessor for the use of certain parking spaces in the Cumberland Street Parking Garage. An initial lease receivable was recorded in the amount of \$557,048. As

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

of 06/30/2023, the balance of the lease receivable is \$375,217. The lessee is required to make monthly fixed payments of \$8,000. The lease has an interest rate of 1.1380%. The Buildings estimated useful life was 264 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2023 was \$371,364 and the County recognized lease revenue of \$92,841 during the fiscal year. The lessee has 3 extension options(s), each for 60 months.

On 08/09/2012, the County entered into a 120 month lease as Lessor for the use of certain parking spaces in the Cumberland Street Parking Garage. This lease has been extended for 60 additional months. An initial lease receivable was recorded in the amount of \$290,732. As of 06/30/2023 the balance of the lease receivable is \$197,555. The lessee is required to make monthly fixed payments of \$8,000. The lease has an interest rate of 1.1380%. The building's estimated useful life was 268 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2023 was \$191,741 and the County recognized lease revenue of \$95,738 during the fiscal year.

On 06/28/2011, the County entered into a 180 month lease as Lessor for the use of land at 40A 41st Ave. – Wild Dunes. An initial lease receivable was recorded in the amount of \$405,713. As of 06/30/2023, the balance of the lease receivable is \$317,040. The lessee is required to make monthly fixed payments of \$3,930. The lease has an interest rate of 0.8140%. The balance of the deferred inflow of resources as of 06/30/2023 was \$314,256 and the County recognized lease revenue of \$45,728 during the fiscal year. The lessee has 5 extension options(s), each for 60 months. The lessee had a termination period of 1 month as of the lease commencement.

On 05/07/2018, the County entered into a 204 month lease as Lessor for the use of land at 6380 Maxville Rd. An initial lease receivable was recorded in the amount of \$342,707. As of 06/30/2023, the balance of the lease receivable is \$273,324. The lessee is required to make annual variable principal and interest payments of \$24,000. The lease has an interest rate of 0.8140%. The balance of the deferred inflow of resources as of 06/30/2023 was \$293,367 and the County recognized lease revenue of \$24,670 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 12/16/2022, the County entered into a 60 month lease as the Lessor for the use of 165,000 square feet located at 3685 Rivers Avenue. The initial lease receivable was recorded in the amount of \$698,264. As of 6/30/2023, the balance of the lease receivable is \$621,530. The lessee is required to make monthly payments of \$11,727 for principal and interest for the first twelve months. The rent shall automatically increase by 1.5% each year. The lease has an interest rate of 1.50%. The buildings useful life was 540 months as of the contract commencement. The balance of deferred inflow of resources as of 6/30/2023 was \$616,800 and the County recognized lease revenue of \$81,464 during the fiscal year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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The County is the lessor for various properties. Estimated future annual lease receivables for leases in effect as of June 30, 2023 is as follows:

Year Ending June 30,	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 24,457	\$ 355	\$ 24,812
2025	4,213	290	4,503
2026	4,480	248	4,728
2027	4,760	204	4,964
2028	5,055	158	5,213
2029 - 2032	11,056	164	11,220
TOTAL	\$ 54,021	\$ 1,419	\$ 55,440

Year Ending June 30,	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 423,376	\$ 21,081	\$ 444,457
2025	412,839	16,068	428,907
2026	331,678	11,390	343,068
2027	329,971	7,290	337,261
2028	151,110	3,947	155,057
2029 - 2033	267,956	7,424	275,380
2034 - 2035	47,420	580	48,000
TOTAL	\$ 1,964,350	\$ 67,780	\$ 2,032,130

The County recognized lease revenue of:

Governmental Activities	\$ 45,015
Business-type Activities	\$ 459,801

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
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C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022 as restated	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 2023
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 29,292,340	\$ -	\$ -	\$ 29,292,340
Construction in progress	64,104,989	25,083,637	(73,731,992)	15,456,634
Infrastructure-easements, land	15,124,544	656,018	(44,820)	15,735,742
Total capital assets not being depreciated	108,521,873	25,739,655	(73,776,812)	60,484,716
Capital assets being depreciated:				
Buildings	371,839,492	76,661,753	(5,505,139)	442,996,106
Improvements other than buildings	51,390,450	977,874	(9,913,167)	42,455,157
Machinery and equipment	163,953,356	21,957,619	(13,047,411)	172,863,564
Infrastructure	35,536,457	965,246	(357)	36,501,346
Intangible Assets Right to use	5,737,085	2,306,248	(852,325)	7,191,008
Intangible Assets SBITA	2,139,729	-	-	2,139,729
Total capital assets being depreciated/amortized	630,596,569	102,868,740	(29,318,399)	704,146,910
Less accumulated depreciation:				
Buildings	(147,822,159)	(8,194,250)	711,884	(155,304,525)
Improvements other than buildings	(5,588,502)	(3,345,479)	-	(8,933,981)
Machinery and equipment	(122,535,587)	(9,417,957)	13,314,684	(118,638,860)
Infrastructure	(32,083,336)	(491,261)	357	(32,574,240)
Intangible Assets Right to use	(2,697,403)	(1,622,229)	852,325	(3,467,307)
Intangible Assets SBITA	-	(503,855)	-	(503,855)
Total accumulated depreciation/amortization	(310,726,987)	(23,575,031)	14,879,250	(319,422,768)
Total capital assets being depreciated, net	319,869,582	79,293,709	(14,439,149)	384,724,142
Governmental activities				
Total capital assets, net	\$ 428,391,455	\$ 105,033,364	\$ (88,215,961)	\$ 445,208,858

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

	Balance July 1, 2022	Transfer/ Additions	Transfers/ Deletions	Balance June 30, 2023
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 5,544,100	\$ -	\$ (129,321)	\$ 5,414,779
Construction in progress	12,444,972	452,219	(12,282,770)	614,421
Total capital assets not being depreciated	17,989,072	452,219	(12,412,091)	6,029,200
Capital assets being depreciated:				
Buildings	52,736,490	-	-	52,736,490
Improvements other than buildings	35,097,148	12,761,286	-	47,858,434
Machinery and equipment	36,464,362	1,780,963	(4,012,838)	34,232,487
Intangible assets, Right to use	4,103,272	953,644	-	5,056,916
Intangible assets, SBITA	363,645	-	-	363,645
Total capital assets being depreciated	128,764,917	15,495,893	(4,012,838)	140,247,972
Less accumulated depreciation:				
Buildings	(13,914,672)	(1,129,682)	-	(15,044,354)
Improvements other than buildings	(13,558,866)	(3,493,052)	-	(17,051,918)
Machinery and equipment	(23,200,885)	(2,937,159)	3,208,888	(22,929,156)
Intangible assets, Right to use	(455,584)	(546,580)	-	(1,002,164)
Intangible assets, SBITA	-	(136,785)	-	(136,785)
Total accumulated depreciated	(51,130,007)	(8,243,258)	3,208,888	(56,164,377)
Total capital assets being depreciated, net				
Business-type activities	77,634,910	7,252,635	(803,950)	84,083,595
Total capital assets, net	\$95,623,982	\$ 7,704,854	\$(13,216,041)	\$ 90,112,795

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Governmental Activities

General government	\$ 8,361,236
Public safety	7,330,660
Judicial	2,232,856
Public works	1,532,326
Health and welfare	72,370
Economic development	220,413
Culture and recreation	3,825,170
Total	<u>\$ 23,575,031</u>

Business-type Activities

DAODAS	\$ 258,319
E-911 Communications	933,528
Environmental Management	5,326,552
Parking Garages	583,785
Radio Communications	990,272
Revenue Collections	150,802
Total	<u>\$ 8,243,258</u>

Component Units	Balance July 1, 2022 as restated	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 111,911,821	\$ 1,906,446	\$ -	\$ 113,818,267
Construction in progress	9,008,314	7,651,715	(14,171,692)	2,488,337
Reference database	690,000	205,499	-	895,499
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>121,621,135</u>	<u>9,763,660</u>	<u>(14,171,692)</u>	<u>117,213,103</u>
Capital assets being depreciated:				
Buildings	99,956,382	13,766,533	(131,719)	113,591,196
Improvements other than buildings	23,191,165	-	-	23,191,165
Machinery and equipment	33,445,206	4,288,571	(4,672,906)	33,060,871
Infrastructure	6,736,011	-	-	6,736,011
Library materials	14,017,331	2,050,522	(1,743,361)	14,324,492
Intangible-Right to use assets	1,846,517	582,385	(47,601)	2,381,301
Total capital assets being depreciated/amortized	<u>179,192,612</u>	<u>20,688,011</u>	<u>(6,595,587)</u>	<u>193,285,036</u>
Less accumulated depreciation/amortization	<u>(98,154,041)</u>	<u>(9,043,672)</u>	<u>5,933,799</u>	<u>(101,263,914)</u>
Total capital assets being depreciated/amortized, net	<u>81,038,571</u>	<u>11,644,339</u>	<u>(661,788)</u>	<u>92,021,122</u>
Component units				
Total capital assets, net	<u>\$ 202,659,706</u>	<u>\$ 21,407,999</u>	<u>\$ (14,833,480)</u>	<u>\$ 209,234,225</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

General government	\$ 125,383
Public safety	1,993,596
Culture and recreation	<u>6,924,693</u>
 Total	 \$ <u>9,043,672</u>

Construction in progress in the Governmental and Business-type Activities as of June 30, 2023, is composed of the following:

Primary Government

Governmental activities:	Project Authorization	Expended to June 30, 2023	Commitments Outstanding	Required Future Financing
Library Projects	\$ 3,049,545	\$ 1,180,223	\$ 963,029	None
Azalea Compound and fuel site	79,761,600	9,695,295	62,807,121	General Obligation Bond
County Office Building - Elevators	950,000	921,566	28,434	None
EMS Hwy 78 Renovations	1,285,192	1,144,454	140,738	None
Blake Tenament	467,410	30,603	206,042	None
EMS Edisto	4,240,000	262,175	3,671,658	None
Biological Science Center	2,000,000	82,096	1,152,059	None
Records Center Storage	486,105	462,550	23,555	None
James Island Maintenance Facility	1,650,000	86,445	-	None
EMS Vehicles	1,819,100	836,632	982,468	None
Remount Road Strip Mall	186,100	61,144	123,327	None
ProDoc Storage	500,000	428,874	-	None
Library HVAC	222,540	14,585	191,955	None
Technology Projects	648,880	249,992	253,760	None
Total Governmental Activities	<u>\$ 97,266,472</u>	<u>\$ 15,456,634</u>	<u>\$ 70,544,146</u>	

Business-type activities:	Project Authorization	Expended to June 30, 2023	Commitments Outstanding	Required Future Financing
Parking Garages Renovations	\$ 1,215,358	\$ 582,301	\$ 433,995	None
Truck Scales Project	41,500	32,120	6,500	None
Total business-type activities	<u>\$ 1,256,858</u>	<u>\$ 614,421</u>	<u>\$ 440,495</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2023, is as follows:

	Receivable Fund	Payable Fund
Major governmental funds: General Fund	\$ 2,066,678	\$ 963,801
Non-major governmental funds	-	2,066,678
Major enterprise funds: Environmental Management	-	19,950,348
Major enterprise funds: Parking Garages	-	2,861,634
Non-major enterprise funds	-	22,469,635
Internal service funds	46,245,418	-
Total	<u>\$ 48,312,096</u>	<u>\$ 48,312,096</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	\$ 3,863,037	\$ (21,641,713)
Debt Service Fund	14,683,875	(4,287,924)
Transportation and Road Sales Tax	121,100,334	(124,003,927)
G.O.B. Capital Projects	-	(2,464,179)
Non-major governmental funds	30,121,637	(25,980,274)
Major business-type activities:		
Environmental Management	1,365,531	(1,365,531)
Parking Garage	-	(96,408)
Non-major business-type activities	3,199,238	(887,769)
Internal Service Funds	7,476,476	(1,082,403)
Total	<u>\$ 181,810,128</u>	<u>\$ (181,810,128)</u>

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. Lease Liabilities and Subscription-Based Information Technology Arrangements – Charleston County Library

The Charleston County Library has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and therefore, have been recorded at the present value of the future minimum lease payments as of July 1, 2021, or the date of their inception, if the inception date was after July 1, 2021.

COUNTY OF CHARLESTON, SOUTH CAROLINA
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In March 2019, the Charleston County 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 \$2,130. In March, the agreement was extended on a short-term basis.

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.

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.

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.

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.

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.

In February 2022, the Library entered into a lease agreement for public-use computers and computers to be used by staff members. The lease agreement is for a 48-month period commencing in May 2022, ending April 2026, with a minimum monthly charge of \$9,724.

In April 2018, the Library entered into a lease agreement for credit-debit card processing machines. The lease agreement was for a 36-month period commencing in April 2018, ending April 2021, with a minimum monthly charge of \$262. The lease automatically renewed in April 2021, 2022, and 2023, and is currently scheduled to end in April 2024.

No discount was stated in the lease agreements. Management used the stated rate for similar equipment, which is discussed in the financed purchase obligations note. The discount rates used to determine the net present value of future minimum lease obligations were 5.5% or 6.5%, depending on the timing of the lease agreement.

Lease liabilities as of July 1, 2022, and June 30, 2023, were \$832,458 and \$528,118, respectively. Total rent expense associated with the leases for the year ended June 30, 2023, was \$307,398 and lease related interest expense was \$39,225.

The future minimum lease obligations and the net present value of these minimum lease payments for the Library as of June 30, 2023, were as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	\$ 256,004	\$ 22,220	\$ 278,224
2025	177,283	9,739	187,022
2026	94,831	2,407	97,238
	<u>\$ 528,118</u>	<u>\$ 34,366</u>	<u>\$ 562,484</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
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For the year ended June 30, 2023, the Library implemented the requirements of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (Subscriptions or SBITAs). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Subscriptions in effect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the Subscription after July 1, 2022, plus amounts paid at the beginning of the arrangement. There were three such agreements in place at June 30, 2022. The Subscriptions are largely focused on system security, including a system for monitoring tickets for IT support. The initial terms of the agreements ranged from 32 to 59 months at implementation. Two of the Subscriptions were paid in full at the beginning of the term so no related subscription liability was recognized. The Subscription with a remaining payment obligation does not have a stated interest rate. Accordingly, the Library's estimated incremental borrowing rate of 2.88% was used to discount the subscription payments. As a result of the implementation at July 1, 2022, the \$74,973 was added for the three right-to-use subscription assets and subscription liability of \$8,213 was added. The resulting balance of \$66,760 was recognized as an adjustment to the government-wide net position at July 1, 2022. The Subscription liability balance at June 30, 2023 was \$6,232.

During the current year the Library entered into two new Subscriptions. One of the Subscriptions is for secure storage and data protection in the cloud environment and the other provides secure mobile printing capability and a means for processing customer payments. The term of each of the agreements is five years. One of the Subscriptions was paid at the beginning of the term and the other Subscription will require annual payments. The Subscription does not have a stated interest rate. Accordingly, the Library's estimated incremental borrowing rate of 2.88% was used to discount the subscription payments. The initial liability for the subscription was \$139,060. The liability balance remaining at June 30, 2023 was unchanged.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	\$ 35,298	\$ 4,240	\$ 39,538
2025	36,328	3,210	39,538
2026	37,388	2,150	39,538
2027	36,278	1,060	37,338
	<u>\$ 145,292</u>	<u>\$ 10,660</u>	<u>\$ 155,952</u>

In addition to the amounts presented above, the Library also had outflows of resources during the fiscal year totaling \$421,658 that were not included in the measurement of the subscriptions liability. This total consists of a \$33,532 variable amount that is based on the specific number of users or seats each month or year of a certain software. The remainder of the costs were for short term agreements of one year or less.

Subsequent to year end, the Library committed to a SBITA involving an integrated library system software. This SBITA is for a ten-year period with annual payment starting at \$396,747 with 2.9% annual increases, for total scheduled payments of approximately \$4,550,000.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 \$19,413,936 reported as the accrual for landfill closure and post-closure at June 30, 2023, represents the estimated remaining cost reported of \$33,662,862 less \$14,248,926 deferred to date based on the following information:

Landfill Site	Percentage of Capacity Used	Estimated Costs Recognized			Balance To Be Recognized
		Closure	Post-closure	Total	
Beach Company Property	100%	\$ 4,902,624	\$ 500,964	\$ 5,403,588	\$ -
Bees Ferry					
Ash storage facility	100%	940,780	148,235	1,089,015	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	44.207%	14,011,642	298,266	14,309,908	14,248,926
Bees Ferry C&D landfill	100%	4,407,667	47,162	4,454,829	-
Totals		<u>\$ 40,028,522</u>	<u>\$ 994,627</u>	<u>\$ 41,023,149</u>	<u>\$ 14,248,926</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2023. The County began to close the Landfills in 1994. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The County anticipates that available resources, user fees, will be the primary source of funds to pay the cost of closure.

The County will issue under separate cover, a certification signed by its Deputy Administrator for Finance stating compliance with final Environmental Protection Agency regulations regarding financial assurance for operators of Municipal Solid Waste Landfill Facilities, including a required statement from our independent auditor. The computations required under these regulations are included in page 227 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, 2023. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SJFD-TAN	\$ 200,000	\$ -	\$ 200,000	\$ -
CCVRS -				
Line of Credit	-	351,020	256,698	94,322
	<u>\$ 200,000</u>	<u>\$ 351,020</u>	<u>\$ 456,698</u>	<u>\$ 94,322</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2023.

Primary Government:	Balance			Balance	Amounts Due
	July 1, 2022 as Restated	Increase	Decrease	June 30, 2023	In One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 799,398,673	\$ 1,200,000	\$ 92,403,703	\$ 708,194,970	\$ 64,183,694
Special source revenue bond	110,790,177	-	6,871,943	103,918,234	6,908,234
Intergovernmental note payable	14,877,949	-	2,147,494	12,730,455	2,270,545
Lease liabilities	3,008,318	2,305,953	1,907,544	3,406,727	1,076,634
SBITA liabilities	2,139,729	-	761,771	1,377,958	582,000
Compensated absences	14,291,916	2,667,198	545,223	16,413,892	932,960
Total	<u>\$ 944,506,762</u>	<u>\$ 6,173,151</u>	<u>\$ 104,637,678</u>	<u>\$ 846,042,236</u>	<u>\$ 75,954,067</u>
<u>Business-type activities</u>					
General obligation bonds	\$ 18,771,655	\$ -	\$ 856,118	\$ 17,915,537	\$ 876,246
Accrual for landfill closure	18,291,273	1,122,663	-	19,413,936	1,122,663
Compensated absences	1,340,325	157,561	203,923	1,293,963	157,561
Lease liabilities	3,681,983	953,644	491,941	4,143,686	503,875
SBITA liabilities	373,645	-	209,231	164,414	39,780
Total	<u>\$ 42,458,881</u>	<u>\$ 2,233,868</u>	<u>\$ 1,761,213</u>	<u>\$ 42,931,536</u>	<u>\$ 2,700,125</u>

Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences, net pension obligations and net other post-employment benefit obligations are generally liquidated from the applicable governmental fund's budgeted operations monies, of which the general fund is the most significant.

General Obligation Bonds. The County and its component units issue General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. All other obligations are reported in the Governmental activities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the County.

Primary government General Obligation Bond's payable at June 30, 2023, is comprised of the following:

Governmental Activities:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
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	\$ 7,885,000

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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	39,995,000
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	11,540,000
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	13,815,000
November 3, 2015	General Obligation Fire Protection Services Bonds, Series 2015B, 2.00 percent to 3.125 percent interest, annual principal payments beginning in November 2016, semi-annual interest payments beginning in May 2016, matures in fiscal year 2034.	2,080,000	885,000
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	45,155,000
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	87,255,000
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	15,060,000
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	87,850,000
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	20,780,000
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	74,287,713

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October 28, 2021	General Obligation Transportation Sales Tax Bonds, Series 2021A, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual interest payments beginning in May 2022, matures in fiscal year 2040.	200,000,000	171,930,000
October 28, 2021	General Obligation Capital Improvement Bonds, Series 2021B, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual interest payments beginning in May 2022, matures in fiscal year 2042.	45,560,000	40,125,000
August 9, 2022	General Obligation Fire Protection Services Bond Series 2022, 2.75 percent interest, principal payment due in November 2022, semi-annual interest payments beginning in May 2023, matures in fiscal year 2032.	<u>1,200,000</u>	<u>941,000</u>
Subtotal		<u><u>\$835,469,454</u></u>	649,013,713
Add: Premium			<u>59,181,257</u>
General obligation debt per statement of net position, governmental activities			708,194,970
Less current portion, including premium			<u>(64,183,694)</u>
Long-term portion outstanding			<u><u>\$644,011,276</u></u>

Business-type Activities:

<u>Issue Date</u>	<u>Title of Issues</u>	<u>Original</u>	<u>Outstanding</u>
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.	<u>\$20,045,546</u>	<u>\$16,287,287</u>
Subtotal		<u><u>\$20,045,546</u></u>	16,287,287
Add: Premium			<u>1,628,250</u>
General obligation debt per statement of business-type activities			17,915,537
Less current portion, including premium			<u>(876,246)</u>
Long-term portion outstanding			<u><u>\$17,039,291</u></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 2013 Special Source Revenue Bonds were partially refunded in November 2021. 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.

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Primary government Special Source Revenue Bonds payable at June 30, 2023, 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 2024. Partially refunded in November 2021.	\$ 9,040,000	\$ 3,030,000
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	28,315,000
November 18, 2021	Charleston County Taxable Special Source Revenue Refunding Bonds, Series 2021, 2.75 percent semi-annual interest payments beginning in fiscal year 2022, first annual principal payment due in fiscal year 2023, matures in fiscal year 2039.	73,545,000	72,435,000
Subtotal		<u>\$118,400,000</u>	103,780,000
Add: Premium			138,235
Special source revenue debt per statement of net position			103,918,234
Less current portion, including premium			(6,908,234)
Long-term portion outstanding			<u>\$ 97,010,000</u>

Intergovernmental Note Payable - In July 2001 the County entered into an intergovernmental loan agreement with the South Carolina Transportation Infrastructure Bank to fund a portion of the cost of the Arthur Ravenel, Jr. Bridge over the Cooper River. The County has agreed to pay \$3,000,000 per year for the next twenty-five years beginning January 2004. The County has recorded the obligation on its records at a net present value using the discount rate of 5.73 percent.

Annual requirements to amortize the intergovernmental note payable outstanding at June 30, 2023, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
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	3,000,000	2,683,643	316,357
2028	3,000,000	2,837,417	162,583
Total	<u>\$ 15,000,000</u>	<u>\$ 12,730,456</u>	<u>\$ 2,269,544</u>

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Right to Use Lease Liabilities - Several component units have utilized leases to finance the acquisition of various types of equipment. The details of each entity's leasing activities are summarized later in this note. The County uses lease funding for the purchase of various equipment and office space. Leases liabilities outstanding at June 30, 2023, include the following:

Governmental Activities

The County entered into leases dated December 2018 to April 2019 to Ontario Investments, Inc. for the purchase of new computer equipment with an estimated useful life of 48 months. 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. The balance of the right to use asset is \$655,090 with accumulated amortization of \$655,090. As of 06/30/23, the lease liability balance is \$0.

On 06/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell FY22 EMS refresh computers. An initial lease liability was recorded in the amount of \$293,458. As of 06/30/2023, the balance of the lease liability is \$146,835. The County is required to make annual fixed payments of \$76,738. The lease has an interest rate of 3.0000%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The balance of the right to use asset as of 06/30/2023 of \$293,487 with accumulated amortization of \$146,729.

On 03/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell FY22 refresh computers. An initial lease liability was recorded in the amount of \$507,628. As of 06/30/2023, the balance of the lease liability is \$254,166. The County is required to make annual fixed payments of \$132,349. The lease has an interest rate of 2.7500%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The balance of the right to use asset as of 06/30/2023 of \$507,628 with accumulated amortization of \$253,814.

On 03/20/2014, the County entered into a 120 month lease as Lessee for the use of office space at Aviation Square. An initial lease liability was recorded in the amount of \$136,561. As of 06/30/2023, the balance of the lease liability is \$52,146. The County is required to make monthly fixed payments of \$4,388. The lease has an interest rate of 0.6480%. The balance of the right to use asset as of 06/30/2023 of \$136,561 with accumulated amortization of \$82,249. Charleston County has 2 extension option(s), each for 60 months.

On 01/14/2020, the County entered into a 60 month lease as Lessee for the use of office space at Village Square III Shopping Center. An initial lease liability was recorded in the amount of \$240,317. As of 06/30/2023, the balance of the lease liability is \$110,072. The County is required to make monthly variable principal and interest payments of \$5,543 based on CPI index. The lease has an interest rate of 0.8140%. The balance of the right to use asset as of 06/30/2023 of \$240,317 with accumulated amortization of \$131,082. Charleston County had a termination period of 3 months as of the lease commencement.

On 08/02/2017 the County entered into a 60 month lease as Lessee for the use of Suite 100 – 3875 Faber Place Drive. An initial lease liability was recorded in the amount of \$693,303. As of 06/30/2023, the balance of the lease liability is \$78,784. The County is required to make monthly fixed payments of \$24,766. The lease has an interest rate of 0.3080%. The balance of the right to use asset as of 06/30/2023 of \$693,303 with accumulated amortization of \$616,269. Charleston County has 2 extension option(s), each for 12 months.

On 06/30/2018, the County entered into a 240 month lease as Lessee for the use of an assigned area at the Charleston County Aviation Authority. An initial lease liability was recorded in the amount of \$47,365. As of 06/30/2023, the balance of the lease liability is \$42,524. The County is required to make monthly fixed payments of \$274. The lease has an interest rate of 2.0110%. The balance of the right to use asset as of 06/30/2023 of \$47,365 with accumulated amortization of \$5,572.

On 05/01/2022, the County entered into a 84 month lease as Lessee for the use of Suite 201 – 4922 O'Hear Ave. An initial lease liability was recorded in the amount of \$1,165,802. As of 06/30/2023, the balance of the lease liability is \$1,013,258. The County is required to make monthly fixed payments of \$13,912. The lease has

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an interest rate of 2.6390%. The balance of the right to use asset as of 06/30/2023 of \$1,165,802 with accumulated amortization of \$194,300. Charleston County has 2 extension option(s), each for 60 months.

On 07/01/2021, the County entered into a 26 month lease as Lessee for the use of the Building at 219 Highway 52 North. An initial lease liability was recorded in the amount of \$104,895. As of 06/30/2023, the balance of the lease liability is \$8,092. The County is required to make monthly variable principal and interest payments of \$4,047 based on CPI index. The lease has an interest rate of 0.3080%. The balance of the right to use asset as of 06/30/2023 of \$104,894 with accumulated amortization of \$96,825. Charleston County has 1 extension option(s) each for 12 months.

On 06/01/2023, the County entered into a 48 month lease as Lessee for the use of Dell Computers P73958. An initial lease liability was recorded in the amount of \$680,159. As of 06/30/2023, the value of the lease liability is \$491,997. The County is required to make annual fixed payments of \$188,161. The lease has an interest rate of 7.2000%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$680,140 with accumulated amortization of \$14,170.

On 10/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell P72415 FY 23. An initial lease liability was recorded in the amount of \$188,310. As of 06/30/2023, the value of the lease liability is \$140,141. The County is required to make annual fixed payments of \$50,645. The lease has an interest rate of 4.1520%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$188,310 with accumulated amortization of \$42,547.

On 09/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell P72620. An initial lease liability was recorded in the amount of \$317,496. As of 06/30/2023, the value of the lease liability is \$236,870. The County is required to make annual fixed payments of \$86,960. The lease has an interest rate of 4.9869%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$317,496 with accumulated amortization of \$77,691.

On 02/24/2023, the County entered into a 48 month lease as Lessee for the use of Dell P73637. An initial lease liability was recorded in the amount of \$605,731. As of 06/30/2023, the value of the lease liability is \$441,088. The County is required to make annual fixed payments of \$167,595. The lease has an interest rate of 6.7470%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$605,732 with accumulated amortization of \$68,870.

On 09/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell P72198. An initial lease liability was recorded in the amount of \$177,496. As of 06/30/2023, the value of the lease liability is \$132,571. The County is required to make annual fixed payments of \$47,739. The lease has an interest rate of 3.9640%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$177,496 with accumulated amortization of \$43,468.

On 06/01/2023, the County entered into a 48 month lease as Lessee for the use of the Dell Computers P73861. An initial lease liability was recorded in the amount of \$323,113. As of 06/30/2023, the value of the lease liability is \$233,702. The County is required to make annual fixed payments of \$89,411. The lease has an interest rate of 7.2200%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use as of 06/30/2023 of \$323,113 with accumulated amortization of \$6,731.

Internal Service Fund

On 09/10/2021, the County entered into a 60 month lease as Lessee for the use of Ricoh Printer. An initial lease liability was recorded in the amount of \$22,698. As of 06/30/2023, the balance of the lease liability is \$14,514. The County is required to make monthly fixed payments of \$543. The lease has an interest rate of 11.8623%. The Equipment estimated useful life was 60 months as of the contract commencement. The balance of the right to use asset as of 06/30/2023 of \$22,995 with accumulated amortization of \$8,306. Charleston County has a termination period of 1 month as of the lease commencement.

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On 10/15/2022, the County entered into a 60 month lease as Lessee for the use of Ricoh Printer – MFD1620. An initial lease liability was recorded in the amount of \$13,646. As of 06/30/2023, the value of the lease liability is \$9,968. The County is required to make annual fixed payments of \$3,870. The lease has an interest rate of 20.2729%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$13,646 with accumulated amortization of \$1,941.

Business-type Activities

On 04/27/2011, the County entered into a 123 month lease as Lessee for the use of a radio tower at 300 W Second St. – Summerville. An initial lease liability was recorded in the amount of \$372,460. As of 06/30/2023, the balance of the lease liability is \$302,444. The County is required to make monthly variable principal and interest payments of \$3,181 based on CPI index. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2023 of \$372,460 with accumulated amortization of \$72,675. Charleston County has 2 extension option(s), each for 60 months.

On 06/13/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower at Wild Dunes. An initial lease liability was recorded in the amount of \$449,375. As of 06/30/2023, the balance of the lease liability is \$36,268. The County is required to make monthly variable principal and interest payments of \$3,929 based on CPI index. The lease has an interest rate of 0.99800%. The balance of the right to use asset as of 06/30/2023 of \$449,375 with accumulated amortization of \$90,543. Charleston County has 3 extension option(s), each for 60 months.

On 01/30/2012, the County entered into a 240 month lease as Lessee for the use of a radio tower at Buck Hall. An initial lease liability was recorded in the amount of \$361,377. As of 06/30/2023, the balance of the lease liability is \$296,096. The County is required to make monthly variable principal and interest payments of \$3,019 based on CPI index. The lease has an interest rate of 1.1380%. The balance of the right to use asset as of 06/30/2023 of \$361,378 with accumulated amortization of \$68,508. Charleston County has 4 extension option(s), each for 60 months.

On 09/30/2018, the County entered into a 120 month lease as Lessee for the use of a radio tower in Mount Pleasant. An initial lease liability was recorded in the amount of \$1,025,280. As of 06/30/2023, the balance of the lease liability is \$763,751. The County is required to make monthly fixed payments of \$10,988. The lease has an interest rate of 0.4350%. The balance of the right to use asset as of 06/30/2023 of \$1,025,280 with accumulated amortization of \$292,937. Charleston County has 1 extension option(s), each for 60 months.

On 04/20/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower on Edisto Island. An initial lease liability was recorded in the amount of \$261,257. As of 06/30/2023, the balance of the lease liability is \$216,643. The County is required to make monthly fixed payments of \$2,016. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2023 of \$261,258 with accumulated amortization of \$52,690. Charleston County has 2 extension option(s), each for 60 months.

On 04/21/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower on Folly Beach. An initial lease liability was recorded in the amount of \$445,399. As of 06/30/2023, the balance of the lease liability is \$357,959. The County is required to make monthly variable principal and interest payments of \$3,958 based on CPI index. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2023 of \$445,399 with accumulated amortization of \$91,052. Charleston County has 3 extension option(s), each for 60 months.

On 04/12/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower on Hickory Hill Site. An initial lease liability was recorded in the amount of \$297,324. As of 06/30/2023, the balance of the lease liability is \$238,525. The County is required to make monthly fixed payments of \$2,664. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2023 of \$297,324 with accumulated amortization of \$60,747. The County has 2 extension option(s), each for 60 months.

On 04/21/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower at Sewee. An initial lease liability was recorded in the amount of \$445,399. As of 06/30/2023, the balance of the lease liability

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is \$357,959. The County is required to make monthly variable principal and interest payments of \$3,957 based on CPI index. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2023 of \$445,399 with accumulated amortization of \$91,053. Charleston County has 3 extension option(s), each for 60 months.

On 07/01/2022, the County entered into a 180 month lease as Lessee for the use of a radio tower at Verizon Otranto. An initial lease liability was recorded in the amount of \$688,430. As of 06/30/2023, the value of the lease liability is \$615,173. The County is required to make monthly fixed payments of \$3,158. The lease has an interest rate of 0.2639%. The value of the right to use asset as of 06/30/2023 of \$688,430 with accumulated amortization of \$91,773. Charleston County has 2 extension option(s), each for 60 months.

On 07/01/2022, the County entered into a 127 month lease as Lessee for the use of a radio tower at Ravenal Parkers Ferry. An initial lease liability was recorded in the amount of \$327,691. As of 06/30/2023, the value of the lease liability is \$274,487. The County is required to make monthly fixed payments of \$2,218. The lease has an interest rate of 0.2370%. The value of the right to use asset as of 06/30/2023 of \$327,691 with accumulated amortization of \$61,699. Charleston County has 1 extension option(s), each for 60 months.

A summary of the annual requirements for the Right to Use leases are as follows:

Year Ending	<u>Government Activities</u>		
<u>June 30</u>			
	Principal	Interest	Totals
2024	\$ 1,076,634	\$ 210,533	\$ 1,287,167
2025	980,360	173,064	1,153,424
2026	769,800	134,680	904,480
2027	183,820	13,177	196,997
2028	190,135	7,660	197,795
2029	178,945	2,565	181,510
2030	2,768	518	3,286
2031	2,824	462	3,286
2032	2,882	405	3,287
2033	2,940	346	3,286
2034	3,000	287	3,287
2035	3,061	226	3,287
2036	3,123	164	3,287
2037	3,186	100	3,286
2038	3,250	35	3,285
Total	<u>\$ 3,406,728</u>	<u>\$ 544,222</u>	<u>\$ 3,950,950</u>

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Year Ending	<u>Business-type Activities</u>		
<u>June 30</u>	Principal	Interest	Totals
2024	\$ 503,875	\$ 28,754	\$ 532,629
2025	516,181	24,974	541,155
2026	528,871	21,121	549,992
2027	541,958	17,196	559,154
2028	555,458	13,195	568,653
2029	395,516	9,464	404,980
2030	402,171	6,078	408,249
2031	374,586	2,660	377,246
2032	104,190	771	104,961
2033	51,430	521	51,951
2034	53,126	383	53,509
2035	54,874	241	55,115
2036	56,674	94	56,768
2037	4,776	1	4,777
Total	<u>\$ 4,143,686</u>	<u>\$ 125,453</u>	<u>\$ 4,269,139</u>

Subscriptions Payable

For the year ended 06/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Governmental activities:

On 07/01/2022, the County entered into a 57 month subscription for the use of Body Camera Kits Detention. An initial subscription liability was recorded in the amount of \$353,473. As of 06/30/2023, the value of the subscription liability is \$266,836. The County is required to make annual fixed payments of \$92,862. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2023 of \$353,473 with accumulated amortization of \$92,862.

On 12/01/2022, the County entered into a 36 month subscription for the use of Clear for law Enforcement Plus. An initial subscription liability was recorded in the amount of \$39,504. As of 06/30/2023, the value of the subscription liability is \$32,410. The County is required to make monthly fixed payments of \$1,093. The subscription has an interest rate of 3.1210%. The value of the right to use asset as of 06/30/2023 of \$39,503 with accumulated amortization of \$31,822.

On 07/01/2022, the County entered into a 24 month subscription for the use of SMS Communications. An initial subscription liability was recorded in the amount of \$43,593. As of 06/30/2023, the value of the subscription liability is \$22,568. The County is required to make monthly fixed payments of \$1,800. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 of \$44,593 with accumulated amortization of \$22,297. The County had a termination period of 3 months as of the subscription commencement.

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On 02/01/2023, the County entered into a 36 month subscription for the use of National Primary Enhanced. An initial subscription liability was recorded in the amount of \$34,708. As of 06/30/2023, the value of the subscription liability is \$30,175. The County is required to make monthly fixed payments of \$962. The subscription has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2023 of \$34,708 with accumulated amortization of \$4,821.

On 07/01/2022, the County entered into a 32 month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$31,939. As of 06/30/2023, the value of the subscription liability is \$16,023. The County is required to make annual fixed payments of \$16,350. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2023 of \$31,939 with accumulated amortization of \$11,977.

On 01/23/2023, the County entered into a 36 month subscription for the use of Splunk Enterprise. An initial subscription liability was recorded the amount of \$148,548. As of 06/30/2023, the value of the subscription liability is \$97,764. The County is required to make annual fixed payments of \$50,784. The subscription has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2023 of \$195,933 with accumulated amortization of \$28,664.

On 07/01/2022, the County entered into a 24 month subscription for the use of Trend Mico Smart Protection. An initial subscription liability was recorded in the amount of \$106,449. As of 06/30/2023, the value of the subscription liability is \$53,075. The County is required to make annual fixed payments of \$54,080. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 of \$110,949 with accumulated amortization of \$55,016.

On 01/27/2023, the County entered into a 60 month subscription for the use of ChangePoint Cloud Service. An initial subscription liability was recorded in the amount of \$74,054. As of 06/30/2023, the value of the subscription liability is \$58,931. The County is required to make annual fixed payments of \$15,696. The subscription has an interest rate of 2.5820%. The value of the right to use asset as of 06/30/2023 of \$74,054 with accumulated amortization of \$63,361. Charleston County has 1 extension option(s), each for 12 months.

On 10/05/2022, the County entered into a 60 month subscription for the use of Saas Subscription. An initial subscription liability was recorded in the amount of \$422,050. As of 06/30/2023, the value of the subscription liability is \$332,316. The County is required to make annual fixed payments of \$89,734. The subscription has an interest rate of 3.1550%. The value of the right to use asset as of 06/30/2023 of \$422,050 with accumulated amortization of \$62,370.

On 07/01/2022, the County entered into a 24 month subscription for the use of Corporate Pro Enterprise Bundle. An initial subscription liability was recorded in the amount of \$21,563. As of 06/30/2023, the value of the subscription liability is \$10,697. The County is required to make annual fixed payments of \$10,900. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 of \$21,563 with accumulated amortization of \$10,782.

On 07/01/2022, the County entered into a 48 month subscription for the use of NICE Investigate SaaS. An initial subscription liability was recorded in the amount of \$240,810. As of 06/30/2023, the value of the subscription liability is \$240,810. The County is required to make annual fixed payments of \$79,986. The subscription has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2023 of \$345,450 with accumulated amortization of \$85,296.

On 07/01/2022, the County entered into a 32 month subscription for the use of Esri ArcGIS License. An initial subscription liability was recorded in the amount of \$257,047. As of 06/30/2023, the value of the subscription liability is \$131,812. The County is required to make annual fixed payments of \$128,800. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2023 of \$257,047 with accumulated amortization of \$95,893.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Internal Service Funds

On 07/23/2022, the County entered into a 60 month subscription for the use of Faster Win System. An initial subscription liability was recorded in the amount of \$126,804. As of 06/30/2023, the value of the subscription liability is \$84,540. The County is required to make annual fixed payments of \$22,302. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2023 of \$208,464 with accumulated amortization of \$39,167.

Business-Type Activities

On 07/01/2022, the County entered into a 60 month subscription for the use of Alastar Hosting. An initial subscription liability was recorded in the amount of \$223,035. As of 06/30/2023, the value of the subscription liability is \$164,414. The County is required to make annual fixed payments of \$59,623. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2023 of \$223,035 with accumulated amortization of \$44,607.

On 11/05/2022, the County entered into a 12 month subscription for the use of Rave Mobile Safety. An initial subscription liability was recorded in the amount of \$140,610. As of 06/30/2023, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$140,610. The subscription has an interest rate of 1.5800%. The value of the right to use asset as of 06/30/2023 of \$140,610 with accumulated amortization of \$92,178. The County has 4 extension option(s), each for 12 months.

A summary of the annual Subscription Liabilities are as follows:

Year Ending <u>June 30</u>	<u>Government Activities</u>		
	Principal	Interest	Totals
2024	\$ 582,000	\$ 33,241	\$ 615,241
2025	361,305	20,037	381,342
2026	310,538	11,038	321,576
2027	124,115	3,617	127,732
Total	<u>\$ 1,377,958</u>	<u>\$ 67,933</u>	<u>\$ 1,445,891</u>

Year Ending <u>June 30</u>	<u>Business-type Activities</u>		
	Principal	Interest	Totals
2024	\$ 39,780	\$ 3,594	\$ 43,374
2025	40,650	2,724	43,374
2026	41,538	1,836	43,374
2027	42,446	928	43,374
Total	<u>\$ 164,414</u>	<u>\$ 9,082</u>	<u>\$ 173,496</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2023.

Governmental activities:

Year Ending June 30	General Obligation Bonds		Special Source Revenue Bonds		Totals
	Principal	Interest	Principal	Interest	
2024	\$ 53,382,653	\$ 24,599,175	\$ 6,770,000	\$ 2,444,736	\$ 87,196,564
2025	57,246,387	22,101,457	6,495,000	2,281,796	88,124,640
2026	61,234,321	19,260,759	6,385,000	2,176,099	89,056,179
2027	65,839,559	16,260,693	6,080,000	2,063,748	90,244,000
2028	52,582,897	13,549,185	5,780,000	1,952,409	73,864,491
2029	42,959,539	11,409,701	5,815,000	1,836,022	62,020,262
2030	38,799,382	9,672,538	5,955,000	1,707,053	56,133,973
2031	26,157,426	8,277,075	6,090,000	1,568,136	42,092,637
2032	27,492,269	7,085,035	6,230,000	1,421,578	42,228,882
2033	26,676,709	5,967,368	6,355,000	1,266,893	40,265,970
2034	27,810,744	4,997,995	6,520,000	1,101,515	40,430,254
2035	28,813,377	4,081,664	6,680,000	924,321	40,499,362
2036	29,857,807	3,209,066	6,865,000	736,029	40,667,902
2037	29,533,137	2,405,900	7,050,000	537,286	39,526,323
2038	30,532,567	1,589,982	7,250,000	328,956	39,701,505
2039	22,118,401	919,042	7,460,000	111,324	30,608,767
2040	22,631,538	386,056	-	-	23,017,594
2041	2,645,000	80,450	-	-	2,725,450
2042	2,700,000	27,000	-	-	2,727,000
Totals	649,013,713	155,880,141	103,780,000	22,457,901	931,131,755
Add Premium	59,181,257	-	138,235	-	59,319,492
Total debt- governmental activities	<u>\$ 708,194,970</u>	<u>\$ 155,880,141</u>	<u>\$ 103,918,235</u>	<u>\$ 22,457,901</u>	<u>\$ 990,451,247</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Business-type activities:

Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Totals
2024	\$ 656,347	\$ 606,553	\$ 1,262,900
2025	689,613	572,904	1,262,517
2026	724,679	537,547	1,262,226
2027	762,441	500,369	1,262,810
2028	801,103	461,280	1,262,383
2029	842,461	420,191	1,262,652
2030	885,618	376,989	1,262,607
2031	930,574	331,584	1,262,158
2032	973,731	288,845	1,262,576
2033	1,013,291	249,105	1,262,396
2034	1,049,256	213,101	1,262,357
2035	1,081,623	181,137	1,262,760
2036	1,112,193	150,315	1,262,508
2037	1,141,863	120,731	1,262,594
2038	1,172,433	89,623	1,262,056
2039	1,206,599	55,403	1,262,002
2040	1,243,462	18,652	1,262,114
Totals	16,287,287	5,174,329	21,461,616
Add Premium	1,628,250	-	1,628,250
Business-	<u>\$ 17,915,537</u>	<u>\$ 5,174,329</u>	<u>\$ 23,089,866</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, 2023.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2023:

Component Units	Balance July 1, 2022			Balance June 30, 2023	Amount Due in One Year
	as restated	Increases	Decreases		
Accrued compensated absences	\$ 4,362,165	\$ 2,547,272	\$ (2,136,925)	\$ 4,772,512	\$ 1,262,498
General obligation bonds	75,758,673	9,020,000	(14,421,313)	70,357,360	5,918,236
General obligation bonds - Direct Placement	7,408,000	-	(1,439,000)	5,969,000	1,451,000
Revenue bonds	485,394	-	(47,298)	438,096	45,847
Lease liabilities	1,134,487	462,897	(551,128)	1,046,256	463,584
Financed purchase obligations	136,350	98,204	(102,538)	132,016	53,221
Notes payable	18,288	100,000	(38,078)	80,210	34,886
Total	\$ 89,303,357	\$ 12,228,373	\$ (18,736,280)	\$ 82,795,450	\$ 9,229,272



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2022 as restated	Additions	Reductions	Balance June 30, 2023
Accrued compensated absences:						
CCL			\$ 1,632,973	\$ 1,247,295	\$ (924,481)	\$ 1,955,787
CCPRC			1,619,994	777,936	(707,117)	1,690,813
SAPPPC			64,169	4,981	-	69,150
SJFD			650,576	517,060	(481,136)	686,500
SPFD			394,453	-	(24,191)	370,262
Total accrued compensated absences			<u>4,362,165</u>	<u>2,547,272</u>	<u>(2,136,925)</u>	<u>4,772,512</u>
General obligation bonds:						
CCPRC	2024 - 2035	1.50% - 4.00%	58,282,285	-	(13,168,422)	45,113,863
SPFD	2024 - 2042	2.315% - 4.13%	1,118,981	5,500,000	(855,291)	5,763,690
SJFD	2024 - 2041	1.74% - 5.0%	16,357,407	3,520,000	(397,600)	19,479,807
Total general obligation bonds			<u>75,758,673</u>	<u>9,020,000</u>	<u>(14,421,313)</u>	<u>70,357,360</u>
General obligation bonds: Direct Placement:						
SJFD	2024 - 2033	0.79%-2.009%	<u>7,408,000</u>	<u>-</u>	<u>(1,439,000)</u>	<u>5,969,000</u>
Lease liabilities:						
CCL	2024 - 2027		840,672	142,117	(309,379)	673,410
CCPRC	2024 - 2026	3.50%	293,815	320,780	(241,749)	372,846
Total lease liabilities:	2024 - 20		<u>1,134,487</u>	<u>462,897</u>	<u>(551,128)</u>	<u>1,046,256</u>
Notes payable:						
SAPPPC	2024	3.65%	<u>18,288</u>	<u>100,000</u>	<u>(38,078)</u>	<u>80,210</u>
Revenue bonds:						
SAPPPC	2024 - 2032	2.65%	<u>485,394</u>	<u>-</u>	<u>(47,298)</u>	<u>438,096</u>
Financed purchase obligations:						
CCL	2024 - 2028		<u>136,350</u>	<u>98,204</u>	<u>(102,538)</u>	<u>132,016</u>
Total component units long-term obligations			<u>\$89,303,357</u>	<u>\$12,228,373</u>	<u>\$ (18,736,280)</u>	<u>\$ 82,795,450</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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>	<u>SJFD</u>	<u>SPFD</u>	<u>CCPRC</u>	Total Component Units
2024	\$ 1,331,000	\$ 576,045	\$ 6,143,325	\$ 8,050,370
2025	1,622,101	581,958	5,689,825	7,893,884
2026	1,639,397	403,598	5,635,200	7,678,195
2027	1,623,477	408,927	5,574,200	7,606,604
2028	1,636,839	421,797	5,520,350	7,578,986
2029 - 2033	8,299,407	2,106,613	17,909,406	28,315,426
2034 - 2038	4,352,678	2,108,324	2,743,425	9,204,427
2039 - 2043	3,729,210	1,685,698	-	5,414,908
Total	24,234,109	8,292,960	49,215,731	81,742,800
Less interest and plus amortized premium included above	(4,754,302)	(2,529,270)	(4,101,868)	(11,385,440)
Debt per statement of net position	<u>\$ 19,479,807</u>	<u>\$ 5,763,690</u>	<u>\$ 45,113,863</u>	<u>\$ 70,357,360</u>

General Obligation Bonds - Direct Placement

<u>Year Ending June 30</u>	<u>SJFD</u>
2024	\$ 1,568,291
2025	660,939
2026	658,639
2027	662,124
2028	674,246
2029 - 2033	2,298,481
Total	6,522,720
Less interest and plus amortized premium included above	(553,720)
Debt per statement of net position	<u>\$ 5,969,000</u>

Future minimum lease liability and SBITA payments

<u>Year Ending June 30</u>	<u>CCL</u>	<u>CCPRC</u>	Total Component Units
2024	\$ 317,762	\$ 182,466	\$ 500,228
2025	226,560	138,198	364,758
2026	136,776	67,797	204,573
2027	37,338	-	37,338
Future minimum lease payments	718,436	388,461	1,106,897
Less amount representing interest	(45,026)	(15,615)	(60,641)
Debt per statement of net position	<u>\$ 673,410</u>	<u>\$ 372,846</u>	<u>\$ 1,046,256</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Revenue bonds payable

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2024	\$ 56,972
2025	56,972
2026	56,972
2027	56,972
2028	56,972
2029 - 2032	208,897
Total	493,757
Less interest included above	(55,661)
Debt per statement of net position	<u>\$ 438,096</u>

Financed purchase obligations

<u>Year Ending June 30</u>	<u>CCL</u>
2024	\$ 59,280
2025	41,927
2026	30,658
2027	16,038
2028	2,243
Total	150,146
Less interest included above	(18,130)
Debt per statement of net position	<u>\$ 132,016</u>

Notes Payable

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2024	\$ 37,012.00
2025	35,242.00
2026	10,980
Total	83,234
Less interest included above	(3,024)
Debt per statement of net position	<u>\$ 80,210</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, 2023, the following debt issues outstanding are considered defeased:

	<u>Governmental Activities</u>
Primary Government:	
Special Source Revenue Bonds:	
Series 2013 - SSRB	\$ 67,085,000
Total Special Source Revenue Bonds	67,085,000
Total Primary Government	<u>\$ 67,085,000</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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		<u>\$ 5,509,661,566</u>
Debt limitation-8 percent of total assessed value		\$ 440,772,925
Total bonded debt:		
General Obligation Bonds	\$665,301,000	
Less:		
Series 2012 G.O. Bond Transportation Sales Tax	\$ (7,885,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(39,995,000)	
Series 2015D G.O. Bond Transportation Sales Tax	(31,510,000)	
Series 2017C G.O. Bond Transportation Sales Tax	(87,850,000)	
Series 2015B G.O. Bond Awendaw Fire	(885,000)	
Series 2017A G.O. Bond Library Referendum	(61,700,000)	
Series 2019A G.O. Bond Library Referendum	(20,780,000)	
Series 2021A G.O. Bond Transportation Sales Tax	(171,930,000)	
Series 2022 G.O. Bond Awendaw Fire	(941,000)	(423,476,000)
Total debt subject to debt limit		<u>241,825,000</u>
Legal debt margin		<u><u>\$ 198,947,925</u></u>

J. Deficit Net Position / Fund Balance

The Employee Benefits Internal Service Fund has a deficit net position of \$219,919,363 for the year ended June 30, 2023. 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 and enterprise 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 \$2,837,729 in the Revenue Collections Fund and \$10,382,784 in DAODAS which also will be funded by governmental funds in future years. The Disaster and Pandemic Funds has a deficit of \$199,862 which will be funded by FEMA.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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 \$2,230,000 reported in the Fund at June 30, 2023, 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 2022 and 2023 were:

<u>Year Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2023	\$ 3,300,000	\$ 1,461,203	\$ (2,531,203)	\$ 2,230,000
2022	\$ 3,190,000	\$ 4,187,919	\$ (4,077,919)	\$ 3,300,000

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

B. Subsequent Events

In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition or disclosure through December 20, 2023, the date the financial statements were available for issuance.

On October 10, 2023, County Council voted to cover the cost of a new helicopter for the Sheriff's office up to \$7 million. The new helicopter is replacing the one that crashed August 1st while returning from a routine maintenance.

On December 5, 2023, the State's Joint Bond Review Committee met and voted to make \$75 million available for the Mark Clark Extension Project. The South Carolina Transportation Infrastructure Bank has previously committed to providing \$420 million to this project, of which \$52 million has been spent.

On August 4, 2022, the St. Andrew's Parish Parks and Playground Commission entered into a Note payable for equipment in the amount of \$100,000, with monthly payments of \$2,937 commencing on September 4, 2022, including interest at 3.65% with a maturity of August 4, 2025.

The St. Paul's Fire District has committed bond proceeds (held in Capital Project fund) for construction and renovation of fire stations 1, 2 and 7, as well as the purchase of a fire truck.

The St. Paul's Fire District has also committed to the purchase of a fire truck in the amount of \$500,000 that was paid from the local government investment account.

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.

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.

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D. Commitments

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

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

The Berkeley Charleston Dorchester Council of Governments has applied for a Capital Investment Grant as part of its Lowcountry Rapid Transit Project. The grant requires a certain percentage of funds be expended for engineering design prior to the grant being awarded. In fiscal year 2023, Charleston County has advanced the BCDGOG \$7.0 million for such expenses.

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. In 2022, the South Carolina Department of Transportation informed Charleston County that due to inflation, the cost of the project has increased to \$2.2 billion.

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. The County will ask the voters in November 2024 to approve a third ½ cent transportation sales tax to fund the Interstate 526 extension project.

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

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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 annual amount increasing to \$1,434,960. 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.

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 2023 of \$2,100,000. The fees will be evaluated on an annual basis and may be increased or decreased by agreement of the parties. There shall not be an automatic annual adjustment of fees; however, the Society shall submit a proposal for the cost of services for each fiscal year at the time requested by the county. The Society shall own, operate and maintain all aspects of the animal shelter. The amount to be paid in fiscal year 2024 will be \$2,250,000.

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, 2023 was \$1,842,768.

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 2023 was \$2,823,079.

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:

June 30.

2024	\$ 5,550,000
2025	5,500,000
2026	<u>5,450,000</u>
	<u>\$ 16,500,000</u>

The County paid \$5,600,000 for these IT services in fiscal year 2023.

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.

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During October 2010, the Charleston County Park and Recreation Commission entered into an agreement for an area commonly known as Laurel Hill Plantation for an initial period of 25 years with a provision that the agreement 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 fees. The base fee was \$1,330,000 for the first five years of the term for a total of \$6,650,000 with no further base fees being required for the remainder of the agreement. Additional fees are defined as other items for which the Commission may become liable during the term of the agreement, 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 base fee is being amortized on a straight-line basis over the initial term of 25 years in the government-wide financial statements, and at June 30, 2023, the unamortized prepaid amount was \$3,258,500.

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.

At June 30, 2023, the Charleston County Park and Recreation Commission has several incomplete construction commitments of \$12,959,710.

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, 2023 to June 30, 2024, 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,

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possession, control and management of these assets. As of June 30, 2023, the leased assets have a book value of \$0.

To fulfill the contract terms for the year ended June 30, 2023, the Commission reflects a net amount due to the City of North Charleston totaling \$3,975.

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, 2023, the District owes the City \$7,365. The District entered into another one-year contract with the city covering the period from July 1, 2023 to June 30, 2024, 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 \$179,499 towards the equity purchase and \$30,000 on the contractual amount. As of June 30, 2023, the Library has paid \$895,499 toward the total agreement amount of \$925,166. The \$895,499 is composed of \$775,499 in discretionary amounts and \$120,000 in contractual amounts under the agreement. The Library is committed to paying an additional \$29,667 next year to satisfy its maximum \$1,556,051 total.

The St. John's Fire District had outstanding commitments of \$1,323,116 of which the majority relates to the purchase of a new fire rescue boat as of June 30, 2023.

Deferred Compensation Plans

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. All amounts of compensation deferred under a 457 plan or 401(k) plan are held in trust for the contributing employee and are not subject to claims of the employer's general creditors. These plans are administered by the State of South Carolina.

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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 \$3,287,266 for the fiscal year ending June 30, 2023.

Total contributions made by the Charleston County Library's plan members were \$253,595 for the fiscal year ending June 30, 2023.

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

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benefits effective with his/her date of retirement provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 100 percent of the retiree cost and 65 percent of the dependent cost for health and dental coverage.

- C) The health and dental insurance premium for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50 percent or 65 percent) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.

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

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

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

- A) Any covered employee who meets the following requirements: is at least 55 years old, who is not currently eligible for Medicare coverage, who retires with at least 20 Commission full time years, but less than 25 full time years of Commission service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, and provided he/she is eligible for retirement at the time he/she leaves active Commission service and retires at the time of separation with the Commission. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50% of the retiree cost only. Retiree's dependents may remain on the insurance plan but retirees will be responsible for the full cost of the dependent's premiums.
- B) Any covered employee who meets the following requirements: is at least 55 years old, who is not currently eligible for Medicare coverage, who retires with at least 25 or more years of Commission service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, and provided he/she is eligible for retirement at the time he/she leaves active Commission service and retires at the time of separation with the Commission. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 75% of the retiree cost only. Retiree's dependents may remain on the insurance plan but retirees will be responsible for the full cost of the dependent's premiums.

For employees that are hired by the Commission after July 1, 2016:

The Commission will not provide group health, vision and dental insurance for retirees who have retired on service, age or an approved disability retirement through the South Carolina Retirement Systems if the employees full-time start date with the Commission is on or after July 1, 2016.

No coverage is available to an employee not eligible for employer paid coverage. Participation in the OPEB Plan is not required.

Covered participants are required to apply for Medicare when eligible, and retiree coverage will be secondary to Medicare or any other group coverage that employees or their dependents have.

Membership of the plan is as follows:

Retirees, survivors and beneficiaries receiving benefits	25
Active Employees	<u>125</u>
Total	<u><u>150</u></u>

Plan Contributions

In 2008, the County began funding the OPEB plan obligation in the Employee Benefits Internal Service Fund. Funding was based on a calculated rate applied to covered payroll. The calculated rate was 1.92% for the year ended June 30, 2021 and 3.69% for the year ended June 30, 2022. Employees are not required to contribute to the plan. For the year ended June 30, 2022, the County made net contributions of \$2,452,878 for retiree healthcare and \$2,678,774 for the year ended June 30, 2023.

During the fiscal year ended June 30, 2023 the Commission made contributions of \$325,005 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

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employment, mortality, healthcare cost trend rates and future salary changes. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans as understood by the County and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Primary Government:

Valuation Date: June 30, 2022
 Measurement Date: June 30, 2022
 Methods and Assumptions:
 Actuarial Cost Method Individual Entry-Age
 Discount Rate 3.69% as of June 30, 2022
 Inflation 2.25%
 Salary Increases 3.50% to 10.50% PORS
 3.00% to 9.50% 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, 2019

Mortality: For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections using 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.

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 rate of 6.00% and declining to an ultimate rate of 4.00% after 13 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 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

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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, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market
Value Actuarial Assumptions:	
Inflation	2.25%
Single Discount Rate	3.86%
Healthcare Cost Trend	6.75% declining to an ultimate rate of 4.00% after 12 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 with the male rate multiplied by 97% and female rates multiplied by 107%. The rates are projected on a fully generational basis using 80% of the ultimate mortality improvement rates of the MP-2019 tables 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, 2022 and measurement date of June 30, 2022.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.69% (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 1.92% as of the prior measurement date.

Plan Assets

There are no plan assets accumulated in a trust by the County that meets the criteria in paragraph 4 of GASB Statement No. 75.

Summary of Membership Information

The following table provides a summary of the number of the County's participants in the plan as of the measurement date of June 30, 2022:

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Inactive Plan Members or Beneficiaries Currently Receiving Benefits	533
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>2,372</u>
Total Plan Members	2,905

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.69%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 2.69%	Current Discount Rate Assumption 3.69%	1% Increase 4.69%
Primary Government	\$ 59,481,093	\$ 52,857,308	\$ 47,304,831
CCL	\$ 6,543,579	\$ 5,815,049	\$ 5,204,199

	1% Decrease 2.86%	Current Discount Rate Assumption 3.68%	1% Increase 4.68%
CCPRC	\$ 9,522,253	\$ 8,276,570	\$ 7,192,159

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

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

	1% Decrease	Current Healthcare Costs Trend Rate Assumption	1% Increase
Primary Government	\$ 46,003,813	\$ 52,857,308	\$ 61,330,281
CCL	\$ 5,061,068	\$ 5,815,049	\$ 6,747,859
CCPRC	\$ 7,079,630	\$ 8,276,570	\$ 9,688,806

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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, 2022, is as follows:

Total OPEB liability	
Service cost	\$ 3,611,799
Interest on the total OPEB liability	1,741,796
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(27,186,515)
Changes of assumptions	(12,664,820)
Benefit payments	(3,115,155)
Net change in total OPEB liability	(37,612,895)
Total OPEB liability - beginning	90,470,203
Total OPEB liability - ending	<u>\$ 52,857,308</u>
Covered payroll	\$ 129,219,069
Total OPEB liability as a percentage of covered payroll	40.91%

Changes of assumptions reflect a change in the discount rate from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022, 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	\$ 2,452,878	
b. Implicit benefit payments	<u>662,277</u>	(Explicit Benefit Payments *0.270)
c. Total benefit payments	<u>\$ 3,115,155</u>	

The 0.270 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

For the year ended June 30, 2023, the County recognized OPEB expense of \$791,210 under GASB Statement No. 75:

Service Cost	\$ 3,611,799
Interest on the Total OPEB Liability	1,741,796
Recognition of Current Year Outflow(Inflow)	
Due to liabilities	(4,959,780)
Amortization of Prior Year Outflow(Inflow)	
Due to liabilities	<u>397,395</u>
	<u>\$ 791,210</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 23.341 years. Additionally, the total plan membership (active employees and inactive employees) was 2,905. 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 8.0349 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	\$ 211,195	\$ 28,083,212	\$ 23,234	\$ 3,089,549	\$ 471,221	\$ 422,905
Net difference between Projected/Actual earnings:	-	-	-	-	29,277	-
Change in assumptions	12,856,176	13,894,196	1,414,361	1,528,558	1,143,322	1,852,430
Change in proportionate share of Liability	-	-	1,500,138	-	-	-
Contributions Subsequent to measurement date	2,649,307	-	291,462	-	-	-
	<u>\$ 15,716,678</u>	<u>\$ 41,977,408</u>	<u>\$ 3,229,195</u>	<u>\$ 4,618,107</u>	<u>\$ 1,643,820</u>	<u>\$ 2,275,335</u>

The following schedule reflects the amortization of the County's net balance of remaining deferred outflows (inflows) at June 30, 2023:

Primary Government:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	
2023	2024	\$ (4,562,385)
2024	2025	(4,562,385)
2025	2026	(4,248,089)
2026	2027	(3,480,957)
2027	2028	(3,300,950)
Thereafter	Thereafter	(8,755,271)
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (28,910,037)</u>

Component Units:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	CCL	CCPRC
2023	2024	\$ (195,219)	\$ (38,789)
2024	2025	(195,219)	(43,202)
2025	2026	(184,446)	(51,683)
2026	2027	(142,399)	(63,593)
2027	2028	(170,350)	(55,165)
Thereafter	Thereafter	(792,741)	(379,083)
Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (1,680,374)</u>	<u>\$ (631,515)</u>

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G. Funds Held by Coastal Community Foundation

As of June 30, 2023, the Coastal Community Foundation held \$585,521 in the Charleston County Library Fund. The fund was established in November 1983 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, \$22,293 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, 2023, the Coastal Community Foundation was holding \$131,802 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, \$4,971 was awarded as grants to the Library.

As of June 30, 2023, the Coastal Community Foundation held \$32,221 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, \$1,185 was awarded as grants to the Library. At year-end, no funds were available for grants to the Library.

As of June 30, 2023, the Coastal Community Foundation held \$8,880 in the Charleston County Public Library Endowment for the Charleston County Library. The fund was established in January 2022 for the purpose of providing grants to the Charleston County Public Library. During the year, no grants were awarded to the Library. At year-end, there were no funds 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 custodial, 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 and co-fiduciary of the Systems in conducting that review.

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 an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR 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 annual comprehensive financial report of the state.

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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.

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.

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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 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.

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. In accordance with the Legislative funding schedule, employer contribution rate will continue to increase by one percentage point each year until reaching 18.56 percent for SCRS and 21.24% for PORS, but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in the statute. 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.

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.

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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		
	2021	2022	2023	2021	2022	2023
Employer Rate:						
Retirement	15.41%	16.41%	17.41%	17.84%	18.84%	19.84%
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>15.56%</u>	<u>16.56%</u>	<u>17.56%</u>	<u>18.24%</u>	<u>19.24%</u>	<u>20.24%</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
2023	* \$ 18,155,360	100%	\$ 8,157,196	100%
2022	* 16,423,414	100%	7,451,555	100%
2021	* 14,813,991	100%	7,302,050	100%

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

Year Ended June 30	SCRS Payroll	PORS Payroll
2023	\$ 103,390,434	\$ 39,439,481
2022	99,175,208	38,729,494
2021	95,205,599	40,033,170

* 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 of the plan 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 continual revision, as actual results 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 issued for the period ended June 30, 2019, for first use in the July 1, 2021, actuarial valuation.

The June 30, 2022, 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, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2022, using generally accepted actuarial principles.

There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following provides a summary of the actuarial assumptions and methods used as of June 30, 2022 to calculate the total pension liability for SCRS and PORs.

	SCRS	PORS
Actuarial cost method	Entry age Normal	Entry age Normal
Actuarial assumptions:		
Investment rate of return *	7.00%	7.00%
Projected salary increases *	3.0% to 11.0% (varies by service)	3.5% to 10.5% (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 2020 Public Retirees of South Carolina Mortality rate (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022 total pension liability are as follows:

Former Job Class	Males	Females
Educators and Judges	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety, Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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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, 2022, 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	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%
PORS	\$ 8,937,686,946	\$ 5,938,707,767	\$ 2,998,979,179	66.4%

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	2022	2023	\$ 201,872,756
	PORS	2022	2023	\$ 73,569,698
Component Units				
	CCL SCRS	2022	2023	\$ 24,859,402
	CCPRC SCRS	2022	2023	\$ 26,495,060
	SAPPPC SCRS	2022	2023	\$ 2,749,779
	SJFD	SCRS	2022	\$ 965,755
		PORS	2022	\$ 13,969,949
	SPFD	SCRS	2022	\$ 176,142
		PORS	2022	\$ 6,146,110

The total pension liability is calculated by the Systems' actuary, and each Plans' 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, 2022 and 2021:

	<u>System</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
Primary Government	SCRS	0.8327341%	0.8425560%	-0.0098219%
	PORS	2.4531600%	2.6665600%	-0.2134000%
Component Units				
CCL	SCRS	0.1025460%	0.1029145%	-0.0003685%
CCPRC	SCRS	0.1092900%	0.1010800%	0.0082100%
SAPPPC	SCRS	0.0113430%	0.0161300%	-0.0047870%
SJFD	SCRS	0.0039840%	0.0043020%	-0.0003180%
	PORS	0.4658200%	0.4773400%	-0.0115200%
SPFD	SCRS	0.0007270%	0.0007790%	-0.0000520%
	PORS	0.2049400%	0.1905090%	0.0144310%

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 7.00 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 2022 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 following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Real Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

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 7.00 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 (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Primary Government

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

System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$ 260,142,429	\$ 201,872,756	\$ 152,454,043
PORS	\$ 105,342,566	\$ 73,569,698	\$ 49,557,266

Component Units

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

	System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
CCL	SCRS	\$ 31,872,764	\$ 24,859,402	\$ 19,028,622
CCPRC	SCRS	\$ 33,969,936	\$ 26,495,060	\$ 2,028,067
SAPPPC	SCRS	\$ 3,525,567	\$ 2,749,779	\$ 2,104,828
SJFD	SCRS	\$ 1,238,217	\$ 965,755	\$ 739,238
	PORS	\$ 19,480,253	\$ 13,969,949	\$ 9,459,247
SPFD	SCRS	\$ 225,962	\$ 176,142	\$ 134,903
	PORS	\$ 8,570,377	\$ 6,146,110	\$ 4,161,615

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Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR 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, 2023, the County recognized pension expense of \$19,389,880, \$14,953,313 for SCRS and \$4,436,567 for PORS. At June 30, 2023, 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	\$ 18,155,360	\$ 8,157,195	\$ -	\$ -
Difference in actual and proportionate share of employer contribution	311,328	222,162	-	-
Differences in actual and expected experience	1,753,897	1,234,401	879,755	1,454,350
Net differences between projected and actual earnings on plan investments	-	-	-	-
Change in assumptions	6,474,533	3,063,560	-	-
Change in proportionate share of net pension liability	<u>2,130,794</u>	<u>35,814</u>	<u>2,455,785</u>	<u>6,644,879</u>
	<u>\$ 28,825,912</u>	<u>\$ 12,713,132</u>	<u>\$ 3,335,540</u>	<u>\$ 8,099,229</u>

The County reported \$26,312,555 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, 2023.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2022 was 3.77 years for SCRS and 3.84 years for PORS.

Primary Government

Measurement Period	Fiscal Year Ending		
Ending June 30,	June 30,	SCRS	PORS
2023	2024	\$ (4,225,036)	\$ 1,189,526
2024	2025	(3,085,457)	1,209,272
2025	2026	5,240,193)	4,004,454
2026	2027	(5,264,712)	(2,859,980)
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ (7,335,012)</u>	<u>\$ 3,543,292</u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023:

Component Units		Measurement Period	Fiscal Year Ending		
		Ending June 30	June 30	SCRS	PORS
CCL	2023		2024	\$ 1,541,390	N/A
	2024		2025	606,476	N/A
	2025		2026	(605,460)	N/A
	2026		2027	648,319	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources				<u>\$ 2,190,725</u>	
CCPRC	2023		2024	\$ 1,140,643	N/A
	2024		2025	933,077	N/A
	2025		2026	(237,706)	N/A
	2026		2027	690,975	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources				<u>\$ 2,526,989</u>	
SAPPPC	2023		2024	\$ (332,837)	N/A
	2024		2025	(117,994)	N/A
	2025		2026	(291,787)	N/A
	2026		2027	71,713	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources				<u>\$ (670,905)</u>	
SJFD	2023		2024	\$ (9,066)	\$ 375,094
	2024		2025	(6,257)	306,477
	2025		2026	(37,902)	(537,350)
	2026		2027	25,186	543,008
Net Balance of Deferred Outflows/(Inflows) of Resources				<u>\$ (28,039)</u>	<u>\$ 687,229</u>
SPFD	2023		2024	\$ 1,399	\$ 285,094
	2024		2025	(177)	240,640
	2025		2026	(6,684)	(67,578)
	2026		2027	2,081	385,879
Net Balance of Deferred Outflows/(Inflows) of Resources				<u>\$ (3,381)</u>	<u>\$ 844,035</u>

Payable to Plans

The County reported payables of \$2,224,584 and \$993,473 to PEBA as of June 30, 2023, representing required employer and employee contributions for the month of June 2023 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 2023.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

I. Related Party

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

Amounts given to CCL:	Amount
Appropriation	\$ 31,142,997
One Time Supplement Pay Funds	780,019
Reimbursement of Costs for Capital Projects Manager	127,616
One Time Supplemental Funds - Summer Youth Workers	21,901
	<u>\$ 32,072,533</u>
Amounts paid to the County by CCL:	
Workers' Compensation	\$ 533,316
OPEB compensation	455,664
Wellness expenditures	42,904
Motor vehicle repairs	29,670
Motor vehicle fuel charges	23,706
Health, life and dental insurance (library employees covered through County plan)	1,843,080
Other charges including utilities, insurance and other general services	3,880,652
	<u>\$ 6,808,992</u>
Other transactions:	
Rent-free use of County-owned Library buildings and County-owned vehicles*	<u>\$ -</u>
Value of Library materials and equipment contributed to the Library from the County	<u>\$ 859,216</u>

*Not Determined

J. Pending Implementation of GASB Statements

GASB Statement No. 99, *Omnibus 2022*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement that are effective as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error correction to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The County will implement the new guidance with the 2024 financial statements.

GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required discloses. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The County will implement the new guidance with the 2025 financial statements.

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

K. Tax Abatement

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

Fee in Lieu of Tax Program – Multi County Park Program

A Fee in Lieu of Tax (FILOT) is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of \$2,500,000 within a 5–6 year investment period (beginning with the date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over the term of the FILOT

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

agreement to equalize payments. Repayment of incentive is required by State law if a taxpayer fails to meet statutory minimum investment requirements. Other recapture provisions may be negotiated (such as a pro rata claw back for failure to meet and/or maintain jobs/investment).

A Special Source Revenue Credit (SSRC) is authorized under South Carolina Code Sections 4-29-68, 4-1-170, and 12-44-70. The SSRC is used to encourage investment and provides a credit against property taxes in the form of a percentage reduction or a dollar amount reduction. The County manually applies SSRC to reduce applicable property tax bills. To receive the credit, a business must incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure serving the project, or certain aircraft.

A Multi-County Business Park (MCBP) is authorized under Article VIII, Section 13(d) of the Constitution of South Carolina, as amended and South Carolina Title 4, Chapter 1. A MCBP is used to promote the economic welfare of their citizens by inducing businesses to invest in the counties through the offer of benefits available under South Carolina law pursuant to MCBP arrangements. The designation as a MCBP provides that all real and personal property located in the park shall be exempt from all ad valorem taxation. This is typically used in the creation of a FILOT or SSRC, but also has the additional benefit of exemption of property from the rollback taxes when the property was previously taxed as agricultural property.

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, 2023, the County collected an additional \$4,329,864 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, 2023:

Program	Tax Abated	Source	Amount
Fee in Lieu of Tax	Property Tax	Economic Development Department	\$ 1,247,931

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 TEN 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	2023	0.832734%	\$ 201,872,756	\$ 99,175,208	204%	57.10%
	2022	0.842556%	\$ 182,339,932	\$ 95,205,599	192%	60.70%
	2021	0.823910%	\$ 210,523,553	\$ 92,210,649	228%	50.70%
	2020	0.837884%	\$ 191,323,604	\$ 88,416,881	216%	54.40%
	2019	0.831790%	\$ 186,377,636	\$ 86,217,166	216%	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	2023	0.1025%	\$ 24,859,402	\$ 12,210,956	203.58%	57.10%
	2022	0.1029%	\$ 22,272,019	\$ 11,633,541	191.45%	60.70%
	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	2023	0.10929%	\$ 26,495,060	\$ 13,023,193	203.45%	57.10%
	2022	0.10108%	\$ 21,875,009	\$ 11,426,170	191.45%	60.70%
	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%

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN 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
SAPPPC	2023	0.011343%	\$ 2,749,799	\$ 1,426,057	192.83%	57.10%
	2022	0.016130%	\$ 3,490,839	\$ 1,350,681	258.45%	60.70%
	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%
	2014	N/A	N/A	N/A	N/A	N/A
SJFD	2023	0.00398%	\$ 965,755	\$ 474,375	203.58%	57.10%
	2022	0.00430%	\$ 930,952	\$ 486,273	191.45%	60.70%
	2021	0.00429%	\$ 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	2023	0.000727%	\$ 176,142	\$ 86,520	203.59%	57.10%
	2022	0.000779%	\$ 168,687	\$ 88,112	191.45%	60.70%
	2021	0.000759%	\$ 194,033	\$ 84,718	229.03%	50.70%
	2020	0.000821%	\$ 187,423	\$ 86,674	216.24%	54.40%
	2019	0.000768%	\$ 171,975	\$ 79,536	216.22%	54.10%
	2018	0.001511%	\$ 340,150	\$ 152,405	223.19%	53.30%
	2017	0.001999%	\$ 426,982	\$ 193,528	220.63%	52.90%
	2016	0.001801%	\$ 341,566	\$ 168,894	202.24%	57.00%
	2015	0.001163%	\$ 200,230	\$ 105,622	189.57%	59.90%
	2014	N/A	N/A	N/A	N/A	N/A

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (UNAUDITED)
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		2023	2.45316%	\$ 73,569,698	\$ 38,729,494	190%	66.40%
		2022	2.66656%	\$ 68,608,366	\$ 40,033,170	171%	70.40%
		2021	2.75323%	\$ 91,302,891	\$ 41,539,944	220%	58.80%
		2020	2.85685%	\$ 81,875,538	\$ 41,430,124	198%	62.70%
		2019	2.82877%	\$ 80,154,468	\$ 39,146,100	205%	61.70%
		2018	2.82766%	\$ 77,465,466	\$ 37,949,403	204%	60.90%
		2017	2.75459%	\$ 69,869,479	\$ 35,102,474	199%	60.44%
		2016	2.80654%	\$ 61,168,438	\$ 34,724,641	176%	64.57%
		2015	2.77133%	\$ 53,055,006	\$ 33,206,658	160%	67.55%
		2014	2.77133%	\$ 57,448,805	\$ 33,291,297	173%	62.97%
Component Units							
	SJFD	2023	0.46582%	\$ 13,969,949	\$ 7,372,103	189.50%	66.40%
		2022	0.47734%	\$ 12,281,660	\$ 7,178,542	171.09%	70.40%
		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	2023	0.20494%	\$ 6,146,110	\$ 3,243,573	189.49%	66.40%
		2022	0.19051%	\$ 4,901,624	\$ 2,864,659	171.11%	70.40%
		2021	0.17429%	\$ 5,779,791	\$ 2,652,389	217.91%	58.80%
		2020	0.17205%	\$ 4,930,750	\$ 2,488,973	198.10%	62.70%
		2019	0.15409%	\$ 4,366,305	\$ 2,136,595	204.36%	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. Ten years of information are presented. The discount rate was lowered from 7.25% to 7.00% for the year ended June 30, 2021.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS
SOUTH CAROLINA RETIREMENT SYSTEM
FISCAL YEAR ENDED JUNE 30, 2023 (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					
2023	\$ 18,155,360	\$ 18,155,360	\$ -	\$ 103,390,434	17.56%
2022	\$ 16,423,414	\$ 16,423,414	\$ -	\$ 99,175,208	16.56%
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%
Component Units					
<u>2023</u>					
CCL	\$ 2,507,982	\$ 2,507,982	\$ -	\$ 14,701,637	17.06%
CCPRC	\$ 2,583,808	\$ 2,583,808	\$ -	\$ 14,714,170	17.56%
SAPPPC	\$ 250,416	\$ 250,416	\$ -	\$ 1,426,057	17.56%
SJFD	\$ 92,421	\$ 92,421	\$ -	\$ 526,317	17.56%
SPFD	\$ 17,278	\$ 17,278	\$ -	\$ 98,395	17.56%
<u>2022</u>					
CCL	\$ 1,948,509	\$ 1,948,509	\$ -	\$ 12,210,956	15.96%
CCPRC	\$ 2,156,641	\$ 2,156,641	\$ -	\$ 13,023,193	16.56%
SAPPPC	\$ 223,673	\$ 223,673	\$ -	\$ 1,350,681	16.56%
SJFD	\$ 78,557	\$ 78,557	\$ -	\$ 474,375	16.56%
SPFD	\$ 14,328	\$ 14,328	\$ -	\$ 86,520	16.56%
<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%

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS
SOUTH CAROLINA RETIREMENT SYSTEM
FISCAL YEAR ENDED JUNE 30, 2023 (UNAUDITED)

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<u>2017</u>					
CCL	\$ 858,128	\$ 858,128	\$ -	\$ 7,423,257	11.56%
CCPRC	\$ 1,197,853	\$ 1,197,853	\$ -	\$ 10,362,054	11.56%
SAPPPC	\$ 206,493	\$ 206,493	\$ -	\$ 1,809,753	11.41%
SJFD	\$ 48,549	\$ 48,549	\$ -	\$ 419,974	11.56%
SPFD	\$ 17,618	\$ 17,618	\$ -	\$ 152,405	11.56%
<u>2016</u>					
CCL	\$ 796,308	\$ 796,308	\$ -	\$ 7,199,888	11.06%
CCPRC	\$ 1,135,995	\$ 1,135,995	\$ -	\$ 10,271,200	11.06%
SAPPPC	\$ 166,275	\$ 166,275	\$ -	\$ 1,524,061	10.91%
SJFD	\$ 46,583	\$ 46,583	\$ -	\$ 421,182	11.06%
SPFD	\$ 21,114	\$ 21,114	\$ -	\$ 193,528	10.91%
<u>2015</u>					
CCL	\$ 828,413	\$ 828,413	\$ -	\$ 7,600,121	10.90%
CCPRC	\$ 1,080,200	\$ 1,080,200	\$ -	\$ 9,910,088	10.90%
SAPPPC	\$ 152,364	\$ 152,364	\$ -	\$ 1,414,338	10.77%
SJFD	\$ 45,321	\$ 45,321	\$ -	\$ 415,787	10.90%
SPFD	\$ 18,409	\$ 18,409	\$ -	\$ 168,894	10.90%
<u>2014</u>					
CCL	\$ 759,107	\$ 759,107	\$ -	\$ 7,161,389	10.60%
CCPRC	\$ 988,391	\$ 988,391	\$ -	\$ 9,324,443	10.60%
SAPPPC	\$ 123,077	\$ 123,077	\$ -	\$ 1,161,104	10.60%
SJFD	\$ 47,250	\$ 47,250	\$ -	\$ 445,755	10.60%
SPFD	\$ 11,195	\$ 11,195	\$ -	\$ 105,613	10.60%

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, 2023 (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					
2023	\$ 8,157,195	\$8,157,195	\$ -	\$ 39,439,481	20.68%
2022	\$ 7,451,555	\$7,451,555	\$ -	\$ 38,729,494	19.24%
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%
Component Units					
<u>2023</u>					
SJFD	\$ 1,638,869	\$1,638,869	\$ -	\$ 8,097,181	20.24%
SPFD	\$ 708,277	\$708,277	\$ -	\$ 3,499,391	20.24%
<u>2022</u>					
SJFD	\$ 1,418,393	\$1,418,393	\$ -	\$ 7,372,103	19.24%
SPFD	\$ 624,025	\$624,025	\$ -	\$ 3,243,373	19.24%
<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%

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, 2023

<u>Total OPEB Liability</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Service cost	\$ 3,850,065	\$ 2,994,163	\$ 2,866,179	\$ 2,577,457	\$ 3,454,430	\$ 3,611,799
Interest on the total OPEB liability	2,166,518	2,549,464	2,436,162	2,324,429	1,986,452	1,741,796
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)	101,721	(27,186,515)
Changes of assumptions	(5,884,529)	(2,555,098)	4,577,329	8,079,031	6,890,675	(12,664,820)
Benefit payments	(2,298,726)	(2,441,133)	(2,692,717)	(3,256,469)	(2,631,072)	(3,115,155)
Net change in total OPEB liability	(2,082,510)	(4,127,071)	7,391,861	6,065,576	9,802,206	(37,612,895)
Total OPEB liability - beginning	73,420,141	71,337,631	67,210,560	74,602,421	80,667,997	90,470,203
Total OPEB liability - ending	\$ 71,337,631	\$ 67,210,560	\$ 74,602,421	\$ 80,667,997	\$ 90,470,203	\$ 52,857,308
 Covered payroll	 \$ 113,995,618	 \$ 115,990,430	 \$ 123,179,368	 \$ 128,181,643	 \$ 127,701,079	 \$ 129,219,609
 Total OPEB liability as a percentage of covered employee payroll	 62.58%	 57.94%	 60.56%	 62.93%	 70.85%	 40.91%

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.

The County holds no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF CHARLESTON COUNTY OPEB CONTRIBUTIONS
YEAR ENDED JUNE 30, 2023**

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>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2023</u>
Actuarially Determined Contribution	\$ 2,087,240	\$ 1,983,049	\$ 2,325,317	\$ 2,812,149	\$ 2,071,710	\$ 2,452,878
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>	<u>2,071,710</u>	<u>2,452,878</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 112,508,806	\$ 113,995,618	\$ 115,990,430	\$ 123,179,368	\$ 128,181,643	\$ 127,701,079
Contributions as a Percentage of Covered Employee Payroll	1.86%	1.74%	2.00%	2.28%	1.62%	1.92%

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 SEVEN 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 Employee 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%
2021	2022	100.00%	\$90,470,203	\$127,701,079	70.85%
2022	2023	100.00%	\$52,857,308	\$129,219,609	40.91%
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%
2021	2022	10.1277%	\$9,162,548	\$11,623,664	78.83%
2022	2023	11.0014%	\$5,815,049	\$12,210,858	47.62%
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%
2021	2022	100.00%	\$8,288,886	\$9,087,082	91.22%
2022	2023	100.00%	\$8,276,570	\$9,381,104	88.23%

* The Library's employees were included in the actuary study for the County and report their required portion of the OPEB liability.

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CHARLESTON COUNTY, SOUTH CAROLINA OTHER SUPPLEMENTARY FINANCIAL INFORMATION



**CHARLESTON COUNTY, SOUTH CAROLINA
COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**



CHARLESTON COUNTY COMBINING SCHEDULES - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Accommodations – This fund is used to account for the two percent local accommodation tax collected by the County and the two percent accommodation tax collected by the State on transient room rentals throughout the County. All expenditures must be tourist related with the exception of the first \$25,000 and five percent of the remainder of accommodations taxes remitted by the State. The budget is adopted on an annual basis.

Child Support Enforcement – This fund is used to account for federal monies received to enforce child support obligations at the local level. The budget is adopted on an annual basis.

Community Development – This fund is used to account for Community Development Block Grants received from the U.S. Department of Housing and Urban Development, various state community development grants and matching funds. The budget is adopted on a project-length basis.

Construction Public Works – This fund is used to account for the receipt of state gasoline tax “C” funds earmarked for local road maintenance. The budget is adopted on a project-length basis.

Disaster and Pandemic – This fund accounts for the financial resources to be used for disaster and pandemic costs and reimbursements from government agencies, including FEMA and the State of South Carolina.

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.

Emergency Rental Assistance – This fund accounts for the federal monies disbursed to the municipalities to assist the County’s citizens with rent and utilities during the pandemic.

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, 2023

ASSETS	Special Revenue Funds				
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works	Disaser and Pandemic Funds
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	20,128,211	872,847	-	26,149,632	-
Restricted cash and cash equivalents	361,453	-	-	-	-
Receivables (net of allowances for uncollectibles)	6,332,958	132,540	1,165,534	3,690,691	1,179,882
Total assets	\$ 26,822,622	\$ 1,005,387	\$ 1,165,534	\$ 29,840,323	\$ 1,179,882
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,431,062	\$ 2,229	\$ 132,052	\$ 785,331	\$ 66,609
Accrued payroll and fringe benefits	-	20,429	17,945	-	-
Due to other funds	-	-	723,371	-	1,312,736
Intergovernmental payable	6,846,192	-	148,675	40,130	399
Unearned revenue	-	-	83,236	-	-
Total liabilities	8,277,254	22,658	1,105,279	825,461	1,379,744
Deferred inflows of resources:					
Unavailable property tax revenues-current	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Restricted	18,545,368	982,729	60,255	29,014,862	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(199,862)
Total fund balances	18,545,368	982,729	60,255	29,014,862	(199,862)
Total liabilities, deferred inflows of resources and fund balances	\$ 26,822,622	\$ 1,005,387	\$ 1,165,534	\$ 29,840,323	\$ 1,179,882

Special Revenue Funds						
Economic Development	Education	Emergency Medical Services	Emergency Rental Assistance	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,624,477	-	-	777,655	2,290,284	80,128	1,439,037
-	-	-	-	-	-	-
880,491	11,906,958	-	-	3,626,900	-	236,837
<u>\$ 15,504,968</u>	<u>\$ 11,906,958</u>	<u>\$ -</u>	<u>\$ 777,655</u>	<u>\$ 5,917,184</u>	<u>\$ 80,128</u>	<u>\$ 1,675,874</u>
\$ 32,857	\$ 2,852	\$ -	\$ -	\$ 58,495	\$ 161	\$ 141,302
48,822	31,987	-	2,586	95,368	9,563	279,007
-	30,571	-	-	-	-	-
2,156,702	-	-	-	11,406	-	19
5,400,000	-	-	775,069	-	-	174,251
7,638,381	65,410	-	777,655	165,269	9,724	594,579
-	11,554,975	-	-	3,551,889	-	-
-	170,795	-	-	46,297	-	-
-	11,725,770	-	-	3,598,186	-	-
7,866,587	115,778	-	-	2,153,729	70,404	1,081,295
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,866,587	115,778	-	-	2,153,729	70,404	1,081,295
<u>\$ 15,504,968</u>	<u>\$ 11,906,958</u>	<u>\$ -</u>	<u>\$ 777,655</u>	<u>\$ 5,917,184</u>	<u>\$ 80,128</u>	<u>\$ 1,675,874</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

ASSETS	Special Revenue Funds					
	Safety Enforcement	Sheriff	Solicitor	Special Source Revenue Bonds	Storm Water Drainage	Victim Notification
Non-pooled cash and cash equivalents	\$ 27,277	\$ 56,647	\$ 1,001,685	\$ -	\$ -	\$ 12,829
Pooled cash and cash equivalents	2,774,967	2,676,259	732,080	69,096,306	10,233,102	10,360
Restricted cash and cash equivalents	-	-	-	267,431	-	-
Receivables (net of allowances for uncollectibles)	682,626	15,791	193,872	-	324,674	2,787
Total assets	<u>\$ 3,484,870</u>	<u>\$ 2,748,697</u>	<u>\$ 1,927,637</u>	<u>\$ 69,363,737</u>	<u>\$ 10,557,776</u>	<u>\$ 25,976</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 67,831	\$ 54,939	\$ 30,800	\$ 65,962	\$ 73,439	\$ 3,221
Accrued payroll and fringe benefits	76,106	11,959	102,333	-	74,310	19,377
Due to other funds	-	-	-	-	-	-
Intergovernmental payable	90	1,232	70,588	-	8,417	291
Unearned revenue	1,472,083	-	596,626	-	-	-
Total liabilities	<u>1,616,110</u>	<u>68,130</u>	<u>800,347</u>	<u>65,962</u>	<u>156,166</u>	<u>22,889</u>
Deferred inflows of resources:						
Unavailable property tax revenues-current	-	-	-	-	-	-
Unavailable property tax revenues-delinquent	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted	1,868,760	2,680,567	1,127,290	69,297,775	10,401,610	3,087
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,868,760</u>	<u>2,680,567</u>	<u>1,127,290</u>	<u>69,297,775</u>	<u>10,401,610</u>	<u>3,087</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,484,870</u>	<u>\$ 2,748,697</u>	<u>\$ 1,927,637</u>	<u>\$ 69,363,737</u>	<u>\$ 10,557,776</u>	<u>\$ 25,976</u>

<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	\$ -	\$ -	\$ -	\$ 1,098,438
Pooled cash and cash equivalents	8,722,545	1,092,473	-	161,700,363
Restricted cash and cash equivalents	-	-	-	628,884
Receivables (net of allowances for uncollectibles)	345,190	17,490	-	30,735,221
Total assets	\$ 9,067,735	\$ 1,109,963	\$ -	\$ 194,162,906
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 417,243	\$ -	\$ -	\$ 3,366,385
Accrued payroll and fringe benefits	9,101	-	-	798,893
Due to other funds	-	-	-	2,066,678
Intergovernmental payable	35,441	-	-	9,319,582
Unearned revenue	-	-	-	8,501,265
Total liabilities	461,785	-	-	24,052,803
Deferred inflows of resources:				
Unavailable property tax revenues-current	-	-	-	15,106,864
Unavailable property tax revenues-delinquent	-	-	-	217,092
Total deferred inflows of resources	-	-	-	15,323,956
Fund balances:				
Restricted	-	-	-	145,270,096
Committed	8,605,950	1,109,963	-	9,715,913
Unassigned	-	-	-	(199,862)
Total fund balances	8,605,950	1,109,963	-	154,786,147
Total liabilities, deferred inflows of resources and fund balances	\$ 9,067,735	\$ 1,109,963	\$ -	\$ 194,162,906

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, 2023

	Special Revenue Funds				
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works	Disaster and Pandemic Funds
Revenues:					
Property taxes and other taxes	\$ 28,038,158	\$ -	\$ -	\$ -	\$ -
Intergovernmental	498,937	916,935	2,581,496	18,843,560	425,095
Fines and forfeitures	-	-	-	-	-
Service charges	-	-	-	-	-
Interest	674,619	-	-	879,189	-
Other revenues	-	-	-	-	-
Total revenues	29,211,714	916,935	2,581,496	19,722,749	425,095
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	101,683	-	-	37,840
Judicial	-	802,361	-	-	-
Public works	-	-	-	8,374,075	431,744
Health and welfare	-	-	2,536,142	-	-
Economic development	-	-	-	-	-
Culture and recreation	21,101,636	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	21,101,636	904,044	2,536,142	8,374,075	469,584
Excess (deficiency) of revenues over (under) expenditures	8,110,078	12,891	45,354	11,348,674	(44,489)
Other financing sources (uses):					
General obligation bonds issued	-	-	-	-	-
Subscription based IT arrangements financing	-	-	-	-	-
Lease financing	-	-	-	-	-
Transfers in	-	419,018	-	7,801,752	40,307
Transfers out	(48,697)	(349,180)	-	(7,618,366)	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(48,697)	69,838	-	183,386	40,307
Net change in fund balance	8,061,381	82,729	45,354	11,532,060	(4,182)
Fund balances at beginning of year	10,483,987	900,000	14,901	17,482,802	(195,680)
Fund balances at end of year	\$ 18,545,368	\$ 982,729	\$ 60,255	\$ 29,014,862	\$ (199,862)

Special Revenue Funds						
Economic Development	Education	Emergency Medical Services	Emergency Rental Assistance	Fire Districts	Hazardous Materials Enforcement	Public Defender
\$ 3,991,731	\$ 12,115,710	\$ -	\$ -	\$ 3,423,499	\$ -	\$ -
2,399,088	276,531	27,258	8,377,552	175,500	-	3,589,432
-	-	-	-	-	200,346	-
7,491,173	-	-	-	-	-	370,362
-	-	-	-	9,850	-	53,879
-	-	-	-	55,297	-	500
13,881,992	12,392,241	27,258	8,377,552	3,664,146	200,346	4,014,173
-	96,757	-	-	-	-	-
-	-	28,779	-	3,873,020	253,725	-
-	-	-	-	-	-	7,899,414
-	-	-	8,377,552	-	-	-
12,588,850	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,074,662	-	-	-	-	-
-	-	-	-	-	-	-
153,455	-	-	-	533,608	-	53,381
12,742,305	9,171,419	28,779	8,377,552	4,406,628	253,725	7,952,795
1,139,687	3,220,822	(1,521)	-	(742,482)	(53,379)	(3,938,622)
-	-	-	-	1,200,000	-	-
-	-	-	-	-	-	34,708
-	-	-	-	-	-	-
-	252,117	1,521	-	-	-	3,800,000
-	(3,469,696)	-	-	-	-	-
-	-	-	-	13,250	-	-
-	(3,217,579)	1,521	-	1,213,250	-	3,834,708
1,139,687	3,243	-	-	470,768	(53,379)	(103,914)
6,726,900	112,535	-	-	1,682,961	123,783	1,185,209
\$ 7,866,587	\$ 115,778	\$ -	\$ -	\$ 2,153,729	\$ 70,404	\$ 1,081,295

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	Special Revenue Funds					
	Safety Enforcement	Sheriff	Solicitor	Special Source Revenue Bonds	Storm Water Drainage	Victim Notification
Revenues:						
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ 23,925,512	\$ -	\$ -
Intergovernmental	1,741,132	-	2,117,747	-	-	33,811
Fines and forfeitures	133,801	158,087	70,776	-	-	162,477
Service charges	-	29,000	469,314	-	4,080,908	1,103
Interest	1,917	32,582	-	2,976,990	370,893	-
Other revenues	528,539	879,978	86,511	-	-	-
Total revenues	2,405,389	1,099,647	2,744,348	26,902,502	4,451,801	197,391
Expenditures:						
Current:						
General government	10,000	-	-	-	-	-
Public safety	2,266,976	984,439	-	-	-	167,728
Judicial	570,586	-	2,718,338	-	-	286,501
Public works	-	-	-	15,154,094	2,484,564	-
Health and welfare	76,196	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	9,214,730	-	-
Total expenditures	2,923,758	984,439	2,718,338	24,368,824	2,484,564	454,229
Excess (deficiency) of revenues over (under) expenditures	(518,369)	115,208	26,010	2,533,678	1,967,237	(256,838)
Other financing sources (uses):						
General obligation bonds issued	-	-	-	-	-	-
Subscription based IT arrangements financing	-	-	-	-	-	-
Lease financing	-	-	-	-	-	-
Transfers in	1,041,644	-	356,232	9,177,172	-	259,344
Transfers out	(131,379)	(14,956)	(564,936)	(12,720,578)	(188,243)	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	910,265	(14,956)	(208,704)	(3,543,406)	(188,243)	259,344
Net change in fund balance	391,896	100,252	(182,694)	(1,009,728)	1,778,994	2,506
Fund balances at beginning of year	1,476,864	2,580,315	1,309,984	70,307,503	8,622,616	581
Fund balances at end of year	\$ 1,868,760	\$ 2,680,567	\$ 1,127,290	\$ 69,297,775	\$ 10,401,610	\$ 3,087

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Construction	Equipment Replacement Fund	ITS / MIS	
Revenues:				
Property taxes and other taxes	\$ -	\$ -	\$ -	\$ 71,494,610
Intergovernmental	2,011,857	-	24,771	44,040,702
Fines and forfeitures	-	-	-	725,487
Service charges	-	-	-	12,441,860
Interest	269,108	18,691	-	5,287,718
Other revenues	-	-	-	1,550,825
Total revenues	2,280,965	18,691	24,771	135,541,202
Expenditures:				
Current:				
General government	-	-	-	106,757
Public safety	-	-	-	7,714,190
Judicial	-	-	-	12,277,200
Public works	-	-	-	26,444,477
Health and welfare	-	-	-	10,989,890
Economic development	-	-	-	12,588,850
Culture and recreation	-	-	-	21,101,636
Education	-	-	-	9,074,662
Capital outlay	4,786,918	55,000	2,150,078	6,991,996
Debt service	-	-	-	9,955,174
Total expenditures	4,786,918	55,000	2,150,078	117,244,832
Excess (deficiency) of revenues over (under) expenditures	(2,505,953)	(36,309)	(2,125,307)	18,296,370
Other financing sources (uses):				
General obligation bonds issued	-	-	-	1,200,000
Subscription based IT arrangements financing	-	-	-	34,708
Lease financing	-	-	2,292,307	2,292,307
Transfers in	5,762,619	1,082,403	127,508	30,121,637
Transfers out	-	(579,735)	(294,508)	(25,980,274)
Proceeds from sale of capital assets	-	35,342	-	48,592
Total other financing sources (uses)	5,762,619	538,010	2,125,307	7,716,970
Net change in fund balance	3,256,666	501,701	-	26,013,340
Fund balances at beginning of year	5,349,284	608,262	-	128,772,807
Fund balances at end of year	\$ 8,605,950	\$ 1,109,963	\$ -	\$ 154,786,147

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, 2023

	<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	\$ 28,997,000	\$ 28,997,000	\$ 29,535,035	\$ 538,035
Intergovernmental	131,127	131,127	564,051	432,924
Interest	200,000	200,000	979,488	779,488
Other revenues	171,428	171,428	-	(171,428)
	<u>29,499,555</u>	<u>29,499,555</u>	<u>31,078,574</u>	<u>1,579,019</u>
EXPENDITURES:				
Debt service	<u>42,833,895</u>	<u>42,840,745</u>	<u>43,413,869</u>	<u>(573,124)</u>
Total expenditures	<u>42,833,895</u>	<u>42,840,745</u>	<u>43,413,869</u>	<u>(573,124)</u>
Excess of expenditures over revenues	<u>(13,334,340)</u>	<u>(13,341,190)</u>	<u>(12,335,295)</u>	<u>1,005,895</u>
Other financing sources (uses):				
Subscription financing	-	-	31,940	31,940
Transfers in	11,693,398	13,178,413	14,683,875	1,505,462
Transfers out	<u>(4,281,075)</u>	<u>(4,287,926)</u>	<u>(4,287,926)</u>	<u>-</u>
Total other financing sources and (uses)	<u>7,412,323</u>	<u>8,890,487</u>	<u>10,427,889</u>	<u>1,505,462</u>
Net change in fund balance	<u>(5,922,017)</u>	<u>(4,450,703)</u>	<u>(1,907,406)</u>	<u>2,511,357</u>
Fund balance at beginning of year	<u>29,658,423</u>	<u>29,658,423</u>	<u>29,658,423</u>	<u>-</u>
Fund balance at end of year	<u>\$ 23,736,406</u>	<u>\$ 25,207,720</u>	<u>\$ 27,751,017</u>	<u>\$ 2,511,357</u>

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, 2023**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Accommodations taxes	\$ 20,000,000	\$ 20,241,000	\$ 28,038,158	\$ 7,797,158
Intergovernmental	250,000	250,000	498,937	248,937
Interest	14,000	14,000	674,619	660,619
Total revenues	<u>20,264,000</u>	<u>20,505,000</u>	<u>29,211,714</u>	<u>8,706,714</u>
Expenditures:				
Current:				
Culture and recreation	19,439,201	19,648,135	21,101,636	(1,453,501)
Total expenditures	<u>19,439,201</u>	<u>19,648,135</u>	<u>21,101,636</u>	<u>(1,453,501)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>824,799</u>	<u>856,865</u>	<u>8,110,078</u>	<u>7,253,213</u>
Other financing uses:				
Transfers out	(36,250)	(36,250)	(48,697)	(12,447)
Net change in fund balance	<u>788,549</u>	<u>820,615</u>	<u>8,061,381</u>	<u>7,240,766</u>
Fund balance at beginning of year	<u>10,483,987</u>	<u>10,483,987</u>	<u>10,483,987</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,272,536</u>	<u>\$ 11,304,602</u>	<u>\$ 18,545,368</u>	<u>\$ 7,240,766</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, 2023

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 850,000	\$ 850,000	\$ 916,935	\$ 66,935
Total revenues	<u>850,000</u>	<u>850,000</u>	<u>916,935</u>	<u>66,935</u>
Expenditures:				
Current:				
Public safety	89,995	89,995	101,683	(11,688)
Judicial	<u>1,054,905</u>	<u>1,054,905</u>	<u>802,361</u>	<u>252,544</u>
Total expenditures	<u>1,144,900</u>	<u>1,144,900</u>	<u>904,044</u>	<u>240,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(294,900)</u>	<u>(294,900)</u>	<u>12,891</u>	<u>307,791</u>
Other financing sources (uses):				
Transfers in	248,346	248,346	419,018	170,672
Transfers out	<u>(178,351)</u>	<u>(178,351)</u>	<u>(349,180)</u>	<u>(170,829)</u>
Total other financing sources (uses)	<u>69,995</u>	<u>69,995</u>	<u>69,838</u>	<u>(157)</u>
Net change in fund balance	<u>(224,905)</u>	<u>(224,905)</u>	<u>82,729</u>	<u>307,634</u>
Fund balance at beginning of year	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 675,095</u>	<u>\$ 675,095</u>	<u>\$ 982,729</u>	<u>\$ 307,634</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, 2023**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 3,961,242	\$ 3,961,242	\$ 3,991,731	\$ 30,489
Intergovernmental	-	7,050,000	2,399,088	(4,650,912)
Service charges	8,010,000	8,410,000	7,491,173	(918,827)
Total revenues	<u>11,971,242</u>	<u>19,421,242</u>	<u>13,881,992</u>	<u>(5,539,250)</u>
Expenditures:				
Current:				
Economic development	13,838,292	21,535,834	12,588,850	8,946,984
Debt service	-	-	153,455	(153,455)
Total expenditures	<u>13,838,292</u>	<u>21,535,834</u>	<u>12,742,305</u>	<u>8,793,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,867,050)</u>	<u>(2,114,592)</u>	<u>1,139,687</u>	<u>3,254,279</u>
Net change in fund balance	<u>(1,867,050)</u>	<u>(2,114,592)</u>	<u>1,139,687</u>	<u>3,254,279</u>
Fund balance at beginning of year	<u>6,726,900</u>	<u>6,726,900</u>	<u>6,726,900</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 4,859,850</u></u>	<u><u>\$ 4,612,308</u></u>	<u><u>\$ 7,866,587</u></u>	<u><u>\$ 3,254,279</u></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, 2023

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 11,942,000	\$ 11,942,000	\$ 12,115,710	\$ 173,710
Intergovernmental	131,440	131,440	276,531	145,091
Total revenues	<u>12,073,440</u>	<u>12,073,440</u>	<u>12,392,241</u>	<u>318,801</u>
Expenditures:				
Current:				
General Government	171,950	171,950	96,757	75,193
Education	<u>8,860,866</u>	<u>8,860,866</u>	<u>9,074,662</u>	<u>(213,796)</u>
Total expenditures	<u>9,032,816</u>	<u>9,032,816</u>	<u>9,171,419</u>	<u>(138,603)</u>
Excess of revenues over expenditures	<u>3,040,624</u>	<u>3,040,624</u>	<u>3,220,822</u>	<u>180,198</u>
Other financing sources (uses):				
Transfers in	291,650	291,650	252,117	(39,533)
Transfers out	<u>(3,376,691)</u>	<u>(3,376,691)</u>	<u>(3,469,696)</u>	<u>(93,005)</u>
Total other financing sources (uses)	<u>(3,085,041)</u>	<u>(3,085,041)</u>	<u>(3,217,579)</u>	<u>(132,538)</u>
Net change in fund balance	<u>(44,417)</u>	<u>(44,417)</u>	<u>3,243</u>	<u>47,660</u>
Fund balance at beginning of year	<u>112,535</u>	<u>112,535</u>	<u>112,535</u>	<u>-</u>
Fund balance at end of year	<u>\$ 68,118</u>	<u>\$ 68,118</u>	<u>\$ 115,778</u>	<u>\$ 47,660</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, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Property taxes	\$ 3,240,400	\$ 3,240,400	\$ 3,423,499	\$ 183,099
Intergovernmental	158,270	158,270	175,500	17,230
Interest	-	-	9,850	9,850
Other revenues	-	52,115	55,297	3,182
Total revenues	3,398,670	3,450,785	3,664,146	213,361
Expenditures:				
Current:				
Public safety	3,555,162	3,799,656	3,873,020	(73,364)
Debt service	250,591	534,066	533,608	458
Total expenditures	3,805,753	4,333,722	4,406,628	(72,906)
Excess (deficiency) of revenues (under) over expenditures	(407,083)	(882,937)	(742,482)	140,455
Other financing sources (uses):				
General obligation bonds issued	-	-	1,200,000	1,200,000
Proceeds from sale of fixed assets	-	-	13,250	13,250
Total other financing sources (uses)	-	-	1,213,250	1,213,250
Net change in fund balance	(407,083)	(882,937)	470,768	1,353,705
Fund balance at beginning of year	1,682,961	1,682,961	1,682,961	-
Fund balance at end of year	\$ 1,275,878	\$ 800,024	\$ 2,153,729	\$ 1,353,705

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, 2023

	<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	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 200,346</u>	<u>\$ (9,654)</u>
Total revenues	<u>210,000</u>	<u>210,000</u>	<u>200,346</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	<u>242,315</u>	<u>242,671</u>	<u>253,725</u>	<u>(11,054)</u>
Total expenditures	<u>242,315</u>	<u>242,671</u>	<u>253,725</u>	<u>(11,054)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,315)</u>	<u>(32,671)</u>	<u>(53,379)</u>	<u>(20,708)</u>
Net change in fund balance	<u>(32,315)</u>	<u>(32,671)</u>	<u>(53,379)</u>	<u>(20,708)</u>
Fund balance at beginning of year	<u>123,783</u>	<u>123,783</u>	<u>123,783</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 91,468</u></u>	<u><u>\$ 91,112</u></u>	<u><u>\$ 70,404</u></u>	<u><u>\$ (20,708)</u></u>

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, 2023**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 3,372,617	\$ 3,434,676	\$ 3,589,432	\$ 154,756
Service charges	505,000	505,000	370,362	(134,638)
Interest	9,000	9,000	53,879	44,879
Other revenues	-	-	500	500
Total revenues	<u>3,886,617</u>	<u>3,948,676</u>	<u>4,014,173</u>	<u>65,497</u>
Expenditures:				
Current:				
Judicial	8,190,417	8,255,317	7,899,414	355,903
Debt service	-	-	53,381	(53,381)
Total expenditures	<u>8,190,417</u>	<u>8,255,317</u>	<u>7,952,795</u>	<u>302,522</u>
Deficiency of revenues under expenditures	<u>(4,303,800)</u>	<u>(4,306,641)</u>	<u>(3,938,622)</u>	<u>368,019</u>
Other financing sources:				
SBITA financing	-	-	34,708	34,708
Transfers in	3,800,000	3,800,000	3,800,000	-
Net change in fund balance	<u>(503,800)</u>	<u>(506,641)</u>	<u>(103,914)</u>	<u>402,727</u>
Fund balance at beginning of year	<u>1,185,209</u>	<u>1,185,209</u>	<u>1,185,209</u>	<u>-</u>
Fund balance at end of year	<u>\$ 681,409</u>	<u>\$ 678,568</u>	<u>\$ 1,081,295</u>	<u>\$ 402,727</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, 2023**

	<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	\$ 20,000	\$ 20,000	\$ 158,087	\$ 138,087
Interest	400	400	32,582	32,182
Service charges	30,900	30,900	29,000	(1,900)
Other revenues	850,000	850,000	879,978	29,978
	<u>901,300</u>	<u>901,300</u>	<u>1,099,647</u>	<u>198,347</u>
Total revenues				
	<u>901,300</u>	<u>901,300</u>	<u>1,099,647</u>	<u>198,347</u>
Expenditures:				
Current:				
Public safety	1,228,990	1,214,034	984,439	229,595
	<u>1,228,990</u>	<u>1,214,034</u>	<u>984,439</u>	<u>229,595</u>
Total expenditures				
	<u>1,228,990</u>	<u>1,214,034</u>	<u>984,439</u>	<u>229,595</u>
Deficiency of revenues under expenditures	<u>(327,690)</u>	<u>(312,734)</u>	<u>115,208</u>	<u>427,942</u>
Other financing (uses):				
Transfers out	-	(14,956)	(14,956)	-
	<u>-</u>	<u>(14,956)</u>	<u>(14,956)</u>	<u>-</u>
Total other financing (uses)				
	<u>-</u>	<u>(14,956)</u>	<u>(14,956)</u>	<u>-</u>
Net change in fund balance	<u>(327,690)</u>	<u>(327,690)</u>	<u>100,252</u>	<u>427,942</u>
Fund balance at beginning of year	<u>2,580,315</u>	<u>2,580,315</u>	<u>2,580,315</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,252,625</u>	<u>\$ 2,252,625</u>	<u>\$ 2,680,567</u>	<u>\$ 427,942</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, 2023

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,974,315	\$ 1,999,315	\$ 2,117,747	\$ 118,432
Fines and forfeitures	-	-	70,776	70,776
Service charges	432,000	438,863	469,314	30,451
Other revenue	-	-	86,511	86,511
Total revenues	<u>2,406,315</u>	<u>2,438,178</u>	<u>2,744,348</u>	<u>306,170</u>
Expenditures:				
Current:				
Judicial	<u>2,609,484</u>	<u>2,657,735</u>	<u>2,718,338</u>	<u>(60,603)</u>
Total expenditures	<u>2,609,484</u>	<u>2,657,735</u>	<u>2,718,338</u>	<u>(60,603)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(203,169)</u>	<u>(219,557)</u>	<u>26,010</u>	<u>245,567</u>
Other financing sources (uses):				
Transfers in	342,350	342,350	356,232	13,882
Transfers out	<u>(557,333)</u>	<u>(563,295)</u>	<u>(564,936)</u>	<u>(1,641)</u>
Total other financing sources	<u>(214,983)</u>	<u>(220,945)</u>	<u>(208,704)</u>	<u>12,241</u>
Net change in fund balance	(418,152)	(440,502)	(182,694)	257,808
Fund balance at beginning of year	<u>1,309,984</u>	<u>1,309,984</u>	<u>1,309,984</u>	<u>-</u>
Fund balance at end of year	<u>\$ 891,832</u>	<u>\$ 869,482</u>	<u>\$ 1,127,290</u>	<u>\$ 257,808</u>

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, 2023

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Service charges	\$ 3,682,352	\$ 3,682,352	\$ 4,080,908	\$ 398,556
Interest	-	-	370,893	370,893
Total revenues	<u>3,682,352</u>	<u>3,682,352</u>	<u>4,451,801</u>	<u>769,449</u>
Expenditures:				
Current:				
Public works	<u>10,459,739</u>	<u>11,185,305</u>	<u>2,484,564</u>	<u>8,700,741</u>
Total expenditures	<u>10,459,739</u>	<u>11,185,305</u>	<u>2,484,564</u>	<u>8,700,741</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,777,387)</u>	<u>(7,502,953)</u>	<u>1,967,237</u>	<u>9,470,190</u>
Other financing uses:				
Transfers out	-	(183,386)	(188,243)	(4,857)
Net change in fund balance	(6,777,387)	(7,686,339)	1,778,994	9,465,333
Fund balance at beginning of year	<u>8,622,616</u>	<u>8,622,616</u>	<u>8,622,616</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,845,229</u>	<u>\$ 936,277</u>	<u>\$ 10,401,610</u>	<u>\$ 9,465,333</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, 2023

	<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	\$ 33,811	\$ 27,311
Fines and forfeitures	172,000	172,000	162,477	(9,523)
Service charges	-	-	1,103	1,103
Total revenues	<u>178,500</u>	<u>178,500</u>	<u>197,391</u>	<u>18,891</u>
Expenditures:				
Current:				
Public safety	140,196	140,196	167,728	(27,532)
Judicial	279,350	279,350	286,501	(7,151)
Total expenditures	<u>419,546</u>	<u>419,546</u>	<u>454,229</u>	<u>(34,683)</u>
Deficiency of revenues under expenditures	<u>(241,046)</u>	<u>(241,046)</u>	<u>(256,838)</u>	<u>(15,792)</u>
Other financing sources:				
Transfers in	241,046	241,046	259,344	18,298
Net change in fund balance	-	-	2,506	2,506
Fund balance at beginning of year	<u>581</u>	<u>581</u>	<u>581</u>	<u>-</u>
Fund balance at end of year	<u>\$ 581</u>	<u>\$ 581</u>	<u>\$ 3,087</u>	<u>\$ 2,506</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, 2023

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
Magistrates:						
Fines:						
Traffic/criminal	\$ 1,144,874	\$ -	\$ 1,144,874	\$ 1,144,874	\$ -	\$ 1,144,874
DUI/DUS/BUI	42,615	42,615	-	-	-	-
Assessments	841,758	770,441	71,317	-	71,317	71,317
Surcharges	229,638	199,947	29,691	-	29,691	29,691
	<u>2,258,885</u>	<u>1,013,003</u>	<u>1,245,882</u>	<u>1,144,874</u>	<u>101,008</u>	<u>1,245,882</u>
Clerk of Court:						
Fines:						
Fines and Fees	1,031,921	733,820	298,101	298,101	-	298,101
Family court	1,655,593	819,187	836,406	836,406	-	836,406
DUI/DUS/BUI	2,606	2,606	-	-	-	-
Assessments	25,326	16,540	8,786	-	8,786	8,786
Surcharges	84,278	31,594	52,684	-	52,684	52,684
	<u>2,799,724</u>	<u>1,603,747</u>	<u>1,195,977</u>	<u>1,134,507</u>	<u>61,470</u>	<u>1,195,977</u>
	<u>\$ 5,058,609</u>	<u>\$ 2,616,750</u>	<u>\$ 2,441,859</u>	<u>\$ 2,279,381</u>	<u>\$ 162,478</u>	<u>\$ 2,441,859</u>

See notes to financial statements.

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CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

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

Biological Science Center – This fund is used to provide forensic laboratory and DNA services for the region.

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, 2023

<u>ASSETS</u>	<u>Biological Science Center</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	\$ -	\$ -	\$ -	\$ 645,372	\$ 646,072
Pooled cash and cash equivalents	15,891	1,224,035	3,245,748	332,609	474,715	6,787,698	12,080,696
Receivables (net of allowances for uncollectibles)	-	2,705,902	491,303	29,404	945,371	2,289,674	6,461,654
Total current assets	15,891	3,930,637	3,737,051	362,013	1,420,086	9,722,744	19,188,422
Capital assets:							
Buildings	-	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	-	316,111	-	-	43,315	-	359,426
Intangible SBITA assets	-	-	363,645	-	-	-	363,645
Right to use assets	-	-	-	-	5,056,916	-	5,056,916
Machinery and equipment	-	685,806	6,042,825	13,079	3,767,618	576,750	11,086,078
Less accumulated depreciation	-	(6,300,515)	(5,842,451)	(13,079)	(2,681,648)	(272,955)	(15,110,648)
Total capital assets (net of accumulated depreciation)	-	4,403,769	564,019	-	6,186,201	303,795	11,457,784
Total noncurrent assets	-	4,403,769	564,019	-	6,186,201	303,795	11,457,784
Total assets	15,891	8,334,406	4,301,070	362,013	7,606,287	10,026,539	30,646,206

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2023

<u>LIABILITIES AND EQUITY</u>	<u>Biological Science Center</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	\$ 414	\$ 184,672	\$ 51,033	\$ 18,660	\$ 56,085	\$ 105,751	\$ 416,615
Accrued payroll and fringe benefits	12,227	285,128	46,453	6,825	10,751	77,676	439,060
Unearned revenue	-	905,882	-	-	-	-	905,882
Interest payable	-	-	1,473	-	2,396	-	3,869
Compensated absences-current	-	59,602	1,229	-	-	11,175	72,006
Due to other funds	-	16,350,654	1,555,094	196,673	590,957	3,776,257	22,469,635
Intergovernmental payable	-	1,862	-	-	-	8,685,929	8,687,791
Lease liability - current	-	-	-	-	503,875	-	503,875
Subscription liability - current	-	-	39,780	-	-	-	39,780
Total current liabilities	12,641	17,787,800	1,695,062	222,158	1,164,064	12,656,788	33,538,513
Noncurrent liabilities:							
Lease liability	-	-	-	-	3,639,811	-	3,639,811
Subscription liability	-	-	124,634	-	-	-	124,634
Compensated absences	3,250	312,590	109,415	30,434	7,410	207,480	670,579
Total noncurrent liabilities	3,250	312,590	234,049	30,434	3,647,221	207,480	4,435,024
Total liabilities	15,891	18,100,390	1,929,111	252,592	4,811,285	12,864,268	37,973,537
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred inflows leases	-	616,800	-	-	769,947	-	1,386,747
<u>NET POSITION</u>							
Net investment in capital assets	-	4,403,769	399,605	-	2,042,515	303,795	7,149,684
Unrestricted	-	(14,786,553)	1,972,354	109,421	(17,460)	(3,141,524)	(15,863,762)
Total net position	\$ -	\$ (10,382,784)	\$ 2,371,959	\$ 109,421	\$ 2,025,055	\$ (2,837,729)	\$ (8,714,078)

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
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023

	Biological Science Center	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
Operating revenues:							
Charges for services	\$ -	\$ 5,920,807	\$ 3,062,340	\$ 780,793	\$ 3,052,673	\$ 2,988,017	\$ 15,804,630
Other revenues	-	153,032	-	-	47,645	2,628	203,305
Total operating revenues	-	6,073,839	3,062,340	780,793	3,100,318	2,990,645	16,007,935
Operating expenses:							
Personnel services	237,468	6,179,620	1,081,842	194,750	237,641	1,711,995	9,643,316
Contractual services	-	1,675,863	40,721	11,075	266,547	71,282	2,065,488
Materials and supplies	-	1,184,911	31,933	-	131,889	9,525	1,358,258
Utilities	-	296,216	-	-	143,112	-	439,328
Repairs and maintenance	-	394,171	705,059	635,528	2,220,304	388,098	4,343,160
Rental expenses	-	66,261	-	-	8,874	-	75,135
Vehicle fleet charges	-	14,173	3,046	-	10,601	12,036	39,856
Employee benefits	-	434,548	81,871	9,447	17,319	127,531	670,716
Other expenses	8,955	1,454,759	1,330,744	92,024	397,979	288,017	3,572,478
Depreciation and amortization	-	258,319	933,528	-	990,272	150,802	2,332,921
Total operating expenses	246,423	11,958,841	4,208,744	942,824	4,424,538	2,759,286	24,540,656
Operating income (loss)	(246,423)	(5,885,002)	(1,146,404)	(162,031)	(1,324,220)	231,359	(8,532,721)
Nonoperating revenues (expenses):							
Interest income	-	69,355	105,972	14,095	17,487	271,303	478,212
Interest expense	-	-	(2,475)	-	(32,409)	-	(34,884)
Intergovernmental revenues	-	2,454,115	-	-	-	-	2,454,115
Gain (loss) on disposal of capital assets	-	7,600	225	-	-	-	7,825
Total nonoperating revenues (expenses)	-	2,531,070	103,722	14,095	(14,922)	271,303	2,905,268
Income (loss) before transfers	(246,423)	(3,353,932)	(1,042,682)	(147,936)	(1,339,142)	502,662	(5,627,453)
Transfers in	246,423	1,814,410	-	-	1,138,405	-	3,199,238
Transfers out	-	-	-	(72,769)	-	(815,000)	(887,769)
Change in net position	-	(1,539,522)	(1,042,682)	(220,705)	(200,737)	(312,338)	(3,315,984)
Total net position - beginning	-	(8,843,262)	3,414,641	330,126	2,225,792	(2,525,391)	(5,398,094)
Total net position - ending	\$ -	\$ (10,382,784)	\$ 2,371,959	\$ 109,421	\$ 2,025,055	\$ (2,837,729)	\$ (8,714,078)

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2023

	Biological Science Center	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:							
Cash received from customers	\$ -	\$ 6,257,870	\$ 4,334,631	\$ 882,582	\$ 2,942,030	\$ 3,549,880	\$ 17,966,993
Cash payments to suppliers for goods and services	(8,541)	(4,662,503)	(2,017,714)	(710,520)	(3,139,408)	(2,325,419)	(12,864,105)
Cash payments to employees for services	(221,991)	(6,543,624)	(1,134,717)	(198,219)	(245,964)	(1,812,411)	(10,156,926)
Net cash provided by (used in) operating activities	(230,532)	(4,948,257)	1,182,200	(26,157)	(443,342)	(587,950)	(5,054,038)
Cash flows from noncapital financing activities:							
Transfers in	246,423	1,814,410	-	-	1,138,405	-	3,199,238
Transfers (out)	-	-	-	(72,769)	-	(815,000)	(887,769)
Intergovernmental receipt	-	2,454,115	-	-	-	-	2,454,115
Net cash provided by (used in) noncapital financing activities	246,423	4,268,525	-	(72,769)	1,138,405	(815,000)	4,765,584
Cash flows from capital and related financing activities:							
Principal paid on long term debt	-	-	-	-	(491,941)	-	(491,941)
Interest paid	-	-	(2,475)	-	(32,409)	-	(34,884)
Proceeds from sale of capital assets	-	8,000	225	-	-	-	8,225
Acquisition and construction of capital assets	-	(99,055)	(199,231)	-	(169,946)	-	(468,232)
Net cash used in capital and related financing activities	-	(91,055)	(201,481)	-	(694,296)	-	(986,832)
Cash flows from investing activities:							
Interest received	-	69,355	105,972	14,095	17,487	271,303	478,212
Net cash provided by investing activities	-	69,355	105,972	14,095	17,487	271,303	478,212
Net increase (decrease) in cash and cash equivalents	15,891	(701,432)	1,086,691	(84,831)	18,254	(1,131,647)	(797,074)
Cash and cash equivalents at beginning of year	-	1,926,167	2,159,057	417,440	456,461	8,564,717	13,523,842
Cash and cash equivalents at end of year	<u>\$ 15,891</u>	<u>\$ 1,224,735</u>	<u>\$ 3,245,748</u>	<u>\$ 332,609</u>	<u>\$ 474,715</u>	<u>\$ 7,433,070</u>	<u>\$ 12,726,768</u>
Reconciliation to balance sheet:							
Non-pooled cash and cash equivalents	\$ -	\$ 700	\$ -	\$ -	\$ -	\$ 645,372	\$ 646,072
Pooled cash and cash equivalents	15,891	1,224,035	3,245,748	332,609	474,715	6,787,698	12,080,696
Cash and cash equivalents at end of year	<u>\$ 15,891</u>	<u>\$ 1,224,735</u>	<u>\$ 3,245,748</u>	<u>\$ 332,609</u>	<u>\$ 474,715</u>	<u>\$ 7,433,070</u>	<u>\$ 12,726,768</u>

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2023

	Biological Science Center	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)	\$ (246,423)	\$ (5,885,002)	\$ (1,146,404)	\$ (162,031)	\$ (1,324,220)	\$ 231,359	\$ (8,532,721)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	-	258,319	933,528	-	990,272	150,802	2,332,921
Allowance for uncollectible accounts	-	(85,237)	-	-	(16,758)	-	(101,995)
Changes in assets and liabilities:							
(Increase) decrease in receivables	-	(987,191)	1,272,291	101,789	(45,477)	559,235	900,647
Increase (decrease) in accounts payable	414	423,851	93,789	28,107	39,898	(1,556,461)	(970,402)
Increase (decrease) in accrued payroll	15,477	70,544	28,996	5,978	8,996	27,115	157,106
Increase (decrease) in unearned revenue	-	665,358	-	-	-	-	665,358
Increase (decrease) in deferred inflows - leases	-	591,101	-	-	(96,053)	-	495,048
Total adjustments	15,891	936,745	2,328,604	135,874	880,878	(819,309)	3,478,683
Net cash provided by (used in) operating activities	\$ (230,532)	\$ (4,948,257)	\$ 1,182,200	\$ (26,157)	\$ (443,342)	\$ (587,950)	\$ (5,054,038)
Noncash investing, capital, and financing activities:							
Right to use assets leased	\$ -	\$ -	\$ -	\$ -	\$ 5,056,916	\$ -	\$ 5,056,916
Intangible SBITA Assets	\$ -	\$ -	\$ 363,645	\$ -	\$ -	\$ -	\$ 363,645

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, 2023

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 9,704,263	\$ 200,867	\$ 7,349,708	\$ 59,155,710	\$ 313,567	\$ 76,724,115
Cash with fiscal agent	-	-	125,000	-	-	125,000
Receivables (net of allowances for uncollectibles)	16,048	135	5,754	448,160	-	470,097
Due from other funds	-	-	128,065	46,117,353	-	46,245,418
Inventories	434,018	-	-	-	-	434,018
Total current assets	10,154,329	201,002	7,608,527	105,721,223	313,567	123,998,648
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	42,517,812	526,723	925,241	-	1,032,510	45,002,286
Construction in Progress	836,632	-	-	-	-	836,632
Right to use assets	-	1,709,374	-	-	-	1,709,374
Intangible SBITA assets	208,464	-	-	-	-	208,464
Less accumulated depreciation	(30,608,898)	(2,245,348)	(625,861)	-	(818,302)	(34,298,409)
Total capital assets (net of accumulated depreciation)	14,504,513	135,929	299,380	-	214,208	15,154,030
Total assets	24,658,842	336,931	7,907,907	105,721,223	527,775	139,152,678
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	41,539,044	-	41,539,044
Deferred OPEB charges	-	-	-	15,716,678	-	15,716,678
Total deferred outflows of resources	-	-	-	57,255,722	-	57,255,722
LIABILITIES						
Current liabilities:						
Accounts payable	665,416	26,815	2,558,582	23,560	93,625	3,367,998
Accrued payroll and fringe benefits	112,081	30,652	23,493	5,030	20,490	191,746
Unearned revenue	-	-	-	1,150,020	-	1,150,020
Compensated absences-current	39,122	-	-	-	-	39,122
Accrued interest payable	46	-	-	-	-	46
Intergovernmental payable	3,116	201	15,834	-	-	19,151
Lease liability - current	-	6,196	-	-	-	6,196
Subscription liability - current	20,494	-	-	-	-	20,494
Total current liabilities	840,275	63,864	2,597,909	1,178,610	114,115	4,794,773
Noncurrent liabilities:						
Net OPEB liability	-	-	-	52,857,308	-	52,857,308
Compensated absences	200,286	44,689	57,567	5,759	43,240	351,541
Lease liability	-	18,286	-	-	-	18,286
Subscription liability	64,046	-	-	-	-	64,046
Net pension liability	-	-	-	275,442,454	-	275,442,454
Total noncurrent liabilities	264,332	62,975	57,567	328,305,521	43,240	328,733,635
Total liabilities	1,104,607	126,839	2,655,476	329,484,131	157,355	333,528,408
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	11,434,769	-	11,434,769
Deferred OPEB credits	-	-	-	41,977,408	-	41,977,408
Total deferred inflows of resources	-	-	-	53,412,177	-	53,412,177
NET POSITION						
Net investment in capital assets	14,419,973	111,447	299,380	-	214,208	15,045,008
Unrestricted	9,134,262	98,645	4,953,051	(219,919,363)	156,212	(205,577,193)
Total net position	\$ 23,554,235	\$ 210,092	\$ 5,252,431	\$ (219,919,363)	\$ 370,420	\$ (190,532,185)

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, 2023

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 14,550,135	\$ 1,838,098	\$ 5,660,413	\$ 63,381,677	\$ 2,348,482	\$ 87,778,805
Total operating revenues	<u>14,550,135</u>	<u>1,838,098</u>	<u>5,660,413</u>	<u>63,381,677</u>	<u>2,348,482</u>	<u>87,778,805</u>
Operating expenses:						
Personnel services	2,641,903	779,600	480,860	112,733	468,377	4,483,473
Contractual services	2,853	35,838	353,185	55,132	1,824	448,832
Materials and supplies	7,543,007	329,024	95,701	3,830	2,038	7,973,600
Utilities	89,528	16,274	-	-	59,621	165,423
Repairs and maintenance	1,967,295	228,212	40,630	-	105,032	2,341,169
Rental expenses	2,280	5,145	-	-	-	7,425
Vehicle fleet charges	113,503	13,953	9,145	-	918	137,519
Employee benefits	-	-	-	50,750,444	-	50,750,444
Other expenses	180,811	34,733	2,228,919	110,007	1,712,859	4,267,329
Depreciation and amortization	3,325,976	407,836	21,495	-	86,150	3,841,457
Total operating expenses	<u>15,867,156</u>	<u>1,850,615</u>	<u>3,229,935</u>	<u>51,032,146</u>	<u>2,436,819</u>	<u>74,416,671</u>
Operating income (loss)	<u>(1,317,021)</u>	<u>(12,517)</u>	<u>2,430,478</u>	<u>12,349,531</u>	<u>(88,337)</u>	<u>13,362,134</u>
Nonoperating revenues (expenses):						
Interest income	270,786	7,521	255,646	2,182,753	9,489	2,726,195
Interest expense	(2,386)	(57,831)	-	-	-	(60,217)
Intergovernmental revenues	-	-	-	1,149,949	-	1,149,949
Gain (loss) on disposal of capital assets	594,792	-	-	-	-	594,792
Total nonoperating revenues (expenses)	<u>863,192</u>	<u>(50,310)</u>	<u>255,646</u>	<u>3,332,702</u>	<u>9,489</u>	<u>4,410,719</u>
Income (loss) before transfers	<u>(453,829)</u>	<u>(62,827)</u>	<u>2,686,124</u>	<u>15,682,233</u>	<u>(78,848)</u>	<u>17,772,853</u>
Transfers in	7,388,976	50,000	-	-	37,500	7,476,476
Transfers out	<u>(1,082,403)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,082,403)</u>
Change in net position	<u>5,852,744</u>	<u>(12,827)</u>	<u>2,686,124</u>	<u>15,682,233</u>	<u>(41,348)</u>	<u>24,166,926</u>
Total net position - beginning	<u>17,701,491</u>	<u>222,919</u>	<u>2,566,307</u>	<u>(235,601,596)</u>	<u>411,768</u>	<u>(214,699,111)</u>
Total net position - ending	<u>\$ 23,554,235</u>	<u>\$ 210,092</u>	<u>\$ 5,252,431</u>	<u>\$ (219,919,363)</u>	<u>\$ 370,420</u>	<u>\$ (190,532,185)</u>

See independent auditor's report.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 187,204	\$ -	\$ -	\$ -	\$ -	\$ 187,204
Cash receipts from interfund services provided	14,388,317	1,831,086	5,726,580	63,488,394	2,348,482	87,782,859
Cash payments to suppliers for goods and services	(9,927,912)	(686,640)	(3,609,652)	(59,704,744)	(1,916,229)	(75,845,177)
Cash payments to employees for services	(2,656,469)	(753,957)	(486,580)	(116,743)	(453,247)	(4,466,996)
Net cash provided by (used in) operating activities	1,991,140	390,489	1,630,348	3,666,907	(20,994)	7,657,890
Cash flows from noncapital financing activities:						
Transfers in	7,388,976	50,000	-	-	37,500	7,476,476
Transfers (out)	(1,082,403)	-	-	-	-	(1,082,403)
Intergovernmental receipt	-	-	-	1,149,949	-	1,149,949
Net cash provided by noncapital financing activities	6,306,573	50,000	-	1,149,949	37,500	7,544,022
Cash flows from capital and related financing activities:						
Principal paid on long-term debt		(369,753)	-	-	-	(369,753)
Interest paid	(2,386)	(57,831)	-	-	-	(60,217)
Proceeds from sale of capital assets	797,495	-	-	-	-	797,495
Acquisition and construction of capital assets (including capitalized interest)	(5,005,204)	(59,122)	(224,533)	-	(7,800)	(5,296,659)
Net cash used in capital and related financing activities	(4,210,095)	(486,706)	(224,533)	-	(7,800)	(4,929,134)
Cash flows from investing activities:						
Interest received	270,786	7,521	255,646	2,182,753	9,489	2,726,195
Net cash provided by investing activities	270,786	7,521	255,646	2,182,753	9,489	2,726,195
Net increase (decrease) in cash and cash equivalents	4,358,404	(38,696)	1,661,461	6,999,609	18,195	12,998,973
Cash and cash equivalents at beginning of year	5,345,859	239,563	5,813,247	52,156,101	295,372	63,850,142
Cash and cash equivalents at end of year	<u>\$ 9,704,263</u>	<u>\$ 200,867</u>	<u>\$ 7,474,708</u>	<u>\$ 59,155,710</u>	<u>\$ 313,567</u>	<u>\$ 76,849,115</u>
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 9,704,263	\$ 200,867	\$ 7,349,708	\$ 59,155,710	\$ 313,567	\$ 76,724,115
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	<u>\$ 9,704,263</u>	<u>\$ 200,867</u>	<u>\$ 7,474,708</u>	<u>\$ 59,155,710</u>	<u>\$ 313,567</u>	<u>\$ 76,849,115</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

	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)	\$ (1,317,021)	\$ (12,517)	\$ 2,430,478	\$ 12,349,531	\$ (88,337)	\$ 13,362,134
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	3,325,976	407,836	21,495	-	86,150	3,841,457
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	25,386	(135)	66,168	106,646	-	198,065
(Increase) decrease in inventory	48,681	-	-	-	-	48,681
Increase (decrease) in accounts payable	(77,316)	(30,338)	(882,073)	(4,488)	(33,937)	(1,028,152)
Increase (decrease) in accrued payroll	(14,566)	25,643	(5,720)	(4,010)	15,130	16,477
Increase (decrease) in net pension liability	-	-	-	24,494,156	-	24,494,156
Increase (decrease) in net OPEB liability	-	-	-	(37,612,895)	-	(37,612,895)
Decrease in deferred outflows of resources for pensions	-	-	-	6,413,281	-	6,413,281
Increase (decrease) in deferred inflows of resources for pensions	-	-	-	(37,830,112)	-	(37,830,112)
(Increase) decrease in deferred outflows of resources for OPEB	-	-	-	2,837,713	-	2,837,713
Increase (Decrease) in deferred inflows of resources for OPEB	-	-	-	32,917,085	-	32,917,085
Total adjustments	3,308,161	403,006	(800,130)	(8,682,624)	67,343	(5,704,244)
Net cash provided by (used in) operating activities	\$ 1,991,140	\$ 390,489	\$ 1,630,348	\$ 3,666,907	\$ (20,994)	\$ 7,657,890
Noncash investing, capital, and financing activities:						
Right to use assets leased	\$ -	\$ 13,646	\$ -	\$ -	\$ -	\$ 13,646
Intangible SBITA Assets	\$ 84,540	\$ -	\$ -	\$ -	\$ -	\$ 84,540

See independent auditor's report.

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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, 2023

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 9,939,860	\$ 135,494,461	\$ 6,413,773	\$ 46,425,170	\$ -	\$ 10,058,303	\$ 208,331,567
Public safety	6,002,667	166,638,072	9,673,531	56,753,324	-	1,879,804	240,947,398
Judicial	-	60,706,495	4,662,604	2,518,771	-	1,400,625	69,288,495
Public works	188,336	544,682	31,160	12,190,938	52,237,088	86,445	65,278,649
Health and welfare	177,160	3,282,223	-	902,038	-	-	4,361,421
Culture and recreation	12,984,317	74,634,489	21,232,720	8,982,909	-	1,194,825	119,029,260
Economic Development	-	-	441,369	79,750	-	-	521,119
DAODAS	-	-	-	8,378	-	-	8,378
Total	\$ 29,292,340	\$ 441,300,422	\$ 42,455,157	\$ 127,861,278	\$ 52,237,088	\$ 14,620,002	\$ 707,766,287

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, 2023

Function	Balance July 1, 2022	Additions *	Deletions *	Balance June 30, 2023
General government	\$ 186,159,396	32,471,006	(10,298,835)	208,331,567
Public safety	249,440,232	5,278,518	(13,771,352)	240,947,398
Judicial	67,538,312	1,906,782	(156,599)	69,288,495
Public works	61,567,938	3,813,225	(102,514)	65,278,649
Health and welfare	4,348,597	12,824	-	4,361,421
Culture and recreation	114,101,231	4,928,029	-	119,029,260
Economic Development	348,883	172,236	-	521,119
DAODAS	-	8,378	-	8,378
Total	\$ 683,504,589	\$ 48,590,998	\$ (24,329,300)	\$ 707,766,287

* The additions and deletions include amounts for inter-function transfers.

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

See independent auditor's report.

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STATISTICAL TABLES (UNAUDITED)



STATISTICAL TABLES

This section of the County of Charleston South Carolina's annual comprehensive 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.	203 - 209
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	210 - 214
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.	215 - 219
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.	220 - 221
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.	222 - 226
Financial Assurance Coverage	227

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 98,106,506	\$ 106,149,896	\$ 103,292,815	\$ 116,089,425	\$ 29,316,935	\$ 81,464,869	\$ 121,876,245	\$ 152,003,075	\$ 146,330,969	\$ 170,927,754
Restricted	48,382,297	37,531,648	122,097,776	129,237,418	166,587,214	217,686,153	276,537,148	336,037,554	140,095,332	157,806,278
Unrestricted	(241,231,165)	(420,562,760)	(483,748,855)	(472,644,034)	(444,442,816)	(460,113,907)	(496,158,767)	(468,818,592)	(91,809,011)	76,015,485
Total Governmental Activities Net Position	<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>	<u>\$ 194,617,290</u>	<u>\$ 404,749,517</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 47,560,913	\$ 52,721,337	\$ 54,525,303	\$ 54,870,641	\$ 61,331,686	\$ 62,902,789	\$ 55,892,857	\$ 74,226,393	\$ 72,806,599	\$ 67,889,158
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	81,762,726	66,112,782	65,179,026	67,271,768	58,987,053	57,881,332	62,953,523	42,489,887	43,236,692	47,770,512
Total Business-type Activities Net Position	<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>	<u>\$ 116,043,291</u>	<u>\$ 115,659,670</u>
Primary Government										
Net Investment in Capital Assets	\$ 145,667,419	\$ 158,871,233	\$ 157,818,118	\$ 170,960,066	\$ 90,648,621	\$ 144,367,658	\$ 177,769,102	\$ 226,229,468	\$ 219,137,568	\$ 238,816,912
Restricted	48,382,297	37,531,648	122,097,776	129,237,418	166,587,214	217,686,153	276,537,148	336,037,554	140,095,332	157,806,278
Unrestricted	(159,468,439)	(354,449,978)	(418,569,829)	(405,372,266)	(385,455,763)	(402,232,575)	(433,205,244)	(426,328,705)	(48,572,319)	123,785,997
Total Primary Government Net Position	<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>	<u>\$ 310,660,581</u>	<u>\$ 520,409,187</u>

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

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 73,881,418	\$ 76,385,859	\$ 82,067,067	\$ 80,258,042	\$ 83,326,907	\$ 85,877,389	\$ 86,997,759	\$ 103,990,965	\$ 85,814,501	\$ 89,140,607
Public Safety	98,306,015	101,117,724	100,145,235	107,538,600	118,398,204	120,711,290	129,003,269	124,156,457	125,169,699	138,646,852
Judicial	27,772,787	28,308,049	28,929,279	31,543,203	34,033,931	35,614,908	35,775,623	36,127,714	36,173,213	35,594,796
Public Works	59,859,073	65,384,300	56,530,661	61,613,536	110,663,429	52,657,945	74,986,045	60,027,327	58,809,279	57,218,337
Health and Welfare	6,509,931	6,436,270	6,919,984	6,736,079	6,474,754	9,914,084	7,790,350	17,680,680	43,286,282	32,959,922
Economic Development	1,832,505	2,746,640	6,497,323	5,097,622	16,950,255	6,115,530	15,001,564	9,142,251	9,002,506	12,378,475
Culture and Recreation	36,353,141	35,231,789	35,967,005	33,764,727	33,990,166	41,057,699	57,218,739	55,689,247	49,883,150	58,494,683
Education	17,089,466	6,103,436	6,666,389	6,749,657	7,139,713	20,499,567	15,648,275	8,261,200	8,568,736	9,074,662
Interest and Fiscal Charges	24,296,503	26,245,946	24,237,970	22,085,004	24,791,553	21,799,514	24,369,416	21,500,648	24,421,814	20,344,876
Total Governmental Activities Expenses	345,900,839	347,960,013	347,960,913	355,386,470	435,768,912	394,247,926	446,791,040	436,576,489	441,129,180	453,853,210
Business-Type Activities:										
Biological Science Center	-	-	-	-	-	-	-	-	21,431	246,423
DOADAS	7,648,298	7,934,733	9,388,170	9,273,672	10,150,839	9,702,421	10,551,777	9,923,670	9,527,715	10,300,928
E 911 Communications	1,894,982	2,729,556	2,715,095	2,504,959	2,704,095	2,391,948	2,995,189	3,437,069	3,635,984	3,949,967
Environmental Management	25,029,815	23,053,431	27,114,755	28,410,142	30,736,995	31,477,849	36,043,112	34,710,087	42,199,615	43,433,662
Parking Garages	2,056,808	2,036,470	2,426,875	2,310,745	2,632,576	2,550,908	2,603,119	2,743,976	2,577,645	2,876,697
Public Safety Systems	422,102	379,728	441,029	668,590	568,449	865,670	742,500	650,061	729,376	885,655
Radio Communications	3,292,487	3,351,391	3,680,827	3,675,299	3,558,873	3,753,723	3,604,897	3,704,090	3,888,556	4,276,874
Revenue Collections	1,357,247	1,331,530	1,783,500	1,839,515	2,077,613	1,878,874	2,325,618	2,319,162	2,398,906	2,820,255
Total Business-Type Activities Expenses	41,701,739	40,816,839	47,550,251	48,682,922	52,429,440	52,621,393	58,866,212	57,488,115	64,979,228	68,790,461
Total Primary Government Expenses	\$ 387,602,578	\$ 388,776,852	\$ 395,511,164	\$ 404,069,392	\$ 488,198,352	\$ 446,869,319	\$ 505,657,252	\$ 494,064,604	\$ 506,108,408	\$ 522,643,671
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 14,623,436	\$ 12,978,933	\$ 14,348,875	\$ 16,188,980	\$ 16,759,851	\$ 18,479,340	\$ 17,469,086	\$ 21,431,838	\$ 24,879,028	\$ 24,495,225
Public Safety	18,145,233	18,289,146	19,613,268	19,184,109	17,861,015	25,915,127	22,268,634	15,155,346	21,632,179	25,535,998
Judicial	8,735,792	11,445,329	10,614,833	12,238,966	12,560,970	11,861,349	11,319,839	10,925,175	12,456,798	12,082,243
Public Works	2,598,661	3,314,996	2,412,257	4,748,230	5,157,358	6,191,232	8,930,137	5,137,371	6,362,959	8,398,511
Health and Welfare	189,629	148,364	351,291	241,946	233,216	12,307	175,884	281,858	509,595	1,173,556
Economic Development	-	-	2,970	8,400	11,500	52,499	23,593	2,326,578	7,523,525	7,477,395
Culture and Recreation	149,356	1,280,708	262,812	809,262	383,196	957,476	-	-	-	-
Operating Grants and Contributions	22,230,605	26,992,255	32,292,174	24,996,289	47,866,047	21,084,298	42,836,586	44,791,034	59,105,140	52,873,654
Capital Grants and Contributions	-	-	-	-	-	-	5,416,823	154,000	9,650	1,666,667
Total Governmental Activities Program Revenues	66,672,712	74,449,731	79,898,480	78,416,182	100,833,153	84,553,628	108,440,582	100,203,200	132,478,874	133,703,249

CONTINUED

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

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges for Services:										
DAODAS	6,780,014	6,717,861	6,506,701	6,521,335	6,818,108	7,194,885	5,420,700	5,469,342	5,748,857	5,920,807
E 911 Communications	1,842,270	1,695,333	2,382,138	2,573,567	2,598,915	2,617,514	4,244,798	2,412,257	3,481,149	3,062,340
Environmental Management	29,038,354	28,753,577	28,437,927	29,650,362	29,599,814	30,057,328	30,916,841	32,662,350	37,712,474	37,524,862
Parking Garages	3,467,727	3,630,944	3,634,145	3,773,530	3,802,046	3,763,833	2,997,340	2,949,841	3,556,232	3,680,435
Public Safety Systems	150,000	324,550	375,066	495,198	594,558	854,331	938,142	1,068,063	742,425	780,793
Radio Communications	1,946,124	2,034,708	2,064,604	2,045,922	2,842,065	2,996,839	3,014,595	3,004,356	3,021,456	3,052,673
Revenue Collections	765,637	467,233	586,530	735,095	2,130,627	2,285,301	2,143,905	2,517,710	2,953,875	2,988,017
Operating Grants and Contributions	977,744	2,529,772	1,116,139	1,076,613	1,232,188	1,204,226	1,206,652	1,074,228	1,267,589	1,848,962
Capital Grants and Contributions	-	-	-	-	-	-	182,561	-	-	-
Total Business-type Activities Program Revenues	44,967,870	46,153,978	45,103,250	46,871,622	49,618,321	50,974,257	51,065,534	51,158,147	58,484,057	58,858,889
Total Primary Government Program Revenues	<u>\$ 111,640,582</u>	<u>\$ 120,603,709</u>	<u>\$ 125,001,730</u>	<u>\$ 125,287,804</u>	<u>\$ 150,451,474</u>	<u>\$ 135,527,885</u>	<u>\$ 159,506,116</u>	<u>\$ 151,361,347</u>	<u>\$ 190,962,931</u>	<u>\$ 192,562,138</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (279,228,127)	\$ (273,510,282)	\$ (268,062,433)	\$ (276,970,288)	\$ (334,935,759)	\$ (309,694,298)	\$ (338,350,458)	\$ (336,373,289)	\$ (308,650,306)	\$ (320,149,961)
Business-type Activities	3,266,131	5,337,139	(2,447,001)	(1,811,300)	(2,811,119)	(1,647,136)	(7,800,678)	(6,329,968)	(6,495,171)	(9,931,572)
Total Primary Government Net (Expense)/Revenue	<u>\$ (275,961,996)</u>	<u>\$ (268,173,143)</u>	<u>\$ (270,509,434)</u>	<u>\$ (278,781,588)</u>	<u>\$ (337,746,878)</u>	<u>\$ (311,341,434)</u>	<u>\$ (346,151,136)</u>	<u>\$ (342,703,257)</u>	<u>\$ (315,145,477)</u>	<u>\$ (330,081,533)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 116,097,868	\$ 120,789,785	\$ 142,717,885	\$ 148,891,299	\$ 159,894,050	\$ 167,544,389	\$ 178,577,269	\$ 190,236,514	\$ 186,309,892	\$ 173,500,916
Local Option Sales Tax	51,409,611	54,628,245	57,932,479	60,509,009	63,570,674	67,064,286	66,432,618	75,614,563	88,244,796	94,158,394
Transportation Sales Tax	46,683,572	49,707,277	52,922,363	65,362,302	114,929,407	121,908,968	120,839,149	137,739,414	162,740,647	197,149,305
Accommodations Tax	13,425,525	14,750,760	15,699,420	16,382,897	17,628,572	17,898,770	14,245,777	17,571,434	25,587,541	28,038,158
Franchise Tax	771,276	826,616	876,716	893,135	873,401	842,899	853,482	824,295	806,863	749,029
Alcohol Beverage Tax	-	84,900	-	-	-	-	-	-	-	-
Merchants Inventory Tax and Manufacturer's										
Depreciation	1,435,762	1,471,286	1,512,202	1,466,788	1,566,668	1,643,495	1,685,124	1,754,718	1,879,602	2,892,028
Motor Carrier Tax	115,352	145,831	145,810	173,315	186,590	213,121	121,812	455,575	511,004	512,299
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	2,769,698	2,773,965
Unrestricted State Aid to Political Subdivisions	12,936,633	13,151,306	12,985,557	13,586,104	13,352,291	13,482,048	14,189,324	14,354,595	16,017,444	16,696,927
Unrestricted Investment Earnings	1,293,748	1,200,970	1,180,393	892,626	1,878,509	3,701,010	4,261,100	525,059	1,314,774	16,026,228
Gain on Sale of Capital Assets	-	-	313,118	(2,754,113)	-	45,728	-	13,614,940	-	-
Transfers	(2,507,996)	(1,436,924)	(2,294,434)	-	(2,536,460)	220,341	(2,765,607)	(2,150,313)	(2,136,702)	(2,215,061)
Special Items:										
Loss on Settlement of Lawsuit	-	-	-	-	(16,100,000)	-	-	-	-	-
Capital Asset Impairment	-	-	-	-	(11,900,000)	-	-	-	-	-
Total Governmental Activities	<u>243,926,126</u>	<u>257,694,310</u>	<u>286,585,385</u>	<u>308,011,361</u>	<u>345,982,859</u>	<u>397,270,080</u>	<u>401,567,969</u>	<u>453,340,700</u>	<u>484,045,559</u>	<u>530,282,188</u>

CONTINUED

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

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Alcoholic Beverage Tax	\$ 532,043	\$ 537,916	\$ 697,064	\$ 678,629	\$ 737,748	\$ 799,443	\$ 695,985	\$ 862,917	\$ 1,207,735	\$ 1,381,869
Merchants Inventory tax and Manufacturer's Depreciation	10,832	10,832	10,832	10,832	10,832	11,082	10,895	10,895	10,895	10,895
Unrestricted Investment Earnings	22,615	132,021	301,223	531,993	830,282	1,374,511	1,051,384	105,690	179,622	2,222,969
Gain on Sale of Capital Assets	5,226	85,328	13,658	273,813	214,335	147,823	549,155	643,916	1,296,756	2,960,845
Micellaneous	-	-	-	-	-	-	789,911	426,137	990,472	756,312
Transfers	2,507,996	1,436,924	2,294,434	2,754,113	2,536,460	(220,341)	2,765,607	2,150,313	2,136,702	2,215,061
Total Business-type Activities	3,078,712	2,203,021	3,317,211	4,249,380	4,329,657	2,112,518	5,862,937	4,199,868	5,822,182	9,547,951
Total Primary Government	<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>	<u>\$ 489,867,741</u>	<u>\$ 539,830,139</u>
Change in Net Position:										
Governmental Activities	\$ (35,302,001)	\$ (15,815,972)	\$ 18,522,952	\$ 31,041,073	\$ 11,047,100	\$ 87,575,782	\$ 63,217,511	\$ 116,967,411	\$ 175,395,253	\$ 210,132,227
Business-type Activities	6,344,843	7,540,160	870,210	2,438,080	1,518,538	465,382	(1,937,741)	(2,130,100)	(672,989)	(383,621)
Total Primary Government	<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>	<u>\$ 174,722,264</u>	<u>\$ 209,748,606</u>

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

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable - Inventories and prepaid assets	\$ 1,282,008	\$ 1,161,306	\$ 777,478	\$ 627,879	\$ 707,665	\$ 913,883	\$ 944,351	\$ 763,615	\$ 599,346	\$ 545,540
Assigned	8,438,022	10,722,069	6,317,798	7,556,893	18,835,633	20,610,425	12,274,483	19,927,655	30,348,330	34,096,274
Unassigned	44,085,313	41,899,468	53,131,551	65,278,454	63,575,848	74,895,396	85,984,542	89,890,747	103,491,628	101,546,534
Total General Fund	<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>	<u>\$ 134,439,304</u>	<u>\$ 136,188,348</u>
All Other Governmental Funds										
Nonspendable - Inventories and prepaid assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,850,000	\$ 14,850,000
Restricted - Debt Service	19,938,633	17,016,973	18,084,594	18,067,985	31,798,957	26,196,819	40,264,991	21,573,901	29,658,423	27,751,017
Restricted - Transportation Sales Tax	127,241,222	73,549,795	48,244,414	54,951,351	125,304,022	183,907,167	232,308,453	288,714,129	590,826,118	673,276,398
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	112,166,895	23,900,941	34,213,307	19,625,941	32,097,514	33,784,918	29,984,215	108,221,124	123,125,933	145,385,088
Committed - Transportation Sales Tax	-	25,563,498	25,448,811	26,304,952	-	-	-	-	-	-
Committed - Capital Project Funds	13,469,956	9,803,439	30,848,736	30,969,373	90,510,790	42,979,526	130,700,428	95,112,115	95,864,592	75,962,629
Unassigned	-	-	-	-	(16,585,445)	(16,285,605)	(21,126,238)	(799,606)	(195,680)	(199,862)
Total All Other Governmental Funds	<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>	<u>\$ 854,129,386</u>	<u>\$ 937,025,270</u>

The prepaid represents a mitigation credit purchase agreement for wetlands as part of the Transportation Sales Tax Projects.

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

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes by Source:										
Property Tax	\$ 116,120,500	\$ 121,136,118	\$ 142,923,057	\$ 148,710,603	\$ 159,540,307	\$ 168,131,974	\$ 178,274,964	\$ 189,841,644	\$ 186,064,594	\$ 172,645,822
Local Option Sales Tax	51,409,611	54,628,245	57,932,479	60,509,008	63,570,674	67,064,287	66,432,618	75,614,563	88,244,796	94,158,394
Transportation Sales Tax	46,683,572	49,707,277	52,922,363	65,362,302	114,929,407	121,908,968	120,839,149	137,739,414	162,740,647	173,566,960
Accommodations Tax	13,425,525	14,750,760	15,699,420	16,382,897	17,628,572	17,898,770	14,245,777	17,571,434	25,587,541	28,038,158
Intergovernmental	47,309,522	53,189,293	63,078,010	55,687,885	77,498,876	52,834,390	74,441,354	75,216,717	93,976,192	91,623,912
Permits and Licenses	4,170,418	4,520,556	5,221,268	6,555,526	5,885,441	6,812,455	6,021,901	7,021,530	8,279,978	10,575,299
Fines and Forfeitures	2,699,833	2,985,117	2,611,461	2,358,356	2,262,157	2,306,825	1,719,007	1,529,752	2,089,084	1,649,320
Interest	2,351,691	2,279,747	2,059,982	2,195,081	4,816,780	9,664,269	10,444,501	1,821,556	3,746,795	45,644,257
Service Charges	25,372,973	27,089,892	23,877,134	26,375,745	27,069,546	30,173,968	30,809,851	31,395,488	46,303,778	42,938,187
Rental and Use of Property	591,338	644,959	534,951	127,187	335,674	484,076	243,914	170,617	97,934	196,102
Other Revenues	7,215,910	7,667,130	6,148,891	9,403,697	7,882,165	5,186,418	5,882,264	7,822,981	5,670,275	6,024,706
Total Revenues	317,350,893	338,599,094	373,009,016	393,668,287	481,419,599	482,466,400	509,355,300	545,745,696	622,801,614	667,061,117
Expenditures										
Current:										
General Government	68,510,760	70,733,438	78,965,910	75,164,060	76,452,987	84,904,532	84,377,752	96,219,780	84,687,044	89,535,534
Public Safety	88,079,029	91,204,265	93,291,542	96,804,991	104,176,006	109,835,878	117,771,738	112,962,374	117,663,908	127,880,578
Judicial	26,391,640	26,914,469	27,517,805	29,278,508	30,657,091	31,809,574	32,671,977	32,580,047	35,519,017	37,627,266
Public Works	58,883,361	65,428,577	59,845,252	62,412,126	104,852,425	51,713,932	71,203,815	61,852,851	57,992,762	58,904,473
Health and Welfare	6,360,512	6,208,256	6,922,799	6,691,044	6,316,139	5,697,777	7,499,547	21,449,527	43,269,705	31,039,049
Economic Development	1,866,650	2,778,596	6,534,101	5,139,488	16,867,813	6,197,411	15,077,901	9,239,640	10,378,818	12,588,850
Culture and Recreation	38,421,593	34,799,856	35,748,837	32,991,367	33,473,893	35,686,624	52,402,594	49,821,916	47,085,016	59,644,493
Education	5,940,318	6,103,436	6,499,594	6,749,657	7,139,713	7,451,651	7,825,694	8,261,200	8,568,736	9,074,662
Capital Outlay	22,237,663	5,906,547	5,954,718	6,220,036	40,256,137	53,851,878	35,085,555	41,263,130	50,080,272	31,420,616
Debt Service:										
Principal	24,750,150	32,070,851	32,022,678	35,407,250	38,018,365	46,862,168	45,119,626	66,653,521	48,855,470	90,193,184
Interest and Fiscal Charges	24,180,295	29,635,174	28,122,893	26,953,153	27,101,591	28,485,289	29,076,127	29,265,279	28,845,501	31,201,601
Bond Issuance Costs	926,665	-	696,450	-	1,507,091	-	529,443	-	1,551,746	11,388
Total Expenditures	366,548,636	371,783,465	382,122,579	383,811,680	486,819,251	462,496,714	498,641,769	529,569,265	534,497,995	579,121,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,197,743)	(33,184,371)	(9,113,563)	9,856,607	(5,399,652)	19,969,686	10,713,531	16,176,431	88,303,619	87,939,423

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

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Lease Issuance	\$ 794,923	\$ 483,458	\$ 55,928	\$ 895,185	\$ 1,319,191	\$ 655,118	\$ -	\$ -	\$ -	\$ -
Special Source Revenue Bonds Issued	86,405,000	-	-	-	35,815,000	-	-	-	-	-
Refunding of Special Source Revenue Bonds	-	-	-	-	-	-	-	-	73,545,000	-
Transportation Sales Tax Refunding Bonds Issued	-	-	-	-	97,600,000	-	-	-	-	-
General Obligation Bonds Issued	-	-	20,875,000	-	103,205,000	-	125,509,505	-	249,570,000	1,200,000
General Obligation Refunding Bonds Issued	29,190,000	-	102,930,000	-	16,440,000	-	-	-	-	-
Premium On Bonds Sold	9,356,441	-	20,857,982	-	31,640,003	-	14,083,191	-	31,746,512	-
Payment To Refunded Debt Escrow Agent	(33,404,536)	-	(121,786,215)	-	(130,737,060)	-	-	-	(74,714,333)	-
Subscription Based IT Arrangements Financing	-	-	-	-	-	-	-	-	-	1,773,740
Lease Financing	-	-	-	-	-	-	-	-	3,440,909	2,292,307
Settlement Loss On Lawsuit	-	-	-	-	(16,100,000)	-	-	-	-	-
Transfers In	54,072,724	48,959,689	54,543,159	71,107,338	68,372,167	98,519,596	106,147,106	153,558,692	142,791,997	169,768,883
Transfers Out	(61,470,866)	(53,082,776)	(61,492,289)	(76,373,895)	(75,423,126)	(99,707,126)	(113,830,277)	(157,905,195)	(149,551,190)	(178,378,017)
Proceeds From Sale of Capital Assets	99,828	32,684	408,784	16,970	19,481	51,801	529,254	19,569,660	32,495	48,592
Total Other Financing Sources (Uses)	85,043,514	(3,606,945)	16,392,349	(4,354,402)	132,150,656	(480,611)	132,438,779	15,223,157	276,861,390	(3,294,495)
Net Change in Fund Balances	\$ 35,845,771	\$ (36,791,316)	\$ 7,278,786	\$ 5,502,205	\$ 126,751,004	\$ 19,489,075	\$ 143,152,310	\$ 31,399,588	\$ 365,165,009	\$ 84,644,928
Capital Asset Expenditures	\$ 14,192,041	\$ 17,388,612	\$ 14,702,127	\$ 11,762,284	\$ 42,741,171	\$ 42,288,779	\$ 40,221,266	\$ 48,536,210	\$ 55,226,743	\$ 41,959,764
Debt Service As A Percentage of Noncapital Expenditures	13.9%	17.4%	16.4%	16.8%	14.7%	17.9%	16.2%	19.9%	16.2%	22.6%

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
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%
2022	4,484,140,748	400,133,870	259,781,746	5,144,056,364	207.3	96,642,738,084	5.32%
2023	4,769,813,454	429,985,249	309,862,863	5,509,661,566	213.6	103,249,479,283	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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County Direct Rates:										
Charleston County Government Operating	40.7	44.7	44.7	44.7	44.7	44.7	41.2	41.2	41.2	41.7
Charleston County Government Debt Service	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	5.8
Park and Recreation Commission Operating	4.1	4.3	4.3	4.3	4.3	4.3	4.0	4.0	4.0	4.0
Park and Recreation Commission Debt Service	1.3	1.3	1.8	1.8	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	1.8	1.8	1.8	1.8
Trident Technical College Bonds	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.7	0.7	0.5
County School Board Operating	100.5	100.7	116.3	119.2	123.2	126.7	118.6	123.7	130.0	138.3
County School Board Debt Service	26.0	26.0	20.0	26.0	28.0	28.0	28.0	28.0	28.0	26.0
 Total Direct Rate	 181.6	 186.0	 196.1	 205.0	 211.0	 214.5	 202.2	 207.3	 213.6	 219.9
Fire District Rates:	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	3.8-61.8	3.1-64.7
City/Town Rates:	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	17.9-105.8	17.9-105.8
Public Service District Rates:	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	60-101.9	62-101.9

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023**

<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	<u>\$ 829,628,344</u>	<u>100%</u>	<u>\$ 829,628,344</u>
Overlapping:			
Park & Recreation Commission	43,615,000	100%	43,615,000
Public School Districts	<u>695,488,562</u>	<u>100%</u>	<u>695,488,562</u>
Subtotal	<u>739,103,562</u>	<u>100%</u>	<u>739,103,562</u>
Total	<u><u>\$ 1,568,731,906</u></u>	<u><u>100%</u></u>	<u><u>\$ 1,568,731,906</u></u>

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	2023			2014		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion Energy	Public Utility	\$ 88,442,180	1	1.61%	\$ 57,316,300	1	1.77%
Boeing	Manufacturing	63,146,888	2	1.15%	42,825,271	2	1.32%
Charleston Place, LLC	Hotel	15,133,520	3	0.27%	5,008,500	7	0.15%
Westrock Charleston Kraft	Manufacturing/Chemical	14,312,842	4	0.26%	14,097,805	3	0.44%
Mercedes Benz Vans, LLC	Automobile Manufacturing	13,695,824	5	0.25%	-	-	-
Trident Medical Center, LLC	Medical Center	11,882,870	6	0.22%	-	-	-
Mid-America Apartments	Apartment	10,018,670	7	0.18%	-	-	-
Kiawah Real Estate Co.	Real Estate	9,774,600	8	0.18%	7,876,700	4	0.24%
Berkeley Electric Co-Op	Public Utility	8,628,420	9	0.16%	-	-	-
Mount Pleasant Investments, LLC	Investment	7,172,580	10	0.13%	-	-	-
Charleston/North Charleston MSA	Retail	-	-	-	5,867,080	5	0.18%
East Cooper Community Hospital	Medical Center	-	-	-	5,629,353	10	0.17%
Northwood Mall CMBS	Retail	-	-	-	5,428,950	6	0.17%
Tanger Properties Limited	Retail	-	-	-	4,632,460	8	0.14%
Cummings	Manufacturing	-	-	-	4,078,647	9	0.13%
Totals		<u><u>\$ 242,208,394</u></u>		<u><u>4.40%</u></u>	<u><u>\$ 152,761,066</u></u>		<u><u>4.72%</u></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
2014	95,016,978	95,016,978	89,976,201	94.7%	3,608,746	93,584,947	98.5%
2015	97,657,553	97,657,553	93,450,651	95.7%	2,931,531	96,382,182	98.7%
2016	119,272,881	119,272,881	114,645,679	96.1%	2,985,063	117,630,742	98.6%
2017	123,685,619	123,685,619	118,881,801	96.1%	2,062,894	120,944,695	97.8%
2018	126,556,746	126,556,746	121,593,745	96.1%	2,248,689	123,842,434	97.9%
2019	132,765,335	132,765,335	127,346,650	95.9%	3,511,135	130,857,785	98.6%
2020	139,385,253	139,385,253	134,082,254	96.2%	1,496,766	135,579,020	97.3%
2021	151,469,267	151,469,267	145,701,296	96.2%	3,885,343	149,586,639	98.8%
2022	146,421,167	146,421,167	141,830,300	96.9%	2,232,939	144,063,239	98.4%
2023	135,488,964	135,488,964	130,626,458	96.4%	2,445,301	133,071,759	98.2%

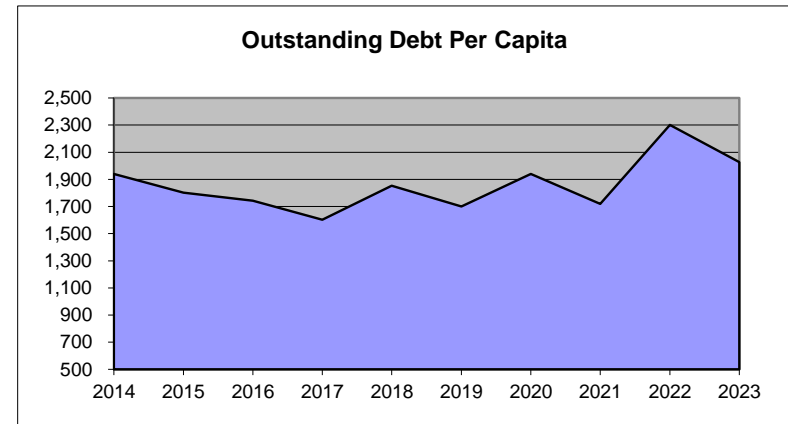
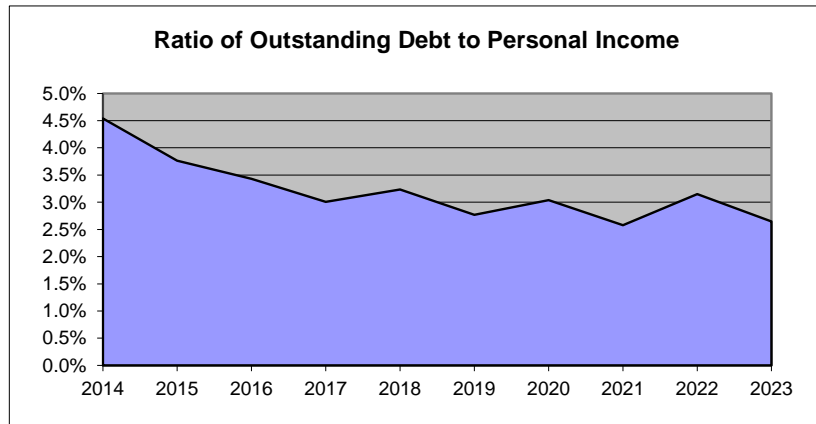
Source: This information was provided by the Charleston County Treasurer's Office.

**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	Special Source Revenue Bonds	Intergovernmental Note Payable	Leases	General Obligation Bonds	Leases			
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
2022	799,398,673	110,790,177	14,877,949	3,008,318	18,771,655	3,681,983	950,528,755	3.2%	2,301
2023	708,194,970	103,918,234	12,730,456	3,406,727	17,915,537	4,143,686	850,309,610	2.6%	2,028

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**

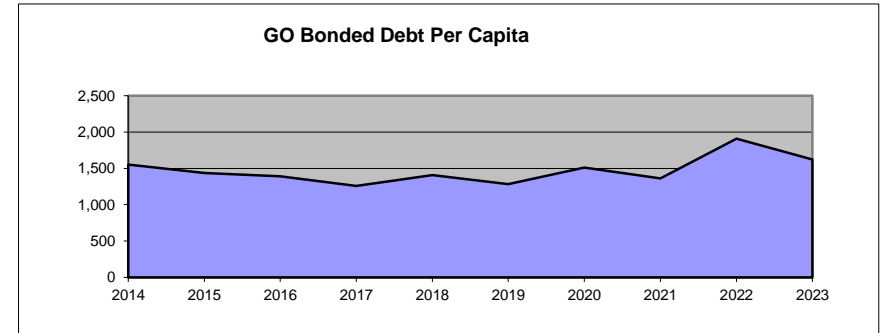
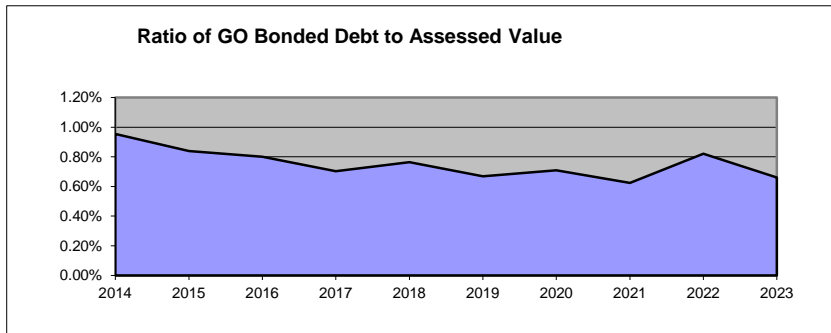
UNAUDITED

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
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	18,435,369	499,315,162	0.70%	1,259
2018	401,438	73,948,565,572	592,392,438	27,178,627	565,213,811	0.76%	1,408
2019	405,905	77,880,168,294	542,750,837	22,120,562	520,630,275	0.67%	1,283
2020	411,406	87,669,478,677	657,591,882	35,704,891	621,886,991	0.71%	1,512
2021	417,981	91,240,937,439	587,098,988	17,631,281	569,467,707	0.62%	1,362
2022	413,024	96,642,738,084	818,170,328	29,658,423	788,511,905	0.82%	1,909
2023	419,279	103,249,479,283	708,194,970	27,751,017	680,443,953	0.66%	1,623

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**

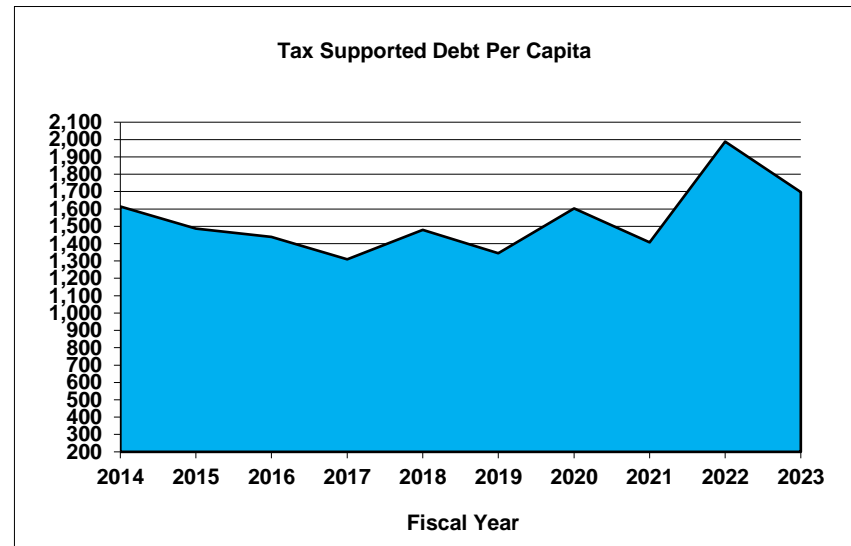
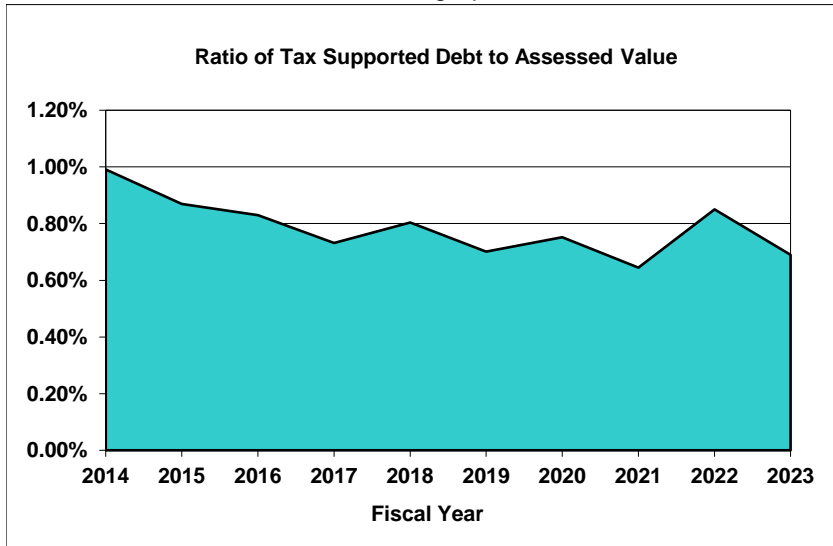
UNAUDITED

Fiscal Year	Estimated Population	Assessed Value	General Obligation Bonds	Leases	Net Tax Supported Debt	Ratio of Tax Supported Debt to Assessed Value	Net Tax Supported Debt Per Capita
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
2022	413,024	96,642,738,084	818,170,328	3,008,318	821,178,646	0.85%	1,988
2023	419,279	103,249,479,283	708,194,970	3,406,727	711,601,697	0.69%	1,697

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.

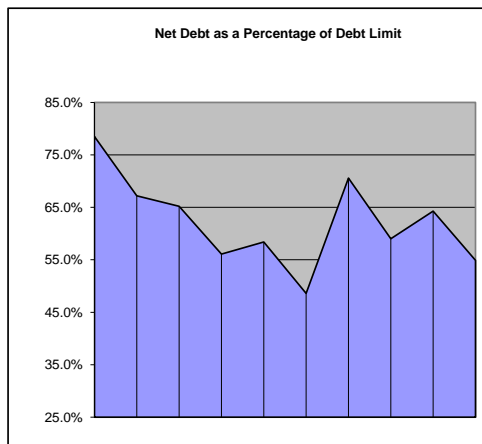
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 267,120,722	\$ 286,233,641	\$ 296,951,745	\$ 308,990,820	\$ 320,803,684	\$ 339,416,101	\$ 377,935,462	\$ 392,217,755	\$ 413,679,997	\$ 440,772,925
Total Net Debt Applicable to Debt Limit	209,625,000	192,370,000	193,570,000	173,495,000	187,215,000	164,875,000	266,875,000	231,390,000	265,895,000	241,825,000
Legal Debt Margin	\$ 57,495,722	\$ 93,863,641	\$ 103,381,745	\$ 135,495,820	\$ 133,588,684	\$ 174,541,101	\$ 111,060,462	\$ 160,827,755	\$ 147,784,997	\$ 198,947,925
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	78.5%	67.2%	65.2%	56.1%	58.4%	48.6%	70.6%	59.0%	64.3%	54.9%



Legal Debt Margin Calculation for Fiscal Year 2023

Total Assessed Value	\$ 5,509,661,566
Debt Limit (8% of Total Assessed Value)	440,772,925
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	665,301,000
Less: Debt Issued Through Referendum	<u>(423,476,000)</u>
Total Amount of Debt Applicable to Debt Limit	<u>241,825,000</u>
Legal Debt Margin	<u>\$ 198,947,925</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

COUNTY OF CHARLESTON, SOUTH CAROLINA
Collected Pledged FILOT Revenues

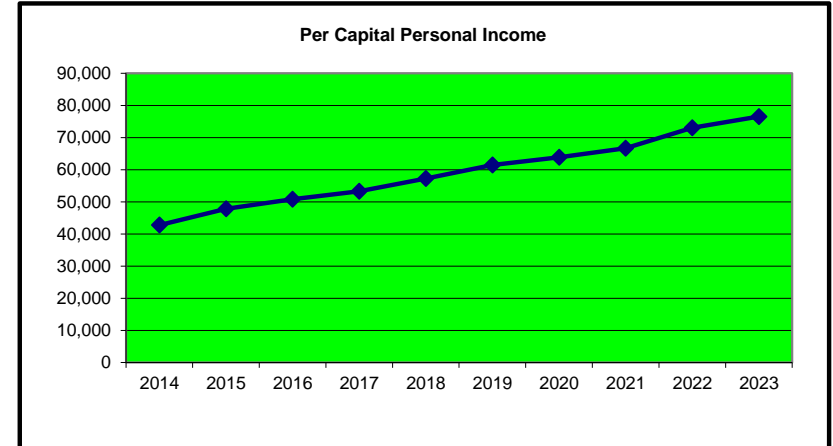
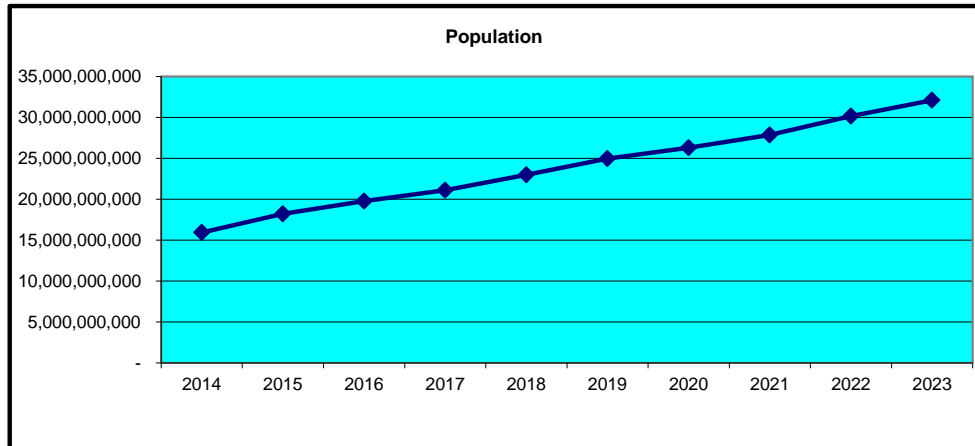
Fiscal Year Ended June 30	Derived from Fee Agreements (1)
2014	12,316,021
2015	14,899,943
2016	15,441,472
2017	17,216,233
2018	20,059,181
2019	21,672,338
2020	21,855,098
2021	26,630,375
2022	27,701,356
2023	23,925,512

(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
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
2022	413,024	30,164,082,000	73,032	2.9%	37.6	46,946
2023	419,279	32,094,123,000	76,546	2.9%	37.6	46,994



The following Data Sources were used to develop this information:

US Census

Federal Reserve Economic Data (FRED)

Charleston Regional Development Alliance

Charleston County School District - 45 Day Enrollment

Bureau of Labor Statistics, SC Dept of Employment & Workforce

UNAUDITED

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Joint Base Charleston	24,900	1	11.12%	22,000	1	13.07%
Medical University of South Carolina (MUSC)	17,000	2	7.59%	13,000	2	7.72%
Boeing Charleston	6,500	3	2.90%	6,500	3	3.86%
Roper St. Francis Healthcare	6,100	4	2.72%	5,134	5	3.05%
Charleston County School District	6,000	5	2.68%	5,300	4	3.15%
Walmart, Inc.	3,900	6	1.74%	2,300	8	1.37%
R. H. Johnson VA Medical Center	3,250	7	1.45%	-	-	-
Trident Health Systems	3,100	8	1.38%	2,000	9	1.19%
County of Charleston	2,800	9	1.25%	2,475	7	1.47%
U.S. Postal Service	2,500	10	1.12%	-	-	-
JEM Restaurant Group, Inc.	-	-	-	3,000	6	1.78%
College of Charleston	-	-	-	2,000	10	1.19%
Totals	76,050		33.96%	63,709		37.84%

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

UNAUDITED

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administrator	7.80	6.80	7.80	7.80	8.80	7.74	7.20	7.70	6.30	6.30
Assessor	55.00	58.00	58.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00
Auditor	31.00	31.00	31.00	31.00	32.00	32.00	32.00	32.00	32.00	32.00
Budget	8.00	8.00	8.00	8.00	8.00	7.00	7.00	8.00	7.00	7.00
Capital Projects	-	-	-	-	-	-	-	-	2.00	2.00
Community Development	6.50	4.50	4.50	5.00	1.90	1.90	1.90	1.90	2.00	2.00
Comm Revital & Housing Afford	-	-	-	-	-	-	-	1.00	1.00	1.00
Contracts & Procurement	17.00	18.00	18.00	19.00	20.00	19.00	19.00	18.00	19.00	19.00
County Council	12.00	12.00	12.00	12.00	12.00	12.00	14.00	14.00	14.00	14.00
Deputy Admin Community Services	-	-	-	-	3.00	3.00	3.00	3.00	3.00	2.75
Deputy Admin for Finance	4.00	4.00	4.00	4.00	4.00	5.00	6.00	6.00	6.00	5.00
Deputy Admin for General Services	3.00	3.00	3.00	3.00	3.00	3.00	4.00	5.00	5.00	5.00
Deputy Admin for Human Services	3.00	3.00	3.00	-	-	-	-	-	-	-
Deputy Admin for Public Safety	-	-	-	-	-	-	3.00	3.00	4.00	5.00
Deputy Admin for Public Services	-	-	-	3.00	4.00	4.00	3.00	3.00	3.00	3.00
Elections/Voter Registration	14.00	14.00	14.00	14.00	14.00	14.00	14.00	16.00	19.00	19.00
Facilities Management	95.50	101.25	104.00	106.00	119.00	123.75	121.75	121.75	133.75	134.35
Finance	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00	12.00
Fleet Operations	26.50	26.75	27.00	29.00	29.00	29.25	29.25	32.25	31.25	31.25
Human Resources	16.00	17.00	17.00	18.00	21.00	21.06	25.00	26.00	27.00	27.00
Innovation	-	-	-	-	-	-	-	-	-	1.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Internal Services	-	-	-	-	-	-	-	-	-	-
Legal	7.11	7.11	7.11	7.11	7.11	8.42	9.56	10.42	10.28	10.28
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	1.00	-	-	-	-	-	-	-
Nondepartmental	-	-	1.00	-	1.00	2.00	1.00	-	2.00	15.00
Planning & Zoning	20.60	21.20	22.20	24.20	24.20	24.40	24.40	24.40	28.00	28.00
Register of Deeds	27.00	27.00	27.00	27.00	27.00	27.00	27.00	31.00	33.00	33.00
Revenue Collections	26.00	26.00	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	6.00	6.00	6.00	6.00	6.00
Technology Services	26.00	25.00	25.00	28.00	29.00	29.00	29.00	29.00	20.00	20.00
Treasurer	22.00	22.00	23.00	24.00	24.00	24.00	24.00	24.00	25.00	25.00
Total General Government	449.01	460.61	465.61	480.11	502.01	508.52	516.06	529.42	544.58	559.93

Continued

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

UNAUDITED

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Awendaw McClellanville Fire Dept.	-	-	-	-	29.13	29.13	29.00	29.00	29.00	29.00
Building Inspections	22.00	23.00	23.00	25.00	27.00	29.00	30.00	30.00	34.00	34.00
Consolidated Dispatch	160.00	160.00	160.00	165.00	171.50	173.00	170.00	167.00	173.00	172.00
Criminal Justice Coordination	-	-	-	-	-	-	-	-	14.00	13.00
Emergency Management	34.00	34.00	35.00	36.00	6.87	6.87	7.00	7.00	8.00	8.00
Emergency Medical Svcs.	152.50	167.50	218.50	217.50	216.00	216.00	216.00	260.00	272.00	272.00
Sheriff	835.74	837.74	866.74	879.74	878.74	873.25	863.25	864.25	821.25	803.25
Tri-County Biological Science Center	-	-	-	-	-	-	-	-	2.00	2.00
Total Public Safety	1,204.24	1,222.24	1,303.24	1,323.24	1,329.24	1,327.25	1,315.25	1,357.25	1,353.25	1,333.25
Judicial										
Clerk of Court	57.00	57.00	57.00	57.00	59.00	63.00	60.00	60.00	60.00	60.00
Coroner	10.00	11.00	12.00	13.00	15.00	16.00	19.00	20.00	22.00	25.00
Magistrates Courts	71.63	70.63	71.01	71.51	72.51	72.51	72.51	72.51	72.51	72.51
Master-In-Equity	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Probate Courts	19.80	20.80	21.80	21.80	21.80	22.50	22.50	22.50	24.50	24.50
Public Defender	54.00	54.00	55.00	64.00	64.00	65.00	65.00	65.00	69.00	69.00
Solicitor	101.00	103.00	107.00	115.00	111.00	113.00	112.00	112.00	116.00	114.00
Total Judicial	321.43	324.43	331.81	350.31	351.31	360.01	358.01	359.01	371.01	372.01
Public Works										
Environmental Management	123.40	120.30	123.40	113.80	107.80	112.60	111.10	104.60	75.00	74.00
Public Works	160.10	160.10	161.60	174.60	182.75	190.35	214.85	212.00	215.00	215.00
Transportation Development	23.11	23.11	23.21	25.21	21.95	23.40	-	-	-	-
Total Public Works	306.61	303.51	308.21	313.61	312.50	326.35	325.95	316.60	290.00	289.00

Continued

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

UNAUDITED

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Health and Welfare										
Facilities	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	1.40
Community Development Grants	5.50	5.50	5.50	5.00	5.10	5.10	4.10	4.10	9.00	10.00
DAODAS	115.00	115.00	115.00	113.00	120.00	118.00	120.50	119.50	114.00	116.00
Housing and Neighborhood	-	-	-	-	-	-	-	-	8.00	11.25
Public Works	28.00	28.00	28.50	28.50	31.61	25.25	24.15	28.00	30.00	30.00
Veterans Affairs	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Total Health and Welfare	154.50	154.50	155.00	152.50	162.71	155.35	155.75	158.60	168.00	174.65
Culture and Recreation										
Greenbelt	1.30	1.30	1.20	1.20	2.20	2.20	2.30	2.30	3.70	3.70
Total Culture and Recreation	1.30	1.30	1.20	1.20	2.20	2.20	2.30	2.30	3.70	3.70
Business-related Growth										
Economic Development	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00
Total Economic Development	5.00	5.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00
Total	2,442.09	2,471.59	2,575.07	2,630.97	2,669.97	2,689.68	2,683.32	2,733.18	2,739.54	2,741.54

Source: Charleston County Budget FY2024 Budget Narrative

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Auditor - Tax Notices Processed	651,050	586,801	622,507	659,238	680,000	648,191	671,931	717,044	687,204	735,143
Register of Deeds Documents Recorded	106,096	109,245	99,681	107,380	107,380	93,188	98,201	100,003	115,192	74,002
Zoning Applications Processed	¹ 1,957	1,610	1,714	1,638	1,700	2,151	1,831	2,598	2,832	2,949
Illegal Businesses Located	175	50	50	61	200	42	38	19	82	110
Public Safety										
Building Inspections Performed	19,054	21,410	22,927	30,544	30,000	31,652	33,110	33,588	37,381	36,500
Bad Check Warrants Served	6,702	1,792	8	162	160	135	53	33	17	2
Daily Costs Per Prisoner	55	55	55	55	55	55	67	67	67	67
Judicial										
Marriage Licenses Issued	4,600	5,026	5,273	4,597	4,800	4,750	3,956	5,566	6,046	6,776
Master-in-Equity Cases Disposed of	1,481	1,675	1,047	841	900	694	395	471	570	519
Health and Welfare										
Veterans Claims Filed	8,681	8,238	867	1,939	2,062	2,876	2,445	3,159	2,920	3,139
Economic Development										
Number of New Companies Relocating to Charleston	4	4	3	5	4	6	2	6	7	5
Number of New Jobs From Relocating Companies	348	188	782	103	192	256	381	852	1,730	437
Number of Expanding Employers in Charleston	3	5	2	12	14	7	9	12	11	8
Number of Jobs Resulting from Expansion	114	1,627	350	974	493	464	912	1,253	589	276
Culture & Recreation										
Library Visits Per Capita	5.24	5.01	4.89	4.77	4.82	4.26	3.27	1.30	2.04	2.78
Library Cards In Use	264,289	264,113	262,034	264,271	266,914	203,106	202,509	285,002	189,999	227,136
Parking Garages										
Average Operating Revenue Per Space	2,732	3,039	2,973	3,024	3,116	3,124	2,402	2,380	2,890	2,922
Average Operating Expenditure Per Space	1,330	1,441	1,311	1,425	1,645	1,558	1,532	1,453	1,516	1,612

Sources: Charleston County Budget Performance Measures

¹ 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Automobiles	110	102	129	133	140	143	156	153	156	164
Buildings	104	111	112	111	114	116	118	111	111	112
Public Safety										
Police Cars	355	360	374	370	386	373	417	380	413	412
Fire Trucks	10	13	13	13	14	14	14	14	13	13
Ambulances	31	24	40	35	39	44	43	40	50	54
Judicial										
Magistrate Courts	15	13	13	9	9	9	9	9	9	9
Public Works										
Paved Streets (in Miles)	131	132	133	133	97.65	102.35	102.75	104.23	106.58	107.26
Ground Equipment	66	66	65	72	69	69	69	70	74	71
Heavy Trucks	37	37	39	43	39	38	34	32	33	36
Environmental Management										
Collection/Refuse Trucks	57	59	58	60	61	62	63	53	46	35
Ground Equipment	30	27	30	27	31	33	42	36	41	41
Culture & Recreation										
Libraries, Main and Branches	11	11	11	13	13	14	14	15	15	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	\$ 1,177,551,098	
Total expenditures	\$ 728,016,792	
Requirement is no less than 5 percent		<u>161.75%</u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 123,620,308	
Total expenditures	\$ 728,016,792	
Requirement is no more than 20 percent		<u>16.98%</u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 821,505,328	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 353,247,291

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

Estimated costs from Note III.G. on landfill closure	\$ 55,272,075	
Less: Expenditures to date	(21,609,213)	
Restricted assets committed to closure	<u>(19,413,936)</u>	
Balance of closure costs being deferred		<u>\$ 14,248,926</u>
Additional permissible deferred cost		<u>\$ 338,998,365</u>

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

Following is a summary of certain provisions of the Ordinance enacted by the County Council of Charleston County, South Carolina (the "County") authorising the issuance of the Charleston County, South Carolina, General Obligation Bonds, Series 2024. The summary does not purport to be a full statement of the Ordinance and reference is made to the Ordinance for a full and complete statement thereof. Capitalised terms used herein and not defined herein have the meanings ascribed to them in the Ordinance unless the context hereof otherwise requires.

Registration and Transfers of Bonds; Persons Treated as Owners.

(a) Each Bond shall be fully-registered and no Bond may be transferred except by the registered owner thereof in person or by his attorney duly authorised in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorised attorney. Upon the transfer of any such registered Bond or Bonds, the County shall execute and the Authenticating Agent shall authenticate and deliver, subject to the provisions of Section 12 of Article II of the Ordinance, in the name of the transferee, a new registered Bond or Bonds of the same Series and aggregate principal amount as the unpaid principal amount of the surrendered Bond or Bonds.

(b) Any registered owner requesting any transfer shall pay all taxes or other governmental charges required to be paid with respect thereto. Any purported assignment in contravention of the foregoing requirements shall be, as to the County, absolutely null and void. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on such Bonds shall be made only to or upon the order of the registered owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid. No person other than the registered owner shall have any right to receive payments, pursue remedies, enforce obligations, or exercise or enjoy any other rights under any Bond against the County. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in any Bond as against a person (including the registered owner) other than the County, as in the case where the registered owner is a trustee or nominee for two or more beneficial owners of an interest in any Bond.

(c) The Bond Registrar shall not be required to exchange or transfer any Bond or portion thereof (i) for which notice of redemption has been mailed to the registered owner thereof or (ii) for the period beginning on the Regular Record Date and ending on the next succeeding Interest Payment Date.

Mutilated, Lost, Stolen, or Destroyed Notes.

In the event any Bond is mutilated, lost, stolen, or destroyed, the County may execute and the Authenticating Agent may authenticate a new Bond of like Series, date, maturity, interest rate, and denomination, as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bonds, they shall first be surrendered to the Paying Agent, and in the case of any lost, stolen, or destroyed Bonds, there shall be first furnished to the County and the Paying Agent evidence of their loss, theft, or destruction satisfactory to the County and the Paying Agent, together with indemnity satisfactory to them; provided that in the case of a registered owner which is a bank or insurance company, the agreement of such bank or insurance company to indemnify the County and the Paying Agent shall be sufficient. In the event any such Bonds shall have matured, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County, the Paying Agent, and the Authenticating Agent, may charge the registered owner of such Bond with their reasonable fees and expenses to replace mutilated, lost, stolen, or destroyed Bonds.

Exchange of Bonds.

Subject to the provisions of Section 9 of Article II of the Ordinance, the Bonds, upon surrender thereof to the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorised attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Paying Agent, the Authenticating Agent, or the Bond Registrar may make as provided in Section 12 of Article II of the Ordinance, be exchanged for a principal amount of

Bonds of any other authorised denominations of the same Series equal to the unpaid principal amount of surrendered Bonds.

Regulations with Respect to Exchanges and Transfers.

In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the County shall execute and the Authenticating Agent shall authenticate and deliver the Bonds in accordance with the provisions of the Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Paying Agent. There shall be no charge for such exchange or transfer of the Bonds except that the Paying Agent, the Bond Registrar, and the Authenticating Agent, may make a charge sufficient to reimburse them, or any of them, for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Pledge of Full Faith, Credit, and Taxing Power; Additional Pledged Revenues.

(a) *Security for Series 2024A Bonds.* For the payment of the principal of and interest on the Series 2024A Bonds as the same respectively mature, and for the creation of such Sinking Fund Account as may be necessary therefor, the full faith, credit, and taxing power of the County are irrevocably pledged, and there shall be levied annually by the Auditor of Charleston County, and collected by the Treasurer of Charleston County, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the County, sufficient to pay the principal and interest of the Series 2024A Bonds as they respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

(b)(i) *Security for Series 2024B Bonds.* For the payment of the principal of and interest on the Series 2024B Bonds as the same respectively mature, and for the creation of such Sinking Fund Account as may be necessary therefor, the full faith, credit, and taxing power of the County are irrevocably pledged, and, subject to the provisions of subparagraph (ii) of this paragraph (b), there shall be levied annually by the Auditor of Charleston County, and collected by the Treasurer of Charleston County, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the County, sufficient to pay the principal and interest of the Series 2024B Bonds as they respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

(ii) For the payment of the principal of and interest on the Series 2024B Bonds as the same respectively mature, and for the creation of such Sinking Fund Account as may be necessary therefor, the full faith, credit, and taxing power, of the County are irrevocably pledged and there shall be levied annually by the Auditor of Charleston County, and collected by the Treasurer of Charleston County, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the County, sufficient to pay the principal and interest of the Bonds as they respectively mature, and to create such Sinking Fund Account as may be necessary therefor; provided, however, that revenues from the Fire Protection Service Tax levied in the District to effect the payment of principal and interest of the Bonds must be available for the payment of debt service on the Bonds, and must be delivered to the Treasurer of Charleston County for the payment of principal and interest of the Bonds and for no other purpose, prior to the occasion when the Auditor of Charleston County fixes the annual tax levy, and the annual ad valorem tax to be levied for the payment of the principal and interest on the Bonds on all taxable property in the County may be reduced in each year by the amount of revenues derived from the Fire Protection Service Tax levied in the District which are actually in the hands of the Treasurer of Charleston County at the time the tax for the year is required to be levied; provided, further that the Bonds are primarily to be paid from the Fire Protection Service Tax and for the payment of principal and interest thereof, as the same mature, there must be levied and collected the Fire Protection Service Tax upon all taxable property in the District, and resort to the County tax levy required by the preceding provisions of the Section must be made only in the event that funds from the Fire Protection Service Tax levied in the District prove insufficient to meet the payment of the principal and interest.

Levy and Collection of Property Taxes.

The Auditor and Treasurer of Charleston County, South Carolina, shall be notified of this issue of Bonds and directed to levy and collect, respectively, upon all taxable property in the County, an annual tax, without limit, sufficient to meet the payment of the principal of and interest on the Bonds, as the same respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

Release of Ordinance.

(a) If all of the Bonds issued pursuant to the Ordinance shall have been paid and discharged, then the obligations of the County under the Ordinance, and all other rights granted thereby shall cease and determine. Bonds shall be deemed to have been paid and discharged within the meaning of Article VI of the Ordinance in each of the following circumstances:

(i) If the Paying Agent shall hold, at the stated maturities of such Bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(ii) If default in the payment of the principal of such Bonds or the interest thereon shall have occurred, and thereafter tender of such payment shall have been made, and the Paying Agent shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(iii) If the County shall have deposited with the Paying Agent or other escrow agent meeting the requirements of a Fiscal Agent hereunder, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity of the Bonds to be defeased, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, so deposited at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due or to become due on and prior to the maturity date or dates; or

(iv) If there shall have been so deposited either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, so deposited at the same time, shall be sufficient to pay, when due, the principal and interest due or to become due on the Bonds on the maturity thereof.

(b) In addition to the above requirements of paragraphs (i), (ii), (iii), or (iv), in order for the Ordinance to be discharged, all other fees, expenses, and charges of the Fiscal Agents, have been paid in full at such time.

(c) Notwithstanding the satisfaction and discharge of the Ordinance, the Fiscal Agents shall continue to be obligated to hold in trust any moneys or investments then held by the Paying Agent for the payment of the principal of, premium, if any, and interest on, the Bonds, to pay to the owners of Bonds the funds so held by the Fiscal Agents as and when such payment becomes due.

(d) Any release under Section 1 of Article VI of the Ordinance shall be without prejudice to the rights of the Fiscal Agents to be paid reasonable compensations for all services rendered under the Ordinance and all reasonable expenses, charges and other disbursements and those of their respective attorneys, agents and employees, incurred on and about the administration of trusts by the Ordinance created and the performance of the powers and duties under the Ordinance of the Fiscal Agents.

Deposit of Moneys.

Any moneys which at any time shall be deposited with a Fiscal Agent by or on behalf of the County for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Fiscal Agent in trust for the respective registered owners of such Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the registered owners of such Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the Fiscal Agent to transfer such funds to the County.

Notice of Release of Ordinance.

(a) In the event any of said Bonds are not to be redeemed within the sixty (60) days next succeeding the date the deposit required by Section 1(a)(iii) or (iv) of Article VI of the Ordinance is made, the County shall give the Fiscal Agent irrevocable instructions to mail, as soon as practicable by first class mail, a notice to the registered owners of such Bonds at the addresses shown on the Books of Registry that (i) the deposit required by subparagraph (a)(iii) or (a)(iv) of Section 1 of Article VI of the Ordinance has been made with the Fiscal Agent, and (ii) said Bonds are deemed to have been paid in accordance with this Article and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on, said Bonds.

(b) The County covenants and agrees that any moneys which it shall deposit with the Fiscal Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of Article VI.

Amending and Supplementing of Ordinance Without Consent of Holders of Bonds.

(a) The County Council, from time to time and at any time and without the consent or concurrence of any holder of any Bond, may enact an ordinance amendatory hereof or supplemental thereto, if the provisions of such supplemental Ordinance shall not materially adversely affect the rights of the holders of the Bonds then outstanding, for any one or more of the following purposes:

1. To make any changes or corrections in the Ordinance as to which the County Council shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing and correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Ordinance, or to insert in the Ordinance such provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable;

2. To add additional covenants and agreements of the County for the purpose of further securing the payment of the Bonds;

3. To surrender any right, power, or privilege reserved to or conferred upon the County by the terms of the Ordinance;

4. To grant or confer upon the bondholders any additional right, remedies, powers, authority, or security that lawfully may be granted to or conferred upon them; or

5. To make such additions, deletions, or modifications as may be necessary to assure compliance with section 148(f) of the Code relating to required rebate to the United States or otherwise as may be necessary to assure the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(b) The County Council shall not enact any supplemental Ordinance authorised by the foregoing provisions of Section VII of the Ordinance unless in the opinion of counsel the enactment of such supplemental Ordinance is permitted by the foregoing provisions of Section VII of the Ordinance and the provisions of such supplemental Ordinance do not adversely affect the rights of the holders of the Bonds then outstanding.

Amending and Supplementing of Ordinance With Consent of Holders of Bonds.

(a) With the consent of the holders of not less than a majority in principal amount of the Bonds then outstanding the County Council from time to time and at any time may enact an Ordinance amendatory thereof or supplemental thereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Ordinance, or modifying or amending the rights or obligations of the County under the Ordinance, or modifying or amending in any manner the rights of the holders of the Bonds then outstanding; provided, however, that, without the specific consent of the holder of each such Bond which would be affected thereby, no supplemental Ordinance amending or supplementing the provisions thereof shall: (i) change the fixed maturity date of any Bond or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Bond or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) reduce the aforesaid percentage of Bonds, the holders of which are required to consent to any supplemental Ordinance amending or supplementing the provisions of the Ordinance; or (iii) give to any Bond or Bonds any preference over any other Bond or Bonds. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the holders of the Bonds of the enactment of any supplemental Ordinance authorised by the provisions of Section 1 of Article VII of the Ordinance.

(b) It shall not be necessary that the consents of the holders of the Bonds approve the particular form of the wording of the proposed amendment or supplement or of the supplemental Ordinance. The County shall mail a notice at least once, not more than thirty (30) days after the effective date of such amendment or supplement of such amendment or supplement postage prepaid, to each holder of Bonds then outstanding at his address, if any, appearing upon the Books of Registry and to the Paying Agent, but failure to mail copies of such notice to any of the holders shall not affect the validity of the supplemental Ordinance effecting such amendments or supplements or the consents thereto. Nothing in this paragraph contained, however, shall be construed as requiring the giving of notice of any amendment or supplement of the Ordinance authorised by Section 1 of Article VII of the Ordinance. No action or proceeding to set aside or invalidate such supplemental Ordinance or any of the proceedings for its enactment shall be instituted or maintained unless such action or proceeding is commenced within sixty (60) days after the mailing of the notice required by this paragraph.

Effectiveness of Supplemental Ordinance.

Upon the enactment (pursuant to Article VII of the Ordinance and applicable law) by the County Council of any supplemental Ordinance amending or supplementing the provisions of the Ordinance and the delivery to the Paying Agent and the County Council of an opinion of bond counsel that such supplemental Ordinance is in due form and has been duly enacted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the County, or upon such later date as may be specified in such supplemental Ordinance, (a) the Ordinance and the Bonds shall be modified and amended in accordance with such supplemental Ordinance, (b) the respective rights, limitations of rights, obligation, duties, and immunities, under the Ordinance of the County, the Fiscal Agents, and the holders of the Bonds, shall thereafter be determined, exercised, and enforced, under the Ordinance subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental Ordinance shall be a part of the terms and conditions of the Bonds and of the Ordinance for any and all purposes.

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APPENDIX C
FORMS OF BOND COUNSEL OPINIONS

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HOWELL LINKOUS & NETTLES, LLC

Bond Attorneys & Counsellors at Law

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The Lining House
106 Broad Street
Charleston, South Carolina 29401

Concentrating in Municipal Bonds,
Local Government Law, Economic
Development Incentives,
Affordable Housing Development

7 November 2024

Charleston County, South Carolina
Charleston, South Carolina

Re: \$90,250,000 Charleston County, South Carolina, General Obligation Capital
Improvement Bonds, Series 2024A

Ladies and Gentlemen:

As bond counsel to Charleston County, South Carolina (the “County”), we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the County of its \$90,250,000 General Obligation Capital Improvement Bonds, Series 2024A (the “Bonds”), which are originally dated November 7, 2024, are in fully-registered form, are in denominations of \$5,000, or any integral multiple thereof, and mature, in annual series or instalments, on November 1 in the years and amounts, and bear interest as follows:

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2025	\$16,630,000	5.00%	2035	\$3,745,000	5.00%
2026	2,390,000	5.00	2036	3,940,000	5.00
2027	2,510,000	5.00	2037	4,140,000	5.00
2028	2,640,000	5.00	2038	4,355,000	5.00
2029	2,775,000	5.00	2039	4,575,000	5.00
2030	2,915,000	5.00	2040	4,810,000	5.00
2031	3,065,000	5.00	2041	5,055,000	5.00
2032	3,225,000	5.00	2042	5,290,000	4.00
2033	3,390,000	5.00	2043	5,505,000	4.00
2034	3,565,000	5.00	2044	5,730,000	4.00

The Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

Interest on the Bonds is payable on May 1 and November 1 of each year, commencing May 1, 2025. Principal of the Bonds is payable to the registered owners thereof, in legal tender at the corporate trust office of Computershare Trust Company, N.A. (the “Paying Agent”). Interest on the Bonds is payable by cheque or draught mailed to the registered owners by the Paying Agent.

The Bonds recite that they are issued by the County pursuant to and for the purposes authorised by the County Bond Act (Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended), as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended (collectively, the “Bond Act”), and an Ordinance duly enacted by the County Council of Charleston County, the governing body of the County (the “Ordinance”), to provide funds to defray or reimburse the costs of acquisition and construction of County governmental facilities and related equipment and furnishings; and to pay costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on our examination, including the assumptions and limitations set forth herein, we are of the opinion as of the date hereof and under existing law, as follows:

1. The proceedings are regular and in due form of law and the Bonds constitute valid and binding obligations of the County, secured by an irrevocable pledge of the full faith, credit, and taxing power of the County and are payable, both principal and interest, from a direct ad valorem tax upon all taxable property in the County, without limit as to rate or amount. Provision has been made for the levy and collection of the tax to meet the payment of principal and interest on the Bonds as the same respectively mature.

2. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds is, however, taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended [the “Code”]) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions set forth in this paragraph are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Bonds.

3. Principal and interest on the Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina,

except inheritance, transfer, and certain franchise taxes. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds.

We have examined executed Bond No. R-1 of the issue and, in our opinion, it is in due form of law.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include [original issue discount,] original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Ordinance may be subject to bankruptcy, insolvency, reorganisation, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Our services as Bond Counsel for purposes of rendering the foregoing opinions have been based on our review of such legal proceedings, documents, and certificates from the County as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds, and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the County, and we express no opinion herein as to the accuracy or completeness of any information with respect to the County that may have been relied upon by the owners of the Bonds in making their decision to purchase the Bonds.

Very truly yours,

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HOWELL LINKOUS & NETTLES, LLC

Bond Attorneys & Counsellors at Law

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106 Broad Street
Charleston, South Carolina 29401

Concentrating in Municipal Bonds,
Local Government Law, Economic
Development Incentives,
Affordable Housing Development

7 November 2024

Charleston County, South Carolina
Charleston, South Carolina

Re: \$4,015,000 Charleston County, South Carolina, General Obligation Fire Protection Service Bonds (Awendaw McClellanville Consolidated Fire Protection District), Series 2024B

Ladies and Gentlemen:

As bond counsel to Charleston County, South Carolina (the “County”), we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the County of its \$4,015,000 General Obligation Fire Protection Service Bonds (Awendaw McClellanville Consolidated Fire Protection District), Series 2024B (the “Bonds”), which are originally dated November 7, 2024, are in fully-registered form, are in denominations of \$5,000, or any integral multiple thereof, and mature, in annual series or instalments, on November 1 in the years and amounts, and bear interest as follows:

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2025	\$465,000	5.00%	2033	255,000	5.00%
2026	180,000	5.00	2034	270,000	5.00
2027	190,000	5.00	2035	280,000	5.00
2028	200,000	5.00	2036	295,000	5.00
2029	210,000	5.00	2037	310,000	5.00
2030	220,000	5.00	2038	325,000	5.00
2031	230,000	5.00	2039	340,000	4.00
2032	245,000	5.00			

The Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

Interest on the Bonds is payable on May 1 and November 1 of each year, commencing May 1, 2025. Principal of the Bonds is payable to the registered owners thereof, in legal tender at the corporate trust office of Computershare Trust Company, N.A. (the “Paying Agent”). Interest on the Bonds is payable by cheque or draught mailed to the registered owners by the Paying Agent.

The Bonds recite that they are issued by the County pursuant to and for the purposes authorised by Title 4, Chapter 19 of the Code of Laws of South Carolina, 1976), as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended (collectively, the “Bond Act”); and an ordinance (the “Ordinance”) to provide funds to defray or reimburse the costs of acquisition of fire trucks and equipment; and to pay costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We express no opinion herein as to the accuracy, completeness, or sufficiency of the Official Statement relating to the Bonds. We refer you to our letter of even date herewith with regard to certain matters regarding the Official Statement.

Based on our examination, including the assumptions and limitations set forth herein, we are of the opinion as of the date hereof and under existing law, as follows:

1. The proceedings are regular and in due form of law and the Bonds constitute valid and binding obligations of the County, secured by an irrevocable pledge of the full faith, credit, and taxing power of the County and are payable, both principal and interest, from a direct ad valorem tax upon all taxable property in the County, without limit as to rate or amount. Provision has been made for the levy and collection of a special tax on all property in the areas of the County where fire protection service is provided by the County in accordance with the provisions of the Bond Act. The Bond Act requires that this special tax shall be levied annually in an amount sufficient to meet the payment of principal and interest on the Bonds as the same respectively mature.

2. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds is, however, taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended [the “Code”]) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions set forth in this paragraph are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause

interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Bonds.

3. Principal and interest on the Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina, except inheritance, transfer, and certain franchise taxes. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds.

We have examined executed Bond No. R-1 of the issue and, in our opinion, it is in due form of law.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Ordinance may be subject to bankruptcy, insolvency, reorganisation, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Our services as Bond Counsel for purposes of rendering the foregoing opinions have been based on our review of such legal proceedings, documents, and certificates from the County as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds, and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the County, and we express no opinion herein as to the accuracy or completeness of any information with respect to the County that may have been relied upon by the owners of the Bonds in making their decision to purchase the Bonds.

Very truly yours,

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APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of November 7, 2024, is executed and delivered by Charleston County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means Digital Assurance Certification, L.L.C., or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the respective issue of Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the respective issue of Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than nine months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. “Principal and interest payment delinquencies;”
 2. “Non-Payment related defaults, if material;”
 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 5. “Substitution of credit or liquidity providers, or their failure to perform;”
 6. “Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 7. “Modifications to rights of securities holders, if material;”
 8. Bond calls, if material, and tender offers;
 9. “Defeasances;”
 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 11. “Rating changes;”
 12. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 13. “The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;”
 14. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
 15. “Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;” and
 16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;” and
 10. “other event-based disclosures.”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data.”
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial and statistical information contained in the tables provided in the Official Statement under the headings:

1. Assessed Value of Taxable Properties in Charleston County.
2. Tax Levy (for current fiscal year).
3. Property Tax Collection Record (for preceding fiscal year).
4. Largest Taxpayers (for preceding fiscal year).
5. Debt Service for General Obligation Bonds for the next succeeding five years.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and

with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CHARLESTON COUNTY, SOUTH CAROLINA,
as the Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Charleston County, South Carolina
Obligated Person(s)	Charleston County, South Carolina
Name of Bond Issue:	General Obligation Bonds, Series 2024[A/B]
Date of Issuance:	November 7, 2024
Date of Official Statement	October 24, 2024
CUSIP Number:	_____

EXHIBIT B

Issuer: Charleston County, South Carolina

Obligated Person: Charleston County, South Carolina

Name(s) of Bond Issue(s): General Obligation Bonds, Series 2024[A/B]

Date(s) of Issuance: November 7, 2024

Date(s) of Disclosure Agreement: November 7, 2024

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement by and between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____, ____.

Dated: _____, ____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Charleston County, South Carolina

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;" Tender offers;
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____, _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement, dated as of _____, 2024, by Charleston County, South Carolina (the “Issuer”), and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Charleston County, South Carolina

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party; and”
10. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____, _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement, dated as of November 7, 2024, by Charleston County, South Carolina (the “Issuer”), and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Charleston County, South Carolina

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1. _____ “quarterly/monthly financial information;”
2. _____ “change in fiscal year/timing of annual disclosure;”
3. _____ “change in accounting standard;”
4. _____ “interim/additional financial information/operating data;”
5. _____ “budget;”
6. _____ “investment/debt/financial policy;”
7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
8. _____ “consultant reports;” and
9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____, _____

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APPENDIX E
DTC AND BOOK-ENTRY ONLY SYSTEM

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THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY (“DTC”) AND DTC’S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT CHARLESTON COUNTY, SOUTH CAROLINA (THE “COUNTY”) BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the General Obligation Bonds, Series 2024 (the “Bonds”) of the County. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each series of each maturity of the Bonds, each in the aggregate principal amount of such maturity of subseries, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organised under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerised book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to any of the resolutions under which any Bonds is issued. For example, the Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption payments and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption payments and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to any Bonds at any time by giving reasonable notice to the County and the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

NEITHER THE COUNTY NOR THE PAYING AGENT IS RESPONSIBLE OR LIABLE FOR THE FAILURE OF ANY DIRECT PARTICIPANTS OR ANY INDIRECT PARTICIPANTS TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE BONDS OR ANY ERROR OR DELAY RELATING THERETO.

Neither the County nor the Paying Agent gives any assurances that DTC, DTC Participants, or Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal, premium, if any, and interest, with respect to the Bonds, (ii) confirmation of beneficial ownership interests in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, DTC Participants, or Indirect Participants will serve or act in the manner described in this Official Statement.

All capitalized terms not otherwise defined in this Appendix shall have the meaning ascribed to such term in this Official Statement.